BUS 345 Fundamentals of Decision Making CLA2

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**Summary of the decision making concepts in CLA1**

There have been a wide variety of decision making concepts that have been discussed in the previous assignment. The concepts deal with the different decision making models present within the world. Primarily, standard decision making process is used. This process involves seven steps and are referred to as the problem-solving method. In this, information is defined on the given scenario. The second concept discussed was of system thinking. In this approach, the world is looked at through the notion that the world is just a collection of systems that are very much inter connected with each other and is built into a hierarchy of systems.

Another decision making concept that was discussed is ‘bias’. This is the prejudice that one develops against another person which is irrational. Bias is always present physically, mentally and philosophically. There is inherent bias in every thought and it is important to ensure that this bias is not forming the experience and expectations regarding an outcome. Emotion is another decision making concept that had been discussed in the previous assignment. Emotion is an auto engaged characteristic of humans and has a profound effect on the decision making process of individuals. Emotional reactions are an arbitrary form of reaction and is not always shared the same way between different people.

**Psychology of Poor Financial Investment Decisions**

Most people are very careful of taking risks and they do not want to take high risks. As a senior manager, I understand that the greater the risk, the greater the reward. This is something I want to enthrall into the workings of the finance department (Carvalho, et al, 2016). Furthermore, the finance department need to learn to manage the expectations of our client and theirs as well. They need to make their customers aware of the fact of the relationship between risk and return. Moreover, they need to understand that they can be risk averse but at the same time, they can generate huge amounts of profit for the company and its clients.

Other reasons that cause poor financial decision making is stress. A stressed brain can lead to individuals to make bad financial decisions. If employees within my company are overworked and have not had enough sleep, they are likely to act in the most atrocious way ever. This is even truer for employees in the finance department (Karadag, 2015). If they are not properly cared and given the time to rest and are not overburdened, they will definitely perform. These people are working with huge amounts of money at a time and if they cannot critically analyze the circumstances ahead of them, they would cause a loss for my company.

**Improving the overall decision making process**

There is a need to make a proper plan for avoiding cognitive mistakes and making rational decisions during negotiation that would help in creating healthy working environment. Being a senior manager of organization, I need to keep a sharp eye on all the happenings. For making rational decision, I must analyze the whole situation and the circumstance of the organization well and in order to avoid cognitive mistakes during the negotiation, it would be important for me to get full knowledge about what I would be dealing with. For increasing the rationality of my decision and mitigation of the cognitive mistakes, I have to evaluate the situation from all angles. After having full knowledge of the organization, employees, code of conduct and operations, I would be able to make a rational decision that would also help me in avoiding the cognitive mistakes in the negotiation as well. Familiarity with things, individuals and circumstances regarding with a decision would be taken as the only element whose exploration would lead towards the right decision making. Technically for a decision to be more rational, I would keep all the pros and cons of organization in consideration.

**Improving overall decision-making processes**

There are different strategies that can be used to improve the overall process of decision making. These strategies are as follows

**Learning from experience**

It is one of the strategies that can help the employees to learn something that will not only be crammed by them but it will also be fruitful in the long run. Learning from experiences include scenario-based earning or the mistakes that the employee commits. Such mistakes and learnings will help employees to be compos while making decisions (Coba, 2019).

**Understating Context**

Another strategy that can help to make better decisions is understating the context. This context can be both, apparent or something that is hidden under words. It is important to note that employees should be taught to understand the context and features proper to making a decision. It will help employees to address the facts and figures by considering the long-term goals that are associated with it (Coba, 2019).

**Productive Argument**

Productive argument is one of the strategies that can be used by the CEO to incorporate better decision-making skills in the employees. It is a common observation that those people are more creative and critical who engage themselves in logical and valid arguments rather being driven by emotion or feelings (Coba, 2019).

**Giving Options**

It is asserted that an employee can be taught to make decisions if he is able and capable of giving options to others. Giving options to other will not only reduce the risk if making some false decision bit it will also help an employee to make decision by undergoing relative approach (Coba, 2019).

**Experimentations**

Employees can be taught to make decisions by using and incorporating experimentations because it is one of the approaches that will increase the exposure of an employee by making him open to different scenarios and take part in taking different decisions (Coba, 2019).

**System that can ensure decision making**

“Training System” is one of the systems that can help employees to take ethical decisions. It is significant to note that the employees should be given different training session frequently. These sessions should be given and delivered by people who are good at decision making or those who have a critical approach to the workplace in terms of decision making. This system will not only let people make decision in accordance with the taught objectives but it will reduce the complication in which ethics are either questioned or they are compromised. (Dogba, 2019). According to different researchers, it is proved that training is something that can Bing all the employees on board and it can create and impart homogeneity because all the employees will be given the same training so they can learn something new by following the same decorum and code of conduct. It is more added that the training that are given to the employees should incorporate all the features such as scenarios and experiments that are ever thought to affect the division making procedures (Dogba, 2019). According to the approaches designed to facilitate positive decision making, it is asserted that employees should be made to work in different situations and scenarios as a judgment that can help to improve the effectiveness so the decisions and let others know something that can either be erroneous or informative. In a nutshell, training system is one of the best system that can be incorporated or used to address the decision-making needs of the employees because it will not only cats negative impact on the employees in terms of shirking work in fact it will encourage employees to take an active part because what matters is the efficiency of the employee with which he is addressing scenarios (Dogba, 2019).

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