

The hidden traps in decision making

[Business](#)



During decision making, many people unwittingly encounter various traps in the process.

They include anchoring, framing, sunk costs, status quo and confirming evidence. Notably, these traps influence the way managers in businesses engage in decision making. Therefore, it is essential to note the impending traps, disciplines, and building tests that can be present in the decision making processes. Anchoring Trap Anchoring relates to the idea that people put a lot of weight on the first information they receive regarding a particular issue. Other anchoring traps also include trends, past events, and previous performance. These may have certain impacts on business strategies; therefore, it is advisable to avoid anchoring advisers, discuss an issue extensively with other and take note of any anchoring trap that might come your way.

The Framing Trap The framing of a question can have a marked impact on the selected answer. The most common includes framing a question using gains and losses. People tend to pick a less risky option if they are presented with two alternatives of same measure (Hammond 34). Nonetheless, if the same is asked in terms of evading losses, people go for riskier options. Therefore, it is advisable to pose questions in a neutral way; do not just jump into the initial frame.

Sunk costs It relates to arriving at decisions using past experiences, which leads many to making improper decisions. To avoid ruining business strategies, one should look for individuals who were not present during past decisions. Additionally, look into past decisions and mistakes and avoid the

influence of sunk costs. Status Quo Here, the decision making is biased towards current events subconsciously to protect the ego from failing once more. The status quo is seen as safe.

However, it is important to remember that it is never the only feasible option. Confirming Evidence Business strategists at times search for opinions and evidence that will justify or support their decisions and position an place extra weight on the issues that what they deserve. Avoid asking leading questions or ask another individual to act as the Devils' Advocate. Theorizing Polyphonic Organization as a Democratic Alternative to Total Institutions Total institutions refer to enclosed and isolated social systems whose main objective is to control many aspects of the lives of its participants. Some people have raised concerns over these kinds of institutions and called for finding other democratic alternatives like polyphonic organizations.

Polyphonic organizations, on the other hand, refer to organizations that have broad degree of strategies that capture a wider social and cultural aspect.

In a polyphonic organization, the normal coherence between the organizational type and function system has to become artificial (Carter et al 134). Many organizations are today moving from total institutions to polyphonic ones. Organizational polyphony focuses on the management of various binary codifications. By definition, an organization can be said to be polyphonic if it is connected to various function systems devoid of a primary function system that is predefined. It involves explosions, as well as, universalization of the function systems to extend beyond their boundaries. The polyphony of an organization should have essential ethical implications.

Managing such organizations means acknowledging the voices of other individuals and also mediating between other business strategies. Employees in a polyphonic organization are much more motivated, committed, and empowered than in a closed institution. Such an organization will position itself in a different manner hence realize a competitive advantage via reputation management. It is an institution that markets itself as open, democratic, and multicultural. Diversity in business strategies and perspectives brings innovative and creative potential beyond conformity, which helps improve decision-making processes.

Managing Meaning through Branding Recent interest in organizational image, identity, culture, and reputation shows the pressure on contemporary organizations to deal with symbolic dimensions of all their operations. Branding has recently been understood to be an exercise in management of meaning. Branding informs stakeholders about the values of an organization besides instructing and directing organizational members. Therefore, branding should be seen as a leadership and management practice. Noteworthy managerial activity has to focus on making an impact on meaning and interpretation of the environment that members of an organization operate in.

Many business strategists suggest that branding may be taken as management of meaning in that, strategic efforts from management to shape and influence the norms, frame of references, and values among the members of an organization (Kornberger, Pitsis and Clegg 145). The brand is also important because it adds to the attractiveness of belonging thereby supporting the organizational identity strengths. A number of studies about <https://assignbuster.com/the-hidden-traps-in-decision-making/>

this issue has pointed out that organizational identity has an impact on the interpretation of the brand, including other branding practices.

Organizational identity refers to a set of beliefs that stakeholders and managers share concerning central, distinctive, and enduring characteristics of an organization. Organizational identity, as a concept, seeks to capture more than just the brand. It seeks to arrest identifiers that are inert and defy change.

A number of professional service firms continue to engage in traditional branding activities like sponsoring sports and advertising, as well. Brand has both internal and external effects from an organizational point of view.

External effects tackle the impact that a brand has on stakeholders beyond the company including clients, suppliers, competitors and shareholders.

Whence democracy? A review and critique of the conceptual implications of business case for organizational democracy The call for organizational democracy in the US has recently increased because of a new management wave. It is characterized by some challenges towards the economic efficiency of hierarchical structures in the governance or organizations (Johnson 246). Overall, it offers democratization as the remedy to solving the issue of employee alienation as well as issues dealing with destabilized capitalism.

Notably, politics interconnection, knowledge and ethics usually underpin trust in hierarchy, where organizational democracy can legitimize and assemble its rationale.