

# Unit 4 discussion board



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BUSTER**

The Non-Rational Escalation of Commitment Jane had been with Grim Brothers Car Wash for three years and during that time she had gained the respect and trust of the owners. She was given some additional responsibility and was put in charge of purchasing the everyday supplies like towels, cleaners, and soaps. She went to work with a new found vigor and decided to change the brand of soap that was used in the automatic car washer. The previous soap had been acceptable, but had been used since she started there and she was certain she could find a new and improved product. She located an ad that swept her off her naïve feet and because she could get an extra discount she purchased a years supply. The next year would take its toll on Jane as she engaged in non-rational escalation of commitment to support her decision.

The soap cleaned comparably well in comparison to the previous product. However, after the first week the workers complained that the soap was clogging the jets and they had to shut down the machine every two days to clean them. Jane tells them that they were probably already in need of cleaning and it couldnt be the soap. Besides, with the money she saved they could afford to clean the jets occasionally. She has begun the escalation process due to the need for self-justification (Colwell & Mowday, n. d.). She rationalized that the soap was working just fine.

Two weeks later, one of the owners asked Jane to return the soap and go back to the old brand. She called the supplier and was advised of the 20% re-stocking charge to return the soap. However, the salesman told her that because she had a bad experience and was under some pressure, he would sell her another years supply at a 50% discount. Jane did the math and figured she would save the 20% restocking fee and get a 50% discount. That

was a savings of 70% and would be enough to save her reputation. She purchased another years supply.

Jane had gone down the path of serial decision making and was basing her decisions on the previous errors she had made, which is the critical feature of non-rational escalation (Staw, 1981, p. 584). In addition, she was the victim of perceptual bias that impeded her ability to think objectively (Block, 2005, p. 15). Jane was also ignoring everything she had learned in business class. She was not making decisions based on the current state and was using her sunk costs to influence her decision (Schminke, 1998, p. 205). She was throwing good money after bad. Jane did some research on clogged jets and found that soap was the most likely suspect but could be caused by any one of a dozen other things such as high mineral content in the water. When the brothers demanded that she solve the soap problem, Jane purchased a water softener. Again, perceptual bias stood in the way of making a rational decision (Block, 2005, p.).

Jane could have stopped the escalation by adhering to proper decision making processes. Since it was a unilateral action, it was her responsibility to stop it. Her persistence in her self-justification only made the problem worse. It was irrational to believe that the second years supply would be of any more value than the first batch, even at a lower cost. In the end, Jane considered the situation a learning experience rather than a failed decision. She was still being non-rational by using Cognitive Dissonance to find some value in her poor decision (Block, n. d., p. 11). The situation could have been prevented by Jane if she had used a valid decision making process.

#### References

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