

# Judgement and decision making

Business



Judgment and Decision Making Judgment and Decision Making The Cialdini's Rule is solely pegged on behavior. The rule is a component of social and persuasion influence that forms part of judgment and decision-making. The rule states that people tend to follow advice, directive, and instructions from proper authorities (Kramer, 1998). According to the rule, a proper authority can be determined or established falsely by an external quality expertise and status of a person. Some of these authority figures include CEO's, politicians, professors, and physicians among other personnel. Authority is a vital a persuasion tool since it increases societal coordination and reduces persuasion process. This tool is also essential, non-egocentric social propriety; thus, Madoff should use this tool to win investors' trust on their \$50 billion.

Notably, Bernie Madoff might have capitalized on this tool to influence that belief and trust of investors that he could manage the \$50 billion economically and profitably (Kramer, 1998). On this note, Madoff should use the Cialdini's principle that includes the mode of dress, education, physical characteristics (age, posture), and level of education and experience in handling the entire investment persuasions. Additionally, Madoff could have removed the self-interest from the investment (Connolly, Hammond, and Arkes, 1999). The principle of removal of self-interest from the persuasion often increases the perception of other interested parties in the discussion. However, there are chances that Madoff can fail to convince the investors to entrust him with \$50 billion. This might happen if he lacks the expertise or rather the miss-entitlement to allocate incentives. Notably, the decision can only be taken in the self-interest of Madoff but not that of the business (Connolly, Hammond, and Arkes, 1999). In such a case, some of the <https://assignbuster.com/judgement-and-decision-making/>

investors may suspect his own judgment in the persuasion deal and fail to follow his authority's instructions. Therefore, if Madoff remain faithful and persuades the investors at the interest of the business, there are high chances that the investors may entrust him with their \$50 billion worth of investment.

In addition, Madoff should apply the liking or the affect as a persuasion mechanism to note that the things that make people feel valued are things that are equally beneficial to those people. The approach also has a strong motivating power, love, anger, pride, and attraction among others. Well articulation of this principle shall overwhelm reason that eventually become extraordinarily difficult to change (Koehler and Harvey, 2007). Notably, affect sometimes create disregard for choices that might have been made depending on the chance criterion that might have been applied; however, Madoff should note this criteria varies across individuals. Therefore, Madoff should make the investors focus on the current performance of the business but to disregard the past and the future of the business (Cialdini, 2007). This principle is often a significant behavioral and choice heuristic, and it would make Madoff address and keep off things that scare him thereby being able to approach the investors proudly and attractively.

The affect principle will work perfectly for Madoff since it only requires person composure. Thus, during the meeting with the investors, Madoff only needs to be physically attractive. Moreover, the principle often relate persons with the same interest and common goals; thus, eliminating egocentric bias (Hardman, 2009). To be more open to the investors, Madoff must ensure he mirrors his speech, touch, flatter, and share all the required information freely. These actions will induce positive in investors towards <https://assignbuster.com/judgement-and-decision-making/>

Madoff about his ability to handle the \$50 billion. Finally, the principal may also induce negative affect on the alternative ways through which the money cannot be entrusted to Madoff.

#### References

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