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978-0-521-48107-6 - Organizational Decision Making
Edited by Zur Shapira
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Decision making in organizations is often pictured as a coherent and rational process in which alternative interests and perspectives are considered in an orderly manner until the optimal alternative is selected. Yet, as many members of organizations have discovered from their own experience, real decision processes in organizations only seldom fit such a description.

This book brings together researchers who focus on cognitive aspects of decision processes, on the one hand, and those who study organizational aspects such as conflict, incentives, power, and ambiguity, on the other. It draws from the tradition of Herbert Simon, who studied organizational decision makers' pervasive use of heuristics of reasoning and described them as boundedly rational. These multiple perspectives may further our understanding of organizational decision making.

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The purpose of this series is to convey the general principles of and findings about judgment and decision making to the many academic and professional fields to which these apply. The contributions are written by authorities in the field and supervised by highly qualified editors and the Publications Board. The series will attract readers from many different disciplines, largely among academics, advanced undergraduates, graduate students, and practicing professionals.

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Edited by
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CAMBRIDGE UNIVERSITY PRESS
Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore,
São Paulo, Delhi, Dubai, Tokyo

Cambridge University Press
The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org
Information on this title: www.cambridge.org/9780521890502

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First published 1997
First paperback edition 2002

A catalogue record for this publication is available from the British Library

ISBN 978-0-521-48107-6 Hardback
ISBN 978-0-521-89050-2 Paperback

Transferred to digital printing 2010

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Series preface

The Society for Judgment and Decision Making first collaborated with Cambridge University Press in 1986, with the publication of *Judgment and Decision Making: An Interdisciplinary Reader*, edited by Hal R. Arkes and Kenneth R. Hammond. As the editors stated in their introduction, "Judgment and decision making are of critical importance, and the fact that it is possible to study them in a scientific, empirical manner is a new and exciting event in the recent history of science" (p. 1). The 1980s witnessed the flowering of the area of human judgment and decision making. The founding and expansion of the Society was one feature of this growth. At the same time, there has been an explosion of research and teaching in departments of psychology, economics, and schools of business, engineering, public policy, and medicine, with significant practical contributions through applied research and consulting in public and private institutions.

The Arkes and Hammond *Reader* was successful as an outline of the core ideas and approaches of the field and an illustration of the impressive range of useful applications. The Society, with Ken Hammond's encouragement, recognized the potential for a series of books to provide an educational and intellectual focus for the continued growth and dissemination of judgment and decision-making research. Each book in the series will be devoted to domains of practical or theoretical interest, offering an accessible presentation of the best new ideas and empirical approaches from the field of judgment and decision making.

The Publications Committee is pleased to offer this book, the fourth in the series. Zur Shapira has done an outstanding job as editor, bringing together a distinguished group of authors to write chapters especially for this volume. Many important decisions in commerce, government, and society occur inside large, complex organizations. In normal discourse, we often use language that implies that the entire organizational entity made the decision. However, within the organization are individuals, exercising

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their best judgment and using their cognitive capabilities to choose, for better or for worse. Thus, the psychology of judgment and decision lies very close to the heart of organizational decisions. At the same time, understanding decisions in organizations requires consideration of factors that we often overlook in studies of individual judgments and choices. Understanding both the similarities and differences in individual and organizational decisions can serve only to enlighten both fields. This book will help organizational researchers discover what judgment and decision making has to offer while also encouraging judgment and decision researchers to apply their theories and findings to the fertile context of real organizations.

Don N. Kleinmuntz, Former Chair
For the Publications Committee

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Editor's preface

The topic of decision making spans many disciplines including both individual judgment and choice behavior and organizational decision making. In editing this volume I focused on potential linkages between the individual and organizational levels of analysis. My goal was to have authors describe their work, hoping to encourage cross pollination between the two domains in future research. Obviously, research that looked at the two levels of analysis has been attempted. In recent years researchers have shown renewed interest in work done at multiple levels of analysis. This volume reflects this growing trend and will contribute to more active interaction between researchers in the two traditions.

Editing this volume was a very demanding task and I would not have been able to do it without the help of several people. First and foremost is Don Kleinmuntz, who acted as series editor on behalf of the Publications Committee of the Society for Judgment and Decision Making. Don was very encouraging throughout the process and his comments on the chapters were invaluable. His insightful and prompt feedback was of great assistance. In addition, I discussed the contents of the book with Raghu Garud, Joe Lampel, Jim March, and Guje Sevon, and their advice is acknowledged. The discussions with doctoral students who took my seminar on Managerial Cognition also helped in thinking on the structure of the book. Julia Hough, our editor at Cambridge University Press, was very supportive and provided timely feedback at many points along the way. The technical assistance of Gia Pangilinan, Helen Wheeler, and Paul Dreifus was valuable. The hospitality of the Center for Rationality and Interactive Decision Theory of the Hebrew University of Jerusalem is acknowledged. Finally, the patience of my family, Gila, Romy, and Ittai, provided me with the needed support through a long journey and a demanding task.

Just as this book goes to press we heard of the untimely death of Jerry Salancik. We were saddened by the news but will long remember his friendship, collegiality, and contributions to the field.

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