

6.7: Glossary

Decision-making The action or process of thinking through possible options and selecting one.

Stakeholders Individuals or groups who are impacted by the organization. These include owners, employees, customers, suppliers, and members of the community in which the organization is located.

Emotional intelligence The ability to understand and manage emotions in oneself and in others.

Reactive system System of decision-making in the brain that is quick and intuitive.

Reflective system System of decision-making in the brain that is logical, analytical, and methodical.

Heuristics Mental shortcuts that allow a decision-maker to reach a good decision quickly. They are strategies that develop based on prior experience.

Nonprogrammed decisions Decisions that are novel and not based on well-defined or known criteria.

Programmed decisions Decisions that are repeated over time and for which an existing set of rules can be developed.

Bounded rationality The concept that when we make decisions, we cannot be fully rational because we don't have all the possible information or the cognitive processing ability to make fully informed, completely rational decisions.

Confirmation bias The tendency to pay attention to information that confirms our existing beliefs and to ignore or discount information that conflicts with our existing beliefs.

Escalation of commitment The tendency of decision-makers to remain committed to a poor decision, even when doing so leads to increasingly negative outcomes.

Process conflict Conflict about the best way to do something; a conflict that is task-oriented and constructive, and not focused on the individuals involved.

Relationship conflict Conflict between individuals that is based on personal (or personality) differences; this type of conflict tends to be destructive rather than constructive.

Creativity The generation of new or original ideas.

Critical thinking A disciplined process of evaluating the quality of information, especially by identifying logical fallacies in arguments.

Evidence-based decision-making A process of collecting the best available evidence prior to making a decision.

Satisficing Choosing the first acceptable solution to minimize time spent on a decision.

Brainstorming A process of generating as many ideas or alternatives as possible, often in groups.

Devil's advocate A group member who intentionally takes on the role of being critical of the group's ideas in order to discourage groupthink and encourage deep thought and discussion about issues prior to making decisions.

Groupthink The tendency of a group to reach agreement very quickly and without substantive discussion.

Suppression of dissent When a group member exerts his or her power to prevent others from voicing their thoughts or opinions.

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