



[Summary]

Perception and Decision Making Part-2

Subject:	Business Economics
Course:	B.A., 4 th Semester, Undergraduate
Paper No. & Title:	Paper – 402 Organizational Behaviour
Unit No. & Title:	Unit - 2 Individual Behaviour
Lecture No. & Title:	Lecture – 6 Perception and Decision Making Part-2

Summary

The accuracy of our perception is limited due to errors of judgment that also include our biases. Individuals think and reason before they act. It is because of this that an understanding of how people make decisions can be helpful for explaining and predicting their behavior. Under some decision situations, people follow the rational decision-making model. But for most people, and most non-routine decisions, this is probably more the exception than the rule. Few important decisions are simple or unambiguous enough for the rational model's assumptions to apply. So we find individuals looking for solutions that satisfice rather than optimize, inject biases and prejudices into the decision process, and relying on intuition.