

HERBERT A. SIMON

FIGURE I. TRADITIONAL AND MODERN TECHNIQUES OF DECISION MAKING

8

THE NEW SCIENCE OF MANAGEMENT DECISION

TYPES OF DECISIONS	DECISION-MAKING TECHNIQUES	
	<i>Traditional</i>	<i>Modern</i>
Programmed: Routine, repetitive decisions Organization develops specific processes for handling them	1. Habit 2. Clerical routine: Standard operating procedures 3. Organization structure: Common expectations A system of subgoals Well-defined informational channels	1. Operations Research: Mathematical analysis Models Computer simulation 2. Electronic data processing
Nonprogrammed: One-shot, ill-structured novel, policy decisions Handled by general problem-solving processes	1. Judgment, intuition, and creativity 2. Rules of thumb 3. Selection and training of executives	Heuristic problem-solving techniques applied to: (a) training human decision makers (b) constructing heuristic computer programs