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Analysis of Decisions under Uncertainty

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here. The only way to get the full benefit is by reading it. Whether one comes away from this volume with a sense of strong agreement or with sharp dissent with its main themes, one will not come away with a feeling of time wasted. Few works can provide more understanding of such a wide range of political-military matters having absolute relevance to all Americans—especially those in the military—than *The Limits of Intervention*.

J.N. LACCETTI, LCOL, U.S. Army

Salisbury, Harrison E. *War between Russia and China*. New York: Norton, 1969. 224p.

A majority of Americans probably view the recent signs of conflict between the Soviet Union and China with equanimity or even hopeful anticipation. Not so Harrison Salisbury, the long-time *New York Times* Moscow correspondent. His view is that the Soviet Union and China are nuclear superpowers, and any war between them will be a nuclear war that will involve the United States. He is particularly concerned because he feels that if events are permitted to continue in the present pattern, war will become inevitable. Most of the book is devoted to establishing this point. Tracing Russian-Chinese relations from the time of Genghis Khan in the 13th century, Mr. Salisbury highlights the major conflicts that have characterized the relationship for over 600 years. The analysis is especially interesting and valuable because it is based upon the author's personal contacts and observations during extensive travels in Asia (in particular his May 1969 visit to Mongolia), in addition to historical research. Unfortunately, the weakest part of this book is the proposed solution. Once again it is the United States that is expected to make the overtures and concessions and bear the expenses—part of the solution being a massive food program for China. It is unlikely that

the American people would support Mr. Salisbury's proposals. It is even more doubtful that the Soviet Union and China would agree. The book concludes somewhat naively by holding out the prospect of lasting world peace and harmony if the United States takes the recommended action.

In spite of this shortcoming, *War between Russia and China* is recommended to all military officers. Reflecting the author's long experience as a newspaperman, the book is written in a crisp, lucid style. As a result, the reader can quickly gain an excellent grasp of the causes and ramifications of the crisis in Central Asia.

E.H. STEENTOFTE, CDR, U.S. Navy

Schlaifer, Robert. *Analysis of Decisions under Uncertainty*. New York: McGraw-Hill, 1969. 729p.

This book represents a rather substantial revision of the author's earlier popular text, *Probability and Statistics for Business Decisions*. Both books are concerned with the general subject of decision problems under conditions of uncertainty. The primary distinguishing characteristic of this revision is the explicit attention given to large-scale problems in which risk aversion is an important consideration. As in the case of the previous book, this was written as a textbook for undergraduate and graduate business school students. Thus, the material is presented in an integrated manner, and, in contrast to a reference book, it is difficult to gain much from this work without proceeding sequentially through it.

Schlaifer has divided the material into three major sections. Part I, entitled "Foundations," examines the basic principles one should apply in dealing with decision problems under uncertainty. It includes a description of the "decision tree" methodology and a discussion of the differences between a decisionmaker's preferences for possible courses of action and his judgments

concerning the chances that these uncertain events will occur. Part II, labeled "Assessment of Preferences and Probabilities," presents the basic methods which can be applied to quantify preferences and probabilities. This section includes one chapter on the subject of preference curves and decisionmakers' attitudes toward risks and four chapters on the concept and characteristics of probabilities and probability distributions. The final section, "Sampling and Simulation," deals with selected special problems that the author believes would be of particular interest to the businessman or decisionmaker.

This textbook is, in the reviewer's opinion, an excellent introduction to the general area of decisionmaking under uncertainty. It is well organized, lucidly written, and has been tested in the classroom for several years. If one is prepared to devote the time and effort required systematically to work through this text, he will be rewarded with a much better understanding of the nature of decision problems and equipped with a methodology by means of which he can analyze such problems. Although oriented primarily toward decision problems confronting the businessman, the subject matter could well be equally applicable to the decision problems confronting the naval officer. This book is highly recommended to the serious student of management science.

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Torgersen, Paul E. *A Concept of Organization*. New York: American Book-Van Nostrand-Reinhold, 1969. 173p.

Author Paul E. Torgersen prefaces his excellent little book with the words, "the purpose of this text is the development and orderly presentation of a concept of organization—a concept based on the work of Chester I. Barn-

ard." And indeed he has come up with an orderly, clear, and concise development of a single concept of organization. Although he has professed to be following Barnard's example, the text obviously contains far more than the original Barnard theory. For example, it includes a more detailed and specific treatment of communications and more emphasis on the role of the manager in the organization. The result is a very readable, fully packed but relatively short book which summarizes well the collective results of organizational and managerial hypotheses of the past several years. Torgersen draws the basic and lasting ideas from many recognized authorities in developing the "Barnard concept, and in doing so encapsulates a wealth of recognized organizational and management theory and practice which has evolved. He begins with the nature of cooperative systems and individual and cooperative activity and builds upon these to discuss the structure of cooperative activity, including a clear presentation of the "unit," the "complex," and the "informal" organization. He then treats five basic constituents of an organization, specifically, its objectives, communications, the willingness and ability to serve, authority and delegation, and the decision-making process, and then concludes with a separate section on the role of management and the dimensions of leadership. This reviewer is prompted to recall the many sources from which these principal parts of the total organizational problem have been drawn and suggests that, if carefully read and absorbed, Torgersen's little book is a valuable, cohesive summary of the best. It is considered to be of interest to anyone concerned with this important field which today pervades all daily lives and work and of special moment to students and practitioners of organization and management.

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