

Original Paper

The Political Scientist as an Economist: Decoding *Bounded Rationality*, AI (Artificial Intelligence), and Organizational Decision Making in the Works of Herbert A.

Simon

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Abstract

Herbert A. Simon's theories of administration successfully bring together an understanding of how and why decisions are made in respective organizations. Moreover, throughout his significant works, Simon sought practical solutions to particular administrative and management problems — that is, he lectured on how to organize and put in place practical solutions for workers or individuals (in companies), while they make significant contributions to organizational goals, using his theory of bounded rationality. In this regard, this paper also tries to concisely present some of Simon's thoughts and ideas (in specific and general ways) about the future of AI (Artificial Intelligence) in businesses. Simon died on February 9, 2001; but before his death, he made major theoretical ideas that provide us (today) with a fundamental way to study administrative management, while providing us with empirical observations and different patterns for understanding the future behavior of people or workers in different organizations and/or other social and political institutions. For his profound and important works, Herbert A. Simon, who was basically a political scientist, was awarded the 1978 Nobel Prize in Economics Sciences.

Keywords

bounded rationality, artificial intelligence, political science, decision-making, economic, public administration, entrepreneurship

1. Introduction: AI and Unbounded Reality in Organizations

From the start, it should be noted that in most biographies about Herbert A. Simon — a Nobel Laureate in Economics — he is described as an economist; however, “he never taught the subject [economics], but lectured in political science, administration, and psychology” (“Simon, Herbert,” 1994, p. 1016). Nevertheless, it also should be explained that, “many [academic] subjects such as political science and sociology that were once regarded as part of the study of economics have today become separate [academic] disciplines” (“economics,” 1975, p. 830), or “separate, definable [areas] of study” (“political science,” 1975, p. 2180). Simon was also “widely considered to be a founder of the field of artificial intelligence,” or AI and other computer technologies, related to businesses (“A Tribute,” 2019, p. 1). Furthermore, he first cleared the way for a new understanding of the AI technology in the company. In a nutshell, with “co-piloting” processes, AI is the “ability of a [sophisticated] machine to perform tasks thought to require human intelligence” (“artificial intelligence,” 2000, p. 95) (Note 1) in respective organizations. The challenge of Artificial Intelligence (or AI) today is something Herbert Simon advocated for during his academic life — that is, “to understand how computer capabilities must be organized in order to reproduce the kinds of thinking that are thought to be uniquely human, such as visual pattern recognition, complex decision making, and the use of natural language” (“artificial intelligence,” 2000, p. 95). Equally important, and in this specific way, Simon was an early pioneer of AI, paving the way for Nobel Prize winning physicists, Geoffrey Hinton and John Hopfield, who also predicted “that AI will end up having a “huge influence” on [our] civilization, bringing improvements in productivity, [education,] health care” (“Pair of AI,” 2024, p. 10A) (Note 2), and other fields of study, while providing tremendous benefits for humankind in the *workplace*. That being said, AI can also provide organizational knowledge and benefit our understanding of the world around us. More importantly, AI or *augmented* intelligence will eventually be made widely available for human use and consumption in the near future, which Simon absolutely supported and predicted. Indeed, one of Simon’s most important ideas was that *decision-making*, while using AI, would be the technological wave of the future; and “go up by an order of magnitude” (Cowen, 2024, p. 3). Moreover, as Ellen Moons of the Nobel Prize Committee at the Royal Swedish Academy of Sciences, in 2024, tells us: “Collectively, humans carry the responsibility for using this new [AI] technology in a safe and ethical way and [if conceivably possible] for the greatest benefit of [humanity]” (Cowen, 2024, p. 3) (Note 3), and organizations.

Of course, Simon’s theoretical ideas also branched-off in an array of different academic/educational directions, such as “computer science to psychology, [public] administration and economics” (“A Tribute,” 2019, p. 1) (Note 4) — and political science and management. Additionally, he was also committed to the study of *artificial intelligence* (AI) and other technological innovations in the workplace.

Equally important, Simon, who was an iconoclastic, administrative thinker, became a prominent figure in different academic fields, as mentioned; and we should be enamored by his splendid achievements in the liberal arts and technical/graduate education. With that said, he (Simon) was also deeply philosophical

in his diverse works, lectures/discussions — and rendering of information about what makes an organization tick. As far as economics is concerned, Simon firmly believed that the discipline should also be a “study of how human beings allocate scarce resources [in companies] to produce various commodities and how those commodities are distributed for consumption among the people in [a given] society” (“economics,” 1975, p. 829). Moreover, Simon persuasively pointed out that:

People cannot act the way economists assume they [should] act. Instead of maximizing their utility, he argued, they satisfice. That is, they do as well as they think is possible. One way they do so is by devising rules of thumbs (for example: save 10 percent of after-tax income every month) that economize on the cost of collecting information and on the cost of thinking.

(“Simon, Herbert,” 1993, p. 835) (Note 5)

Simon’s intuitive insight into economics is relatively easy to digest because of the explanatory power of his (astute) arguments, which are akin to Adam Smith’s economic philosophy. Smith, of course, is considered the first major economist. Further, Simon believed in the *efficacy* of the *political economy*, which is considered “a branch of the science that proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more property to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services” (Smith, 2019, p. 397) (Note 6). Theoretically, Simon was able to advance his ideas of the possible, while outlining systematic facts, methods, and specific principles in organizations. In connection with this, Simon put forward the notion that we (humans) should expand our technological knowledge, while being fully informed about the critical issues effecting the organization; and particularly when making tough decisions.

Also, as will be discussed, Herbert A. Simon was an “early critic of the idea that people have unlimited information processing capabilities. [Indeed,] he (Simon) advanced the term “bounded rationality” to describe a more realistic conception of human problem solving ability” in the company. Additionally, Simon was absolutely right when he posited that, “the failure to incorporate bounded rationality into economic models is just bad economics — the equivalent to presuming the existence of a free lunch” (Thaler & Mullainathan, 2008, p. 34). Perhaps more important — and presented with considerable standing — Simon was able to shine a light on economics where people make — *right* or *wrong* — organizational decisions. In essence, he “argued for recognizing a multiplicity of factors (including psychological ones) in corporate decision [making], rather than emphasizing the achievement of maximum profits as the primary motivation” (“Simon, Herbert,” 2000, p. 1486). It should be noted here that, Simon was also an original thinker, whose life exemplified the economic and social currents of his day. And, in 1978, he was awarded “the Nobel Prize in economics for his pioneering research into the decision-making process within economic organizations” (“Herbert Alexander,” 2008, pp. 589-590). Put simply, Simon was able to critically analyze administrative things, while focusing specifically on *bounded rationality* in organizations.

2. Political Science and the Rational Model of Administration

Not surprisingly, Simon's ideas across many social/academic disciplines are relevant today as when he first wrote about them. As a political scientist, Simon's work also merged into organizational politics. In essence, some political actors believe that some people shouldn't be forced to do specific things in organizations against their will or make decisions that are politically, personally, and economically *irrational* — or motivated.

According to professor David Schuman at the *University of Massachusetts* and professor Dick W. Olufs III (1993) at the *Pacific Lutheran University*, "Any decision maker would be empirically wrong, according to [Herbert A.] Simon, if he or she tried to apply a rational model to human beings. The decision must be satisfied with choices that are good enough" (p. 131) (Note 7). Moreover, when it comes to political science, we must especially consider this academic discipline that Herbert Simon loved so much, which "describes and analyses the operations of government, the state, and other factors which influence their behavior, such as economics." Furthermore, "a major concern [of political science] is to establish how [political] power is exercised, and by whom in resolving conflict within [a respective] society" ("Simon, Herbert," 1994, p. 1016) (Note 8). Politics, of course, can be explosive and *dynamic* because of the changes and decision-making processes that are made on an almost constant or continuous basis; but *politics* doesn't always answer questions about the managing of *public affairs*, or tell us why humans in the organization, or a company, do the things that they do; therefore, maximum reactionality should be studied by political scientists, economists, and others. Finally, in politics, people are not generally *pragmatic* or have rational judgment when trying to make good (organizational) decisions. According to Simon (1976): "In the study of organizations, the operative employee must be at the focus of attention, for the success of the structure will be judged by his [or her] performance within it" (p. 3) (Note 9).

To wit, "Political science is commonly divided into a number of subfields, the most prominent being political theory, national government, comparative government, international relations, and special areas shared with other social sciences such as sociology, psychology, and economics" ("political science," 1975, p. 2180) (Note 10). Hence, a study of political science will also allow us to learn and advance our knowledge about organizational decision-making; and to even understand government organizational policies that might negatively affect workers in a company. Furthermore, framing the way decisions are made in political and social organizations can sometimes be presented in cognitive, or bias ways, which does not help with making important decisions, particularly if we have difficulty embracing the notion of *human agency*. But the burning question is whether or not good/better decisions can be made in *any* organization with political problems. To say the least, many companies don't have some kind of built-in political contingency when it comes to organizational decision-making. About politics and political science, Simon (1978) famously wrote:

In the "politics" of science... I have had two guiding principles — to work for the "hardening" of the social sciences so that they will be better equipped with the tools they need for their

difficult research tasks; and to work for close relations between natural scientists and social scientists so that they can jointly contribute their special knowledge and skills to those many complex questions of public policy that call for both kinds of wisdom. (p. 5)

With this excerpt from his Nobel Prize speech, Simon was right on point; and before his death, he realized that “critical thinking” was also necessary for understanding political systems and the continuance of Democratic organizations and governments. This is also to say that Simon held the general principle of supporting democracy through good (business practices and) politics, so to speak, not the attainment of political power for its own sake. In this respect, Simon was also a political philosopher, who demanded reverence for companies and the complete democratic-decision process. Simon, of course, understood that it was imperative to understand power and politics when making political and organizational decisions. According to professor of political theory at the *Department of Politics and International Relations, University of Reading*, Catriona McKinnon (2015) writes: “It is true that power is a ubiquitous feature of political life; it is equally true that concepts of power shape our understanding, and evaluation of political life” (p. 319). Therefore, an analysis of political power is central to the decision-making process even in organizations. Simon even put to rest the belief that the success of making good decisions isn’t always possible or necessary in politics. In simple terms, Simon also determined that technologies are needed in running successful businesses or companies, as it (technology) can be the *common-denominator* in predicting the long-term effect of political decisions made in organizations; and such organizational decisions underscore the importance of maintaining continuity in different companies. Additionally, having such political and technological “capabilities” would “also mean that the world might be better over some very long time horizon...” (Cowen, 2024, p. 3) (Note 11). To be certain, Simon was an *unorthodox* scholar who believed wholeheartedly that, “a decision should be correct and efficient and must be practical enough to be implemented and any decision that involves alternatives should be towards an organizational goal” — but put in place in smart and ethical ways. This is to say that, “the task of decision-making is to select the alternative results in the more preferred set of all the consequences” (“Herbert Simon Biography,” 2019, pp. 1-2). After all, incorrect judgment about political things can lead to a dissatisfied end. Hence, Simon was more interested in objective behaviors when it came to making political decisions — that is, rather than embrace some type of “group think” philosophy — where political leaders or other decision-makers come together and make serious mistakes or errors, particularly when making organizational decisions — which is always a dangerous alternative or *cursed* proposition. Many academics might agree that Simon’s scholarship was/is exceptionally good, all things considered, particularly when it comes to his views about organizational decision-making. Indeed, “The important questions for Simon revolved around how decisions [are or] were made,” and thought about. And, “although he rejected the one-best-way formula for decision making, he did not at all reject [organizational] efficiency” (Schuman & Olufs, 1993, p. 129). Furthermore, Simon’s research suggest an entirely different view about administrative behavior, rather than accepting “conventional wisdom,” or outright *misinformation* about everything going on in an organization. Accordingly, Simon “[rejected]

the conventional theory of the firm as an omnisciently rational profit-maximizing [entrepreneurial enterprise], and that decision makers must be content with a satisfactory alternative” (“Simon, Herbert,” 1994, p. 1016), especially in astonishing or difficult circumstances. To be certain, Professor of Management at the Graduate Business School of New York University, the late Peter Drucker (1985) wrote that: “Entrepreneurial strategies [in organizations] are as important as purposeful innovation and intrapreneurial management” (p. 251) (Note 12). However, as Herbert A. Simon writes in his famous study:

[The] entrepreneur is substituted by a configuration of decision makers whose intellect is limited and cooperates to get the right solution for the troubles they would confront. In reality, people in large organizations cannot put all these [things] into action for obtaining rational decisions. Due to the limitation of uncertainty of the future and the ability to process information, people “satisfice” to result in satisfactory outcomes. People in the organization usually come up with decisions for certain goals, which are adjusted when the results [ultimately] do not match. (“Herbert Simon Biography,” 2019, p. 4)

It happened that Herbert A. Simon wrote determinedly about such heady, administrative matters, and so-called *ersatz* business organizations. In *Administrative Behavior*, Simon also “rejected the idea of [the] “economic man” who optimizes rather than introducing the concept of a businessman who satisfices” (“Herbert Simon Biography,” 2019, p. 4). Further in this regard, Simon rejected the historical notion of the infallibilities of men and women who make decisions based on their experiences, which can be *fallible*. To be sure, politicians as well as businessmen or leaders can make mistakes — behavioral or otherwise. And even if individuals in specific organizations act in traditional ways, it doesn’t mean that they have all the answers or engender automatic, correct actions when it comes to the process of management and decision-making. In a larger context, Simon absolutely “sought to replace the highly simplified classical approach to [administrative and] economic modeling — based on a concept of the single decision-making, profit-maximizing entrepreneur — with an approach that recognized multiple factors that contribute to decision making.” Indeed, “this theoretical framework,” on the part of Simon, “provides a more realistic understanding of a world in which decision making can affect prices and outputs,” while focusing on the unique needs of a particular company (“Herbert A. Simon,” 2019, p. 2) (Note 13). It seemed inevitable that Simon would make his reputation by labeling the process of decision making as “satisficing,” while concluding that, “human decision making could be best [exhibited by] bounded rationality” (“Herbert A. Simon,” 2019, p. 3), as opposed to *objective rationality*, which essentially “leads to only one possible rational conclusion — that is, satisficing can lead to many rational conclusions, depending upon the information available and the imagination...” (“Herbert A. Simon,” 2019, p. 3). In Simon’s book (1976), *Administrative Behavior*, he writes: “Since “good” administration is behavior that is realistically adapted to its ends, just as “good” business is economic behavior accurately calculated to realize gain, a theory of administrative decisions will of necessity be somewhat preoccupied with the rational aspects of choice” (p. 62). In the final analysis, Simon offered a path

forward for improving human decision-making in a respective organization, while using cutting-edge (administrative and management) technologies, like AI or artificial intelligence. As later discussed, artificial intelligence (AI) will become a permanent part of improving different companies in the future. But it should be understood that, “Our narrowing sense of human capability did not begin with the rise of artificial intelligence....,” but “it originated in the academy a half-century ago” (Beha, 2024, p. 10) (Note 14), with men or professors and academics like Herbert A. Simon.

3. The Notion of Public Administration: Practice and Theory

Simon provided a straightforward way of thinking intuitively about the limits of *choice* — that is, when it came to decision-making, he defied economic and administrative convention; and he did not accept established norms or ways of behaving in an organization by inept leaders, especially when they take risks and make compulsive and excessively optimistic business projections about the way things might go in a particular company. Also, unsurprisingly, it should be noted that *irrational times* might require the ideas and principles of *public administration*, particularly with today’s economic and divisive, political discourse. According to Schuman and Olufs III (1993), “one way of defining public administration has to do with people coming together, dealing to do things, and having an administration execute the public’s business,” hopefully in a most principal way (p. 62). In this regard, Simon largely ushered in the notion that, “what should make public administration special is the word *public*, which ties administration to people.” Hence, “the people, by acting together by acting politically, should dominate the administrative dynamic.” (p. 24). Or this particular attitude should be the MO or *modus operandi* of business organizations. To be certain, workers in an organization can be complex and contradictory, because of politics or their ideological beliefs, as well as having confidence in what they are doing — or performing their specific work. But Simon believed that some organizational problems are *intractable*, which might jeopardize the main point of making significant and *viable* decisions. Equally important, as management thinker, Charles Handy, in his seminal 1989 book, *The Age of Unreason* stated: Organizations or “businesses should behave like communities or villages, treating employees [or workers] like citizens who have rights and privileges and a share in the profits.” Handy goes on to reason that, “it [is] just common sense that people [are] more likely to be committed to their work and a company’s mission if they [have] a hand in shaping it” (Rifkin, 2024, p. 29). And these people or individuals should be responsible for directing or carrying on *business affairs* — and are willing to act in certified or endorsed ways. Accordingly, we should note that in the post-World War II period, organizational administrations sought to maximize efficiency — through scientific management — while being otherwise neutral about (political) values and objectives/goals. Indeed, “as applied to public administration, the (special) credo of scientific management came in time to be characterized by attention to [public] administration without much stress on the public part of the term.” However, by placing faith in “principles” in the science of administration, emphasis is also on the science of management, which ultimately should be the driving force behind *any* organizations.

Additionally, managers of different types of organizations should have a clear mind when making (business) decisions, while essentially letting go of some (sacred) administrative values, if necessary (Martin, 1952, p. 667). No doubt, Simon believed that organizations or corporations should invest in their future development, while cultivating a more engaged (and loyal) work force. Furthermore, in this regard, Simon understood that the practice and study of public administration as it related to political science was essentially *pragmatic* and *normative* rather than theoretical and value free (“Macropodia,” 1986, p. 335). In this respect, as John D. Millet (1956) wrote:

In the administrative experience arising from World War II — experience recorded on a scale never before attempted in the history of Western civilization — there was still no discernible, common conception of administrative understanding. Most writers were content to describe events and personalities; [however,] they were reluctant to theorize. (p. 176)

Clearly, in the fields of public administration and politics, things have shifted in terms of organizational decision-making — that is, with a behavioral and academic approach to administration. Simon, of course, was one of the academic leaders of this changed or approach, as he envisioned the necessity of providing a theoretical basis for viewing administrative behavior, because during his time, there wasn’t a comprehensive theory of administration to give meaning and clarity to the entire academic field of study. Furthermore, over the years, Simon’s intuitive work and research has been accepted in many organizational fields of endeavor. Ironically, however, Simon (1976) wrote that: “the literature of administration has not been lacking in “theory,” any more than it has in descriptive and empirical studies.” He goes on: “What has been lacking has been a bridge between these two, so that theory could provide a guide to the design of “critical” experiments and studies; while experimental studies could provide a sharp test and corrective of theory” (p. 4). And with a sort of academic stubbornness, Simon believed that some organizations should have a sense of *urgency* — that is, when it comes to connecting *practice* with *theory*, as there can be a *plethora* of irritating, organizational *idiosyncrasies* and mistakes when it comes to decision making.

Also, it should be noted that as early as 1938, Chester I. Barnard in his seminal work, *The Functions of the Executive*, challenged the traditional principles of (public) administration by showing how values and administration were not *finite* or settled. In addition, like Simon, Barnard devised a theory that focused mainly on carrying out business decisions, which was/is central to the study of administration. What should be important about understanding this particular administrative issue is: If there is something in *any* organization that needs tweaking, or to fix a firm’s problems, it must be done or accomplished in an expeditious manner. In his book, *Administrative Behavior*, Simon continued Barnard’s challenge by asserting that the realities of administrative organization is not necessarily found in the formalities of structure, but it is in the values and attitudes of workers and their (social and political) behavior (Millet, 1956, p. 176). Simon’s insightful book about administration also explains exactly what the process of administration is, and what might be the future of organizations — and how they relate to other kinds of businesses/companies. Simon, moreover, emphasized the need to have organizational structure(s),

reflecting the complexities and dynamics of a respective company. All in all, understanding elements of organizational and administrative affairs are still especially necessary. Simon's point was that we cannot prescribe *any* single structure or specific *angle*, such as having a wide berth or "span of control" in a company, particularly when it comes to making important organizational decisions. Therefore, in an authoritative way, Simon was able to demystify the methods of organizational behavior. In addition, it should be pointed out that organizational managers/leaders are not perfect, as they sometimes make serious mistakes. More importantly, even some prominent leaders don't make good decisions, either. Equally important, there is no such thing as perfection when it comes to most work. Therefore, we need to have a base structure — or a factual understanding of why organizational decisions are made in the first place. Naturally, this suggestion is not a new position, but Simon's way of thinking was/is noteworthy because he believed that humans could harness the power of management in most organizations. Consequently, organizations, firms, or companies can become more proficient as time goes on by demonstrating a *rational* need for mastery and development. To be sure, as Simon believed, leader(s) of a business or company must engage — seriously and meaningfully — with inside and outside business actors or forces, while quickly addressing various organizational problems. Of course, embracing AI technologies will help to create decision-making systems that can recognize and connect with other workers in different, relatable organizations.

4. Conclusions

Herbert A. Simon's critique of administrative traditionalists was/is also significant because he explained how *administration*, in essence, should be a study of human behavior, like with world politics, which is "not a *pseudo-science* of building blocks but a true science of human relations" (Millet, 1956, p. 671) and behavior. For some political scientists, this argument is rare in politics and organizational decision-making; however, the theory provides a way forward for us to really understand the concepts of administration. Simon's basic premise is that an analysis of decision-making, which involves human behavior or practices, is the basis of political science in administration. Simon also advocated for decisions that effectively and efficiently accomplished organizational principles and objectives. Indeed, Simon's theory (1976) is stated explicitly in the following:

Since [the] "principle of efficiency" is characteristic of any activity that attempts rationally to maximize the attainment of certain ends with the use of scarce means, it is as characteristic of economic theory as it is of administrative theory. (p. 39)

The above concept today might strike us as being imprecise; however, it shouldn't detract us from Simon's important administrative framework. This is also to say that Simon ultimately rejected the conventional theory of the firm (or organization) being *omniscient* and/or "all-knowing" about a certain business; therefore, other choices or administrative alternatives should be made ("Simon, Herbert," 1994, p. 1016). In this respect, Simon sought to provide the general framework of decision making with the notion of *bounded rationality*, as well as providing the specific objectives that should be accomplished

in different organizations. But there will always be a litany of different challenges in a company that cannot be solved rationally, or in a rational way. But perhaps AI can be used to alert members of an organization to be more responsible and efficient. This suggestion is the essence of Simon's theory about administration. Thus, "bounded rationality makes possible bureaucratic control as well as domination in general" (Perrow, 1986, p. 123). Toward this end, Simon's notion of *bounded rationality* is perhaps the most important part of this theory. Which is to say that an organization will function better if humans are rationally less bounded. Moreover, if organizations incorporate AI into their business model, it may or may not jeopardize their standing in a company; and it might also create sometimes *unpredictability*, or move a business organization from *stability* to *uncertainty*. Equally important, as Simon (1976) argued: "two persons given the same skills, the same objectives and values, [as well as] the same knowledge and information, can [rationally] decide only upon the same course of action" (p. 39). However, there are also limits to human rationality in organizations; therefore, the information on which decisions are made by leaders must be correct; and personal, ideological/political beliefs should be controlled. All this mean is that because of limits in cognitive and behavioral capacities, it is necessary and proper to develop organizational procedures to promote rational decisions. Moreover, individuals or workers in organizations *will* have hierarchical or authoritative relations with men or women, who provide specific rules that are not always rational, or conducive to organizational goals. To be certain, Simon indicated that there is a need to compensate for the limits of rationality with organizational objectives, to improve the firm's decision-making processes, particularly when devising plans to expand work and organizational effectiveness and efficiency.

More importantly, it should be understood that attempting to separate administration from policy or politics is *artificial* in that policy and value judgements in organizations are *implicit* in most significant, administrative decisions. Indeed, administrators/leaders should focus on facts and the means to achieve the goals or objectives of any given organization. To wit, leaders or managers should make it a *priority* to ensure that their leadership is in *sync* with *outside* administrative actors and company workers, or "rank-in-file" employees, while following through with their ideas to make things happen. Of course, Simon *did not* believe that *administrative behavior* could be understood *only* in terms of its social, political, economic, or technological, and physical environments. In fact, Simon has been widely criticized for ignoring the influence of *outside* environments, while focusing almost entirely on what goes on inside the organization or firm/company — and what should be really possible or manageable. Nevertheless, Simon acknowledged the sociological and psychological factors, especially in terms of employing *Artificial Intelligence* — that is, when he advocated for using new (AI) technologies and strategies in different businesses and organizations. To be sure, Simon believed that AI could be potentially great at administrative and management work, as he proposed frameworks for integrating or factoring in how such advanced technology could be used to improve companies and their organizational behavior. Indeed, Simon considered how we could remake or make industrial firms organize for the betterment of workers and the respective organization. In this way, he was able to communicate an

understanding of AI (or Artificial Intelligence) for the future, as it provides for *authenticity* in business and administrative *synchronicities*, particularly when it comes to organizational management. But whatever might evolve in the future in regard to this AI technology, “it makes sense [today] that even the more innovative tools [must] still rely on humans for certain parts of the process” (Riquier, 2024, p. 2B) (Note 15), or incorporating the necessary human touch. And theoretically, AI technology will never *dissipate*; and it will significantly increase in various organizations. And as journalist Andrew R. Chow (2024) tells us: “artificial intelligence (AI) will become a cornerstone of modern life” (pp. 21-22), and in business organizations. Furthermore, this AI technology trend will only accelerate in most organizations, as it will, perhaps, become respectfully a part of their core DNA. In other words, AI technology will give organizations a glimpse into the future of businesses and industrial enterprises.

We must also keep in mind that among Simon’s many insights on decision-making, he advanced the central role of *Artificial Intelligence* (AI); and as mentioned, he pursued and explained the use of emerging computer technologies and AI in business organizations — that is, when making important decisions (“Herbert A. Simon,” 2019, p. 2) (Note 16). As for the last decade of his life, Simon participated and contributed to many academic journals and discussions about how such cutting-edge AI technologies in the work-place could be utilized, which was transformative during his time. This convergence approach allowed Simon to greatly enlarged and enrich many administrative fields of study by suggesting new academic perspectives/directions. For example, Simon knew that hard work wasn’t always the answer to organizational (or administrative) problems, as things can go *lopsided*, horribly wrong or *awry*. Hence, decision-making in organizations should not be based on *whims*, possibilities, or behavioral reflexes. We might even question whether the promise of AI technology is overblown. But Simon recognized that AI should be put in place (eventually) to better organize a company’s administrative/business and organizational systems. Indeed, how exactly should AI technology act on behalf of workers in an organization? Moreover, how can organizations predict respective economic factors that might negatively affect their operations or bottom line? Finally, how can we improve the firm’s planning for the future with advanced technology? A broader version of this perspective would be for the manager or leader to have the *mindset* of making sound, administrative decisions, no matter the circumstances. Additionally, in this respect, the manager should play a (powerful) role in *any* organization in terms of *rationality* or administrative behavior. Of course, we should also recognize that company/business leaders may not have all the answers when making important decisions; but they must know and understand their personal and professional identities and capabilities. Hence, company/organizational leaders must cut through the *fog* of nonsense and so-called workable solutions, while fully expecting to raise the bar even further in their pursuit of organizational goals. In the final analysis, all businesses, firms/companies or organizations have imperfections, whose particular concerns should always be how to properly manage *flaws* and *shortcomings* to achieve a proper balance. Simon understood these issues more than most, because he strongly believed that mistakes, errors in judgment, or bad decisions could be catastrophic for an organization. It was as if Simon had some kind of *unknown*

knowledge, which he was able to astutely talk and write about while he lived. In this respect, there was also an *organic* quality to Simon's greatness; and he was awarded the Nobel Prize in Economics for his new *paradigm* shifting and brilliant findings, while diagnosing general principles and theories in organizational "decision-making" and administrative behavior. Beyond this, Simon's obvious solutions (in regard to companies/businesses and firms) should *never* be ignored, because he attempted to address the *paradox* of administrative management and *decision-making* in the *workplace* — that is, particularly from an academic perspective. Finally, Simon believed that having a sound decision-making process would definitely help with *any* organizational endeavors, which is the key to good management — that is, having a relentless dedication to the administration and "good works" of a particular company.

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Notes

Note 1. Artificial Intelligence might be more useful when it comes to workers in the organization, making sense of challenging decision-making activities.

Note 2. AI based learning is most important in the economic context; and Simon understood this almost more than anyone.

Note 3. AI will provide a new *paradigm* for understanding workers and how they behave in different organizations or businesses.

Note 4. One key point with AI applications is that this technology might eventually dominate many aspects of our life and lives, which could be to our detriment.

Note 5. It should be also noted that Herbert A. Simon, who trained as a political scientist, questioned the mainstream economists' view of economic man as a lightning-quick calculator of cost and benefits. Simon's proposed alternative view was of presenting people's rationality as "bounded." See Simon, Herbert Alexander. (1993). In *The Fortune Encyclopedia of Economics*, 1st ed. (p. 835). New York: Warner Books.

Note 6. It should be understood that economics is “the study of the allocation of scarce resources among competing ends, the creation, and distribution of wealth, and national income.” See *The Cambridge Encyclopedia*, s.v. “economics,” P. 369.

Note 7. According to Schuman and Olufs, “Simon’s basic insight is that people are not entirely rational, and that this [negatively] affects their behavior in organization.” See Schuman, D., & Olufs, D. W. (1993). *Public Administration in the United States*, 2nd ed. Massachusetts: D.C. Heath and Company.

Note 8. It should be noted that in terms of political science, “there is a range of approaches, some of which draw upon other academic studies, such as sociology, economics, and psychology, and which can be regarded as subdisciplines of the [political science] subject.” See Simon, Herbert. (1994). In *The Cambridge Encyclopedia*, 2nd ed. (p. 1016). London: Cambridge University Press.

Note 9. With his dissertation, Simon provides recurring themes of management and administration, while converging to define “bounded rationality.”

Note 10. Simon described how the organization can be motivated by broader, higher administrative ideas, while balancing a commitment by the “rank-in-file” workers to its success.

Note 11. It is certainly reasonable to monitor organizations, while studying the profound effect of decision-making in respective organizations.

Note 12. According to Drucker, entrepreneurship is key, because it facilitates the strengthening of programs or policies that support the growth of businesses. Simon was of the same mind as the late professor Drucker when it comes to understanding *entrepreneurship*.

Note 13. It should be pointed out here that, “Simon’s theory thus offers a way to consider the psychological aspects of decision making that classical economists have tended to ignore.” See Herbert A. Simon: American Social Scientist. (2019, June 11). *Britannica.com*, p. 2. Retrieved from <https://www.britannica.com/biography/Herbert-A-Simon...> on 6/27/2019.

Note 14. It should be pointed out that some organizations and workers can’t wrap their heads around a transformative way of doing organizational things, like making decisions, mainly because of the unfamiliarity with the process and AI technology.

Note 15. The ever-evolving AI is a technology like nothing we could have previously imagined; and we should focus on how this technology will help us study and learn about decision-making in a business or firm.

Note 16. We should always remember that one day humans might be heavily dependent on new AI technology applications in all academic and professional fields of endeavor.

BIOGRAPHICAL SKETCH

EARNEST N. BRACEY is a retired Army Lieutenant Colonel, with over twenty years of active military service. He was commissioned through Reserve Officer Training (*Distinguished Military Graduate*) at Jackson State University, where he graduated with honors (*Magna Cum Laude*), and received his Bachelor of Arts degree in political science in 1974. In addition, he received the Masters of Public

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