
Course: ~~HS-401~~: Mgmt. of Org. Behaviour
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GROUP DECISION MAKING

Group Decision Making:

Creativity in decision making can apply to individuals or groups. Since individual decision making has largely given way to group decision making in today's organizations, an understanding of group dynamics and teams, becomes relevant to decision making. A number of social decision schemes have emerged from social psychology research in recent years.

Three schemes or rules can predict the final outcomes of group decision making on the basis of the individual members' initial positions. Rathus has summarised these as follows:

1. The Majority-Wins Scheme:

In this commonly used scheme, the group arrives at the decision that was initially supported by the majority. This scheme appears to guide decision making most often when there is no objectively correct decision. An example would be a decision about what car model to build when the popularity of various models has not been treated in the 'Court' of public opinion.

2. The Truth-Wins Scheme :

In this scheme, as more information is provided and opinions are discussed, the group decides whether to use SAT Scores in admitting students to college would profit from information about whether these scores actually predict college success.

3. The Two-Third Majority Schemes :

This scheme is frequently adopted by justice, who tend to convict defendants when two-thirds of the jury initially favours convictions.

4. The First-Shift Rule :

In this scheme, the group tends to adopt the decision that reflects the first shifts in opinion expressed by any group member. If a car manufacturing group is equally divided on whether or not to produce a convertible, it may opt to do after one group member initially opposed to the idea changes her mind. If a jury is deadlocked, the members may eventually follow the lead of the first juror to change his position.

Beside the above schemes, there are also other phenomena such as the status quo tendency (when individuals or groups are faced with decision, they resist change and will tend to stick with existing goals or plans) which affect group decision making. Suggestions such as the following can be used to help reduce and combat the status quo tendency and thus make more effective group decisions :

- When things are going well, decision makers should still be vigilant in examining alternatives.
- It can help to have separate groups monitor the environment, develop new technologies, and generate new ideas.
- To reduce the tendency to neglect gathering negative long-term information, managers should solicit worst-case scenario as well as forecasts that include long-term costs.
- Build checkpoints and limits into any plan.
- When limits are reached, it may be necessary to have an outside, independent, or separate review of the current plan.
- Judge people on the way they make decisions and not only on outcomes, especially when the outcomes may not be under their control.

The DELPHI Technique:

Although Delphi was first developed by N.C. Dalkey and his associates in 1950 at the Rand Corporation's Think Tank, it has only recently become popularized as a group decision making technique, for example, for long-range forecasting. Today, numerous organizations in business, education, government, health, and the military are using DELPHI. No decision technique will ever be able to predict the future completely, but the Delphi technique seems to be as good a crystal ball as is currently available.

The technique, named after the oracle at Delphi in ancient Greece, has many variations, but generally it works as follows:

1. A group (usually of experts, but in some cases non-experts may deliberately be used) is formed, but, importantly, the members are not in face-to-face interaction with one another. Thus, the expenses of bringing a group together are eliminated.
2. Each member is asked to make anonymous predictions or input into the problem decision the panel is charged with.
3. Each panel member then receives composite feedback from what the others have inputted. In some variations, the reasons are listed (anonymously), but mostly just a composite figure is used.
4. On the basis of feedback, another round of anonymous input is made. These iterations take place for a predetermined number of times or until the composite feedback remains the same, which means everyone is sticking with his or her position.

A major key to the success of the technique lies in its anonymity, keeping the responses of panel members anonymous eliminates the problem of 'Saving face' and encourages the panel experts to be more flexible and thus to benefit from the estimates of others. In the traditional interacting group decision making technique the expert maybe more concerned with

defending their vested positions than they are with making a good decisions.

Many organizations testify to the success they have had so far with Delphi technique. McDonnell Douglas Aircraft has used the technique to forecast the future uncertainties of commercial air transportation. Weyerhaeuser, a building supply company has used it to predict what will happen in the construction business, and Smith-Kline-Beecham, a drug manufacturer has used it to study the uncertainties of medicine. TRW, a highly diversified, technically oriented company, has fourteen Delphi panels averaging seventeen members each. The panels suggest product and services which have marketing potentials and predict technological developments and significant political, economic, social, and cultural events. Besides business applications, the technique has been used successfully on various problems in Government, education, health and the Military.

The major criticism of the Delphi technique center on its time consumption, cost, and Ouija-board effect. The third criticism implies that, much like the parlor game of that name, Delphi can claim no scientific basis or support. To counter this criticism, Rand has attempted to validate Delphi through controlled experimentation. The corporation setup the panels of non-experts who use the Delphi technique to answer questions such as "How many popular votes were cast for Lincoln when he first ran for President?" and "What was the average price a farmer received for bushel of apples in 1940?" These particular questions were used because the average person does not know the exact answers but knows something about the subjects. The result of these studies showed that the original estimates by the panel of non-experts were reasonably close to being correct, but with the Delphi technique of anonymous feedback, the estimates greatly improved.
