

UCS1704 – Management and Ethical Practices

UNIT – I
Rational Decision Making Process

Semester – VII

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Decision Making

- Decision Making is at the heart of organizational effectiveness, climate, and health.
- The structure used in making decisions directly impacts how people in the school view leadership.

Dan Griffith's Theory of Leadership is About Decision Making

- Administration is a process of directing and controlling life in a social organization.
- The specific function of administration is to develop and regulate the decision making process in the most effective manner.

Griffith (continued)

- The structure of an organization is determined by the nature of the decision-making process.
 - An individual's rank equals his or her degree of control of the decision-making process.
 - Effectiveness of the leader is inversely proportional to the number of decisions made personally.
 - The major differences between types of organizations are related to differences in the decision-making process.

Griffith (continued)

- Administrative behavior will be more acceptable to subordinates if decisions are made on the decision-making process, rather than on terminal decisions of the organization.
- If the administration perceives itself as the controller of the decision-making process rather than the maker of decisions, the decisions will be more effective.

Rational Decision-Making Process

- Peter Drucker:

- Define the Problem
- Analyze the Problem
- Develop Alternative Solutions
- Decide on the Best Solution
- Convert decisions into Effective Actions

Expanded Model of Rational Decision Making

1. Determine if a problem exists, then recognize, define, and limit the problem.
2. Analyze and evaluate the problem.
3. Establish criteria by which a solution will be judged as acceptable.
4. List alternative solutions to the problem and gather data to test alternatives.

Expanded Model of Rational Decision Making (continued)

5. Test each solution for anticipated and unanticipated consequences
6. Select the best solution.
7. Implement the solution. Program the solution:
Set up a structure to run it. Control the solution:
Supervise and support it.
8. Evaluate the results through process evaluation
and return to the decision-making process.

Rational Decision-Making Models

- Some models add a “feedback loop” to make successively better decisions eventually reaching “optimal” decisions.
- We must recognize that we generally make decisions that are called “satisficing”, that is, they are a solution that is satisfactory, but not necessarily the optimal solution. Why?

Vroom and Yetton's Decision-Making Tree based on Five Leadership Styles

- Autocratic Process:
 - Al. Leaders makes decision with information available.
 - All. Leader gets information from followers (may not tell them the problem) and then makes decision.

Vroom and Yetton (continued)

- **Consultative Process:**

- Leader shares problem with individuals, gets suggestions, then makes decision.
- Leader shares problem with the group and then makes decision.

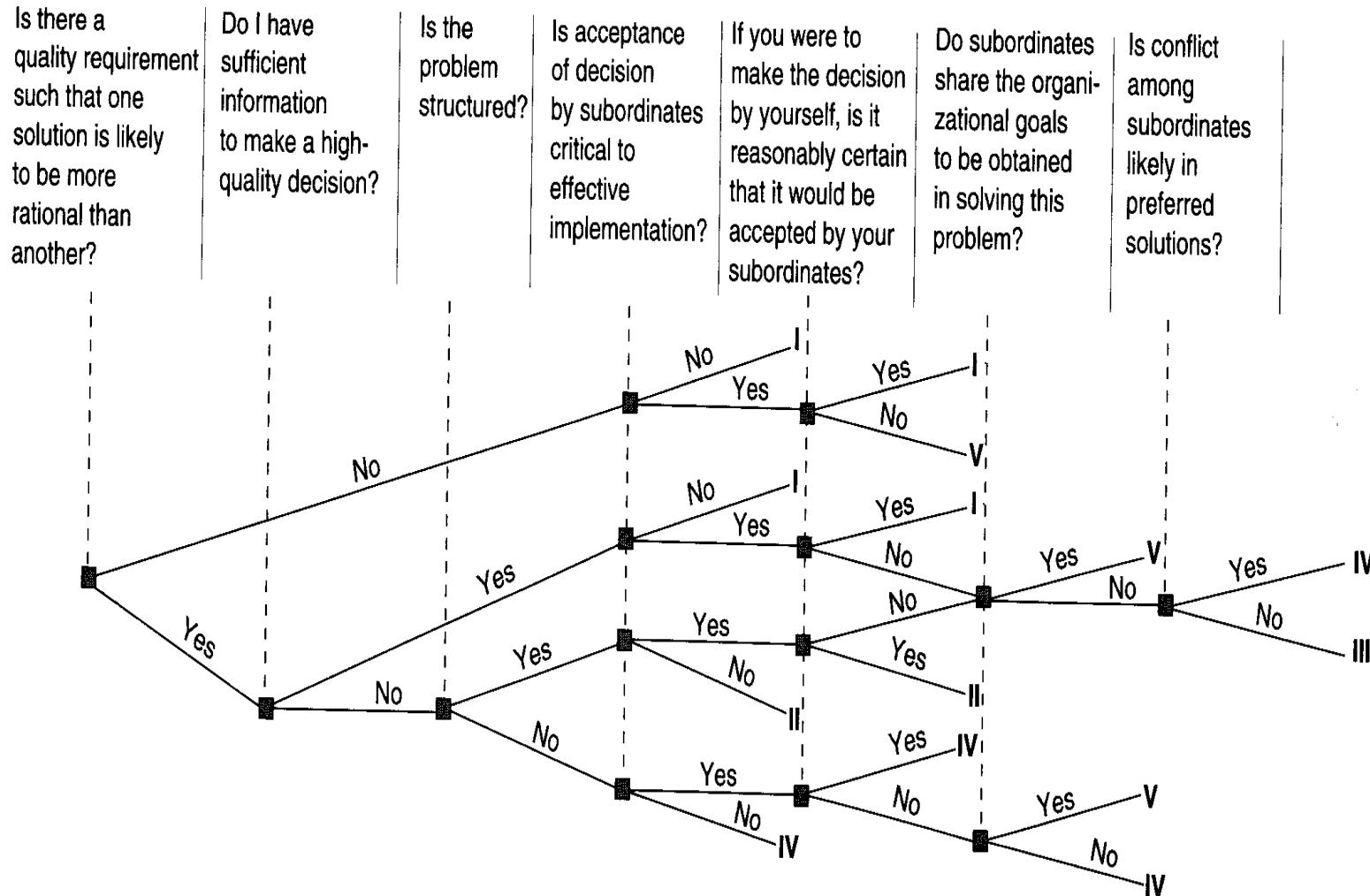
Vroom and Yetton (continued)

- **Group Process:**

Leaders facilitates a group decision based on consensus. The leader avoids giving his/her opinion, but lets the group decide.

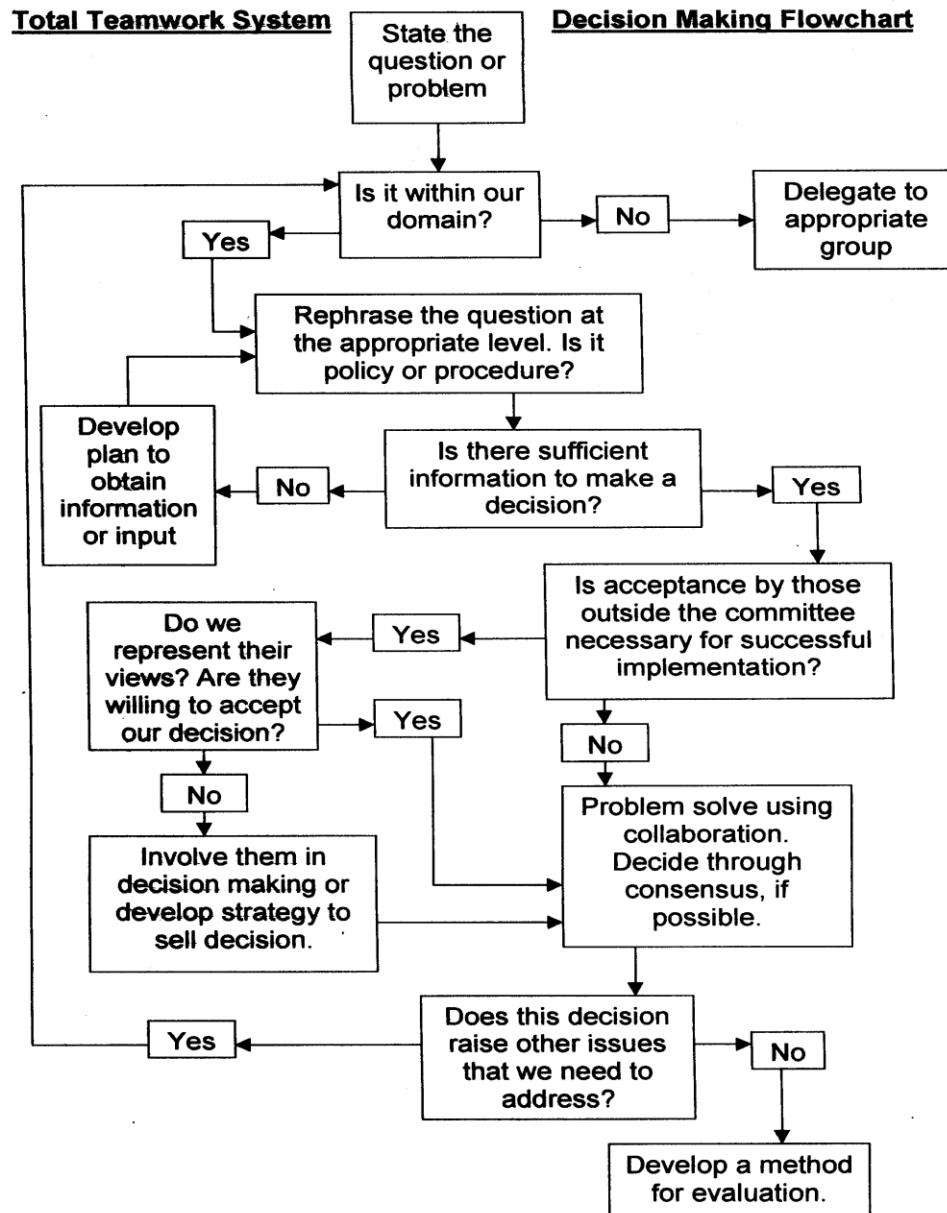
- Which process a leaders uses depends on answers to 7 questions, using the decision-making tree.

Decision-Making Tree



I You solve the problem or make the decision
II You delegate the problem to your subordinates
III You delegate the problem to your superiors
IV You make the decision
V You do nothing

TTS: Valesky, Horgan, Etheridge, Smith



When to Involve Others

- Involve others when it meets two tests (Edwin Bridges):
 - Test of relevance--Is problem in their Zone of Sensitivity v. Zone of Indifference (Barnard)
 - Test of expertise
- Owens adds:
 - Test of jurisdiction (Is it in our Domain?)

Tannenbaum and Schmidt: “How to Choose a Leadership Pattern”

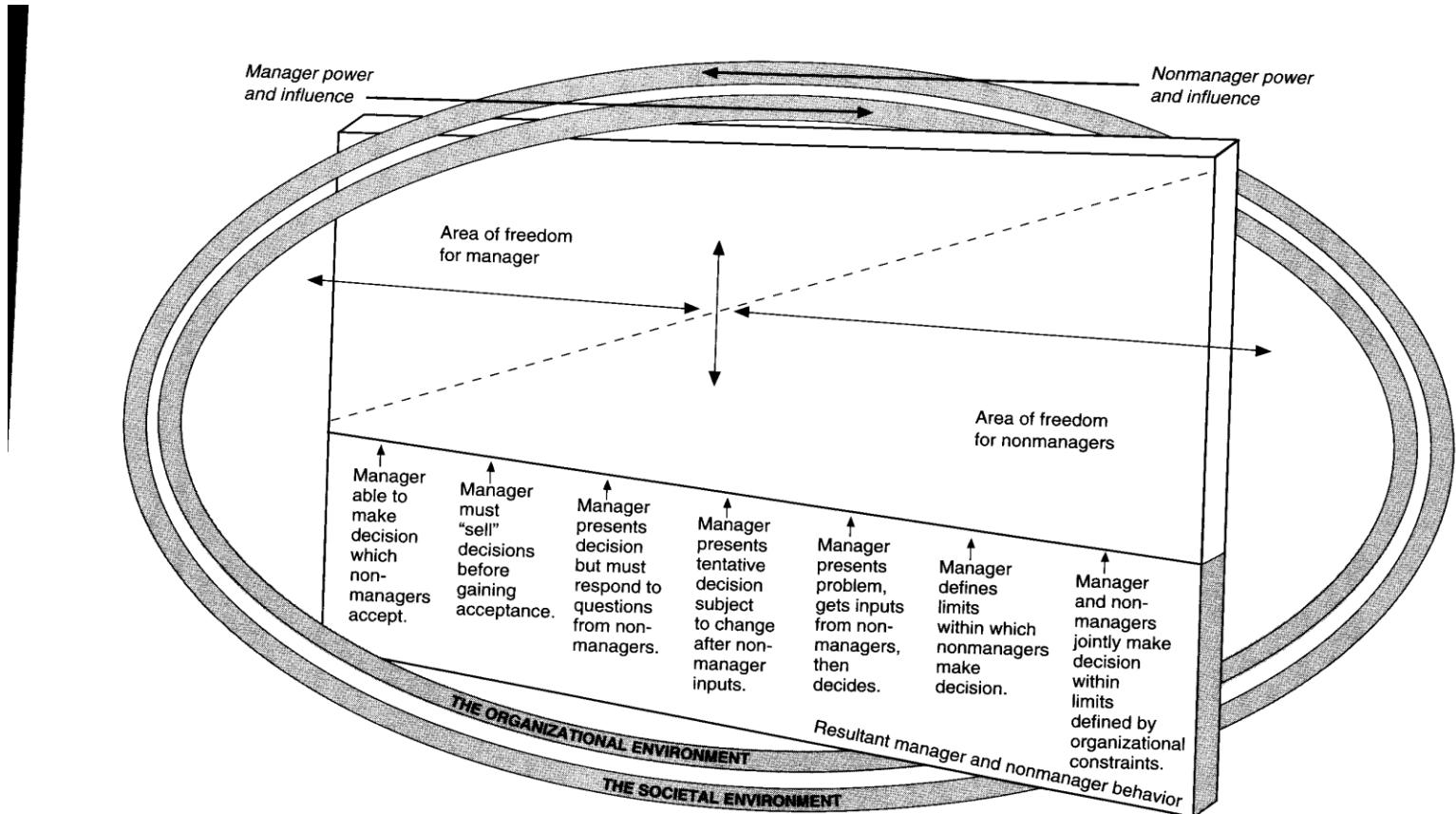


FIGURE 8-2 Leadership style is evident in a range of possible behaviors. From Robert Tannenbaum and Warren H. Schmidt, “How to Choose a Leadership Pattern.” *Harvard Business Review*, 51 (May-June 1973), p. 167. Copyright © 1973 by the President and Fellows of Harvard College; all rights reserved.

Types of Problems

- What type of problems do groups deal with best?
 - Emergent or Discrete?
 - Define each.

How Administrators Think

- Can we; do we, use the models of decision making when making decision? Or is it intuition-- a gut reaction?
 - What do Schon and Weick say?
- Why is it that it often appears as though good leaders do not reflect or use a decision making model?
 - What did Mintzberg's research show about the daily work of leaders?

Training

- Therefore, “Trained Intuition” of good leaders and decision makers requires training and practice in the use of decision-making models.
 - Also training is needed in team-building, conflict management, communications, and others with work groups to develop good team decision -making skills.

Questions?