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DECISION MAKING

DEFINITION OF DECISION MAKING



- Decision- making “can be regarded as an outcome of mental processes (cognitive process) leading to the selection of a course of action among several alternatives. (Wikipedia-internet)
- Every decision- making process produces a final choice.
- The output of decision- making can be an action or an opinion of choice.

DEFINITIONS OF DECISION MAKING (Cont'd)



- The act of making up one's mind;
- The settling of a question or dispute by giving judgment to one side.
- A judgment reached or given through firmness and determination.
- The process of deciding about something important especially in a group of people or in an organization. (Oxford Advanced Learner's Dictionary- 6th edition)

DEFINITIONS OF DECISION MAKING (Cont'd)



2.3 Decision making is “the process of developing a commitment to some courses of action.

There are three (3) things which help characterize decision-making.

1. Making a choice among two or more alternatives
2. It is a process that typically involves how the decision was arrived at.

DEFINITIONS OF DECISION MAKING (Cont'd)



- Commitment mentioned in decision making usually necessitates commitment of resources (economic, human, time.)
- Decision making can also be understood to mean that it is also a process of problem- solving.
- It is a process of making one's mind out of alternatives.

ENVIRONMENTS OF DECISION-MAKING

- Decisions would be preferred to be made in optimal environment but this not always possible.

DIFFERENT CATEGORIES OF ENVIRONMENTS UNDER WHICH DECISION- MAKING TAKES PLACE:

- Certainty- where we can depend on an outcome, all the information needed is available.



ENVIRONMENTS OF DECISION-MAKING cont'd



- Risk: not much information is available to help you assign a probability to the outcome.
- Uncertain environment: very little information and this makes prediction virtually impossible.

TYPES OF DECISION

Three (3) main types of decisions:

- Programmed decisions- made for very routine problems.
- Non programmed decisions- you need to demonstrate some creativity in your data gathering in order to make the most logical, effective decision you can.
- not solved.



TYPES OF DECISION cont'd

- Associative choices- these are made under “anarchy” environment where the pace of change has been rapid. Decision is however made to improve the work environment while the problems are



DECISION MAKING MODELS

RATIONAL DECISION MAKING:

- Decisions made are normally thought to be rational since a number of considerations facilitate such a process.

However, not all decisions are purely rational.

Steps that help to ensure rationality include:

- Identifying the problem.



DECISION MAKING MODELS

- Establishing decision criteria and allocating weights to the criteria.
- Searching for relevant information.



DECISION MAKING MODELS cont'd

- Developing alternative solutions to the problem
- Choosing the best solution
- Implementing and monitoring chosen solution.



BOUNDED RATIONALITY

This theory of Bounded Rationality was espoused by a NOBLE PEACE WINNER, Herbert Simon.

The theory argued that people do make decisions only with restricted information and therefore the decision tend to be less than ideal.



ASSUMPTIONS UNDER THIS THEORY ARE:



- Decision makers tend to select the first alternative that is satisfactory.
- Often decision- makers establish a problem statement or understanding of a problem without full or even adequate information.
- Decisions are often made without a comprehensive evaluation of alternatives.
- Decision makers rely on heuristics, i.e. judgment shortcuts to simplify the decision- making process.

GARBAGE CAN MODEL

This comprises four (4) main components:

- Problems
- Solutions
- Participants
- Choice situations or opportunities

In this model, these are all mixed up together in the “garbage can” of the organization. The decision making is haphazard, chaotic and in fact sometimes depends largely on luck.



THE DECISION MAKING PROCESS (CYCLE)

STEPS

- Identify/ Define the problem
- Analyze the problem
- Generate alternatives
- Evaluate and select a solution
- Implement decisions
- Follow- up



DECISION- MAKING STYLES

- Autocratic
- Consultative
- Participative

Discuss the potential strengths and weaknesses of the three (3) styles

No one/ single style is appropriate to handle all decisions and there is the need to balance or mix all the three (3) depending on the situation or context of the problem.



OTHER IMPORTANT ISSUES/ FACTORS TO CONSIDER



- Important to weigh the quality of your decision
- The way the decision is implemented
- The degree of staff involvement
- Assess the complexity of the problem or task, the specialization of the issue/ situation and the consequences to be effected.

KEY FACTORS WHICH INFLUENCE THE EFFECTIVENESS OF A DECISION

QUALITY OF DECISION

This depends on the achievement of the aim, cost of the implementation as well as the time taken to implement the decision (efficiency and effectiveness)



KEY FACTORS WHICH INFLUENCE THE EFFECTIVENESS OF A DECISION

cont'd

ACCEPTABILITY TO “OTHERS”

- This refers to subordinates/ management of organizations, unions, stakeholders, external/ outside bodies, the public etc. who are either affected by the decision or should implement it.



DECISION MAKING APPROACHES

There are some identified approaches to decision-making :

- **CENTRALISED APPROACH:**

This is where most decisions emanate from top management (i.e. top down).

- **DECENTRALISED APPROACH:**

This approach encourages low-level personnel (supervisors) to initiate decisions.



DECISION MAKING APPROACHES (Cont'd)

- **INDIVIDUAL APPROACH:** To save time.

- **GROUP APPROACH**

Provides involvement and commitment of group members and increases information availability

- **PARTICIPATORY APPROACH**

Solicits data and more ideas and information from people most likely to be affected by a decision



DECISION MAKING APPROACHES (Cont'd)

- DEMOCRATIC APPROACH

This is based on the majority rule principle.

- CONSENSUS APPROACH

Seeks consensus or agreement among all interested parties.

- UNANIMOUS DECISIONS

Seeks full agreement of almost all members on the decision and their support for the action that will follow.



SUMMARY



Leaders (managers) in managing decisions should bear in mind the ff:

- Appraise the environments of decision making to know the type of decision to take.
- As far as possible be conversant with the decision- making process or cycle and use the steps involved
- Use the appropriate style or the mix or combination of styles.

SUMMARY (Cont'd)



- Consider always to make decisions of the highest quality.
- Ensure decision made would generally be acceptable to all agencies, stakeholders, public etc. who will help in diverse ways towards the implementation.
- Bear in mind that they take full responsibility for the consequences of such decisions and actions or matters arising.