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NPTEL ONLINE
CERTIFICATION COURSE

LEADERSHIP AND TEAM EFFECTIVENESS

LECTURE – 08

Normative Decision Model

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DECISION STYLES MODEL

Five Decision Making Styles



Image Source: <https://www.sketchbubble.com/en/presentation-decision-style-model.html>

The Normative Decision Model

Normative Decision Model of leadership believes decision making is a crucial element of leadership and **the model helps the leaders decide to which degree their team members should participate in decision-making process.**

It was originally developed by Victor Vroom and Philip Yetton in their 1973 book, "Leadership and Decision Making."

So, it is also called **“Vroom-Yetton contingency model”, “Vroom-Yetton Model” or “Decision-Making Model”.**

(Vroom, V. H., & Yetton, P. W. ,1973)

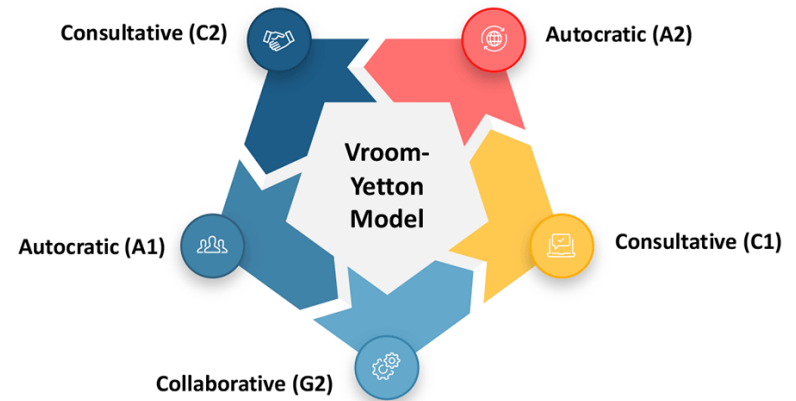


Image Source: <https://slidemodel.com/vroom-yetton-decision-model/>

The Normative Decision Model

- The Normative Decision Model was designed to improve some aspects of leadership effectiveness. In this case Vroom and Yetton first investigated the decision-making processes leaders use in group settings. They discovered a continuum of decision-making processes ranging from completely autocratic (labeled “A1”) to completely democratic, where all members of the group have equal participation (labeled “G2”), namely:
 - Autocratic (A1)
 - Consultative (C1)
 - Collaborative (G2)
 - Autocratic (A2)
 - Consultative (C2)

Levels of Participation

- **Autocratic Processes**

- **A1:** The leader solves the problem or makes the decision by himself or herself using the information available at the time.
- **A2:** The leader obtains any necessary information from followers, then decides on a solution to the problem. Leader may or may not tell followers the purpose of questions or give information about the problem or decision leader is working on. The input provided by followers is clearly in response to leader's request for specific information. They do not play a role in the definition of the problem or in generating or evaluating alternative solutions.

Levels of Participation

- **Consultative Processes**

- **C1:** The leader shares the problem with the relevant followers individually, getting their ideas and suggestions without bringing them together as a group. Then leader makes a decision. This decision may or may not reflect the followers' influence.
- **C2:** The leader shares the problem with her followers in a group meeting. In this meeting, obtains their ideas and suggestions. Then makes the decision, which may or may not reflect the followers' influence.

Levels of Participation

- **Group Processes**
 - **G2:** The leader shares the problem with his followers as a group. Together they generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. The leader's role is much like that of a chairman, coordinating the discussion, keeping it focused on the problem, and making sure the critical issues are discussed.

Leader can provide the group with information or ideas that he has, but he does not try to press them to adopt “his” solution. Moreover, leaders adopting this level of participation are willing to accept and implement any solution that has the support of the entire group.

Decision Quality and Acceptance

- After establishing a continuum of decision processes, Vroom and Yetton established criteria to evaluate the adequacy of the decisions made—criteria they believed would be credible to leaders and equally applicable across the five levels of participation.
- Vroom and Yetton believed **decision quality and decision acceptance** were the two most important criteria for judging the adequacy of a decision.
 - **Decision Quality** means simply that if the decision has a rational or objectively determinable “better or worse” alternative, the leader should select the better alternative
 - **Decision Acceptance** implies that followers accept the decision as if it was their own and do not merely comply with the decision.

The Decision Tree

- Vroom & Yetton also developed a set of questions to protect quality and acceptance by eliminating decision processes that would be wrong or inappropriate.
- Generally, these questions concern the problem itself, the amount of pertinent information possessed by the leader and followers, and various situational factors. Vroom and Yetton incorporated these questions into a decision tree. Primarily these include seven key aspects in form of seven questions to guide leader to appropriate style

The Decision Tree

Vroom and Yetton's Leadership Decision Tree

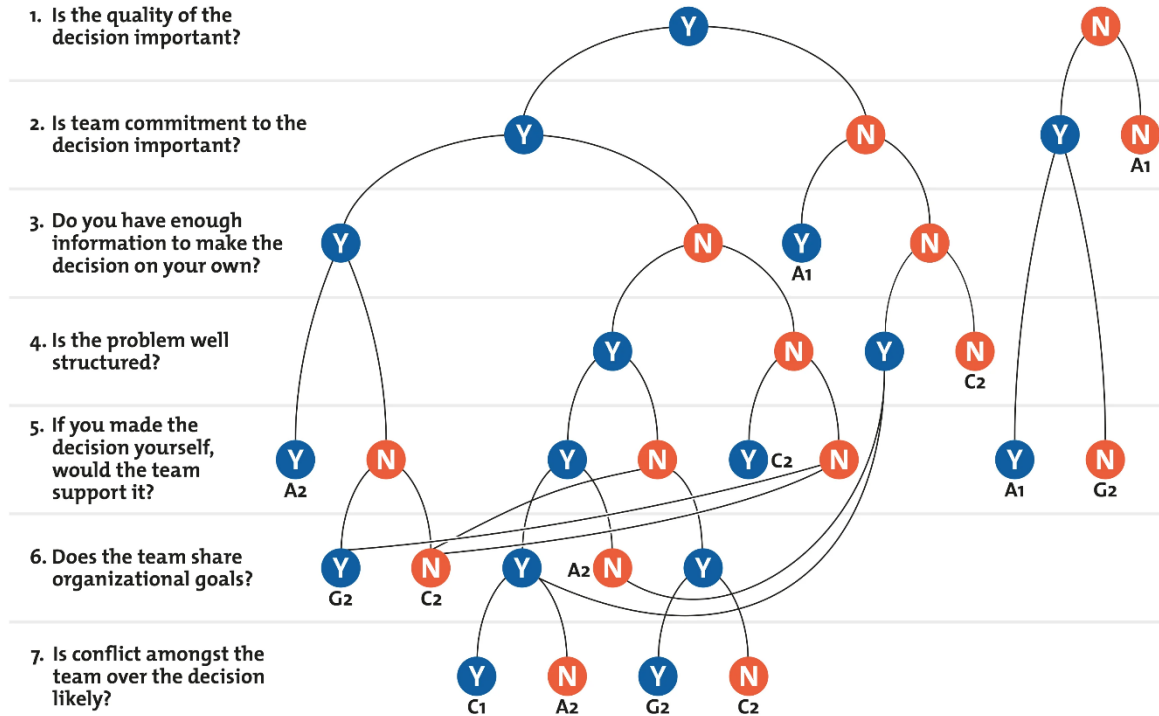


Image Source: <https://www.mindtools.com/media/Diagrams/Vroom-Yetton-Jago-Diagram-v5.jpg>

Normative Decision Model & Interactional Framework

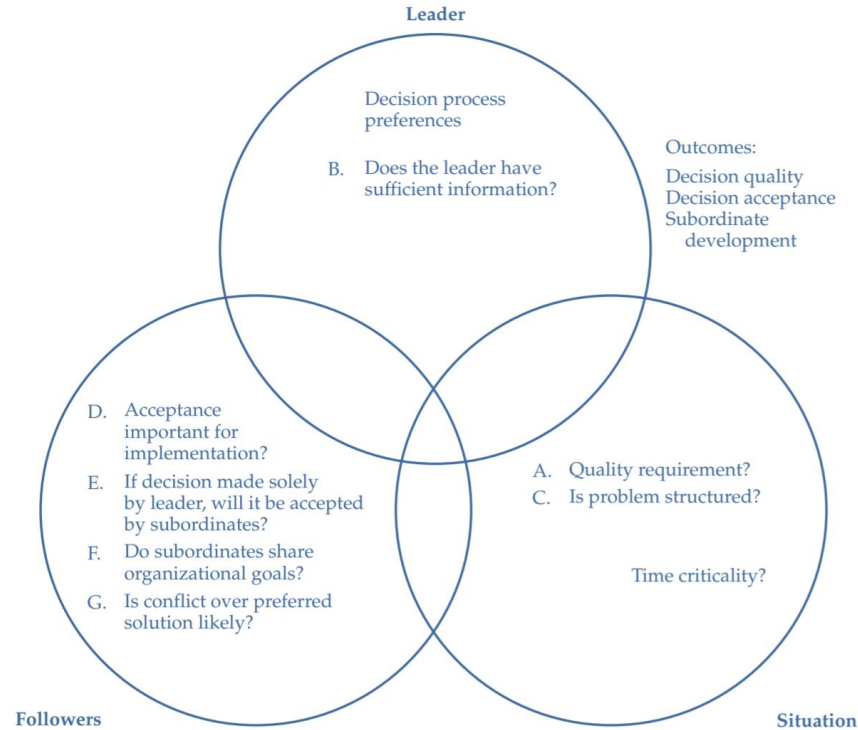


Image Source: (Hughes, Ginnett, & Curphy, 2015)

Case Study: Alvis Corporation

- Kathy McCarthy was the manager of a production department in Alvis Corporation, a firm that manufactures office equipment. The workers are not unionized.
- After reading an article that stressed the benefits of participative management, Kathy believed that these benefits could be realized in her department if the workers were allowed to participate in making some decisions that affect them.
- Kathy selected two decisions for an experiment in participative management. The first decision involved vacation schedules. Whereas, The second decision involved production standards.

(Yukl & Garden, 2020)

Case Study: Alvis Corporation

- **First Decision** Each summer the workers are given two weeks of vacation, but no more than two workers can go on vacation at the same time.
- In prior years, Kathy made this decision herself. She would first ask the workers to indicate their preferred dates, then she considered how the work would be affected if different people were out at the same time.
- It was important to plan a vacation schedule that would ensure adequate staffing for all of the essential operations performed by the department. When more than two workers wanted the same time period, and they had similar skills, she usually gave preference to the workers with the highest productivity.

(Yukl & Garden, 2020)

Case Study: Alvis Corporation

- **Second Decision** Sales had been increasing steadily over the past few years, and the company recently installed some new equipment to increase productivity.
- The new equipment would make it possible to produce more with the same number of workers. The company had a pay incentive system in which workers received a piece rate for each unit produced above a standard amount.
- Top management wanted to readjust the production standards to reflect the fact that the new equipment made it possible for the workers to earn more without working any harder. The savings from higher productivity were needed to help pay for the new equipment.

(Yukl & Garden, 2020)



Case Study: Alvis Corporation

- Kathy called a meeting of her 15 workers an hour before the end of the workday and ask them to make their recommendations.
- Kathy figured that the workers might be inhibited about participating in the discussion if she were present, so she left them alone to discuss the issues.

(Yukl & Garden, 2020)



Workers discussing to make a decision

Image Source: <https://www.thebalancecareers.com/manufacturing-dress-code-4051113>

Case Study: Alvis Corporation

- **Workers response to Decision 1** On the vacation issue, the group was deadlocked. Several of the workers wanted to take their vacations during the same two-week period and could not agree on who should go.

Some workers argued that they should have priority because they had more seniority, while others argued that priority should be based on productivity, as in the past.

Because it was quitting time, the group concluded that *Kathy would have to resolve the dispute herself. After all, wasn't that what she was being paid for?*

(Yukl & Garden, 2020)

Case Study: Alvis Corporation

- **Workers response to Decision 2** When Kathy returned to her department just at quitting time, she was surprised to learn that the workers recommended keeping the standards the same. The worker speaking for the group explained that their base pay had not kept up with inflation, and the higher incentive pay restored their real income to its prior level.

Q1) Were the two decisions appropriate for a group decision procedure according to the Vroom–Yetton model?

Q2) What mistakes were made in using participation, and what could have been done to avoid the difficulties the manager encountered?

(Yukl & Garden, 2020)

Research Paper



Management Decision
41/10 [2003] 968-978

© MCB UP Limited
[ISSN 0025-1747]
[DOI 10.1108/00251740310509490]

Educating managers for decision making and leadership

Keywords

Leadership, Decision making,
Teambuilding, Decision trees,
Management development,
Delegation

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Purpose

- This paper describes a research program, spanning three decades, on the development of Normative model of leadership style- specifically, the form and degree to which managers should involve team members in decision making.

Design/methodology/approach

- Historical review of the participation in decision making is conducted along with describing the development journey of normative model of decision making for a leader.
- Also, With the help of three brief cases, practical application of participation in decision making is discussed accompanied by instances pointing out the successful implementations and challenges faced by managers while practicing participation from followers in decision making process.

Findings

- With the help of Normative decision making model, leadership styles to be use in three different cases were identified.
- While looking for the applications of Normative model, authors found that the one CEO of a large organization even sent the a memorandum to senior executives to use pencil-and-paper version of the model. Whereas anther government executive makes it mandatory for the managers to use “Vroom Analysis” before taking any decision.
- It was found that in some cases the model didn’t benefitted much, especially where no experiential activities were conducted after training managers in concepts of the model.

Implications

- The authors argues that didactic expositions of the model are largely ineffective in producing behaviour change unless accompanied by experiential activities which enable managers to examine their own implicit assumptions about the consequences of sharing their decision making power.
- The author implies that having models of when and when not to employ participation can be useful guide, but its real utility is likely to be realized with educational activities designed to encourage members to examine and reflect upon their own assumptions about the leadership and the ways in which their existing behaviour patterns may falls short of what is needed in today's world

Book Recommendation

Leadership and Decision-Making

Authors: Victor H. Vroom & Phillip W. Yetton
Publisher: ©1973 by University of Pittsburgh Press
Language: English
Paperback: 248 Pages
ISBN-10 : 0822974142
ISBN-13 : 978-0-82-297414-7

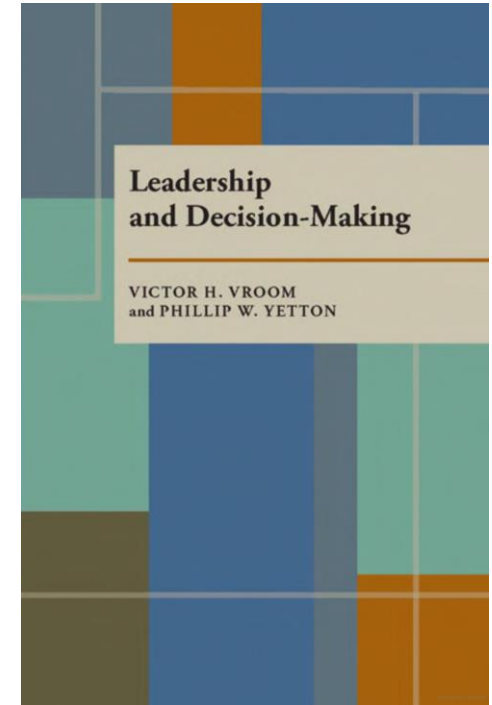


Image Source: https://www.google.co.in/books/edition/Leadership_and_Decision_Making/LX6ZBRsX3kAC?hl=en&gbpv=0

Book Recommendation (Abstract)

- Vroom and Yetton select a critical aspect of leadership style-the extent to which the leader encourages the participation of his subordinates in decision-making.
- They majorly describe a normative model which shows the specific leadership style called for in different classes of situations.
- Other chapters discuss how leaders behave in different situations. They look at differences in leadership styles, and what situations induce people to display autocratic or participative behavior

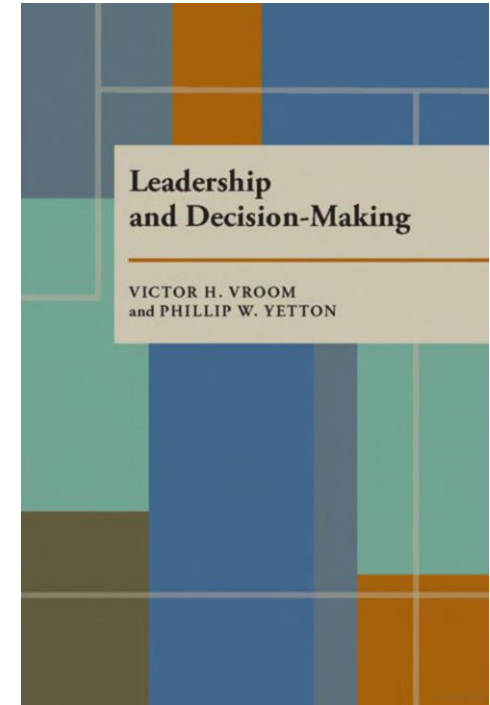


Image Source: https://www.google.co.in/books/edition/Leadership_and_Decision_Making/LX6ZBRsX3kAC?hl=en&gbpv=0

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Thank You

