

Module VI : Decision making

Chapter I : Decision making: The essence of Manager's Job

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# Chapter I

## Decision Making: The Essence of Manager's Job

### A. Decisions

Decisions are choices from two or more alternatives.

J. F. Yates defines the term in his book "Decision management: How to Assure Better Decisions in Your Company" in a following way: A decision is a commitment to an action that is intended to yield satisfying states of affairs for particular parties, called the beneficiaries of that action.

### B. What is Decision Making?

- (i) Decision making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker.

Making a decision implies that there are alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that best fits with our goals, desires, lifestyle, values, and so on.

- (ii) Decision making is the process of sufficiently reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from among them.

This definition stresses the information gathering function of decision making. It should be noted here that uncertainty is *reduced* rather than eliminated. Very few decisions are made with absolute certainty because complete knowledge about all the alternatives is seldom possible. Thus, every decision involves a certain amount of risk.

## C. **Kinds of Decisions**

What separates one decision from another is the difference in the information set available to the decision maker before each decision is made. The information set corresponding to a decision is the set of all observations available to the decision maker prior to making that decision.

There are several basic kinds of decisions.

### (i) **“Decisions whether”**

This is the yes/no, either/or decision that must be made before we proceed with the selection of an alternative. Should I buy a new TV? Should I travel this summer? “Decisions whether” are made by weighing reasons pro and con.

It is important to be aware of having made a “decision whether”, since too often we assume that decision making begins with the identification of alternatives, *assuming that the decision to choose one has already been made.*

### (ii) **“Decisions which”**

These decisions involve a choice of one or more alternatives from among a set of possibilities, the choice being based on how well each alternative measures up to a set of predefined criteria.

### (iii) **Contingent decisions**

These are decisions that have been made but put on hold until some condition is met.

*For example, Ram has decided to buy that car **if** he can get it for the right price; Mohan has decided to write that article **if** he can work the necessary time for it into his schedule.*

Most people carry around a set of already made, contingent decisions, just waiting for the right conditions or opportunity to arise. Time, energy, price, availability, opportunity,

encouragement--all these factors can figure into the necessary conditions that need to be met before we can act on our decision.

*Further, the decision can be classified in three types, based on the type of structure or nature of the task:*

1. Structured Problems

- Routine and repetitive with standard solution.
- Well defined decision making procedure
- Given a well-defined set of input, a well defined set of output is defined

2. Semi-structured Problems

- Has some structured aspect
- Some of the inputs or outputs or procedures are not well defined

3 Unstructured Problems

- All phases of decision making process are unstructured

Simon, on the other hand, classified decisions as programmed and non-programmed decisions

Simon distinguished between programmed decisions and un-programmed decision. A programmed decision is one in which a programme i.e. a set of rules, regulations, formulae exist in the mind of the decision maker or on paper which gives the solution as soon as it is applied to a problem. For example, relief may have to be granted to a citizen when his income falls below a certain level. All that is to be done to take a decision is to find out the income of the applicant. This is a simple case. There may be more complicated set of conditions. But, the decision can be programmed if the fulfillment of concrete conditions completes the decision making process. However, there may be decisions which cannot be taken according to set rule and regulations. The decision maker has to add his won

judgment before a decision can be arrived at. For example, taking an investment decision requires exercise of individual judgment although there is a lot of data supplied to help the decision maker. How much force to sue in a law and order situation? Looking to the circumstances, the magistrate has to make a judgment. Although there are some guidelines of the subject, but they are never sufficient to complete the decision making process. Usually there are very few decisions which can be classified as completely programmed or completely un-programmed. Most of the real life solutions require decisions which are a mixture of the two. It is obvious that the programmed decisions are amenable to mechanical analysis on computers while un-programmed decisions are not. In case of the mixed decisions, that part can be taken over by computers which is programmable.

### ***C.I. Barnard categorizes decisions into logical and non-logical***

*Logical decision* making involves conscious thinking and reasoning, and the process is expressible in words or other symbols.

*Non-logical decision* making is not capable of being expressed in words, or as reasoning, and is made known only by the action itself.

### ***F. Yeats categorizes decision into four types***

- **Type 1: choice decisions.** In choice decisions, the decider is faced with two or more discrete, specified alternatives and must choose a subset from that pool, perhaps just one of those options.
- **Type 2: accept/reject decisions.** In accept/reject decisions, the decider is presented with one option only and must either take it or leave it. An investment illustration: “Should we replace the Number 5 press?” Accept/reject decisions are a special case of choice decisions in that the decider actually has two options, taking the offered alternative or refusing to do so.
- **Type 3: evaluation decisions.** In evaluation decisions, the decider must commit to a course of action based on an assessment of the worth of some entity, that is, on an

evaluation. A bidding example: “Should we, as our analysis says, submit a quote of Rs.35 Crore on that highway rehabilitation project?” A performance appraisal illustration: “Should I give Rita 8 out of 10 this year?”

- **Type 4: construction decisions.** In construction decisions, the decider must use available resources to try to assemble the ideal alternative, subject to particular constraints. A budgeting illustration: “Our total available funds come to Rs. 50 Crores. The proposed budget for sales is Rs.7 Crores, for manufacturing Rs.22 Crores, [and so on]. Is this the budget we should approve?” A negotiations example: “Here’s where we are. . . . Have we finally come up with a package that both sides can live with?”

*Decision making is a nonlinear, recursive process*

That is, most decisions are made by moving back and forth between the choice of criteria (the characteristics we want our choice to meet) and the identification of alternatives (the possibilities we can choose from among). The alternatives available influence the criteria we apply to them, and similarly the criteria we establish influence the alternatives we will consider. Let's look at an example to clarify this.

*Suppose someone wants to decide, Should I get married? Notice that this is a “decision whether”. A linear approach to decision making would be to decide this question by weighing the reasons pro and con (what are the benefits and drawbacks of getting married) and then to move to the next part of the process, the identification of criteria (supportive, easy going, competent, affectionate, etc.). Next, we would identify alternatives likely to have these criteria (Rita, Geeta, Saloni, Julie, etc.). Finally we would evaluate each alternative according to the criteria and choose the one that best meets the criteria. We would thus have a scheme like this:*

***“decision whether” ... select criteria ... identify alternatives ... make choice***

*However, the fact is that our “decision whether to get married may really be a contingent decision. "I'll get married **if** I can find the right person." It will thus be influenced by the identification of alternatives,*

*which we usually think of as a later step in the process. Similarly, suppose we have arrived at the "identify alternatives" stage of the process when we discover that Rita (one of the girls identified as an alternative) has a wonderful personality characteristic that we had not even thought of before, but that we now really want to have in a wife. We immediately add that characteristic to our criteria. Thus, the decision making process continues to move back and forth, around and around as it progresses in what will eventually be a linear direction but which in its actual workings is highly recursive.*

#### **D. Problems of Decision-Making**

There are a number of problems in decision-making, which is a very complex process. Some of the problems are discussed below:

##### ***Involvement in Routine***

From the studies conducted on decision-making, it has been found that the executives tend to use a large part of their time in making routine decisions. Prof. March of Carregie Institute of Technology has conducted a lot of research on business decision-making. He made the subjects perform simple administrative jobs involving three kinds of activities.

- a. routine kind of communication to subordinates
- b. intermediate planning
- c. general planning.

They were told that the three activities were equally important. The workload was varied also. March observed two important results.

- a. When workload was light, more time was spent on routine activities although everyone knew that equal time should be devoted to each activity.
- b. At peak loads almost all time was spent on routine. An executive, who wants to be an effective decision maker has to avoid involvement in routine.

### ***Which problem to Solve?***

The question would not arise if the problems were limited and resources adequate to solve all of them. In real life situations, this is rarely the case. For example, in making a national plan, choices have to be made between building of dams, construction of railway lines, promotion of industries, organization of agricultural research and extension etc. At a lower level, a Chief Executive may have to decide whether to meet the trade representatives or to attend a conference or to meet the officers of Government. An administrator, therefore, has to learn to set priorities. The latter ones keep changing according to the importance of the problems at hand.

#### **(i) Propriety of Decisions**

This is the problem of deciding as to what is the right decision. This subject to the conflict between observing the form or carrying out the spirit? Whether the emphasis should be on following strictly the rules and procedures, or, some other criteria are to be applied? The correct view appears to be that rules and procedures are meant to systematize the work and to improve efficiency and not to be used as criteria for judging the propriety of a decision. The real test is whether the decision promotes general interest, is in accordance with the spirit of the constitution and laws and can be justified on moral ground. In view of the conflicting demands on the administrator, these are not the easy criteria to meet.

#### **(iii) Bias**

Elimination of bias from decision-making is part of the general problem of rationality in the decision-making. Bias is a vague term difficult to define precisely. It means a swaying influence or undue leaning to one side. It may take the forms of prejudice, which is a mental preference again without adequate reasons. It comes as a built-in part of an individual's personality i.e. a part of psychological and cultural makeup. It is not a conscious or deliberate phenomenon in the sense that decision-maker may not even be aware of it. Bias has nothing to do with

unethical conduct like favoritism, nepotism etc., which are all deliberate acts. Bias in the decisions can be judged by observing whether the decision has deviated from norms and whether such deviation can be justified before an independent person on objective rather than subjective grounds. Bias may be caused or aggravated by several factors like:

- (a) Insufficient or incorrect awareness of public interest.
- (b) Strict adherence to rules shows a bias for red tape.
- (c) Bias can result from inheritance.
- (d) Influence of environment-like education, training etc.
- (e) Caste, religion etc., may also cause bias.
- (f) Fear on the part of the administrator e.g. the reaction of the boss may force an administrator to take action against his independent judgment.
- (g) Too much of discretion may aggravate the play of bias, although it may not be the cause of it.

Elimination of bias may, however, not be an end in itself. Not all bias is bad. In fact any policy, being an act of deliberate choice, does introduce an element of bias e.g. policies like abolition of Zamindari, introducing socialistic pattern of society, imposition of ceiling on land holding etc., introduce a strong element of bias. Administrators having natural or acquired bias favorable to these policies cannot be said to be bad officers.

However, the other kinds of biases need to be eliminated. Some conscious efforts that can be taken to eliminate or atleast reduce such biases are indicated below:

- (a) No one should deal with cases in which he or his kinsmen have any personal interest.

- (b) Adequate awareness of public good can be created by proper training and by establishing good traditions.
- (c) Adequate representation be provided to different castes/religions wherever possible, in decision-making processes. For example, in selection board, representatives of backward castes etc. may be included.
- (d) By having rules of conduct etc., avoid situations in which administrators can derive present or future benefits from clients e.g. prohibition of Government servants or their families from taking employment within two year of retirements.

There are thus methods to eliminate undesirable kind of bias. However, as already stated above, desirable kind of bias towards public policies may be promoted by various means.

## **E. The Components of Decision Making**

### ***The Decision Environment***

Every decision is made within a decision environment, which is defined as the collection of information, alternatives, values, and preferences *available at the time of the decision*. An ideal decision environment would include all possible information, all of it accurate, and every possible alternative. However, both information and alternatives are constrained because time and effort to gain information or identify alternatives are limited. The time constraint simply means that a decision must be made by a certain time. The effort constraint reflects the limits of manpower, money, and priorities. Since decisions must be made within this constrained environment, we can say that *the major challenge of decision making is uncertainty*, and a major goal of decision analysis is to reduce uncertainty. We can almost never have all information needed to make a decision with certainty, so most decisions involve an undeniable amount of risk.

The fact that decisions must be made within a limiting decision environment suggests two things. First, it explains why hindsight is so much more accurate and better at making decisions than foresight. As

time passes, the decision environment continues to grow and expand. New information and new alternatives appear--even after the decision must be made. Armed with new information after the fact, the hindsighters can many times look back and make a much better decision than the original maker, *because the decision environment has continued to expand.*

The second thing follows from the above point. Since the decision environment continues to expand as time passes, it is often advisable to put off making a decision until close to the deadline. Information and alternatives continue to grow as time passes, so to have access to the most information and to the best alternatives, do not make the decision too soon. Now, since we are dealing with real life, it is obvious that some alternatives might no longer be available even if too much time passes; that is a tension we have to work with, a tension that helps to shape the cutoff date for the decision.

Delaying a decision as long as reasonably possible, then, provides three benefits:

1. The decision environment will be larger, providing more information. There is also time for more thoughtful and extended analysis.
2. New alternatives might be recognized or created.
3. The decision maker's preferences might change. With further thought, wisdom, maturity, you may decide not to buy car X and instead to buy car Y.

## **F. The Effects of Quantity on Decision Making**

Many decision makers have a tendency to seek more information than required to make a good decision. When too much information is sought and obtained, one or more of several problems can arise.

- (1) A delay in the decision occurs because of the time required to obtain and process the extra information. This delay could impair the effectiveness of the decision or solution.
- (2) Information overload will occur. In this state, so much information is available that decision-making ability actually

declines because the information in its entirety can no longer be managed or assessed appropriately. A major problem caused by information overload is forgetfulness. When too much information is taken into memory, especially in a short period of time, some of the information (often that received early on) will be pushed out.

*The example is sometimes given of the man who spent the day at an information-heavy seminar. At the end of the day, he was not only unable to remember the first half of the seminar but he had also forgotten where he parked his car that morning.*

- (3) Selective use of the information will occur. That is, the decision maker will choose from among all the information available only those facts which support a preconceived solution or position.
- (4) Mental fatigue occurs, which results in slower work or poor quality work.
- (5) Decision fatigue occurs, where the decision maker tires of making decisions. Often the result is fast, careless decisions or even decision paralysis--no decisions are made at all.

The quantity of information that can be processed by the human mind is limited. Unless information is consciously selected, processing will be biased toward the first part of the information received. After that, the mind tires and begins to ignore subsequent information or forget earlier information.

## **G. Decision Streams**

A common misconception about decision making is that decisions are made in isolation from each other: you gather information, explore alternatives, and make a choice, without regard to anything that has gone before. The fact is, decisions are made in a context of other decisions. The typical metaphor used to explain this is that of a stream. There is a stream of decisions surrounding a given decision, many decisions made earlier have led up to this decision and made it both possible and limited. Many other decisions will follow from it.

Another way to describe this situation is to say that most decisions involve a choice from a group of pre-selected alternatives, made available to us from the universe of alternatives by the previous decisions we have made. Previous decisions have "activated" or "made operable" certain alternatives and "deactivated" or "made inoperable" others.

*For example when you enter a store to buy a VCR or TV, you are faced with the pre-selected alternatives stocked by the store. There may be 200 models available in the universe of models, but you will be choosing from, say, only a dozen. In this case, your decision has been constrained by the decisions made by others about which models to carry.*

We might say, then, that every decision (1) follows from previous decisions, (2) enables many future decisions, and (3) prevents other future decisions. People who have trouble making decisions are sometimes trapped by the constraining nature of decision making. Every decision you make precludes other decisions, and therefore might be said to cause a loss of freedom. If you decide to marry Rita, you no longer can decide to marry Saloni. However, just as making a decision causes a loss of freedom, it also creates new freedom, new choices and new possibilities. So making a decision is liberating as well as constraining. And a decision left unmade will often result in a decision by default or a decision being made for you.

It is important to realize that every decision you make affects the decision stream and the collections of alternatives available to you both immediately and in the future. In other words, decisions have far reaching consequences.

## **H Concepts and Definitions**

### ***Information***

This is knowledge about the decision, the effects of its alternatives, the probability of each alternative, and so forth. A major point to make here is that while substantial information is desirable, the statement that "the more information, the better" is not true. Too much information can actually reduce the quality of a decision.

### ***Alternatives***

These are the possibilities one has to choose from. Alternatives can be identified (that is, searched for and located) or even developed (created where they did not previously exist). Merely searching for preexisting alternatives will result in less effective decision making.

### ***Criteria***

These are the characteristics or requirements that each alternative must possess to a greater or lesser extent. Usually the alternatives are rated on how well they possess each criterion. For example, alternative Toyota ranks an 8 on the criterion of economy, while alternative Maruti ranks a 6 on the same criterion.

### ***Goals***

What is it you want to accomplish? Strangely enough, many decision makers collect a bunch of alternatives (say cars to buy or people to marry) and then ask, "Which should I choose?" without thinking first of what their goals are, what overall objective they want to achieve. Next time you find yourself asking, "What should I do? What should I choose?" ask yourself first, "What are my goals?"

A component of goal identification should be included in every instance of decision analysis.

### ***Value***

Value refers to how desirable a particular outcome is, the value of the alternative, whether in rupees, satisfaction, or other benefit.

### ***Preferences***

These reflect the philosophy and moral hierarchy of the decision maker. We could say that they are the decision maker's "values," but that might be confusing with the other use of the word, above. If we could use that word here, we would say that personal values dictate preferences. Some people prefer excitement to calmness, certainty to risk, efficiency to esthetics, quality to quantity, and so on. Thus, when one person chooses to ride the wildest roller coaster in the park and

another chooses a mild ride, both may be making good decisions, if based on their individual preferences.

### ***Decision Quality***

This is a rating of whether a decision is good or bad. A good decision is a logical one based on the available information and reflecting the preferences of the decision maker.

The important concept to grasp here is that the quality of a decision is not related to its outcome: a good decision can have either a good or a bad outcome. Similarly, a bad decision (one not based on adequate information or not reflecting the decision maker's preferences) can still have a good outcome.

*For example, if you do extensive analysis and carefully decide on a certain investment based on what you know about its risks and your preferences, then your decision is a good one, even though you may lose money on the investment. Similarly, if you throw a dart at a listing of stocks and buy the one the dart hits, your decision is a bad one, even though the stock may go up in value.*

Good decisions that result in bad outcomes should thus not be cause for guilt or recrimination. If you decide to take the scenic route based on what you know of the road (reasonably safe, not heavily traveled) and your preferences (minimal risk, prefer scenery over early arrival), then your decision is a good one, even though you might happen to get in an accident, or have a flat tire in the middle of nowhere. It is not justified to say, "Well, this was a bad decision."

In judging the quality of a decision, in addition to the concerns of logic, use of information and alternatives, three other considerations come into play:

- a. The decision must meet the stated objectives most thoroughly and completely. How well does the alternative chosen meet the goals identified?
- b. The decision must meet the stated objectives most efficiently, with concern over cost, energy, side effects. Are there negative consequences to the alternative that make that choice less

desirable? We sometimes overlook this consideration in our search for thrills.

- c. The decision must take into account valuable byproducts or indirect advantages. A new employee candidate may also have extra abilities not directly related to the job but valuable to the company nonetheless. These should be taken into account.

### *Acceptance*

Those who must implement the decision or who will be affected by it must accept it both intellectually and emotionally.

Acceptance is a critical factor because it occasionally conflicts with one of the quality criteria. In such cases, the best thing to do may be to choose a lesser quality solution that has greater acceptance. The inferior method may produce greater results if the inferior one has greater support. One of the most important considerations in decision making, then, is the people factor. Always consider a decision in light of the people implementing it.

A decision that may be technologically brilliant but that is sociologically stupid will not work. Only decisions that are implemented, and implemented with thoroughness (and preferably enthusiasm) will work the way they are intended to.

## **I. Some Decision Making Strategies**

As you know, there are often many solutions to a given problem, and the decision maker's task is to choose one of them. The task of choosing can be as simple or as complex as the importance of the decision warrants, and the number and quality of alternatives can also be adjusted according to importance, time, resources and so on. There are several strategies used for choosing. Among them are the following:

### *Optimizing*

This is the strategy of choosing the best possible solution to the problem, discovering as many alternatives as possible and choosing the very best. How thoroughly optimizing can be done is dependent on

- a. importance of the problem
- b. time available for solving it
- c. cost involved with alternative solutions
- d. availability of resources, knowledge
- e. personal psychology, values

Note that the collection of complete information and the consideration of all alternatives is seldom possible for most major decisions, so that limitations must be placed on alternatives.

### ***Satisfying***

In this strategy, the first satisfactory alternative is chosen rather than the best alternative. If you are very hungry, you might choose to stop at the first decent looking restaurant in the next town rather than attempting to choose the best restaurant from among all (the optimizing strategy). The word *satisfying* was coined by combining *satisfactory* and *sufficient*. For many small decisions, such as where to park, what to drink, which pen to use, which tie to wear, and so on, the satisfying strategy is perfect.

### ***Maximax***

This stands for "maximize the maximums." This strategy focuses on evaluating and then choosing the alternatives based on their maximum possible payoff. This is sometimes described as the strategy of the optimist, because favorable outcomes and high potentials are the areas of concern. It is a good strategy for use when risk taking is most acceptable, when the go-for-broke philosophy is reigning freely.

### ***Maximin***

This stands for "maximize the minimums." In this strategy, that of the pessimist, the worst possible outcome of each decision is considered and the decision with the highest minimum is chosen. The Maximin orientation is good when the consequences of a failed decision are particularly harmful or undesirable. Maximin concentrates on the salvage value of a decision, or of the guaranteed return of the decision. It's the philosophy behind the saying, "A bird in the hand is worth two in the bush."

Quiz shows exploit the uncertainty many people feel when they are not quite sure whether to go with a maximax strategy or a maximin one: "Okay, Mrs. Sharma, you can now choose to take what you've already won and go home, or risk losing it all and find out what's behind door number three."

*Example: I could put my Rs.10,000 in a genetic engineering company, and if it creates and patents a new bacteria that helps plants resist frost, I could make Rs.50,000. But I could also lose the whole Rs.10,000. But if I invest in a soap company, I might make only Rs.20,000, but if the company goes completely broke and gets liquidated, I'll still get back Rs.7,000 of my investment, based on its book value.*

*Maximax would be to invest in a genetic engineering company;  
Maximin would be to invest in a soap company.*

## **J. Theories of Decision-Making**

As already mentioned, the decision making involves the choice of a particular course of action from among a number of competing alternatives. Theories of decision-making are concerned with the question as to how such a choice is made. In this section, we will consider the two main theories namely, the Rational Theory and the Incremental Theory. We will leave the treatment of the third theory viz. Behavioural Theory developed by Herbet Simon to the next section.

### ***The Rational Theory***

According to this theory the decision making first isolates the problem for decision and then identifies various alternative solutions. The costs and benefits of all the alternatives are then worked out and compared with each other. The best alternative is chosen according to the decision criteria decided in advance. On the face of it, this appears a very simple model assuming the decision-making to be a rational person as it assumed in the study of Economics.

### *Criticism*

- (i) The theory assumes that the problems are all known to the decision maker. But, it is not a fact. The problems for decision require a great deal of investigation to isolate. The apparent problem may not be the real problem. The point may be easily understood by a simple example which is not from the field of administration. If a person is having high temperature it may not be cured merely by drugs meant for bringing down temperature. The cause may be hepatitis, urinary infection, bacterial infection or even tuberculosis. The right remedy can be found only after finding the real cause and this may require detailed investigations.
- (ii) Another facile assumption of the theory, on the pattern of rationalist economic theory, is that all the alternative solutions of the problem chosen are known to decision-maker. It is further assumed that all the consequences of the alternative solutions are also known to the decision-maker and that he can instantly compare their costs and benefits. Anyone familiar with administrative solutions knows that this is not true. Alternative solutions and their consequences have to be estimated. There are many limitations on this process e.g. time available for making a decision; the costs of gathering information, availability of relevant information etc.
- (iii) Even if all the alternatives and their costs and benefits are known, it may not be possible for the decision maker to reach a conclusion on account of the conflicting values that may be applicable to the situation, for example, if a new steel plant has to be established, should not be established on economic consideration in the vicinity of places where raw materials are available? Or should it be established in a backward area so that more jobs may become available to the deprived section of the people inspite of the increased costs? There may thus be a conflict of values which may make the task of decision maker very difficult.
- (iv) Certain alternatives may not even be available to the decision maker in view of the decisions already taken and executed. For example, system of educational administration cannot be easily altered radically in view of the costs already incurred.

### *Incremental Theory*

The above mentioned criticisms of the rational theory are to some extent answered by the Incremental Theory. According to instrumentalism approach the various processes of decision-making like the selection of the problem and analysis of various alternatives etc. are not very clearly demarcated. The decision-maker considers only a few alternatives for dealing with the problems. These differ only marginally (or incrementally) from the existing policies. The change takes place slowly. The problem gets redefined and another incremental decision is taken, it is a continuous process in which decision is generally by consensus. For that reason it is easy to implement.

### *Critical Evaluation*

Obviously incremental decision-making cannot result in big changes. The process is essentially very slow, but has several advantages over the rational decision-making process.

- (a) Firstly, the process avoids violent changes, which may at times give rise to social and political instability. The method is ideal in pluralist societies like America and India where it is difficult to find radical (through rational) solutions acceptable to all.
- (b) Secondly, the incremental decision-making process reduced the risks and costs of decisions which have often to be taken under conditions of uncertainty.
- (c) Thirdly, the problems of data collection, analysis of alternatives etc. remain within manageable limits so that impossible burdens are not placed on the decision makers.

Very often the existing situation itself suggests a simple remedy without much analysis. In short in place of very rational decision which may not be easily found out, the instrumentalism provides for a practical solution which may be modest but may at least work and work expeditiously.

The incremental decision-making process has, however, also been criticized by many.

- (1) It has been said that the process, being based on consensus, tends to favour the most powerful and privileged sections of the population.
- (2) It is incapable of producing bold initiatives favoring the poor and the down trodden.
- (3) Nor can it make for big and decisive changes.

The decision makers, therefore, utilize both the methods depending upon the circumstances of the decision, or even parts of a decision may be tackled by different methods.

### ***Herbert Simon on Decision-Making***

Herbert Simon attached the classical theory of organization based mainly on structural approach. He said that the so called principles of organization were mere proverbs, and often lead to contradictory and inconsistent results. He, therefore, tried to study the question in another way, viz, by observing the behaviour of the managers in the organizations. He found in his analysis that the main job of the managers is to take decisions. So much so that Simon went to the extent of using “decision-making” as synonymous with “managing”. He felt that in an organization the managers, who are in senior positions, have to perform the crucial decision making functions. Actually decisions are being taken at lower levels, middle level and the senior levels. At lower levels only about basic work processes decisions are taken while at the middle level, major operating decisions are taken. On top level managers take decisions to provide purpose and objective to the organization and to monitor its performance. Simon said that decision making is mainly concerned with making choices out of the available courses of action. However, he felt that only the final act of making the choice is often taken as decision making. But according to him decision making is a whole (and quite complex) process comprising several activities culminating in the final choice. Simon classified these activities into three main heads – viz. finding occasions for making a decision; finding possible

courses of action; and choosing among courses of action. He called these phases as intelligence activity' design activity and choice activity respectively. He found that time devoted to these activities varied considerably. Managers and executives spend a large part of their time surveying economic, social, political and technical environment to identify new opportunities for the organization. They probably spend still more time in developing designs and possible course of action where a decision is required. Finally they spend a small part of their time in choosing among alternative actions already developed to meet in identified problem and already analyzed for their consequences. Thus a major part of the time of the executives and managers is spent in intelligence activity and design activity while only a small part is spent on choice activity which is mistaken as "the decision-making".

In his famous book "*Administrative Behaviour*", Herbert Simon developed his ideas on the decision making process. A very brief account of his ideas is attempted below:

- a. In first point made by Simon is that every decision consists of a logical combination of facts and values. Facts mean existence or occurrence of something tangible and concrete which can be verified by anyone. On the other hand value is a matter of preference. For example, when one says he likes classical music, he is making a value statement. More statement of facts does not constitute a decision. It does involve a question of preference. Hence a decision involves a number of fact statements and value statements.
- b. Taking a cue from economists, Simon started with the assumption that decision-making, which meant making choices, was intended to be a rational process. This rationality implies these characteristics. First of all the decision maker should know the problem and various alternative solutions. This is an important precondition, for, what one will choose if he is not even aware of the alternatives. Secondly, all the consequences of each alternative must be known. And, thirdly, the criteria for making a choice must also be predetermined. When all the alternatives and their consequences are known, a rational choice can be made by applying the pre-determined criteria. Simon, however, argued that such a rationality is not visible in actual

human behaviour and appears to be inconsistent with human capacity of processing and analyzing information. The theories of rational choice had already pointed out that the choice is constrained by several factors like time, cost, technology etc. The distinctive contribution of Simon is that, in addition to these external factors in the environment, the constraints on choice also come from some properties of human beings as problem solvers and processors of information. He said that human memory and computing power were limited, His resources stimulated many others. They collectively developed the idea of what has come to be known as the theory of “bounded rationality”.

Simon brought to bear the Behavioural approach to the concept of bounded rationality. He focused on the three main aspects:

- (a) In the traditional theories of rationality, the alternative choices were supposed to be given. On the other hand, Simon said that alternatives were to be discovered through search and usually only a limited number of alternatives were considered.
- (b) Similarly, the consequences of the various alternative choices were also taken as given by the traditional theories. Simon said that even the consequences of the alternative choices had to be found through some kind of a search.
- (c) Traditional theories assumed the decision-makers, while, making a choice, optimized. It means that they waited until they found the best alternative according to the choice criteria laid down by them. Simon, however, suggested that most of the decision makers only “satisfied”. The alternatives are considered sequentially. The decision maker chooses the first alternative that is good enough.

## **K. Decision Making Styles**

A huge variety of classifications of decision making style and examples are available. While some of the classifications may be considered true classifications, others are more accurately a description of the decision making model being used.

***One classification includes the following:***

- analytical
- conceptual
- impulsive
- procrastinating
- flexible
- proactive
- fatalistic
- dependant
- normative
- Behavioural

***To decide or not to decide***

This is an interesting categorization of different types of decision making styles:

- Agony
- Impulse
- Escape
- Compliance
- Play it Safe
- Procrastination

***A mixed bag***

Another classification includes the following categories:

- Rational
- Intuitive
- Dependent
- Avoidant
- Spontaneous

The first two here, rational and intuitive, are much more a description of models than decision making style.

***Overlay of styles***

Myers Briggs developed a model which is used as a personality indicator. The four categories, or dichotomies, are extraversion/introversion, sensing/intuition, thinking/feeling and judging/perceiving. Testing indicates whether an individual is an

introvert/sensing/feeling/judging or  
extrovert/intuitive/feeling/perceiving category and so on.

By extrapolating how individuals will function in groups or relationships based on their Myers Briggs category, it's also possible to predict their decision making style. And examples include a logical analytical style for someone who is in the thinking/extrovert//sensing/judgment category. Whereas someone who is introverted/intuition/feeling/perceiving may procrastinate or be dependent in their decision making.

### *The most popular Models*

Decision making models can be divided into

- Rational
- Intuitive
- Others

Of these groups, by far and away the most popular decision making models are those of the rational category.

Rational models have a series of **sequential steps** that involve a **thinking process** where various options are rated according to potential **advantages and disadvantages**. The highest scoring option is considered to be the optimum one.

There are many adaptations of this idea and some of these include multiple step decision making processes, decision matrix analysis and SWOT analysis, Pareto Analysis, Critical Path Analysis and Decision Trees.

### *Why so popular?*

The most popular decision making models are popular for several reasons. In our culture we give great importance to thinking and less to the wisdom of our physical systems. The rational models are all about cognition and understanding and we like understanding. We like to believe we can get a handle on life, the universe and everything. We want to know the future, so we can settle back and relax. The

most popular decision making models give us the illusion that we are doing just that!

They are also the most popular decision making models because they are **easiest to teach and to learn**. They are the commonest models in our teaching establishments and until recently were the model of choice in the armed forces, although they have realized their limitations and are now introducing intuitive models.

## L **Description of Decision Styles**

### *Agony*

Agony- to "over-think" a decision. Spending large (possibly excessive) amounts of time weighing out all possible options before deciding on one. Agonizing over a decision requires that a person places great time and importance on the decision.

*When is it best to use this style of decision making?*

Agonizing over a decision that has great importance to you or has serious consequences is likely an appropriate way to handle the decision. People often agonize over their career choices, serious relationship issues, or problems with family. When a decision could seriously affect other people in your life or could have long term effects on you, it may be appropriate to use this style of decision making.

*When is this style inappropriate?*

Agonizing over a decision that has little importance or consequences appears as though it may waste a lot of useful time and energy. Everyday decisions such as what meals to eat or what social activities to participate in should not become time consuming situations that you agonize over.

### *Impulse*

Impulse- to make a decision based on your first reaction. Impulsive decision makers spend little to no time considering their options. They simply react to the circumstances in front of them.

*When is it best to use this style of decision making?*

Situations of emergency or crisis often require people to use an impulsive decision making style to handle the situation. For example, jumping in a lake to save a drowning person would be an impulsive decision. There is no time for thinking over a decision and weighing all possible options in many emergency situations. It is often best to act impulsively to solve the problem.

Impulsive decisions may also be appropriate in social situations. Depending on your definition of fun or enjoyment, you might like to act impulsively (but responsibly) with friends. For example, an unexpected day trip to the beach might be an unplanned, spontaneous decision that would be considered impulsive.

*When is this style inappropriate?*

Impulsive decision making is inappropriate when there are major life decisions to be made. Career choices, academic choice, family issues and relationship issues should generally not be situations during which you act impulsively. It is also important to be aware of other people's feelings and not to act impulsively by saying or doing something that may hurt someone unnecessarily.

### ***Escape***

Escape - Avoiding a decision or creating a false answer to temporarily solve a situation is escaping from making a decision.

*When is it best to use this style of decision making?*

It is rarely a good choice to use this style of decision making. Normally, people are not put in situations that would permit them to use this style. But, it can be an appropriate method of decision making if you are put in an uncomfortable or dangerous situation. For example, some persons in a group began using drugs and offered them to a person who did not use drugs. The person was embarrassed to simply "say no". He did not want the pressure of explaining why he did not want to share. So, he simply responded, "I have a cold and I'm on medication, so I can't". Uncomfortable situations such as these can often be a good time to utilize the escape method of decision making.

*When is this style inappropriate?*

It is inappropriate to escape a decision that is inevitable. If you have done something you do not want to face or you are avoiding the truth in some way, this is not a good style to choose. Escape would be inappropriate if you have to face reality and are attempting to avoid that.

### ***Compliance***

Compliance- is to allow someone else to decide for you. As opposed to taking responsibility/ownership for the decision, compliant people allow others to make decisions for them.

*When is it best to use this style of decision making?*

Compliance may be appropriate when you are making decisions in areas that you do not feel you have enough information about. Consulting with someone who is more knowledgeable or has expertise in a certain area would be a good idea if you don't feel comfortable enough to make a decision on your own.

Relationships and family situations that are not of great importance to you may also be good situations to use compliance. Allowing others the option to make choices could be a very effective way to increase the strength of a relationship. If you are in a relationship with someone and you always get exactly what you want, that is not fair to the other person. It may be beneficial for both parties in a relationship to use compliance and allow the other to make decisions on occasion.

*When is this style inappropriate?*

It is not appropriate to use compliance as a way of avoiding responsibility for your actions or decisions. Important life decisions should not be ones that you allow other people to make for you. For example, allowing your parents to decide what college you transfer to or what subject you major in is not appropriate.

### ***Play it safe***

Play it safe- is to always go with the situation that involves the least amount of risk. Playing it safe is normally the option that would be most socially acceptable, the "norm" and would allow a person comfort rather than risk.

*When is it best to use this style of decision making?*

Playing it safe is normally the best option when there is a dangerous risk involved in the decision to be made. For example, if you are considering experimenting with a drug that is known to be very harmful or possibly fatal, the best thing to do is to "play it safe" and abstain from using the drug.

It is best to choose safe options in situations where the consequences may be too difficult for you to handle. For example, if you are not good at swimming, the best thing to do would be to swim in shallow area or avoid swimming.

*When is this style inappropriate?*

Playing it safe can become a negative experience if a person always chooses to play it safe. Often, the most rewarding experiences and opportunities come from situations that required taking a risk. For example, if you are worried about leaving your hometown to pursue a career that has always interested you, it may be to your benefit to take a risk and try to reach a goal or dream.

### ***Procrastination***

Procrastination- to simply delay the decision. Procrastinators refuse to actually make a decision. Often, they delay so long that the options that were once available then become unavailable. For example, a student who is considering joining another college but fails to send her applications to any other college by the desired deadlines would be considered a procrastinator. By not sending these applications, the options that may have been available to her no longer exist. Her decision has been made because her lack of action has only left her with the option of remaining at the existing college.

*When is it best to use this style of decision making?*

Procrastination is generally not a good style of decision making. While there are few situations that would best be handled by procrastinating, it is possible that a person may procrastinate or delay a decision because he or she has chosen to wait until he or she is more ready to make the decision.

*When is this style inappropriate?*

Procrastination is not an effective decision style for any decision that has urgency or a timeline. It is not effective to continually delay a decision that will inevitably have to be made. For example, a student who delays registering for classes until last day of registration has lost many options for scheduling and has lost the convenience of having registered early. Delaying decisions generally makes the ultimate decision more difficult.

Someone who is in the flexible category has the ability to move between different categories and may do so based on the circumstances or situation.

**Another classification of Decision Making Styles offers following styles:**

***Authoritative***

The authoritative decision making style is useful when the leader possesses all the **necessary information** and has the **required expertise** to make the best decision. He/she makes the decision and the subordinates are then informed of what the decision is.

This style is useful when the leader is the expert, and when a fast decision is required. The leader takes **sole responsibility** for the decision.

The authoritative decision making style is least useful when there is expertise available elsewhere that the leader could call on to make a more effective decision. Nor is it useful if it becomes the only decision making style used by **power driven individuals**.

### *Facilitative*

The facilitative decision making style indicates a **joint effort** between leaders and subordinates, both providing input to make a shared decision. It is important that subordinates have access to the information required to make the decision. They should also have some degree of **expertise and/or motivation** to ensure the best decision is made.

Responsibility for this decision is shared and this style can actually be very **empowering to subordinates**, unlike the authoritative decision making style which can have quite the opposite effect. The facilitative style is useful when the risks of a poor decision are minimal and the benefits of including the subordinates are significant, such as arranging timetables, or benefit programs.

### *Consultative*

Consultative decision making is said to occur when the leader asks for **advice and opinions** from his subordinates, and makes the decision himself. As in the authoritative decision making style, responsibility remains with the leader.

If the subordinates have expertise or information that will help make a more effective decision, **a wise leader will ask for it**. But unless the subordinates understand that that's what is occurring, it can lead to upset or disappointment.

### *Delegative*

Delegative decision making, as the name implies, is when a leader passes responsibility for the decision making and the decision to one or more subordinates. It may even be all the subordinates.

Again, the pros and cons are determined by the expertise and knowledge of those actually making the decision. The style obviously comes into its own as the organization gets **larger**, and means the leader does not necessarily have to make all the decisions.

## *Flexibility*

A good leader will **move easily between the styles** depending on context. It takes quite a degree of awareness of self, as well as an **understanding of the limits** of your own expertise, to be flexible in this way.

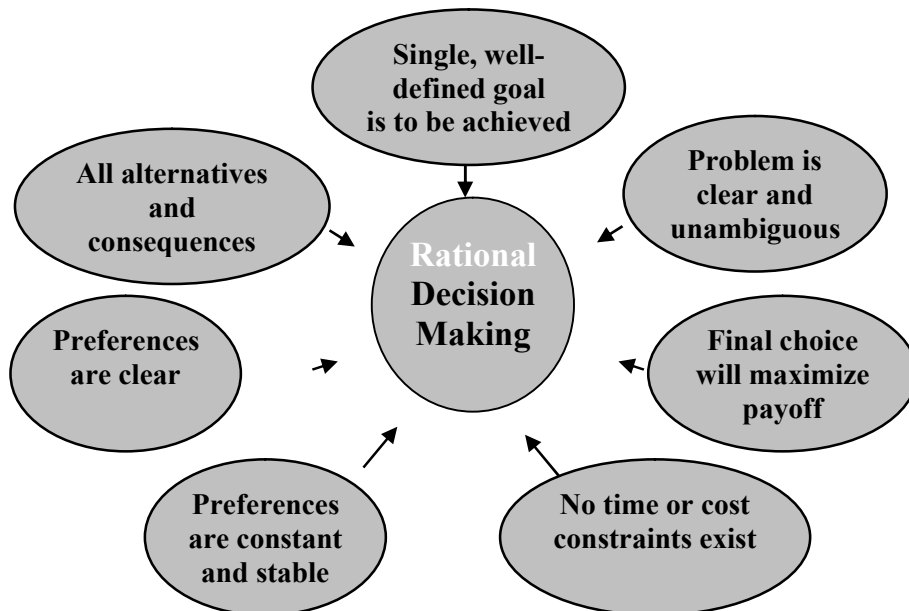
## **M. Decision Making Models**

### *Rational decision making models*

Rational decisions are consistent, value-maximizing choices within specified constraints. The managers are assumed to make rational decisions.

Rational decision making models involve a **cognitive process** where each step follows in a logical order from the one before. The cognitive mean it is based on thinking through and **weighing up the alternatives** to come up with the best potential result.

### *Assumptions of Rationality*



There are different types of rational models and the number of steps involved, and even the steps themselves, will differ in different models.

### *Steps in a rational decision making model*

- Define the situation/decision to be made
- Identify the important criteria for the process and the result
- Consider all possible solutions
- Calculate the consequences of these solutions versus the likelihood of satisfying the criteria
- Choose the best option

The comparison is often performed by filling out forms or charts like Decision matrix, Pugh matrix, decision grid, selection matrix, criteria rating formats. A **relative importance** is given to each criterion and the options are scored against each of the criteria and the highest 'wins'.

### *Pros and cons*

A rational decision making model presupposes that there is **one best outcome**. Because of this it is sometimes called an optimizing decision making model. The search for perfection is frequently a factor in actually delaying making a decision.

Such a model also presupposes that it is possible to **consider every option** and also to know the **future consequences** of each. While many would like to think they know what will happen, the universe often has other plans!

It is also limited by the cognitive abilities of the person making the decision; how good is their memory? How good is their imagination? The criteria themselves, of course, will be subjective and may be difficult to compare. These models require a great deal of time and a great deal of information. And, of course, a rational decision making model attempts to negate the role of emotions in decision making.

## **Vroom-Jago Decision Model**

### ***What's it for?***

The Vroom-Jago decision model is a rational model used by leaders to determine whether they should make a decision alone or involve a group, and to what extent the group should be involved.

This method was first proposed by Vroom and Yetton in 1973 and was later modified by Vroom and Jago in 1988. Subsequent studies have shown that the greater precision in situational assessment of the Vroom-Jago decision model allows for better discrimination in choosing a process.

In some business situations it's better for a leader to be the decision maker for the group. In others, it's best for the group to have some input or even make the decision. This model distinguishes five different situations and outlines an algorithm for determining which one to use.

### ***The 5 processes***

#### ***Autocratic I (A1)***

You as a decision maker use the information available to make the decision yourself.

#### ***Autocratic II (A2)***

You request information from members of your team. They may or may not know why you want such information. They neither define the situation, alternatives or final choice.

#### ***Consultative I (C1)***

You explain the situation to the individual members of the group but they do not get together as a group. You make the final decision.

### *Consultative II (C2)*

There is group discussion where you explain the situation and gather ideas and suggestions. Again, you're responsible for the final decision making.

### *Group II (G2)*

The group as a whole makes the decision. You as the leader present the situation and the group defines alternatives and reaches a consensus decision. The leader acts more as a facilitator in this process and allows the group to agree on the final choice.

### ***Which one?***

The Vroom-Jago decision model uses a series of seven questions, asked in order, to determine which of these five processes to use. This is a somewhat prescriptive process and allows a selection or option which is the most appropriate for your situation.

### ***The 7 questions***

- i. Is high quality important here or is a good solution absolutely critical?
- ii. As the leader, do you have enough information of your own to make a good decision?
- iii. Is the problem structured in that it is clearly defined, organized and has recognized solutions?
- iv. Do the members of the group have to accept this decision for it to work?
- v. If you make this decision yourself, are you sure the group will accept it?
- vi. Are the group members aligned with the same goals that you are trying to achieve?
- vii. Is disagreement likely among group members in reaching a decision?

The Vroom-Jago decision model is itself a decision tree and will only be as useful as the quality of information you input and how you approach the decision itself.

## *Multiple step decision making models*

### *The 9 step decision making model*

The 9 step decision making model is proposed by David Welsh in his book 'Decisions, Decisions'.

He calls it a *subjective expected utility maximization* process. A utility, he explains, is a technical term used by economists and philosophers to indicate happiness, pleasure or satisfaction. Subjective indicates that it's your pleasure, and expected because it is the satisfaction or pleasure that you don't yet have, but hope to get.

Using the 9 step decision making model allows you to consistently aim to maximize your pleasure, and will be better for you in the long run than making decisions in any other way.

#### *Step 1 - identify your objective*

What is it you wish to achieve?

#### *Step 2 - Do a preliminary survey of your options*

Besides the most obvious choices available to you, what other kinds of options can you think of?

#### *Step 3 - identify the implicated values*

What values are at stake here? If it's an easy or unimportant decision you may not necessarily do this step. But if the decision has a major impact on your wealth, your health or self-respect, then it's useful to be aware of it.

#### *Step 4 - assess the importance of the decision*

The importance of the decision will determine how much you invest in it in terms of time, energy and money. The importance is determined by examining the implicated values.

You may also have to consider the context here as well, a different situation or environment can mean that a decision that is often not very important can become very significant.

*Step 5 - budget your time and energy*

Having identified the main alternatives and the values, now decide on how much time and energy to spend making the decision itself. More important decisions are given more time and energy. He suggests that busy people and nervous wrecks made worse decisions than other people.

*Step 6 - choose a decision making strategy*

This step of the 9 step decision making model involves making another decision. The time and energy you plan to devote will affect the strategy you choose.

And because the strategy you choose may profoundly affect your decision it's important to choose an appropriate one.

*Step 7 - identify your options*

When you examine your options in more detail you may discover other options with different implicated values. He points out that occasionally you may have to go back to step three to five and make revisions.

Sometimes outside expertise may be able to provide options that you haven't thought of.

*Step 8 - evaluate your options about*

This is where you compare the options available to you. Again he suggests that seeking advice from an expert is often easier than making the decision on your own.

*Step 9 - make your choice - on time, on budget*

When you're finished doing the evaluation (only as much as it requires!), you make your choice. He notes that people may still have difficulty at this stage because they fear the consequences of making a bad decision.

## ***7 Step Decision Making Model***

This model was developed by Rick Roberts of the University of North Florida career service. It was designed for those who wanted a decision-making model to help with choosing a career path or deciding what to do about a job offer.

An important factor in the model is information gathering. It is suggested that the more information that's available, the easier it is to make decisions. So many of the steps are designed to do just this.

### *The 7 steps*

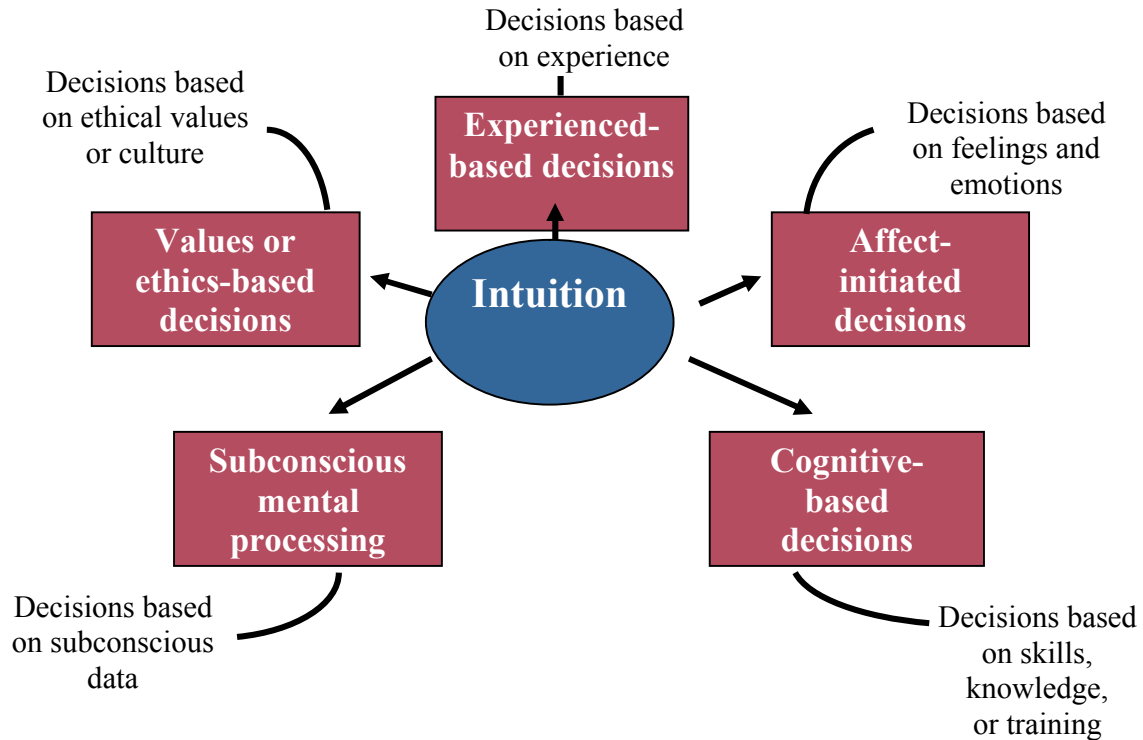
- ***Identify the decision to be made*** - exactly what are you trying to decide?
- ***Know yourself*** - what are your strengths, weaknesses, skills, values and interests
- ***Identify options*** - list the various choices so far
- ***Gather information and data*** - about each alternative
- ***Evaluate options that will solve the problem***, pros, cons and risks of each alternative
- ***Select the best option***- may be necessary to loop back and gather more information
- ***Develop a plan of action*** - and implement it!

### *Pros and Cons*

The 7 Step Decision Making Model was designed for career decision making and so can be a bit cumbersome if applied to decisions that are not as significant. Not so useful for deciding between chocolate or vanilla ice cream, for example!

## ***Intuitive decision making***

Subconscious process of making decisions on the basis of experience and accumulated judgment is known as Intuitive decision making. It does not rely on a systematic or thorough analysis of the problem. It generally complements a rational analysis.



## N. Decision Making Tools And Techniques

Such things as visual aids and other helpful instruments are decision making tools, and the processes used to arrive at a decision are decision making techniques.

As such, decision making tools and techniques are not completely separate but can be used together in various combinations depending on what kind of result you are after.

Many of the tools available to help with decision making take the form of charts or diagrams that you fill in with the information available to you. These visual decision tools are mostly used by people who like to have some visual representation of what's happening so they can get a 'clear view' of the situation!

### ***Rules as tools...***

Rule-based decision tools allow novices to make decisions by putting information into a predetermined format.

### *A simple T Chart*

The idea here is to list the pros and cons of a particular decision, each list either side of the stem of a T. At it's simplest, if the list of pros is longer than the cons, go ahead. If the list of cons is longer, don't do it. Another variation would be to give each consequence a number depending on it's importance. The numbers in both columns are added and you go with the highest.

A decision making pros cons table might look like this:

#### *Should I buy a new laptop?*

<i>Plus</i>		<i>Minus</i>	
<i>Work faster</i>	+2	<i>Expensive</i>	-3
<i>Plays music</i>	+4	<i>Need to buy more software</i>	-3
<i>Looks great</i>	+1	<i>Heavy</i>	-1
<i>Portable</i>	+2		
<i>Total</i>	+9	<i>Total</i>	-7

### *PMI*

Edward de Bono added another dimension to the T Chart by adding a third column to the 'Pluses' and 'Minuses' - an 'Interesting' column. Other consequences, ideas or areas of uncertainty that are not yet judged to be good or bad are listed here.

Then each item, in all 3 lists, is given a plus or minus value based on it's relative importance. Again, each column is totalled. These 3 numbers are then added to determine the decision.

### *Decision making matrix/Grid analysis*

A decision making matrix is a visual representation of a complex decision. It is a common business decision making model. This has a variety of names including decision grid, problem selection grid, Pugh matrix and solution matrix. It is used to evaluate and prioritize a list of options against a list of criteria. The highest ranking option is the 'best' solution.

Where there are multiple possible outcomes and a whole host of factors to consider, grid analysis is useful. These decision making tools and techniques allow for a step by step comparison of each option versus each factor and a simple method of reaching a logical and rational decision.

### ***Operational Risk Management (ORM) Decisions***

Army and navy units use ORM, Operational Risk Management to make decisions that minimize risk and hazards in their activities while still allowing the completion of their missions.

### ***Decision Trees***

These are used to compare various options and predict the possible outcomes of each option. They are often used to try and work out the risks and benefits of the various options.

They represent the situation graphically in order to assess the net value of many possible outcomes.

### ***SWOT Analysis***

Strengths, Weaknesses, Opportunities and Threats are examined. They are often drawn in a 2x2 matrix, so that it reads like a list of advantages and disadvantages. While individuals can use it, it is more commonly used by organizations, and often alongside other models.

### ***Pareto Analysis***

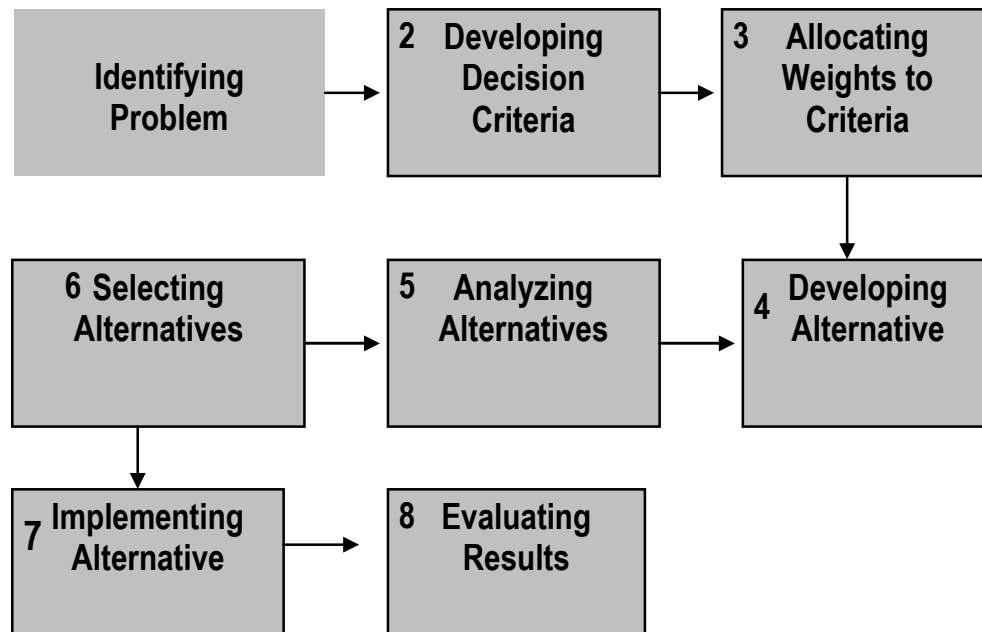
Working on the 80:20 principle, when there are many changes to be made in an organization, this analysis suggests where the initial changes should be made in order to get the maximum benefit as early as possible.

### ***Critical Path Analysis***

This is used where a project has many steps that are interdependent. It identifies tasks which have to be completed on time. This is useful where some tasks cannot be started until the initial ones have

completed and also gives an understanding of how soon each task needs to be completed so that the whole project will complete on time.

## O. Decision Making Process



### *Identifying Problem*

Problem means discrepancy between an existing and a desired state of affairs or the difference between what is and what it ought to be. It must be such that it exerts pressure to act.

### *Developing Decision Criteria*

*Decision criteria* - what's relevant in making a decision?

The following factors are relevant in making the decision:

- Price
- Interior comfort
- Durability
- Repair record
- Performance
- Handling

### *Allocating Weights to Criteria*

It involves determining the relative priority of each of the criteria. For example if the problem is to purchase a new car, the criteria and weights may be as under:

Criterion	Weight
Price	10
Interior comfort	8
Durability	5
Repair record	5
Performance	3
Handling	1

### *Developing alternatives*

It involves listing the viable alternatives that could resolve the problem without evaluating them.

Make a list of all the possible choices you have, including the choice of doing nothing. Often a non decision is harmful as not choosing to turn either right or left while driving towards a bridge support is to choose to drive into the bridge. But sometimes the decision to do nothing is useful or at least better than the alternatives, so it should always be consciously included in the decision making process.

For example, in the above problem of buying a car the development of alternatives will include generating a list of possible vehicle manufacturers.

Also be sure to think about not just identifying available alternatives but creating alternatives that don't yet exist.

### *Analyzing Alternatives*

It means assessing the value of each alternative by making a value judgment of the feature.

This is the evaluation of the value of each alternative. Consider the negative of each alternative (cost, consequences, problems created, time needed, etc.) and the positive of each (money saved, time saved, added creativity or happiness to company or employees, etc.). Remember here that the alternative that you might like best or that would in the best of all possible worlds be an obvious choice will, however, not be functional in the real world because of too much cost, time, or lack of acceptance by others.

Also don't forget to include indirect factors in the rating. If you are deciding between machines X, Y, and Z and you already have an employee who knows how to operate machine Z, that fact should be considered. If you are choosing an investigative team to send to Japan to look at plant sites and you have very qualified candidates A, B, and C, the fact that B is a very fast typist, a superior photographer or has some other side benefit in addition to being a qualified team member, should be considered. In fact, what you put on your hobbies and interests line on your resume can be quite important when you apply for a job just because employers are interested in getting people with a good collection of additional abilities.

### *Selecting Alternative*

If you are making an individual decision, apply your preferences (which may take into account the preferences of others). Choose the path to follow, whether it includes one of the alternatives, more than one of them (a multiple decision) or the decision to choose none.

And of course, don't forget to implement the decision and then evaluate the implementation, just as you would in a problem solving experience.

One important item often overlooked in implementation is that when explaining the decision to those involved in carrying it out or those who will be affected by it, don't just list the projected benefits: frankly explain the risks and the drawbacks involved and tell why you believe

the proposed benefits outweigh the negatives. Implementers are much more willing to support decisions when they (1) understand the risks and (2) believe that they are being treated with honesty and like adults.

Remember also that very few decisions are irrevocable. Don't cancel a decision prematurely because many new plans require time to work--it may take years for your new branch office in Kolkata to get profitable--but don't hesitate to change directions if a particular decision clearly is not working out or is being somehow harmful. You can always make another decision to do something else.

### ***Implementing The Alternative***

*Implementation* - conveying the decision to those affected by it and getting their commitment to it. Participation in decision-making process inclines people to support the decision. Decision may fail if it is not implemented properly.

### ***Evaluating Results***

Determine whether the problem is resolved.

## **P. Decision Mistakes**

### ***Human biases***

These are decision mistakes that occur as a result of cognitive biases. In other words, **distortions** in the way we take in information about the world, and in how we process that information.

### ***Herd instinct***

The bandwagon effect had been used to describe how people will follow what others in the group are doing. To some extent, it's driven by the desire to be socially accepted and the fear of rejection. However, it also means that many people don't actually make their own decisions.

### *Rose colored memories*

Choice supportive bias is the tendency to recall past decisions as being **better than they actually were**. This effect in memory means that when a past decision is considered, positive features are associated with the chosen option and negative features associated with the discarded options.

Rosy retrospection occurs when people rate past events more positively than they rated them when the event actually occurred. These are factors that allow people to repeat decision mistakes time and again.

### *Like attracts like...*

Another group of decision mistakes occur because of the *confirmation bias*, *mere exposure effect*, *deformation professionnelle* and *disconfirmation bias*.

*Confirmation bias*, as the name suggests, is seeking and sorting for information that confirms already held conceptions. More importance is given to information that **confirms what's already known**. It may occur because it seems to be more difficult for humans to process negatives than to process positives.

*The mere exposure effect* is a tendency for people to like things more simply because they are familiar with them.

*Deformation professionnelle* is the tendency to consider something within the framework of one's profession, ignoring a broader perspective.

*Disconfirmation bias* is where people tend to scrutinize very critically information which goes against their beliefs. This obviously ties in closely with the confirmation bias.

These ideas are interesting in terms of **persuasion and negotiation**. It seems that repeated input of contradictory information is required to change somebody's mind. The alternative, of course, is to start by giving them information that they accept and then creating a trail of logical chains to transition them to the new viewpoint.

The kind of decision mistakes that occur here are related to repeating the same decisions, using very narrow frames, and a refusal to consider 'out of the ordinary' alternatives.

### *Controlling the chaos*

The **illusion of control** and neglect of probability lead to their own group of decision mistakes. Neglect of probability is the tendency to disregard probability when making decisions. And illusion of control is of course the belief that people can control or influence outcomes when they obviously cannot. These decision mistakes mean that casino and lottery owners make a comfortable living!

### *Same old, same old...*

The status quo bias is the observation that people like things to **stay the same**. This is tied up with two other biases. Humans are loss aversive creatures. They much prefer avoiding losses than achieving gains.

And people also value something more when they own it than before they own it. For example, most people would find it perfectly acceptable to buy something at one price and sell at a higher price.

The status quo bias can lead to decision mistakes were people avoid decisions because they're afraid of consequences or adverse responses. Or they delay them for so long that they actually miss the opportunity.

### *How good are we?*

Named after the visual blind spot, the bias blind spot describes how people usually consider themselves better than average for their good characteristics and worse than average for the negative ones. In the original testing, the subjects even considered themselves less susceptible than average to this bias when it was explained to them!

In a similar vein, the self-serving bias is where people claim more responsibility for their successes than for their failures. It also ties in with the previous bias in that sometimes people consider that they perform better in areas that are related to their self-esteem. Any

resultant decision mistakes will obviously be explained away to keep the sense of identity intact.

### ***Compare and contrast***

The contrast effect occurs when something is increased or decreased in importance when it is compared to some recently observed contrasting object. These effects are ubiquitous with humans and also animals. A weighty object is considered heavier than normal when compared with a lighter one, for example.

Allied with this is the focusing effect when people place **too much importance on one aspect** of an event and then make decision mistakes in terms of predicting future outcomes. For example, many people consider they would prefer to live in a warmer climate because it's more comfortable and pleasant. But they don't consider the different insects nor the potentially dangerous animals and droughts they would have to contend with.

The third bias in this group is hyperbolic discounting when people **prefer more immediate payoffs** than later ones. This bias is amplified as both payoffs approach the present. The opportunities for con artists, get-rich-quick schemers and even moneylenders to generate decision mistakes are obvious.

### ***Ones we all know!***

A few of the more common biases causing decision mistakes and negative effects include:

*Omission bias* is where we judge harmful actions as worse or less moral than inactions or omissions that are equally harmful. The decision mistakes that this leads to are again indecisions and delayed decisions.

*Planning fallacy* is the tendency to underestimate the amount of time it would take to complete a task.

*Post purchase rationalization* is a tendency to convince yourself by rational argument that your purchase was actually good value, especially after investing a lot of time, money or effort in something.

Recent thinking suggests that many decisions are actually made emotionally and the rationalization is done to justify that. So the rationalization may actually be done pre-purchase.

*Selective perception* is where the expectation determines how we perceive the world. We see what we want to see. If you sort for problems that's what you'll find. If you seek out what works, that's what you'll get.

## **Q. Diversity in Decision Making**

### ***Why focus on diversity?***

Beyond moral and social reasons for implementing diversity initiatives, powerful arguments make the business case for diversity initiatives. Below are just a few reasons.

- i. Diversity initiatives and successful results attract quality employees. Organizations that have successful diversity initiatives attract quality talent with diversified perspectives and skills.
- ii. Diversity initiatives positively affect *the quality of an organization's workforce*. With salaries, benefits, training, and development comprising the biggest part of an organization's budget, maximizing return on investment (ROI) and competitive advantage are important. When employees leave because they don't feel valued or because they perceive the workplace to be hostile, time and money invested in employees are lost.
- iii. *Varied perspectives inform and enrich organizational decision making*. The variety of views expressed by an organization's workforce help leaders make informed and responsible decisions.
- iv. *Successful diversity initiatives protect the bottom line*. Organizations that don't have diversity initiatives may be more prone to employment-related lawsuits. Implementing diversity initiatives -- and encouraging employee compliance with established policies and standards -- may protect an organization from legal trouble and costly awards.

## *How can diversity in your workplace be incorporated*

Incorporating diversity in the workplace doesn't have to involve implementing major initiatives. Here are a few suggestions for incorporating diversity in your unit.

*Use nondiscriminatory employment practices.*

Hiring and promoting decisions should be fair to all involved.

*Think of diversity as more than just demographics.*

Diversity is more than the gender, race, physical or other limitations, or sexual orientation of an individual. Diversity includes the perspectives, talents, insights, and experiences of others.

*Seek out new perspectives.*

Create work teams that incorporate the diverse skills, creative talents, experiences, and viewpoints of the individuals on your staff. Encourage and support their full participation.

*Treat others respectfully.*

Your behavior and actions provide clues about whether you respect others. Here are a few suggestions: watch your words *and* your body language when communicating with others, acknowledge others' views and feelings in conversation, listen carefully to the feelings and attitudes behind the words, and create a climate of trust by making fair and unbiased decisions.

Incorporating diversity in the workplace will not only improve our workforce, it will improve our decision making and results.

*Advantages - diverse employees:*

- provide fresh perspectives
- offer differing interpretations of problem definition
- increase the likelihood of creative and unique solutions

*Disadvantages - diverse employees:*

- require more time to reach a decision
- may have problems of communication
- may create a more complex, confusing, and ambiguous decision-making process
- may have difficulty in reaching agreement

Module VII : Understanding Groups and Teams

Chapter I : Understanding Groups and Teams

- A. What is a Group?
- B. Why a Group?
- C. Types of Groups
- D. What is a Team?
- E. Why we use teams?
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- K. Conflict Management
- L. Decision making patterns of groups
- M. Group Development
- N. Building Effective Teams
- O. Managing Teams

# Chapter I

## Understanding Groups and Teams

### A. What is a Group?

A group is:

“Two or more people who share a common definition and evaluation of themselves and behave in accordance with such a definition” (Vaughan & Hogg, 2002)

A number of people who communicate face to face with one other often over a span of time. (*Homans (1950) The human group*)

Any number of people who

- Interact with one another
- Are psychologically aware of one another
- Perceive themselves to be a group
- (*Schein (1972) Organizational psychology*)

A group has common needs relating to task, group and individuals and each group develops its own “group personality” (*Adair 1986*)

A group comprise two or more interacting and interdependent individuals who come together to achieve particular goals.

A collection of people who interact with one another, accept rights and obligations as members and who share a common identity.

***Criteria for a group include:***

- formal social structure
- face-to-face interaction
- 2 or more persons
- common fate

- common goals
- interdependence
- self-definition as group members
- recognition by others

Societies can be seen as large groups consisting of a myriad of sub-groups.

In simple terms, the group process leads to a spirit of cooperation, coordination and commonly understood procedures. If this is present within a group of people, then their performance will be enhanced by their mutual support.

## **B. Why a Group?**

Groups are particularly good at combining talents and providing innovative solutions to possible unfamiliar problems; in cases where there is no well established approach/procedure, the wider skill and knowledge set of the group has a distinct advantage over that of the individual.

In general, however, there is an overriding advantage in a group-based work force which makes it attractive to Management: that it engenders a fuller utilization of the work force.

A group can be seen as a self managing unit. The range of skills provided by its members and the self monitoring which each group performs makes it a reasonably safe recipient for delegated responsibility. Even if a problem could be decided by a single person, there are two main benefits in involving the people who will carry out the decision. Firstly, the motivational aspect of participating in the decision will clearly enhance its implementation. Secondly, there may well be factors which the implementer understands better than the single person who could supposedly have decided alone.

From the individual's point of view, there is the added incentive that through belonging to a group each can participate in achievements well beyond his/her own individual potential. Less idealistically, the group provides an environment where the individual's self-perceived level of responsibility and authority is enhanced, in an environment

where accountability is shared: thus providing a perfect motivator through enhanced self-esteem coupled with low stress.

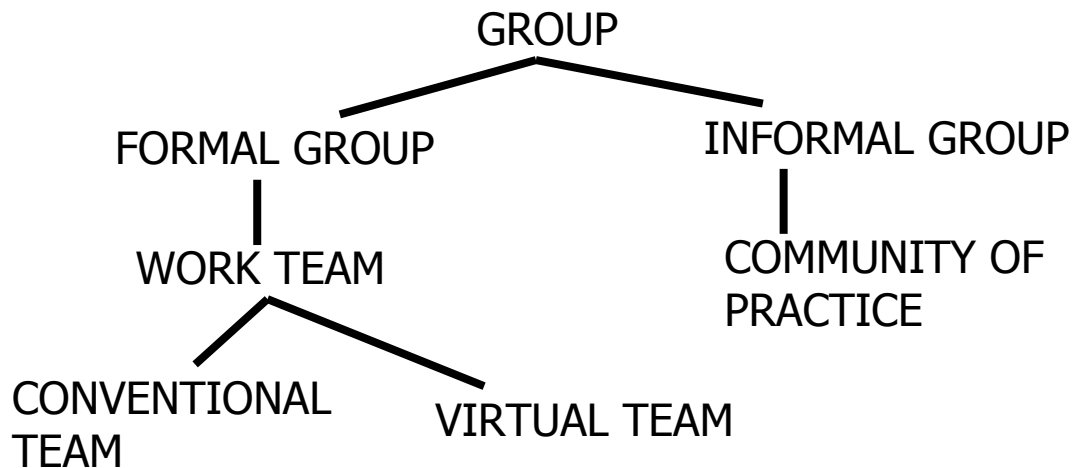
### C. Types of groups

#### *Formal groups*

Formal groups are established by the organization to carry out some specific task or to meet a required goal. Such groups are of different types and have: Designated work assignments and specific tasks  
Explicitly stated structure, procedural rules and membership

#### *Informal groups*

Informal groups occur naturally in the workplace in response to the need for social contact. They arise spontaneously and are not explicitly set up by management. Such groups are based on friendship or common interest (e.g. sport groups, knowledge sharing communities)



### D. What Is a Team?

A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.

A work team is a formal group made up of interdependent individuals who are responsible for the attainment of a goal. Work teams are popular in organizations.

### **E. Why Use Teams?**

Work teams are used in the workplace to enhance the performance and to get a better output. a work team basically is a group whose individual efforts result in a performance that is greater than the sum of those individual inputs.  $1+1=2$  but in synergy it may be 3 or 4. so it is very beneficial to have a work team in the organization or any workplace.

Teams are used for they offer following advantages:

- Increase performance
- Allows managers to do more strategic management
- Takes advantage of work diversity
- Increase flexibility
- Creates esprit de corps

### **F. Types of Teams**

*Teams differ in terms of membership*

*Functional teams*

These are composed of a manager and her/his employees from one functional area only. These teams attempt to solve problems in specific functional area. In case of these teams the issues of authority, decision making, and leadership are relatively simple and clear.

**For example a Quality Circle** is a group of workers from the same functional area who meet regularly to uncover and solve work-related problems and seek work improvement opportunities.

*Cross-functional teams*

Cross-functional team is a group of employees from various functional areas of the organization – research, engineering,

marketing, finance, human resources, and operations, for example – who are all focused on a specific objective and are responsible to work as a team to improve coordination and innovation across divisions and resolve mutual problems.

To face today's complex challenges, it is needed to incorporate a wide range of styles, skills, and perspectives. Cross-functional teams are regarded as a means to manage social collaboration and concept creation.

Some examples of cross-functional teams are teams established to:

- design and develop new products;
- chose and implement new technologies throughout organization;
- to improve the service-profit chain, and
- to control product costs.

### ***Teams differ in terms of structure***

*Supervised* - under the direction of a manager

These are conventional teams in which the supervisor or manager decides roles and responsibilities of members, the manager plays a major role in molding goals and in evaluating the team's performance and usually assumes the primary responsibility for defining needed positions, recruiting the right candidates, establishing criteria for evaluating the candidates, selecting the new worker, and orienting him or her to the job. Further, once the employee is on the job, management then monitors and evaluates the employee's performance and takes corrective action if required to improve performance.

*Self-managed* - operate without a manager

A fairly recent occurrence is the emergence of self-managing or self-directing teams. ***Self-managing*** teams do not report to a supervisor in the normal way but provide all management controls from inside the team. The self-managed teams concept can be seen as a strategy to increase motivation, quality, productivity, customer satisfaction and to sustain high performance. Self-managed teams serve as the main

building blocks of the organization. However, they are not simple or easy to create, develop and support. Companies must realize that it takes time, training and resources to implement teams and reap their rewards.

### ***Teams differ in terms of purpose***

#### *Product development*

A team assembled to design a new product or service.

#### *Problem solving*

A team assembled to solve a specific problem.

#### *Any other*

A team assembled for a particular purpose.

### ***Teams differ in terms of duration***

#### *Permanent*

**Work Group** - a permanent group of workers who receive direction from a designated leader.

**Work Team** (also called Self-Directed Work Team or Self-Managed Work Team) - an ongoing group of workers who share a common mission who collectively manage their own affairs within predetermined boundaries.

#### *Temporary*

**Task Force** - a temporary team assembled to investigate a specific issue or problem.

**Problem Solving Team** - a temporary team assembled to solve a specific problem.

**Product Design Team** - a temporary team assembled to design a new product or service

## ***Virtual team***

Virtual teams are defined as teams of people who primarily interact electronically and who may meet face-to-face occasionally. They have physically dispersed members who are linked by computer technology.

A virtual team, like every team, is a group of people who interact through interdependent tasks guided by common purpose. Unlike conventional teams, a virtual team works across space, time and organizational boundaries with links strengthened by webs of communication technologies. The image of face-to-face interactions among people from the same organization typifies our older models of teamwork. What sets virtual teams apart is that they routinely *cross boundaries*. What makes virtual teams historically new is the awesome array of interactive technologies at their disposal. Virtual teams now use myriad electronic technologies to cope with the opportunities and challenges of cross-boundary work.

*Several benefits of virtual teams include the following:*

- People can work from anywhere at anytime.
- People can be recruited for their competencies, not just physical location.
- Many physical handicaps are not a problem.
- Expenses associated with travel, lodging, parking, and leasing or owning a building may be reduced and sometimes eliminated.
- There is no commute time

## **G. Difference between a Group and a Team**

The purpose of assembling a team is to accomplish bigger goals than any that would be possible for the individual working alone. The aim and purpose of a team is to perform, get results and achieve victory in the workplace and marketplace.

The very best managers are those who can gather together a group of individuals and mould them into a team. Here are ten key differentials to help you mould your people into a pro-active and productive team.

### ***Understandings***

In a group, members think they are grouped together for administrative purposes only. Individuals sometimes cross purposes with others.

In a team, members recognize their independence and understand both personal and team goals are best accomplished with mutual support. Time is not wasted struggling over "Turf" or attempting personal gain at the expense of others.

### ***Ownership***

In a group, members tend to focus on themselves because they are not sufficiently involved in planning the unit's objectives. They approach their job simply as a hired hand. "Castle Building" is common.

In a team, members feel a sense of ownership for their jobs and unit, because they are committed to values based common goals which they helped establish.

### ***Creativity and Contribution***

In a group, members are told what to do rather than being asked what the best approach would be. Suggestions and creativity are not encouraged.

In a team, members contribute to the organization's success by applying their unique talents, knowledge and creativity to team objectives.

### ***Trust***

In a group, members distrust the motives of colleagues because they do not understand the role of other members. Expressions of opinion or disagreement are considered divisive or non-supportive.

In a team, members work in a climate of trust and are encouraged to openly express ideas, opinions, disagreements and feelings. Questions are welcomed.

### ***Common Understandings***

In a group, members are so cautious about what they say, that real understanding is not possible. Game playing may occur and communication traps be set to catch the unwary.

In a team, members practice open and honest communication. They make an effort to understand each others' point of view.

### ***Personal Development***

In a group, members receive good training but are limited in applying it to the job by the manager or other group members.

In a team, members are encouraged to continually develop skills and apply what they learn on the job. They perceive they have the support of the team.

### ***Conflict Resolution***

In a group, members find themselves in conflict situations they do not know how to resolve. Their supervisor/leader may put off intervention until serious damage is done, i.e. a crisis situation.

In a team, members realise conflict is a normal aspect of human interaction but they view such situations as an opportunity for new ideas and creativity. They work to resolve conflict quickly and constructively.

### ***Participative Decision Making***

In a group, members may or may not participate in decisions affecting the team. Conformity often appears more important than positive results. Win/lose situations are common.

In a team, members participate in decisions affecting the team but understand their leader must make a final ruling whenever the team cannot decide, or an emergency exists. Positive win/win results are the goal at all times.

### ***Clear Leadership***

In a group, members tend to work in an unstructured environment with undetermined standards of performance. Leaders do not walk the talk and tend to lead from behind a desk.

In a team, members work in a structured environment, they know what boundaries exist and who has final authority. The leader sets agreed high standards of performance and he/she is respected via active, willing participation.

### ***Commitment***

In a group, members are uncommitted towards excellence and personal pride. Performance levels tend to be mediocre. Staff turnover is high because talented individuals quickly recognize that (a) personal expectations are not being fulfilled, (b) they are not learning and growing from others and (c) they are not working with the best people.

In a team, only those committed to excellence are hired. Prospective team members are queuing at the door to be recruited on the basis of their high levels of hard and soft skill sets. Everyone works together in a harmonious environment.

## **H. Factors affecting group behaviour**

*The existing general situation in which the group is developing and forming*

- Structural: Size of group, heterogeneity of members, status hierarchy, organisation structure etc.
- Environmental: Physical setting, function of group in organisation, interrelation with other groups etc.
- Task related: Nature of task, difficulty of task, task demands etc.

### *The emergent processes*

- Leadership
- Communication patterns
- Role structure
- Norms, conformity and support
- Cohesiveness
- Group task maturation
- Friendship between members
- Membership participation

### *The outcomes*

- group productivity
- member satisfaction

## **I Basic Group Concepts**

### ***Group Roles***

Group roles are a set of expected behavior patterns attributed to someone who occupies a given position in a social unit.

Group behavior differs from interpersonal behavior primarily in its degree of formality. Participants in interpersonal situations have greater freedom in satisfying personal needs than group participants do. Groups can, however, help their members satisfy personal needs. For example, groups give people a sense of belonging and importance and allow people to contribute to the accomplishment of a goal without assuming the risk of independent action.

Participants in groups tend to assume certain stylized roles that help them to satisfy psychological needs. These behavior patterns can either contribute to solving the group's problem or block the solution. Group members have particular roles - roles oriented towards task accomplishment or maintaining group member satisfaction. Individuals in a group play multiple roles.

The key roles are as follows:

### *Leadership*

Leadership in a group may be either *ascribed* or *earned*. Ascribed leadership results from a person's position or status in the organization, whereas earned leadership occurs when an individual assumes the responsibility for facilitating communication and goal achievement.

### *Task specialists*

Persons performing the role of task specialist are goal-oriented; their chief concerns are with the facts, nature of the problem, and with ensuring a workable solution by the specified deadline.

Human relations specialists attempt to resolve conflicts by including participants who might otherwise be left out, offering compromises, supporting the ideas of others, and testing for consensus.

### *Self-serving*

Any dysfunctional behavior—behavior that works to prevent the group from accomplishing its goal—is essentially self-serving. Refusing to cooperate by rejecting the ideas of other participants, withdrawing from the discussion, and attempting to monopolize the discussion are typical examples.

Although these role behaviors are easy to identify and observe, most people do not fit neatly into one pattern. Under certain circumstances, the person who normally functions as a task specialist may well engage in self-serving behavior. For a group to function well, the individuals within it must agree on roles and task achievement. Leaders, task specialists, and human relations specialists all perform necessary functions. Of course, the key roles defined here are neater than actual behavior is likely to be, but group members should recognize that the psychological roles do exist and that to a certain extent they can be controlled.

## *Group Norms*

These are acceptable standards or expectations that are shared by a group's members. Every group has a set of norms: a code of conduct about what is acceptable behaviour. They may apply to everyone in the group or to certain members only. Some norms will be strictly adhered to while others permit a wide range of behaviour. The group usually has sanctions (e.g., disapproval) which it may apply in the case of "deviation". Common norms in groups include: taboo subjects, open expression of feelings, interrupting or challenging the leader, volunteering one's services, avoiding conflict, length and frequency of contributions. Common norms related to levels of effort and performance which exert powerful influence on performance. All of these are usually hidden or implicit and new members may find it difficult to adjust. Over the first few meetings of a group there may be confusion about what the norms are with consequent frustration, discomfort, and lost momentum. It may be helpful to invite a group to break into subgroups to discuss its norms and perhaps to discard some of those which seem counter-productive

### *Conformity, compliance and obedience*

Two aspects that are important in group behavior are conformity and compliance. Both conformity and compliance are prevalent in all types of groups.

*Conformity* within a group entails members changing their attitudes and beliefs in order to match those of others within the group. Those that conform tend to be obedient and compliant. In order to conform, the group member must attribute someone as having the legitimacy and credibility to lead or influence the group's behavior. Without this "leader", conformity toward the group's goals will be less prevalent. If a member of the group fails to conform to the groups needs, he/she would lose credibility with the rest of the group.

- group norms push members toward conformity
- results in alignment of opinions

The concept of *compliance* is similar to conformity, yet slightly different. For compliance to occur within groups, one must adapt

his/her actions to another's wishes or rules. A person that conforms must have a disposition that allows him/her to yield to others. Requests for and acts of compliance occur in everyone's lives. Simply asking someone to perform a task is a request for compliance. The most effective method to gain compliance is through rational persuasion and inspiration. Although this person is asking another to perform a task, he/she is not asking the person to agree or disagree with the task in question. The person requesting the performance of the task is not necessarily attempting to change the other's beliefs, but simply needs or wants the task to be performed. This notion is what sets conformity and compliance apart. The central aspect of conformity is that the person being influenced by the group changes his/her attitudes and/or beliefs while the main point of compliance is the achievement of some specified task.

*Obedience* is the act of following orders without question because they come from a legitimate authority. There are many legitimate authorities in a person's life from his parents to teachers at school and even spiritual leaders. Most of these authority figures that have been named are given their authority by the society. We are just told to follow what they tell us to do. In other words we are obedient to these people. Every person at some time in his life has followed a superior without questioning why they are doing what they are doing. For example we never question why we take tests in school. We just take them because we are told to do so. We never question a lot of rules that people say in are best interest because they are usually told to us by someone who is in a position higher than we are at.

***Status*** - a prestige, grading, position, or rank in a group

Status may be conferred informally based on personal characteristics or it may be formally conferred by giving a position or rank in the group. Status difference of members in a group affects their productivity and efficiency. Further status difference also affects the level of satisfaction of members. For example one study has established that equal **status group members** were more satisfied than were unequal **status group members**.

## ***Group Size***

Two opposite tendencies exist with regard to the number of people in a group. The larger the group, the greater is the pool of talent and experience available for solving problems or sharing the effort. On the other hand as the size increases, fewer members have the chance to participate, and indeed the differences in relative participation increase to a point where one or two members begin to dominate. It thus becomes more likely that reticent members will fail to contribute, though they may well enjoy the relative anonymity a large group affords them.

The smaller the group, the greater is the likelihood of close relationships, full participation, and consonance of aims. Whereas in a small group or team, leadership and other roles are likely to be shared or rotated, the formation of subgroups, and the increasing differentiation of roles in a large group will ensure the emergence of a leader. Where there is an agreed leader (e.g. a teacher) the need to counteract the above tendencies places special demands on his or her awareness of the problems and skills in coping with them. Larger groups are an advantage when it requires the combining of individual efforts as in brainstorming. They are of less value when everyone must accomplish the task, which is the general situation in most discussion groups. If the group is small (i.e., two or three in number), the tutor is likely to be dominant from the start. With a large group (eight or more) the divergence of aims and the need for role differentiation may push the tutor into a dominant position. However, the use of subgroups can overcome some of the difficulties of large group discussions.

- large groups - good for getting diverse input
- small groups - good at making use of information
- dispersion of responsibility in large groups leads to ***free rider tendency***

## ***Group Cohesiveness***

A formal definition of group cohesiveness is, “the resultant of all the forces acting on members to remain in the group.” In other words,

group cohesiveness is the 'stick togetherness' of the group, its binding agent. Group cohesiveness provides the bonds that hold a group together. It indicates the degree to which members are attracted to a group and share the group's goals.

Cohesiveness is a measure of attraction of the group to its members (and the resistance to leaving it), the sense of team spirit, and the willingness of its members to coordinate their efforts. Compared with members of a low-cohesive group, those in a high-cohesive group will, therefore, be keen to attend meetings, be satisfied with the group, use "we" rather than "I" in discussions, be cooperative and friendly with each other, and be more effective in achieving the aims they set for themselves. The low-cohesive group will be marked by absenteeism, the growth of cliques and factions, and a sense of frustration at the lack of attainment.

### *Benefits to group cohesion*

There are many benefits to group cohesiveness. Here are just four general benefits of having a group that 'sticks together':

- The communication within the group is much more extensive. In other words, people who like each other communicate better and more frequently with each other.
- Groups that are more cohesive have positive interactions with one another. People are more friendly and there is an increased feeling of the group as a whole. As a result, the group acts as a whole not as individuals.
- A group that has a high level of group cohesiveness is much more successful in achieving their goal. The feeling of togetherness in the group motivates members to achieve the desired goal and their efforts increase.
- The members in groups that are cohesive have a sense of belonging, are much more satisfied with that group. As a result, they are more willing to stay in the group longer and often recommend the group to others

### *How do you increase group cohesiveness?*

Increasing group cohesiveness in a group can be an easy thing to do. There are many activities and methods that can be used.

### *For Permanent Groups*

Here is a list of four things that can be done or worked on within a more established group to make it 'stick together'.

- Heighten the awareness of the values of membership. Emphasize the positive features of the group by making members more aware of the benefits the group offers. This will help members to see the group as more attractive to them.
- Try to make the group more need satisfying for the members. In other words, rebuild the activities to become more satisfying to the needs of the members. Remember fulfilling individuals' needs is a big factor that contributes to the level of cohesiveness in a group.
- A heightening of the group's prestige will also help increase a sense of cohesiveness. This helps to make each member feel they have a higher status by being in the group. A group will work better if each member knows that he has an esteemed place within the group.
- An increase in group interactions helps to increase togetherness. More activities within the group help members to be more aware of each other and more aware of the group's benefits.

### *For Less Permanent Groups*

Here is a list of four things that can be done to help a group that won't be together for a long period of time feel more like a whole.

- Develop a strong identity as a group. This can be done at the first meeting by having a name for the group or a group insignia (such as a symbol that represents the group).
- Teamwork should be stressed. The group should become group centered as quickly as possible in order to have a good level of cohesion.
- Recognize contributions of members. The efforts of a group member towards the goal of the group should be recognized and rewarded. Members who feel appreciated will work better. This is especially helpful with new members.

- Deal with personal needs. The group should take the time to deal with the personal needs and tensions of individual members.

### ***Group Purpose***

Groups always have a reason for being. The almost endless variety of reasons people form small groups can be divided into three general categories based on the purpose of the group.

- Primary
- Informal
- Formal

Primary groups consist of family and close friends. The reason for continued existence of a primary group is essentially the self-satisfaction of the group members. Although it is possible for some individuals to form primary groups on the job, primary groups are not typical of organizations and do not behave the same way.

Informal groups are formed to foster improved interpersonal relationships rather than to accomplish any particular task or objective. Coffee-break gatherings, group lunches, and organizational golf outings and bowling or softball teams are among the most common informal groups in organizations. The communication skills required in informal groups are essentially interpersonal skills. It is only when an informal group assumes a task—becoming for the moment a formal group—that other skills are required.

Formal groups are those that have a specific task or objective. People may belong to formal groups either because they share a common concern or because they are assigned to the group by their organization.

### ***Group Influence***

All group settings include certain assumptions about the behavior of participants. These assumptions, typically called group ***norms***, may be either explicit (verbalized rules and regulations) or implicit (unspoken but agreed upon). In a group situation, participants typically feel conflicting needs to conform to and to resist the group's norms.

Because participants seek prestige, acceptance, and status within the group, the situation also produces competition and conflict.

These factors—conformity, resistance, competition, and conflict—interrelate in complex ways. We all tend to conform most closely to the norms of the groups that are most important to us; we risk deviation in groups that are less important. Competition and conflict between groups usually promote greater conformity within each group, but intragroup conflict tends to reduce both conformity and productivity.

Cohesive groups, which are generally more productive than noncohesive groups, are marked by a greater willingness to communicate, to accept the ideas of all participants, and to work toward specific goals. A certain degree of resistance, competition, and conflict can also be productive, however. A person who is willing to deviate from the group's norms may make suggestions and raise objections that would not occur to, or be expressed by, group conformists.

Another important influence is the perceived power of certain group members. Group members with high status usually send and receive more messages than members with low status, but high-status members sometimes use their power to criticize and manipulate others rather than to achieve the group's objectives. High-status members also have more freedom to establish and to deviate from group norms should they choose to do so.

## **J. Group Dynamics**

Groups have two definite patterns of movement, one approximating a life cycle and the other involving the decision-making process. Despite variations from group to group, successful groups demonstrate similar progression through phases of interaction and through the process of making decisions.

### ***Group Life Cycle***

Just as interpersonal relationships have a particular life cycle, groups—especially problem-solving groups—also undergo cyclical

changes. The stages in the group life cycle are initiation, exploration and clarification, conflict, resolution, and dissolution.

### *Initiation*

Initiation, the first stage in the life cycle of any group, consists of introductions, statement of purpose, and efforts on the part of participants to become acquainted with one another. Members become acquainted with each other's expectations and establish basic norms for group behavior, such as how often, when, and where the group will meet.

The length of time required for this stage depends on the size of the group; the complexity of the problem; and the personal, social, and organizational differences among members. If the group members have had previous experience with one another, this stage may be quite short.

### *Exploration and clarification*

The second stage, exploration and clarification, is a testing stage in which members define the problem (if there is one), discover who the leaders are, and find out how the members will relate to one another. Norms and expectations are further defined. The group decides, for example, who will introduce new ideas in what way and how decisions will be made.

### *Conflict*

Conflict may occur in a group because of differences of opinion about how best to define or solve the problem, differences between ascribed and earned leadership, and differences of opinion about group norms. Conflict may require a return to exploration and clarification as group members seek new understandings of each other and the problem.

### *Resolution*

Resolution is the "performing" stage of the group life cycle. Norms and leadership have been established. Most conflicts have been resolved, and the group is ready to engage in the decision-making process.

### *Dissolution*

Dissolution, the final stage in the life cycle, brings the group to a close. The group may lose its reason for being in a number of ways. With a problem-solving group, the successful completion of the task eliminates the need for the group. An informal group may dissolve when it no longer meets the needs of individual members. Other groups may have term limits and dissolve after a certain period of time.

From the standpoint of communication, one of the most interesting features of the way the life cycle influences group behavior is in the treatment of deviant behavior. In the early stages, participants who consistently deviate from group norms—perhaps by bringing up personal matters at inappropriate times—receive a great deal of communication, most of which is persuasive. Members who refuse to cooperate at the later stages, however, will be cut off from further communication. Even so, a group member who cooperates at the early stages will be afforded greater freedom to deviate at the later stages.

## **J. Conflict Management**

### *Conflict*

In simple terms conflict is defined as **a disagreement through which the parties involved perceive a threat to their needs, interests or concerns**. Within this simple definition there are several important understandings that emerge:

### *Disagreement*

Generally, we are aware there is some level of difference in the positions of the two (or more) parties involved in the conflict. But the true disagreement versus the perceived disagreement may be quite different from one another. In fact, conflict tends to be accompanied by significant levels of misunderstanding that exaggerate the perceived disagreement considerably. If we can understand the true areas of disagreement, this will help us solve the right problems and manage the true needs of the parties.

### *Parties involved*

There are often disparities in our sense of who is involved in the conflict. Sometimes, people are surprised to learn they are a party to the conflict, while other times we are shocked to learn we are not included in the disagreement. On many occasions, people who are seen as part of the social system (e.g., work team, family, company) are influenced to participate in the dispute, whether they would personally define the situation in that way or not. In the above example, people very readily "take sides" based upon current perceptions of the issues, past issues and relationships, roles within the organization, and other factors. The parties involved can become an elusive concept to define.

### *Perceived threat*

People respond to the perceived threat, rather than the true threat, facing them. Thus, while perception doesn't become reality per se, people's behaviors, feelings and ongoing responses become modified by that evolving sense of the threat they confront. If we can work to understand the true threat (issues) and develop strategies (solutions) that manage it (agreement), we are acting constructively to manage the conflict.

### *Needs, interests or concerns*

There is a tendency to narrowly define "the problem" as one of substance, task, and near-term viability. However, workplace conflicts tend to be far more complex than that, for they involve ongoing relationships with complex, emotional components. Simply stated, there are always procedural needs and psychological needs to be addressed within the conflict, in addition to the substantive needs that are generally presented. And the durability of the interests and concerns of the parties transcends the immediate presenting situation. Any efforts to resolve conflicts effectively must take these points into account.

Conflicts occur when people (or other parties) perceive that, as a consequence of a disagreement, there is **a threat to their needs, interests or concerns**. Although conflict is a normal part of organization life, providing numerous opportunities for growth through improved understanding and insight, there is a tendency to

view conflict as a negative experience caused by abnormally difficult circumstances. Disputants tend to perceive limited options and finite resources available in seeking solutions, rather than multiple possibilities that may exist 'outside the box' in which we are problem-solving.

### ***Type of conflicts***

#### *Task conflict*

Task conflicts are disputes over resources, procedures and policies, and fact interpretation. Task conflict arises among members of work teams and specifically affects the goals and tasks they are striving to achieve. Differences in vision, intentions and quality expectations often lead to task conflict. Employee relationships may initially appear to survive task conflict but an important project may not. It is essential to channel task conflict so that these differences become collaborative and improve the way the team thinks about accomplishing current and future tasks. Task conflict is the type of conflict that generates creative thinking and problem-solving.

#### *Relationship conflict*

Relationship conflict involves issues with personal taste and style, political views and personal values. Often misunderstood, relationship conflict undermines and tears at the fabric of a team's ability to achieve goals effectively, efficiently and profitably. Relationship conflict penetrates all aspects of an organization. When people in a workplace fail to communicate effectively, entire work teams or even an entire organization will suffer. This type of conflict will quickly consume all the attention and energy of an organization, leaving little time to accomplish profitable tasks. Relationship conflict is rarely beneficial to the team, and the authors of the study recommend that avoidance is actually the best way to deal with it.

#### *Process conflict*

This form of conflict centers around the steps or methods used by a team to reach a goal. One person might like to plan 100 steps ahead while another might like to dive in head first. These differences in process can lead to communication breakdown and ultimately

conflict. But, like task conflict, process conflict can be useful, if managed correctly. Healthy differences in process often will lead to an improved way of achieving goals.

### *Destructive versus constructive conflict*

Destructive conflict is characterized by domination, escalation, retaliation, competitions, and inflexibility. When conflict spirals out of control it is destructive. Participants lose sight of their initial goals and focus on hurting the adversary. These are also known as **dysfunctional conflicts** and prevents group from achieving its goals.

Constructive conflict is characterized by a We-orientation, cooperation, and flexibility. The principal focus is on trying to achieve a solution between struggling parties that is mutually satisfactory to everyone. These are also known as **functional conflicts** and support the goals of the work group and improve its performance.

### *Conflict resolution versus management*

**Resolution** suggests settling conflict or terminating the struggle, as if ending the conflict by any means is desirable. **Conflict resolution** or conflictology is the process of attempting to resolve a dispute or a conflict. Successful conflict resolution occurs by listening to and providing opportunities to meet each side's needs, and adequately address their interests so that they are each satisfied with the outcome. Conflict resolution aims to end conflicts before they start or lead to verbal, physical, or legal fighting.

Today, the terms Alternative Dispute Resolution (ADR) and conflict resolution are used somewhat interchangeably and refer to a wide range of processes that encourage nonviolent dispute resolution outside of the traditional court system. The field of conflict resolution also includes efforts in schools and communities to reduce violence and bullying and help young people develop communication and problem-solving skills. Common forms of conflict resolution include:

- *Negotiation* is a discussion among two or more people with the goal of reaching an agreement.

- *Mediation* is a voluntary and confidential process in which a neutral third-party facilitator helps people discuss difficult issues and negotiate an agreement. Basic steps in the process include gathering information, framing the issues, developing options, negotiating, and formalizing agreements. Parties in mediation create their own solutions and the mediator does not have any decision-making power over the outcome.
- *Arbitration* is a process in which a third-party neutral, after reviewing evidence and listening to arguments from both sides, issues a decision to settle the case. Arbitration is often used in commercial and labor/management disputes.
- *Mediation-Arbitration* is a hybrid that combines both of the above processes. Prior to the session, the disputing parties agree to try mediation first, but give the neutral third party the authority to make a decision if mediation is not successful.
- *Early Neutral Evaluation* involves using a court-appointed attorney to review a case before it goes to trial. The attorney reviews the merits of the case and encourages the parties to attempt resolution. If there is no resolution, the attorney informs the disputants about how to proceed with litigation and gives an opinion on the likely outcome if the case goes to trial.
- *Community Conferencing* is a structured conversation involving all members of a community (offenders, victims, family, friends, etc.) who have been affected by a dispute or a crime. Using a script, the facilitator invites people to express how they were affected and how they wish to address and repair the harm that resulted.
- *Collaborative Law* refers to a process for solving disputes in which the attorneys commit to reaching a settlement without using litigation.
- *Negotiated Rulemaking* is a collaborative process in which government agencies seek input from a variety of stakeholders before issuing a new rule.
- *Peer Mediation* refers to a process in which young people act as mediators to help resolve disputes among their peers. The

student mediators are trained and supervised by a teacher or other adult.

**Management** implies no end to the struggle. Management of conflict implies no judgment on the goodness or badness of struggles in general.

For those unfamiliar with the terminology of this field, there can be great confusion about conflict resolution and conflict management. Conflict management generally involves taking action to keep a conflict from escalating further - it implies the ability to control the intensity of a conflict and its effects through negotiation, intervention, institutional mechanisms and other traditional diplomatic methods. It usually does not address the deep-rooted issues that may be at the cause of the conflict or attempt to bring about a solution. Conflict resolution, by contrast, seeks to resolve the incompatibilities of interests and behaviours that constitute the conflict by recognizing and addressing the underlying issues, finding a mutually acceptable process and establishing relatively harmonious relationships and outcomes

### Styles of Conflict Management

Style	Characteristics	Task-Social Dimension
<b>Collaborating</b> (problem solving)	Win-win. Cooperative approach to conflict. Attempts to satisfy all parties <b>Three components:</b> <b>Confrontation:</b> Bring the conflict out into the open <b>Integration:</b> -looking at many options until both parties are satisfied. <b>Smoothing</b> -smooth out ruffled feathers.	High task, high social

<b>Accommodating</b> (yielding)	This style may camouflage deep division among group members in order to maintain the appearance of harmony.	Low task, high social
<b>Compromising</b>	Lower our expectations and goals. We give up in order to get something. Lose-lose style because neither party is ever fully satisfied.	Moderate task, moderate social
<b>Avoiding</b> (withdrawing)	Flights from fights. By avoiding they hope the conflict will disappear. May, in some cases be good in abuse situations	Low task, low social
<b>Competing</b> (Power/ Forcing)	Forcing your will on others is a win-lose style Groups tend to ascribe blame when groups don't function properly.	High task, low social

## L. Decision-making Patterns of groups

One of the most important steps for any task-oriented group is decision making, which occurs during the resolution state of the group's life cycle. Group norms, communication structure, and leadership determine which of the following ways of reaching a decision will be used:

### ***Handclasp***

Decisions made by two members. One suggests, the other endorses and carries it through without adequate discussion or group consideration. This type has high commitment for the two who made it, but generally not for the others.

### ***Clique***

This is similar to the Handclasp but with more people involved. This type usually occurs when a close sub-group decides what is good for the rest of the group. Repeated clique decisions cause splintering of the group and low commitment.

### ***Baiting***

A technique that reduces discussions around decisions. A person will say, "Now we are all agreed, right?!" and only the very brave will speak up. This usually suppresses obvious dissension and lowers group commitment.

### ***Decision by Lack of Response (The "Plop" Method)***

The most common--and perhaps least visible--group decision-making method is that in which someone suggests an idea and, before anyone else has said anything about it, someone else suggests another idea, until the group eventually finds one it will act on. This results in shooting down the original idea before it has really been considered. All the ideas that are bypassed have, in a sense, been rejected by the group. But because the "rejections" have been simply a common decision not to support the idea, the proposers feel that their suggestions have "plopped." The floors of most conference rooms are littered with "plops."

### ***Decision by Authority Rule***

Many groups start out with--or quickly set up--a power structure that makes it clear that the chairman (or someone else in authority) will make the ultimate decision. The group can generate ideas and hold free discussion, but at any time the chairman may say that, having heard the discussion, he or she has decided upon a given plan.

Whether this method is effective depends a great deal upon whether the chairman is a sufficiently good listener to have culled the right information on which to make the decision. Furthermore, if the group must also implement the decision, then the authority-rule method produces a bare minimum of involvement by the group (basically, they will do it because they have to, not necessarily because they want to). Hence it undermines the potential quality of implementation.

### ***Decision by Minority Rule***

One of the most-often-heard complaints of group members is that they feel "railroaded" into some decision. Usually, this feeling results from one, two, or three people employing tactics that produce action--and therefore must be considered decisions--but which are taken without the consent of the majority.

A single person can "enforce" a decision, particularly if he or she is in some kind of chairmanship role, by not giving opposition an opportunity to build up. For example, the manager might consult a few members on even the most seemingly insignificant step and may get either a negative or positive reaction. The others have remained silent. If asked how they concluded there was agreement, chances are they will say, "Silence means consent, doesn't it? Everyone has a chance to voice opposition." If the group members are interviewed later, however, it sometimes is discovered that an actual majority was against a given idea, but that each one hesitated to speak up because she thought that all the other silent ones were for it. They too were trapped by "silence means consent."

Finally, a common form of minority rule is for two or more members to come to a quick and powerful agreement on a course of action, then challenge the group with a quick, "Does anyone object?," and, if no one raises their voice within two seconds, they proceed with "Let's go ahead then." Again the trap is the assumption that silence means consent.

### ***Decision by Majority Rule (Voting and Polling)***

More familiar decision-making procedures are often taken for granted as applying to any group situation because they reflect our political system. One simple version is to poll everyone's opinion following

some period of discussion. If the majority of participants feel the same way, it is often assumed that is the decision. The other method is the more formal one of stating a clear alternative and asking for votes in favor of it, votes against it, and abstentions.

On the surface, this method seems completely sound, but surprisingly often it turns out that decisions made by this method are not well implemented, even by the group that made the decision. What is wrong? Typically, it turns out that two kinds of psychological barriers exist:

First, the minority members often feel there was an insufficient period of discussion for them to really get their point of view across; hence they feel misunderstood and sometimes resentful.

Second, the minority members often feel that the voting has created two camps within the group and that these camps are now in a win-lose competition: The minority feels that their camp lost the first round, but that it is just a matter of time until it can regroup, pick up some support and win the next time a vote comes up.

In other words, voting creates coalitions, and the preoccupation of the losing coalition is not how to implement what the majority wants, but how to win the next battle. If voting is to be used, the group must be sure that it has created a climate in which members feel they have had their day in court--and where all members feel obligated to go along with the majority decision.

### ***The Better Way***

Because there are time constraints in coming to a group decision and because there is no perfect system, a decision by consensus is one of the most effective methods. Unfortunately, it is one of the most time-consuming techniques for group decision-making. It is also quite important to understand that consensus is not the same thing as unanimity. Rather, it is a state of affairs where communications have been sufficiently open (and the group climate has been sufficiently supportive) to make everyone in the group feel that they have had their fair chance to influence the decision. Someone then tests for the "sense of the meeting," carefully avoiding formal procedures like voting. If there is a clear alternative to which most members subscribe

and if those who oppose it feel they have had their chance to influence, then a consensus exists. Operationally, it would be defined by the fact that those members who would not take the majority alternative nevertheless understand it clearly and are prepared to support it in deference to any others that are probably about as good.

In order to achieve such a condition, time must be allowed by the group for all members to state their opposition--and to state it fully enough to get the feeling that others really do understand them. This condition is essential if they are later to free themselves of the preoccupation that they could have gotten their point of view across if others had understood what they really had in mind. Only by careful listening to the opposition can such feelings be forestalled, thereby allowing effective group decisions to be reached.

Of course, recognizing the several types of group decision-making is only part of the process. Managers must be specific in their approach to the one that is best in their own situation.

*What are the actual steps in a decision made by a group?*

### ***Identify the Problem***

Tell specifically what the problem is and how you experience it. Cite specific examples.

"Own" the problem as yours -- and solicit the help of others in solving it, rather than implying that it's someone else's problem that they ought to solve. Keep in mind that if it were someone else's problem, they would be bringing it up for discussion.

In the identification phase of problem-solving, avoid references to solutions. This can trigger disagreement too early in the process and prevent the group from ever making meaningful progress.

Once there seems to be a fairly clear understanding of what the problem is, this definition should be written in very precise language. If a group is involved, it should be displayed on a flip chart or chalkboard.

### ***Clarify the Problem***

This step is most important when working with a group of people. If the problem is not adequately clarified so that everyone views it the same, the result will be that people will offer solutions to different problems. To clarify the problem, ask someone in the group to paraphrase the problem as they understand it. Then ask the other group members if they see it essentially the same way. Any differences must be resolved before going any further.

In clarifying the problem, ask the group the following questions: Who is involved with the problem? Who is likely to be affected? Can we get them involved in solving the problem? Who legitimately or logically should be included in the decision? Are there others who need to be consulted prior to a decision?

These questions assume that commitment from those involved (and affected by the problem) is desirable in implementing any changes or solutions. The best way to get this commitment is to include those involved and affected by the problem in determining solutions.

### *Analyze the Cause*

Any deviation from what should be is produced by a cause or interaction of causes. In order to change "what is" to "what is wanted," it is usually necessary to remove or neutralize the cause in some way. This calls for precise isolation of the most central or basic cause (or causes) of the problem and requires close analysis of the problem to clearly separate the influencing from the non-influencing factors.

This is probably an easier process to follow when dealing with problems involving physical things rather than with interpersonal or social issues. Typically, interpersonal and social problems are more likely to spring from a dynamic constellation of causes that will be more difficult to solve if the causes are only tackled one at a time. Still, whether dealing with physical or social problems, it is important to seek those causes that are most fundamental in producing the problem. Don't waste energy on causes that have only a tangential effect.

### ***Solicit Alternative Solutions to the problem***

This step calls for identifying as many solutions to the problem as possible before discussing the specific advantages and disadvantages of each. What happens frequently in problem-solving is that the first two or three suggested solutions are debated and discussed for the full time allowed for the entire problem-solving session. As a result, many worthwhile ideas are never identified or considered. By identifying many solutions, a superior idea often surfaces that reduces or even eliminates the need for discussing details of more debatable issues. These solutions may be logical attacks at the cause or they may be creative solutions that need not be rational. Therefore, it is important at this step to limit the time spent discussing any one solution and to concentrate instead on announcing as many as possible.

### ***Selecting One or More Alternatives for Action***

Before selecting specific alternatives for action, it is advisable to identify criteria the desired solution must meet. This can eliminate unnecessary discussion and help focus the group toward the solution (or solutions) that will most likely work.

At this point, it becomes necessary to look for and discuss the advantages and disadvantages of options that appear viable. The task is for the group members to come to a mutual agreement on which solutions to actually put into action. It is desirable for positive comments to be encouraged (and negative comments to be ignored or even discouraged) about any of the solutions. One solution should be the best, of course, but none should be labeled as a "bad idea."

### ***Plan for Implementation.***

This requires looking at the details that must be performed by someone for a solution to be effectively activated. Once the required steps are identified, it means assigning these to someone for action: it also means setting a time for completion.

Not to be forgotten when developing the implementation plan: Who needs to be informed of this action?

### ***Clarify the Contract***

This is to ensure that everyone clearly understands what the agreement is that people will do to implement a solution. It is a summation and restatement of what people have agreed to do and when it is expected they will have it done. It rules out possible misinterpretation of expectations.

### ***The Action Plan***

Plans are only intellectual exercises unless they are transformed into action. This calls for people assigned responsibility for any part of the plan to carry out their assignments according to the agreed upon contract. This is the phase of problem-solving that calls for people to do what they have said they would do.

### ***Provide for Evaluation And Accountability***

After the plan has been implemented and sufficient time has elapsed for it to have an effect, the group should reconvene and discuss evaluation and accountability. Have the agreed upon actions been carried out? Have people done what they said they would do?

If they have not accomplished their assignments, it is possible that they ran into trouble that must be considered. Or it may be that they simply need to be reminded or held accountable for not having lived up to their end of the contract. Once the actions have been completed, it is necessary to assess their effectiveness. Did the solution work? If not, can a revision make it work? What actions are necessary to implement changes?

### ***Other Considerations***

Keeping adequate records of all steps completed (especially brainstorming) can allow energy to be "recycled." Falling back on thinking that was previously done makes it unnecessary to "plough the same ground twice."

When entering into problem-solving, remember that it is unlikely that the best solution will be found on the first attempt. Good problem-solving can be viewed as working like a guidance system: The

awareness of the problem is an indication of being "off course," requiring a correction in direction. The exact form the correction is to take is what problem-solving is aimed at deciding. But once the correction (the implemented solution) is made, it is possible that, after evaluation, it will prove to be erroneous--perhaps even throwing you farther off course than in the beginning.

If this happens, the task becomes to immediately compute what new course will be effective. Several course corrections may be necessary before getting back on track to where you want to go. Still, once the desired course is attained, careful monitoring is required to avoid drifting off course again unknowingly. Viewing problem-solving in this realistic manner can save a lot of the frustration that comes from expecting it to always produce the right answers.

## **M. Group Development**

Dr Bruce Tuckman published his Forming Storming Norming Performing model in 1965. He added a fifth stage, Adjourning, in the 1970's. The Forming Storming Norming Performing theory is an elegant and helpful explanation of team development and behaviour.

Tuckman's model explains that as the team develops maturity and ability, relationships establish, and the leader changes leadership style. Beginning with a directing style, moving through coaching, then participating, finishing delegating and almost detached. At this point the team may produce a successor leader and the previous leader can move on to develop a new team.

The Tuckman's model has following stages:

- Forming
- Storming
- Norming
- Performing

### *Forming - stage 1*

Forming is the stage when the group first comes together. Everybody is very polite and very dull. There is high dependence on leader for guidance and direction and little agreement on team aims other than

received from leader. Individual roles and responsibilities are unclear. Leader must be prepared to answer lots of questions about the team's purpose, objectives and external relationships. Processes are often ignored. Members test tolerance of system and leader. Leader directs.

### *Storming - stage 2*

Storming is the next stage. Factions form, personalities clash, no-one concedes a single point without first fighting tooth and nail. Most importantly, very little communication occurs since no one is listening and some are still unwilling to talk openly. Decisions don't come easily within group. Team members vie for position as they attempt to establish themselves in relation to other team members and the leader, who might receive challenges from team members. Clarity of purpose increases but plenty of uncertainties persist. Cliques and factions form and there may be power struggles. The team needs to be focused on its goals to avoid becoming distracted by relationships and emotional issues. Compromises may be required to enable progress. Leader coaches.

### *Norming - stage 3*

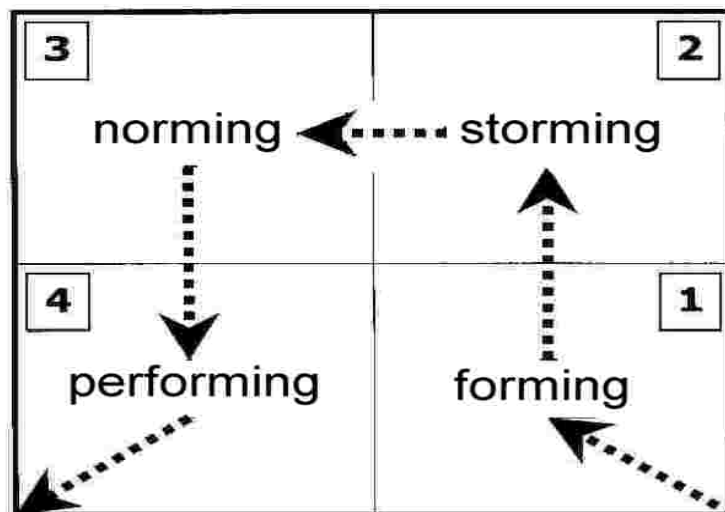
Then comes the Norming. At this stage the sub-groups begin to recognize the merits of working together and the in-fighting subsides. Since a new spirit of co-operation is evident, every member begins to feel secure in expressing their own view points and these are discussed openly with the whole group. The most significant improvement is that people start to listen to each other. Work methods become established and recognized by the group as a whole.

Agreement and consensus is largely formed among team members, who respond well to facilitation by leader. Roles and responsibilities are clear and accepted. Big decisions are made by group agreement. Smaller decisions may be delegated to individuals or small teams within group. Commitment and unity is strong. The team may engage in fun and social activities. The team discusses and develops its processes and working style. There is general respect for the leader and some of leadership is more shared by the team. Leader facilitates and enables.

### *Performing - stage 4*

And finally: Performing. This is the culmination, when the group has settled on a system which allows free and frank exchange of views and a high degree of support by the group for each other and its own decisions. The team is more strategically aware; the team knows clearly why it is doing what it is doing. The team has a shared vision and is able to stand on its own feet with no interference or participation from the leader. There is a focus on over-achieving goals, and the team makes most of the decisions against criteria agreed with the leader. The team has a high degree of autonomy. Disagreements occur but now they are resolved within the team positively and necessary changes to processes and structure are made by the team. The team is able to work towards achieving the goal, and also to attend to relationship, style and process issues along the way. team members look after each other. The team requires delegated tasks and projects from the leader. The team does not need to be instructed or assisted. Team members might ask for assistance from the leader with personal and interpersonal development. Leader delegates and oversees.

### **Tuckman's forming storming norming performing model**



### *Tuckman's fifth stage - Adjourning*

Bruce Tuckman refined his theory around 1975 and added a fifth stage to the Forming Storming Norming Performing model - he called it Adjourning, which is also referred to as Deforming and Mourning. Adjourning is arguably more of an adjunct to the original four stage model rather than an extension - it views the group from a perspective beyond the purpose of the first four stages. The Adjourning phase is certainly very relevant to the people in the group and their well-being, but not to the main task of managing and developing a team, which is clearly central to the original four stages.

### *Adjourning - stage 5*

Tuckman's fifth stage, Adjourning, is the break-up of the group, hopefully when the task is completed successfully, its purpose fulfilled; everyone can move on to new things, feeling good about what's been achieved. From an organizational perspective, recognition of and sensitivity to people's vulnerabilities in Tuckman's fifth stage is helpful, particularly if members of the group have been closely bonded and feel a sense of insecurity or threat from this change.

### ***Group Skills***

The group process is a series of changes which occur as a group of individuals form into a cohesive and effective operating unit. If the process is understood, it can be accelerated.

There are two main sets of skills which a group must acquire:

- Managerial Skills
- Interpersonal Skills

and the acceleration of the group process is simply the accelerated acquisition of these.

As a self-managing unit, a group has to undertake most of the functions of a Group Leader - collectively. For instance, meetings must be organized, budgets decided, strategic planning undertaken, goals set, performance monitored, reviews scheduled, etc. It is increasingly recognized that it is a fallacy to expect an individual to

suddenly assume managerial responsibility without assistance; in the group it is even more so. Even if there are practiced managers in the group, they must first agree on a method, and then convince and train the remainder of the group. As a collection of people, a group needs to relearn some basic manners and people-management skills.

### ***Accelerating Development***

It is common practice in accelerating group development to appoint, and if necessary train, a "group facilitator". The role of this person is to continually draw the groups' attention to the group process and to suggest structures and practices to support and enhance the group skills. This must be only a short-term training strategy, however, since the existence of a single facilitator may prevent the group from assuming collective responsibility for the group process. The aim of any group should be that facilitation is performed by every member equally and constantly. If this responsibility is recognized and undertaken from the beginning by all, then the Storming phase may be avoided and the group development passed straight into Norming.

The following is a set of suggestions which may help in group formation. They are offered as suggestions, no more; a group will work towards its own practices and norms.

### ***Focus***

The two basic foci should be the *group* and the *task*.

If something is to be decided, it is the group that decides it. If there is a problem, the group solves it. If a member is performing badly, it is the group who asks for change.

If individual conflicts arise, review them in terms of the task. If there is initially a lack of structure and purpose in the deliberations, impose both in terms of the task. If there are disputes between alternative courses of action, negotiate in terms of the task.

### ***Clarification***

It is the first responsibility of the group to clarify its own task, and to record this understanding so that it can be constantly seen. This

*mission statement* may be revised or replaced, but it should always act as a focus for the group's deliberations and actions. Instead of assuming that everybody understands, it's better to obtain clarity on paper.

### *The mouse*

In any group, there is always the quiet one in the corner who doesn't say much. That individual is the most underutilized resource in the whole group, and so represents the best return for minimal effort by the group as a whole. It is the responsibility of that individual to speak out and to contribute. It is the responsibility of the group to encourage and develop that person, to include him/her in the discussion and actions, and to provide positive reinforcement each time that happens.

### *The loud-mouth*

In any group, there is always a dominant member whose opinions form a disproportionate share of the discussion. It is the responsibility of each individual to consider whether they are that person. It is the responsibility of the group to ask whether the loud-mouth might like to summarize briefly, and then ask for other views.

### *The written record*

Often a decision which is not recorded will become clouded and has to be re-discussed. This can be avoided simply by recording on a large display (where the group can clearly see) each decision as it is made. This has the further advantage that each decision must be expressed in a clear and concise form which ensures that it is clarified.

### *Feedback (negative)*

All criticism must be neutral: focused on the task and not the personality. It is wise to adopt the policy of giving feedback frequently, especially for small things - this can be couched as mutual coaching, and it reduces the destructive impact of criticism when things go badly wrong.

Every criticism must be accompanied by a positive suggestion for improvement.

### *Feedback (positive)*

If anyone does something well, praise it. Not only does this reinforce commendable actions, but it also mollifies the negative feedback which may come later. Progress in the task should be emphasized.

### *Handling failure*

The long term success of a group depends upon how it deals with failure. It is a common tendency to brush off failure and to get on with the next stage with no more than a mention - it is a very foolish tendency. Any failure should be explored by the group. This is not to attribute blame (for that is shared by the whole group as an individual only acts with delegated responsibility), but rather to examine the causes and to devise a mechanism which either monitors against or prevents repetition. A mistake should only happen once if it is treated correctly.

One practice which is particularly useful is to delegate the agreed solution to the individual or sub-group who made the original error. This allows the group to demonstrate its continuing trust.

### *Handling deadlock*

If two opposing points of view are held in the group then some action must be taken. Several possible strategies exist. Each sub-group could debate from the other sub-group's view-point in order to better understand it. Common ground could be emphasized, and the differences viewed for a possible middle or alternative strategy. Each could be debated in the light of the original task. But firstly the group should decide how much time the debate actually merits and then guillotine it after that time - then, if the issue is not critical, toss a coin.

### *Sign posting*

As each small point is discussed, the larger picture can be obscured. Thus it is useful frequently to remind the group: this is where we came from, this is where we got to, and this is where we should be going.

### *Avoid single solutions*

First ideas are not always best. For any given problem, the group should generate alternatives, evaluate these in terms of the task, pick one and implement it. But most importantly, they must also monitor the outcome, schedule a review and be prepared to change the plan.

### *Active communication*

Communication is the responsibility of both the speaker and the listener. The speaker must actively seek to express the ideas in a clear and concise manner - the listener must actively seek to understand what has been said and to ask for clarification if unsure. Finally, both parties must be sure that the ideas have been correctly communicated perhaps by the listener summarizing what was said in a different way.

## **N. Building Effective Teams**

Building and maintaining effective teams is a time consuming and sensitive process particularly in businesses where the pressures of the moment are often intense.

Most attempts at team building don't work well, simply because managers and staff fail to appreciate the effort that has to be invested in time and attention to detail. There is little doubt, however, that when done well teamwork contributes considerably to greatly improved productivity and reduced costs.

Research shows there are a number of key reasons why teams fail. They include the inability of the team or the organization to establish clear goals everyone can relate to, an inability by the team to clearly define its own roles within the team, and poor leadership of the team or the organization.

More important is the failure by the team to handle its own interpersonal relationships.

## ***Principles for Turning Groups to Teams***

### *Principle 1: Understand the Phases of Group Evolution*

Teamwork does not happen overnight. Just like kids and families, groups lurch through different developmental stages. One of the more widely known approaches is Tuckman's forming, storming, norming and performing model. A fifth stage called mourning is sometimes added when teams break up. A key challenge for those in leadership roles is to use methods that bypass the destructive conflict characterizing the storming phase.

### *Principle 2: Develop Leadership if You Want to Build Teams*

For building effective teams, it is necessary to develop leadership.

### *Principle 3: Provide Human Relations Training To Group Members*

Management typically does not provide training to group leaders or group members. Having real teams, not the make believe variety, requires new knowledge so that one can get better behavior. Companies must invest in developing people's skills for team work to work.

### *Principle 4: Teams Need the Continuous Support of Upper Management*

Team building classes are ultimately an exercise in futility for the trainers and the participants if executives fail to live up to their responsible actions to support the teams.

The "flower principle" applies. Teams are not weeds that grow unchecked in the corporate structure. They are more like a rare flower that will quickly die if neglected.

### *Principle 5: Establish a Team Identity*

Teams have an identity, groups do not. It's next to impossible to establish the sense of cohesion that characterizes teams without this fundamental leadership step.

### *Principle 6: Increase Cohesion*

Many words have described the shift in the relationship that occurs when leaders get teams to "gel." The military services often use the term *esprit de corps* to describe this bonding and sense of camaraderie. This sense of caring for others starts when individuals begin using more we than me, more us than you. However it is described, there is no standard step-by-step approach to bringing it about.

### *Principle 7: Change Norms*

Norms are behavior patterns that apply to all members in a group. Norms develop for small groups or the huge aggregates called nations. Explicit norms are written down, forming the basis for regulations, policies and laws. The best way to discover implicit norms is through observation since they are rarely discussed or written down. In newly formed groups, it helps to agree on certain norms or ground Principles. Properly setting ground rules prevent problems later on.

### *Principle 8: Define Roles and Responsibilities*

In all groups, individuals play a set of behaviors called roles. These roles establish boundaries and set expectations governing relationships. In groups, roles can serve as source of confusion and conflict. Members of teams, though, have a shared understanding regarding how to perform their role. For example, crucial leadership roles for project teams include: the leader, a facilitator, a timekeeper and a recorder.

### *Principle 9: Establish Group Processes*

Groups don't require extensive procedure manuals, but they do need to follow certain processes none-the-less. Three key processes impact performance. The first is the widely known but rarely followed procedures for running meetings. Another process relates to communication roles. Finally, there are the processes and mental tools useful to solve problems.

### *Principle 10: Facilitate Meetings*

Groups have a tendency to get bogged down in a quicksand of trivial issues. Ask yourself, "How much time gets wasted in the meetings you attend?" To minimize wasted time, smart organizations have leaders who can act as facilitators for team projects and critical meetings.

### *Principle 11: Follow a Problem Solving Process*

Groups typically don't have a well defined process for fixing problems. Strange as it may seem, while managers are charged with solving problems in organizations, somehow the colleges and business schools never got around to teaching them how to go about it. It's similar to the schools that somehow neglect to teach children how to learn.

## ***Characteristics of Effective Teams***

### *Clear Goals*

Members understand and support the goals to be achieved. There is free discussion of the objectives until members commit themselves to them; the objectives are meaningful to each group member. The group defines and achieves a continuous series of "small wins" along the way to larger goals.

### *Relevant Skills*

Members have the necessary technical and interpersonal skills

### *Mutual Trust*

Members are confident in each others' ability, character, and integrity. Members are strongly influenced by the organization's culture

### *Unified Commitment*

Members have loyalty and dedication to the team.

### *Good Communication*

Messages are readily understood and there is a healthy dose of feedback from team members. The atmosphere tends to be informal, comfortable, relaxed. There are no obvious tensions, a working atmosphere in which people are involved and interested.

There is a lot of discussion in which virtually everyone participates. There is a lot of discussion in which virtually everyone participates but it remains pertinent to the purpose of the group. If discussion gets off track, someone will bring it back in short order. The members listen to each other. Every idea is given a hearing. People are not afraid of being foolish by putting forth a creative thought even if it seems extreme. People are free in expressing their feelings as well as their ideas

Disagreements are not suppressed or overridden by premature group action. The reasons are carefully examined, and the group seeks to resolve them rather than dominate the dissenter. Dissenters are not trying to dominate the group; they have a genuine difference of opinion. If there are basic disagreements that cannot be resolved, the group figures out a way to live with them without letting them block its efforts.

Effective teams operate in an environment in which two way trust and open, honest communication exist. This way team members are "real people" with personal feelings, emotions and values, which are taken into account in the daily work of the team.

Effective teams communicate easily and openly. Feedback on "performance" is two-way and constant, providing information to all members of the team on how their work supports the specific and overall effort of the team and the practice. Listening is a feature of their communication. There is minimum direction and a high level of open ended questioning upon which full understanding is based. Good teams share information about the overall revenue and profit objectives of the team. Effective teams are always informative and consultative and they are fully participative on those issues on which team members are competent.

### *Negotiating Skills*

Flexibility requires members to possess these skills and members are able to confront and reconcile differences arising from changing problems.

### *Appropriate Leadership*

Leadership provides help in difficult situations and plays role of coach or facilitator.

### *Internal and External Support*

Team requires a sound infrastructure and hence should have external resources required to perform its work.

### *Most decisions made through general agreement*

However, those who disagree with the general agreement of the group do not keep their opposition private and let an apparent consensus mask their disagreement. The group does not accept a simple majority as a proper basis for action.

### *Each individual carries his or her own weight*

Each individual carries his or her own weight meeting or exceeding the expectations of other group members. Each individual is respectful of the mechanics of the group: arriving on time, coming to meetings prepared, completing agreed upon tasks on time, etc. When action is taken, clear assignments are made (who-what-when) and willingly accepted and completed by each group member.

### *Frequent, frank and relatively comfortable criticism*

The criticism has a constructive flavor - oriented toward removing an obstacle that faces the group.

### *Team responsibility accepted*

Effective teams accept team responsibility and do not "blame" one another for team mistakes, nor do they spend useless time in personal justifications.

### *Successes of team celebrated together*

They celebrate their successes together, just as they identify the special performances and contributions of each individual. Good team work is based on prideful humility: pride in the outcomes of the team and a humility that assumes that other team members may well have an "angle", or a level of expertise that can add value to the outcome.

### *Mistakes looked upon as opportunities for learning*

Good teams look upon first-up mistakes as opportunities for learning, rather than criticism and punishment. They are, however, tough on repetitive errors, just as they encourage appropriate risk and innovation.

### *Contribution of each member honoured*

Good teams honour the contribution each makes to the total work of the team. For example, you as the leader are the team's expert in a particular area of responsibility (leadership): your secretary is the expert at word processing and office procedures, and your receptionist the expert in client relations. Each is as important as the other in the application of their expertise!

### ***What Makes a Strong Team?***

- Shared Vision
- Optimism
- Sense of Community
- School Spirit/Pride
- Ethics
- Trust
- Support
- Effective Leadership

- Positive Role Modeling
- Putting the Team before Yourself
- 

### ***What Weakens a Team?***

- Laziness
- Negativity
- Segregation
- Bad Publicity/Rumors
- Confusion
- Dishonesty
- Jealousy
- Poor Communication
- Poor Leadership
- Putting Yourself before the Team

## **O. Managing Teams**

Key aspects of managing teams:

***Focus on building a strong team that can solve hard problems and add genuine value for the customer.***

The key words here are *focus*, *team*, *hard problems*, and *the customer*.

You need to have a *focus*; otherwise, your energy will not be well directed. And, as it is your team that will ultimately produce the results you need, your main focus should be on building and supporting that team.

One of the best definitions of *team* found is that of Katzenbach and Smith:

A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.

The first challenge is to find the right combination of people with the right combination of skills and personal qualities. Then, to maintain a sharp edge, the team you assemble needs a performance challenge --

to tackle and solve *hard problems*. There is no point in forming a superb team and then letting it loose on a trivial problem.

These problems also need to be *customer-focused*. Avoid tasking your team with self-serving internal research and development work. If you keep the customer in your sights, there is a much better chance that you will be aiming at a real target. More fundamentally, you need to produce something that adds real value to the customer's situation. Sometimes this involves understanding what customers really *need*, as opposed to what they think they *want*.

### ***Communicate the vision and understand the details.***

There is a difference between leadership and management. In an ideal world, we'd all embody the best attributes of great leaders and effective managers and avoid the stereotypical failings of each.

Leaders are often charismatic, but they do not have to be. A leader who displays quiet determination and steadfast endurance can be as inspirational as one who breathes fire. What the best leaders do is transmit a sense of mission -- a vision -- to the rest of the team that inspires and sustains; and they lead by example. This encourages teams to accomplish great deeds.

Managers, like leaders, also need to understand the big picture (vision) that drives each project. But they also need to grasp the details that will allow the team to fulfill that vision. Managers need to be enablers: planners, negotiators, pulse-takers, and removers of obstacles. You cannot do this kind of work effectively without understanding the details. And the more technically challenging the problem domain, the more important this understanding becomes.

Managers and leaders need to know one another's business but remember that they have distinct specialties. A leader's primary job is to communicate the vision. The manager's primary job is to understand the details and enable the team to work effectively and move forward.

Rarely do outstanding leadership and managerial qualities reside in one person. If you are charged with setting up a team, finding one person to fill both roles may be too hard. Instead, understand whether

your primary candidate is mainly a leader or a manager, and then find a complementary person for him or her to work with. And analyzing your own strengths and weaknesses will pay dividends when you select a partner to help you lead or manage your next project.

***Anticipate obstacles, and eliminate them while they're small.***

Nothing fancy here. Most problems seem small when they're either far off in the future or way back in the past -- but in their own "time neighborhood," they loom large. This is partly a trick of perspective, but there are other, more insidious, reasons, too.

The simple fact is that small problems, left unattended, grow over time. This is certainly true for employee discontent; left unaddressed, it festers and becomes worse. Better to brush plaque from your teeth every day than to let it build up and destroy them.

Some items, such as capital equipment acquisition, are naturally "long-lead." If you address them far enough in advance, you can handle such needs purely administratively. You can budget for capital equipment, order it, plan for it, install it, etc. Ordinarily, it's not a problem. But what if you don't do the required homework well in advance? You'll have to beg, borrow, or steal when lack of equipment becomes a crisis. The small obstacle will become a big one.

Typically, two types of management animals wind up in this situation: ostriches (problem avoiders) and sloths (procrastinators). The ostriches never lift their heads out of the sand to look for present and future obstacles, so they are perpetually being unpleasantly surprised. The sloths know about the problems but put off doing anything about them. The problems, of course, take no offense; they'll stick around whether or not anyone pays attention to them.

To lead well and manage effectively, you must aggressively seek out potential obstacles and attack them. There's no excuse for getting blindsided: good management is the art of intelligent anticipation.

***Take the time to listen to others carefully, but don't worry TOO much about what other people think.***

Not listening is a cardinal sin. If you think you're too busy to listen, then you have your priorities wrong. You don't have to listen to absolutely everyone, and you don't have to listen to everyone equally, but listening is a must.

Scientists know that they ignore data at their peril. You may want to discount certain data after gathering it. But get the data. And get it first-hand whenever possible. Raw, unfiltered data is always valuable -- even redundant data, because it allows for cross checking.

Remember, however, that you don't have to be a slave to your data givers. Sometimes you'll come up with ideas that others find strange or unpopular, and they'll let you know it. Listen to them, weigh what they're telling you -- both the words and the music -- and then choose your course. Don't let what others think dissuade you when you know what needs to be done. You are not being paid to be popular; you are being paid to get a job done. If you worry too much about the opinions of others, then you will succumb to the weathervane effect -- you will change direction every time the wind does.

This counsel may be controversial, because we live in a time and a culture that favors consensus. But consensus-based decisions can be wrong or, in some cases, represent bad compromises that a team makes when driven by severe time constraints. If your team can't achieve a strong consensus and paralysis sets in, it becomes imperative for you, the leader, to make a decision and go forward. In such cases, whatever decision you make will, inevitably, leave some or all of the participants unhappy, at least for a time. What you must make clear to everyone is that making *no decision* is the worst course; a decision, after all, will inevitably have to be made, and in the meantime, valuable time is being lost. You'll achieve the best outcome in these situations if you make sure that all the players feel they've "had their day in court" -- that you've heard them out. They don't have to agree with the decision, but they do have to accept it. This is fundamental to team success.

***Focus on facts.***

For many reasons, we frequently violate this guideline, almost always with disastrous consequences. Deal with reality. Always relate to what is, not to what you would have liked or what could have been or what might be in the future. Stay in the present, and deal with the facts.

Separate facts from opinions. Also separate facts from their consequences or implications; often people report these concurrently or confuse them.

When engaged in discussions, evaluations, critiques, and other issues that involve performance, stay focused on the facts as opposed to the personalities of the people involved. Evaluate data based on its factual content, not on the source. Gather facts first and reserve judgment until later.

I have found that writing things down helps me focus on facts. Sometimes this involves making lists, writing things in a standard format, or just creating notes for future reference. When I do this, it becomes very clear when I can legitimately use verbs like "is" and "are" rather than verbs like "appears to be" and "seems to."

***Provide stability by being an attenuator, not an amplifier.***

This is an important attribute.

Most of our information channels are "noisy." Every organization has a rumor mill that is constantly churning out misinformation. As managers and leaders, we need to avoid amplifying the noise so that we don't mask the signal. Rarely is a new situation as good or as bad as it looks at first. Take in the data, absorb it, and then decide on appropriate action. A measured response is almost always best. As crises spike within your organization, remember that "this too shall pass," and be the one who sets an example for the rest of the team. To lead effectively, you must keep your head while those around you are losing theirs. Your job is to dampen the spikes and surges and restore regularity to the daily flow of energy.

Occasionally, you may be forced into acting quickly, or an "unmeasured" response may even be desirable. For example, if

someone lures away a key employee with a "Godfather offer," then you need to react quickly if you hope to turn the situation around. Or if your team makes a major breakthrough, you'll want to react with unbridled enthusiasm, no holds barred. You'll recognize these exceptional situations when they crop up.

***Never attribute to malice what can be explained by incompetence.***

If someone says or does something that may affect you in an adverse way, be very careful of jumping to the wrong conclusion; paranoia can get you into a lot of trouble. If the act seems wrongheaded, first assume that it was a mistake. Try to imagine the erroneous set of assumptions that might have led the person to this action. Put yourself in his or her shoes.

Only after eliminating all possible "error scenarios" should you even entertain the notion that impure motives were at work. Why? Consider the consequences. If you assume malice and you are wrong, then you will almost certainly make an enemy -- and enemies have a nasty habit of accumulating. It's silly to make them unnecessarily.

If you incorrectly assume incompetence, on the other hand, then, yes, you may get burned. But you will be burned only once. When you give the perpetrator a chance to reconsider his "mistake," then he's sure to expose his true colors. In the long run, you'll have earned the trust of other team members by treating your enemy with respect.

I also believe that incompetence is far more widespread than evil. This may be a new view, but I believe statistics are on my **side when I take this approach.**

***Cultivate a sense of humor as a counterweight to intensity: take the job seriously and yourself lightly.***

I have sometimes been called an intense person. This quality is both a blessing and a curse.

Intensity is the flame to brilliancy's spark. It allows you to focus, and it can help transmit a sense of purpose to the rest of the team. The refusal to give up, even in the face of adversity, is important.

But there is a dark side to intensity. It violates the Greek ideal of "everything in moderation": There's no such thing as "moderately intense." If you're a person who doesn't let go easily, then you need to be careful; don't let large, ongoing doses of your intensity poison your team.

Having a sense of humor helps. Even in times of crisis, you may need to step back enough to recognize the absurdity of it all. Laugh. Make fun of yourself. Recognize your mistakes and be proud of them, even though it hurts. My theory is that you have already paid for the mistake, and getting a laugh out of it at least brings you a little return on your investment.

I'm not talking about gallows humor here, which is scarcely better than no humor at all. I mean a real, robust appreciation for the follies that inevitably go along with working in an organization, trying to create something out of nothing, and being human.

***Trust your instincts: if it doesn't feel right, then it probably isn't.***

It's easy to get overly analytical. Sometimes we run the numbers until we're blue in the face without bothering to examine the underlying assumptions that went into collecting those numbers. Then, we come to a conclusion that doesn't feel right.

What's maddening about these situations is that we're unable to articulate the reasons for our discomfort. Nevertheless, fearing that this perverse situation will paralyze us, we forge ahead with the analysis and then take action, even though it doesn't feel right.

In the vast majority of these cases, I have regretted the decision. Here's my advice: If it really doesn't feel right, then trust your instincts. You didn't accumulate your "gut wisdom" overnight; you are feeling the sum total of all your past experiences when this happens. At the very least, force yourself to try to understand what is causing the discomfort and then address it.

In my case, most of these bad decisions have revolved around hiring. Never hire someone with whom you don't feel comfortable, which is not to say that you should never take a risk. If the risk level is high

enough to make you uncomfortable, however, go with your gut, and don't make the offer.

I've always believed that it's better to make a bad decision than to make no decision at all. When your important decisions and your tummy disagree, however, be careful!

In a nutshell, managing teams require:

### ***Planning***

- goal determination
- members understand and accept the team's goals

### ***Organizing***

- clarify authority and structural issues
- support in the organization's culture for employee involvement and autonomy
- must resolve issues of leadership, tasks to be performed, and assignment of tasks

### ***Leading***

- determine the role that leader will play
- deal with human dynamics of the team

### ***Controlling***

- performance criteria must reflect teamwork behaviors
- reward system must reflect team efforts and performance

### ***Gain sharing***

- incentive program that shares the gains of the efforts of employees with those employees
- rewards directly related to performance