

# Objective Decision Models in People Management

White Paper

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## Introduction

Decision Models can offer many benefits in the area of Human Resources and People Management to support Managerial decision-making and related tasks. The focus here is on Objective Decision Models to improve People Management decisions in work places. A Decision Review Model and a Decision Making Process Model are suggested here as suitable for certain decision making scenarios.

## Existing Situation

Managing work environments is a lot more complex these days—there is more movement and fluctuation within work groups, due to changes at all levels ranging from team changes to organizational restructuring. Yet the methods that go into managing people are often too subjective and qualitative.

To overcome this gap, Management Decision Systems have to keep pace, and reflect the increasing complexities in workplace dynamics. It should be possible to set up more advanced methods that Managers can follow to evaluate people management decisions more accurately; and to allow balanced, active and optimized decisions to be made.

## Drawbacks

While some areas such as Performance evaluation and Skills assessment are more structured and support analytical decisions, *psychological* and *intuitive* factors still play a large part in People related decisions. Lack of *specification* underlying people-related decisions makes this a notoriously difficult area to handle. It is often a nebulous area between where quantitative reasoning ends and psychological or intuitive elements take over.

Many current work environments do have elaborate IT systems, frameworks, and procedures set up to *manage people*. But in practice, not all of it gets implemented in every case. The *decision making process* can still be affected by any number of unspecified and intangible forces- It is not just established rules, procedures and Corporate policy at work. But also multiple levels of organizational Influences; group dynamics; the Decision maker's mindset; personality and subjective considerations; judgement and intuition. As a result none of these decisions can be examined in sufficient detail.

Due to the lack of specification and realistic Decision Models, there remains a level of

*uncertainty* regarding how the Manager actually thinks and implements the best practices prescribed in decision making.

The Manager should be able to specify- *How exactly a decision was made* -- Is it a scientifically sound decision? Or was it based on environmental influences, personality and group dynamics, perhaps intuition? Or maybe it was nothing more than “Office politics?”

In a completely dysfunctional scenario, it's anybody's guess. A Manager may get influenced by external factors not relevant to a situation, without realizing it. The Manager may not even understand how he or she has arrived at a decision, and this is indeed an alarming situation! The decision maker *should be aware* of exactly what factors are shaping a decision.

Consider a different scenario where Decision making has taken a *passive backseat*- no active decisions are being made. In a self-driven work group, the task of making a decision actually falls on the group, to be based on collective decisions or by proxy team leads. Work teams facing conflict situations are allowed to “resolve themselves”.

Instead of the Manager driving the group, it is *group dynamics* that drive a management decision (or lack of it). This shows how “groupthink” in one's work group can drive it up or down. And if the Management will not intervene with active decisions, it becomes the *dominant influence* that drives decision making, instead of the other way round.

This may seem to work on the face of it, especially for advanced work groups. But by having relinquished control to the self-resolving powers of the group, the Manager may let this pattern take over as a habit and stop making decisions even when required. This only leads to greater *inertia* in the group, and propagates *sluggish decision-making*. Decisions about people are not actively made, but *follow implicitly* in the wake of “like” or “dislike” dynamics around them. Perceptions related to the performance of team members are affected.

The above situations refer to instances where- first, decisions are subject to many *intangible or subjective factors and cannot be verified*; and second, where decisions are not being made or *decision making is passive*.

## Impact of Decision Models and Processes in Management

It can be argued that in certain cases, people management decision making suffers from being too subjective, arbitrary and sub-optimal on many counts.

In contrast, *optimized decision-making processes* and *well-defined methods* can significantly improve the management of work environments and translate into a huge jump in corporate workplace productivity. Familiar problems like high attrition, sluggish decision-making and inertia across the organization can be reduced.

Similar to the *subjective decision* and *passive decision* scenarios described earlier, there are many dysfunctional situations that call for Analytical decision making by Management. An accurate and objective analysis of these situations, if conducted at various points of assessment or discontinuity, can lead to better management and control.

It has been widely observed that the following problems are typically encountered while formulating Decision Models- *uncertainty*, different types of *biases*, contradictions and *ambiguities*, lack of complete knowledge regarding decision variables and their relationships, *stochastic* elements with non-deterministic behavior, *unforeseen* events and inaccurate *assumptions*.

People Management poses a *challenge* for applying Decision Models to enable advanced decision making. The problem of *under-specification* of decision variables will play a significant role when devising any algorithm to model such Decisions. Reasons for this can be summarized as :-

- Involves *subjective* factors, decision components cannot be specified easily.
- *Unspecified* environmental and organizational *influences* drive these decisions.
- In certain cases decisions regarding people are made *quickly* and “intuitively”, for example, when handling *rapidly changing team structures* and *transitions*.
- There is *less demand* for quantitative decision models in People Management, unlike Financial Management, Capital markets, IT/Software and certain other fields where decisions are expected to be modeled quantitatively.

## Overview of Decision Making Models and Processes in Industry

Decision Analysis <sup>1</sup> offers many methods, visual and analytic decision support tools such as Decision Trees and Influence Diagrams to formally represent decisions and to address important aspects of their application.

Based on the theory of formal decision methods, the final Decision Model is arrived at based on the cycle of Formulation, Evaluation and Appraisal.

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<sup>1</sup> Coined by R.A. Howard, 1964

Robust Decision making (that has its origins in the Robust Design<sup>2</sup> philosophy) takes *uncertainty* into account. As far as possible the uncertainty is then controlled or eliminated from the final decision, in the process of reaching the best possible choice.

The requirement for Decision Making Models in Management has long been recognized. Given a particular problem, one would likely find a wide variety of Decision Models to choose from, to support Managerial Decisions in that area. There are Deterministic and Probabilistic Models, highly structured and approximate, quantitative and qualitative models. Of course, there are still many areas in Management that would benefit from new models and more rigorous quantitative methods.

In decision theory, the Normative or prescriptive analyses of Management decisions involves the application of formal logic. Axiomatic rules are prescribed for making the “best decision”. In contrast, Descriptive theories describe how people actually make decisions in the real world. An *optimal decision* is one that leads to the best outcome compared to all decision alternatives. In case of uncertainty in outcomes, the optimal decision maximizes the expected utility.

Step-wise descriptions of the Decision making process have been proposed in many forms. The six-step Rational Decision Making Model consists of a series of steps starting with Problem Definition, then identifying the decision criteria, attaching weights to criteria, generating possible alternatives and concluding with Computation of the Optimal decision.

Bounded Rationality<sup>3</sup> and Intuitive Decision Making are regarded as two of the most important ideas in decision making. Another idea applicable to organizations is Historical Precedents, set up when past decisions influence current decision making.

As part of research findings in Computers and Operations Research there are many Mathematical models and techniques to represent Objective Decision Making problems, including Multiple- Criteria Decision Analysis (MCDA). Multi-Criteria Decision Making (MCDM) is a highly developed discipline with many methods, that classifies problems as Multi-criteria evaluation and Multi-criteria design problems.

Based on selected research and reference material, this section has listed some prominent ideas and concepts that stand out from the highly specialized disciplines related to the current topic. It is not intended to be an all-encompassing study.

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<sup>2</sup> Popularized by G. Taguchi

<sup>3</sup> H. Simon (1957)

## Case Study

***Dynamic Team Formation:*** In a company the Project Manager has to quickly select employee candidates to create a *high profile project Team*.

Selection criteria are to be based only on Performance and Skills. The Manager must select an optimal mix from a large employee pool in the department.

Resumes in the employee database have been assessed. Employees have been subjected to screening through interviews and group discussions. Data includes results from Skills assessments and past Performance Appraisals. The *objective assessment process* concludes with a *Short list*.

Given the number of employees available in each skill area, several choices are possible even after shortlisting. Since the objective testing phase has completed, short listed candidates need to be finalized within a short time span. The assumption is that a *quick decision* can be made at this point, possibly Intuitive.

The Manager *decides the final selection* based on the following criteria-

- (i) The most *popular* and *visible* candidates are selected first.
- (ii) Employees belonging to well integrated but informal *peer groups* are selected in preference to those who have had problems fitting into peer groups.
- (iii) The company has adopted an aggressive Women Empowerment program. The percentage of women selected is higher.
- (iv) The company has adopted an aggressive Equal Opportunity and Non Discrimination program. The Manager is conditioned to follow it strictly. He believes he has shown *no preference* to any particular group or classification.
- (v) By *personality* the Manager is traditional, conservative and dislikes people he has perceived as being somewhat disruptive or insubordinate to authority. He discards a few candidates who have displayed such behavior in the past. Though it was within acceptable limits he still views it as a *risk*.

## Observations

The above can be categorized as a part Objective and part Intuitive decision process. The decision was made under time constraints with only a part of it open to objective analysis. It has subjective components based on the Manager's perception. Other determining factors that may have played a part are not considered because they are intangible and could not be specified.

## Proposed Solutions

Some key solutions are—Implementing *new decision models* to assist management in objective decision-making and a more quantitative evaluation of decisions. If developed to equal the advancement in other areas, workplace problems caused by ambiguous decision making can be drastically reduced.

Decision Models can enable significant improvements in critical areas of people management. Given the event and environmental information, Objective Decision Models serve as an objective aid to decision processes involving human management and assessment.

Objective Decision-enabled People Managers can practice “evolved” and *balanced* management. Their skills are “lean” and constantly alert to the work group’s requirements, with the freedom to discard subjective and irrelevant influences. Decisions and results are based on *scientific* and *measurable* techniques and it is possible to *measure* the efficiency and quality of people management decisions.

Two Models are proposed in this paper, a) the Objective Decision Review Model<sup>©</sup> and b) the Active Decision Making Process Model<sup>©</sup>.

## Objective Decision Review Model<sup>©</sup>

The Objective Decision Review Model suggests a method and model to review and verify the optimality of a people management decision.

*It can be regarded as a structured thought process that enables the decision maker to refine and improve each decision based on scientific principles, logical and analytical reasoning and management best practices.*

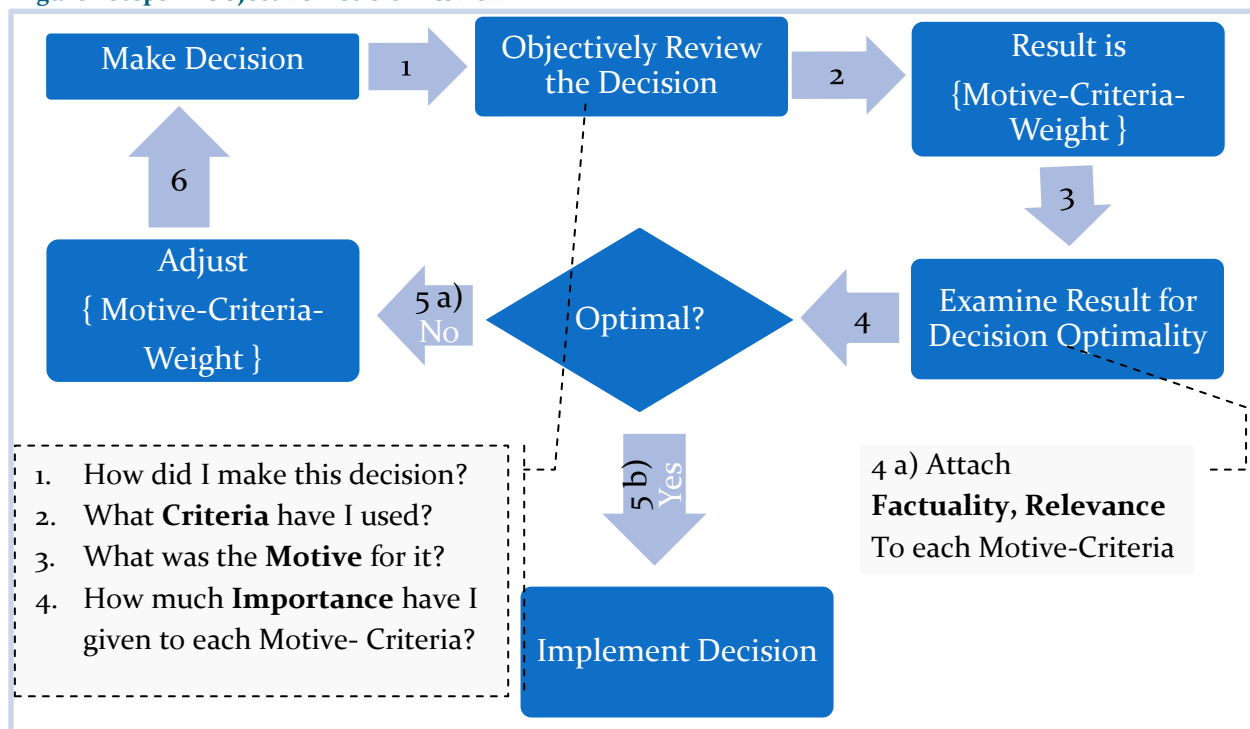
The term *Objective* as applied here refers to the method as being *fair, clinical, unbiased and non-subjective*. It does not refer to objective as in *decision goal* or to the decision type as being single or multi objective.

## Application to the Case Study

Based on a process of *Self Assessment* or *Assisted Decision Making*, the Manager in charge of the Dynamic Team Creation exercise now subjects each decision that he made to a detailed review. Starting with the question “Why did I finalize this Candidate?” the review is done after the decision is made but preferably, before it is physically implemented. Refer Figure 1: Steps in Objective Decision Review.



Figure 1 Steps in Objective Decision Review



Specified	Motive	Criteria	Weight	Factual	Relevant
	Decision Rules	Performance Appraisal Skills Assessment	40	1	1
	Policy	Womens Empowerment Equal Opportunity	10	1	1
	Influence #1	Popularity Visibility	15	0	0.5
	Influence #2	Peer Acceptance Team Integration Group Dynamics	15	1	0.5
	Influence #3	Organizational Influences	3	0.5	0.8
	Subjective	Potentially Disruptive	15	0	0
	Analytical	Analytical Reasoning	0	1	1
	Intuition	Hunches	2	0	0.1

Figure 2 Objective Decision Review Model

This effort should result in a comprehensive view of all decision variables and components as shown in Figure 2 Objective Decision Review Model. It models how the decision *to select or not select a candidate* was made by the Manager.

It was previously assumed that in order to decide candidate selection, the Manager can base his decision solely on the Performance Appraisal, Skills Assessment and other Test results. However, the paper suggests that in *the real world* the Manager's decision is not based only on specified data and assessments.

In corporate work environments it is not possible to obtain a complete specification of all factors that influence behavior, decisions and actions due to various constraints. Therefore the actual decision will include *unspecified factors*, a few of which can be considered best practices relevant to the decision while others are irrelevant or subjective and should be excluded. In order to improve the decision it is necessary to take *a clear view* of all these components.

According to the *real world scenario* described in this model, a degree of non-factuality and subjectivity would appear in most cases. Even if the objective assessment is highly accurate and reliable the effects of environmental factors, influences and the decision maker's mindset cannot be completely ruled out.

Therefore any effort to improve decisions has to consider on the one hand, improvements in decision support tools (in this case, the performance appraisal and assessment tools- the topic is not considered in this paper) and on the other hand, get a detailed view of how the decision maker processes all the information to make the decision. At the start one has to understand all the decision components and model the problem accurately, which is the focus of this decision model.

As stated earlier, the design of performance appraisals is not part of this case study which focuses on a later decision phase. However, the Performance Appraisal process itself would require people management decisions which can be analyzed separately based on the proposed decision review model. With improving design, accuracy and reliability of objective decision aids, the room for subjectivity should reduce, though the *perfect decision* state is difficult to realize in practice.

The Model as shown in Figure 2 Objective Decision Review Model represents the decomposed Decision having multiple layers composed of a *motive and associated decision criteria*. Attached is the *weight* or importance given by the decision maker to a motive-criteria. *Motives* are considered to be formed by rules and procedures, policy, influences, subjective considerations, analytical observations and intuition.

While variables and measures shown in Figure 2 pertain to the specific situation in the case study, the motives are expected to appear in most people management scenarios. Based on the depth of analysis, a decision may show only 2-3 dominant motives e.g. *rules+influences+subjective* or *influences+intuition*. To summarize, the Decision is based on various weighted criteria, each associated to a motive.

Following the Decision Review, the next step involves further examination of each Motive-Criteria-Weight based on certain attributes to determine if an optimized decision was made. The attributes are:- a) *Factuality* to check if the criteria is supported by factual data in written or verbal form and b) *Relevance* to check if the criteria is relevant to the decision being made.

### Influences in the Work Environment

Standard definitions of Influence describe it as- *a power affecting a person, thing, or course of events; a cognitive factor that tends to have an effect on what you do.*

This paper recognizes *Influence as the language of non-verbal communication in business*. It plays a significant role in how present day work environments are managed.

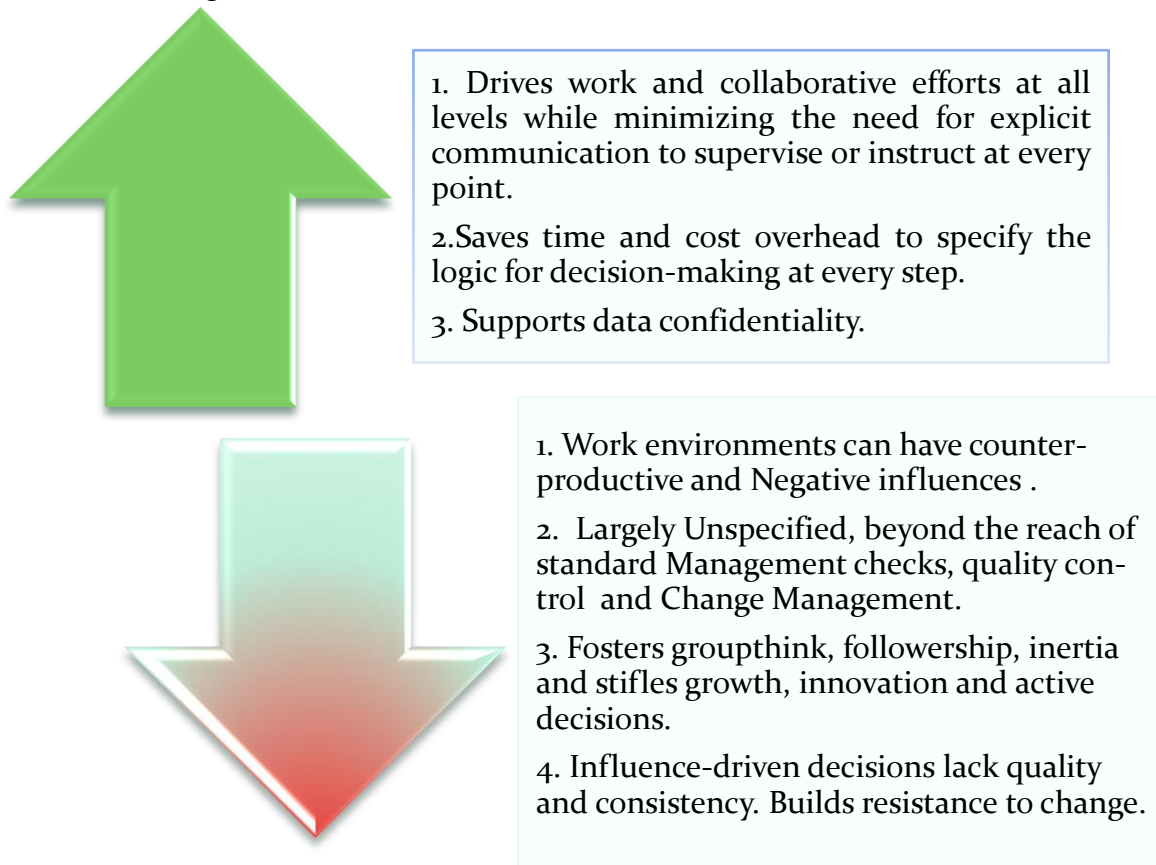
A typical work environment is driven by multiple influence levels- Corporate influences drive strategic thought and action; there are operational and tactical influences at work, to varying degrees. Internal environment and organizational influences play a part in group dynamics; our work teams influence us to a large extent. Corporate politics is shaped by influences. Work teams may also be subject to external influences including socio- cultural and economic factors.

In the current decision model, Influence is considered distinct from standard rules and regulations, policy or subjective views. One counter-point to this view is that influence is understood as: decisions being *influenced* by subjective concerns; we are *influenced* to follow ethical codes- so how can we think of influence as separate?

To clarify, the decision model focuses on influence as an *intangible, unspecified meta-driver* of thoughts and behavior. Tangible driving forces such as rules and policies that exist as specified data are represented separately. Subjective concerns as well as intuition are also treated separately. That still leaves many influences other than stated policy, rules or subjective views that can and do affect decisions.

Powerful and all pervasive as Influences are in Management decision making, they should still be regarded as a double edged sword.

Figure 3 Influence-driven Decisions in the Business Environment examines the benefits vs. pitfalls of allowing *influence-driven decisions*© to control and guide managerial decision making.



**Figure 3 Influence-driven Decisions in the Business Environment**

There can be positive (work conducive) and negative (counterproductive) influences. The best practice suggested here is for the decision maker to be aware of all influences around the situation; to develop enough rationality and objectivity to filter out counterproductive influences, and allow decisions to be driven by those influences that are factual, relevant and work-enabling. This technique is *Optimal Influence Adoption*©.

Influence-driven decisions tend to propagate imbalances in the work environment. Essentially, decisions made under the same influences remain unchanged, irrespective of changes in the situation. This can lead to positive or negative stereotyping at work. In an extreme case, the same people keep getting promoted or demoted to spectacular highs or lows, regardless of performance. Another effect is repetitive behavior patterns in the work environment. The end result is an environment that is more resistant to change.

## Discussion of Objective Decision Review Model

Refer Figure 2 Objective Decision Review Model

- (i) It can be seen that Decision Rules are both *factual* and *relevant* to the decision.
- (ii) *Influences* in a given situation may or may not be *relevant*. And the influence may or may not have a *factual* basis. This is examined further :- (Also Refer Page 14, c) Team Integration)
  - a. In Figure 2, *popularity* and *visibility* are indicative of leadership and team skills of the candidate hence *relevant* for this situation- if the project role requires these skills.
  - b. Popularity/ visibility is also governed by *irrelevant* forces such as cultural or gender based preferences, which is misleading. For example, people from dominant cultures or influential peer groups always get the popularity vote. Therefore based on a. and b. it is reduced to- only *partly relevant* ( $y = 0.5$ ).
  - c. Popularity/ visibility is considered *non factual* as it usually does not appear as a tangible metric that is explicitly written or spoken. ( $x = 0$ )
- (iii) Influence #3 points to *work-environmental* influences including peer pressure, team competitive forces and other group dynamics. Similar to (ii), *peer acceptance* and *team integration* indicate certain traits.
  - a. It is *relevant*- depending on the job role. But again, may be formed as a result of culture biases or similar imbalances existing in the work environment hence considered *partly relevant*. ( $y = 0.5$ )
  - b. Team integration skills unlike the previous traits, can exist in tangible form possibly as *written feedback* from co-workers or superiors. *If such data exists* in this particular case, it can be regarded as *factual*. ( $x = 1$ )
- (iv) The company has established various stated *policies* including Women's Empowerment, Equal Opportunity and Non- Discrimination. Since these motives are supposed to be integrated into decision making and can be specified at any point, they are both *factual* ( $x = 1$ ) and *relevant* ( $y = 1$ ). The weight or importance attached to each can be examined further if required.
- (v) Motives ruled by *subjective* considerations indicate the decision maker's personality, ego, emotions and mindset. They include "like" and "dislike" propensities ("I selected this candidate because I *like* him") also prejudices or stigmas. Ideally, the decision maker is expected to exclude them from objective decision making. In practice, the decision maker should be aware of it and filter it out of the decision. ( $x = 0, y = 0$ )
  - a. *Perception* is also classified as subjective. The Manager's perception of individual performance can be influenced by his own personality.

- (vi) *Influence #3* refers to internal organizational influences that the Manager is expected to follow. They are mostly *factual* (in this case, the company has a highly developed knowledge base describing its organization culture, governance, structure and processes). Since these are high level influences, direct *relevance* to the current *mid-level* decision is limited. ( $x = 0.5, y = 0.8$ )
- (vii) The decision maker may choose to add his/her own analytical reasoning. (“Appraisal and Skills assessment for this candidate does not reveal this trait. But I have observed that s/he has outstanding ability to *handle stress*, based on which s/he will add value to this project therefore I select him/her”) ( $x = 1, y = 1$ )
- (viii) The role of *Intuition* cannot be ruled out and in this model it denotes the “unknown element” that is beyond facts or reasoning. ( $x = 0, y = 0.1$ )

## Decision Motives

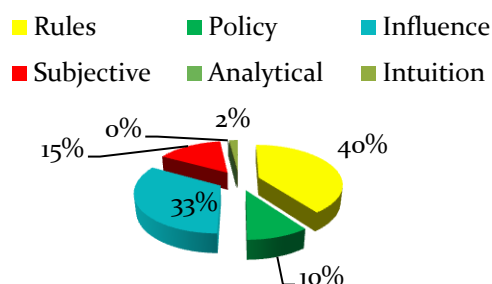


Figure 4 Decision Motives

### Role of Business and Work Ethics

Most companies have set up rules and policies at various levels to deal with Ethics issues. Specific implementation depends on the company type, size and culture. At the organization level, this can manifest in the form of Corporate Policies and Codes. At employee level, there are ethical and compliance codes of conduct to follow. Each department in the company may have set up its own Ethics related regulations. Beyond the generally stated ground rules, an entity’s adherence to ethics can be judged based on moral principles or notions of right vs. wrong.

Like other corporate policies, one is expected to apply Ethics in decisions. It can affect or influence the decision directly and indirectly. How Ethics is treated in each decision review depends on the situation, organization culture, constraints and the decision maker’s thinking. Ethical codes would most likely appear as an organizational influence. They may also form part of decision rules and procedures and/or be considered as a distinct policy motive and/or can be included in Analytical reasoning.

### Final Step in the Decision Review

Factuality and Relevance have been added for each Motive- Criteria. This is compared against the Weight which should be proportionate. For optimality, a high weight should have been attached where criteria are highly factual and relevant; less or no importance given to non fact-based and irrelevant criteria. Any *major deviations* from this should lead the Manager to re-think the concerned decision motive-criteria and weight.

After the final re-adjustment the Manager re-computes the points for each candidate  $i$

$$\text{Total}_i = \text{Weight}_{\text{Rules}} * (\text{Decision Rules score})_i + \sum_{k=1}^n \text{Weight} * (0 \text{ or } 1)$$

Refer Figure 2. It can be seen from the case study that--

- Popularity/ Visibility* influences were given high weights though they are not factual and only partly relevant.
- Subjective view* has entered the picture though it has no factuality or relevance.
- Peers and Team integration* influences have been given high importance which is also proportionate to its factuality/relevance. However, in case the specified rules (Performance Appraisal, etc.) have also considered it (as a KPI) we find there is too much importance being given to the same trait, both specified and unspecified. One should examine if the *situation demands it*? Or, would balancing this against a new criterion such as *innovation potential* of the candidate, achieve more optimality in terms of a better performing project team?
- In a situation having *fewer decision rules* and procedures, other motives can start to dominate. So we have *ego-driven* or *influence-driven decisions*. The latter may be observed in corporate environments subject to many influences. The case study decision shown here (Figure 5 Objective Decision Review Chart) is dominated by decision rules, influences and policy.

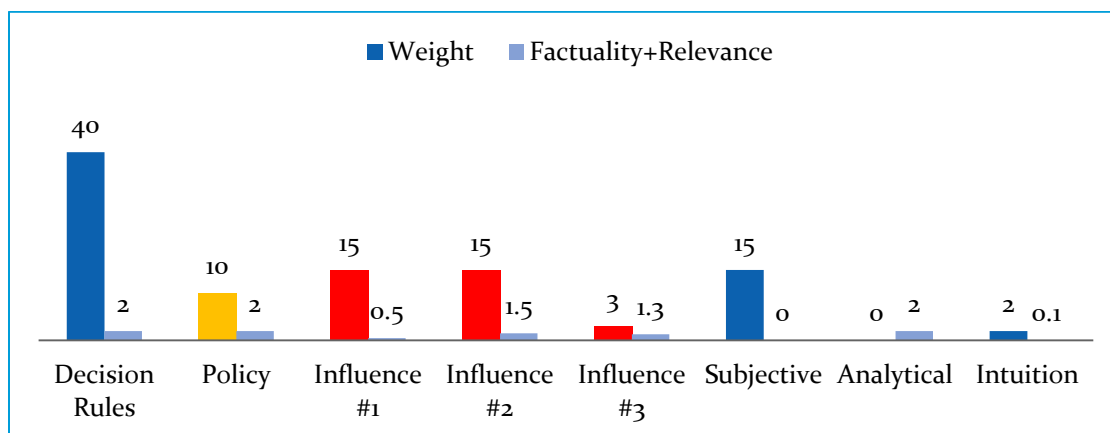


Figure 5 Objective Decision Review Chart



### *How is Optimality decided in the Objective Decision Review Model?*

In general, one can assume that People Management best practices are called into play. The following check points should be included:

- Has *excessive weight/ importance* been given to *irrelevant or subjective criteria*?
- Is the decision being driven by influences that are mostly *irrelevant*?
- Are there *contradictions* of any kind?

For example, the Performance Appraisal has rated and described the candidate as hard-working and efficient.

- (i) The Decision review indicates that the decision-maker, being susceptible to work-environmental influences, has been giving a high importance to the *peer acceptance* motive-criteria. The candidate has been getting rejected due to low team integration. In this case, influences contradict the decision rules i.e. factual data.
- (ii) Further analysis and examination should be undertaken to resolve such conflicts.
- Are there *imbalances* of any kind?
  - (i) Certain scenarios can be detected where historical precedents lead to *positive stereotypes*. For example, factual data and past performance of the candidate have been positive for the past few years. This influences decision makers to automatically “pass” him/her every time without doing an objective assessment.
- Other than the simple examples provided above, the high level of complexity in people management situations could result in many other types of contradictions or imbalance scenarios.

### **Purpose of Objective Decision Review**

It enables the decision maker to—

- Understand all elements that have shaped the decision including tacit and unspecified variables.
- Evaluate the optimality of a decision. If results are sub-optimal, it prompts the decision maker to re-decide, based on best practices.
- Differentiate clearly between distinct criteria such as Influence and Intuition so that appropriate weights can be assigned to each.
- Often, there seems to be a fine line between two criteria e.g. subjective views and influence. Further study and analysis of relevant fields can clarify such



points. A Psychology-derived rule to apply in this case is- *subjective views* are a function of the *individual* decision maker; *Influences* are a function of the *organization* culture and internal or external *environmental* factors and are expected to affect the behavior of *all decision makers*.

- With the heightened *clarity, awareness and control* that self-assessment provides, the decision maker is free of a compulsive “follower” mentality. One can resist the impulse to make the same “safe” decisions that others have made.
- It requires a special thought process in which some introspection and/or other *think aloud* techniques may be involved. Repeated review sessions enable the decision maker to gradually train and condition the mind to making better decisions.

### Assumptions & Constraints

- The decision maker is capable of objectively self-assessing his/her own decision as required in this method. If not, s/he should be guided in the process by an expert.
- It is not possible to specify everything in the work environment.

### Active Decision Making Process Model©

A step-wise Active Decision Making Process Model is proposed in Figure 6: Active Decision Making Process. It can be applied in some areas of HR/ People Management.

It is suggested here particularly in scenarios that can be visualized as starting from an “Action”. The proposed *Action* is thrown out like a projectile, its final mark to be determined by Impeding and Supporting factors.

The Situation Assessment step involves formulating a Problem statement and preparatory data gathering. Decision makers would have to answer these questions- *Why do we need to take this Action? Or What Problem(s) is this Action going to solve? Can we first understand the entire situation clearly?*

At the Solution Formulation step, decision makers have to fix a “main solution” prior to entering the Intensive Assessment phase. If the Action passes, this solution will be taken up. Since the Action is formed as a few words or a short phrase, the Solution should convey more details about how the decision will be implemented.

Alternate solutions should also be considered and ranked. These are secondary, fall-back options that may not have the same impact as Action but would resolve the problem(s) in the situation to some extent.

In the Intensive Assessment phase, *Impeding and Supporting factors* are listed down separately during structured and intensive analysis sessions, with Weights associated to each factor. A Cost Benefit analysis can also be done.

If the weight total for each list (impeding or supporting) falls within an acceptable limit, the Action has “passed”. The Decision can be made by implementing the main Solution.

The above steps require creative solutions and analysis for which the decision making group can apply any combination of proven techniques, for example- Brainstorming, Force Field Analysis, Prioritization, Situation Analysis (SWOT), Impact Analysis, ROI.

In Figure 6: Active Decision Making Process Model, the process starts with the Action (or Objective). Remaining steps in the decision process establish the problem boundaries, constraints and action incentives, essentially leading to the point where the pros and cons of taking this action can be thrashed out with maximum accuracy. If the final total of points falls within the target range, the process concludes and the decision can be made. If it falls outside, various alternative solutions have to be considered to progress or mitigate the situation. In that case the intensive analysis and downstream steps have to be revisited.

The above Process is meant to be *dynamic* and *action-oriented*. However it does involve systematic decision making, logical reasoning and intensive analysis. The process does not apply for “intuitive” or split-second decision making.

The Objective Decision Review Model can be also applied to review this type of decision. Each impeding or supporting factor listed here can be taken as decision Criteria for which the motive and assigned weights are to be examined.

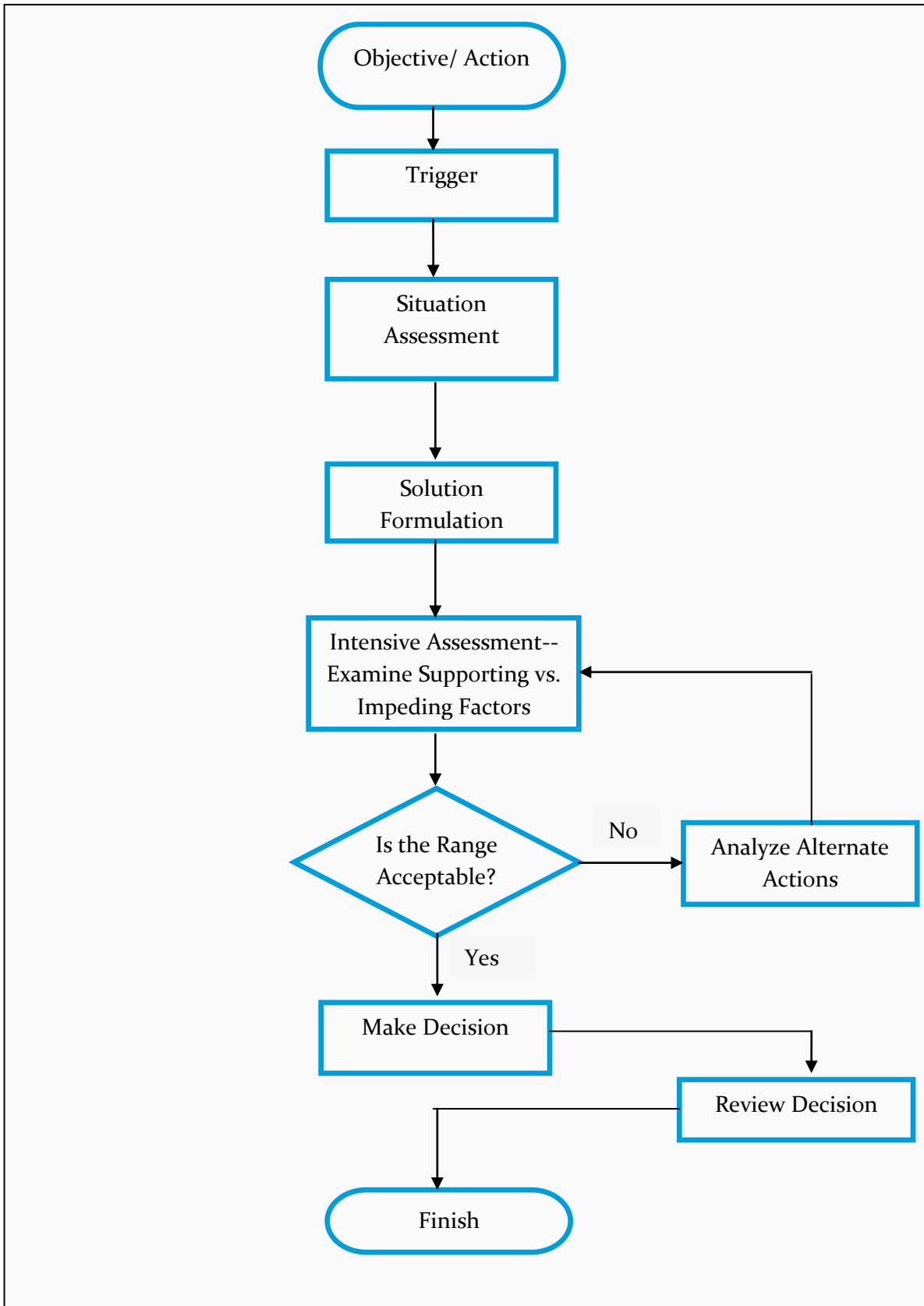
## Conclusion

The Objective Decision Review Model and Active Decision Making Process Model have been described in this paper.

In general, it should be possible to apply more elements of Management Psychology and Organizational Behavior and integrate it with Mathematical modeling and Operations research techniques, thereby creating more realistic models in the People Management domain.

In addition, building workable models would allow relevant logic from new fields like Neuroscience to reinforce these methods, and answer future requirements in Managerial Decision making.

Figure 6: Active Decision Making Process Model



Step	Description	Example
Action/ Objective	Indicates the Objective or, a formed Action for which the decision is to be made	(Action) Transfer the Resource ABC.
Trigger	Event that caused this Process to initiate	Email sent by ABC to his Manager requesting a Transfer out of IT into any non-IT department
Situation Assessment	<p>(i) Formulate the Problem Statement—From a Management perspective, what are the major Conflicts(s) or Problem(s) being caused in the existing situation, that will be resolved by making a decision. Can also include here, related problems that will be resolved by this decision.</p> <p>This is supported by :-</p> <p>(ii) List of Events and Data gathered to support situation analysis until the current point.</p> <p>(iii) Resources involved in Decision making</p> <p>(iv) What Actions if any, have been Taken so far.</p>	<p>(i) ABC has been communicating his/her Grievances to the HR Dept. and Management over lack of job satisfaction in an IT role.</p> <p>(ii) The Manager has communicated to HR that he does <u>not</u> support a Transfer. Also, ABC's annual Appraisal indicates a very Negative score.</p> <p>(iii) Manager, HR Mgmt</p> <p>(iv) No other action taken.</p>
Solution Formulation	<p>(i) The main Solution that will achieve the stated Objective. This may just be a detailed description of the Action being considered, or it may be a specific Solution.</p> <p>(ii) List of Alternate Actions that may be considered in case the Main Action fails.</p>	<p>(i) Arrange IT &amp; Business Skills Assessment for ABC and HR will initiate Transfer process based on comparative results.</p> <p>(ii) Defer decision until next Appraisal.</p>
Intensive Assessment	<p>(i) List Supporting vs. Impeding factors for the Action to be taken with Focus on the Main Solution to be effected. Each factor is associated to Points, shown here for a 10 point scale.</p> <p>(ii) Perform Cost Benefit Analysis for Solution(s)</p>	<p>(i) List of Supporting and Impeding factors for the Main Solution.</p> <p>(ii) Result of : Cost Benefit Analysis</p>
Is Range Acceptable?	<p>Total points for the Supporting factors should fall within an Acceptable Range. Similarly, for the Impeding factors the Total should be within an Acceptable Range.</p> <p>If Yes, the Decision can be made.</p>	<p>Acceptable Range :  <math>5 \leq</math> supporting total and  <math>-3 \Rightarrow</math> impeding total            Result :            Supporting Total= 7            Impeding Total= -2</p>
Make Decision	Make Decision to take Action by implementing the main Solution.	Yes. Decision can be made.
Review Decision	Subject the Decision to a Review	Review is held.
Examine Alternate Actions	Supporting and/or Obstructing Totals do not fall within acceptable Range. Proceed to consider Alternate Actions, and perform Decision Analysis.	N/a
Finish	Process completed	Completed.

Table 1 Active Decision Making Process Steps

## References

1. Decision Analysis (Wikipedia) [http://en.wikipedia.org/wiki/Decision\\_Analysis](http://en.wikipedia.org/wiki/Decision_Analysis)
2. Rational Decision Making in Business Organizations (Herbert A. Simon) The American Economic Review, Sep. 1979
3. Quantitative Techniques for Managerial Decisions (U.K. Srivastava, G.V.Shenoy, S.C. Sharma)

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