

Decision-making models

[Business](#), [Decision Making](#)



In everyone's life and profession, a lot of decisions need to be made. These decisions vary with the need, seriousness, application and the people it would affect. If an appropriate decision-making process is followed based on the data available, then the implications would also be good. There are several steps in an active decision-making process including framing the objectives, deciding based on the information available, communicating with others, implementing the actions of the decisions and monitoring and evaluating the decision (Baughman, 2003).

In the framing process, the purpose and the boundaries of the decision necessary are chalked out, and the manager would further have to obtain data. This is to determine the parties that would be affected with the decision, the individual who would be making the decision, the exact information and the skills required to make the decision, and the resources existing in the organization that are required in decision-making. The exact time at which the decision needs to be made and implemented also has to be decided.

Other stakeholders are informed of the need for a particular decision and the exact justification of it (Baughman, 2003). In the second process, active decisions are being made. The information is gathered and several tools such as brainstorming, fishbone, project charts, flow-sheets, etc used to help in the process. Based on ideas, priorities, need, negotiations, etc, decisions are made. The manner in which it needs to be implemented also needs to be decided.

In case the decision-making process has to be done by a team, the team would be providing ideas, but the final decision would be made by the team

leader (Baughman, 2003). Once the decision is made, the rationale of the decision and the need for it is communicated to the stakeholders. The process of implementing a decision should be carefully chalked out, keeping the targets in mind. Each and every task need to be given allocations in terms of resources (human, equipment, support system, logistics, time, etc) (Baughman, 2003). Active monitoring and evaluation needs to closely follow-up the implementation of a decision.

If the decision implemented fails totally or partially, then a close back-up plan needs to be applied. The impact of the decision also needs to be assessed for future plans. There are several decision-making models today. All decision making models consider the need for a decision as the same as solving a problem. The rational decision-making model is based on pure judgment. The most logical and sensible alternative is implemented. Usually, in my decision-making, I would be using this model, as it is based on pure justification.

However, I also consider that this decision-making to have limitations in that there are chances of bias and instinctive feelings to be implemented (Decision-making Confidence, 2008). The Intuitive decision-making model is based on making decisions based on coincidences, guesses, wild feelings, etc. There are a very few but significant decisions that I have made using intuitive model. It purely depends on luck whether this decision-making would be successful or not. However, on an average I have recorded more failures than successes using this decision-making process (Decision-making Confidence, 2008).

The 9 step decision making model has 9 processes including:

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1. Define the objective 2. Looking at preliminary survey for alternatives 3. Recognize the values 4. Identify the importance of the decision 5. Setting aside resources 6. Choosing a decision-strategy 7. Define the various alternatives 8. Evaluating each alternative 9. Choosing the option based on data (Decision-making Confidence, 2008) For vital decisions, I do feel that the 9 step decision making process is required as it is very intricate and would give importance to each step.

The rational-iterative decision-making process is a more refined form of the 9 step model. It gives greater importance to the number of people it would affect and the use of measurable criteria in determining how the objectives are attained. This process also involves a closer implementation, monitoring and a feedback process. For important decisions in the organization, I would consider the rational iterative process a fool proof tool in ensuring that the decisions made at any point of time are appropriate and obtain a 100 % success rate.

This is one of the decision-making processes based on strong scientific evidences (CFR - Washington University, 2008). In paired comparison technique, the various options present are compared. The results are also compared to determine the best option. The PMI tool helps to weigh the advantages and limitations of each option and select the best option that may be available. Force field analysis is a process of decision-making in which the various forces that would be acting for and against each option would be identified and accordingly the most appropriate option would be implemented.

The six thinking hats or do BONO hats system gives importance to the differences in the thinking process between one individual and another and accordingly different individuals can sit together to ensure that the best decision is selected (keeping in mind that different individuals think in different manners). The cost-benefit ration includes a manner of making informal decisions keeping in mind the costs of the particular decisions (especially resources) and the benefits it would be providing to the organization in terms of money. If there is a clear profit, then the alternative would be selected.