# Advantages and disadvantages of decision making

## Introduction

The decision making is the one of the most important function for managers as an individual and as a team leader. Since we are dealing with the diverse work force, the conflict between the team members is becoming unavoidable.

In generally group decision making have advantages and disadvantages. When we are dealing as a team we can have more information and knowledge to help decisions. In the mean time it also generates more diverse alternatives. But contrastingly this usually takes more time and disagreement can delay the decision and can cause hard feelings. Some times a few members can dominate the teams meetings and that will cause the Groupthink. To become the effective leader, the managers should understand how the groupthink affects the decision making capacity of the groups.

The following discussion will focuses on what is decision making and how its helps the managers, the modern organisational structures, the effects of groupthinks and the relationship between groupthink and decision making, how that reduce the quality of decision making and how manager can prevent their team from groupthink.

## 2. 0 What is Decision Making?

Decision making is the process where the managers identify the organisational problem and try to solve it (Bartol, Tein, Matthews and Martin, 2003, P. 126). According to Bartol et al (2003, P. 127), to make an effective decision the managers take four steps in their decision making process. In

the first step they identify the problem which to be solve, and then they generate the alternatives for the solutions. In the third step they evaluate the alternatives and try to close the best alternative from that and finally they will implement and monitor the chosen solutions.

In general the manager's decisions have direct impact on the Organisation. There fore they use to follow two major types of model to make decisions. Those are rational model and non-rational model.

In the Rational model " the managers use totally rational decision process, make optimal decision, and have and understand all the information needed for decision when making them" (Bartol et al, 2003, P. 130). In practical this is time consuming. It will be more useful when we are making the strategic decision. But small decisions like changing the bulb in the office room this model is not worth of spending that such time.

Non-rational model is " suggesting that the information gathering and processing limitations make it difficult for manager to make optimal decision" (Bartol et al, 2003, P. 130). There are three other models in the non-rational decision making and those are Satisficing model, Incremental model and Rubbish-bin model.

According to Bartol et al (2003, P. 131) in the satisficing model the managers will seek for the alternative until the find the one which look more satisfactory, rather then an optimal decision. On the other hand in the incremental model the managers won't actually solve the problem. They make the smallest response to reduce the problem to a tolerable level. The rubbish-bin model the manager behave in the virtually a random way in

making the non-programmed decision. By using this rubbish-bin model the managers can take advantage of unforeseen opportunities (Bartol et al, 2003, P. 131).

As a manager or a team solving the problem is one of the main functions which the have to do. According to Bartol et al (2003, P. 131) there are three types of problems such as Crisis, non-crisis and opportunity problem. A crisis problem needs an immediate solution. Other wise it will results in a serious loss. But the non-crisis problem won't need an immediate action. There fore managers can use rational model to deal with this problem. In contract the Opportunity problem is a situation which offers a potential for organisation gain. The manager should make use of this effectively before their Competitor does it.

This makes the decision making as an important function for individual managers manager as well as teams.

## 3. 0 Organisational Structure in the 21st century

According to Robbins, Millett, Cacioppe and Waters-Marsh (2001, P. 589) there is an increase in the number of organization from New Zealand and Australia, that are changing there structure from More department based to team based structure, because that the team based structure has more prominent and self-managing capability of the tem members. In the old structure the employees performances are narrowed and specialised tasked in the separate departments. And also the employees are under the direct guidance of a department or a sectional manager.

According to Bartol et al (2003, P. 280) many Japanese companies have restructures their organisations over past decade. Generally restructuring means " a major change in the organisational structure by reducing management levels and possibly changing some major component of the organisations through divestiture and /or acquisition" (Bartol et al, 2003, P. 279). In other words it's a process of changing the Tall structured organisations to flat structured organisation.

The tall structure will increase the administrative overheads because more managers to paid high wages and they have to be giver more office space etc. and it also reduce the speed of communication and decision making process because the information's have to be pass through many layers (Bartol et al, 2003, P. 279). These are the main disadvantages which brought the flat structures and the team based structures in to the organisations of 21st century.

## 4. 0 Group think

The term Groupthink means " a situation where group pressure for conformity deters a group from critically evaluating unusual, unpopular or minority views" (Robbins et al, 2001, P. 302). This has the capacity to reduce the team's performances.

According to Janis, (1971, cited in Kolb, Rubin and Osland, 1991, P. 262), he found that there are eight symptoms which can create the groupthink. Those are Invulnerability, Rationalization, Morality, Stereotypes, Pressure, Self-Censorship, Unanimity and Mind guards.

Invulnerability is the first symptom of groupthink. Here the group share an illusion of Invulnerability which make them feel that they confident about the danger (Janis, 1971, cited in Kolb et al, 1991, P. 262). In other words it's like ' ignoring the warning of danger'.

Rationalization: in this the groups (victims of Group think) will find a way to rationalize the options that might suggest the opposite point of view (Janis, 1971, cited in Kolb et al, 1991, P. 262).

Morality: According to Martin (2001, P. 226) morality means " a fundamental believe in the moral correctness of any proposed action". In other words it's like an inner feeling about the decision.

Stereotypes: the victims of groupthink hold a stereotypes views when they judging the opposite groups (in the business content the Competitor). By looking at some people (from the opposite party) group started judging that the entire party is weak and they can't compete with them (Janis, 1971, cited in Kolb et al, 1991, P. 262).

Pressure: sometimes the Victims of groupthinks will apply the direct pressure to the members who are questioning their decisions. In the highly bureaucratic groups like military force questioning might be a big offence (Janis, 1971, cited in Kolb et al, 1991, P. 262).

Self- Censorship: here the victims of groupthink won't say out their own thoughts because they feel that those are not important and they keep silent (Janis, 1971, cited in Kolb et al, 1991, P. 262). According to Erdem (2003, P.

229-233) this is a result of a trust. Because of the trust in the leader, the group members won't speak out their own ideas.

Unanimity: the victims of Groupthink will agree on what the group says. Even if they have any comment they will convince themselves to the group's decision (Janis, 1971, cited in Kolb et al, 1991, P. 262).

Mind guards: these peoples will appoint themselves as a protector of leader's decision. Even though others express their own comments, these people won't allow it to get impotency (Janis, 1971, cited in Kolb et al, 1991, P. 262).

These reason bringing the groupthink in to the Groups.

## Relationship Between the Group think and Decision Making

According to Koerber and Neck (2003, P. 20-29) the symptoms of groupthink will lead to observable defects in the groups decision making process which will produce the poor quality decision. To see the relationship between the group think and decision making, lets we focus on how the symptoms of groupthink affect the decision making.

According to the example of " Pearl Harbour attack" (Janis, 1971, cited in Kolb et al, 1991, P. 262) Admiral Kimmel have failed to take action to prevent the attack Due to the Illusion of Invulnerability. He has neglected the warning which was given by his Intelligence chief. In the organisational contest sometime due to the illusion of invulnerability the group might neglect the change in the market environment which leads to a massive loss. But if there is no illusion of Invulnerability then the group would have noticed the market change. Before coming to a conclusion let's focus on how another

symptom is affecting the decision making. The Mind guard also can affect the decision making. According to the example of " Cuban invention plan" (Janis, 1971, cited in Kolb et al, 1991, P. 266) Schlesinger have expressed his opposite view, but the Attorney general Robert. F. Kennedy have told that " you may right or wrong but the Precedent have made his mind so don't push it any further". In the same way in the teams someone might come up with opposite point of view but the mind guards will restrict those. Due to that the decision may go wrong and if there are no mind guards like that, then the outcome of the decision would have been different.

From this we can see that the symptoms of groupthink have the capability to indirectly affect the decision making. There fore we can come to a conclusion that there is a relationship between the groupthink and decision making.

## How Groupthink decreases the quality of Decision Making

Most research has shown that the groupthinks have lead many policy decision to failure (McShane and Travaglione 2003, P. 345). Their famous example is the " NASA space Shuttle Challenger explosion in 1986". The group have under pressure due to the previous delay and they made the decision to launch it that time which was turned out as a bad and costly decision.

According to Koerber and Neck (2003, P. 20-29) the groupthink will case a defect in the decision making process in five ways.

Incomplete survey of alternative: groupthink will restrict the member's critical thinking. Due to that they will started to believe that the chosen option is the best option.

Failure to examine risks of preferred Choice: the also fail to evaluate the risk the selected alternative and due to that the unexpected thread will affected the group badly.

Failure to reappraise initially rejected alternatives: sometime the initially rejected alternative might be the better one for the current stage, but due to groupthink people tend to fail to re-evaluate those options. Sometimes mind guards purposely restrict it.

Poor Information Searching: as we discuss earlier Due to groupthink sometimes group members started to think that gathered information's are enough for the decision making.

Failure to work out Contingency plan: because of the groupthink members started to believe that the chosen decision is the best decision. There fore don't make any contingency plan which can help them in the failure of the first option.

(Koerber and Neck, 2003, P. 20-29)

There for we can come to the conclusion that groupthink will reduce the quality of the decisions due to these reasons.

## What does that means to managers

To reduce the risk of making the wrong decision the managers should find the way to avoid the groupthink. According to Scharff (2005, P. 109-119) the managers can avoid the groupthink in some ways. Those are

By establishing multiple groups to study the same issuers

By training all employees in proper ethical conduct

Using outside experts to review decision processes

Rotating new members in to the group and change the old member to another group.

Appointing the Devil advocator is another method of eliminating the groupthink. The devil advocator is the prison who was specifically appointed by teams to explore the opposite point of view of all decisions (Martin, 2001, P. 227). When the groups are dealing with critical and high risk problems, this role will help them to ensure that the alternatives are equally reviewed and help the groups to avoid the unethical practices. And sometime this will also help the groups to avoid the pitfalls. According to Scharff (2005, P. 109-119) the team leaders should rotate this position among the members to avoid a particular person being always seen as a critic of all issues.

According to Woodruff and Michael (1991, P. 8) the managers can avoid the groupthink in seven ways.

By rewarding the critical thinking, especially for the devil advocator.

By not mistaking silence for consent because when a particular person is dominates the meeting, other might keep silence but that doesn't mean that they are agreeing to that.

By dividing the employees into groups to critique new ideas.

By not stating a leaders or supervisors opinion in the beginning of the meeting, so sometime others might start thinking around that point.

When it come to major proposal, giving the employees time to think through the alternative decision might be useful.

The managers can use above mention ideas and build an effective group which can always make an effective decision.

## 8. 0 Conclusion

From the above discussion we can see that the Decision making is an important function for the managers as an individual as well as a team leader. In modern world most of the organisations started to restructure their organisation from Tall structure to flat structure. That brings up the self managed teams to the organisations. When making a decision as a group, that will bring more options and alternatives to help the process. And also that will reduce the risk of making the wrong decision.

To become an effective team the leader, the manager should be aware of the symptoms of groupthinks and their effects in the decision making. And also they should know how to prevent the groupthink, because from the above discussion we can see that groupthink have the capacity to reduce the quality of decision making. By encouraging the members to speak out their comments freely and the effective use of the devil advocator will prevent the groupthink within the group.