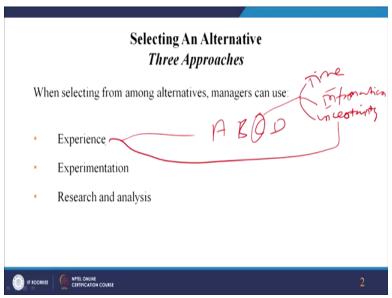
Training of Trainers Professor Santosh Rangnekar Department of Management Studies Indian Institute of Technology, Roorkee Lecture 38 - Training Methods: Decision Making- III

So, last time I was discussing about those different types of the processes in decision making. Then we have seen that particular demonstration, that is how the decisions are taken, you must be remembering the comments by the observer also Dr. Suman Kumar. That is, what has been the very very important factor in decision making and one of them was that is the team building, working together, learning with each other, giving weightage to the all the points and therefore, we find that it is becoming a rational cum emotional decision making process, which we talk about.

(Refer Slide Time: 2:23)

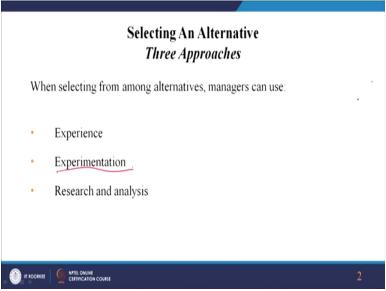


So, it is the, I was talking about the experience, how experience plays a very very important role in every decision making. Even a person who has not gone through the very high level of the education, but experience itself is enhancing the managerial effectiveness. That is if the person, the decision maker, he was an experienced one, so he knows that in evaluating the alternatives. So, if we talk about the A, B, C, D, there are the 4 alternatives, right, and you are going through the rational decision making model and the option can be the C, but C in what context?

We have to see in the context of this particular relationship with the time, the constraint of the time, constraint of the over under information and third very, very important and that is uncertainty. So during experience, the person has learned what role a given situation plays, so it is the information about that particular situation, it is about the time and that is the favorable and unfavorable to take a particular decision and most important is, that is this uncertainty up to a certain extent, maximum extent, that will be compromised through experience.

It is always advisable that whenever through your mathematical modeling, rationality modeling you come across a decision and uncertainty is the factor, contact to the experienced people. How to overcome this uncertainty, what parameters are to be checked to overcome this uncertainty? And therefore, an experienced person up to certain extent will be able to say that is the what risk is involved with this particular uncertainty and if the risk occurs, then what decision is to be taken and therefore, in that case nothing can be compensated like the experienced one, that is my opinion.

(Refer Slide Time: 5:33)



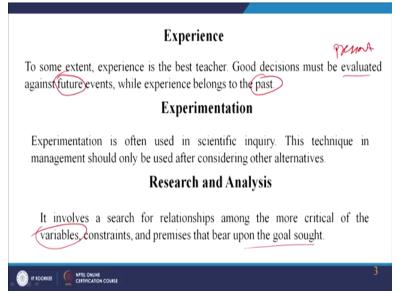
But every time you will not get the experienced people in every situation or every problem. So, naturally you have no choice, but you have to go with the experimentation.

So, if you go to the experimentation you have to try, then you have to gain the experience and share the experience with others. But you will be the first one in a given situation, in a given organization, right? So, therefore, in that case the experimentation is to be done. So, there what is required? This experimentation will convert into the experience and that experience will be the guidelines for the rest of the other people for taking the decision, for the self and for others also, if the situation repeats.

A simple example is that is the how to create a space for conducting an examination of a student who is having the chickenpox during this examination and then in that case how to manage if it is allowed to conduct his examination, how to manage it, right? So, then that will be the experience and that experience that is that has come through the medical science from the experimentations and then through experimentations, you will incorporate your experience and then giving the opportunity to serve the others.

So, therefore, experimentation is also a very nice alternative for being selecting the alternatives from the managers can use. Then he can do the experimentation because it is supposed that manager personality trait is that is the risk taking also. Whenever we are talking about the attributes of personality like a masculinism, risk-taking, self-esteem, self-monitoring, so therefore in that case, it becomes very, very important the manager is ready to take the experimentation. If he is capable of taking the experimentation then definitely such organizations they are creative organizations, innovative organizations, risk-taking organizations who can afford the risk.

Now, this is another question that is the organization if in a situation where there cannot be the risk, the organization cannot take the risk, then definitely it will go by the secondary data that is the experienced one. And third one, in my last module I have talked about, that is the how this particular research and analysis that will help in the case of the taking the new decisions and organization's best decisions, specific situation best decisions. If this is to be taken then at that time, we will go through the research and analysis.



So, what experience contributes? To some extent, experience is the best teacher, I always speak about it. That is the if you have the experienced people surrounding to you then definitely many problems are solved without having the high risk. Good decisions must be evaluated against future events, while experience belongs to the past. Now, the case study analysis, if you remember I have told in the module that is the case analysis always talks about the past. You evaluate and analyze a case in the cross metrics. We try to understand the internal factors and external factors and internal factors also but most probably most importantly, the external factors, they keep on changing.

If external factors keep on changing and the case study which is studied in a given in the past with the given environment and environment keeps on changing, today also we discuss the same case study of 10 years back with the and if we talk about the same solutions, is it okay or not? Yes or no?

We have to identify what factors have changed. If the factors have changed, then you have to identify what factors have changed. So, when you are evaluating and then the future, in present, it is present and belonging to the past like the Sir Rangnekar sir has the very popular training program, yesterday, today and tomorrow. So, when you talk about the past, I am talking about the past today and the subject matter is of tomorrow, so you

will consider all the factors or not of the yesterday, today and tomorrow? So, therefore, you are required to be experienced, you are required to be visionary.

You have to understand the past and you have to understand the future and if you are able to make the better connect, better connect between the yesterday, today and tomorrow, if these three are properly connected, then nothing can beat in taking the right decisions. Because it is not emotional, it is rational involving emotions, but it is rational decision. But one thing only, the word of caution is, that is experiences about the past talking today, but do not stop here, you have to see tomorrow, you have to see future and when you will see the yesterday, today and tomorrow; past, present and future, the chances of successful decision are very very high.

But as we mentioned, that is a time is keep on changing. So, there will be the experimentation, so experimentation is often used in scientific inquiry. So whenever there is a scientific inquiry, you are supposed to take the decisions on the basis of rationality. The questions arise and then you have to satisfy them logically. This technique in management should only be used after considering the other alternatives because this is a costly affair. Trying something new is always becoming a costly affair. And therefore, in that case, this experimentation that will become a big challenge. You have to try yourself something new, you are not learning at the cost of others, you have to make yourself the investment and then you have to check whether it will work or it will not work.

So, therefore in that case, there is the looking to the all the constraints, you have to find out whether this particular technique will work or it will not work and then considering the other alternatives that is to be seen. Then we have to talk about the research and analysis, the third, it involves a search for relationships among the more critical of the variables, constraints and premises that bear upon the goal sought. Whenever we are talking about the understanding the relationship between the, with the variables, 2-3 things are very very important.

Many times what we do, we understand the symptoms of the problem as a problem. But this is not true. For example, absenteeism of workers at the workplace, is it a problem? Or a symptom of a problem? It is a symptom of the problem because why they are absent that we have to see. And when we will get the answer for the why, that is the problem.

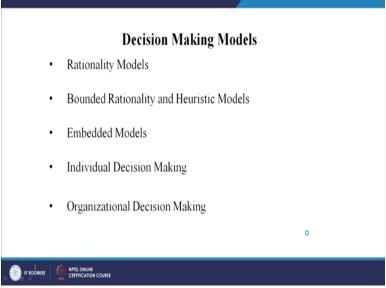
So, when I was the labor officer in the Hukumchand Mill, Indore, about 33 years back, then that time the absenteeism was a symptom and we have worked on that, on that symptom, we found out that is it is a symptom. So, what was the real problem? The problem was dual income, the workers those who were remaining absent they were earning from the other source also, because they were the shifts, in the shifts there will be the rotation of the shifts. So, therefore, they manage that is the what is to be done and on the basis of that what they will do? They will go on that particular procedure of the dual income, means they will earn some by selling vegetables or opening shop and then they are getting tired, so they were remaining absent at the workplace.

If this is the situation, then the real problem was the dual income, then you have to handle differently and the solution will be the counseling, you have to do the counseling, you have to understand, you have to understand their problems, you have to make them understand about the organizational problem and then you have to find out that is the what type of the solution would work, maybe the, may not be the incentives, may not be the punishment, charge sheets, or show cause notice.

So, then what is the solution? Solution is counseling. So, therefore, in that case whenever we are talking about the relationship, understanding the relationship between the absenteeism and productivity in this case, so first is we have to understand the concept, then we had to also search was this absenteeism problem was in the other organization in this same industrial area and if it is so, what solutions they have come out? How they have minimized their absenteeism, rate of absenteeism. So, that data you will collect but that data may not be applicable to your organization.

So, you have to work on your workers, employees and find out why they are absent, what is their reason. So, you have to do the analysis, collect the data, do the analysis, the results are there and then there will be the suggestions will be there. So, our goal in decision making is to minimize the absenteeism and therefore, it is based upon the goal sought, this will be the goal, that is you have to minimize the absenteeism. And then in that case here it involves a strong relationship among the variables and does it exist or it does not exist, one has to be careful. That is what primary data one has collected and on basis of that, that variables will be decided, relationship of the variables will be decided.

(Refer Slide Time: 19:18)

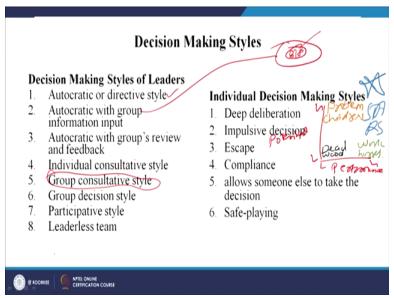


So, this was all about the rationality models, however, there are the different types of the models, which I will be talking, that is rationality models. In decision making model there is a bounded rationality and the heuristic models, bounded rationality I have in the last module I have given the definition of the bounded or limited, limitation, limitation of information, time or there are certain constraints and then you have to take a decision, bounded rationality is there. There may be the embedded models of both, there can be the individual decision making, and then there can be the organizational decision making process.

So, in that case, if it is an individual decision making process, then one has to take a decision on the basis of what is his style of leadership, that we also discussed. And then we have seen in the role play, that is the what should be the style of leadership, it is situation based. So, as per situation it can be the participative or the directive, or it can be authoritarian or it can be democratic. So, that is the individual decision making process. Then, is a decision making process depends on the organization, practices of the organization, the trend of the organization, the history of the organization, the style of the organization?

Yes, so this decision making model that depends on these different types of the models and they talk about that is the how these decisions are to be taken. Now when we talk about the decision making styles, as I was talking about that is the in case of this particular individual decision making, you will find that there are the different styles are there in the decision making. In general what is suggested, which style is appropriate?

(Refer Slide Time: 21:42)



So, here I will come one by one, but the very important point is this that is the in the organization always please go by the group consultative style. However, I agree that a particular situation demands a particular style of decision making. For example, at the top level, when the survival of the organization is in question and it is a question of whether

to do or die otherwise organization will not survive and the tough decision is to be taken, then autocratic or directive style that will work.

One has to take the responsibility, if it is needed or forced by the situation, one has to take that decision. You cannot avoid and there is a constraint of time also, you have to take the decision, so take the decision, now do not tell me that is the sir, we will go for this group consultative style, group decision style. So, in your training program, when you are first explaining the concept of decision making, then this particular exercise is done, and then when you are talking about the decision making style, so you may like to use these contents and then explain them the trainees that is the every style is based on a particular situation. As I am helping you that is how you will be explaining them that is the which style is more appropriate in which situation.

Then there can be the autocratic with the group information input. So, there is a leader member exchange theory also, so this group will keep on changing but what is important is that every every decision maker will have the inner circle within the organization and this inner circle with the very key people working in that organization. So, this group of people, which are very close, the leader will use this information and then we will take the decision. Please do not compare it with the flattery because here the group information is a rational information.

So, therefore, in that case, the CEO, he is collecting the information from a group of people and then taking the decision and then it can be the success or failure of the decision making style.

Then autocratic with group's review and feedback. So, therefore, in this case, it is different from the group information input; group has given its own information, group is giving the information on the base of the reviews and feedback collected from the rest of the employees or the affected personnel. And if it is so, then in that case, this particular decision this group's review and feedback that will be used.

Then there are certain knowledge workers or the star performers in the organization. As you know, that is whenever a CEO or the decision maker has to take the decision, he will try to find out that who are the stars, who are the stars? So they are the performance, performers low and high and there are the potential that is low and high. So in the case, if the person who is having the low performance and low potential, then that is the deadwood. Because in decision making style, in the individual consultative style, you are not supposed to consult the deadwood.

But there will be the employees those who are having the high performance but low potential and therefore sometimes you have to consult these workhorses. So, these will be the employees those who are working day and night in the organization, they are aware, so when you...when I was talking about the experience, so, these people are having a very high experience and therefore in that case, they keep on working, so they know they are having the power to work, right? And then definitely we can consult them in the individuals consultative style, the who are the workhorses and we can consult them and find out the solution to the problem and can take the decision.

There will be certain employees who will be having the high potential but low performance, so then we will say they are problem children. It is interesting to note that is sometimes it is better to consult the problem children also. In a given situation they will tell you and advise you that is the what is the right decision and then this problem children will be helpful, do not give them away, they are part of the family. So, therefore, sometimes they will be the right person to solve the problem and you will take...they will advise you the right decision. Because they are problem children, so they know in a given situation what will be the right solution.

So, therefore, please go for the problem children but do not forget I was talking about the stars. And when we talk about these stars right, so here we will talk about that is the those persons, those who are having the high potential and high performance and if this is a situation, so then they are stars. So, therefore in that case when we talk about the individual consultative style, we have to find out who are the stars. Maybe situational

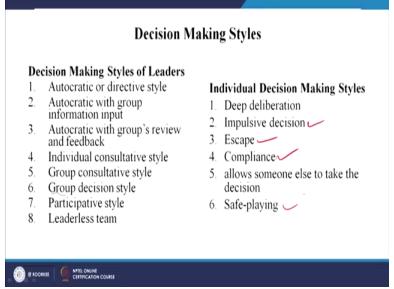
also, as I mentioned, you can consult with the situation also, but normally we talk about the stars. Knowledge workers, they are the people champion, decision champions for every situation.

These people, these decision champions, they will able to solve your problem and they will tell you what decision you can take and then this type of the you can consult for this purpose of the, in the individual consultative style and which can be the right step to take the right decision, right?

Now, we will talk about the group consultative service. As I mentioned that is always it is better to consult the group and always involve the stakeholders. If you are planning a particular, designing a policy, please see who are going to affect and if these people are going to affect, then in that case ask the affected bodies for framing the policy, then what policy they would like to suggest? There is nothing wrong in asking suggestions, it is not force. It is no, you have asked the suggestion, so now you have to follow it; it is not compulsory.

So therefore, in that case the people for whom you are making the policy, why do not you ask them? Why do not you consult them and then take a decision? Then the meaning of that particular decision, that will be worthy, that will be the right decision. And therefore, in that case, we have to take a decision, if we are consulting those group of the people and then that will be helping the individuals to take the right decision.

(Refer Slide Time: 33:18)



The group decision style, as I mentioned, that has to be consulting the group and then the group will take the decision. In the group consultative style, it is the we contact to the group and then there is a group, consultative group and then they suggest. Here it is a group of the people who will take the decisions and therefore in that case, it will be the what type of this group decision style that will be applicable.

Now, in group decision, the group is taking the decision. In participative style, it is not the limited people, it is not a group, rather than it is the all the employees, all the stakeholders, all the affected parties, they have been taken into the confidence and then on basis of that they are going to take this particular decision and this will help that how to take a right decision. So, therefore, this will be the participative style in the case of in an organization when a decision is to be taken.

Nowadays, we are also talking about decisions by leader less team. So, here we talk about in the leader less team, you have to consult a group of people those who are going to take the decision and there is nobody is leader, they have to consult each other and that particular team will give the suggestion and therefore it is called that is the leader less team that works. So, these are the different decision making style of the leaders.

Now, I would like to come to the another part and that is about the individual decision making styles. Some individuals that take the decision with the deep deliberations, they will go into the detail, they will talk to the people, they will interact with the affecting stakeholders, they will invite the suggestions, they will have the brainstorming sessions. We will be talking about the brainstorming session also as a training technique in the next session, in the next modules. So, therefore, that is the brainstorming session, group discussion, panel discussion and then they will going for this particular part of this the decision making process, in depth.

So, definitely every style is having its strengths and weaknesses. On one side it is a very strong, you can understand. Other side is, if it is a constraint of the time, constraints of resources, then in that case definitely the deep deliberation style may not work and then you have to take an impulsive decision. So, in impulsive decision, sometimes the people take, that is individual style, so on the basis of the impulses they take the decision. But do not forget, I have talked about rational decision making style, is the best style.

So, when you have the rational decision making style, that will work and impulsive decision you are to carefully check. Some people, they do not take decision and not taking a decision is a decision and that is the escape. So, therefore, for them there is no decision making style. Some people, they make the compliance, whatever decision has done, then they will go for this particular compliance and on the basis of the compliance they will take the decisions. So, there is already a guideline framework is there, they will make this particular decision, they will work on this particular compliance.

Some people, they allow someone else to take the decision, they will not take their own decision, they will keep on asking yes or no. And then in that case, if the person says yes, then they will take the decision. If the person says no, they will not take the decision. So therefore, yes or no, there is also one style of decision making process. And unless and until there is not the green flag okay, you take this decision, then the person will say yes I will take the decision. Or if the person, other person says no, then they will not take it.

So many times you have found that spouse is the better decision maker, the spouse is advising that whether to take a decision or not to take a decision and other part of the couple that will show that I have taken the decision and this has allowed to take me the decision, so that is also there. And some people they will take a decision that is nobody should be annoyed, they will make an avoidance strategy of conflict, that is they want to avoid the conflict and then they will go by the safe playing.

So, these are the different styles of decision making made by the individuals and by the leaders and then the rational model that I discussed that is right decision is there. And what I want to quote is that in the particular this demonstration of the decision making, which my students have demonstrated and the observer has commented, so what is the outcome of that? What you have learnt? That is, human interface with the rationality and that is my message so.

You may take a decision with the help of people, by understanding all these leadership decision making styles of leaders and individual decision making styles and then every style in human interface is having the advantages and disadvantages, there is no style which is not having the advantage, every style is having the advantage. Similarly, every style is having the disadvantage, so therefore what is the solution?

Rationality with human interface, that is to be matched and when you are matching the rationality with the human interface, I am sure you will be close to take the right decision. And this way we can talk to the trainees, it was also a part of demonstration, that is after this exercise what lessons they have learnt. That we can show them, make them understand the concept of decision making, then participating them, giving them the situation, ask them to take a decision, ask them their comments and then finally we will talk about the different style, different models, different leaders and individual styles and telling them advantages and disadvantages of each style.

So therefore that is based on human interface. That is whenever we are talking about this type of styles, then autocratic style, the autocratic with group, autocratic with group's

review, individual consultative style, group consultative style, group decision style, participative style, leader less team, so these are having the advantage of consulting a particular group of people or a particular individuals, particular style of a leader.

But then when we talk about the individual decision making style, they are having the more different advantages and disadvantages but every style will work, and therefore in that case we have to take a decision which appropriates to a given situation but always take a decision with the help of human interface and rationality model. Thank you.