

Principles of Management
Prof. Usha Lenka
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 22
Decision Making - V

Today, we will be discussing about foundations of group Decision Making. And, here the learning objective is to gain a thorough understanding of how, individuals working in a group or a team, setting make decisions using different techniques.

(Refer Slide Time: 00:43)

The slide is titled "DEFINING AND CLASSIFYING GROUPS" in white text on a blue background. Below the title, there are three bullet points, each with a sub-bullet. The first bullet point is "Group:" followed by a sub-bullet "Two or more individuals interacting and interdependent, who have come together to achieve particular objectives". The second bullet point is "Formal Group:" followed by a sub-bullet "Defined by the organization's structure with designated work assignments establishing tasks". The third bullet point is "Informal Group:" followed by three sub-bullets: "Alliances that are neither formally structured nor organizationally determined", "Appear naturally in response to the need for social contact", and "Deeply affect behavior and performance". There are red checkmarks and lines underlining some of the text on the slide.

- **Group:**
 - Two or more individuals interacting and interdependent, who have come together to achieve particular objectives
- **Formal Group:**
 - Defined by the organization's structure with designated work assignments establishing tasks
- **Informal Group:**
 - Alliances that are neither formally structured nor organizationally determined
 - Appear naturally in response to the need for social contact
 - Deeply affect behavior and performance

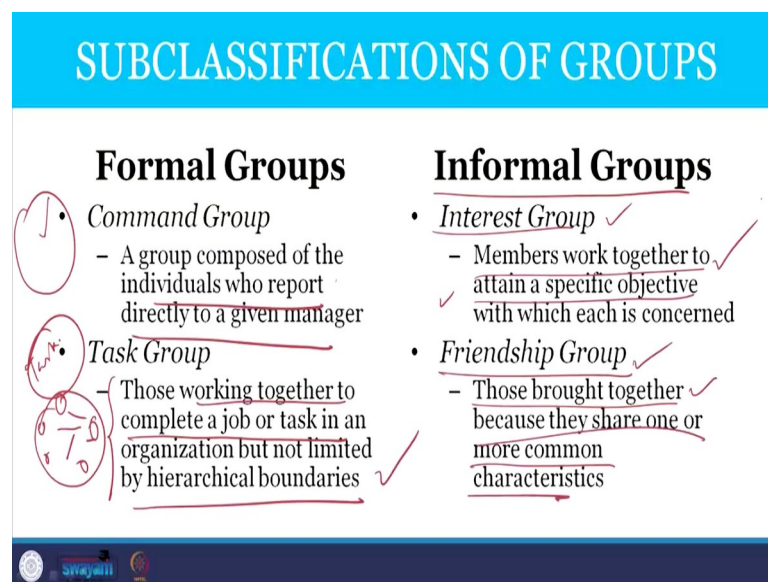
And, we will define about what is group, a formal group and informal group. And, then further we will discuss about the sub classifications of groups and discuss how groups take decisions. So, coming back to the definition of group, group is when two or more individuals interact and interdependent. They are two individuals are interacting and they are independent who have come together to achieve a particular objective.

Then, there is a formal group and informal group. What is a formal group? Which is defined by organizations structure with designated work assignments establishing the task. So, what is informal about it? Alliances that are neither within the formal structure nor defined by the organizations. They appear naturally in response to the needs of the social contact, deeply affect behavior and performance.

So, it is noticed that individuals have a tendency to interact with other individuals; based on their personal liking, based on their some kind of common interest. So, an informal group is when individuals have a tendency to interact, tendency to affiliate to other individuals based on some kind of common interest.

Maybe some interest of their own maybe, based on their belongingness to a particular region, their interest in a particular knowledge domain. So, there are informal groups as well as formal groups in organizations. What is a formal group; formal group and its classifications, what are the sub classifications? Formal group can be command group and task group.

(Refer Slide Time: 02:37)



What is a command group? A group which is composed of individuals who report directly to a manager. So, there is a direct report and there is a task group. Task group which is those individuals working together to complete a job or a task, for an assignment and for a project in an organization, but there are no hierarchical boundaries.

So, in a task group as in contrast to the command group, in a task group the individuals work in a group, because of the nature of the task. Their task is something which binds them together. And, there is the task in an organization, but there is no hierarchical boundary or formality.

But, in a command group individuals work in a group, which is due to their affiliation to that a group composed of individuals who report directly to a manager. So, there is hierarchy involved in this command group. Then, moving to the next group that is informal group and its classification. Informal group is as we discussed earlier is one where individuals affiliate to a group or a social structure, based on their commonality or common interest or their association or affiliation in a particular region.

And, there are two sub categories; one is interest group and friendship group. Interest group is members work together to attain a specific objective, like say somebody is interested in sightseeing they will join together and they go for that trip. And, if some people have an interest for music, they join together and they have some meeting which is based on their personal interest.

Friendship group is one where individuals brought together; they are brought together because they share one or more common characteristics. They have a similar trait or characteristic so, they form a friendship group. Interest group - members work together to attain a specific objective with each of them is concerned.

(Refer Slide Time: 04:56)



WHAT IS A COMMITTEE?

- A **committee** is a group of persons to whom, as a group, some matter is committed.
- Similar to the board: commission, task force, team, self-managing team, self-managed work group, or autonomous work group.
- Committees can be formal, informal, permanent or temporary.

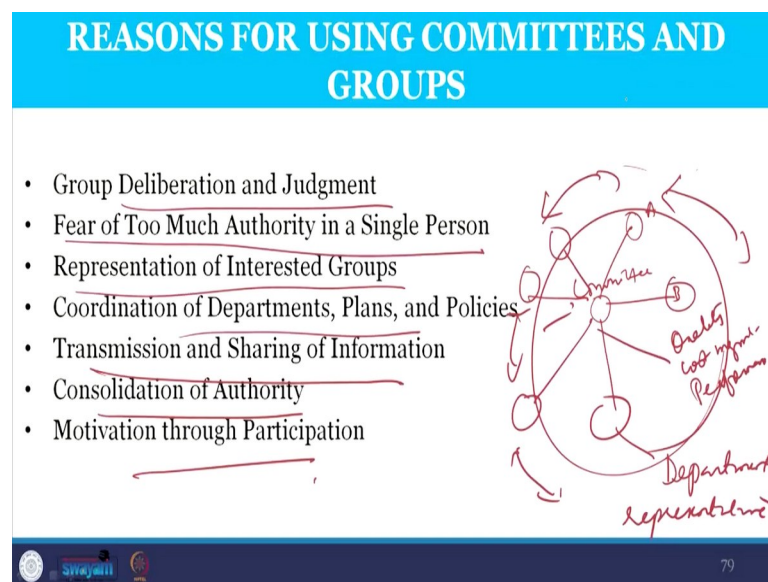
 78

And, then next we will discuss about what is a committee. A committee is a group of persons to whom as a group some matter is committed, they have a commitment, they have a task at hand.

So, the individuals associated with the committee. Like there are different committees, one which works for quality improvement, one which works for gender diversity, diversity and inclusion, one which works for improvement of performance or performance management team.

So, there are different committees in the organization, which have some common element or which have the people associate with that committee to accomplish the task. Similar to the board commission task force, team, self managing team, self managed work groups, or autonomous work groups. There are several committees in the organizations; they are formal, informal, permanent or temporary in nature.

(Refer Slide Time: 05:57)



What are the reasons of using committees and groups? Group deliberation and judgment, these individuals who are working in the group, they deliberate and take decisions collectively. There is a fear of too much of authority in a single person in a committee and representation of interested groups.

Then coordination of departments, plans, policies, transmission and sharing of information, consolidation of authority, motivation through participation. So, committees and groups, they deliberate on decisions, they deliberate and take decisions collectively, there is fear of too much of authority in a single person.

And representation of interested groups and coordination of departments plans. These committees are not formed in one department, but there is an inter functional interdependence of various departments.

Suppose a disciplinary action is to be taken, if there would not be any representation from one particular department. So, department A will have one representative, there will be a department B will have one representative in the committee. So, the disciplinary committee or the quality improvement committee or any kind of say structural reforms committee will have representations from different departments.

So, all the departmental representatives will be part of departmental, representatives are part of that committee, take say for quality improvement, for cost management or say for performance improvement. So, there could be several objectives of each of these. And to avoid any kind of authority with a single person there would be representation of so many people in the committee.


Transmission and sharing of information and there is equal dissemination of information across the committee members. There would be no hoarding of information. Consolidation of authority and motivation through participation. And this committee having representation from different departments, different knowledge domains, will only effectively function when there is a consensus in decision making, then there is motivation through participation.

When everybody contributes ideas, there would be say everybody sees that his idea is being recognized. So, there is an inner sense of motivation, intrinsic motivation which would lead to the engagement of the members of the committee to work collectively for the committee. And, what is a definition of a team?

(Refer Slide Time: 08:39)

DEFINITION OF TEAMS

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



Courtesy: Microsoft


80

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

(Refer Slide Time: 09:01)

WHAT IS A SELF-MANAGING TEAM?

- It is a group with members who have a variety of skills needed to carry out a relatively complete task.



Courtesy: Profit Management Solutions


81

A self-managed team - It's a group with members who have a variety of skills which need to be carried out to relatively complete a task. So, a self managed team is a group with members, who have variety of skills, who have different levels of competencies. They need to execute task to complete the entire assignment or the task.

(Refer Slide Time: 09:26)

WHAT IS A VIRTUAL TEAM?

- **Virtual team** has been described as:
“... a team whose members aren't in the same location, don't report to you, and may not even work for your organization”

An illustration showing a central laptop with several lines connecting it to various icons of people's heads, representing team members in different locations. Below the laptop, there are icons of a smartphone, a tablet, and a hand holding a pen, symbolizing digital communication and collaboration.

Courtesy: Emerald

82

There can be a virtual team, a project team. So, there are different types of teams. Virtual teams are one which where members are not in the same location, they are geographically dispersed, they do not report to the manager or the nodal agency and they may not even work for the organization.

(Refer Slide Time: 09:47)

WHY PEOPLE JOIN GROUPS

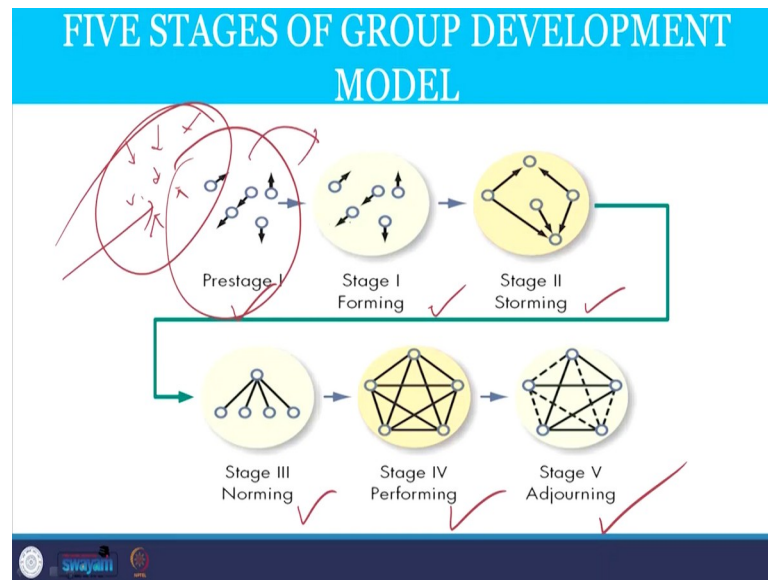
- Security
- Status
- Self-esteem
- Affiliation
- Power
- Goal Achievement

An illustration of four people sitting around a table in a meeting room. They are engaged in a discussion, with one person gesturing while speaking. There are papers on the table and a potted plant in the background.

83

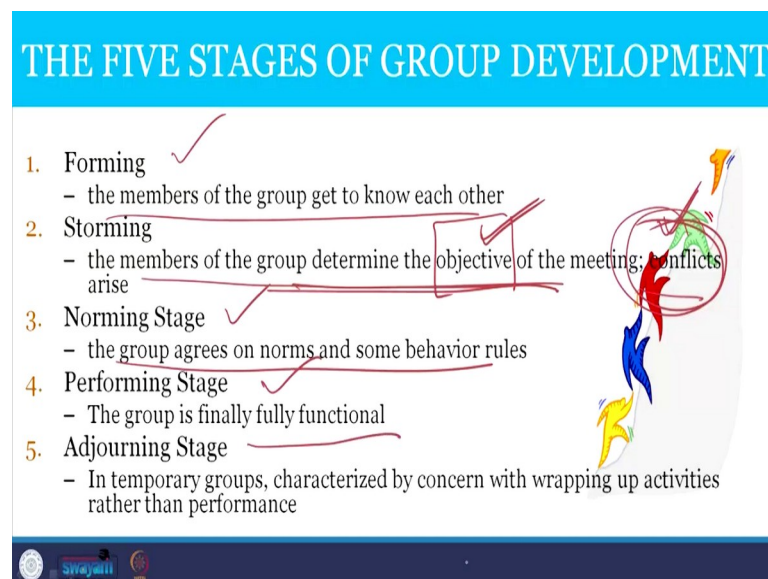
So, why people join groups? People join groups basically for security, for status, for self esteem, for a purpose of affiliation power achievement of goal etc.

(Refer Slide Time: 10:01)



Next we will discuss about five stages of group development model. There are different stages, five stages in general pre stage that is first stage, then stay forming storming, norming, performing and adjourning.

(Refer Slide Time: 10:24)



So, in all these stages you will see there are differences, what is that the five stages of group development process? The first stage the members of the group get to know each other. Here in the pre stage if we can see the people are there are different arrows that

means, people are not known to each other, they have just joined the group and there is yet to know each other.

They are hailing from different departments, from different places. And, there is no kind of say first there is no icebreaking being done. In the second stage you will see slowly people get to know each other. Storming stage - the members of the group determine the objective of the meeting, they get to know a person or the facilitator would introduce them to the problem.

So, in this phase there are more likely chances of conflict arising. Because, people differ in their ideas they have not known the each other properly, there is differences in opinion, there would be personality clashes interpersonal issues and communication issues. So, which are the preliminary say teething problems in the group formation process.

And the groups determine the objective, the earlier the objective was not known, but when the group was formed or in the storming stage the facilitator would let them know about the objective or purpose of the meeting. Then, in the norming stage the groups agree on norms, certain behavior as in the after the pre stage and in the forming. In the storming stage when there are differences in opinion and there would be likely chances of conflict.


So, to reduce the conflict to reduce the ambiguity, there has to be some norms and behavior. So, norming stage the group norms are being set to a guideline or to streamline the behavior of the people through some rules and regulations. Performing stage is when the group becomes functional; group starts working on the given assignment. Adjourning stage is one where in temporary groups characterized by concern with wrapping up activities rather than performance.

Last stage is the groups when they accomplish the task, they start adjourning, they start wrapping up. So, these are five stages of group formation. Critics of the five stage model, there are also as every good thing will have some critical observations or critics.

(Refer Slide Time: 13:17)

CRITIQUE OF THE FIVE-STAGE MODEL

- Assumption: the group becomes more effective as it progresses through the first four stages
 - Not always true – group behavior is more complex
 - High levels of conflict may be conducive to high performance
 - The process is not always linear
 - Several stages may occur simultaneously
 - Groups may regress
- Ignores the organizational context



Similarly, the stages the critics of the five stages model, they state that groups become effective becomes more effective as it progresses through the first to four stages. For the first four stages not always true, group behavior is complex, high levels of conflict maybe conducive to high performance.

The process is not always linear and several stages may occur simultaneously and groups may regress. So, the critics say that it is not necessarily that every group will have five stages. And the progress is not very linear, and there would be several phases of conflict and the group behavior becomes more complex and ignores the organizational context.

(Refer Slide Time: 14:06)

AN ALTERNATIVE MODEL FOR GROUP FORMATION

Temporary groups with deadlines don't follow the five-stage model

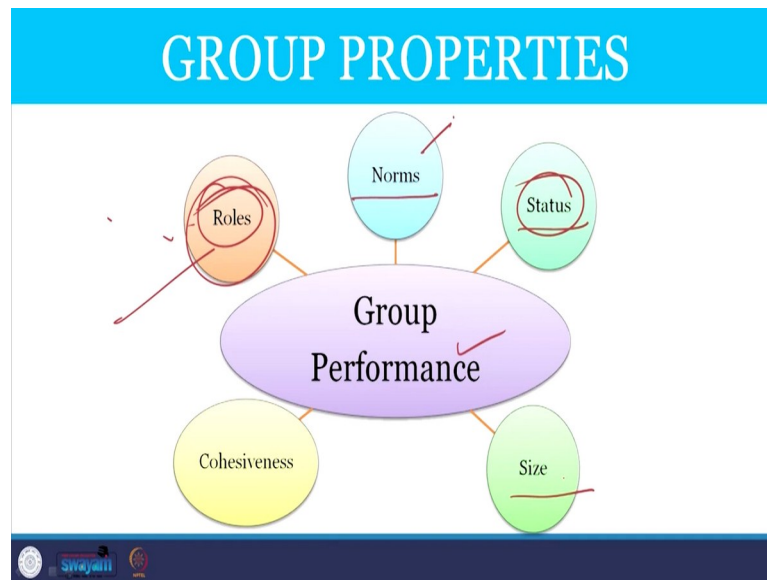
- Punctuated-Equilibrium Model ✓
 - Temporary groups under deadlines go through transitions between inertia and activity—at the halfway point, they experience an increase in productivity.
 - Sequence of Actions
 1. Setting group direction.
 2. First phase of inertia
 3. Half-way point transition
 4. Major changes
 5. Second phase of inertia
 6. Accelerated activity

So, these are some critical aspects of the group behaviour. An alternative model for group formation, it states that temporary groups with deadlines do not follow the five stage model. There is a punctuated equilibrium model. What is that? Temporary groups under deadlines go through transitions, between inertia and activity at halfway point they experience an increase in productivity.

What are the sequence of actions? Setting the group direction, first phase of inertia, halfway point transition, major changes second phase of inertia, and accelerated activity. So, this is how the punctuated equilibrium model works the set. The group is being given direction, then there would be some kind of inertia or movement and halfway point transition. There would be some transition or certain internal crisis or external factors which may create some kind of transition.

And then there would be some major changes, and the second phase of inertia may emerge and then the activities may start.

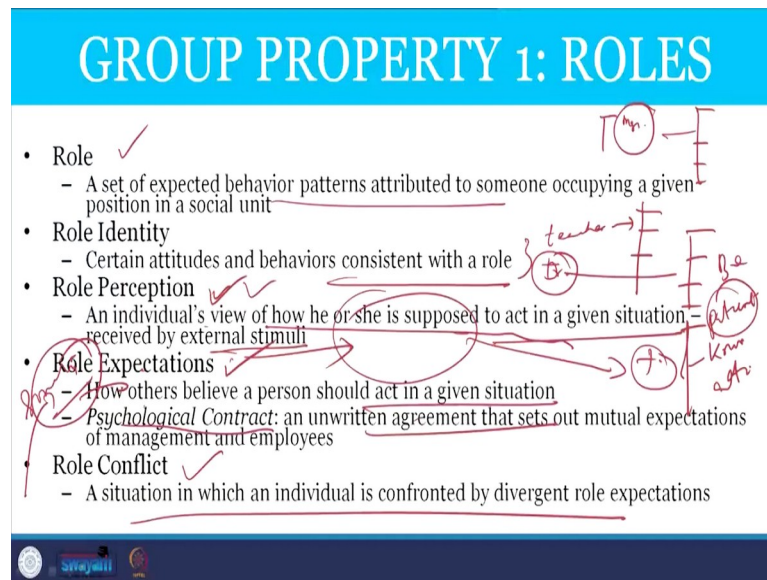
(Refer Slide Time: 15:26)



So, it states that there is not necessarily a five stage model of group formation to be followed. Then what are the group characteristics or properties? Group performance depends on the group roles. The roles are to be well defined who is to do what.

Then, there are some norms rules regulations guidelines to be set to effectively help the group members perform. Status- there is a status being accorded to the group, and the size also should be decided, it should not be enormously large. But, there is a requirement of having people within a specific range say 5 to 10 people in a group there has to be cohesiveness.

(Refer Slide Time: 16:05)



So, let us go by each one of them in more details role, means a set of expected behavior pattern attributed to someone occupying a given position in a social unit. What is role? Role is a set of expected behavioral pattern attributed to someone who is occupying a given position. Then what is role identity? Certain attitude and behavior consistent with a role. What is role identity? The attitude and behavior which is consistent with a role for example, a teacher is supposed to have a certain behavior to be followed behavior and attitude. Doctor is too a role which will have some kind of exhibited behavior and attitude. Manager is a role and he is supposed to exhibit some well-defined, predefined behavior and attitude, which is consistent with his role.

Role perception. What is perception? An individual's view about how he or she is supposed to act in a given situation received by external stimuli. So, an individual has a perception about the roles exhibited by him, how he or she is supposed to behave to act in a particular situation. If a person is a teacher, so what whether he should how he should behave? That he should be patient, he should have say subject knowledge.

So, it speaks about the persons behavior and attitude. What attitude he should have? A positive attitude and such kind of so, every role has certain definition. Role perception means, an individuals view about how he is supposed to behave in a particular situation, supposed to act in a given situation. It is received by the external environment or external stimuli.


Role expectation each role will have its own expectation, how others believe a person should behave in a given situation. It speaks about how society, society deals, society expects, an individual to exhibit, certain traits, certain behavior and attributes. So, how others? Psychological contract is an unwritten agreement that sets out mutual expectations of management and employees.

Then, role conflict when there is a conflict between the role expectation and the role perception. A situation in which an individual is confronted by divergent role expectations, when there are several roles which a person may exhibit so, there is likely chance of getting a conflict.

(Refer Slide Time: 18:56)

GROUP PROPERTY 2: NORMS

- Norms
 - Acceptable standards of behavior within a group that are shared by the group's members
- Classes of Norms
 - Performance norms - level of acceptable work
 - Appearance norms - what to wear
 - Social arrangement norms - friendships and the like
 - Allocation of resources norms - distribution and assignments of jobs and material



Then norms, we will discuss about what are norms? Norms are acceptable standards of behavior within the group that are shared by the group members. The classes of norms, performance norms, appearance norms, social arrangement norms and allocation of resource norms.

What is performance norms, what is acceptable level of work, what is appearance, what to wear and what not to wear? Many organizations have well defined dress code for employees. And so, that shows their appearance, how they should appear, how they should be represented and how they should be greeting.


So, there is an appearance norm. Social arrangement norms the friendship and the like. So, what is a kind of social structure? What is a kind of arrangement, how they greet, how they behave? Allocation of resources norm distribution and assignments of jobs and material.

So, group norms and the Hawthorne studies. A series of studies have been undertaken by Elton Mayo at western electric company at Hawthorne plant in Chicago.

(Refer Slide Time: 20:12)

GROUP NORMS AND THE HAWTHORNE STUDIES

A series of studies undertaken by Elton Mayo at Western Electric Company's Hawthorne Works in Chicago between 1924 and 1932



- Research Conclusions
 - Worker behavior and sentiments were closely related.
 - Group influences (norms) were significant in affecting individual behavior.
 - Group standards (norms) were highly effective in establishing individual worker output.
 - Money was less a factor in determining worker output than were group standards, sentiments, and security.


So, this time period, they have carried out a study. And there is a conclusion like a workers behavior and sentiments were closely related to each other, when they work in a closed group. Group influence that is norms were significant in affecting individuals behavior.

Group standards were effective in establishing individuals performance. And money was a less factor in determining, the performance or output than were the group standards sentiments and security. So, this group performance and group behavior has been assessed by Elton Mayo, in his exhaustive study on the western electric companies Hawthorne studies.

(Refer Slide Time: 21:01)

NORMS AND BEHAVIOR

- Conformity ✓
 - Gaining acceptance by adjusting one's behavior to align with the norms of the group
- Reference Groups ✓
 - Important groups to which individuals belong or hope to belong and with whose norms individuals are likely to conform
- Asch Studies
 - Demonstrated the power of conformance
 - Culture-based and declining in importance




And group norms and behavior the conformity reference groups and like I would like to state that. What is conformity? Gaining acceptance by adjusting ones behavior to align with the norms of the group.

Sometimes people try to adjust themselves their own behaviour, according to the groups expectation, group norms. What is reference group? Important groups to which individuals belong or hope to belong to and with whose norms individuals are likely to conform.

(Refer Slide Time: 21:40)

DEFYING NORMS: DEVIANT WORKPLACE BEHAVIOR

- Deviant Workplace Behavior
 - Also called antisocial behavior or workplace incivility
 - Voluntary behavior that violates significant organizational norms and, in doing so, threatens the well-being of the organization
 - Typology: ✓
 - Production – working speed
 - Property – damage and stealing
 - Political – favoritism and gossip
 - Personal Aggression – sexual harassment



So, then defining the norms deviant workplace behaviour some people have a tendency to break away from the groups norms. So, that is called a deviant behavior. Deviant workplace behavior also called antisocial behavior or workplace incivility. Voluntary behavior that violates significant organizational norms and in doing so, threatens the wellbeing of organizations.

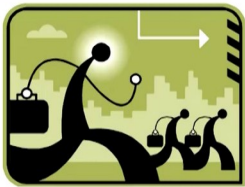
In the somewhere in the decision making process, we discussed about ethics and decision making. And we also discussed about protecting the interest of the people who have like the whistleblowers who generally do good to collective good to the people on large.

So, this is a kind of voluntary behaviour that violates significant organizational norms, in doing so they threaten the wellbeing of the organization. The typology the deviant behavior is production deviance, property deviance, political deviance and personal aggression.

Like organizations production deviance, and property deviance damaging and stealing. Political deviance is favoritism and gossip and personal aggression is act of sexual harassment.

(Refer Slide Time: 23:00)

GROUP INFLUENCE ON DEVIANT BEHAVIOR



- Group norms can influence the presence of deviant behavior ✓
- Simply belonging to a group increases the likelihood of deviance
- Being in a group allows individuals to hide – creates a false sense of confidence that they won't be caught

So, group influence on deviant behaviour. How does a group influence the deviant behaviour? The group norms can influence the presence of a deviant behaviour. Group norms can identify like as I discussed earlier, the whistleblowers. The group may be

involved in a type of decision which the person, who may not be comfortable with the person may feel that this particular decision may be detrimental for the organization and also the society.

The group can influence the person, can influence the presence of a deviant behaviour, can help him take decisions appropriately. Simply belonging to group increases the likelihood of deviance, and increases being in a group allows individuals to hide, create a false sense of confidence that would not be caught. So, there are some influences group influence on deviant behavior.

(Refer Slide Time: 24:01)

GROUP PROPERTY 3: STATUS


A socially defined position or rank given to groups or group members by others – it differentiates group members

- Important factor in understanding behavior
- Significant motivator

✓

• Status Characteristics Theory

- Status derived from one of three sources:
 - Power a person has over others ✓
 - Ability to contribute to group goals ✓
 - Personal characteristics ✓



The slide features a blue header with the title 'GROUP PROPERTY 3: STATUS'. Below the header, a definition of status is provided in italics. Two bullet points follow, describing status as an important factor in understanding behavior and a significant motivator. A red checkmark is placed below these points. The 'Status Characteristics Theory' is then introduced, with a sub-bullet stating that status is derived from three sources: power over others, ability to contribute to group goals, and personal characteristics. Each of these three sources is marked with a red checkmark. To the right of the text is a cartoon illustration of a person climbing a ladder, with other figures visible at different heights on the ladder, representing different status levels. At the bottom left of the slide, there are logos for 'Swayam' and 'eGangotri'.

Then, status a socially defined position or rank, given to a group or group members by others it differentiates group members. There is an important factor in understanding the behaviour, and it is a significant motivating factor. Status characteristics theory says that status derived from one of three sources; one is power ability to contribute to group goals, and the third one is personal characteristics. Power a person has over others, ability to contribute to group goals personal characteristics.

(Refer Slide Time: 24:44)

STATUS EFFECTS

- On Norms and Conformity
 - High-status members are less restrained by norms and pressure to conform
 - Some level of deviance is allowed to high-status members so long as it doesn't affect group goal achievement
- On Group Interaction
 - High-status members are more assertive
 - Large status differences limit diversity of ideas and creativity
- On Equity
 - If status is perceived to be inequitable, it will result in various forms of corrective behavior.

Then, status effects on norms and conformity, high status members are less restrained by norms and pressure to conform. Some levels of deviance are allowed to high status members so long as it does not affect the group goal achievement.

On group interaction, high status members are more assertive, they are large status differences limit diversity of ideas. Equity if status is perceived to be inequitable, it will result in various forms of corrective behaviour.

(Refer Slide Time: 25:23)

GROUP PROPERTY 4: SIZE

- Group size affects behavior
- Size:
 - Twelve or more members is a "large" group
 - Seven or fewer is a "small" group
- Best use of a group:


Attribute	Small	Large
Speed	X	
Individual Performance	X	
Problem Solving		X
Diverse Input		X
Fact-finding Goals		X
Overall Performance	X	

Groups size also affects their behaviour, twelve or more members is a large group, seven or fewer is a small group. So, best use of a group is we should not be having a larger group, as well as too much smaller group.

(Refer Slide Time: 25:41)

ISSUES WITH GROUP SIZE

- Social Loafing
 - The tendency for individuals to expend less effort when working collectively than when working individually
 - *Ringelmann's Rope Pull*: greater levels of productivity but with diminishing returns as group size increases
 - Caused by either equity concerns or a diffusion of responsibility (*free riders*)
- Managerial Implications
 - Build in individual accountability
 - Prevent social loafing by:
 - Setting group goals
 - Increase intergroup competition
 - Use peer evaluation
 - Distribute group rewards based on individual effort




The problems with increase in or larger groups is social loafing, like a tendency of individuals to expend less effort when working closely collectively than when working individually. Then, caused by equity concerns and diffusion of responsibility, then managerial implications is build in individual accountability, prevent, social loafing by setting group goals. Increase intergroup competition, evaluation peer evaluation distribute group rewards.

(Refer Slide Time: 26:21)

GROUP PROPERTY 5: COHESIVENESS

Degree to which group members are attracted to each other and are motivated to stay in the group

- Managerial Implication
 - To increase cohesiveness:
 - Make the group smaller. ✓
 - Encourage agreement with group goals. ✓
 - Increase time members spend together.
 - Increase group status and admission difficulty.
 - Stimulate competition with other groups.
 - Give rewards to the group, not individuals.
 - Physically isolate the group.



Cohesiveness degree to which members are attracted to each other and are motivated to stay in the group. To increase cohesiveness, make the groups smaller, encourage agreement with the group goals. Increase status and admission difficulty, give rewards to the group members not individuals physically isolate the group. Stimulate competition with other groups.

(Refer Slide Time: 26:44)

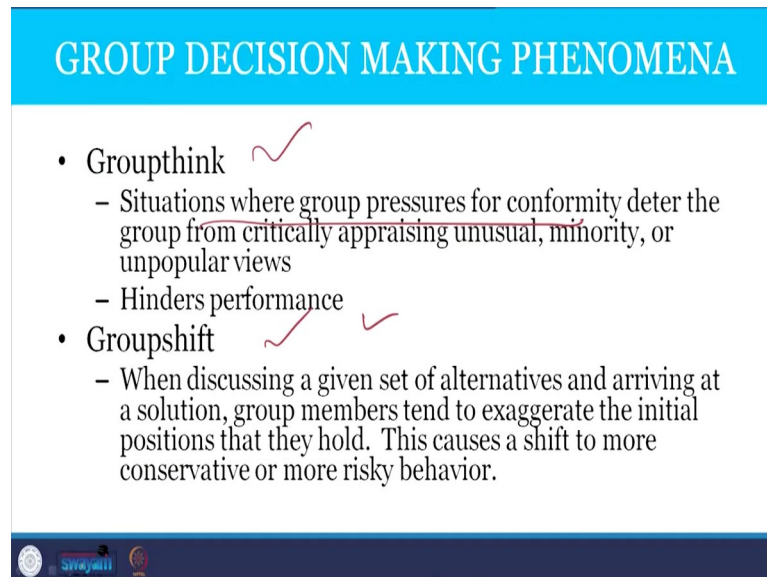
GROUP DECISION MAKING VS. INDIVIDUAL CHOICE

- Group Strengths: ✓
 - Generate more complete information and knowledge
 - Offer increased diversity of views and greater creativity
 - Increased acceptance of decisions
 - Generally more accurate (but not as accurate as the most accurate group member)
- Group Weaknesses:
 - Time-consuming activity
 - Conformity pressures in the group
 - Discussions can be dominated by a few members
 - A situation of ambiguous responsibility

Then, individuals group decision making versus individual choice. Group strengths generate more complete information and knowledge. Offer increased diversity of views

and greater creativity, increased acceptance of decision generally more accurate and, but not as accurate as a most accurate group member. Groups weaknesses are time consuming, conformity pressures, discussions can be dominated by few members, situation of ambiguous responsibility.

(Refer Slide Time: 27:17)



GROUP DECISION MAKING PHENOMENA

- Groupthink ✓
 - Situations where group pressures for conformity deter the group from critically appraising unusual, minority, or unpopular views
 - Hinders performance ✓
- Groupshift ✓
 - When discussing a given set of alternatives and arriving at a solution, group members tend to exaggerate the initial positions that they hold. This causes a shift to more conservative or more risky behavior. ✓


Then, group decision making phenomena. What is group think and group shift? There are two major phenomena in a group. Situations where group pressures for conformity deter the groups from critically appraising unusual minority or unpopular views, it hinders performance.

Group shift is when discussing a given set of alternatives and arriving at a solution, group members tend to exaggerate the initial positions that they have told. This causes a shift to more conservative or more risky behavior.

(Refer Slide Time: 27:54)

GROUPTHINK

- Symptoms:
 - Group members rationalize any resistance to the assumptions they have made
 - Members apply direct pressures on those who express doubts about shared views or who question the alternative favored by the majority
 - Members who have doubts or differing points of view keep silent about misgivings
 - There appears to be an illusion of unanimity
- Minimize Groupthink by:
 - Reduce the size of the group to 10 or less
 - Encourage group leaders to be impartial
 - Appoint a "devil's advocate"
 - Use exercises on diversity




So, what are the symptoms and of group think and how to minimize? Group members rationalize any resistance to assumptions they have made. A members apply direct pressure on those who express doubts, about shared views or who question the alternatives favored by the majority.

Members who have doubts or differing points of views keep silent about misgivings and there appears to be an illusion of unanimity. How to minimize group think? Reduce the size of the group to 10 or less, encourage group leaders to be impartial, appoint a devil's advocate, who can question each and every aspect in the group. So, use exercise on diversity and group decision making techniques.

(Refer Slide Time: 28:48)

GROUP DECISION MAKING TECHNIQUES

- ❖ Made in interacting groups where members meet face-to-face and rely on verbal and nonverbal communication.
- ❖ The most common methods of group and team decision making are:
 - ☐ Interacting groups
 - ☐ Delphi groups
 - ☐ Nominal groups



The illustration shows six stylized human figures of different colors (yellow, orange, red, pink, blue, green) sitting around a circular table. Each figure has a speech bubble above their head containing a number: 0.6, 0.54, 0.8, 0.8, 1, and 1. This represents a group decision-making process where individual inputs are aggregated.

103

What are the various group decision making techniques? So, what we have discussed so far? We discussed about the groups formation, we discussed about the various characteristics of the group. And how an ideal group should be like and we also discussed about the biases, in decision making like group think and group shift. And further moving on to group decision making techniques.

Group decision making as we have seen in the decision making, individual decision making is succumb to some biases personal biases, some perception biases. So, it is always good to have more number of people or maybe a group or a team to be effectively taking decisions.

So, what is the effective decision making technique? Made in interacting groups where members meet face to face and reply on verbal and nonverbal communication. The most common methods are interacting groups Delphi techniques and nominal group technique.

(Refer Slide Time: 29:51)

GROUP DECISION MAKING TECHNIQUES

- ❖ **Interacting groups**
 - ❑ An **existing** (functional departments, regular work teams, or standing committees) or a **newly designated group** (ad hoc committees, task forces, or newly constituted work teams) is asked to make a decision.
 - ❑ The group members talk among themselves, argue, agree, form internal coalitions, and so forth.
 - ❑ Finally, after some deliberation, the group or team makes its decision.
 - ❑ **Advantage:** new idea generation and promote understanding.
 - ❑ **Disadvantage:** organizational politics can spoil the process.

104

Interacting group or we can also say as a brainstorming session. Existing functional departments, regular work teams, standing committees or newly designated groups, task force or newly constituted is asked to take a decision. So, there are its a called an interacting group. The teams new committees, ad hoc teams, they are asked to make decisions.

The group members talk about themselves argue, agree and form internal coalitions and so forth. Finally, some deliberations and the group, then takes decision. Advantage is that new idea generation and promote understanding. Disadvantages organizational politics can spoil the process. There are some alternative ways of taking decisions one such method is Delphi technique.

(Refer Slide Time: 30:45)

GROUP DECISION MAKING TECHNIQUES

- ❖ **Delphi groups** ✓
 - ❑ The Delphi procedure solicits input from a panel of experts who contribute individually.
 - ❑ The first step in using the Delphi procedure is **to obtain the cooperation of a panel of experts.**
 - ❑ Then responses are collected, average is done, and experts are asked for another prediction.
 - ❑ Experts who provided unusual or extreme predictions may be asked to justify them.
 - ❑ These explanations may then be relayed to the other experts. When the predictions stabilize, the average prediction is taken to represent the decision of the group of experts.

105

The Delphi procedure solicits inputs from a panel of experts, who contribute individually, the first step in using Delphi procedure is to obtain the cooperation of a panel of experts. The responses are collected and average is done and experts are asked to again asked for another prediction.

Experts are provided, experts who provided unusual or extreme predictions may be asked to justify and these explanations may be relayed to other experts. And when the prediction stabilizes, the average predictions is taken to represent the decision of the group of experts.

(Refer Slide Time: 31:25)

The slide features a blue header with the title 'GROUP DECISION MAKING TECHNIQUES' in white. Below the header, the text '❖ Nominal groups' is followed by a red checkmark. A list of six steps, each preceded by a square checkbox, describes the process. The first step is underlined. The bottom of the slide contains a dark blue footer with logos on the left and the number '106' on the right.

GROUP DECISION MAKING TECHNIQUES

- ❖ Nominal groups ✓
- ❑ Nominal group members are brought together in a face-to-face setting and outline the problem to them. The group members are asked to write down as many alternatives.
- ❑ The members then state their ideas, which are recorded on a flip chart
- ❑ After all alternatives have been listed, more open discussion takes place.
- ❑ Group members then vote, ordering the various alternatives.
- ❑ The highest-ranking alternative represents the decision of the group.
- ❑ The manager retain the authority to accept or reject the group decision.

106

Moving further there is a last point that we would be discussing which is called the nominal group decision making technique. Nominal group decision making technique are brought together, when in a face to face setting and outline the problem to them, the group members are asked to write down as many alternatives they can write.

And the members then state their ideas, which are recorded on a flip chart and as an after all the alternatives have been listed more open discussion is invited. And group members then vote order the various alternatives. The highest ranking alternative represents the decision of the group; the managers retain the authority to accept or reject the group decisions.

Comparing nominal group technique with the Delphi technique; Delphi technique members are not located in one place they are geographically dispersed, the decision is a compilation of the information provided by the group members. And the interpreter, understands, rationalizes and interprets the information based on his or her understanding.

Interpreter is a facilitator in the Delphi technique. Group decision making technique on the other hand the members are brought together, there is a face to face meeting of the members and not geographically dispersed. And members are asked to give their views or present their ideas, as many alternatives they want and the alternatives are being ranked. The alternatives are given some weightage, the members then state their ideas

and it is recorded on a flip chart. All the alternatives are then evaluated and an open discussion takes place.

(Refer Slide Time: 33:16)

GROUP DECISION MAKING	
Advantages	Disadvantages
More information and knowledge are available.	The process takes longer than individual decision making, so it is costlier.
More alternatives are likely to be generated.	Compromise decisions resulting from indecisiveness may emerge.
More acceptance of the final decision is likely.	One person may dominate the group.
Enhanced communication of the decision may result.	Groupthink may occur.
Better decisions generally emerge.	

Source: Griffin, R. (2016), *Fundamentals of Management*, Cengage Learning, Boston, USA

Advantages and disadvantages of group decision making

So, after all these, the group decision making techniques what are the advantages and disadvantages? Advantages are more information and knowledge is available, more alternatives are likely to be generated more acceptance of the final decision.

Enhanced communication of the decision may result; better decisions generally emerge. Disadvantages are the process takes longer than individual decision making. So, it is also costlier, compromise decisions resulting from indecisiveness, one person may dominate the group and group think may occur.

(Refer Slide Time: 33:53)

EVALUATING GROUP EFFECTIVENESS				
Effectiveness Criteria	Type of Group			
	Interacting	Brain-storming	Nominal	Electronic
Number and quality of ideas ✓	Low	Moderate	High	High
Social Pressure	High	Low	Moderate	Low
Money Costs	Low	Low	Low	High
Speed	Moderate	Moderate	Moderate	Moderate
Task Orientation	Low	High	High	High
Potential for Interpersonal Conflict	High	Low	Moderate	Moderate
Commitment to Solution	High	N/A	Moderate	Moderate
Development of Group Cohesiveness	High	High	Moderate	Low

And evaluation of effectiveness; effectiveness criteria, number and quality of ideas. In this discussion, what I have discussed is how the group is formed and the stages of group formation. And we discussed about different types of groups, then further we discussed about the properties of the group and then we discussed what are the norms, what is the norms and behavior to be followed in a group.

And group the various characteristics like the size status and the group decision making criteria, group think, group shift. And further we discussed about how groups can effectively take decisions, with the help of interactive groups or interacting groups, Delphi groups and nominal groups. These are three different types of decision making techniques.

Thank you.