

3.1 A model for decision making

The goal of a process for making decisions is to move towards a desired state of affairs through a series of rational choices from one or more alternatives. Problems are related to the gap between 'what is' and 'what ought to be'. Opportunities are also related to a potentially better situation based on current expectations. So, the basic framework for a rational decision-making process is based on six steps (McShane and Von Glinow, 2004, p. 236):

1. Identify the problem or opportunity.
2. Choose the best (or most appropriate) decision style.
3. Develop alternative solutions.
4. Choose the best solution.
5. Implement the selected alternative.
6. Evaluate decision outcomes.

When it comes to evaluating and comparing proposals and deciding upon a course of action, the most appropriate decision style is to be objective rather than subjective and quantitative rather than qualitative. Just as an architect designing a building will use a standard to measure the dimensions – a millimetre, centimetre or metre – structured aids to making decisions can be applied to evaluating and comparing proposals and deciding upon a course of action. Bazerman recommends the use of weighted criteria to arrive at the optimal decision as follows (2006, p. 4):

- *Identify the criteria* that are needed for the objectives to be accomplished by the decision-making process.
- *Weight the criteria* by taking into account their varying importance.
- *Rate each alternative course of action on each criterion.* This is often the most difficult step as the decision maker has to answer the question, 'How well will each of the alternative solutions achieve each of the defined criteria?'
- *Compute the optimal decision* by multiplying the ratings by the weight of each criterion, add up the results across the criteria for each alternative and then choose the solution with the highest sum of the weighted ratings.

A decision maker also needs to ask whether a proposal for a project has coherence, which is the degree of relationship of the different parts of a proposal to each other and to the objectives and needs of the organisation. The principle of coherence is an aid to 'comparing like with like'. If two competing proposals use different methods of calculating profitability, it will be very difficult to make an informed decision about which is better.