

Decision Making

Group assignment

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Table of Contents

- Principles of Decision Making
- Introduction
- Challenge #1 and its Solution
- Challenge #2 and its Solution
- Conclusion
- References

Decision Making

- What are the key factors that make a right decision?
- Decision making in the real world is about the interface of technologies, analytics and human factors

Decision Making

Rational choice theories assume that decision processes are:

- ▶ *Consequential* – they have consequences
- ▶ *Preference-based* – we want them to lead to what we want – to the consequences we want

Decision Making

- ▶ All decision makers share a common set of basic preferences
- ▶ Alternatives and their consequences are defined by the environment
- ▶ Decision makers have perfect knowledge of all alternatives and their consequences

Introduction

- DMC is a consultant team, based in Almaty, Kazakhstan, representing a company called Decision Making Consulting.



The office is based in Almaty, Kazakhstan.

Introduction

- DMC is currently working with a human resources management team in an international consulting company, ABC Partners



ABC is American-owned, with its headquarters based in San Francisco, USA

Introduction



Decision Making Consulting Group has been appointed by the Human Resources Vice President (HR VP) of **ABC** because the company faces a series of challenges.

Challenge #1

Senior Management Recruitment and Retention

- ▶ ABC Partners Company had faced with problems of hiring people on Senior Manager Position.
- ▶ During the 5 years, this position was replaced by 17 different people
- ▶ All hired managers are White American aged 50-60

Challenge #1

The **PROBLEMS** are:

- A. Lack of diversification
- B. Poor hiring decision
- C. High senior management turnover

Solution

Senior Management Recruitment and Retention

- ▶ Hiring people from different group categories

The main factor here is that diversity increases the latitude of perspective, cognitive resources, and general problem-solving (Hambrick, Cho and Chen, 1996, p. 662; Barsade et al., 2001).

- Conducting an interview from face-to-face
- ▶ Spread advertising as in the USA, as in Kazakhstan

Challenge #2

Making Groups Work

- ▶ The new HR VP has also asked to review decision making processes **among the various teams** in the organization.

Challenge #2

Making Groups Work

- ▶ A rotating, flexible team management system based on specific projects was set up three years ago on instruction from the San Francisco headquarters
- ▶ Each of the four senior executives put in charge of oversight, strategic direction and final authorization of actions for each project

Challenge #2

- ▶ Implementation and day to day management is delegated to the project team
- ▶ All of whom are citizens of Kazakhstan, **aged 25-35.**
- ▶ Of the forty (40) current employees, **60%** (24 people) of them are **female** and **40%** (16 people) are **male.**

Challenge #2

- ▶ By nationality, they are **60% Kazakh** (24 people, 16 female and 8 male), **30% Russian** (12 people, 8 male and 4 female) and **10%** (4 people, all female) are from **other nationalities**.
- ▶ They **all have graduate level** business education.
- ▶ **Turnover** in this group has also been **high**, with 70 different people occupying the 40 available positions in the last five years.

Challenge #2

The **PROBLEMS** are:

- A. There appears to be widespread dissatisfaction among the employees
- B. Decision making is slow
- C. There appears to be limited support for the decisions made among the employees actually involved as to how to implement projects.

Solution

- ▶ Conduct teambuilding
- ▶ Decrease turnover by conducting qualified interviews
- ▶ Share people on different departments with different people, according to their preferences

Conclusion

- ▶ Our consulting team believes that if ABC Partners Company follows these aspects, finally, they will reach desirable consequences exactly as they previously have wanted and it will be considered as preference-based decision making process.

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