

# Chapter 10: Decision Making and Public Policy



# Decision Making Process

- Decision making is an essential aspect at management field.
- H. Simon believed that management is decision making, and it is the heart of management.
- L. White believed that decision making process is the most important task for managers.

# The Importance of Decision Making

- Decision making plays a big role on other management process. In other words, decision makers make decisions when they practice planning, organizing, leadership process etc.
- Managers/leaders always make decisions to achieve their goals.

# Public Policy

- ***Definition*** of Public Policy:
  - is the result of a series of decisions over a period of time.
  - Decision making process is important to make an effective public policy in order to solve a particular problem.
  - There is a need for analysts to review, analyze, and evaluate a policy before it is applied to solve a particular problem such as unemployment and health care.

# Decision Making Stages

- 1- Problem Identification.
- 2- Collecting information and evidence.
- 3- Determining the alternatives and assessing them.
- 4- Choosing the best alternative to solve the problem.
- 5- Implementing the decision and evaluating it/following up.

# 1- Problem Identification.

- What exactly the nature of the problem you are addressing?
- It is important for decision makers to diagnose the problem and determine it in order to determine the suitable solutions that solve the problem.

# 1- Problem Identification.

- Some factors that help managers identify problems:
  - The need for managers to be prepared.
  - Importance to focus on identifying problems and other aspects around problems accurately.
  - Using the best expression to define the problems.  
“events in society are interpreted in different ways by different people at different times.”
  - Recognizing interest groups and how to affect the problems.

# 1- Problem Identification.

- Importance for managers to recognize:
  - The importance and danger of the problem.
  - The causes of problems.
  - Symptoms of the problems.
  - The suitable time to deal with the problems and make decisions to decrease or solve them.



## 2- Collecting some information and evidence.

- We collect some data. In this stage, we are engaged in two types of activities:
  - Thinking about the problem: We think about different ways we might look at the problem. Sometimes we might talk to people about that.
  - Trying to get some data that is relevant to what we are doing. Ex: reading documents, using internet, going to libraries, looking at statistics, and interviewing people.

## 2- Collecting some information and evidence.

- Different categories of data and information:
  - Initial data & information.
    - Ex: directly communicated with the problem such as making interviews with people who are involved with the problem or periodic reports from Org.
  - Quantitative and qualitative data and information:
    - Ex: quantitative: data with percentages and statistics.  
Qualitative: estimations without numbers.
  - Views and facts:
    - Ex: consultants' views and advises that provide suggestions and recommendations regarding problems.

# 3- Determining the alternatives and assessing them

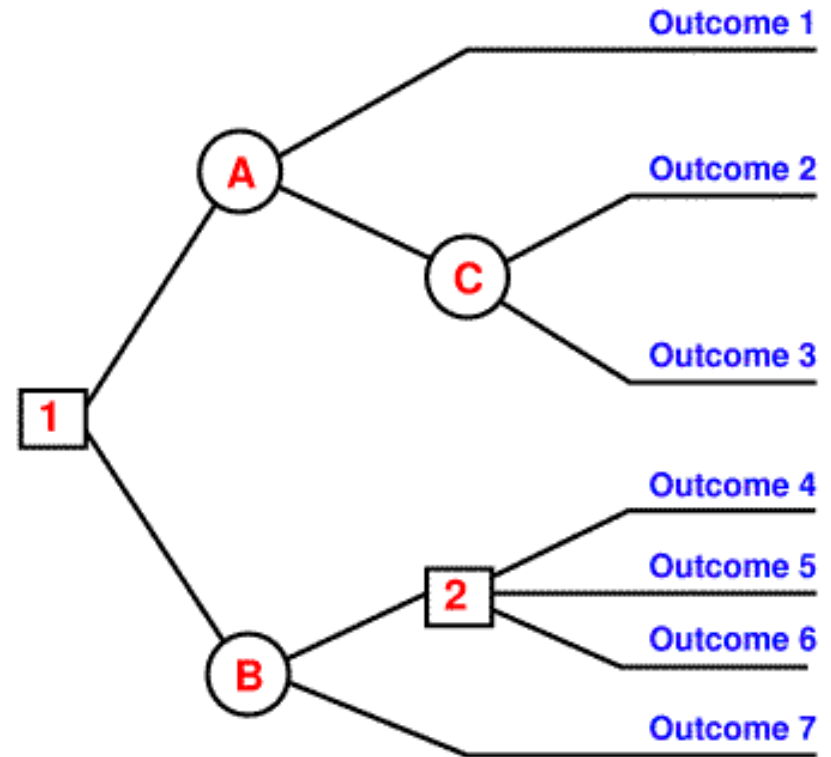
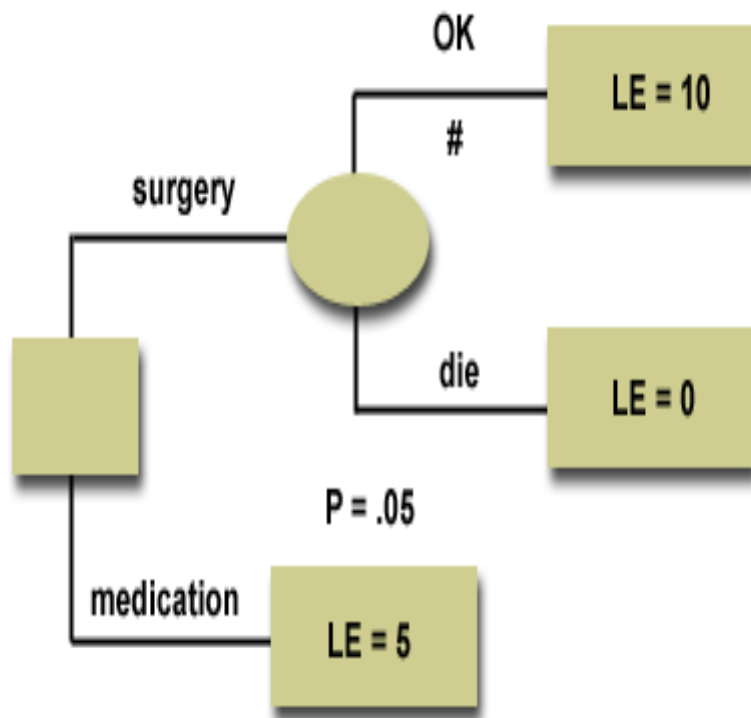
- Here is where we look at some options to help solving the problem.
- We select the criteria. Here is where we get to the thing about evaluation. We have a set of alternatives, and we want to be able to evaluate the alternatives. We judge the outcomes of the alternatives.
- Each of the alternatives that we identified would try to figure out what would happen if we do them.

### 3- Determining the alternatives and assessing them

- Some models that would help decision makers evaluate each alternative and make comparisons are: Cost-Benefit Analysis & Decision Tree.
- Examples: Cost-Benefit Analysis:
  - Option A: surveillance camera and violation tickets.
    - Costs: (-2 million RS).
    - Benefits: (3 million RS) & (decreasing the number of traffic accidents by 50 %).

# 3- Determining the alternatives and assessing them

- Examples: Decision Tree Model:



\*Note: LE = Life Expectancy (the average length of life remaining to a person)

□ – Decision

○ – Uncertainty (external event)

## 4- Choosing the best alternative to solve the problem

- After evaluating all alternatives, managers/decision makers must choose which one alternative would be the best among other alternatives. The alternative that have the best evaluation would achieve the desired goals or solve the problem.
- It is important that this chosen option is suitable for most members at the organization and organizational environment/culture.

## 5- Implementing the decision and evaluating it/following up.

- Decision makers would start formulating a decision/policy and get ready to implement it.
- Managers or decision makers may make a test for the decision (i.e. implementing a part of the decision) in order to ensure its validity before implementing the whole decision.

# 5- Implementing the decision and evaluating it/following up.

- It is very important to formulate a decision clearly and simply so that all members will understand it.
- Also, it is important to choose the best time to announce the decision to the members of the organization or to the society.
- When the decision is implemented, and we receive its results, we must evaluate the results and ensure if the decision is working forward to achieving the main goals, and discovering any issues coming from the implementation process.



# Kinds of Management Decisions

- There are two different kinds of decisions:
  - 1) Classical Decisions.
  - 2) Non-Classical Decisions.

# Kinds of Management Decisions

## 1- Classical Decisions:

- It is about repeated, routine decisions inside the organizations.
- There are executive decisions that focus on simple problems such as employee attendance and absence, work division, complaints etc.
- Also, there are decisions that managers, from middle management levels, make for completing the workflow tasks and solve its problems.

# Kinds of Management Decisions

## 2- Non-Classical Decisions:

- There are vital problems that decision makers should invite his assistants, consultants, attorneys to a meeting in order to carefully discuss about the problems and get suggestions, information, researches in order to solve the problems.
- Also, this kind involves national complex “strategic” problems that need strategic decisions.
  - Examples: housing problem and H1N1 Virus.

# Participation in Decision Making

- Allowing subordinates to be a part in decision making process has many positives:
  - Decreasing the burden on the managers.
  - Providing different alternatives by different members of the organization.
  - Discussing different views, experience, suggestions toward the problems and the solutions to problems.
  - The chosen alternative or decision would fit all members who are part of decision making process.
  - Etc.

# Decision Making in Crisis and Emergency events

- In crisis and emergency management, decision making plays a big role when dealing with such crisis or emergency situations.
- Decision makers, at these situations, must need to make effective and quick decisions to deal with crisis and emergency events. The stages of decision making may differ in crisis and emergency management because of the nature of the emergency problems and time restriction.
- Examples: floods, storms etc.