



THE ART OF DECISION MAKING

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Why is decision-making important?



**The most important job
of a leader/an
executive is decision-
making....**

**because the consequences are significant for
you and **others** in your organisation**



Also...

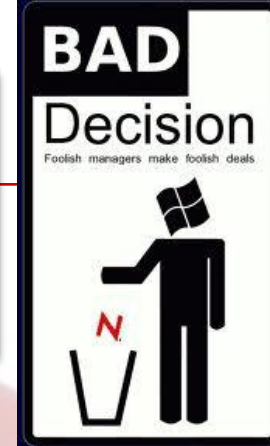
**Who you are,
how successful you are,
and how happy you are,
significantly depend
on making the right
decisions**



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**Reduce wasted
time and
money**



**A more
successful
personal
life and
career path**



**Benefits of
making
good
decisions**



**Less
hassle,
worry
and
regret**



I'VE SOLVED YOUR
PARKING PROBLEM...
... I'M TAKE AWAY
YOUR COMPANY CAR!



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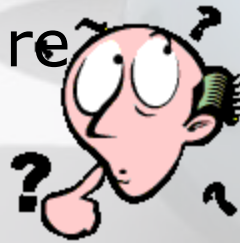


Why do we avoid making ~~decisions?~~



Fear: Puts us at risk and exposes us to the judgment of others

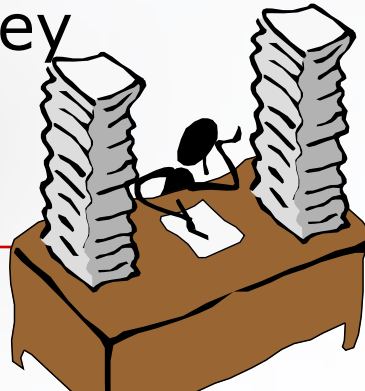
- ❑ **Confusion:** Not sure which way to go
- ❑ May involve **tough choices**; firing someone, losing large sums of money



- ❑ **Politics:** Avoid stepping on the wrong toes....



- ❑ Seeking **favour**



Understand the problems we face:

Structured problems

Non-structured problems



Structured problems

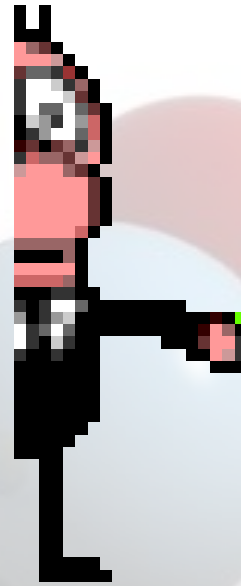
**Have a
known
sequence
of
operations**

**A set of
rules are
some-
times
available**

**Technicians
deal with
these
problems**



Non-structured problems...



- **Involve people**
- **There are no pre-packaged solutions**



- **Leaders and managers spend at least 70% of their time on non-Structured problems.....**



**Making decisions
using a systematic
process leads to
optimal results**



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An effective process is...

Logical

Focuses on what is important:

- **Your objectives**
- **Your criteria**



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**Identify
the
problem**

**Be guided
by
objectives**

**Brainstorm
on
alternatives**

**Consider both
qualitative &
quantitative
criteria**

**Consider long &
short term
consequences**

**Understand
the situation/
business
dynamics**



**Take a
decision**

**Write
action plan**



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Periodic Reviews

- Circumstances change and so policies/decisions should be reviewed as the need arises**



Managing Uncertainties



- Clarify uncertainties and assess their possible impact; environmental factors and government policies**
- Build different scenarios and make contingency plans**

Problem Identification

- ❑ Identify the right problem. The way you state a problem frames your decision**
- ❑ Avoid confusing symptoms for problems**



Objectives

- Be clear about the goals to be achieved**
- Helps overcome conflict arising from different perspectives**



Criteria

- ❑ **Conditions which all alternatives must meet in trying to attain established objectives**
 - Helps to focus on what is most important
 - Prevents you from getting carried away by one favourable aspect
 - Useful when the decision to be taken is of great importance and there are a number of alternatives to choose from

Alternatives



**Generate
alternatives/options**

- Brainstorming sessions provides a useful source of alternatives**



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Analysis of alternatives

- Evaluate the alternatives using established criteria**
- Examine both qualitative and quantitative issues**
 - Establish the tradeoffs/opportunity cost**



Consequences/Trade Offs

- Analyse the consequences of each choice (short-term and long-term):**

What you decide today could influence your situation tomorrow...

and your goals for tomorrow could influence your choices today (ethics Vs deal-making)





Questions?



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