

5.9: Why It Matters- Decision Making

Why does a manager need to understand the processes and techniques in decision making?



You have been in your new role as a manager for two months, and your boss just asked you to lead a committee in selecting a new data management system for human resources (HR). The current data management process is run on spreadsheets, but the company has grown from fifty to three hundred employees in just three years, and the spreadsheets won't work anymore. You have all the key areas from HR represented on your committee, plus finance and IT. How will you decide which new system to use?

Decision Criteria

In your kickoff meeting, you spend time finding out the important factors, such as what systems it will need to run (payroll, benefits, disability, leave of absence, etc.), how many employees it will need to handle, software compatibility, and the budget. After an extensive list of requirements is compiled on the white board, you label the list “decision criteria.”

Weigh Decision Criteria

Next, you ask the members to weigh the importance of each of the criteria. Early on, everyone weighted his criteria as critical, but eventually the group was able to agree on some less critical needs, such as customization of the web interface (brand colors, logos, etc). Comfortable with the group's progress, you task all the members to bring potential solutions to next week's meeting.

Generate Alternatives

Feeling confident from the previous week's successful meeting, you are anxious to hear the replacement solutions. However, there are only two options offered: stay with current system but add staffing, or go with a new vendor in the field, who happens to be run by your boss's daughter.

Evaluate the Alternatives

Besides the obvious landmines that exist in this decision-making process, you know the biggest flaw will be due to the lack of alternatives to evaluate. Although you may be tempted to engage deciding between these two options or neither, you know that the committee needs more alternatives in order to make the best decision.

This scenario represents the types of challenges you may face and decisions you may have to make in a management role. Throughout this module you'll learn about the processes and tools that can help you make the right call when faced with tough decisions.

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