

Increased productivity via group decisionmaking

by Douglas R. Anderson, Ph.D.

As the United States enters the decade of the 1990s, the need to improve productivity for all organizations looms larger than ever before. According to author David R. Altany, U.S. business and industry will have to become increasingly employee oriented. But this increased employee involvement will have to be more than just employee newsletters or company picnics. The 1990's employees will have to be more involved in the decision-making process. Most product improvement and service quality recommendations will originate from those who are doing the work. The benefits of improved productivity are numerous with the more obvious being:

- (1) increased ability to compete nationally and globally;
- (2) higher standard of living;
- (3) bottom-line profit enhancement;
- (4) happier, more satisfied employees.

The decade of the 80s saw U.S. business and industry attempt to increase productivity via technological innovations, automation and limited employee involvement. No doubt these attempts all contributed somewhat to productivity increases; however, it is this author's opinion that the most overlooked

area for increasing productivity is in the decision-making process itself.

David Frost, in his book "David Frost's Book of the World's Worst Decisions," gives us ample evidence of the ineptitudes of faulty decision-making processes. One of those was the 1948 visit to the Volkswagen factory in Germany by British and American experts who were asked to determine the potential of assuming its operations as a contribution to war reparations. The single factory product was the "people's car," the Volkswagen Beetle. Sir William Rootes, head of the British delegation, said, "The Volkswagen does not meet the fundamental technical requirements of a motor car." Ernest Breech, then president of Ford Motor Co. agreed and offered, "The car is not worth a damn." In subsequent years, Ford Motor Co. made the big decision to build their own "people's car." They called it the Edsel. Of course, the Volkswagen Beetle eventually stunned the U.S. automotive world and became a tremendous success.

Frost also describes the famous decision by the Coca-Cola Co. when it was offered the twice-bankrupt Pepsi-Cola Co. for a mere \$1,000. Coke management decided it wasn't a good deal and rejected the offer. The cola wars would never have occurred had Coke made the right decision. A sizable portion of both Coke's and Pepsi's budget goes into advertising against each other.

In 1972, George Lucas came up with the idea for a film titled "American Graffiti," the forerunner to



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When the final tally is completed

the "Happy Days" TV series that spawned the career of Henry Winkler as the "Fonz." American International Pictures refused to endorse the movie project which had a very modest budget of \$700,000. Their management gurus decided it was "commercially unacceptable." Eventually, with the help of Twentieth Century-Fox, Lucas' film was released and became one of the highest-grossing pictures ever made.

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How do these gross decision-making errors occur? No single cause can be ferreted out; but, it is obvious the basic decision-making process with employee involvement was never given a chance. Numerous reasons can be cited as potential contributors to faulty decisions. Some of the most common are:

- (1) personality conflicts;
- (2) personal biases/prejudices;
- (3) predisposition tendencies;
- (4) failing to study and evaluate the real problem or situation;
- (5) not involving the right people in the process;
- (6) faulty assumptions contributing to misleading alternatives;
- (7) not allocating the proper amount of time.

To avoid these potential pitfalls and to hopefully minimize the chance of error, the decision-making process illustrated in Appendix A is offered as a guide in the following narration:

Stage one - alert

This first stage in the decision-making process requires an accurate assessment of the situation. Please note the underscoring of the word situation. The purpose is to emphasize that defining a situation is not necessarily dealing with a problem. Frequently, the decision model depicts a problem which infers the necessity of making decisions only when

one has a problem. The situation could be problematic, such as high absenteeism, but it also could be the result of a needed change, an employee suggestion, a request or even a demand from higher management. It also should be mentioned that the option to do nothing may be a valid decision. This, of course, must be balanced against the tendency to adopt the "ostrich" approach in hopes that if one ignores it, the situation will take care of itself. The definition of the situation then serves as the springboard into Stage Two — Analysis.

Stage two — analysis

This author proposes the immediate use of the W5H formula in which we seek answers to the following questions:

- ▶ What is required?
- ▶ What is wrong?
- ▶ Who is involved?
- ▶ Who will be affected?
- ▶ Where did this occur?
- ▶ Where should it occur?
- ▶ Why did it happen?
- ▶ Why should it happen?
- ▶ When did it take place?
- ▶ When should it take place?
- ▶ How did it occur?
- ▶ How should it be done?

It is through this deliberate analysis that the true causes/factors can be identified and valid assumptions can be made. One must recognize Simon's contribution to the decision-making process in which he gave us the concept of "bounded rationality." Simon indicated that the human being can only analyze to a certain point, limited by his/her experience, education, insight and the degree of openness of others. This awareness then prevents us from falling into the trap of untimely decisions due to the "paralysis of analysis."

The approach in the analysis can be on an individual basis calling upon one's intuition to guide the decision. Historically, the intuitive approach has been criticized as inept in that there is too much tendency to operate on feelings or biases. Possibly this is what occurred with Sir William Rootes and Ford Motor Co. President Ernest Breech. However, one must acknowledge the important contribution

that "intuitive hunches" can make to the decision-making process when they are based on a person's past experience and sensitivity to the situation. However, the inclusion of others in the process will increase the potential accuracy of the intuition process.

The analysis which can be used to augment the intuitive approach then is to use a form of group decision-making application. The advent of quality circles and their eventual acceptance as a viable method to gain employee involvement has led us to three group decision-making approaches:

- (1) Brainstorming;
- (2) Nominal Group Technique (NGT);
- (3) Delphi Technique.

Stage three - action



Brainstorming

The most common group technique, brainstorming, allows for spontaneous, creative, quick ideas/suggestions to be shared among the members. The philosophy of shared input derived from varied experiences and educational backgrounds is the backbone of the brainstorming method. However, one must be aware of the tendencies inherent in brainstorming that can result in sub-optimization. For several years, in this author's consulting programs, the ill effects of unbridled humor which surfaces during brainstorming sessions have been easily observed. During the creative idea generation, it appears inevitable that a member of the brainstorming group will not be able to resist the temptation to blurt out a humorous suggestion which of course is usually received with responding laughter. It is usually a safe bet that some other members of the group will follow suit in an attempt to "go one better" than their colleague. When this occurs, it usually results in time waste and less than effective decisions. The brainstorming approach also fails to recognize the group

members' various individual capabilities to openly share. Some individuals are not very comfortable with the extroverted approach demanded in brainstorming and are somewhat intimidated by the full public sharing of ideas and suggestions. Thus, the case is made for the more structured Nominal Group Technique (NGT).



Nominal Group Technique

The NGT approach in group decisionmaking is a more structured form of brainstorming. Its advantages over pure brainstorming are:

- (1) control of unbridled humor;
- (2) allowances for both extroverted and introverted participation;
- (3) better control of potential interpersonal conflict.

"Acquaint the group members to the situation and have them prepare a list of alternatives for consideration, before any discussion takes place."

For the NGT approach to be successful, it is vital that a competent group facilitator be appointed to direct the group in its decision-making processes. While there are varied styles employed in the NGT

approach, it is common to first acquaint the group members with the situation and have them prepare a list of alternatives for consideration, before any discussion takes place. This prevents a "shooting from the lip" tendency by members who really haven't thought much about the situation. NGT members next meet and, using a round-robin format, share one idea/suggestion at a time. Each of these inputs is then recorded sequentially on a chalkboard or flip chart, etc., in full view of the group. There is no discussion or evaluation conducted during the original idea generation stage. So, in effect, the group is nominally participating.

After the inputs of all members have been shared and recorded, the group facilitator then solicits requests for points of clarification from the members to ensure all understand each input recorded. When the clarification phase is completed, each NGT member is then asked to anonymously rate the inputs via a point assessment. For example, each member might be asked to select his/her top three choices. The top choice would then be given a 3-point value, while the second choice receives a 2-point value and the third choice receives a 1-point value. This balloting process allows for individual input without the potential intimidation often accompanying brainstorming's open forum format. The group facilitator collects the individual ballots and assumes the task of "tallying" the results. This process usually requires at least a break in the action or the scheduling of a follow-up meeting.

When the final tally is completed, the group will have indicated its majority consensus on the inputs with the idea/suggestion receiving the most points selected as the first choice, followed by the second-place, total-point input and finally the third-place input. It is at this point that open discussion and evaluative comments could be shared still under the guidance of the group facilitator. Eventually, as the discussion runs its course, the group facilitator will call for another vote on the final three inputs to determine if the ranking has changed as a result of the open discussion. This tally usually then represents the final majority group consensus and is endorsed by the group.

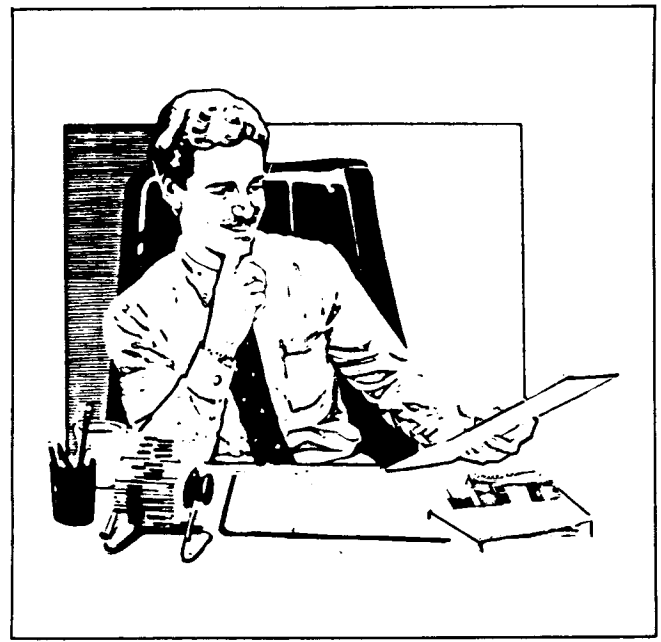
Delphi Technique

The Delphi Technique gains the individual member's suggestions/ideas via an anonymous written

format without group discussion. The anonymous written format is used to obtain each member's input and to prevent personality difference impact or idea degeneration via potential open discussion intimidation.

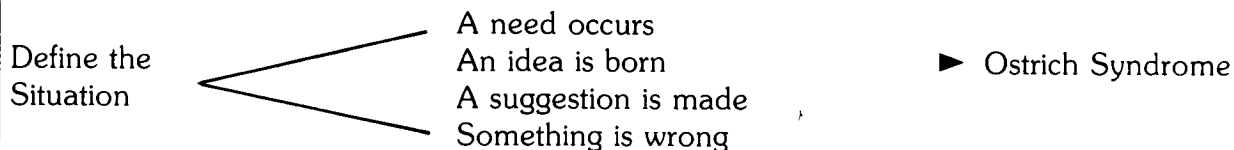
Each member of the Delphi panel is considered somewhat of an expert in that he/she is familiar with the issue being considered. For example, the Delphi technique can be used effectively in planning or forecasting sales. Delphi members then independently complete questionnaires or forecast projections. This input is collected and compiled. The compiled feedback is distributed back to each Delphi member, ensuring no individual input source is identified. If the Delphi members need clarification of any other member's input, the information is obtained by the coordinator of the Delphi team to ensure anonymity.

The Delphi members now review all of the compiled input and again are asked to "cast" their input based on this sharing of others. The original input of the individual Delphi member may remain intact; or, it could be revised by that member due to the shared input. Again, the second iteration of shared input is collected and compiled by the Delphi coordinator. This process is repeated until the coordinator obtains a significant consensus of the Delphi members.

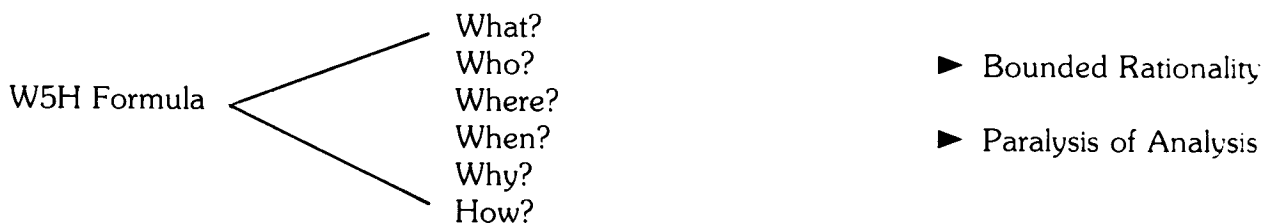


APPENDIX A

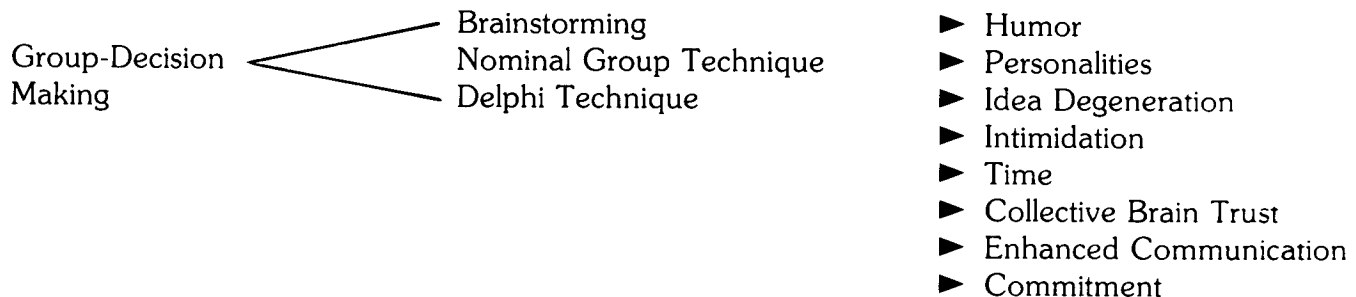
The Decision-Making Process Stage One – Alert



Stage Two – Analysis



Stage Three – Action



The advantages of the Delphi Technique are similar to those of the NGT method. Individual input integrity is preserved without potential intimidation or idea degeneration. However, it must be emphasized that the Delphi Technique is a time-consuming process. Thus, it is most applicable in forecasting and long-range planning.

The decade of the 90s will emphasize and require teamwork in the decision-making process. It only

makes sense to capitalize on the “collective brain trust” employees can offer. The additional advantages of a teamwork approach to the decision-making process also include:

- (1) in-depth analysis;
- (2) enhanced democratic process;
- (3) improved communication in the company's formal and informal networks;
- (4) involvement leading to commitment. **SV**