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HOW TO MAKE GOOD DECISIONS

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Abstract:

Decisions are at the heart of leader success, and at times there are critical moments when they can be difficult, perplexing, and nerve-racking. However, the boldest *decisions* are the safest.

In this paper, I want to present the *process* of making good strategic decisions through skillful employment of critical thinking. This paper highlights the importance of deciding based on thorough judgment. I will emphasize the role of using own abilities through a focused and structured *decision process* in order to actively and pro-actively take *decisions*. Active *decision-making* involves a responsible choice that must be made, while pro-active *decision-making* is the practice of making *decisions* in advance just like "in the case of fire".

Many *decisions*, with huge or small impact, are being made by people on a daily basis in military or civilian life. Many are "good" *decisions* having to sustain a company's strategy efficiently. Yet, many do not take into account all available information or further *implications*. The objective of *decision-making process* is to considerably increase the proportion of good *decisions*, and thus improving overall *performance*.

Keywords: *decision, process, decision-making, implications, performance.*

Motto: The Sioux Indian Tribal Prayer reads, "Great Spirit, help us never to judge another until we have walked for two weeks in his moccasins."

1. Introduction

Satisfying the needs of citizens of any given entity is an objective that depends a lot on acts and actions, which in return are the result of a decision. Those responsible for decision-making take decisions which in turn, affect the people, who may or may not empower them to do so in future. Therefore, the "decision" is the outcome of an interaction between those who rule and those who are ruled. However, decision-making is a process of mind and results from the values and what the ruling elite considers as good for the people. However, their considerations are very much influenced by their authority and tasks given to them according to a legal - or apparent legal - way. In fact, decision-makers act within the authority given to them to act on behalf of a given society.

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2. Definitions

Decision making is “the study of identifying and choosing alternatives based on the values and preferences of the decision maker”. [1] When making a decision we have consider more alternative choices to be considered, and in such a case, we want not only to identify as various of these alternatives as possible but to decide the one that best fits with our goals, standards or needs.

Decision making is the process of properly reducing uncertainty and skepticism about alternatives to permit a practical choice to be made from among them. This definition stresses the information gathering function of decision making. It ought to be specified here that uncertainty is minimized rather than eliminated. Not many decisions are made with complete certainty for the reason that whole knowledge about all the alternatives is rarely possible, but every decision involves a certain quantity of risk.

Decision making is “a process of specifying the nature of particular problem selecting among available alternatives in order to solve it”. [2]

Decision is “a commitment to a particular course of action, sometimes taken unilaterally but usually following discussion and negotiation with others”. [3]

3. The Decision-Making Process

3.1. Decision as Intuition

If you are a person trying to decide what are you want to study: a logistic subject) or a subject such as technical or computer science (which may conduct to a more profitable profession), to make this decision instinctively is needed to go with the alternative that is accepted by your emotional reactions to the two alternatives.

You can have an intensely positive gut feeling in the directions of the more interesting subject along with a intensely negative feeling about the more career-oriented one, or may feel the other way round. Supplementary expected is that you feel positive feelings in direction of both alternatives, along with complementary anxiety caused by your incapacity to see a clearly preferable option. Finally, intuitive decision-makers choose an option based on what their emotional reactions tell them is more desirable.

There is much to be said for illogical determination making. One of the major benefits is that an emotional response can be faster and can have better results. Added plus is that basing your decisions on emotions helps to secure that the decisions submit into relationship what you really desire approximately. If you are motivated near a achievable challenge that is a agreeable promises to complete successfully the goals that are imperative to you. Finally, decisions supported on emotional intuitions proceed straight to production: the advantageous intuition toward a choice will motivate you to expect it out. But emotion based on illogical conclusion making can also have some serious discriminatory circumstances. An option may seem emotionally pleading because of loser to consider separate consider options. Another difficulty with impression is that it may be supported on away or inapplicable entropy. It is troublesome to see introspectively whether your intuitions descend from tried and relevant message.

Finally, intuitive reasoning is problematic in unit situations where decisions condition to be prefabricated conjointly. If separate people disagree with your choices, you cannot just creep that your intuitions are better than the intuitions of others. Protecting your emotional reactions and attempting to gain a consensus with another grouping requires a more analytical approach than, but expressing your gut feelings.

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3.2. Decision as Calculation

Experts on decision-making suggested a more systematic and calculating approach. For model, Bazerman [5] says that reasoning resolution making should let the people six steps:

1. Delimitate the difficulty, characterizing the main reason of your decision.
2. Determine the criteria, specifying the goals or objectives that you need to be able to reach.
3. Measure the criteria, deciding the importance of the goals.
4. Create alternatives, identifying potential courses of proceed that can reach your different goals.
5. Rank each choice on each condition, assessing the extent to which every action would affect each goal.
6. Calculate the best decision, evaluating every choice by multiplying the expected effectiveness of every choice with respect to a criterion times the heaviness of the criterion, then adding up the anticipated importance of the alternative with obey to all criteria.

A cartoon shows a man sitting at a personal computer and saying to his girlfriend: "I've done the numbers, and I will marry you". Several decisions, at smallest, seem unsuitably based on doing the drawing. But is the emotional judgement of Bazerman's 6-step planning method justified? We can sure see few significant advantages of the provision method over the suspicion method. First, it is set up to prevent neglecting significant alternatives and goals. Second, it stresses the importance of how the various alternatives contribute to objectives' accomplishment. Third, it changes the decision-making into a living process allowing a leader to review it together with his staff.

The main drawback of this method is particularly linked to the difficulty of the process as the effectiveness of the decision-making is affected.

3.3. Decision as Coherence

Computing coherence is a method that is directly linked to improving the limitation satisfaction, and can be carried out through various algorithms. The most psychologically fascinating models of connection optimization are provided through connectionist algorithms. These use neurons like units to comprise elements and excitatory and repressive course to permute positive and negative constraints. The focalisation of the measurements can be realised by calculating the level of satisfaction given by various algorithms. In conclusion, the computational problem of exactly increasing focalisation is really problematic, but there are specific algorithms for approximating the increase of cohesion construed as constraint spirit.

Elijah Millgram [6] asserted that practical reasoning involves connection judgments virtually how to fit untimely various doable actions and goals. On our reason, the elements are actions and goals, the affirmatory constraints are supported on facilitation relations, and the antagonistic constraints are based on incompatibility relations. To be more precise, deliberative coherence can be specified by the next principles:

Symmetry, Facilitation, Incompatibility, Goal priority, Judgment, Decision.

Decisions are done on the beginning of a judgment of the complete coherency of a set of actions and goals. Psychologically, decision as coherence is really distinct from decision as calculation. Calculations are aware and stated, displayable to everyone on pencil and press. In differ, if link increase in frail brains is correspondent to what happens in the cardboard neuron networks, and then categorisation of cohesion is a deliver not handy to cognisance.

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3.4. Decision-making sequential steps

In the decision-making modeling procedure we have to study the effects of presenting diverse decision alternatives retrospectively; to be precise, "as if" we have implemented our strategy. The decision has already been made under a special path of actions. The key to a good decision is reflection earlier than action, therefore, the succession of steps in the above decision-making modeling process should be considered in reverse order. For example, the output (which is the effect of our action) must be considered first.

The following are the decision-making sequential steps :

a) Value and the Objective: Consider the full array of objectives to be fulfilled and the values implicated by your action.

b) Set of Actions: Thoroughly consider a wide range of possible alternative courses of action. The above decision-making process includes the study of identifying and choosing alternatives based on the standards and preferences of the decision-maker.

c) Evaluate the Consequences: Carefully analyze the costs and risks, negative as well as positive consequences that may arise from each alternative.

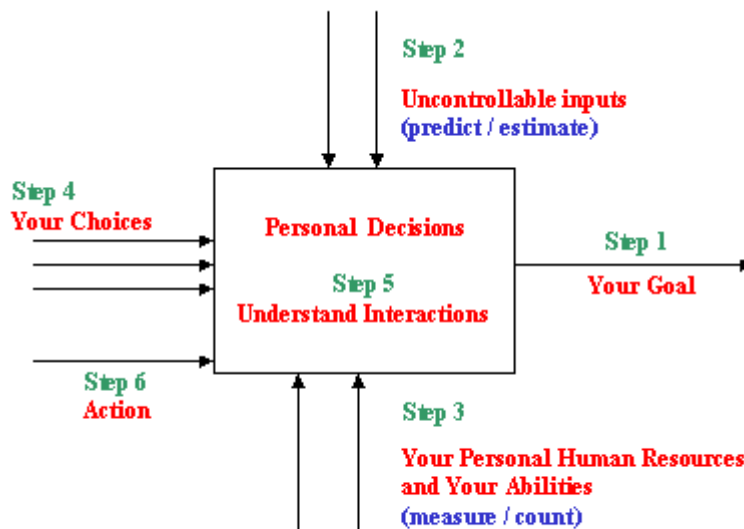
d) Gathering Information: Intensively search for new information proper to further estimation of the alternatives. Information can be classified as explicit and implicit forms. The explicit information can be explained in structured form, while implicit information is inconsistent and unsure to explain. Decision-making process have to include the decreasing of uncertainty and suspicion about the uncontrollable inputs. This can be achieved by meeting reliable information. Even though the improbability cannot be eliminated in most cases, however the more practical information reduces certain amount of risk.

f) Information Processing: Properly understand and take explanation of any new information or expert judgment, even when the information does not sustain the course of action initially preferred.

g) Action Assessment: Re-examine positive and negative consequences of known alternatives, including those firstly regarded as inappropriate, before making a final decision.

h) Implementation of Your Decision: Make detailed provisions for implementing and executing the chosen course of action, including contingency plans for known risks and adjustments. The art of life is a constant readjustment to our situation. The decision-maker must have a set of contingent decisions at this stage. These are decisions that have been completed but place on hold in anticipation of some condition would met.

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Consecutive-focused-thinking as a Mental Modeling Process for Personal Decision Making

3.5. Some Decision Making Strategies

There are frequently many solutions to a specified problem, and the decision maker's responsibility is to choose one of them. The assignment of choosing can be as easy or as difficult as the consequence of the decision warrants, and the quantity and quality of alternatives can also be adapted according to significance, time or resources. There are quite a lot of strategies used for choosing. Amongst them are the following:

Satisfying: In this strategy, the initial acceptable alternative is chosen rather than the optimum alternative. For lots of minor decisions, such as where to go, what to eat, which tool to use, which coat to wear, and so on, the satisfying strategy is great.

Optimizing: this strategy is about: choosing the greatest potential solution to the problem, discovering as various alternatives as possible and choosing the best solution.

Maximin. This stands for "maximizing the minimums." In this strategy, that of the pessimist, the worst possible outcome of each decision is analyzed and we will choose the decision with the highest minimum. Maximin concentrates "the salvage value of a decision or of the guaranteed return of the decision".

Maximax. This stands for "maximizing the maximums." This strategy focuses on evaluating and then choosing the alternatives based on their maximum possible payoff. It is an excellent strategy for using when risk taking is most adequate, when the go-for-broke philosophy is managed without restraint.

4. Conclusion

Several leaders know intuitively how to make decisions. But even the best decision-makers are more and more challenged by these factors:

- Rising offensive of information on which to base decisions;
- Rising amount of decisions;
- Materialization of decisions completed by "teams";
- Diminishing time to do them.

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All of this points to the need for a visible, rational, and repeatable approach to solving problems and making decisions.

The underlying objective of decision-making processes is to first reach a common understanding of the issues, then to develop options that attempt to satisfy the needs of all parties. It is important at the outset, and throughout the entire process, to evaluate the intensity of the disagreement, and if necessary to contact a third party who can manage the process.

I think that we make rational decisions, independent of the physical, emotional, psychological and spiritual state in which we happen to find ourselves. Not true. We weigh different attributes of the problem depending on their relative importance at the moment. The aim is that there are lots of traps that we humans fall down into when making decisions, so we have invented many techniques to help bootstrap our ability to make decisions. These tools strengthen that which humans do well, connecting concepts to develop new ideas, by adding abilities that we lack in, such as computing accuracy and speed, as well as systematic decision making approaches.

Finally, I would like to list some characteristics of "Good" decision makers:

1. Having a high tolerance for ambiguity.
2. Having a well-ordered sense of priorities.
3. Being a good listener.
4. Always building the consensus around a decision.
5. Avoiding stereotypes.
6. Remaining resilient with feedbacks.
7. Being relaxed equally measure for soft and hard input.
8. Being realistic about cost and difficulty.
9. Avoiding a decision minefield.

5. References:

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