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TOPIC: DECISION MAKING

“Being a bureaucrat in the Indian Government aspiring to reach the top, the best strategy is not to take risks, not to take decisions, be circumspect in voicing opinions and seek safe jobs in established ministries. Over the last few years, decision making in the Indian Government has become crippled, thanks to the overhang of the 5Cs (CBI, CVC, CAG, CIC and Courts)” — Nandan Nilekani (Swarup 2019)

Introduction

The topic of Decision-making has been included under the broad heading of the competency skill of ‘Equity’ though the skills of decision making extend to almost all aspects of planning and implementation of any programme of governance. Decision-making per se is an extremely vast subject with relevance in all fields of management and administration including military science, social and physical sciences including the field of medicine and health. The topic is looked upon here in relevance to components of decision making its relevance to building the core competency of decision making equitably from the point of view of public governance.

Conceptual Background

Decision-making has been defined in various ways by different authors with similar end-points in consideration. Decision-making is essentially the process of selecting a course of action from among several alternatives to accomplish a desired result. The purpose of decision-making is to direct human behaviour and commitment towards a future goal. If there are no alternatives, if no choice is to be made, if there is no other way out, then there would be no need for decision making. It involves committing the organisation and its resources to a particular choice or course of action thought to be sufficient and capable of achieving a given predetermined objective.

Managers at all levels in the organisation make decisions and solve problems. In fact, decision-making is the process of reducing the gap between the existing situation and the desired

situation through solving problems and making use of opportunities. A decision is a course of action consciously selected from available alternatives, intending to achieve the desired goal. It is an outcome of the judgement and represents a choice and commitment to the same. It is a final resolution of a conflict of needs, means, or goals made in the face of uncertainty, complexity and multiplicity. Decision-making is globally thought to be a selection from alternatives. It is deeply related to all the traditional functions of a manager, such as planning, organizing, staffing, directing and controlling. When he performs these functions, he makes decisions!

Discussion

What Makes Decision-Making an Important Activity?

1. Implementation of managerial function: Without decision-making different managerial functions such as planning, organizing, directing, controlling, staffing can't be conducted. In other words, all work and short-term objectives are carried out through decision-making function. Therefore, we can say that decision is an important element to implement the managerial function.
2. Pervasiveness of decision-making: The decision is made in all managerial activities and in all functions of the organization. It must be taken and understood by all staff. Without decision-making any kind of function is not possible. So it is said to be all-pervasive.
3. Evaluation of managerial performance: Decisions can evaluate managerial performance. When the decision is correct it is understood that the manager is qualified, capable and efficient. When the decision is wrong, it is understood that the manager is incapable. So decision-making evaluates the managerial performance.
4. Helpful in planning and policies: Any policy or plan is established through decision-making. Without decision making, no plans and policies are performed. In the process of making plans, appropriate decisions must be made from so many alternatives. Therefore, decision making is an important process which is helpful in planning.
5. Selecting the best alternatives: Decision-making is the process of selecting the best alternatives. It is necessary in every organization because there are many alternatives. So decision-makers evaluate various advantages and disadvantages of every alternative and select the best alternative.
6. Successful operation of the business: In today's competitive world organizations and

departments and companies can exist only when the correct, timely and appropriate decisions are made. Therefore, correct decisions help in the successful operation of businesses and organisations.

Characteristic Features of Decision Making

- (a) Decision-making is an intellectual process, which involves imagination, reasoning, evaluation and judgement objectively.
- (b) Goal-oriented selection: It is a process of exercising choice or selecting from multiple alternatives available or likely to be available at a future date that aid in achieving the goal of the organisation/department/ministry
- (c) Decision-making is a continuous process pervading all organizational activity, at all levels in the organisation. It is a systematic process and an interactive activity.
- (d) Decision-making involves a commitment of resources, direction, or reputation of the enterprise/organisation/team.
- (e) Joint efforts, participation, teamwork and effective communication strengthen the process of decision making.

Decision making encompasses various elements such as, the decision-maker; decision problem or goal; attitudes, values and personal goals of the decision-maker; assumption with regard to future events and things; an environment in which decision is to be made; available known alternatives and their estimated or imagined outcomes; analytical results in the whole perspective; constraints surrounding the decision process; the act of selection or choice; timing of the decision and lastly effective communication of decision for its execution.

Of these, the attitudes, values and personal goals of the decision-maker play an important role in the nature of the decision and the zeal with which the same is implemented. Similarly, the environment surrounding the decision, the information and accuracy of the available data, known alternatives along the assumption of future events contribute to the swing factor in the process of decision making. Thus the leader and the team along with their inherent values and efficiency contribute to the success or failure of a decision.

Effective Decision Making – Seven Steps

Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions. Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives. This approach increases the chances that you will choose the most satisfying alternative possible.

Step 1: Identify the decision: You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

Step 2: Gather relevant information: Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.” Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and other sources. Ensure accuracy and relevance of the information.

Step 3: Identify the alternatives: As you collect information, you will probably identify several possible paths of action or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

Step 4: Weigh the evidence: Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in the initial step would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in priority order, based upon your own value system.

Step 5: Choose among alternatives: Once you have weighed all the evidence, you are ready to select the alternative that seems to be the best one for you. You may even choose a combination of alternatives.

Step 6: Take action: You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

Step 7: Review your decision & its consequences: In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has *not* met the identified need you may want to repeat certain steps of the process to

make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

Differences Between Individual and Group Decisions: Decision making is usually group-based and less likely to be individual in public governance though the final risk and accountability rest with the head of the organisation/department/ministry concerned. The features of individual and group decisions are as listed below:

Individual Decisions:

1. Decisions are taken by a single individual.
2. Individual decisions are less costly.
3. They are based on limited information gathered by managers.
4. Individual decisions are taken in situations of crisis or emergency.
5. They do not involve a moral commitment on the part of members to accept and implement them.
6. Individual decisions do not affect the morale or job satisfaction of employees.
7. They introduce one-man control.
8. Individual decisions do not promote interaction amongst superiors and subordinates.
9. Decisions are usually based on clear policy guidelines.
10. Though decisions are based on individual thinking, they are high-quality if the individual has expertise and experience in making such decisions.
11. Individual decisions are usually taken in competitive business situations where people are not open to suggestions.

Group Decisions:

1. Decisions are taken by a group of persons with a common objective.
2. Group decisions are costly in terms of time and money.
3. They are based on extensive information collected by members of the group.
4. Group decisions are taken when there is sufficient time to make decisions.
5. Group decisions are easier to implement as group members feel committed to them.
6. Group decisions positively affect the morale and job satisfaction of employees.

7. They introduce self-control.
8. They promote superior-subordinate interaction and healthy relationships amongst them.
9. Group decisions are taken when the problem requires creativity and expert knowledge of a group.
10. It usually results in high-quality decisions as they are based on extensive brainstorming. They provide the benefit of synergy.
11. Group decisions are usually taken in supportive business situations where the group members encourage problem-solving together.

Decision-making and the Indian bureaucracy

Indecision and risk aversion plague the Indian bureaucracy, resulting in an excessive concentration on regular duties, coordination problems, procedural overload, poor perception, motivational issues, and a decline in service quality. Bureaucratic hesitancy has been viewed as a type of logical self-preservation by bureaucrats in the face of numerous legal and extra-legal threats to their person, career, and reputation. Problems with organisational design, institutional norms, and other political issues all contribute to these dangers.

A well-functioning bureaucracy is required for a successful state. The incentives that a bureaucracy receives impact its performance. A successful state requires a well-functioning bureaucracy. The incentives or disincentives that individual public officials encounter while making choices determine the efficiency of a bureaucracy. Much is determined by the decision-making environment. Indian officials are risk-averse due to a variety of legal and informal limitations. Policy paralysis, which was a major topic in India a few years ago, is one of the outcomes of such risk aversion.

Personal Risks and Bureaucratic Indecision

Policies are prone to failure regularly. Financial roadblocks, implementation delays, and other unforeseen effects are all possibilities. These variables are frequently beyond the control of the bureaucrats who make implementation decisions. Let's call these choices policy risks or the danger of not delivering the intended public good or service.

Policy failures have an impact on bureaucrats' reputation, career progress, financial status, and motivation. As a result, the bureaucrat risks being transferred, investigated, accused of corruption, or having their reputation ruined as a result of their decisions. Electoral and policy considerations regularly conflict in the Indian setting, due to numerous capacity limits, and practically every policy issue poses a considerable personal risk to bureaucrats. This occurs because they are frequently held personally responsible for poor policy outcomes rather than institutionally. Bureaucrats display uncertainty in this case.

Moreover, in recent times, it has been observed that even policy risk-free decisions present a significant personal risk to bureaucrats. This could be a routine decision that has near zero probability of a negative policy outcome. This occurs when bureaucrats are pulled up for decisions that are unpopular for extraneous reasons. These could be outcomes that are against political preferences or challenge other vested interests. In order to avoid experiencing these personal losses, bureaucrats either avoid making policy decisions or take decisions that minimise personal loss.

Much of this indecision, therefore, is a form of rational self-preservation exercised by bureaucrats who are otherwise left unprotected by the institutions that they serve. While the literature on governmental corruption, capacity constraints and failure to reform is relatively rich, the area of indecision is less explored.

Added to this are the factors of political pressures, political interference and individual political party affiliations of bureaucrats that delay or alter decision making. These add to the overall inefficiency of direction, coordination and control. The COVID-19 pandemic has brought to the forefront the importance of agility and quick decision-making in governance. Despite the considerable degree of uncertainty and risk around the novel Coronavirus, governments had to make rapid policy decisions in order to avert public health crises and ensure the uninterrupted delivery of public goods and services. In many contexts, because time was of the essence, indecision had harmful consequences!

Implications of Indecision and Risk Aversion

Risk aversion has an impact on the nature of tasks that bureaucrats choose to take up. Bureaucratic fear of loss of control can lead to a singular focus on routine tasks particularly in generating documentation viz. paper trails justifying their decisions.

Second, bureaucrats tend to spread policy risk by forming superfluous committees, delegating decision-making to a higher authority, or demanding consultation with different departments. It's also possible that the growth of ministries over the previous few decades has contributed to this. As of 2021, there are 51 Union Ministries, a threefold increase from the 17 ministries of newly independent India. Despite the fact that this is a favourable sign of power decentralisation, this proliferation stifles decision-making by generating delays and other coordination difficulties.

Third, when confronted with external dangers, bureaucrats can either get complacent with the system or be driven to develop new ways to manipulate or circumvent it. One technique is to work with other bureaucrats to get around processes (diversify personal risk), while another is to rely on non-governmental players such as funders and multilateral agencies for support (transfer project risk).

Fourth, these motivational challenges lead to arbitrary decisions and poor work performance, resulting in project delays, resource underutilization, inter-stakeholder coordination failures, and even the cancellation of major initiatives. Projects with highly defined mandates and activities are more likely to be implemented than those with broader objectives and uncertain consequences. Another way to put it is that bureaucrats perform best in mission mode when initiatives are "temporally focused," meaning they have set deadlines and known consequences. In contrast, bureaucratic responses to crises or disasters, where deadlines and outcomes are unknown or uncertain, are bureaucratic.

Fifth, and most importantly, the delivery of public goods and services degrade in quality. For officials, procurement and payment sanctioning are high-risk activities. In these processes, risk aversion has a direct impact on the quality of public goods and services. For example, regardless of a bidder's ability to deliver, there is a propensity to accept the lowest proposals that match the basic standards. This is because price-based purchase decisions are easier to defend after the fact, but quality-based procurement decisions are more difficult.

The Way Forward --- Recommendations

1. Personal risk protection: Provide protection for bureaucrats from political transfers, false accusations, political interference, and prosecution during deliberative procedures. By removing these personal risks, bureaucrats will be able to take policy risks without fear of personal, reputational, or professional consequences.
2. Autonomy and discretion: Whenever possible, allow for autonomy and discretion in decision-making. Bureaucrats must be held accountable for outcomes (within their power) rather than merely following processes, according to performance management systems.
3. Change the rules for career advancement: Promotion should not solely be based on seniority, but also performance. Even though performance-based compensation does not solve all of the Indian bureaucracy's incentive problems, it helps disincentivize illegal rent-seeking. A significant driver of the strategy's effectiveness is how performance is monitored and graded.
4. Competency and Training in Equitable & Ethical Decisions: Teach bureaucrats to think of themselves as policymakers, not policy implementers. They need to be taught the nuances of decision-making and risk-taking to achieve a given organizational goal. This necessitates bureaucrats with leadership, team-building, and other sector-specific knowledge. It is critical to assess competencies on a frequent and systematic basis in order to allow specialization.
5. Clear Mandate and Overload Prevention: To avoid overload, provide bureaucrats with the appropriate technological, educational, administrative, and human resources for decision-making. The terms of reference for bureaucrats and their teams must be clearly specified, with realistic mandates.
6. Demonstrate faith in officials' abilities and decisions, as well as policy experimentation. Bureaucrats must be inspired to participate in the difficult and time-consuming task of policy reform. This necessitates social incentivisation in addition to adequate financial incentivisation.
7. Citizen demand and institutional memory: Allow bureaucrats to collect data on citizen demand for specific reforms and document it. They must be encouraged to keep track of their reform efforts. The Indian government should invest in researching its own and other bureaucracies by collecting and storing data on demographics, grievances, outcomes, transfers, legal accusations, convictions, and career growth, among other things. Furthermore, this information should be made available in easily accessible formats, allowing journalists, researchers, and individuals to analyse it regularly.

8. Equitable decision making: There exists a need to instill in the civil servants the inescapable necessity of equitable decision-making such that the interests of all communities and classes are taken into consideration. The underprivileged and underrepresented need to be especially involved in the overall decision-making so that no group is left out of this complex process.

Conclusion

Decision-making is an extremely sensitive, complex and important part of all major activities of the government or department, or ministry and involves some risk-taking, both professional and personal. There exists a need to instill decision-making as a core competency in the civil servant who is more often than not at the central scheme of things in the government and provides continuity in governance. The civil servant also needs to be protected from inadvertent policy delays and policy deflections by his superiors while it is the cardinal duty of the civil servant to stay unbiased, objective and ensure the equitability factor for participative governance.

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