Lesson 7.10

GROUP DECISION MAKING AND CREATIVITY

Group Decision making

Decisions on all levels of organization are frequently made by groups.

C. Group decision making has several advantages and disadvantages over individual decision making.

3. Some **advantages** of group decision making include
   - e) Groups bring more diverse information and knowledge to bear on the question under consideration.
   - f) An increased number of alternatives can be developed.
   - g) Greater understanding and acceptance of the final decision are likely.
   - h) Members develop knowledge and skill for future use.
4. Group decision making has several **disadvantages** when compared to individual decision making.
   - e) Group decision making is more time consuming.
   - f) Disagreements may delay decisions and cause hard feelings.
   - g) The discussion may be dominated by one or a few group members.
   - h) **Groupthink** is the tendency in cohesive groups to seeks agreement about an issue at the expense of realistically appraising the situation.

D. Managers can enhance group decision-making processes by taking steps to avoid the pitfalls of group decision making.

4. Individuals should be involved only if they have information and knowledge relevant to the decision.
5. The composition of the group should reflect the diversity of the broader workgroup. Heterogeneous groups have been found to be more effective over time than groups with the same nationality and ethnic backgrounds.
6. Two tactics are available to avoid groupthink

(a) Devil's advocates are individuals who are assigned the role of making sure than the negative aspects of any attractive decision alternatives are considered.

(b) Dialectical inequity is a procedure in which a decision situation is approached from two opposite points of view.

E. Several **groupware** software packages are now available to enable managers to make use of recent advances in information technology that enables groups to utilize computers in their decision making.

1. Teleconferencing enables groups to "meet" electronically-either by conference phone hookups or through computer networks.
2. Group decision support systems are new specialized computer-based information systems which support groups working on less well defined problems.
3. Computer aids to group decision making seem to increase creativity. However, face-to-face meeting still tend to show stronger consensus and satisfaction among members of the group

The Creativity Factor in Decision Making

Innovation is important to organizational success in the marketplace.

A. Creativity versus Innovation.

There is a difference between creativity and innovation.

1. **Creativity** is the ability to combine ideas in a unique way or to make unusual associations between ideas.
2. **Innovation** is the process of taking a creative idea and turning it into a useful product, service, or method of operation. **Creativity** is the cognitive process of developing an idea, concept, commodity, or discovery that is viewed as novel by its creator or a target audience.

A. Creativity requires both convergent and divergent thinking.
   1. **Convergent thinking** is the effort to solve problems by beginning with a problem and attempting to move logically to a solution.
   2. **Divergent thinking** is the effort to solve problems by generating new ways of viewing a problem and seeking novel alternatives.

B. Creativity has three necessary ingredients.
   1. Domain-relevant skills are those associated with expertise in the relevant field.
   2. Creativity-relevant skills include a cognitive style, or method of thinking that is oriented to exploring new directions, knowledge of approaches that can be used for generating novel ideas, and a work style that is conducive to developing creative ideas.
   3. Task motivation is interest in the task for its own sake, rather than because of some external reward possibility, such as more

C. An individual's creative process has several stages.
   1. Preparation involves the individual's immersion in every aspect of a problem through
      a. Gathering initial information b. Generating alternatives
      c. Seeking and analyzing further data relating to the problem.
   2. Incubation involves a rest from consciously focusing on the problem as subconscious mental activities and divergent thinking take over.
   3. Illumination is often experienced as a breakthrough as a new level of insight is achieved.
   4. Verification involves testing the ideas to determine the validity of the insight.

F. Group creativity can be enhanced by means of a number of techniques. Two of which are following:
   1. **Brainstorming** is a means of enhancing creativity that encourages group members to generate as many novel ideas as possible on a given topic without evaluating them.
      a. The ground rules used in brainstorming were described earlier in this chapter.
      b. Computer assisted brainstorming have been found to give superior results.
   2. The N**ominal Group Technique** (NGT) is a means of enhancing creativity and decision making that integrates both individual work and group interaction within certain ground rules.

a. NGT was developed to foster creativity and to overcome the tendency to criticize ideas when they are presented

b. The ground rules of NGT are:
   1) Individuals independently prepare a list of their ideas on a problem.
   2) Group members present their ideas one at a time in turn, and ideas are listed for all to see.

3) Members discuss the ideas to clarify and evaluate them.
4) Individuals vote silently using a rating procedure.

c. Recent research suggests that NGT is superior to brainstorming groups in generating ideas but not so when compared to computer-assisted brainstorming.

Lateral Thinking Vs Vertical Thinking

Vertical thinking is logical but only in one direction. You ignore the possibilities and alternatives around you or various other ways of doing same thing. Vertical way of thinking is the problem solving way the way computers do.

Rotating a problem from different angles to try and locate alternative points of entry involves Lateral thinking. This is a creative processing that the human mind can do, but computers are generally unable to do. It is useful when one channel of thought reaches a dead end and another approach is needed. It can be difficult but satisfying to solve and will encourage you to examine lots of different clues and information without any prejudice. Thinking laterally and avoiding the obvious is a great tool in life of a manager. This thinking asks you generate 3-4 alternatives to a given problem and then try one option at a time to put into action and see the results for best.

Other Decision Making Methods

1. Delphi Method:

The Delphi method is a structured approach to gain the judgments of a number of experts on a specific issue relating to the future.

a. A panel of experts is surveyed in the interest of compiling a list of likely scientific breakthroughs and the predicted time of their occurrence.
b. The resultant list is resubmitted to the experts who then estimate whether the predicated breakthroughs are likely to occur earlier or later than the average estimated time frame.
c. The next set of results is again submitted to the experts.
   1) If a consensus is reached, dissenters are asked to explain why they disagree with the ajority.
   2) If there is a wide divergence of opinion this step is repeated.

2. Scenario Analysis:

The **Scenario analysis,** developed in France, approach addresses a variety of possible futures by evaluating major environmental variables, assessing the likely strategies of other significant factors (e.g., other organizations), devising possible counter strategies, developing ranked hypotheses about the variables, and formulating alternative scenarios.

a. **Scenarios** are outlines of possible future conditions, including possible paths the organization could take that would likely lead to these conditions.
b. One object of the method is to enable the organization to make decisions that do not greatly inhibit further freedom of choice

Deming's TOOL FOR Improvement and Innovation:

PDCA or PDSA i.e. Planning, Doing, Checking/Studying and Acting are the four activities which Dr. Deming taught to Japanese companies to solve work related daily and yearly problems. When the

tool i1s deployed out in a cyclic fashion will lead to improvement and innovation in every process and work area of the organization. This is one of the well known quality management tool.

Questions and Answers

1. Differentiate between creativity and innovation.

Creativity is the ability to combine ideas in a unique way or to make unusual associations between ideas. Innovation is the process of taking a creative idea and turning it into a useful product, service, or method of operation.

2. How can the systems model be used to help organizations become more innovative?

In the systems model we use inputs like creative people and groups and, through a creative process or situation, transform the inputs into the desired output such as creative products. The right environment is also important.

3. Describe the specific structural, cultural, and human resource variables associated with innovation.

Variables associated with innovation are structural (organic structure, abundant resources, and high inter- unit communication), cultural (acceptance of ambiguity, tolerance of the impractical, low external controls, tolerance of risks, tolerance of conflicts, focus on ends, and open-system focus), and human resource (high commitment to training and development, high job security, and creative people).