Lesson 1- Introduction and Approaches to Decision Making; Introduction to Planning

Prof. Shlomo Mizrahi, University of Haifa

shlomom@poli.haifa.ac.il

Decision Making - Definitions and Highlights

- **What is a decision?**
  - A decision is a process of choosing one course of action from a number of alternative options.
  - A decision is a pool of techniques for narrowing the space of choice and possibilities.
  - A decision is a process by which a person chooses a direction of action to achieve his or her goals.
  - A decision is to choose a particular path from a range of options, after exercising discretion with respect to the factors and forces that influence the problem that is being solved.
  - A decision is a conscious reference to an existing situation and choosing a course of action in response to that situation.
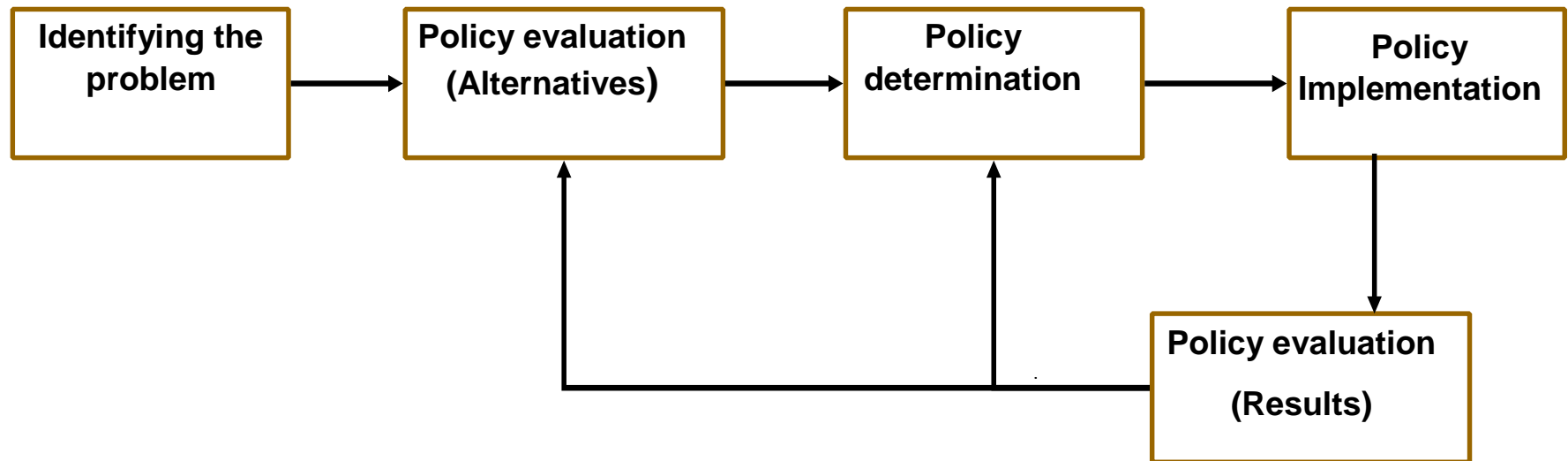
- Decision making is:

  - Multidisciplinary research area, which shares aspects of cognitive psychology, Political Science, Game Theory, Business and Management and other fields.
  - Deals with weighing alternatives in people and making their decisions.
  - Decision making is a process of identifying problems and opportunities, and resolving the problems.

- Simon (Simon, 1960) enumerated three major steps in the decision-making process:
  1. Intelligence - Search for situations in the environment that require a decision.
  2. Design - Finding alternatives, developing and analyzing.
  3. Deciding - Choosing between alternatives.

- Strategic vs. honest thinking / behavior

- Deduction vs. Induction

- Negotiations in the Supermarket Method vs. the Market Method (Bazaar)

- Normative vs. Positive Approach

- Manipulation vs. persuasion

- Planning vs. improvisation and intuition

Decision / Policy Making Analysis Process

Normative analysis refers to (objective) values as primary goals.
Positive analysis refers to (subjective) interests as primary goals.

| Identifying the problem | → | Policy evaluation (Alternatives) | → | Policy determination | → | Policy Implementation |

Policy evaluation (Results)

Key Approaches to Decision Making / Policy Analysis

- **The broad rational approach (normative)**

    - Based on the pure rational model
    - Requires setting unified value objectives
    - Cost-benefit analysis for building social priorities
    - Choice of alternatives based on the agreed value system

- **The additional approach - Lindblum, Wildebski**

    - Public policy as a continuation of past investments
    - Critique of the broad rational model
    - Public policy is evolving through the process of small changes being added to the existing policy framework.
    - The constraint of sunken costs
    - Root Policy vs. Branch Policy

- **Behaviorism - The Behavioral Approach to Decision Making**
  - This theory was first formulated by Herbert Simon from the 1950s and refined over the years. The starting point of the theory is that people's ability to make decisions is limited in the first place.

  - There are three reasons for this:

    1. Most people find it difficult to define what goals they want to achieve.
    2. When making decisions, people are, in fact, aware of only a few possible alternatives available to them.
    3. People find it difficult to attribute the results to absolute values that allow the benefits of these results to be compared to others.

❑ In order to address the difficulty of making well-founded and effective decisions, organizations typically define an internal hierarchy that sets the boundaries of each employee in their decision-making scope. This refers to job definitions, division of powers, work routines and unit responsibilities. In addition, organizations set goals and objectives for the management personnel so that eventually a complete mosaic is created that encompasses the full range of decisions the organization needs to make.

- **Thinking together (Janis and Mann)**
  - ❑ Thinking together or group thinking is a psychological approach that represents a way of thinking that results in reducing disagreements and friction between members of the group, without adequately examining new ideas or ideas that go against the decision of most members of the group. This is therefore a significant problem in decision-making processes.

☐ **Preconditions:**
1. **Group cohesion** - The group is based on a number of norms that characterize it and distinguish it from other groups.
2. **Friendship relationships -** Membership and intimacy relationships exist among the group members.
3. **Isolation** - The group is isolated from the environment, sometimes due to the need to maintain confidentiality.
4. **Allocated time** - The group is given a set period of time to make a decision on the topic in question.
5. **Fatal problem** - There is a high tension involved in making a crucial decision.
6. **Complexity** - The decision taken is important and complex, especially when it comes to issues related to national security.
7. **Lack of Decision Procedure** - Lack of systematic procedures for decision making and evaluation.
8. **Leadership Dominance** - There is an internal leadership that is oriented to a decision, sometimes a dominant chairman or manager.

- **Thinking Together - phenomena that impair the ability of the group to make optimal decisions:**

    1. **The illusion of "invulnerability"** common to most or all members of the group, which makes its decision makers take serious risks due to misplaced optimism.
    2. **Common rationalization efforts**, with the exception of the importance of warnings and alerts that may motivate group members to reconsider old policies.
    3. **Undeniable belief in the group's basic morality**, leading the group members to ignore the ethical or moral consequences of its decisions.
    4. **Stereotypical views** that view rivals or enemies as "big & wicked", that should not be negotiated with, or, alternatively, perceive opponents or enemies as silly and feeble, until there is no need to fear them or try to thwart their schemes.
    5. **Exerting pressure on the group members** who are debating or presenting arguments against the stereotypes of the group

members, its illusions or obligations, expressing an unequivocal position that such reservations are contrary to what is expected of all loyal members.

6. **Self-censorship"** (silence) of members of the group whose opinion is different from what is generally accepted by the group differs from what appears to be a social consensus, which reflects the tendency of each member of the group to downplay the importance of reasoning and counter-arguments (contradictory arguments).

7. **The illusion of unanimity**, partly due to the same self-censorship, which is reinforced by the mistaken assumption that silence is like agreement with the group's decision.

8. **The emergence of "thought-keepers" on their own**, ensuring that the group does not accept and / or interpret external information as may change its initial decision, and even "protect" the group from available information that is contrary to the official line of thinking, information that could shatter the confident indifference, which they all have in common in regard to the effectiveness and morality of their decision.

- Formation of **cognitive dissonance** in the decision maker;
  Is, a situation in which he cannot, even if he receives information that contradicts the decision he is making, to bridge the information that contradicts the logic of his decision and the decision. In other words, an individual who is in such a psychological state will use a number of techniques to help overcome the psychological gap he has experienced and "adapt" the new information to the decision he has already made (Jervis, 1978).

- **Means for overcoming the failures of thinking together:**
- Leaders must give each participant a "critical evaluator" role, through which he is expected to cast doubts.
- The leader of the group must not express an own opinion, so that the members of the group do not fit his opinion.
- The group leader must be absent from some of the group meetings.

- The organization must convene several groups working on the same problem.

- All relevant alternatives should be considered.

- Group members should discuss a problem with people outside the group that they trust.

- External experts should be included in the group meetings.

- "The Devil Advocate" strategy should be taken. This is a structured tool in the group discussion, designed to force participants to consider the considerations against the decision that is being made: In a discussion, a person presents a counter-position to the central position to avoid forming a unanimous opinion that impairs the effectiveness of the discussion. This counter-position may not reflect the true opinion of the viewer, but its presentation is necessary
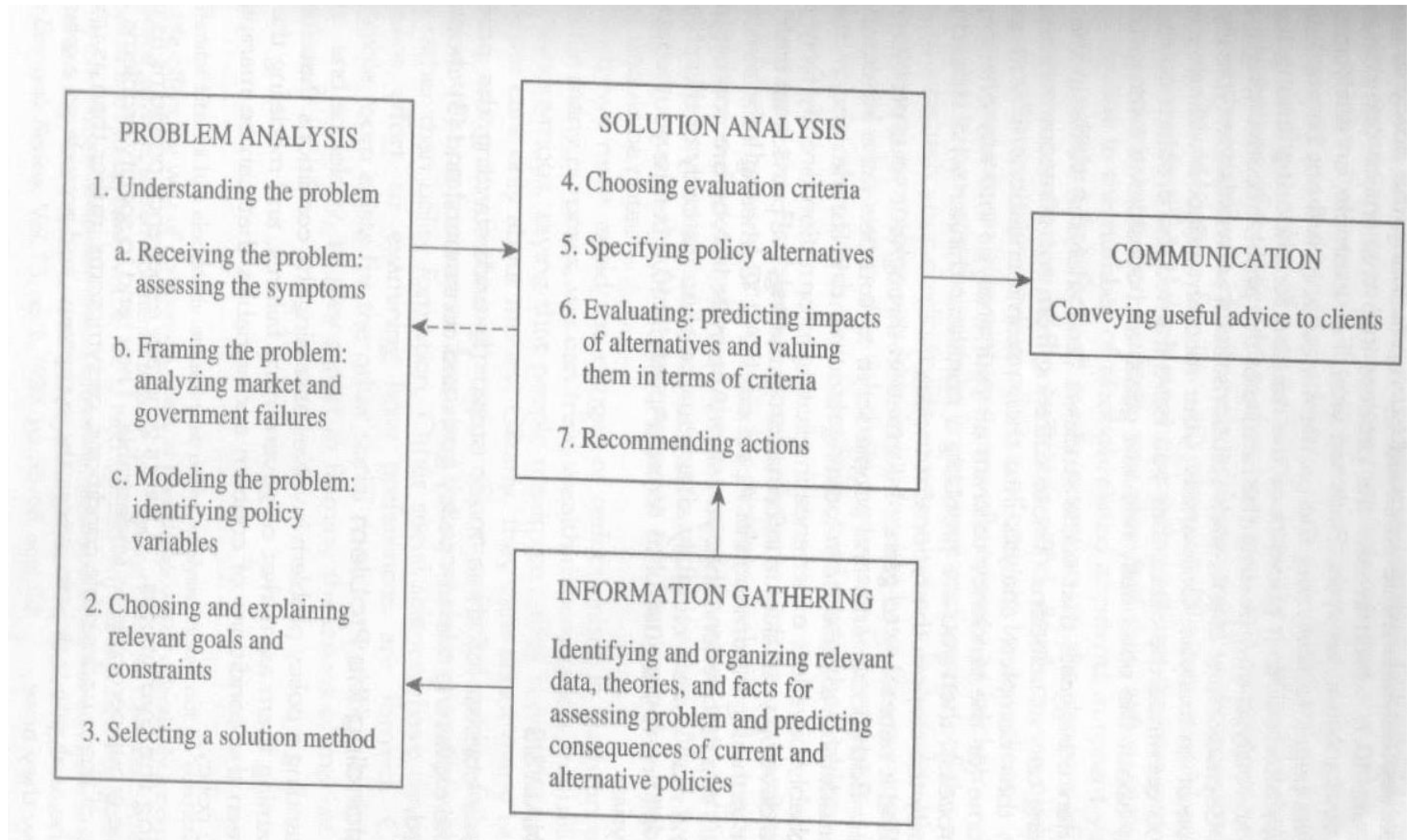
The Essence of the Planning Process in a Public Organization

- Planning is a mechanism for dealing with problems and offering them short-term or long-term solutions.

- Planning in its expansive definition also includes engaging in setting goals and dealing with failures and barriers and therefore the political process has design features.

- Planning also includes technical components and requires relevant technical skills for the field in which the design was done.

- Policy planning is not just controlling information and data and being able to derive an action plan, but it requires analysis and understanding of social, political and economic contexts. Policy planners are largely

coalition builders as well as information collections.

- The sources of power and influence of the policy planner include expertise and technical knowledge, a monopoly on organizational and political information, and the role of a gatekeeper when it comes to information accessibility.

- In addition, you can note: connections, ability to apply pressure, dealing with uncertainty, negotiating ability and coalition building, problem-solving ability, threat identification and opportunities.

The General Analysis Framework

PROBLEM ANALYSIS

1. Understanding the problem

   a. Receiving the problem: assessing the symptoms

   b. Framing the problem: analyzing market and government failures

   c. Modeling the problem: identifying policy variables

2. Choosing and explaining relevant goals and constraints

3. Selecting a solution method

SOLUTION ANALYSIS

4. Choosing evaluation criteria

5. Specifying policy alternatives

6. Evaluating: predicting impacts of alternatives and valuing them in terms of criteria

7. Recommending actions

COMMUNICATION

Conveying useful advice to clients

INFORMATION GATHERING

Identifying and organizing relevant data, theories, and facts for assessing problem and predicting consequences of current and alternative policies

Planning Process is Linked to Strategic Management and Performance Management

Based on stakeholder input and previous performance, government engages in results-oriented strategic planning; goals have a clear purpose and are communicated.

Performance information is communicated to employees, the public, and specific decision venues (including implementing strategic goals, resource allocation, policymaking, evaluation, performance monitoring, performance improvement efforts, benchmarking, capacity improvements).

Government engages in valid and accurate performance measurement that reflects progress toward results. Measures are communicated.
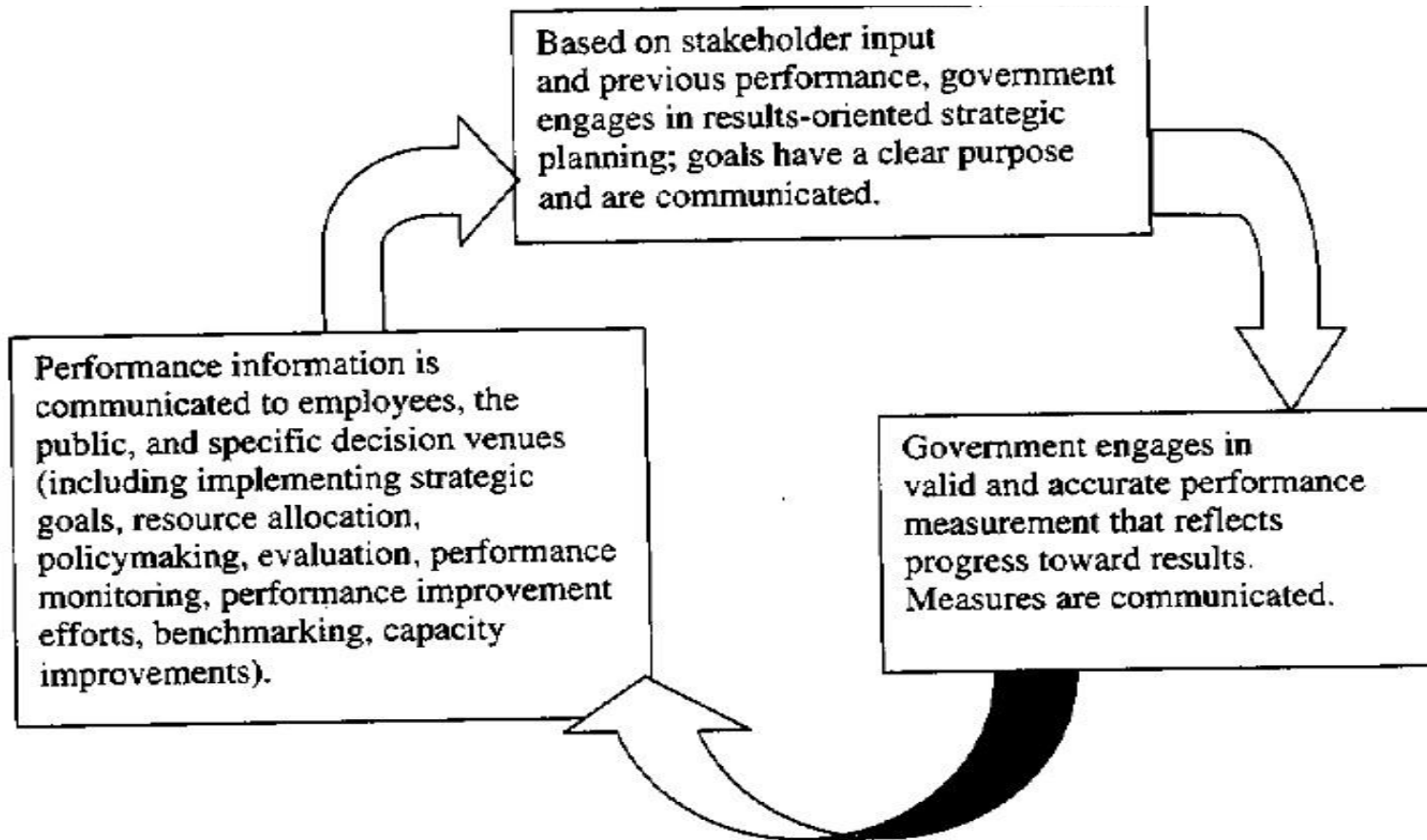
Figure 1.1 Integrating planning, measurement, and decision venues
Source: Adapted from Ingraham and Moynihan, "Beyond Measurement: Managing for Results in State Government."

Ethical and Principle Dilemmas in Policy Planning and Analysis

Either a narrowing or an expanding approach to policy planning and analysis can be adopted:

- **The narrowing approach** holds that the policy analysis stage, both at the research and application levels, is only technical when the alternatives and parameters in their estimation are given, and the policy assessor rates the various alternatives while weighing the various parameters presented by the policy-maker. Complex and sophisticated techniques that will enable weighting of as many parameters as possible in the most efficient way. These techniques are mainly taken from the field of performance research.

- **The expansive approach** to the field of policy analysis holds that at this stage must include also the stage of selecting alternatives and defining the parameters for evaluation, since this already has a significant impact on the results of the technical calculations. Considering that the stage of determining the alternatives and parameters includes a value judgment, it is thus a normative approach. According to it, the bureaucrat-expert or researcher defines weighting parameters - parameters that reflect relatively objective value judgment – and according to which the cost and benefit of each alternative is estimated. This framework also examines the possibility that achieving a particular goal will harm other goals. This definition emphasizes the need for a broad view that goes beyond the interests of one or the other client and also examines the social effects and outcomes that a particular policy program has.

- From an overall perspective, policy analysis may be guided by a normative and / or a positivist approach.
- Normative analysis is an analysis based on values and within which the policy analyst tries to show what reality should look like and accordingly proposes a plan for changing reality.
- Positivist analysis is an analysis based on the interests of the different actors operating in reality and in which the policy analyst examines how these actors analyze reality and what motivations or barriers affect them in their actions towards any phenomenon.
- The professional approach that guides the policy analyst largely radiates his professional and social role as well as his professional ethics. From an extreme point of view, a

purely normative approach places the policy analyst at the ideological edge, while the pure positivist logic will lead to the role of a consultant to promote personal interests (usually political).

- WV discusses these issues in Chapter 3 of their book, with the aim of understanding the professional framework of the policy analyst. They argue that three key values should guide the policy analyst: analytical integrity, customer responsibility, adherence to personal perception of the nature of a good company. These values reflect both respect for professional knowledge and an expression of the social role of the policy analyst and his general values. However, in practice, one value is more dominant in a policy analyst than other values and accordingly a typology of typical policy analysts can be proposed.

- The "objective technician" type is primarily guided by analytical integrity and considers analytic capabilities the source of legitimacy. Because of their ambition to specialize in objective analytical tools, they usually have economics and performance research training.

- The "client's advocate" type is guided first and foremost by his or her responsibility to the client, because the client legitimizes their involvement in the policy-making process.

- An "Issue advocate" type sees the policy analysis as a means of advancing his or her perception of the essence of a good society and is therefore guided by his or her social values.

  Their choosing one or the other client is also a means of achieving the ultimate goal.

The Key Characteristics of the 3 Policy Expert Types (WV)

Table 3.1   Three Views on the Appropriate Role of the Policy Analyst

	Fundamental Values		
	Analytical Integrity	Responsibility to Clients	Adherence to One's Conception of Good
Objective Technician	Let analysis speak for itself. Primary focus should be predicting consequences of alternative policies.	Clients are necessary evils; their political fortunes should be secondary consider-ations. Keep distance from clients; select institutional clients whenever possible.	Relevant values should be identified, but trade-offs among them should be left to clients. Objective advice promotes good in the long run.
Client's Advocate	Analysis rarely pro-duces definitive conclusions. Take advantage of ambi-guity to advance clients' positions.	Clients provide ana-lysts with legitimacy. Loyalty should be given in return for access to privileged information and to political processes.	Select clients with compatible value systems; use long-term relationships to change clients' con-ceptions of good.
Issue Advocate	Analysis rarely pro-duces definitive conclusions. Empha-size ambiguity and excluded values when analysis does not support advo-cacy.	Clients provide an opportunity for advo-cacy. Select them opportunistically; change clients to further personal policy agenda.	Analysis should be an instrument for progress toward one's conception of the good society.

WV offers a model that describes the modes of coping available to policy analysts in the event of a value conflict. These options range from protest, attempted sabotage and resignation, with several intermediate options.

Figure 3.1 Alternative Responses to Value Conflicts