Chapter 7:
Decision Making

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The Traditional Managerial Approach to Decision Making (1)

- Relies on bureaucratic organization to promote **rationality**. It favors a rational-comprehensive approach to decision making.
  
  - reducing the number of alternatives that need to be considered,
  - reducing the number of values that must be assessed in making a choice from among the alternatives,
  - assuring that the administrator knows how to make a rational choice,
  - providing the administrator with sufficient information to select from among the alternatives.
The Traditional Managerial Approach to Decision Making (2)

- How to reduce the number of alternatives?

Specialization

- Divides the functions of public agencies into manageable units.
- Limits the value that a public administrator must take into account in keeping choices from among competing alternatives.
The Traditional Managerial Approach to Decision Making (3)

- How to reduce the number of values that must be assessed in making a choice from among the alternatives?

Hierarchy

- Defines the authority of public administrators.
- Continues to limit the responsibility of officials and helps define the values with which they must be concerned.
The Traditional Managerial Approach to Decision Making (4)

- How to assure that the administrator knows how to make a rational choice?

  Merit

  - Seeks to guarantee that they will use the technical ability free of partisan political considerations.
  - Employees’ actions are to be governed by the agency’s hierarchy, rules, and values, as well as by the rule of law.
The Traditional Managerial Approach to Decision Making (5)

• How to provide the administrator with sufficient information to select from among the alternatives?

  Formalization

  - Specifies precisely the factors and information to be taken into account in exercising choice.
  - Indicates to a decision maker the relative weight to be assigned to different factors when there is a potential conflict among them.
The Traditional Managerial Approach to Decision Making (6)

Critique of the Rational-Comprehensive Model:

- Unclear objectives
- Political pluralism constrains consensus building
- Time constraints limit the analysis
- Specialization may breed contradiction
- Cost-shifting may occur
The New Public Management and Decision Making

• Market Criteria
  Markets promote two types of efficiencies:
  - Distribute goods and services efficiently.
  - Develop technical efficiency.

• Employee empowerment
  Employees can be considered empowered:
  - Exercise a great deal of discretion.
  - Have considerable independence with their organizations.
  - Provide services or enforce the law selectively.
  - Their decisions constitute the policy outputs of the agencies for which they work.
The Political Approach to Decision Making: The Incremental Model (1)

- Is more characteristic of public administrative operations in the United States,
- Is the model that should be relied on to the greatest extent.

The incremental model specifies the following general process for administrative decision making:
- Redefining the ends.
- Arriving at a consensus.
- Making a satisfactory decision.
Redefining the Ends
- Means and ends are not treated as distinct from one another.
- The ends of government policy are often defined by the means available to an agency for moving in some general policy direction.

Means: Social representation of all ethnic and racial groups
May be redefined: End of social representation

Social representation of all ethnic and racial groups
• Arriving at a Consensus

Means and ends are treated as packages more or less acceptable to relevant communities of interest.

The package

Most acceptable
= greatest support

Best approach
The Political Approach to Decision Making: The Incremental Model (4)

• Making a Satisfactory Decision

Administrative decision makers taking the incremental approach will consider a few means-ends packages and select one that is satisfactory.

Little or no effort is made to reach an optimum decision that maximizes the appropriate value.

Decisions are guided by past practice and tend not rely heavily on theory.
A Critique of the Incremental Model

- It is inherently conservative to the extent that it may become extremely difficult for government to respond effectively to changes in society.

- It relies on the taking of small steps in modifying policy, it is possible eventually to end up with undesirable and unforeseen consequences.
The Legal Approach to Decision Making (1)

Relies on adjudicatory procedure in an effort to assure that:

• individuals, groups, corporations, or other parties are not denied their rights or otherwise treated contrary to law,

• decision making is reasoned and based on sound information.
The Legal Approach to Decision Making (2)

Adjudication

Prospective Adjudication
- Requests by regulated utilities, transportation companies, radio and television broadcasters, …
- Requests for licenses to operate a business or provide a service in a regulated sector of the economy.

Retrospective Adjudication
- An alleged wrongdoing comes to the attention of an administrative agency.
- This may occur through the filing of a complaint against an individual, corporation, or other party.
Critique of Adjudication as a Decision-Making Model

- It shares the major potential disaster of legal approach to decision making.
- It appeared that the public service was becoming unmanageable.
- It can lack uniformity.
- It places public administrators and individuals or organizations in an antagonistic, adversary position.
The Case of Benzene in the Workplace (1)

The Occupational and Health Act (OSHA) of 1970

Industrial Union Department
Reduce the hazards of benzene in the workplace
Level of benzene from 10 ppm to 1 ppm in the rubber, petroleum refining, and petrochemical industries.

The American Petroleum Institute
OSHA Exceeded his statutory authority. To lower the level of benzene from 10 ppm to 1 ppm is not feasible. The costs are too high.
The Case of Benzene in the Workplace (2)

- Congress decision making
  
  The words “to the extent feasible” were offered as a substitute for the original language of the OSHA bill as a means of forming a coalition in support of greater regulation of workplace health and safety.

- Incremental decision making
  
  Eliminating toxic substances from the workplace is a desirable policy objective.

- Rational-comprehensive approach
  
  OSHA and the secretary of labor’s task.
Organizational Context and Accountability for Decisions: Inside the “Garbage Can”

- Individual managers work in an organizational setting that forms the context of the decision-making activity.
- A moment’s thought and reflection will reveal that most of the problems that managers make decisions about are the organization’s problems.
- When the various interests and constituencies within and without the organization are included, the decision making context becomes complex.
Conclusion (1)

- Each of the decision-making approaches has advantages and disadvantages.
- No decision-making approach is fully suitable for all decision situations.
- A combination of the advantages of each of the managerial, political, and legal approaches can be maximized while their limitations are minimized.
Pitfalls that should be avoided for administrative decision-making approaches:

- Lack of goal clarity.
- Confusion of the public interest with that of a customer, clientele group, or constituency.
- Rigid conservatism.
- The tendency to oversimplify reality.
- “Overquantification” and a tendency to deemphasize or ignore qualitative factors.
- Reluctance to engage in policy and program evaluation.
Thank you very much for your attention!