

## **Group Decision Making**

Are Groups better than Individuals?

### **Advantages of Group Decision Making**

Strengths

More complete information

Increased diversity of views

Higher quality of decisions (more accuracy)

Increased acceptance of solutions

### **Disadvantages of Group Decision Making**

More time consuming (slower)

Increased pressure to conform

Domination by one or a few members

Ambiguous responsibility

### **Why Do People Join Groups?**

### **When do we need a group decision?**

Is acceptance essential?

Is quality of decision important?

Personalities and capabilities

Climate (cooperative or competitive)

Time available

### **To Reduce Social Loafing**

Make individual contributions identifiable

Make individuals feel that they are making valuable contributions to the group

Keep group as small as possible

### **Factors Affecting Group Cohesiveness**

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### **Group Decision Rules**

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### **Group Consensus**

A proposal acceptable enough that all members can support

Requires time

Active participation of all group members

Communication skills

Creative-thinking and open-mindedness

### **Two Key Elements of Group Decision Making**

1.

2.

### **Factors affecting Group Decisions**

The nature of the task

The fit between the task and organizational (group) structure

The fit between individual abilities and group structure

The distributions of individual abilities

The availability of resources

Internal motivation and external support

Institutions and social network

## **Biases in Group Decision Making**

### **Choice Shift**

Using Choice Dilemma Questionnaire, CDQ), Stoner (1961) found that on the whole, groups are more risk seeking than individual members' risk preferences would predict.

Overall, groups tend to be more extreme than individuals in their willingness or unwillingness to endorse risky decisions.

Since both risky shift and cautious shift were observed, the phenomenon is more appropriately called "choice shift".

**Group polarization** effect: Group discussions tend to magnify or enhance the predominant view within the group (Moscovici & Zavalloni, 1969)

When there are no dominant cues in a decision problem, verbal framing of choice outcomes become more effective.

### **Conformity**

Asch's Conformity (Line Length Matching) Experiments

The new dress of the emperor

Movement of Sheep

### **Obedience**

Milgram's "Electrical Shock" Experiment

How many would increase levels of shock 30 times from 0 to 450 volts?

Self-Explanations:

Factors contributing to obedience:

### **Role Play**

Zimbardo's Prison Study

Situational effects on both prisoners and guards were real and powerful. The abuse by the 'guards' and the rebellion of 'prisoners' developed and aggravated within several days.

Zimbardo's Stalled Cars Study

## The Broken Windows Hypothesis

### **Groupthink**

Janis (1972): Tendency to overemphasis consensus and a consequent failure to critically evaluate assumptions and options when the group is highly cohesive.

Three Necessary Conditions for Groupthink:

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### Examples:

the North Korea War in the 1950s,  
the Bay of Pigs fiasco in the early 1960s,  
the escalation of the Vietnam War,  
the ill-fated launch of space shuttle Challenger  
the War in Iraq (Weapons of Mass Destruction)

Janis (1972) The Antecedents and Consequences of Groupthink

(1) in cohesive groups, (2) the desire for concurrence leads to  
(3) specific symptoms:

illusions of invulnerability,  
belief in the inherent morality of the group  
stereotypes of out-groups  
direct pressure on dissenters  
individual self-censorship  
illusion of unanimity  
self-appointed mind-guards

The symptoms then lead to (4) a number of deficiencies in decision making:

poor information search  
selective bias in processing information  
incomplete survey of alternatives and objectives  
failure to examine risks of preferred choice  
failure to reappraise initially rejected alternatives  
failure to work out contingency plans

Research literature on groupthink is sparse and shows mixed results.  
Some researchers show that group cohesiveness does not itself impair decision quality.

## **Working Condition vs. Peer Pressure**

The Hawthorne Studies

The incentive plans had less effect on workers' output than did group pressure and acceptance. Social norms and group standards are key determinants of individual work behavior.

## **Effects of Decision Heuristics within Groups**

- a. Greater representativeness effect in groups than in individuals.
- b. More accurate than individuals in the judgments regarding uncertain events
- c. Overconfidence occurs in groups as well as in individuals
- d. Non-rational escalation of commitment is less frequent in groups than in individuals, but groups that do tend to do so to a greater degree than individuals.
- e. Group decisions tend to be biased toward the shared information, even when unique information is more valuable to the quality of the decisions.

## **Group Negotiations**

Parties are often competing for resources. Group decision making can often be most accurately understood as a negotiation in which group members, representing their own interests, make decisions to resolve conflicting preferences.

## Information-Processing Demands

Finding others' reservation points and cognition

## Decision Rules

Unanimous rule  
Majority rule  
Voting

## Complex Interpersonal Processes

GuanXi network  
Behavioral norms – rules of conduct

## **Group Consensus**

Group interaction and group consensus may lead to overconfidence in group decisions.

## **Group-Decision Techniques**

Option Generation

Since 1957, when A. F. Osborn, an advertising executive, published his book about "**brainstorming**", there has been ongoing controversy about the value of group participation in option generation for decision making.

## Four Rules of Brainstorming:

- (1) Criticism must be withheld during generation stage.

- (2) Odd even crazy ideas are encouraged.
- (3) The more ideas the better.
- (4) Using others' suggestions as a source of ideas is acceptable – sometimes called "piggybacking".

#### Problems of Group Brainstorming:

"Production blocking": inward attention and forgetting when waiting to speak.

#### EBS (Electronic Brainstorming System):

EBS resulted in more ideas being generated by groups than by comparable numbers of independent individuals, the number of unique ideas increased as group size increased, and this happened without penalty to participant satisfaction.

The preponderance of evidence is that brain storming seldom is more effective, and is certainly less efficient, than a comparable group of individuals each working alone. Nevertheless, in conjunction with computer-aided methods that reduce production blocking, there may be a renaissance of interest in brainstorming.

#### **Nominal Group**

A group decision-making method which restricts discussion during decision-making process.

- 1.
- 2.
- 3.
- 4.
- 5.

#### **Interacting Groups**

Typical groups where members interact with each other face-to-face.

#### **The Delphi technique**

It gathers and evaluates information from a group without physically assembling its members.

In a Delphi process a questionnaire designed by a team is via mail or e-mail to a larger group of individuals.

The questionnaires are evaluated and filled out by the larger group who then returns them to the small monitoring team.

Upon receiving the questionnaires the monitoring team summarizes the results. Using these results the monitoring team designs a new questionnaire that is then sent again to the larger group.

**NGT: Electronic Meeting**

Typically group members sit in a half circle arrangement that allows them to see their own screen and a group display, which is usually a projector or large monitor of some kind. The biggest advantage of the electronic meeting is that of anonymity to the individuals of the group. Anonymity allows participants to be honest about important issues.

**Evaluating Group Meeting Techniques**

Type of Group				
Effectiveness Criteria	Interacting		Brain Storming	
	Nominal	Electro.		
# of ideas				
Quality of ideas				
Social pressure				
Money cost				
Speed				
Task orientation				
Interpersonal conflict				
Accomplish. feeling				
Commitment				
Cohesiveness				

Note: M = Moderate

Source: J.K. Murnigham "Group decision making: What strategies should you use?" Management Review, February, 1981

**A Participatory Group Decision Making Model**

The Vroom and Yetton (1973) and Vroom and Jago (1978):

An organization's members can participate to different degrees in managerial decision making and that the leader's task is to select the right level of member involvement based on the characteristics of the decision problem.

Five Levels of Member Participation:

- (1) No member participation (The leader makes the decision.)
- (2) Members are invited to contribute information and the leader makes the decision.
- (3) Members are provided with information and solicited to make individual suggestions. Then the leader makes the decision.
- (4) Members are provided with information and solicited to make collective suggestions. Then the leader makes the decision.

(5) Members are provided with information and solicited to make collective suggestions. The consensus of group discussion becomes the organization's final decision.

Initially Seven Factors Determining which of the Five Levels of Participation is Appropriate:

- (1) Importance of decision quality
- (2) Leader's expertise
- (3) Whether the problem is clearly structured
- (4) Importance of members' commitment
- (5) Acceptance of autocratic decisions by the leader
- (6) Motivation of members to achieve the organization's goals
- (7) Likelihood of reaching consensus

Additional five Factors (Vroom & Jago, 1988).

- (8) The extent to which members have sufficient information
- (9) Time constraint for involvement
- (10) Geographical distance of members
- (11) Time pressure for making the decision
- (12) If participation foster member development