

A guide to managing resources for today's families—

Improving Decision-Making Skills

Everyone has difficulty making decisions at times, but if your typical response when you face a major (or even a minor) decision is simply to say, "I just can't make up my mind!" improving your decision-making skill can help you approach decisions with more confidence.

Developing your decision-making abilities can give you more freedom and control over your life and increase your chances of being satisfied with your decisions. A skilled decision-maker develops more alternatives from which to choose and a better chance of achieving the alternative selected.

What is Decision-Making?

Decision-making is the process of selecting one course of action from several alternative actions. It involves using what you know (or can learn) to get what you want.

To improve your decision-making skills, you need to know yourself, your values and your abilities. Values are your opinions about what is "right" or "good" or "valuable." Your values reflect what you think is important in life. They are developed through experiences within the family, with friends, through church, school, and community organizations, and with the society at large. Values give meaning to your life by providing a basis for setting priorities—for deciding which goals or actions are more worthwhile and which ones are less important.

Knowing family values helps the members of a family establish goals, make the necessary decisions and take the needed actions to meet their goals. The values of individual family members form the basis for the values of the family group, even though some individual differences and conflicts may have to be resolved.

A decision-maker also must know something about the environment—its opportunities, its limitations and the possibilities for change.

If you have only one possible alternative (or do not perceive more than one course of action), you are not making a decision. However, even in this limited choice situation, if you have the choice of taking action or not taking action, decision-making is involved. Although many decisions are made largely by habit, others involve weighing two or more alternatives.

Individual and Group Decisions

One way to explore decision-making is to look at individual and group decisions . . . their differences and their similarities.

While many decisions are primarily a personal or individual concern, others involve the whole family, club or group, the community and the broader society. Group members accept decisions more readily and carry them out more efficiently when they have been involved in the decision-making process. Group decisions may be better if more alternatives are suggested and nonproductive options are identified earlier.

Families or other groups reach decisions in several ways, such as through:

1. **Dominance/Submission (Win/Lose)**—One person dominates the situation; others give in as a decision is made.
2. **Conversion (sometimes Win/Win, sometimes Lose/Lose)**—Additional facts are presented so one person persuades others to his or her view, or he or she gives up something to get something.
3. **Integration (Win/Win)**—Unanimity or a synthesis of ideas develops that everyone can agree on and support.

Types of Decisions

Another way to explore decision-making is by considering the content of the decision.

1. *Social* or *human* decisions involve setting goals and priorities that determine the general roles of individuals and relationships among individuals within a group.

2. *Economic* or *allocation* decisions involve the availability of resources and ways of allocating or distributing these resources among various goals.

3. *Technical* or "*what, when, how, who, why*" decisions involve allocating specific amounts of given resources to most efficiently attain a single goal, accomplish a specific task or make a specific consumer purchase.

4. *Coordination* and *interaction* decisions relate to social, economic, and technical decisions. They deal with communication within the family and with the larger community, the kinds of information needed to make other decisions, criteria for evaluating decisions and ways of motivating family members to carry out their roles.

The Decision-Making Process

The steps in the decision-making process are similar, regardless of whether the decision involves family and individual resource management, consumer purchases, or other situations requiring choices. These steps include:

1. *Recognize the problem or opportunity.* The decision-making process begins with recognizing a need for change.

2. *Analyze the situation.* Once you recognize that there is a difference between “what is” and “what could be,” study the situation carefully to determine exactly what is causing the difference. Be as specific as possible. Try to find the real cause, not just the symptoms. Study potential opportunities in the same way.

3. *Consider your goals.* Consider the goal or goals you want to reach. The goals you choose are influenced by the values you have—what you believe is important. Becoming more aware of your values and the priorities you put on them helps you see more clearly what is desired. Then facts can be combined with values and emotions to reach the decision. A person who is making a decision must learn how to select what is important from the information available.

4. *Look for alternatives.* Look for as many alternatives as possible to solve your problem—not just the obvious or habitual ones. Creative thinking, reading and talking to other people may uncover more possibilities. If the decision is very important—in human or economic terms—it will be worthwhile to spend more time and effort in identifying alternatives.

5. *Consider the consequences.* One of the key elements of the decision-making process is looking ahead to see “what might happen if I do this!” Sometimes it is possible to gather information to help you predict. At other times, you must predict with only what you already know. Careful thought and practice will help you learn to make better predictions. Consider the use of resources, too: What resources are needed to carry out each alternative? How much time, energy, skill, money, knowledge or other resources are required? What must be given up? Which choice fits better with your values and goals? Writing down the answers to these questions helps focus your thinking.

6. *Select the best alternative.* Look realistically at the possible alternatives and select the one that seems best for you in terms of your values, the goals you are working toward and the resources you have. It is possible that none of the alternatives will be attractive to you. If there is no one “best” alternative or none seems satisfactory, perhaps a new alternative can be created by compromising or combining some of the possibilities.

7. *Act upon the decision.* Making a decision doesn’t end with choosing the best alternative. You must put your decision into action.

8. *Accept the responsibility.* When you have made a decision say to yourself, “The buck stops here.” Accept both the responsibility for the decision and the consequences—without excuses. Plan to abide by your choice until changes or improvements can be made. Your ability and willingness to do this will help you make a realistic appraisal of your decisions and provide a basis for improving them. Most decisions are made under conditions of uncertainty, imperfect knowledge, and limited resources. You do “the best you can with what you’ve got” and try not to expect the impossible.

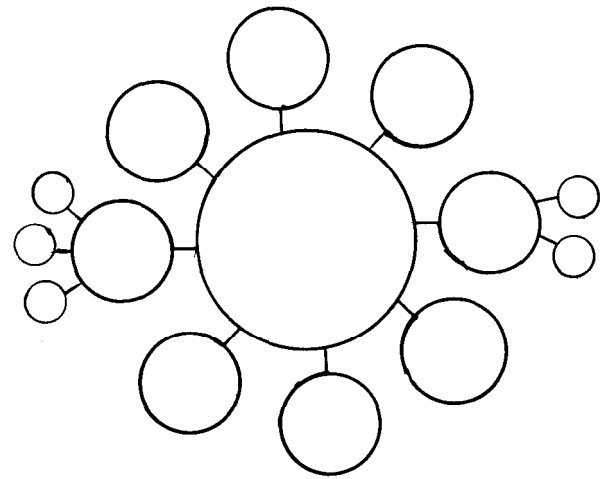
9. *Evaluate the results.* The outcome or results of decisions—especially major ones—should be evaluated to determine their effectiveness. Even habitual decisions need to be examined periodically to be sure they are sound and they still suit the current situation.

Relationships Among Decisions

Decision-making is a dynamic process because decisions are often interrelated and interdependent. Decisions made at one time affect (and are affected by) other decisions.

Consider these three models as you study the relationships among your decisions:

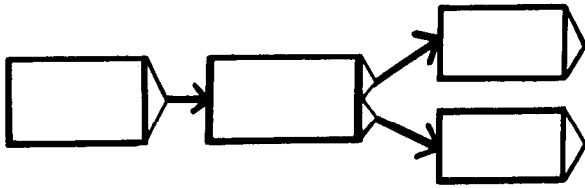
Central and satellite decisions involve a major decision and the other choices required as a result. Central decisions are key decisions that have a significant impact on a situation or even a total lifestyle. Most social decisions, as well as some economic decisions, fall into this category.



Central and satellite decisions

Satellite decisions are related to the central decision. These “follow-up” decisions determine how well the central decision is carried out and how satisfying the results are. If the key decision is whether or not to buy a house, many satellite decisions also must be made. Choices include location, the specific house itself, methods of financing, how and when to move, changes in jobs, schools and transportation, revision of insurance coverage, and many more. Each satellite decision may require smaller satellite decisions. If the move requires the family to purchase a second car, then a number of decisions about the model of car, new or used, where to buy, how to finance, added insurance, etc. would be needed.

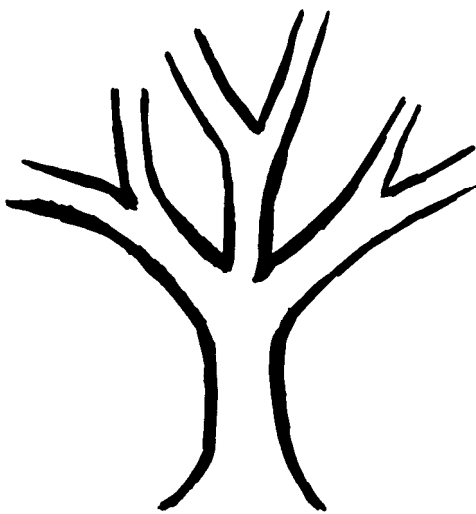
Chain decisions are another type of linkage. Some decisions can be visualized as a chain reaction—one decision is influenced by the preceding one, and in turn influences the next one. The size of your house and the condition of your furniture will influence choices in new furniture. These



Chain decisions

choices may influence family activities and changes in the uses of the older furniture. "One thing leads to another" is a phrase that illustrates the continuing nature of the decision-making process. Chain decisions can occur by themselves or as part of a central-satellite complex.

Decision trees are sets of choices resembling a tree with two (or more) separate branches. Some decisions set a course that is difficult (although not impossible) to change. Some examples are choosing a career, buying a house or retiring. After such a basic choice is made, subsequent options and decisions branch out like the forks of a tree. If the basic choice is "A," a set of options will need to be decided. If the choice is "B," a different set of options will develop. Many people are fearful of making such basic decisions because they think there is only one "right" or "best" decision and that dire consequences will result if the wrong choice is made. All decisions can be "right" or winning decisions, although the benefits will differ with each basic choice. The outcome of any decision provides opportunity for learning and growing. For example, if you choose to accept a new job, you may have opportunities to learn new skills, meet new people and broaden your experience. If you decide to stay with your present job, you may have opportunities to "fine-



Decision trees

tune" your existing skills and find an opportunity for promotion within the company.

The Timeline Technique

The timeline technique involves setting up a timetable for carrying out the decision-making process. Think about a project or decision you're having trouble with. To promote fast and effective decision-making, three or four options are usually enough. Set up your timeline and fill in the dates:

Timeline: Action and date

Identify the problem or opportunity. By _____.

Analyze the situation. By _____.

Clarify your goals or objectives. By _____.

Identify some alternatives. By _____.

Consider the consequences. By _____.

Compare alternatives with your goals and with each other. Select the best alternative. By _____.

Put your decision into action. A trial decision is one good method for dealing with uncertain situations. By _____.

Celebrate. Do something special to reward yourself for having made your decision. By _____.

Evaluate the results. By _____.

Improve Your Decision-Making

Some individuals make decisions in a "task-oriented" manner. They prefer to establish a goal and a time frame, gather the facts, analyze the information and make a choice. Other individuals regard decision-making primarily as a social activity, rather than a job to accomplish. Highly productive people usually have a balanced style, so their decisions consist of both tasks and relationships.

Decision-making skill can be improved by study and practice. Avoid these mistakes which are often made by unskilled decision-makers:

- Not choosing an action because the possibility is not recognized;
- Choosing an action even though the possible outcome is unknown;
- Underestimating or overestimating the importance of certain information;
- Collecting information that cannot be used or is not necessary;
- Choosing a course of action on impulse, without considering the consequences;
- Neglecting to make a choice because not everything can be predicted with certainty.

To improve your ability as a decision-maker:

–Be aware of your own and your family's values. Review what you want to accomplish before you begin comparing alternatives.

–Get the facts. Look at the situation in an unbiased way. Review your information clearly and evaluate it objectively.

–Consider both emotions and facts.

–Avoid making excuses or rationalizations.

–Try not to make decisions while you are tired or under stress.

–Realize that few decisions are irreversible. As with other skills, practice and positive thinking lead to success.

As the environment in which we make decisions becomes more complex, both the opportunity and the corresponding responsibility of making decisions increase. The key factor in "making things happen" instead of just "letting

things happen" is skillful decision-making. One of the vital characteristics of a good manager is the ability to make decisions that direct and guide actions and resources in a planned direction. Individuals, families and other groups can choose their own futures by making sound decisions and putting them into action.

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