
A Case-Study Approach to Managerial Decision Making

John G. Peden

Recreation and Tourism Management Program
Georgia Southern University
Statesboro, GA

Henry A. Eisenhart

Georgia Southern University

Abstract

Today's community recreation programs exist in dynamic and uncertain environments that are often characterized by complex stakeholder relationships and rapid change. Economic conditions, socio-political pressures, legal concerns, technological advances, and demands for accountability have placed considerable pressure on managers who are generally expected to do more with less. Successful decision making has become increasingly dependent on one's ability to make efficient, effective, and equitable decisions that address the needs of internal and external stakeholders. Like any skill, decision making can be learned. This paper outlines a case-study approach to decision making within the context of an undergraduate recreation management course. Relevant background information is provided, along with a description of the activity, desired learning outcomes, and recommendations for implementation.

KEYWORDS: Decision-making, problem-solving, stakeholders, biases, teams

Introduction

A problem exists when there is a constraint or barrier that interferes with the attainment of organizational goals (Certo & Certo, 2009). Problems occur at all organizational levels, regardless of position titles and managerial roles. Although non-managerial employees are just as likely to be faced with problems as are managerial employees, the nature of the problems and the approaches to decision making are likely to vary. Structured problems are repetitive in nature and can generally be solved through programmed decisions such as policies, procedures, and rules. Unstructured problems are unique issues that cannot be solved by referring to a policy manual. They are typically addressed by upper-level managers who are responsible for developing creative solutions that meet the needs of a range of stakeholders.

Safety is a primary concern of many community recreation programs. Policies, procedures, and rules are used to reduce the likelihood of accidents and clarify emergency protocols. Non-managerial employees and front-line managers are responsible for implementing these control mechanisms and have little flexibility regarding when and how such decisions occur. Upper-level managers, who are ultimately responsible for ensuring the safety of employees and participants, must determine the best way to provide for use and enjoyment of community recreation facilities while protecting the welfare of employees and participants alike. The latter is an example of an unstructured problem that has no inherent solution. Organizational success is dependent upon management's ability to make non-programmed decisions regarding the allocation of financial, human, physical, and technological resources in a manner that accounts for a range of stakeholder needs and interests.

Robbins and Coulter (2009, p. 62) define stakeholders as "any constituencies in an organization's external environment that are affected by the organization's decisions and actions." It is critical to recognize that stakeholders are capable of exerting considerable influence over the decision-making process. It is our contention that decisions must be based on an understanding of stakeholder values in order to achieve efficient, effective, and equitable solutions. A review of current management texts suggests that non-programmed decision-making processes share the following steps: (1) definition of the problem; (2) identification of alternatives; (3) analysis of alternatives; (4) selection and implementation of preferred alternative; (5) monitoring and revision (Arnold, Heyne, & Buser, 2005; Certo & Certo, 2009; Edginton, Hudson, Lankford, & Larsen, 2008; Hurd, Barcelona, & Meldrum, 2008). Notably lacking is a step that requires decision-makers to explicitly account for the needs and interests of affected stakeholders. Failure to account for such interests may exacerbate the problem by contributing to biased perceptions that lead managers to focus on symptoms rather than the problem itself. It can also result in what Simon (as cited in Certo & Certo, 2009) referred to as *satisficing*—a rushed decision that emphasizes efficiency rather than effectiveness and equity.

Connection to Activity

In our undergraduate recreation management course, we teach an eight-step non-programmed decision-making process adapted from Robbins and Coulter (2009). Unlike many of the existing models, this approach requires decision makers to identify and prioritize stakeholders' interests before generating alternatives. The process can be used by individuals or groups and allows for public input at multiple stages. Each step is outlined below.

Step 1: Define the Problem. The key to decision making is a clearly articulated statement that focuses on the true problem as opposed to issues that are symptomatic of a larger underlying issue. The problem statement should be objective-focused. In other words, it should clarify what will be accomplished, who is responsible for the decision, how success will be measured, and when it will be evaluated. Care should be taken to state the problem in realistic terms using language that is familiar to affected stakeholders. Assume that managers of a community recreation program have documented an increasing number of injuries that are occurring during adult athletic programs. After gathering input from participants, volunteers, and professional staff, the following problem statement is constructed: The Injury Prevention Task Force seeks to decrease the number of injuries that occur during adult athletic programs by 20% within the next fiscal year.

Step 2: Identify Decision-Making Criteria. The next step is to identify factors that must be considered when generating alternatives. Decision-making criteria should include the needs and interests of relevant stakeholders as well as external environmental factors that may influence the feasibility of alternative solutions. Examples might include liability issues, implementation costs, staffing constraints, desire for competitiveness among participants, and administrative support. This step often results in an extensive list of decision-making criteria, particularly when implemented in a group setting. Thus, it is essential to focus on those factors that are most relevant to the problem. Many criteria can be combined or eliminated through the use of problem solving techniques such as brainstorming or nominal group technique (Arnold et al., 2005). We recommend five to seven decision-making criteria, particularly when the process is used for educational purposes.

Step 3: Prioritize Decision-Making Criteria. Despite concerns about equity, community recreation professionals are often forced to prioritize the interests of stakeholders and other environmental factors such as the economy (Edginton et al., 2008). The third step of the process is to weight the remaining decision-making criteria in terms of importance. It is essential to clarify both the weighting system (rank vs. scale) and the high/low score. For example, on a scale of 1 (lowest priority) to 9 (highest priority) our decision-making criteria might be weighted as follows: *Liability Issues* (8); *Implementation Costs* (6); *Staffing Constraints* (4); *Desire for Competitiveness* (5); *Administrative Support* (7).

Step 4: Generate Alternatives. Once the relevant decision-making criteria have been identified and weighted alternative solutions are generated using focus groups, brainstorming or nominal group technique. We recommend three to five alternatives. Examples might include *No Action*, *Improve Officials Training*, *Increase Supervisory Presence*, *Replace Playing Surfaces*, and *Revise Outdoor Facilities Policy*.

Step 5: Analyze Alternatives. The suitability of each alternative is analyzed on the basis of the decision-making criteria identified in Step 2. Appropriate methods include decision trees (see Certo & Certo, 2009), PMI analysis (see Arnold et al., 2005), and the use of other quantitative decision-making tools (see Robbins & Coulter, 2009). Regardless of the method, it is essential to account for the weight of each criterion as specified in Step 3.

Step 6: Select Preferred Alternative. The final preferred alternative is selected on the basis of the analysis conducted in Step 5. Strengths and weaknesses should be summarized in relation to the other alternatives.

Step 7: Implement. Goals and objectives are specified, along with potential constraints and implementation strategies. Arnold et al. (2005) recommend that managers create and communicate a vision, establish a sense of urgency, empower employees, target short-term wins, and highlight successes.

Step 8: Evaluate. The decision is evaluated based on the problem statement specified in Step 1. Managers should also consider process evaluations to monitor the progress of the implementation plan.

Description of Learning Activity

The material discussed in the previous section of this paper is addressed in one to two class lectures. Next, the learning activity is introduced and the class is divided into groups of five or six students that represent recreation advisory boards, task forces, and other types of recreation management teams. Each group is assigned a case that outlines an unstructured management problem. The cases are created from current issues in the field or adapted from Arnold et al. (2005). Teams are instructed to use the eight-step decision-making process to solve the problem and present their recommendations to the class. The following guidelines are provided:

You have been assigned to a team that is responsible for solving an unstructured management problem. Use the eight-step decision-making process to efficiently, effectively, and equitably manage stakeholder relationships. A range of problem-solving techniques should be used to define the problem, identify and weight decision-making criteria, generate potential alternatives, and arrive at a final recommendation. A brief implementation and evaluation plan should also be provided. Each team will have 20 minutes to present their results to the class. All members of the group must have a role in the presentation and should be prepared to answer questions about each step of the process. Include the following components in the presentation:

1. Provide a *brief* description of the case. Define the problem and explain the decision-making techniques that were used by the group.
2. Identify five to seven decision-making criteria. Explain how each criterion relates to the problem and explain the decision-making techniques that were used by the group.
3. Weight the criteria. Provide a justification for each weight and explain the decision-making techniques that were used by the group.
4. Identify four or five alternatives; explain the decision-making techniques that were used by the group.

5. Analyze each alternative on the basis of the decision-making criteria that were identified in Step 2. Your analysis must account for the weights that were assigned in Step 3.
6. Select a preferred alternative and provide a justification for the decision.
7. Outline a plan that can be used to implement your preferred alternative. The plan should include clearly defined goals and supporting objectives.
8. Explain how you will evaluate progress toward implementation as well as the effectiveness of the preferred alternative.

After the presentations have concluded, each student is required to submit a three- to five-page reflection paper that addresses personal perspectives on the process, including the influence of individual decision-making styles, biases, and constraints to team performance.

Desired Outcomes

- Students will use the eight-step decision-making process to solve an unstructured recreation management problem in an efficient, effective, and equitable manner.
- Students will demonstrate the ability to apply decision-making tools such as brainstorming and nominal group technique.
- Students will explain how decision-making styles, biases, and constraints to team performance influenced the group's decision.

Recommendations

This learning activity is designed to help students understand the complexity of non-programmed decision making within the context of a community recreation organization. The activity is appropriate for undergraduate courses in leisure services administration, planning and design, and recreation programming. Success is dependent upon a clear rationale for the learning activity, which should be established through class lectures on problem solving and decision making. It is critical to emphasize the importance of a clearly defined problem statement and supporting decision-making criteria. In our experience, students have a tendency to substitute the description of the case for the problem statement, before quickly moving to the identification of alternatives; a classic example of what Simon (as cited in Certo & Certo, 2009) referred to as *satisficing*. Unfortunately, this often happens in the workplace. Given the public-service mandate of community recreation organizations and financial constraints attributable to the current economic downturn, it is essential that students learn to make efficient, effective, and equitable decisions. This learning activity encourages students to explore the problem from the perspective of multiple stakeholders, while accounting for other factors that are likely to influence the feasibility of the their decisions. Student feedback suggests that the activity effectively addresses the learning outcomes identified in the previous section. The primary

constraint to implementation is the time involved for both students and faculty. The unit typically requires a three-week time period but represents a primary component of the course; one that is not explicitly addressed through other program requirements.

References

- Arnold, M. L., Heyne, L. A., and Busser, J. A. (2005). *Problem solving: Tools and techniques for the park and recreation professional* (4th ed). Champaign, IL: Sagamore.
- Certo, S. C., & Certo, S. T. (2009). *Modern management: Concepts and skills* (11th ed.). Upper Saddle River, NJ: Prentice Hall.
- Edginton, C. R., Hudson, S. D., Lankford, S. V., & Larsen, D. (2008). *Managing recreation, parks, and leisure services: An introduction* (3rd ed.). Champaign, IL: Sagamore.
- Hurd, A. R., Barcelona, R. J., & Meldrum, J. T. (2008). *Leisure services management*. Champaign, IL: Human Kinetics.
- Robbins, S. P., & Coulter, M. (2009). *Management* (10th ed.). Upper Saddle River, NJ: Pearson Education, Inc.