

Decision-making in Organizations



Sandy Smith

ACEEE

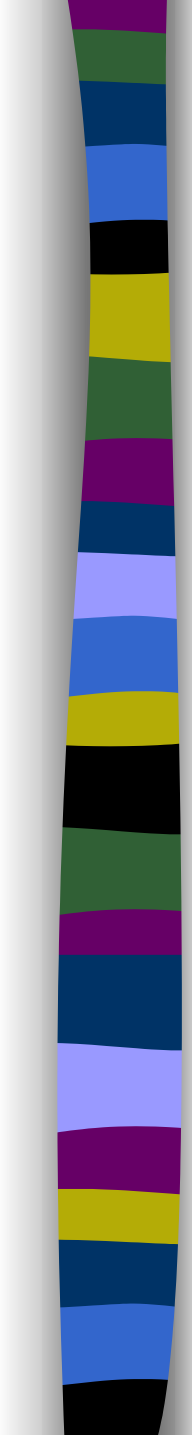
Decision-making in Existing Commercial
Buildings Workshop

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Summary

- What we know about decision-making generally...
- Rational economic behavior...not
- Newer views on organizational decision-making
- Business decisions
- Business decisions & EE?
- Aim of workshop



What we know about decision-making generally...

- In situations of high stress / time pressure:
 - Inability to absorb complex & new information
 - Tendency to engage in stereotypic thinking
 - Tendency to not consider a range of alternatives
 - Tendency to accept the first acceptable alternative
- What does this result in?
 - Business as usual
 - Limited options
 - Shallow analyses.
- Best predictor of future behavior is past behavior.



Rational economic behavior...not

- Nobel prize - Daniel Kahneman (&Tversky)
 - People are not rational actors when faced with economic decisions.
 - Equally true for ordinary folk & those with professional training in financial matters.
 - Message frame is important.
 - How the message is presented:
 - frame, language
 - Who is presenting it.
- Relying on purely financial information may have limited success.



Newer views on organizational decision-making

■ Networks:

- Actual hierarchies & networks cf. formal structures
- Likely to be very useful in sectors which require cross-organizational coordination & cooperation.
- Project groups as vectors of change within organizations & professions.

■ Decision paths

- Traditional view: Thought precedes action in a rational process
- Newer views: Actions may precede conscious thoughts and decisions. Decisions may be revisited.



Business decisions

- Most business decisions are not ‘one-off’s’
 - Many types of decisions get made over again
 - Organizational learning & memory
 - Pattern recognition
 - Familiar framing
- All of these may lead to an ease/comfort regarding the process & the outcome.



Business decisions & EE?

- EE decisions may not be typical
 - Unfamiliar type of info, different framing
 - Unfamiliar pattern of info
 - No comfort zone or organizational memory
 - May ***feel*** risky
- All these negatives may be magnified if:
 - Business competitors are not undertaking similar risky strategies
 - Business partners are also not familiar/comfortable with decisions



Business decisions & EE

- EE decisions may feel risky
- EE is not necessarily seen as core business
 - Most companies are not keen to engage in non-core business
- Learning curve costs
 - A one-off transaction cost
 - The exact cost may be unpredictable.
- Once undertaken, this new knowledge can be a competitive advantage



This workshop:

■ Speakers:

- Knowledge of the ‘state of play’ in the industry (Kunkle & Lutzenhiser)
- Detailed understanding of which businesses might be best placed to change & strategies for effecting this change (Reed, Schick)
- Tools for overcoming the barriers (Sauchelli, Jewell)
- The view from the top of the learning curve (Mullins)

■ Workshop sessions so *your* voice can be heard.

■ Aim is to stimulate, generate new ideas.



What further research do we need to understand MT in this sector?

- What existing research do we already have access to ?
 - Strengths & deficits
- What kinds of questions need answering?
 - Straight quantitative descriptions/comparisons
 - Information about processes
- Issues:
 - Comparability over time / geographic area etc
 - Generalizability



Market Transformation in Existing Commercial Buildings

- What are the existing paradigms in this sector?
- To what extent are they successful?
- What are their limitations?
- Are there alternative paradigms we might propose?



Market Transformation in Existing Commercial Buildings

- What are the priorities for future research in this area?