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Governance: Decision-making Model and Cycle

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Abstract

The uncontrollable dynamics within organizations are a challenge for their agents. Currently, one encounters the non-stop optimization of business processes which translates into an undeniable competitive edge between organizations. To guarantee a correct and efficient application of resources, methods and models, able to align decisions with managerial objectives, must exist. However, the complexity involved in decision-making on a strategic level requires effective deliberation. The current paper contextualizes the decision-making process of the Portuguese Air Force Headquarters using the Harrison Cycle, categorising it in programmed and non-programmed situations, and suggests the introduction of a new method, based on the individual analysis. This method is a form of multi-criteria analysis called Analytic Hierarchy Process (AHP), which allows for a more cohesive course of action in the elaboration of a Headquarters Study.

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1. Introduction

The evolution of organizations is based on the agents that compose them but the diversity of points of view related to a certain objective creates a wide field in what concerns the liberty of the decider. To confine the decision to the organizational objectives without compromising the free-will, one must study all the process required to make a decision. In other words, the Decision Cycle.

It is an error to consider that every situation has perfect approach to be dealt with. There are always some aspects that are unpredictable and will cause a deviation to what is considered to be the perfect decision. Therefore, instead of sticking to current techniques, one should try to perfect a good rigorous and convenient practice. It is in this continuous search for innovation that the resistance to change is born. This obstacle must be solved efficiently so that no problems are created in a more advanced phase of the project. There are several mechanisms to make this process easier but, overall, one must take into account two important factors: the gain that will come from the change for the organization and the degree in which the affected individuals are involved in the process.

This change has its origin in a decision. A decision can be necessary whether because there's a problem or because there's an opportunity to perfect a certain aspect of the organization. Either way, there's an 'objective' behind the situation. Trying to reach this goal, there will be hardly just one path to follow unless the investigation was poor since if it were an investigation with depth several 'alternatives' would come through. It is, therefore, necessary to 'compare' these alternatives to discover which one is best suited to the organizational objectives. Taking the overall alternatives into account the decider must 'take action'. From this moment on, one must focus on the 'implementation' of the alternative chosen and the 'follow-up and control' of the decision is essential to evaluate if the action fulfills what's demanded.

This decision cycle happens in every organization and the Portuguese Air Force (PRT AF) is not an exception. It was in the military organizations and in great part in the World War II that one started to study the problems around the theory of decision and even today there are military methods that are being used in civil organizations. Once the Portuguese Air Force is a nonprofit military organization, the correct distribution of resources is a commitment towards our country and, according to this principle, one tries to continuously optimize the processes inside the organization.

One way to show perspicuity in the PRT AF's activity is to decide the high level Managerial and Operational Objectives, the and, in a lower level, build the Annual Activity Plan. However, the verticality of a military organization offers power of decision between the different branches and levels of the hierarchy. The main question is to understand if it's productive to limit the decision of two different agents in similar situations.

There will hardly be a completely correct answer for the previous question because if the human personality weren't important machines would already control the process of decision. It is this dichotomy that is the base for this article. All in all, one tries to establish a balance between the two points mentioned, in order to empower the organization to better achieve its goals.

The decision support systems have a great value to balance the decisions taken and the managerial objectives. In the Air Force Headquarters (EMFA) the problem is the ambiguity due to the dispersion of the mechanisms that support the decision. In other words, it is necessary to structure the decision cycle as well as the methods to use in each phase of this cycle.

The article outline is as follows: paragraph 1 presents the importance of alignment between the decision-making process and the organizations, its problems and some general concepts associated. Paragraph 2 presents the relevant literature for the paper and the theoretical foundations that were considered essential to develop this research. In paragraph 3, the decision cycle in the EMFA is demonstrated, using the theoretical concepts of paragraph 2. Paragraph 4 concludes.

2. Concepts and Applications

2.1. Enterprise Engineering

It takes only a quick look to nature to understand that it rearranges itself almost intuitively to any adversity. It is in this intrinsic adaptability that organizations nowadays try to mold their behavior to achieve their goals. *"But the*

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