Improved managerial decision making frame
Case: A Financial Services Organization

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The objective of the study was to identify a) current challenges in making managerial decisions efficiently, b) the main major factors that improvement would facilitate more efficient and effective managerial decision making.

The theoretical framework was based on combining number of managerial decision making literature into unified context. The main authors of the literature used for creation of the frame were Zur Shapira, Norman W. Edmund, Kenneth E. Fracaro, and Chun Wei Choo. Of whom the last mentioned perhaps is the most important contributor in this case study. According to Choo (2003), "knowing organization" was the one that links strategic information processes of sense making, knowledge creating, and decision making into a continuous cycle of learning and adaptation to decide strategy and course of actions.

The study was an exploratory study following an inductive research approach where I first gathered the data, made analysis and conclusions and then identified the relevant theories that best fit the gathered data and objectives of the study. The data collection technique that was used was focus group interviews where 21 face to face interviews were done in two phases.

The primary finding indicated poor empowerment and mandate of local managers and leaders with accountability to take decisions and actions in the local value chain regarding country matters. Hence, managers and leaders had mainly responsibility but no real empowerment to take decisions and this meant escalating lots of country level decisions to Nordic level leaders. Another finding was the balance between needed facts and other data for efficient and timely decision to action. Often requirement for never-ending facts was seen to cause never-ending analysis which consequently meant a long journey before any decision or action was taken. In terms of strengths of the case study organization it was believed to have a strong vision and an honest unit that can be trusted with deliveries and is disciplined in getting things done even in difficult situations.

Overall one can conclude that managerial decision making is result of combination of tangible and intangible factors. Often it is about how managers perceive and interpret these factors in terms of knowledge creation and sense-making as well as how they put decisions into concrete actions that execute the decision made. Based on study findings and implementation of the new managerial decision making frame and guidelines within TP local value chain I believe this study successfully managed to reach set objectives and added concrete value to the case study organization.

**Keywords**
Managerial decision making, empowerment, knowledge management, action research
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1 Introduction

The purpose of this study is to explore and implement an improved decision making model in TP’s country (=called local in TP) based cross sub-units value chain. In this section I will also briefly introduce the case company and the unit that is in focus for research. This is to facilitate a better understanding of idea and scope of the study. Furthermore, I will present how I have reached to a conclusion on thesis idea and question. Idea: “Key factors and strengths facilitating an efficient decision making in a dynamic value chain”, question: “what are the factors and strengths facilitating an efficient decision making in the TP local value chain?”

1.1 Case organization introduction

Financial Services AB (publ) is the largest financial services group in the Nordic and Baltic region. Today with some 11+ million customers, 1,400 branch offices and a leading net-banking position with over 5.5 million e-customers and 33000 employees. The organization has leading positions within corporate merchant banking as well as retail banking and private banking in the Nordic and Baltic regions.

The organization has same country based organizational set-up and management structure, offices and operations in Denmark, Finland, Norway, Sweden, Russia and Baltics. It is also the leading provider of life and pensions products in the Nordic countries. Organizational structure is based on traditional hierarchal organization with some matrix line reporting within some of the units. Organization’s vision is to become a Great European bank, acknowledged for its people, creating superior value for customers and shareholders.

1.2 Decision making within the case unit

The unit this study is done for has focus on Transactional Products (=TP) across Nordic and Baltic region. The main responsibility lays within full development and operations of Cash Management services and solutions for all corporate customers and consumers within Nordic and Baltic regions.

TP has sub-units with employees, managers and leaders in all regions and this study and its findings concerns the whole TP Business Unit. The sub-units are divided into Sales & Solutions, Customer Support and Implementation, Operations and Information Technology. Each sub-unit is led by a Nordic Head who is strategically and operationally responsible and accountable for his/her sub-units cross and within each country. On country (=local) level each sub-unit is led by local managers/ leaders (reporting to Nordic Head) who are
responsible and accountable for operational implementation of the Nordic strategy and development of local operations accordingly. Local managers/leaders cross collaborate and make decisions on local matters through local value chains. The purpose of the country level local value chains are to increase knowledge sharing, discuss and plan common events (e.g. customer seminars) and last but not least secure fluent operations cross the sub-units – thus deliver great customer experiences to all customers.

All the above implies great decision making and collaboration responsibility for local sub-unit managers/leaders within local value chains. As the managers/leaders within the local value chain consist of different levels, making decisions within the value chain is not always easy due to the fact that all managers do not have the same level of empowerment in decision making. This slows down the decision making as managers need to escalate the decision up to next managerial level in order to get a decision.

Having the above in mind the needs and objectives of this study, as discussed in next section, are truly to improve the managerial decision making within the local value chains to support TP in more efficient managerial decision making.

1.3 Needs and objectives

The development idea awoken during the time when I was working as a senior project manager in a Nordic Programme aiming to improve payment solutions and replace old payment systems to new one. At the time I had several ideas, for example how to create and implement a customer-centric (outside-in) product development process aiming at change from product-driven strategy to customer business-driven strategy, how to lead multicultural teams and improve performance and productivity via “System Intelligence” thinking, and how to improve decision making process by defining key strategic and tactical factors? As my position and responsibilities have changed during last four years period I have had the opportunity to observe both positive progress and challenges within the organization and reflect on ideas from various perspectives. This together with dialogues with my sponsor helped me to decide which idea would be adding the most value to the organization and specifically to TP unit that is sponsoring my thesis in the long run. The conclusion was to focus on following main question: how to improve the managerial decision making process?

Considering the question from its purpose perspective one could say it focuses on identifying a) current challenges in making managerial decisions efficiently, b) the main major factors that improvement would facilitate more efficient and effective managerial decision making.
Reflecting my experience from different managerial roles and interaction with different decision making bodies, I, like many colleagues face both operational and strategic challenges in decision making. Therefore, the study has the aim with following expected outcome to develop an improved decision making process that supports more efficient and timely decisions within TP local value chains. My primary reasons for choosing this thesis subject are a) my inspiration for the decision making subject as such and how organizations practice it and b) desire to improve the decision making process efficiency and productivity by empowering managers.

The study is needed in order for identifying the factors that today both hinder and enable efficient managerial decision making in Transaction Products - where survival and success of the whole organization is dependent on decisions and decision bodies cooperating within the value chain. During last two years there has been number of organizational transformations in Wholesale banking organization which partially have impacted the dynamics of decision making within different units. I believe the importance of identifying and understanding the factors leaders and managers are utilizing in daily operations and strategic longitude are essential insides for Transaction Products to be able to improve their decision making affectively – correct and timely decision making are more than ever essential in financial institutions with consistent interventions from both internal and external incentives of economical and non-economic changes.

The importance of the study becomes true with its objective of providing Transaction Products with sustainable mind-set and awareness of its key decision making factors that enable efficient and timely decisions. Taking action research as the research approach and using qualitative method it is expected to reveal possible bottle necks and strengths Transaction Products and stakeholders interacting with Transaction Products are facing when decision making is relevant. Understanding the as-is situation of current decision making within TP local value chains and its stakeholders will support cultivation of improved management decision making process facilitating more efficient decisions on both strategic (short and long-term management decisions) and operational (down to everyday decisions) levels. Finally, the study is revealing how different leaders, managers, employees and stakeholders perceive decision making in Transaction Products.
1.4 Research problem(s) and questions
The main research problem that this study will aim to explore and provide answer to is *why the current managerial decision making process in local value chains needs improvement and how can the decision making be improved?* Sub-questions that are to support more detail exploration of the main question are:

- What challenges are seen in decision making?
- What are the factors that can improve decision making?

Through discovering the answers for the main and sub-questions this study is to identify the key decision making factors and the frame that have strategically and operationally the most significant impact on the Transaction Products. The findings are expected to present the core factors that by understanding and improving would enable more efficient and timely decision making. The study is expected to facilitate identification of challenges in making managerial decisions efficiently, and creation and implementation of improved decision making process that shall support more efficient and effective managerial decision making in local value chains.

1.5 Structure of the study
This study consists of five main chapters with each chapter including more than one sub-chapter. In the first chapter I introduce the study idea, problem, needs and objectives in the context to the case organization. This is followed by the way study was conducted and the methodologies used to do so. After this the study dives into literature studies on managerial decision making, empowerment, and knowledge creation. The literature studies pave the way for creation of the improved managerial decision making frame and guideline conception. Final sections of the study focus on introducing the improved local value chain managerial decision making frame and guideline concept, current managerial decision making within TP local value chains followed by answering key research questions based on study findings and analysis. Last but not least, study conclusions and reflections are presented.
2 Research Methodology

This chapter describes the methodology and the approaches used to execute the study. Furthermore, it elaborates on reliability and validity of the study findings.

2.1 Methodology

The adoption of the right research philosophy depends on the research question that a researcher is seeking to answer hence; a particular research question rarely falls into only one philosophical domain. The research philosophy chosen for this research is Pragmatism. Pragmatism argues that the most important determinant of the epistemology, ontology and axiology a researcher adopts is the research question(s) – in this study the determinant question drives the theory and strategy chosen to conduct the research. The research question is concerned with the nature of the decision making reality and the way relevant practices and facts operate while particular decision making views are hold by the people working in the organization. Having this view concerns an ontological philosophy where ontology is considered as study of the nature of being, becoming, existence, or reality, as well as the basic categories of being and their relations. Ontology deals with questions concerning what entities exist or can be said to exist, and how such entities can be grouped, related within a hierarchy, and subdivided according to similarities and differences. (Saunders, Lewis & Thornhil 2009, 110-119.)

The ontological position of the research is subjectivism. The subjectivist view states that social phenomena are created from perceptions and consequent actions of social actors (Saunders et al. 2009, 111). Having this in mind I consider decision making process as a social phenomenon that is created by managers/employees of the organizations. They are the social actors of subjectivism whom perceptions define the decisions and consequent actions taking within the organisation.

As this research is to explore the decision making phenomena from the perspectives of what is happening and how it is happening in case study organization (= Transaction Products) the chosen implementation approach is exploratory studies. Saunders et al. (2009, 140) presents three principal ways of conducting exploratory research a search of the literature, interviewing ‘experts’ in the subject, and conducting focus group interviews.
In this study I have conducted focus group interviews where from decision making perspective chosen leaders, managers, employees and most relevant stakeholders of Transaction Products are interviewed in order to seek answers to the research question and reach the set objectives of the study.

I intend to carry out this study following an Inductive research approach. This basically implies moving from specific observation to broader generalization and theories; that is I will first gather the data, make analysis and conclusions and then identify the relevant theories that best fit the gathered data and objectives of the thesis. This is also known as “bottom up” approach where theory is developed after data has been collected and analysed. The goal is to understand the phenomenon of “why it is happening”.

Furthermore the research strategy used is an action research. In modest way action research can be defined as “learning by doing” and in broader definition it can be dictated as approach aiming to contribute to the practical concerns of people in an immediate problematic situation and to further the goals of social discipline simultaneously (O’Brien 1998 University of Toronto). Another similar definition is to consider action research as a disciplined process of inquiry conducted by and for those taking the action. The primary reason for engaging in action research is to assist the “actor” in improving and/or refining his or her actions (Sagor 2014, ASCD.org). This implies a dual commitment in action research that is to study a system (in this case managerial decision making) and concurrently to collaborate with members (in this case leaders, managers, and employees) of the system in changing it in what is together regarded as a desirable direction (O’Brien 1998, University of Toronto). Action research strategy is chosen based on its focus on research in action (rather than research about an action), preference in involving actual practitioners in the research, iterative process of diagnosing, planning, taking action and evaluating, and its emphasis on the research having implications beyond this particular research (Saunders et al. 2009). Furthermore, it emphasis a) learning by doing which gives a practical approach to this study which aims to improve managerial decision making for a living and changing organization, and b) the focus on achieving what is commonly desired by members of the case study organization.

The data collection techniques that will be used are combination of face to face interviews and observation. Qualitative approach is used for any data collection (such as interview) and data analysis procedure (such as categorising data) that will generate themes in textual data collected. Action research is used to answer the key and sub-questions of the study.
2.2 Empirical study

The study questions will be addressed to leaders and managers on levels 1, 2, 3, 4 and employees in Transaction Product business unit and relevant stakeholder units. The four leadership levels represent the organizational hierarchy and therefore also the top-down decision making rank – level 1 leader being the highest right after CEO. Reason for focusing on these four levels and employees is due to their strategic and operational engagement in decision making and execution of these decisions in practice. They are able to provide genuine and reliable opinions and experiences about decision making as such and factors influencing decision making in Transaction Products.

Figure 2.1. Action research flow (Based on O’Brien 1998, created by Masood Arai)

Figure 2.1. shows the flow of the research steps I have followed to reach the aim of this study.

**Step 1: Research, analyse and evaluate findings.** The research is carried out via one to one interviews of selected leaders, managers and employees experiencing and practicing decision making in AS-IS process and forum. Originally I had planned to do 30 interviews but due to some candidates’ unavailability and/or lack of participation desire 21 interviews were conducted. Regardless of fewer interviews the number of leader, manager and employee representatives was sufficient to enable credible analysis and conclusions.

Interviews and questions

The 21 interviews were conducted in two rounds in order to get an overview if top level leaders thinking differs from middle managers and employees thinking on TP decision making. 12 TP and stakeholder top leaders from level 1 to 3 (level 1 is next to CEO) established the first round of the interview. In the second round Managers on level 4 and
employees were interviewed. Out of the 21 interviewees six were stakeholder leaders (they are coded as SL) who are themselves decision makers, decision followers and in continuous decision making interaction with TP on local and Nordic levels. The other interviewees consisted of six TP leaders (they are coded as TPL) who are decision makers, decision followers and integrators of decisions with stakeholders, five managers (they are coded as TPM) and four employees (they are coded as TPE). The leaders in the case organizations are considered as the once creating the vision and needed strategy and decisions on how the organization is to reach the vision. Managers, on the other hand are the once hearing the vision and strategy and they are then expected by their leaders to operationalize these two in practice in modes of actions that supports the overall targets leading to the vision. Hence, employees are the once really doing the actual operational work according to operational roadmap set by their managers.

Interview questions were created with (appendix 1 Interview questions) consideration of covering TP organisation practices & factors, communication & cooperation, leadership and decision making. These are considered to be the labels. The questions themselves focused on identifying how interviewees think and have experienced TP decision making through following categories: interaction & cooperation, efficient decision making, understandable decisions, actionable decisions, strengths in decision making, and improving decision making. The labels and categories are connected to each other (Figure 2.2. Decision making labels and categories) in a sense that they cover the areas which I have found challenging based on my observation of TP in action, own practical experiences from different roles within TP and interactions with TP's stakeholders. Furthermore, labels were created after interviews were overall conducted and analysis phase was about to start. Basically this indicates that labels were generated based on answers given by the interviewees and their emphasis on these specific areas. Categories on the other hand were created already when questions were generated.
All interviews were recorded and transcribed into word document. All interviewees were interviewed anonymously and none of their titles or names is revealed in this study – this is to honour their trust and confidentiality.

Data coding, labelling and categorizing.
After transcription each answer of each interviewee was first coded and then labelled and categorized according to defined decision making labels and categories (as shown in Figure 2.2.).

Data analysis and conclusions.
As indicated by the title of this study the focus is on improving the managerial decision making hence I have analysed the answers and made my conclusions explicitly with having title of the study in mind. This is to secure that the focus of the research stays under control and objectives are reached. Naturally, this means that suggested improvements concentrates mainly on the mentioned managerial decision making, leaving out improvement suggestions to organization, communication, cooperation, and leadership areas. Questions related to interaction and cooperation, efficient decision making, understandable decisions, and actionable decisions were analysed through triangle lances (shown in Figure 2.3.) where within the answers of interviewees I looked for areas and subjects that they agree and disagree (gaps in thinking) on and based on them I made conclusions on main challenges.
Answers related to improving TP decision making were analysed based on their content and potential improvement impact on TP managerial decision making. Improvements were divided into two levels of priorities where P1 had the highest priority and therefore presents the decision making area that this study has been focusing from TP managerial decision making perspective. P2 priorities are described in the study findings but they are not prioritized as the focus area of this study. The approach is based on desire and agreement with Sponsor organization as they find focusing in P1 brings more value.

**Step 2: Define Decision Making literature & TP’s current decision making to select focus area.** Hence, purpose of this step is to identify and define the relevant decision making literature that is to support the study objectives. Secondly it is to determine existing decision making (DM) process that this study aims to improve hence, the purpose is also to create an appropriate understanding of decision making as a phenomenon.

**Step 3: Develop improved managerial decision making frame.** Analysed findings and made conclusions are then utilized together with study of decision making and knowledge management literature and articles. to develop the new TP managerial decision making frame that objective is to improve the decision making within the identified body and/or process. It is crucial to note that the new frame may be change or improvement in way of working, operational or managerial procedures/processes, and/or the way decision making power is distributed within the organization.

**Step 4: Pilot & implement improved DM frame & guidelines.** The main purpose of this step is to provide experience on suggested improved frame by piloting it in practice in one of
the local TP Value chains (in Finland). Furthermore, piloting will present an opportunity to evaluate and if necessary improve the model before full implementation. Implementation of the improved frame and guidelines within other local value chains is carried out as its own initiative by TP organization.

2.3 Reliability and Validity of the Research
Reliability is about the extent to which data collection techniques or analysis procedures produce consistent findings. This can be evaluated through three questions (Saunders et al. 2009, 156):

1. Do the measures yield the same results on other occasions?
2. Do similar observations reach by other observers?
3. Is there transparency in how sense was made from the raw data?

Having this definition and above questions in mind I believe research findings yield consistency. I am confident on the reliability of the findings based on the fact that in the two rounds interview approach answers of interviewees support each other and provide consistent direction on areas of for example strengths and improvements in decision making. Furthermore, interviewee names remain anonymous and all interviewees were interviewed on various days of the week and on different time, hence potential subject or participant error and bias threats were mitigated.

Validity on the other hand is looking into whether the findings are really about what they appear to be about (Saunders et al. 2009, 157). The validity of research findings is confirmed via having variety of interviewees from different levels of organization with different roles and responsibilities around decision making – with close relation to and within TP organisation. The validity of findings and conclusions are confirmed via piloting of the improved TP managerial decision making frame and guidelines with one of the local value chains before implementing it in other local value chains cross Nordics. Hence this will help securing that the improved frame and guidelines that is to be implemented is actually validated and accepted within the organization.

Validity of the data is also secured by interviewing leaders, managers and employees who are from different hierarchal organizational levels and from variety of units inside and outside case study unit. All interviewees are in continues formal (e.g. monthly management meetings) and
informal (e.g. one to one dialogues) interaction with each other in relation to TP and case organization related decision making matters. The selection of these interviewees was processed and approved by the sponsor of this study. With this I aimed to secure the right level of attribution needed in study findings.

As the study focuses specifically and purposefully to explore managerial decision making in a selected unit of the case organization the study findings and conclusions aligned with “fit the purpose” managerial decision making theory are mainly subject to this specific unit within this organization and thus results and conclusions cannot be generalized or applied to other units/organizations.

3 Management Decision Making literature review

This chapter reviews and explores the management decision making literature and aims to provide explicit insights that are to facilitate creation of management decision making conceptual framework which establishes the connection between the theory and study findings. Furthermore, it brings the needed theoretical aspects of management decision making in organizations, usage of analytics to support making effective decisions, role of empowerment as decision enabler, and last but not least looking at how combination of knowledge creation, sense making, and decision making pave the way for better and more effective managerial decision making.

We make decisions every day and we make them consciously and un-consciously in our personal life and in working life. Decisions made may be based on facts, experience and intuition. We make decisions on simple things such as what I should eat for lunch today to more complex subjects such as if we should invest five million euros on a new business intelligence system. We make decisions and/or contribute to the decision making individually and/or as group. There are number of common characteristics for all the decisions we make or contribute to: all decisions are expected to satisfy and fulfil a need and/or desire, they are to solve a problem, they are made following conscious and/or intuitive process and they always come with choice and opportunity cost, they are goal directed and often involve risk and uncertainty ‘calculations’ between options we are to choose from.
A decision occurs also when a solution to a problem is selected for implementation. Decision-making is the process of identifying and selecting from among possible solutions to a problem according to the demands of the situation. For example, decision-making in the area of vendor contracting might address how to deliver a service, which bidder gets a contract, how to ensure that a contractor meets its obligations, or whether to pay the contractor in large or small bills (Texas State Auditor's Office, Methodology Manual 2003, 2).

All the above is also true for decision making within an organization and its leaders, managers and employees that is the focus of this study. Certainly the scale, complexity and dimensions of decisions are different hence all decisions are based on judgements made by humans. Within any organization humans after all create the roles and responsibilities, structures, processes and procedures that encounter decision making and defines decision making culture of that organization. Having this in mind decision making in organization can be described as a coherent and rational process in which alternative interests and perspectives are considered in an orderly manner until the optimal alternative is selected. (Shapira 2010, 20)

Shapira (2010, 4) states that individual and organizational decision making overlap greatly because many decision made by decision makers in organizations are made by individual managers. From leaders’ and managers’ perspectives decision making is all about of identifying and choosing alternatives based on the values and preferences of the decision maker. In this context making a decision implies that there are alternative choices to be considered, and in such a case decision makers want not only to identify the alternatives but to choose the one that best fits with organisation’s goals, objectives, desires, values, etc. Therefore, decision making must start with the identification of the decision makers and stakeholders in the decision in order for reducing the possible disagreements about decision itself, potential problem that is to solve, requirements, goals and criteria (such are cost, income, risk, etc.) that a decision must meet.

The decision making theory used in this study will focus on combination of two disciplines: managerial decision making and knowledge management. The aim of the theory is to support the study findings and development of an improved managerial decision making frame/process for country level value chains within TP business unit. Otherwise said, key findings of the study (need for more local empowerment, sense making, knowledge management in decision making – these are discussed more detail in chapter 4) drive the decision theory that is presented and hence the theory part does not focus on exploring and
presenting Decision theory or Decision Making history/theory as such nor Knowledge, Culture, or Organization Management. The main theory that is used to facilitate the development of improved managerial decision making frame is based on integration of empowerment within management decision making theory and ‘The knowing organization as learning organization’ theory where Choo (2005) presents his ‘sense making, knowledge creating, and decision making’ approach.

The essence of how decision making happens in an organization will be discussed next.

3.1 How Decisions Happen in Organizations?

This chapter introduces the main characteristics of decision making mechanism within an organization. These are decisions as rational choices, decisions as rule-based actions, and decision making and sense making.

Shapira (2010, 2) states that decision making in organizations is often pictured as a coherent and rational process in which alternative interests and perspectives are considered in an orderly manner until the optimal alternative is selected. Despite logical sounding explanation leaders, managers and employees of organizations have acknowledged from their own experiences that real decision making and the processes in organizations only seldom fit such a description.

As stated earlier organization and individual decision making overlap greatly due the fact that decision makers of organizations are individual managers or employees. Shapira (2010, 4) states the following characteristics of organizational decision making that differentiate it from individual decision making:

1. Ambiguity. There is often only ambiguous information and there is ambiguity about preferences as well as about interpreting the history of decisions.

2. Longitudinal. Decision making in and by organizations is embedded longitudinal context. That is, participants in organizational decision making are a part of ongoing processes (such as IT financial investment decision making process or annual budgeting for a unit like Transaction Products).

3. Incentives. Like penalties, incentives and their effect are real and may have long-lasting implications on organization and the decision making process. The effects of incentives (like bonuses) and penalties in organizations are significant and often they may drive managerial intentions.
4. Repetitiveness. Managers and/or employees often make repeated decisions on similar issues. In such situations manager or employee may develop a sense of having control of the repeated decisions (for example decisions for credit or house loans) and this may be risky as set processes and rules may not be followed as intensively as they are intended to.

5. Conflict. It is inescapable in organizational decision making and many times power considerations and agenda settings determine decisions rather than calculations based on the decisions' parameters. Furthermore the nature of authority relations may have a large impact on the way decisions are made in organizations – which are basically political systems.

Shapira (2010, 10) mentions decision, decision making, and decision processes in organizations happen through using combination of alternatives that are used individually and together. It is important to keep in mind that in reality organizations used these alternatives often as embedded within structured procedures, power hierarchy of the organization, and also unconsciously.

Next I will shortly explain decisions as rational choices, decisions as rule-based actions, and decision making and sense making because understanding them facilitates the basis for decisions and decision making.

**Decisions as rational choices**
Modern economics and social science define human action as the result of human choice and that human choice is intendedly rational. From this perspective decision making is based on four things (Shapira 2010, 10):

- A knowledge of alternatives. Decision makers have set of alternatives for action
- A knowledge of consequences. Decision makers know the consequences of alternative actions, at least up to a probability distribution.
- A consistent preference ordering. Decision makers have consistent values by which alternative consequences of action can be compared in terms of their subjective value.
- A decision rule. Decision makers have rules by which they select a single alternative of action on the basis of its consequences for the preferences.

Practices of rational choices theory in organizations seldom truly follow these descriptions. Often three other elements enter the formula; uncertainty on consequences of the decision,
ambiguity about preferences related to rationality of the decision and risk preferences of
decision making actors within the organizations (Shapira 2010, 11).

Uncertainty
Individual humans as information processors are simply unable to see clearly or interpret
accurately the decision situations in which we find ourselves. We simplify complex situations
(chop the elephant = problem into pieces) using heuristics and frames to cope with
information. Despite inhuman limitations organizations to some extent manage to overcome
these challenges by information processing, parallel processing and frameworks, rules of
conduct, and knowledge management and distribution of it to expertise. Enabling
organizations and their individual decision makers to overcome uncertainty first they need to
adapt goals to performance: that is, decision makers must learn what they should expect out of
the decision. Second, they are to adapt performance to goals by increasing search in the face
of failure and decreasing search when faced with success. And third, they must adapt
performance to goals by decreasing slack in response to failure and increasing slack in
response to success. (Shapira 2010, 11).

Ambiguity
The emphasis is on the uncertain future preferences for the consequences of current actions.
Preferences change over time in such a way that predicting future preferences is often
difficult. While preferences are used to choose among actions or recommendations, it is often
so that at the same time actions/ recommendations and experience affect preferences and
hence the decision (Shapira 2010, 13). Organizations and their decision makers are to
acknowledge the role of preference in decision making in order to be able to recognize when
certain preferences become dominant factors in their decision making.

Risk preference
According to Shapira (2010, 14) the factors that affect risk taking in individuals and
organizations can be divided into three categories:
1. Decision makers form estimates of the risk involved in a decision. Those estimates are
subject to the usual human biases and affect the risk actually taken.
2. Decision makers seem to have different tendencies to take risks under different
conditions. This is significantly influenced by amount of success and failure the decision
maker has faced.
3. Risk taking is affected by reliability of organizational actions

From the perspectives of the above three categories decision makers attribute uncertainty about outcomes of a decision to an inherently unpredictable world, incomplete knowledge about the world, and incomplete strategic actors. Estimations of risk are systematically influenced by the experiences decision makers have in organizations. Individuals are normally elevated to positions of decision-making authority by virtue of their past success. Success makes us confident about our ability to handle future events, leading us to believe strongly in our wisdom and insights; hence we do not recognize the role of luck in our achievements. As a result, we as successful decision makers tend to underestimate the risk we have experienced, the risk we currently face, and the facts that surround us. (Shapira 2010, 16).

Decisions as rule-based actions

Actual decisions in organizations seem to involve finding appropriate rules to follow. When thinking about appropriate rules organizations aim to match situations and identities. This includes the following factors (Shapira 2010, 17):

A. Situation: decision makers classify situations into distinct categories that are associated with identities or rules.

B. Identity: decision makers have a conception of their personal, professional, and official identities and evoke particular identities in particular situations.

C. Matching: decision makers do what they see as appropriate to their identity in the situation in which they find themselves.

Consequently, decision makers in organizations take actions on the basis of rules, routines, procedures, practices, identities, and roles. They follow traditions, hunches, cultural norms, and the advice or action of others. They do not act on basis of consequences and preferences.

Rule Development

Rules evolve over time, and current rules store information generated by previous experience. There are four major processes by which rules are developed (Shapira 2010, 18):
1. Rules can be seen as chosen consciously and accepted rationally by actors who calculate the expected consequences of their actions and they have agreed to jointly behave accordingly by the set rules.

2. Organizations learn from their experiences and modify their rules on basis of feedback from the environment. This allows organizations to find good rules for many choices they are likely to face. However, learning from experience can produce surprises as it can be superstitious, and it can lead to results that are quite distant from the desired goal.

3. Decision making sometimes is seen as reflecting rules that has spread through the organization due to decision makers' tendency to copy each other. Imitation is a common feature of any ordinary organization and makes sense when best practices are adopted, but it is not a practice that applies to all situations and organizations.

4. As with experiential learning, rules are dependent on history. Individual rules are invariant, but the users of rules change over time through differential circumstances of survival.

While rules development and ‘contractual’ adaption of them are essential there shall be room for intelligent deviation from the rules in order to adapt to environmental and market changes, and organizational imitation.

Rule implementation
Implementation of a rule does not happen automatically nor does a rule basis for action ensure consistency or simplicity. Rules are often ambiguous; meaning more than one rule may apply in a particular situation hence the behaviour required by the rule may be interpreted differently by different actors. Rules can be treated as rational actions in which choices are made among alternative interpretations in terms of expectations of consequences for the actor’s interests. Thus, rules can be seen as interpreted in ways that favour the interpreter and as implemented in ways that favour the implementer. From this perspective decision makers’ ambiguities and conflicts are resolved via facts and calculations. (Shapira 2010, 19).

**Decision making and sense making**
The forming of preferences, identities, rules, situations, and expectations all involve making sense out of a confusing organisational world. Thus, as organizations make decisions, they transform their preferences and their identities and shape the world they interpret (Shapira 2010, 20).

Sense making as an input to decision making
Shapira (2010, 21) states that theories of rational action assume that decision makers make sense of their situation by forming expectations about future consequences and preferences for those consequences. On the other hand, theories of rule-based action assume that decision makers make sense of their situation by identifying situations as matching identities and rules and by interpreting the implications of those matches.

Managers and leaders as decision makers in organizations process information in order to provide meaning in decision making. Managers and leaders often edit and simplify situations, ignoring some information and focusing on other information. There is a frequent try to decompose from desired outcomes to necessary preconditions. We apply rules of thumb that are believed to be appropriate for the particular situation. We create “magic numbers”, like profit, cost, income, return on investment for complex phenomena; treating the numbers as equivalent to the more complex reality they represent. (Shapira 2010, 21). Hence, sense making as input to decision making needs completion by equivalent knowledge creation and management.

Next I will present the actual process flow of managerial decision making.

### 3.2 Management Decision Making

Nobel Laureate Herbert Simon (father of Artificial Intelligence) states:

“The work of managers, of scientists, of engineers, of lawyers – the work that steers the course of society and its economic and government organizations – is largely work of making decisions and solving problems. It is work of choosing issues that require attention, setting goals, finding or designing suitable courses of action, and evaluating and choosing among alternative actions. The first three of these activities – fixing agendas, setting goals, and designing actions – are usually called problem solving, the last, evaluating and choosing, is usually called decision making.” (Edmund 2007, 2).

Organizations with different structures, functioning in different environments, have to be managed. Managers have to make effective decisions to keep the organization flourishing. As long as there is management, there will be the problem of how to manage better. From managerial perspective decision making in organizations often is approached from problem-solving angle. Having this in mind the objective of manager could be simplified as to ensure that problems are quickly identified and resolved at an appropriate level - such that the solutions are consistent with the mission, goals and objectives of the entity. Although the terms "problem-solving" and "decision-making" are sometimes used interchangeably,
management literature makes a clear distinction between the two. Problem-solving is a larger process that starts with the identification of a problem and ends with an evaluation of the effectiveness of the chosen solution. Decision-making is a subset of the problem-solving process and refers only to the process of identifying alternative solutions and choosing from among them. (Texas State Auditor's Office, Methodology Manual, 2003, 1).

It is relevant to understand some definitions related to decisions and problems. As stated by Texas State Auditor’s Office (2003, 2) a decision occurs when a solution to a problem is selected for implementation. These decisions can be made either formally or informally:

- **Formal decisions** (also known as programmed) are more repetitive and routine in nature. Policies, procedures, criteria, and methods often exist to assist managers in making such decisions.

- **Informal decisions** (also known as non-programmed) are relatively complex, non-routine, and generally non-repetitive. Policies, procedures, criteria, and methods for making such decisions may not always exist since the problem faced may lack precedent - creativity may play a key role in such decisions.

From this definition perspective decision making is the process of identifying and selecting from among possible solutions to a problem according to the demands of the situation. For example, decision-making in the area of vendor contracting might address how to deliver a service, which bidder gets a contract, how to ensure that a contractor meets its obligations, or whether to pay the contractor in large or small bills.

Considering the above explanation on a problem I may state that a problem is the difference between the actual condition and the desired condition. For example: "We don’t know the cost of maintaining this solution for this customer" or "the current system does not enable straight through processing for customer document handling". Hence, problem solving can be seen as a continuous, conscious process which seeks to reduce or correct the difference between the actual and desired conditions.

### 3.2.1 Programmed and non-programmed decision making

Programmed decisions and non-programmed decisions are a whole continuum (figure 3.2.1.), with highly programmed decisions at one end of that continuum and highly non-programmed decisions at the other end (Taggert, 2014).
As described in figure 3.2.1, managers are often found themselves in the middle of the continuum. Thus, it is not only about making a decision to solve a problem but the first step is to evaluate and decide towards which end should the manager lean more to solve the problem. Judging whether the problem that needs to be solved can be solved via programmed, non-programmed or both approaches.

By definition programmed decisions are repetitive, routine, and rule/structure based. This is to the extent that a definite procedure has been worked out for handling them so that there is no need for treating them each time differently. Examples of programmed decisions may be: price decision for a customer solution, investment decision, employee salary decision (Taggert, 2014)

Non-programmed decisions on the other hand are unstructured, new, unusual, and consequential. There is no method for handling the problem because it has not arisen before, or because its’ precise nature and structure are elusive or complex, or because it is so important that it deserves a custom tailored approach. These are situations where a manager faces the problem for the first time and/or has not frequent experience from which to build up rules/programmed routine to guide a decision. (Taggert, 2014).

Table 3.2.1. Programmed and non-programmed managerial decision making techniques (Taggert, 2014)
Table 3.2.1. provides an overall picture of managerial programmed and non-programmed decision types linked to traditional and modern decision making techniques. In a big picture managers and executive decision makers use not just one type of decision nor just traditional or modern but often the mix of all – naturally not all decision situations and/or problems require mix usage but one or two may be enough. In this study I will focus on programmed decision making types. The improved decision making frame and guidelines follow the programmed managerial decision making.

3.2.2 Effective decision making process

The decision making theories that I have studied during last 12 months have all approached managerial decision making from one single perspective and that is problem solving. From this angle managers’ objective is to analyse a situation systematically and generate, implement, evaluate solutions, and finally make a decision.

Making a decision implies that there are alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that best fits with the goals, objectives, desires, and values (Fülöp 2005, 1).

How managers are to then define a problem and decide which alternative to choose? That is when decision making process or as some practitioners call it problem solving and decision making process facilitates managers with a method to rely on. There are different sizes of methods as there are different types of problems/decisions with different level of difficulties and complexities. Managers solve problems and make decision under different circumstances which often impact the path of decision making process they take. The circumstances are a)
crisis problem, where there is a serious difficulty requiring immediate action, b) a non-crisis problem where an issue that requires resolution but does not simultaneously have the importance and immediacy characteristics of a crisis, c) an opportunity problem that is a situation that offers strong potential for significant organizational gain if appropriate actions are taken, d) risk state that exists when the probability of success is less than 100 percent and losses may occur, e) lack of structure where clear programmed and non-programmed decision making procedures do not exist, f) uncertainty state that exists when decision makers have insufficient information, and g) Conflict. Conflicting state where pressures from different sources, occurring on the level of psychological conflict or of conflict between individuals or groups (Bateman 2013, 93).

Under these circumstances managers are to make decisions on challenges they face and problems that need to be solved on short and long-term. From the case organization and improved managerial making frame and guidelines this study covers all the circumstances as they all appear within TP local value chains.

The decision making process can be short or long depending on the challenge, problem and summarized circumstances above. The simplified version of the process consists of following four steps (Edmund 2009, 3):

![Simple managerial decision making process](image)

Figure 3.2. Simple managerial decision making process (based on Edmund 2009, 6)

The simple managerial decision making process is used by managers intuitively to make daily programmed decisions to solve problems and challenges they face. These are often simple situational decisions that managers have experience from their past and usually the required facts are easily and fast accessible and comprehensive so not much effort is required in making the decision. However, managers and executives often have to deal with decisions related to more complex strategic and operational challenges and problems in their work. The dynamic
and unpredictable nature of problem-solving and complexity of challenges faced indicate that decision making models (no matter how good they are) should not be too literally or universally prescribed as the one best model. Since problem-solving and decision-making are both artistic and scientific, they combine analysis and intuition, systems and judgment. Thus, in practice, the character of and emphasis on each process step will vary with the problem or decision faced by any manager. (Edmund 2009, 4).

Edmund (2009, 6), states that knowledge is power but only if one learns how to apply it through problem solving and decision making. The decision making process is essentially a problem solving procedure, so the basic stages and ingredients are the same regardless of which formula or theory is used; based on my own reading of decision making theories I certainly agree with this statement.

I will next explain the 11 steps of managerial decision making process in order to create a better understanding and an overview of the decision making phenomenon.

Step 1. Curious Observation

Edmund (2009, 10), states that curious managers constantly observe their environment to find possible problems that need to be solved and decisions that need to be made. While there is some true in Edmund's statement, my own managerial experience is that managers have more focus on optimization of decision making rather than finding possible problems. Hence the approach is more solution oriented than problem oriented.

Prevention is all about recognizing situations in which decisions are needed. Making curious observation and assessing situations is the proactive behaviour of employees and managers to prevent big losses, extra trouble, crises, or to achieve objectives (Edmund 2009, 10)

Edmund (2009, 11) presents some guidelines for employees and managers on making curious observations:

- Don’t accept anything as a “fact” or “true.” Develop a healthy and practical scepticism.
- Ask why and what if.
- Reflect on motives, feelings, needs, and reactions of people involved with or assigned to you.
- Think reflectively.
• Visualize and imagine.
• Be progressive.
• Even when presented with a decision to be made ask:
  o Who was involved in the matter leading up to the decision that is needed?
  o What were events leading up to the decision that is needed?
  o When did the events begin to develop?
  o Where did this occur?
  o Why did the matter reach the decision stage? Any urgency?
  o How did my involvement in the decision-problem develop?

Step 2. Is there a Problem/ What is the Problem?
An idea, problem, decision, or tentative theory should be presented in the form of a question because it encourages you to keep an open mind and thus seek a good decision and not prove a statement. A question is a tool and a guide for productive thinking. Classifying the problem decision helps defining it properly. For this purpose following questions are to be considered:
• A major or minor problem/ decision?
• A short-term or long-term problem/ decision?
• A policy decision?
• A group decision? Consult others for their definitions.
• A technical, legal, financial, personal, social, religious, business, professional, union, political, environmental, management decision or another class?
• A reversible decision or a permanent one?
• Is the problem routine and subject to programming?
• How urgently is the decision really needed? The more time to research the better.
• Determine the present state and goal state to help define the problem and decision.

Complex decision can be solved more easily by breaking them down to sub-problems. The standard decision making technique advises to “divide and conquer.” Decision makers should analyse the problem for its major sub-problems and sub-sub-problems and plan to solve these first. It should also be considered to look at the big picture before defining a decision problem. This is in order to evaluate whether the real problem is part of an even greater problem? If it is the decision may require more extensive evaluation than originally anticipated. Hence managers must be careful of “common sense” statements and usual assumptions. They should challenge statements and opinions of experts and authoritative leaders and consider what is really needed instead of opinions. (Edmund 2009, 12)
Step 3. Goals and Planning

Goals are the end results manager want to achieve as a result of the decision they arrive at. Edmund (2009, 14) recommends considering the following items when setting goals.

- Before setting goals, do goal research. How do goals relate to the organization’s overall goals? Be sure to see the big picture.
- Goals must be realistic, achievable, and challenging and must provide growth.
- We usually have multiple objectives. Conflicting goals must be analysed.
- Review initial state, present state, and goal state.
- Aim for exactness (not perfection, sometimes 70-80% is enough) on important points - Consider “good enough.”
- Goals may be short term, medium, or long term.
- Be sure goals are worth cost/benefits. What degree of risk is acceptable?
- Consider moral values, ethics, emotions, and happiness.
- Are people and resources available to research the decision?
- Sometimes goals have to be reached step by step and not as big bang - Consider sub-goals to achieve the major goal.
- Reaching goals now may be costly but may pay off big in the future.
- If a decision group is involved, request them in setting goals.
- Goals may have to change as the world is constantly changing.
- Everything is not black and white. Think also in shades of grey.
- Are the “facts” really knowledge or only opinions or assumptions?
- Anticipate the possibility that your goals will produce conflicts and opposition.
- How will your competitors or opponents react to your goals?
- How will your goals fit into cultural values of the organization?
- Consider legal, environmental, community, or global restrictions.

Planning is the essential “tool” of any decision making manager if he/she is to manage in era of complexity, budgets, and politics. Here are some points by Edmund (2009, 15) to keep in mind:

- Place priority on identifying and solving sub-problems or sub-decisions.
- Keep vertical and horizontal lines of communication working effectively (connect to people).
• Continuously track time, supplies, resources, facilities, and people.
• Use models, artificial intelligence, and other technologies to support planning.
• Multiple goals and objectives with consequences are usually involved.
• Ask subordinates what problems the decision may cause within the organization
• Be careful of being too optimistic or pessimistic - balance these.
• Cost/benefits or effectiveness are of prime importance.
• What future cost or obligations may be involved?
• Establish priorities and keep the big picture close.
• Compile your list of criteria and values. What may be the cost of trade-off?
• Prepare sketches, charts, diagrams, and other visual aids.
• Take steps to counteract the rumour mill.
• Consider moral values, ethics, emotions, stresses, and anxieties.
• Be seriously open to contrary evidence and opinions.
• What repetitive and routine decision can be programmed or modelled?
• Explore risks involved and what degree of risk is acceptable.
• Compile a list of tentative solutions as you go along.
• Predict when a decision is really needed to avoid a biased call for action.
• Review past experiences, but interpret them carefully.
• Beware of being wrongly influenced by sunk costs.
• Draw up a list of anticipated obstacles, difficulties and dependencies.
• Consider establishing a permanent planning room.

Step 4 Search, Explore, and Gather the Evidence

It is evident that an efficient search for information and evidence is essential for making any good decision. However, before loading a mind with data, other people's opinions, and facts, listing all alternative decisions that may solve the problem and any sub-problem. This allows use of imagination before being influenced by prevailing thoughts, information and theories. It is of relevance to keep in mind cost of the search. That may include considering budget, cost/benefit, cost effectiveness, time, and energy that is needed to discover all the information and facts. This is of special importance in management decision making as sometimes time to decision is more important than 100% fact based decision. (Edmund 2009, 16)
Decision making usually involves the future. Therefore, it involves uncertainty and the difficult task of predicting the future. It is valuable to evaluate and imagine the end result on which decision is being taken.

**Step 5. Generate Creative and Logical Solutions**

Objective of this step is to accumulate a number of alternative decisions and their consequences for evaluation in step 6. Here are some suggestions for finding alternative solutions (Edmund 2009, 18):

- **Intuition.** We all make many decisions intuitively every day. They are based on our store of knowledge in working memory, past experiences, recognition of patterns, and other factors. In complex decision making, we should write down our intuitive decision solutions. They should be considered tentative and evaluated along with others we generate.

- **Logical solutions.** Many decisions can be arrived at by using gradual, systematic, steady, analytical, judicial reasoning and logic. Gather all the data and fit it together from the problem that need to be solved.

- **Innovative solutions** – find existing solutions and modify them and adapt them to fit to decision that needs to be taken.

**Step 6. Evaluate the Evidence**

Here at step 6 we will seek and evaluate the evidence, criteria, and consequences about the alternative decisions and choose the most promising one. At step 7 the best one becomes the educated guess or hypothesis. A step 8 we will challenge and examine it in great detail to ensure accuracy and for self-corrections (Edmund 2009, 20).

Remember if there are more than five decision alternatives on the list, try to reduce the number to three or four in order not to waste time. Do any overlap? Have you covered basic goals? It is relevant to keep in mind that sometime there is a need for quick action. In such situations one should have a multi-timed decision. That is take temporary action now, but then come back and determine final actions later. (Edmund 2009, 20).

Suggestions for evaluating decision alternatives can be as simple as listing advantages/ benefits vs. disadvantages/ consequences (pros and cons). This of course does not take away the fact that one shall always consider utilizing charts, graphs, fault trees, accounting data, rates,
analyses, and surveys. Below is an example of a standard evaluation chart (based on Edmund 2009, 21).

<table>
<thead>
<tr>
<th></th>
<th>Rate</th>
<th>Alternative 1</th>
<th>Rate</th>
<th>Alternative 2</th>
<th>Rate</th>
<th>Alternative 3</th>
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</thead>
<tbody>
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<td>Advantages</td>
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<tr>
<td>Disadvantages</td>
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<td>Benefits</td>
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<tr>
<td>Consequences</td>
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<tr>
<td>Goals</td>
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</tbody>
</table>

Figure 3.2. A standard evaluation chart (Based on Edmund 2009, 21)

Edmund’s (2009, 21) chart above (or other charts alike) provides an overview of all alternatives and related factors. What it often does not consider is such things as

- Risk versus reward. Decision making involves risk taking, hence one have to know the degree of willingness to take a risk to avoid later regrets. Make good evaluations to reduce risk as much as possible. Studying key uncertainties and adding contingency plans for each risk factor.
- Testing, research, experimenting, sampling, and surveys. Do these wherever they would be helpful to improve evidence.
- Past experiences are important to keep in mind but with caution as often relaying too much on experience we forget about the facts thus making wrong decisions or assumptions. The literature specially warns that people often forget how selective their memory is (remembering just the success).

**Step 7 Make the Educated Guess (Hypothesis)**

The best alternative out of all alternatives evaluated in step 6 now becomes the educated “working hypothesis” which describes that it is on trial (it will be challenged at step 8). Here at step 7 we will make sure that the hypothesis meets certain standards. Then we will make prediction about hypothesis that will be challenged at step 8. Desirable characteristics a decision-type hypothesis show are such as explicit statement, consistent with existing knowledge and data, and relevant, fruitful, adequate, and logically achievable. (Edmund 2009, 22).

Specifically from organizational management decision making perspective it is inevitable to have educated guesses on cost/benefit and cost effectiveness. These are often the most
significant feature in decision making and require special attention. Furthermore recommendation is to always test the hypothesis against the real world (down to operational level) and analyse the differences to adapt necessary changes.

Types of predictions that managers may come up with may be (Edmund 2009, 23):

- If this decision is made, the consequences will be . . .
- A model we prepared shows this will happen . . .
- A cost/benefit comparison shows this favourable result . . .
- Experiment shows . . .
- A customer survey shows they will . . .

**Step 8. Challenge the Hypothesis (Decision)**

Rather than just going ahead and implementing the best alternative or decision chosen in step 6, we made it our hypothesis. Now it needs to be challenged to make sure it is the right one. Thus, the aim is to find any possible error before others do. This saves time, money, and reputation and makes the decision more accountable for actions. (Edmund 2009, 24).

Now we must challenge the decision with confirming and disconfirming evidence. Here are some basic ways to confirm, verify, justify, and validate the decision (Edmund 2009, 24):

- Observation, test, and/or experimentation
- Mathematical calculations (cost, income, NPV, etc.)
- Statistical verification, sampling, surveys
- Verification by elimination of all competing hypotheses
- Verification by consistency with existing knowledge
- Prior experiences (both successes and failures)

Disconfirming or falsifying. It is a human tendency to support one’s own beliefs, but accurate decision making requires that we make an effort to seek and consider objectively all disconfirming evidence. To do this one can utilize the following way to fairly test the decision (Edmund 2009, 25):

- Put the decision into partial or full use on a trial basis.
- Present a contrary or competing decision and try to support it.
- Have a consultant or decision making group present any disconfirming views
If the decision doesn’t survive the challenge, one must retreat to a prior step 6 and 7 to re-evaluate the decision.

**Step 9. Reach a Conclusion**

The hypothesis or decision is no longer just an educated guess, but a more certain conclusion. Yet, we cannot claim it is “the truth” or a certainty, but we can say, “Based on the evidence available today, the balance of probability favours the view that this decision is a good conclusion to the question at issue.” Some qualities and conditions that concluded decision should cover (Edmund 2009, 26):

- It must be stated clearly, concisely, and in terms and language that those who have not been involved easily understand and connect to.
- It must answer the problem as defined in step 2.
- It must be realistic and implementable.
- It is legal and ethical.
- It should reflect on future after implementation.
- It takes into consideration short-, medium-, and long-term needs.

Regardless of how good plans are and accurately budgets are calculated there should always be a contingency plan. Decisions involve many uncertainties. After making the decision, unexpectedly there may be big changes in financial markets, changes in customer desires, etc. Therefore, having contingency plans for what will be done if serious changes affect the decision is a prevention action. (Edmund 2009, 27).

Implementation of the decision is not easy as it often includes change followed by resistance. Change is often resented because of jealousy, fear of change, scepticism, bias, loss of prestige, wrong assumptions, financial loss, authoritarianism, inability to admit being wrong, and unwillingness to let of the old. The below are some recommendations to consider when applying implementation and change (Edmund 2009, 27):

- Do we have enough competence and resource to carry out the implementation and the changes? Or must we obtain advice and assistance?
- Will everything be done all at once or in stages?
- Soften the changes (using change management model) for those affected?
- If any goofs or errors, correct them immediately.
- Arrange for good, fast, and honest feedback
• Who or what actions may try to harm implementation?
• Have good plans for implementation.
• Be sure implementation plans are efficiently communicated.
• Beat or anticipate the rumour mill; it can cause headaches (get relevant people and stakeholders involved in good time).
• Any division that will fight the implementation?
• Has the market changed since the research was done?
• Be sure the people involved realize risks are being purposely taken.
• Set completion or target dates and communicate them openly.
• Secure allocation of time, resources, budget, etc.
• Identify possible bottlenecks, errors, or other potential troubles.
• Will outside experts or consultants be needed?
• Measure progress and follow to secure actions are taken as agreed.

Step 10. Suspend Judgment
Edmund (2009, 29) strongly highlights the importance of this step before taking action on made decision. This is the step for final deep mental reflection. The nature of knowledge requires that one possesses some humility about the results of the work done so far, even though one is ready to take action. While we have spent a lot of time and effort to reach a final decision, we must now change our attitude and suspend judgment – we shall not fall in love with our concluding decision. Dr. Crook’s 1958 advice on suspended judgment:
• Stick to your conclusion until it is proven wrong.
• Keep an open mind and be ready to accept new evidence.
• Opinions thought correct today in light of present knowledge may be thought incorrect tomorrow because of new discoveries or projection of new ideas.

As many things are usually not just yes or no, true or false, or good or bad waiting until we have heard or researched all the data before we reach a conclusion is highly recommended – the trick is not to be misled by the first person’s opinion we hear or the first data given to us. Furthermore we are to look beyond this decision and what may occur after it. (Edmund 2009, 29).

Step 11. Taking Action
This step is also the “gaining acceptance” of our decision step. No matter how correct the decision is, we may meet with resistance, as change is often hard to achieve. As stated in previous steps Edmund (2009, 30) encourages to go forward and present, sell, or fight for the decision. This however does not mean that if one realizes that the decision is wrong or need corrective action he/she shall not take action to correct the decision.

Edmund (2009, 30) suggests that as resistance is reached one may utilise the following example aids to acceptance:

- Consider hiring a public relations firm to help on acceptance of complex decisions (implementation of SEPA in Finland could have been benefit from this).
- Think of ways that might gain acceptance of the coming decision.
- Involve, engage and communicate effectively.
- When run into a roadblock, make an end run around it.
- Find/ nominate ambassadors to support the acceptance of the decision in the organization. Compile a list and contact those who will benefit most.
- Run tests, pilot programs, surveys, or do additional research if needed (take the time to understand people on operational pragmatism).
- Measure progress as you proceed and ensure an efficient feedback loop.
- Use motivation principles to gain cooperation.

While Edmund (2009, 31) has strong opinion on the fact that all 11 steps of the decision making/ problem solving model must be followed to gain the real value of the model. However, in the real managerial and organizational decision making and problem solving challenges and the need to solve them have different dimensions and complexity, thus I believe the model is to be utilized as seen best and fitted to the decision that needs to be made and/or problem that needs to be solved. Flexibility and agility are key elements of efficient making decisions and taking actions.

Edmund’s (2009) 11 steps and in general literature describe the decision making process in context of overall decision making within an organization they do not particularly differentiate between organizations with or without international dimension. Multinational corporations are full of international decision making teams, e.g., executive boards, management groups, project steering committees and task forces. To always make the decision teams work, companies should adapt the decision making approach that fits both the corporate culture as
well as the dominant national business cultures of the members in the team. The foundation on which the decisions are taken will also vary in companies. Some prefer to make decisions based on a large number of explicit facts about the questions being discussed and they prefer to use those facts in a pre-agreed formal decision process. People from the Anglo-Saxon/Northern European business cultures such as UK, Germany, Scandinavia or USA have a tendency to prefer this approach. Others prefer to make decisions in a more implicit and intuitive manner (Toft 2013).

As described earlier the case study organization is a Scandinavian company with explicit business and market focus in the Nordic. Thus, as defined above and found in the study the preferred decision making philosophy is fact based and mostly top-down.

The next section focuses on exploring literature in defining the role of empowerment within decision making.

### 3.3 Empowered Decision Making

Organizations that are committed to the ongoing growth of their employees, recognize employee empowerment as one of their most important strategic methods to motivate employees. Employee empowerment is also a key strategy to enable people who have the need, the answers, and the knowledge, to make decisions about how to best serve customers (Heathfield, About.com).

By definition employee empowerment is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. It allows decisions to be made at the lower levels of an organization where employees have a unique view of the issues and problems facing the organization at a certain level (Employee Empowerment, Study.com). Empowerment is providing employees with what they need so that they continually increase their individual and collective influence, authority and accountability within “fences” – appropriate limits or boundaries. In “empowered organizations”, the focus of motivation, initiative and accountability is away from organizational hierarchy and towards the individuals (Heathfield, About.com).

Employee empowerment provides some distinct advantages. It leads to increased organizational responsiveness to issues and problems and an increase in productivity. It also leads to a greater degree of employee commitment to organizational goals, since employees
can take some degree of ownership in the decisions made towards goal achievement. Shared decision making can improve the quality and acceptance of decisions, bolster worker motivation and self-esteem, increase sense of ownership and improve interpersonal relations with employees. Employee empowerment is not without some disadvantages either. It can lead to decreased efficiency because decisions may not be uniform and optimized for organizational goals. It can also create problems with coordination throughout the organization because decisions are decentralized and not managed at the top. Manager and employee relationships can become tense as the boundaries of authority can be blurred. (Employee Empowerment, Study.com).

The essence of empowerment is to release, rather than ignore or underutilize, employees’ experience, initiative, knowledge, and wisdom. Employee performance is a major factor that leads to the success or failure of a business. Empowering employees enhances their skills and performance. Delegation is not empowerment; it is giving an employee tasks so a manager can work on other jobs. Fracaro (2006, 4) states in an organizational hierarchy, structure is created to inhibit the behaviour of people. Rules, procedures, policies, and management relationships inform people about what they cannot do or how they must do a task. In empowerment, the structures have a different purpose and take different forms. Now, the structure is intended to inform team members about the ranges they can act with autonomy hence employees to be empowered must know what their specific responsibilities, authority, decision-making powers are to operate within the new boundaries to be created. Empowerment is then assigning responsibilities, authority, and decision-making power to employees and holding them accountable for results. (Fracaro, 2006, 4).

Empowerment must be an evolutionary process and composed of the following elements (Empowerment, leezley.com):

A. **Participation.** Participation is the opportunity to influence decisions by having one’s ideas/viewpoints heard and truly valued; and, an acceptance of the obligation to take responsibility and accountability – including consequences positive or negative - for effectively implementing and supporting decisions made. Organizations must commit to the philosophy of seeking input in decisions from those significantly impacted and/or affected by a decision.

B. **Decision-making.** Organizations must shift the balance of decision making types from a mass decision making on top to a balanced shared decision making. The individual accountable for the results of the decision in an area/function should lead a process of
determining the respective type(s) of decision-making that will normally be applied to the decisions made within his/her area or responsibility. This process must take place in advance of really moving forward with empowerment. Regardless of the type of decision making employed, gathering input and interacting with appropriate individuals and functions to guide the decision making process must become an expected norm of behaviour on the part of all employees who occupy leadership/decision making positions.

C. Responsibility. Empowerment and participation are two-way streets. Leaders must provide the opportunity, skills, support and coaching to employees to encourage their input and participation. Employees, on the other hand, must accept responsibility and accountability for results – and their consequences - when they have been effectively involved in the decision making process.

D. Information. Empowerment and participation as well as involvement in the decision-making process require that employees have access to and understanding of the information required to fully participate. Leaders must be committed to and responsible for providing needed information in ways that are meaningful for participants consistent with legitimate business and confidentiality constraints.

E. Roles and behaviour. The role and behaviour of all employees who occupy positions of leadership and authority in an organization must change, visibly, if empowerment, participation and involvement in the decision making process is to occur in a meaningful and constructive manner. Leaders must see their roles not as the ones who solve the problem and/or have the answer. Rather, they must see their roles as the one who facilitates getting the right people together at the right time with the right information and tools so that the right decisions are made by the right people.

Empowerment can be accomplished by following six sequenced steps that each is necessary to fully empower employees and managers (Fracaro 2006, 6):

1. Acquire empowerment. Upper management starts the empowerment process. They must be willing to give up authority and decision-making power to lower levels of the organization. Often this is the most challenging step for many leaders as they a) want to be in control b) feel they will lose power if they empower employees or their managers.

2. Choose employees to empower. Employees must want to be empowered. Some employees are unwilling to accept additional responsibilities and decision-making power regardless of potential rewards. They need skills to make correct decisions and accomplish additional responsibilities.
3. **Provide role information.** Upper management defines the role and assigns responsibilities, authority, and decision-making power to meet company and department goals. Define your own role to employees then define the responsibilities, authority, and decision-making power that you will assign to employees. Define boundaries to clarify decisions employees will and will not make. Also, specify performance criteria and rewards for outstanding achievement.

4. **Share company information.** Help people to understand the need for change, teach company financials, share some sensitive information, list facts people have and need, share good and bad information, and view mistakes positively. Explain company vision and values, clarify priorities, and teach decision-making and problem-solving skills.

5. **Provide training to employees.** Employees/managers must have a clear vision of success. They must be taught the basics of cost and revenue. Open financial books and inform employees/managers of the situation so they can feel more related to the company. Let employees/managers decide how to handle clients, and give them discretionary power when deciding what to spend in order to mend a certain problem.

6. **Inspire individual initiatives.** An inspired employee/manager is a highly productive resource to a company and department. Christopher Bartlett and Sumantra Ghoshal in their book, *The Individualized Corporation*, state that to “build on the belief of the individual [one must] create a sense of ownership (create small performance units, decentralize resources and responsibilities), develop self-discipline, establish clear standards and expectations, and provide a supportive environment (coaching, openness to challenges, and tolerance for failure).”

Shared decision making can improve the quality and acceptance of decisions, bolster worker motivation and self-esteem, increase sense of ownership and improve interpersonal relations with employees and managers. Thus it is relevant to consider that empowerment work best when it is done in small increments and with right intentions. (Fracaro 2006, 7).

Being a Nordic organization with Anglo-Saxon/Northern European business culture means (as described earlier) explicit fact based decision making. While empowerment has high importance, smart utilization analytics play crucial role in facilitating fact based decision making. Next, I will focus on smarter usage of analytics for decision making.
3.4 Using Analytics for Smarter Decision Making

If we want to make better decisions and take the right actions, we have to use analytics. Putting analytics to work for smarter decision making is about improving performance in key business domains using data and analytics. Too many managers still rely on their intuition or experience to make decisions – up to 40% of major decisions are based not on facts, but on the managers’ gut (Davenport, Harris and Morison 2010, 1).

Davenport et al. (2010, 3) argues that the payoff or benefits for an organization to put analytics to work for decision making are:

- Analytics give managers tools to understand the dynamics of their business, including how economics, market, and customers shifts influence business performance.
- Analytical testing can establish whether intervention is causing desired changes in business or whether it is simply the result of random statistical fluctuations.
- Leverage previous investments in IT and information to get more insights, faster execution, and more business value in many business processes.
- Optimization techniques can minimize asset requirements, and predictive models can anticipate market and customer shifts hence enable the organization to move quickly to slash costs and eliminate waste.
- Manage risks through more precise metrics
- Using analytics an organization can detect patterns in the vast amount of customer and market behaviour.

Taking analytical to work for decision making begins with anticipating how information will be used to address key questions from time and innovation dimensions presented in figure 3.4.
Together these questions encompass what managers need to know about in order for creating a comprehensive overview of problem that need to be solved and/or the decision that needs to be made. Davenport et al. (2010, 7) also recommends managers to use the matrix in figure 3.4 (total or partially) to challenge existing information as often when moved from purely information-oriented questions to those involving insights is likely to give a much better understanding of the dynamics of the business and related decision that needs to be made.

Analysing the data and having all the information at managers’ disposal does not guarantee success in making right decisions – good analytics facilitate better and smarter managerial decision making but it does not make the decision on behalf of the manager. All leaders and managers within organizations must recognize and acknowledge two types of decision-making errors which often arise due to solely trusting and looking at analytics as they are (Davenport et al. 2010, 13):

- Logic errors:
  - Not asking the right questions
  - Making incorrect assumptions and failing to test them
  - Using analytics to justify what one wants to do instead of letting the facts guide to the right direction
  - Failing to take the time to understand all the alternatives or interpret the data correctly

- Process errors:
  - Making careless mistakes
  - Failing to consider analysis and insights in the decisions
  - Failing to consider alternatives seriously
  - Using incorrect or insufficient analysis for decision making
  - Gathering data or completing analysis too late to be useful – rushing into decision

From decision making perspective fact-based decision fits well into the purpose of this study as it suggests that fact-based decisions also need to be combined with none fact-based such as experience and intuition. Here is Davenport et al. (2010, 176) definition:

“Fact-based decisions employ objective data and analysis as the primary guides to decision making. The goal of these guides is to get at the most objective answer through a rational and fair-minded process, one that is not coloured by conventional wisdom or personal biases. Whenever, feasible and fact-based decision makers rely on
the scientific method – with hypothesis and testing – and rigorous quantitative analysis. They avoid deliberations that are primarily based on intuition, gut feeling, hearsay, or faith, although each of these may be helpful in framing or assessing a fact-based decision”.

Analytics is then all about facilitating fact-based and objective decision making. Decision making is a complex subject and most organizations don’t focus on improving decisions because they have been seen as the prerogative of individuals – usually senior executives and top level leaders – and such decisions are seen as something of a “black box” into where information goes in, decisions come out, and it is hard to know and understand what happens in between. Davenport et al. (2010, 178) goes on and argues that organizations that care about decisions should have approaches to continuously assess and improve their decision making processes. Furthermore provided the opportunity the goal of analysts is to work with executives and managers to improve decision making hence, analysts role and responsibility is not just supplying analytics or providing correct answers. They are part of the “decision management group” and embedded into every decision making process within the organization. It is a culture (Davenport et al. 2010, 178).

In previous sections (3.1-3.4) I have explored decision making literature and described the role and value of a particular function within managerial decision making. In the final section of this chapter my focus is to describe how literature combines knowledge (facts) and sense (logic) with decision making. Section 3.5 provides the core of conceptual managerial decision making frame that is presented in chapter 4.

3.5 Knowledge Creating, Sense Making and Decision Making

This chapter focuses on how organizations use information to construct meaning, create knowledge, makes sense out of this knowledge and eventually make decisions leading to the creation of knowing organization. Choo (2003) describes knowing organization as the organization which is well prepared to sustain its growth and development in a dynamic environment. Further, knowing organization is the one that links up three strategic information processes that are exercised by sense making, knowledge creating, and decision making into a continuous cycle of learning and adaptation to decide strategy and course of actions. Organizational knowing applies when these principles of information use are connected to each other to constitute a larger network of processes through which the organization constructs shared meanings about its actions and identity; discovers, shares, and applies new knowledge; and initiates patterns of action through search, evaluation, and
selection of alternatives. Overtime knowing organization underpins knowledge-creating, sense-making, and decision-making into adapted behaviour that guides and drives actions. (Choo 2003).

<table>
<thead>
<tr>
<th>Model</th>
<th>Process</th>
<th>Modes</th>
<th>Interactions</th>
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</thead>
<tbody>
<tr>
<td><strong>Sense Making</strong></td>
<td>Environmental change leads to - Performance, selection, retention - Enacted interpretations “looking backward” – retrospective sense making</td>
<td>Belief and action driven process</td>
<td></td>
</tr>
<tr>
<td><strong>Knowledge Creating</strong></td>
<td>Knowledge-gap situation leads to - Tacit, explicit, cultural knowledge - Knowledge conversion, building &amp; linking new knowledge “looking across many levels” – multilevel learning from individuals, groups, and organization</td>
<td>Knowledge conversion - Knowledge building - Knowledge linking</td>
<td></td>
</tr>
<tr>
<td><strong>Decision Making</strong></td>
<td>Choice situation leads to - Alternatives, outcomes, performances - Rules &amp; routines - Decisions “looking ahead” – goal directed &amp; future oriented</td>
<td>Rational - Process - Political - Anarchic</td>
<td></td>
</tr>
</tbody>
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Figure 3.5.1. Sense-making, Knowledge Creating, and Decision Making in knowing organization (based on Choo 2003)

Looking into the content of the figure 3.5.1 organizational **sense-making** is presented as a recipe that helps people to interpret the environment through connected sequences of enactment, selection, and retention. Within this definition the process of sense making is reached via (Choo 2003):

- **Enactment** where people actively construct the environments which they attend to by bracketing, rearranging, and labelling portions by portion and converting raw data from the environment into unclear data to be interpreted.
- **Selection** where people choose meanings that can be imposed on the unclear data by overlaying past interpretations as frames to the current experience. Selection produces a meaningful cause-effect explanation of what is taking place.
- **Retention** where the organization stores the products of successful sense-making so that they may be retrieved in the future (overtime this happens unconsciously).
The process of sense-making within an organization is driven by beliefs or by actions. In belief-driven modes, people start from an initial set of beliefs that are sufficiently clear and reasonable, and use them as nodes to connect more and more information (that they have encountered as a result of the process) into larger structures of meaning. Action-driven modes, people grow their structures of meaning around actions. Meanings are created in order to justify actions that are visible, deliberate, and irreversible or they may create meaning in order to explain actions that have been taken to induce changes in the environment. (Choo 2003).

**Knowledge creating** is about identification of gaps in the existing knowledge of the organization. An organization possesses three kinds of knowledge: tacit knowledge embedded in the expertise and experience of individuals and groups; explicit or rule-based knowledge codified in organizational rules, routines, and procedures; and cultural knowledge expressed in the assumptions, beliefs, and norms used by members to assign value and significance to new information or knowledge (Choo 2003). New knowledge is created via following modes of processes

- Knowledge conversion, introduced by Nonaka and Takeuchi in 1995, focuses on continuous conversion of personal, tacit knowledge of individuals who develop creative insight, and the shared, explicit knowledge by which the organization develops new products and innovations.

- In knowledge building introduced the organization identifies and nurtures activities that build up knowledge which strengthens the organization’s distinctive core capabilities, enabling them to grow over time. This is done via shared problem solving, experimenting and prototyping, implementing and integrating new processes and tools, and importing knowledge.

- In knowledge linking the organization forms close learning partnerships with other organizations in order to transfer knowledge that is embedded in the specialized relationships, work cultures and operating styles of the partner organization. Knowledge is transformed into value not only within the organization, but also through knowledge-based interactions with customers, suppliers, and other partners.

**Decision making** is triggered by a choice situation, an occasion in which the organization is expected to select a course of action. Depending on the degree of uncertainty about the goals and procedures available to attain these goals, an organization adopts one of four modes of decision making (Choo 2003):
• In rational mode, when goal and procedure clarity are relatively high, choice is simplified by performance programs and standard operating procedures are based on rules and routines that the organization has learned.

• In the process mode, goals are strategic and clear but the alternatives to attain them are uncertain. Decision making becomes a dynamic process which begins with problem identification, followed by development of alternatives through searching for ready-made solutions or designing custom-made ones, and ends with the evaluation and selection of an alternative.

• In the political mode, when goals are challenged by multiple individuals or groups but each group is clear about its preferred alternative, decisions and actions are the results of the bargaining among participants pursuing their own interests and manipulating their available instruments of influence. Hence political decision making is often seen as game-playing, in which participants take up positions, stands, and influence, and make their moves according to rules and their bargaining strengths.

• In the anarchic mode, when goal and procedure uncertainty are high, decision situations consist of relatively independent streams of problems, solutions, participants, and choice opportunities. A decision happens through chance and timing, when problems, solutions, participants, and choices are made by participants whenever they have the time or energy.

The above definitions and perspectives indicate a continuous flow of information maintained between sense-making, knowledge creating, and decision making, so that the outcome of information usage in one mode provides the elaborated context and the expanded resources for information usage in the other modes, as shown in Figure 3.5.2 (Choo 2003).
Figure 3.5.2. The Organizational Knowing Cycle (based on Choo 2003)

Sensemaking is the means for organizational members to enact and negotiate beliefs and interpretations to construct shared meanings and purpose which constitute the framework for explaining observed reality and creating organizational agenda that is a set of issues that people in the organization agree on as being important to the well-being of the organization. Shared meanings and purpose also help to define a collective *organizational identity* or a set of multiple identities, since an organization assumes different identities in different situations. Defining an organizational identity establishes norms and expectations about the propriety, accountability, and legitimacy of the organization’s choices and behaviours. A framework of shared meanings and purpose is therefore used by organizational members to assess consequentiality and appropriateness, and to reduce information vagueness and uncertainty to a level that enables dialogue, choice and action making. Where messages from the external environment are highly equivocal, shared meanings reduce ambiguity by helping members to select plausible interpretations. Where messages from the external environment are highly incomplete, shared meanings reduce uncertainty by supplying assumptions and expectations to fill in the voids. Shared meanings need to be continuously updated against new events and conditions. By allowing ambiguity and diversity in interpretations, an organization can constantly monitor its shared meanings against the environment to ensure that they are still valid. (Choo 2003).
Within the framework of its constructed meaning, agenda, and identity, the organization needs to exploit current specializations or develops new capabilities in order to move towards its vision and goals. If the organization experiences gaps in its existing knowledge or limitations in its current capabilities, it initiates knowledge seeking and creating where members individually and collectively fabricate new knowledge by converting, sharing and synthesizing their tacit and explicit knowledge, as well as by cross-linking knowledge from external individuals, groups and institutions. The outcome of knowledge creating are new capabilities and innovations that enhance existing competencies or build new ones; generate new products, services, or processes; or extend the range of viable organizational responses to a problem situation. The value of new knowledge is assessed locally by its ability to solve the problem at hand, as well as generally by its ability to enhance the organization’s capabilities in the long run. (Choo 2003).

Shared meanings and purposes, as well as new knowledge and capabilities unite on decision making as the activity leading to the selection and initiation of action. Shared meanings, agendas and identities select the premises, rules, and routines that structure decision making. New knowledge and capabilities make possible new alternatives and outcomes, expanding the range of available organizational responses. By structuring choice behaviour through premises, rules and routines, the organization simplifies decision making, codifies and transmits past learning, and proclaims competence and accountability. Shared meanings and understandings about the nature and needs of a particular situation are used to guide rule activation. Shared interpretations help select which rules to apply by answering the questions “What kind of situation is this?” and “What rules do we have for dealing with this type of situation?” (Choo 2003).

The end result of this interaction between shared meaning (in interpretations and understandings) and shared learning (in rules and routines) is the execution of a pattern of actions that simultaneously constitutes the organization’s attempt to move towards current goals and maintain current identity, as well as its attempt to adapt to changed conditions in the environment. In this sense, the outcome of decision making is behaviour that is both goal-directed and adaptive.

I see sense-making, knowledge creating, and decision making within an organization as a possession of "know-how" with factual information, and integration and interpretation of these into knowledge cycle and norms for the organization to manage effective decision
making. The challenge for any organization whose strategic and tactical management requires effective participation in knowledge and decision-intensive sectors consists in building an organization that is able to manage efficiently and effectively aspects where value is represented by sense-making, knowledge creation, and decision making.
4 Conceptual Framework

While chapter three focused on literature to elaborate the field of managerial decision making within an organization, the chapter four explores the managerial decision making within Transaction Products, the actual case study unit within the organization. Furthermore, the conceptual framework presented in this chapter (figure 4) illustrates how literature and the case study create a symbiosis facilitating the improved managerial decision model within TP’s local value chains.

![Conceptual framework for improved managerial decision making](image)

**Figure 4. Conceptual framework for improved managerial decision making**

Figure 4 illustrates the flow from the point when an idea, a problem or challenge is identified to the point when action is concretely in progress with a follow-up process that secures corrective actions and benefit realization. What happens in between the two end points can be described as managerial decision making process where knowledge is created and facts are analysed and put through sense-making before creation of alternative solutions that are to solve a problem. Then potential solutions are flowed into empowered managers who have the mandate to evaluate the solutions and take decision on the one solution that will lead to implementation (action).

The frame is following an enhanced programmed based decision making approach that is strengthened with knowledge creation, sense making, empowerment, decision making, action orientation and loop of securing that benefit are actually realized and corrective actions are taken when needed. My observations from participating the Local Value Chain meetings and as a former leader myself within the case study organization (I was member of both Nordic and Local Value Chains for three consecutive years) confirms the study findings in terms of leaders and managers not having a) a firm and programmed approach to decision making, and b) enough empowerment to make decisions and take actions on local matters.

4.1 Analysis of study findings

The purpose of this section is to provide insights into the study problem via answering the related sub-questions using the interview findings (detail tables on interview findings are in...
appendix 3). As stated at the beginning of this focus of study problem that has been on *why the current TP managerial decision making process in local value chains needs improvement and how can the decision making be improved?* To support finding the right reasons following sub-questions were presented and integrated into interview questions: what challenges are seen in decision making; and what are the factors that can improve decision making?

Having the study questions in mind analysis of study interviews were made to discover the answers. While this section particularly focuses on providing insights to study questions from the interview findings, the overall detailed interview findings can be found in appendices (appendix 3. Consolidated Findings, tables 3.1 and 3.2).

**Decision making challenges with and within TP.**

The interviewees addressed number of challenges about current TP managerial decision making. The findings indicated common consensus on identified challenges among all levels.

One of the most mentioned challenges was TP’s inability to balance the decision power to act between Nordic and Local in order to enable its local leaders to serve their purposes. According to TP stakeholders there are many people from TP are involved but they do not have the power to make decisions or act hence, often issues must be either escalated up or local stakeholders have to wait until decisions are taken on Nordic level within leader on level 3 or 2. This implied that the existing decision making power and guidelines are off balance, hence hindering efficient and effective decision making locally. Furthermore, it was indicated that Nordic level leaders often are far from understanding their own organization’s local capacity and capability to execute on top-down decisions. This often lead to local managers and employees “sending” the decision back to Nordic level leaders with request of rethinking their decisions as they cannot be executed due to for example lack of resources, expertise, or system’s capabilities.

Another challenge within TP was seen to be TP level 2 leaders’ desire for endless analysis on finding facts before any decision can be taken. TP’s overrated emphasis on fact based decision making is found to be exaggerated and obstacle to agile action in fast moving and changing market and customer needs.

Both the unbalanced managerial decision making and too fact based approach to decision making was seen to impact cooperation and communication with Stakeholders and within TP
in way that Stakeholders felt they were often involved too late for providing input and being actively part of decision making. Hence, understanding TP’s decisions turned to be challenging and time consuming.

**Decision making improvements for TP.**

The most critical factors that interviewees believed to improve managerial decision making were giving local country leaders and managers power to make decisions and take actions accordingly. As local leaders and managers are better aware and know of local market and customer environment, it is believed to give an advantage to bring the decision making power closer to where decisions and actions are needed to be taken. It was mentioned that this approach would also eliminate decision escalation to TP top leaders on such local decisions that actually could be solved locally and fast.

Another improvement was about utilization of enough intangible information and reasonable tangible facts for decision making without going into never ending analysis work. Decisions making need to happen closer to customers and closer to reality where the people with operational know-how are and where customer interaction is most present. This requires true empowerment of TP local governance that is Local Value Chains to take decisions and act on them. Currently there is very limited decision making power and no transparency or clarity on who and/or where decisions are made. Most stakeholders outside TP as well as managers and employees within TP clearly stated that TP top leaders exaggerate the need for tangible facts to a point where the momentum for timely action is often wasted. This is seen to lead to slow time to market positioning of solutions and loss of competitive edge.

Having a clear and transparent frame for decision making that would enable and allow decision makers and decision seekers interact and cooperate on the same level when decisions are needed was mentioned also to be an important factor for improving TP managerial decision making.

An additional finding was about the fact that level 1 to 3 leaders and level 4 managers and employees share the same thinking about TP’s managerial decision making challenges and improvements. For example on all levels it is seen that local value chains and managers representing these value chains have responsibilities to drive things but they do not have the actual empowerment to make decisions and consequently it takes time before decisions leading to actions are taken. Furthermore, it was unclear for all interviewees the foundation
needed to facilitate managers to with right level of information for correct and in-time
decision making – this emphasized the need for programmed guidelines and approach for
managerial decision making to be more effective and efficient. As there were not any major
differences in the way of thinking in regards to TP managerial decision making challenges and
improvements I have not seen the need to do further analysis.

The findings on challenges directly culminate on three main improvement areas which are
empowerment for decision making (that is having the power to make decisions and act on
them locally), knowledge creation (use of intangible and tangible facts and analytics), and sense
making (there is more than just facts/ numbers).

Next, I will present the improved managerial decision making frame and guideline, as well as
implementation plan within the local value chain.

4.2 Proposed Decision Making frame
This section presents the frame and guideline that is implemented within the case study unit’s
local value chain. The local value chains have been operational for couple of years already (as
mentioned earlier) but as study findings showed their decision making frame, mandate and
accountability have not been defined to support proper managerial decision making within the
local value chains. Based on my observations the existing decision making process has not
been defined and as such no programmed frame or guideline exists. Furthermore, managers
within local value chains did not have the mandate to make decisions and consequently when
they faced situations where decisions were needed more than often these decisions were
escalated to Nordic level leaders. Local manager of course made decisions but these decisions
were often part of a project or a programme where decision frame followed the Project/
Programme Management guidelines.

The presented frame is created as an outcome of both analysis findings and the conceptual
framework that reflects the literature presented in this study. As mentioned by Shapira (2010,
20) within any organization humans create the roles and responsibilities, structures, processes
and procedures that encounter decision making and defines decision making culture of that
organization under different circumstances that is uncertainty, ambiguity, risk. The proposed
frame is a human creation with an aim to define a decision making culture enabling TP Local
Value Chain with a programmed and rule-based approach to decision making on local matters.
Following the definition of employee empowerment the frame and guidelines empower local managers with certain level of autonomy and responsibility for decision making regarding specific local matters. Furthermore, the frame encounters Ozley’s (Empowerment, leezley.com) empowerment elements of participation, decision-making responsibility, and roles and behaviour as well as providing employees with clear understanding on what needs to be delivered for decisions to be taken efficiently and stakeholders with transparency and right timing for involvement, and last but not least relieving Nordic leaders from taking decisions on local matters. As the decision making is set to be taken on local level by local managers who have the expertise on the local market and customers, better decision to action and action to implementation for time to market deployment of potential solutions is certainly improved. By definition employee empowerment is giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks.

Choo’s (2003) knowledge creation, sense-making, decision making together with Fracaro’s (2006) six empowerment sequenced steps and analytics based decision making approach by Davenport et al. (2010, 7) are embedded within the frame and guidelines. Hence, they provide foundation for the two cornerstones and supporting factors of the frame. The first of them being the mandate to take decisions and act accordingly on local matters. This consist of

• All LVC members individually and together must have local decision making and action taking mandate on local matters - within annually agreed target frames that define both income and cost budgets for each unit and their sub-units. For example if each local unit has an annual target of 10 employees and suddenly one of the units have one employee less the decision of taking a new full time or temporary employee shall be on local value chain to take – as long as the annual employee target frame stays the same there shall be no need for escalating the decision to Nordic level leader.
• LVC decisions and actions must have No Global and Nordic impact
• LVC has decision making and action power on needs with cost below 100,000 Euros annual investment (if the cost is over 100,000 Euros LVC shall have the possibility of funding the overdraft with local unit’s improvement budget. Hence, no Nordic funding is available)

The second one focuses on efficient and effective facilitation of decision making within LVC
• Decision needing agenda items must be clearly indicated within the LVC agenda. It must be marked as decision required and show presenter and a responsible LVC member
• Each decision making needing item must at least have one LVC level responsible sponsor (=RS). If no RS recognised before the meeting, LVC must assign such at the LVC meeting. If non assigned to take the RS role no decision or action can be taken
  o RS commits to securing decision to action, progress follow-up, benefit realization, status in LVC, and bringing further decision needs (and corrective actions) to LVC if needed.
  o In case external stakeholder attention is needed RS together with presenter are to secure their engagement and commitment (preferably before the LVC decision making meeting)
• LVC members together have the overall accountability and commitment for success and failure of all decisions and actions taken
• Ideas, problems, challenges, and solutions needing decisions and action must be enriched with Decision making facilitator table (table 4.2). This is a must add-on for decision making in LVC meetings. Its purpose is to drive more pragmatic thinking and behaviour on decision making and secure that alternatives and their consequences have been considered
• Decision material must be prepared & shared with LVC members a week before the actual LVC meeting date and consequently potential comments/questions regarding the material must be addressed to presenter and RS latest the day before the LVC meeting.
• The aim of Decision making facilitator table is to provide LVC members with enough & relevant concrete facts and intangible information and alternatives so that decision making becomes consequence of combining both knowledge and sense-making. Hence, the approach is expected to allow mainly such LVC agenda items that do fulfil the decision making frame and driving more accountable decision making behaviour.
The table 4.2 combines Fülöp’s (2005) and Edmund’s (2009) thinking on managers’ objective to have the capability to analyse a situation systematically and generate, implement, evaluate solutions, and finally make a decision. Furthermore, it aims to provide one time overview of alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that best fits with the goals, objectives, desires, and values.

Each agenda item that requires decision making within the local value chain must be enriched with the decision making facilitator table (table 4.2). The table supports the guidelines and provides sufficient level of needed facts and intangible information to support decision making. As study findings indicated TP tends to exaggerate the need of fact and underestimate the impact of intangible information. The table also brings transparency and easy way to quickly understand alternative solutions and opportunity cost of these alternatives. As seen it consists of vertical and horizontal dimensions. On horizontal dimension one is to describe three potential alternative solutions for expected decision item. On vertical level there are several factors that must be fulfilled per each alternative. While the alternative approach and factors have been tailored to fit the case study organization the idea for them origin from managerial decision making literature presented earlier in this study. When fulfilling of necessary data is done each vertical factor is to be rated for each alternative by providing the best estimate rating of 1,3, and 5. The alternative with total highest rating shall be the best option for implementation.

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<th>Hypothesis 3 Rate (1-5)</th>
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<td>Benefits (€ &amp; €)</td>
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4.2.1 Implementation plan

As the case study unit operates in four Nordic countries and with each country having their own local value chain it was best seen to pilot the proposed local value chain decision making frame (the guidelines and table 4.2) in one country first before implementing it in all countries. Finland was chosen as the first country due to practical reason of easiness of interaction between the case study researcher and local value chain leaders - all located in Finland/Helsinki.

The aim with piloting was to gain practical and hands-on experience and do potential improvements to the frame before full Nordic implementation. The length of the pilot was agreed to be one month during which time local value chain had two meetings. This gave the chance to try out the frame truly in practice. The implementation plan consists of six sequenced steps:

1. Presentation of the proposed frame (guidelines and table 4.2) to case study organization Sponsor and approval of the proposed frame (by Sponsor) for piloting
2. Introduction of the new frame to the Finnish local value chain leaders and their teams to secure understanding and their commitment for piloting and successful change management
3. One month of piloting in local value chain in Finland (hence, no international aspect at this stage). The new frame is to be used in two meetings - where also case study researcher participates to observe how new frame works in practice (gathering notes for improvement)
4. Collecting feedback from local value chain leaders on usage of the new frame and asking for potential improvements to make it better (if seen fit to the purpose of it)
5. Making potential adjustments and providing piloting feedback to case study organization Sponsor
6. Introducing and simultaneous implementation of the new frame in other local value chains in Nordic countries (Denmark, Norway, and Sweden).

Overall time plan for full Nordic implementation is expected to be by end of August/September 2015. As the case study organization want to deliver the full implementation with their own time pace it was agreed that the case study researcher will only do the piloting in Finnish local value chain and hereafter the Sponsor and his teams will take the accountability and responsibility for implementation of the new frame in rest of the local
value chains in other Nordic countries. Hence, the case study researcher does not possess any responsibility after piloting except acting as a consulting or coaching partner going forward.

The next section the actual implementation is presented.

4.2.2 Implementation

This section focuses on describing how the implementation actually took place in the Finnish local value chain.

Implementation started by introducing and getting full approval from the Sponsor for piloting of the proposed frame (that is guidelines and table 4.2) in the Finnish local value chain. Piloting started by presenting the frame and interactive dialogue with the Finnish local value chain leaders about usage of the frame for a period of one month. Next the local value chain leaders communicated about the frame within their own teams to secure understanding and alignment in terms of change in way of working with decision making in the local value chain.

During the piloting period the local value chain held two official meetings and used the frame to structure their meeting approach (e.g. agenda) and interaction following the guidelines of the frame. As an instructor I participated in both meetings in order a) to support the leaders with advice on usage of the frame when they needed such, and b) to gather first-hand experience on how the frame worked in practice and collect potential learnings.

Next section covers my observations and feedback from the local value chain leaders.

4.2.3 Feedback

This section provides insights into feedback received from Finnish local value chain leaders on usage/piloting of the new frame in practice. Combined with my own observations (presented below) from participating in the Finnish local value chain this section gives an overall view on whether the new frame was a success or failure.

When I first presented the frame to the Finnish local value chain leaders I noticed both sense of relief and worry. They were asked to provide their initial thoughts and they commented that they were extremely happy to see that finally their feedback to top management was taken seriously and positive change was enrolled. They mentioned welcoming the change of finally being empowered (by clarifying their decision making boundaries via guidelines approved by
their leaders) with to make decisions on local matters and take actions accordingly within more clear and structured frame. Thus, they were eager and truly committed to implementing it. However, they also felt timing may not be right as the organization is to go through yet another big change which may mean that different people might be in charge and this might lead to perhaps not being able to implement the frame properly into practice. Despite the worry, they all agreed that piloting and taking the new frame into use now makes more sense and when organization change comes having a working decision making frame in place may very well be appreciated and make leaders decision making role within the Local Value Chains somewhat easier.

Based on my observations from the Finnish local value chain meeting the piloting was successful and the new frame proved to be working as expected – that is providing leaders with more efficient and effective decision making power. In summary, I clearly noticed that when there is a clear structure and frame within which local value chain leaders are empowered by clear guidelines to take decision and act they take more accountability and responsibility for making it actually happen and they honour the boundaries of the given frame when acting so. Furthermore, as the agenda items that required decision making were well prepared, following the frame guidelines and table 4.2 (e.g. usage of decision making facilitator), time was effectively spend on making the decision and supporting actions rather than arguing about the decision and whether a decision even can be made or should it be escalated to top management. Another remarkable observation was about the interaction between the presenter and the leaders. Here the focus stayed on the subject matter with focus on needed decision.

While direct feedback from leaders and the presenters supported my observations and the fact that the new frame works there were also couple of areas where both my observations and feedback from leaders indicated that the new frame may need to be utilized using common sense in such cases where decision making simply is not required but decision is more about securing an action that will do good and/or serve the organization right. For example decision for whether there shall be an annual customer seminar or not is not such item that should go through the frame – here common sense shall be applied.

Another feedback was about such decision items that will need monetary support and how to handle these items. The frame introduced (presented earlier) a gap of below 100,000 Euros within which the local value chain is empowered to finance their decisions and actions. The
challenge arises due to the fact that the organization is already well into 2015 and all financial budget frames are locked for this year. It was agreed that the financial aid is to be discussed with top management because it is not in scope or mandate of the case study to address the issue.

Final feedback from the Finnish local value chain leaders was this: “From being responsibility delegated to empowered and accountable for decision making is what we appreciate with this change.”

Last but not least, all feedback and observations were shared and supported by Sponsor. As the organization will themselves carry on with the rest of the implementations and potential corrective actions there was no need for further feedback sessions.

In the last chapter of this case conclusions and reflections are presented.

5 Conclusions and reflections

Considering the decision making literature, more specifically perhaps managerial decision making one can conclude that all decisions are result of combination of tangible and intangible factors. Often it is about how managers perceive and interpret these factors in terms of knowledge creation and sense-making. What makes managerial decision making complex is exactly the certainty and uncertainty of what and how factors are used to provide input for knowledge and sense based decision making.

Despite the complexity of the decision making the process of it is actually fairly straightforward and it is actually embedded within most human beings and fairly well learned practice among most managers and leaders - consisting of four sequenced steps:

1. Identification of a problem
2. Evaluation and analysis of the problem
3. Evaluation and selection of potential solutions
4. Deciding on a solution and taking actions

However, while the process may appear easy the implementation of it in practice often requires set of fixed approaches (e.g. rules, routines, guidelines) that are to facilitate more effective and efficient decision making in all situations and at all time. Furthermore, as managers and leaders today face extreme dynamics in business world it is of crucial importance to ensure such an decision making environment and habits that strengthens
decision makers ability to be agile when decision are to be taking timely and correctly. Hence, correct empowerment of the managers and employees is essential for any organization aiming for success.

Looking back at the case study organization’s interviews and their consolidated results with the literature, there are relative topics that are cultivated and emphasized by all respondents. These were the drivers for creation of the decision making frame with an objective to improve TP managerial decision making within the local value chains. Here are the summarized conclusions of core TP managerial decision making improvement topics from consolidated findings:

- Empowerment of TP local value chain with power to make timely decisions and take action on local matters.
- In time cooperation, communication and engagement of
  - TP stakeholders in Retail and Wholesale Banking in matters impacting customers (such were mentioned to be capacity, product & solution, capability, strategy, operations and processes related changes)
  - TP leaders and employees in matters where actions are expected to be executed
- Balance between needed facts and other data for efficient and timely decision to action. Here the main characteristics to consider is the right mixture of needed knowledge and sense making that would allow for secure enough decisions with acceptable level of risk taking.
  - Balanced mixture of transparent and understandable facts (income, profitability, costs, FTEs) combined with intangible relevant factors (customer impact, experience, assumptions, pros & cons) is desired from outside and inside TP for decision making. Too much focus on getting the tangible facts in place considered to hinder timely decisions and actions.
- Decision making in TP management teams and cooperation in terms of interaction and working together
  - TP management members feel that in TP management team meetings and their own unit management meetings it is often not clear what topics require decision making, whether a decision is made or not, if decision is made what is to be communicated and to whom. A quick fix proposal was made by one of the TPEM members: add to each agenda item the purpose of the item and what if any decision is required, what is to be communicated by whom and to whom within what timeline.
Another point for TPEM members is the fact that they do not interact and/or work together outside management meetings. This makes the decision making in the management team challenging as members are not familiar enough with each other’s business areas and do not have sound insights in order to be able to contribute in decision making.

In terms of strengths TP is believed to have a strong vision and leaders that drive towards it. Being an honest unit that can be trusted with deliveries and is disciplined in getting things done even in difficult situations. It was particularly mentioned that TP is a) an active organization in IT matters and understands importance of IT and b) has competent and experience staff that is ready to cooperate and deliver.

The improved decision making frame implemented in the TP local value chains was directly reflecting the outcome of the interview findings and solving a problem that was perhaps well-known but was not easy to solve due to managers and leaders themselves being part of the problem and too engaged within it. The biggest different the improved frame brought compared to before the frame was actually the fact that there was no structured frame for decision making before and local value chain leaders were not even empowered to make decisions. Potential decisions in local value chains were taken into discussion but pushed forward for decision making to Nordic level leaders.

While I am finalizing this study, the organization is going through structural changes and time will show how well the decision making frame is adopted by the managers and leaders within TP. One thing is certain though managerial decision making within the case study organization will never be seen and practiced the same way as it was before this study as the awareness on practice of decision making is well understood within the organization’s leaders, managers, and employees.

When it comes to my own learnings from the case I can categorize them into academic versus practice at work. From the first perspective the academic thinking and writing have brought me the gain of looking at things such as managerial decision making from many different angles - these being organizational, managerial, social behaviour, analytical and at most the knowledge management aspects. Moving from academic to working life and practicing the theories is not easy neither is trying to match the requirements (standards and thinking) of the two worlds. My experience is that academic world is still too far away from working life that is theoretically/ scientifically driven world versus practical world. Much of the theory that I have
read for this case have not been easy to put into practice. As often said in the work life, things may look good on paper or powerpoint but in practice often about 10% actually works in reality. That is a gap between academic and working life. Consequently, from the practice at work perspective my learnings were to on the effort of translating the theory part into interpretational practicality within working life. This is where I have stretched my own 12 years of leadership and managerial experience and utilized it be as practical as possible with the proposed solution.

Would I do something differently if I would to start this work now? No, is the answer for the subject and case organization of this study that is I would still focus on managerial decision making and the same organization as both have brought me joy and learnings that I would otherwise not have achieved. Yes, is the answer for my late arrival in narrowing down the scope of the study to managerial decision making within local value chains. This I should have down already from the beginning instead of widely focusing on managerial decision making within totality of case organization. This way I would have more precise focus and could gone deeper into both theory and practice of managerial decision making. That will remain for my next study case.
Bibliography


Appendices

Appendix 1: Interview questions

1. What is your nature of business relation with Transaction Products (=TP)?
2. How do you interact with TP?
3. With whom do you interact mostly and on what topics (please give couple of examples on the topics)?
4. When making decisions on different topics what factors do you find important for successful and efficient decision making?
5. Do you believe made decisions are clearly understandable (easy to communicate and put into actions by employees)?
6. What are the success factors for putting the decisions into actions?
7. What strengths TP demonstrates in decision making?
8. What success factors do you believe would improve the decision making in TP?

Appendix 2: Communication intro to interviewees

"Dear All,

Decision making plays a vital role in everyday life of Transaction Products. We together, as a Unit and individuals make dozens of decisions every day and each one of them impact the organization’s path one way or another.

"
Transaction Products wants to understand its decision making factors and have comprehensive overview on success factors, strengths and improvement areas that would facilitate more efficient, clear, actionable and productive decision making. Improving our decision making will among other things support us in taking faster actions, making more accurate and successful decisions and last but not least serving our customers better and faster.

You are all identified as valuable stakeholders of Transaction Products and we need your support and help to explore and define the success factors, strengths and improvements areas in Transaction Products decision making. In order for us to create a comprehensive understanding a research will be conducted. The research is being carried out as part of a University master thesis and is sponsored by Nn Nn, Head of Transaction Products.

The research will be executed as 30 minutes individual interviews starting mid-November 2013 to end of March 2014. Overall 21 stakeholder interviews will be done. During next few days you will receive individual invitation to interviews with dates, time and location. Interviews will be done face to face in the location of the stakeholder. The research and interviews are carried out by Nn Nn, VP and Head of Trade Finance Global Development in Transaction Products.

We thank you in advance and looking forward to your insights.

Kind regards

Nn Nn
Head of Transaction Products

Appendix 3: Consolidated interview findings

Table 3.1 Consolidated interview findings from level 1 to 3 leaders’ interviews

<table>
<thead>
<tr>
<th>Organizational practices or factors</th>
<th>Consolidated Findings</th>
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<tr>
<td>Interaction &amp; Cooperation in Decision Making</td>
<td>The intensity and willingness to interact and cooperate to take joint decisions is primarily driven by top down BSC and silo KPIs for each unit. Not having cross unit and org KPIs drives units to focus on delivering on their own targets hence hindering potential willingness for cooperative decision making to reach common targets. As a PRU</td>
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delivering to both Retail and Wholesale banking TP has challenges with balancing its cooperation in involving stakeholders for establishing the grounds for interaction in decision making.

| Efficient Decision Making | Following are the key elements that all leaders agree as being the organizational practices enabling efficient decision making: knowing what works in reality, having clear and transparent decision making boundaries, involving the right people to make the decisions, having a model to apply for different altitude and magnitude of decisions. While leaders outside TP agree that facts are important for efficient decision making they disagree with the TP practice of '100%' fact based decision making. In their eyes this practice hinders agile and fast decision making - slows time to market and action. While TP very much focuses on fact based approach the stakeholders approach is more 50% facts + 50% combination of experience, sense making based on intangible facts and employee perceptions. According to TP stakeholders this approach is also followed elsewhere in Retail and Wholesale banking. The political 'game' driven by silo KPIs and financial frames is seen as one of the main challenges. This leads to involvement of many people when decisions are to be made and consequently it leads to not having clear view on who is to make the decision hence making the decision takes several rounds of individual and group stakeholder interaction. |
| Understandable Decisions | All leaders agree that made decisions are not easy to make understandable and they themselves don't always get clear directions or decisions that would be easily understandable. This practice seems to lead downwards into organization. Having a local governance with transparency and decision mandate is one of the gaps between TP leaders and leaders |
outside TP. TP stakeholders in Retail and Wholesale banking expect more local decision power that would enable decisions to be made on local levels instead of scaling them up to Nordic level where decisions take time and local understanding is not always in place due to e.g. decision making person or body not having a local representative or enough information on local needs. This sort of practice is, by stakeholders, seen leading to decisions that are not easy to understand. This seems to have some originality from the fact that TP set-up is Nordic while both Retail and Wholesale banking have local governances to make decision (which are supported by Nordic governances). While some decisions are understandable in terms of why it is made their concreteness is often challenge to understand especially on how to make it practical.

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<tr>
<th>Actionable Decisions</th>
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<tr>
<td>All agree that involvement and buy-in within the organization are the key factor to practice for actionable decision (which would lead to faster action taking and agility). TP's strict focus on fact based approach differentiates the TP leadership from their stakeholder. Stakeholders believe TP would be more agile and faster in making decision and taking actions with e.g. 60% fact approach. Emphasizing a fact based approach too much seems to raise the implication of over raided control hence preventing people from being innovative with ideas for action. Securing a solid handover from one unit to another is seen as a challenge due to the practicalities around silo KPIs.</td>
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Overall improvements and strengths stated for organizational practices and factors in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
11 stakeholders of TP see that TP’s Nordic/Global vision is admirable, however in practice they see that other units like Markets, Cards work on local level even though they also have Nordic/Global units. As customers are country based TP strategy has to be more customer based then it today. TP is expected to improve its local presence and governance with more mandates to take decisions and act. Both Retail and Wholesale banking stakeholders see this being one of the main factors that will improve decision making and decision to action; hence increasing agility and decreasing complexity, enabling proactivity in solving customer related issues locally.

- P2:

Understanding the local capabilities and limitations. Knowing operationally and system wise what can work and what cannot work. Aiming for one operating model and one platform is found to be the right direction but not without local understanding. Understanding when decision is needed, when is not, what decision is made when it is made, how it is to be communicated, how is moved to action was brought up by all leaders within TP. It was emphasized that there is no decision log and/or decisions are not written into the meeting memos and this seems to be the practice in TP sub-units as well. Questions such as what is to be decided, did we decide on something, what do we need to communicate and when, etc. was suggested to be included as part of each agenda item in order to secure monitoring of decisions.

- Strengths

TP is seen as an honest unit that can be trusted with deliveries and is disciplined in getting things done. It was particularly mentioned that TP is a) an active organization in IT matters and understands importance of IT and b) has competent and experience staff.

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<th>Organizational Structure</th>
<th>Consolidated Findings</th>
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| **Interaction & Cooperation in Decision Making** | Stakeholders are well known and they are well in reach for discussion in different forums and or steering groups regardless of location. From TP and IT perspective established governances such as ITC, PB and IDG are found to be forums that add value to both business and IT. Furthermore TP mission based value chain was appreciated as it is simple to understand, communicate and relate to. Despite different set-ups and reachability stakeholders outside TP see the governance structure in TP not being agile enough to make decisions and take actions. Often interaction for decisions must be escalated to Head of TP or Nordic Heads to get attention and actions to be taken. There is clear indication of having interaction and cooperation in many levels and forums however different governances and forums do not clearly facilitate decision orientation as often there are too many people. Having the balance of right amount of people with clear decision focus is a challenge within the existing structure. |
| **Efficient Decision Making** | Stakeholders find that there is big gap in local TP governance due to a) not having a clear one point of entry or partner from TP with decision making power b) while TP sees the mission based value chain to be efficient way for decision making the stakeholders see it in principle as good approach but in practice they see that strongly mandated local TP value chain is missing hence taking timely actions is slow c) on the other hand TP finds Retail and Wholesale Banking stakeholder units to be reluctant to give up decision making control. Having local TP governance that has enough mandates to act efficiently and yet stay true to the Nordic mission based value chain requires balancing in terms of mandates of the local TP role. |
| **Understandable Decisions** | No results to analyse |
| **Actionable Decisions** | While TP leaders trust and believe that the mission based management value chain supports people and stakeholders to reach the right people the stakeholders state that local governance must be quicker, better coordinated and most importantly empowered to take decision and act. TP challenge is to balance the decision power to act between Nordic and Local in order to enable its local leaders to serve their purpose |
Overall improvements and strengths stated for organizational structure in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    The most important area to improve is the empowerment of local TP governance. According to stakeholders there are too many people involved who actually do not have the power to make decision or act hence often issues must be either escalated up or local stakeholders have to wait until local governance has taken the issue to Nordic TP governance for discussion and decision. The stakeholders simply address that decision making in Local TP units takes too long and actions are pending. Local units and people must be empowered to enable to act fast with coming topics.

  - **P2:**
    Both stakeholders outside TP and sub-unit leaders in TP feel that there is too much focus on details when a decision is to be made hence the actual decision making becomes the side point. Often the starting point is that the presenter and presented material are not trusted and this systematically drives the attention to details and prolonging the decision making. TP is seen as having a heavy detailed oriented culture which slows progress and agility. TP is suggested to have more focus on main decision making criteria and leave the detail focusing to operations.

- **Strengths of TP**

  Well described value chain and processes are good foundation for decision making.

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<tr>
<th>Decision making</th>
<th>Consolidated results</th>
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<td>Interaction &amp; Cooperation in Decision Making</td>
<td>There is a common understanding that economic frame (top down) defines the level of interaction and cooperation for decision making. There is more interaction and cooperation around aligning and tactical discussions then actual decision making between TP and its stakeholders. Main decision making interaction and cooperation is done within projects, steering groups and ad-hoc organizations where TP leader/s and</td>
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stakeholders are involved due to their role. According to stakeholders TP is not involving them well enough and/or in advance in such decision which as impact on customers. As CRUs are the customer responsible units with deeper level of customer understanding it is naturally seen as they being involved in such decisions.

Another area of difference was here again TP's local power of decision and execution which was seen as sufficient within TP but not by stakeholders...”too often things are escalated to Mikael” or Nordic Heads. Clearly the challenge for TP is to know in which decisions stakeholder interaction and cooperation is most necessary. And once again balancing the power to decide and act on local units to support more productive and progressive cooperation.

**Efficient Decision Making**

Clear, transparent and understandable facts are the dominating factor that all respondents find to be the key in efficient decision making. Following facts are to quantify the decision making: income, profitability, costs, milestones, pros & cons, organizational (incl. people) and/or customer impact. Respondents also believe presenting information beyond numerical and non-numerical facts (background, target, scope) and presenting one to three alternative scenarios definitely facilitate faster decision making. Overall efficient decisions are agreed to be reachable when the as-is and to-be are supported by sufficient tangible and intangible data. All agree that fact finding should not come with any cost and it should not paralyze the organization. Furthermore facts alone will not make decision making efficient hence having right people and/or right forums with sufficient empowerments is crucial. One of the biggest gaps between TP leader and rest of the respondents is the amount of facts seen necessary for efficient decision making. All the stakeholders and TP sub-unit leaders believe efficient decision are better reached if there is mix proportion of facts, experience, ‘gut’ feeling and trust in people. This is emphasized even more with the reality of different stakeholders having different perspectives and understanding on facts. While in general there is common philosophy of 'think organization before yourself - don't protect your kingdom', in practice unit specific or 'silo' KPIs drive units to opposite directions hence willingness to adopt and make compromises are
rare without force of 'grandfather'. TP challenge is to find the balance between facts and non-fact approach in order to enable more efficient decision making. Another area of focus should be making these facts and non-facts simple enough so that stakeholders in and outside TP have more sufficient transparency into the decision that needs to be made.

**Understandable Decision**

All respondents agree that most often the decision itself is understood however the storyline leading to a specific decision and impact of the decision on organization, business, operations, individual and especially customers are not easily understandable.

Understanding the target audience and preparing decision communication from audience perspective. This requires TP to be more transparent with its decision making process and its consequences. Based on Stakeholder responses within 'interaction and cooperation' category correct timing for involvement of Stakeholders would improve understandability of the decisions and cross-unit relationships.

**Actionable Decisions**

Quality of the decision in terms of its logic, consequences (internal and external), rationality in practice, alignment/ involvement and clarity are such factors that make decisions actionable. Stakeholders express that elements such as TP's heavy Nordic approach, local TP governance not having mandate to act and too much focus on fact based decision making enforces time to action problems when actions are to taken fast in local markets. TP has the main elements that most stakeholders agree to. The main challenge is to bring the decisions closer to the stakeholders on the others words closer to operation and customers.

Overall improvements and strengths stated for decision making in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

- **P1:**

  Decisions making need to happen closer to customers and closer to reality where the people with operational know-how are and we have customer touch points. This
requires true empowerment of TP local governance to take decisions and act on them. Currently there is very limited decision making power and no transparency or clarity who or where decisions are made.

- **P2:**
  
  As a PRU TP has the right to take its own organizational decisions, however when it comes to such decisions that have capacity, service, quality, financial (incl. pricing) and hence customer impact timely involvement of right Stakeholders is crucial.

- **Strengths**

  Regardless of Business and IT complexity TP is able to adjust to situations and take tough decisions. Decisions are extremely fact based (it is good and bad) and organization is disciplined in execution of made decisions – even though many decisions take a long time to be materialized into practice.

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<th>Leadership</th>
<th>Consolidated Findings</th>
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<tr>
<td>Interaction &amp; Cooperation in Decision Making</td>
<td>There is a difference in the way different stakeholders perceive TP's strategy, structure and people approach. Specifically they see that stakeholders have not been involved or heard when strategy and strategic priorities have been defined. Another gap is the starting point meaning putting strategy first and not the people who are to deliver on the strategy. Main challenge for TP is to take an outside-in (from stakeholders and customer perspectives) approach where interaction and cooperation is more intensive and is clearly lead by one or few point of entries.</td>
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<tr>
<td>Efficient Decision Making</td>
<td>Stakeholders experience that local Team Leaders do not have the decision making power to make decisions hence leading without decision making mandate is found to be an obstacle for efficient decision making. This perspective differs from TP as the aim with mission based value chain is to support e.g. more efficient decision making. TP challenge is to once again distribute the decision making mandate from higher layers of leadership to local governances and team leaders. Another challenge is to secure that the local governance and team leaders truly understand their decision power and take responsibility for it. Here a cultural change in terms of leadership mind-</td>
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set is needed - letting go or delegating the decision making power to where it really can make a difference.

| Understandable Decisions | Understandable decisions require involvement of people and their buy-in. This does not mean that the decision is to satisfy each individual but each individual and stakeholder is to be involved to the extent that decision is understood clearly and thereby it is about leading people not the decision as such. Stakeholders address that having an one point entry profile with clear decision making mandate would facilitate the understanding of decisions made in TP. This is expected to come via closer cooperation and involvement. The repetitive challenge for TP is to have local governance and/or team leaders with enough decision power to cooperate and involve Stakeholders to secure understandability and decision buy-in. |
| Actionable Decisions | There is a common agreement among leaders that sense making around the made decisions drives both buy-in and hence it is easier for people to execute on them. In other words it comes to leaders' capabilities to lay the foundation for decisions to be actionable in practice. Leaders are to have the skills to transform the decisions into understandable form and actual actions. It is also a common view that leaders are to create such management structure lays the ground for right people in right places to make and act on decisions. Giving freedom to act and influence hence having the mandate and obligation for securing execution of the decision in practice as well. In practice leaders outside TP experience that while made decisions might make sense within TP (especially on Nordic level) the local TP governance do not have clear understanding of their power to act, how to execute on the decisions and whether made decisions are actually executionable within e.g. Retail or Wholesale Banking. From talk, discussions, management structures to transforming the decisions into actions on practical level in local TP governances is one of the challenges. Another clear challenge is to secure TP governance on Nordic and Local levels to clearly take lead for executing on made decisions and be more proactive in involving the right stakeholders to secure overall |
Overall improvements and strengths stated for leadership in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    Distributing decision power close to where things are happening and where local TP governance can take the lead for making decisions and act on - in cooperation and/or involvement of right stakeholders - is the key area for TP leadership to improve its decision making capabilities.

  - **P2:**
    Stakeholders addressed that TP leaders
    a) have low threshold for taking risks and handling conflicts,
    b) most often have a long lead time before they execute on made decisions
    c) underestimate the local barriers in terms of execution capacity and operationability (in and outside TP).

- **Strengths**

  Both internally and externally TP is perceived to have strong vision based leadership where leaders take ownership to reach this vision.

<table>
<thead>
<tr>
<th>Communication &amp; cooperation</th>
<th>Consolidated Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interaction &amp; Cooperation in Decision Making</strong></td>
<td>All leaders have their formal forums (such as management teams, monthly cross organization meetings, project steering committees, etc.) and informal networks where they interact and cooperate. These happen on different leadership levels and the main topics are financial, development and delivery target related. All respondents felt that often there is actually little decision making and a lot of discussions with aim or conclusion not being always clear. This often leads to operational communication challenges meaning messages sent to organization maybe</td>
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</table>
different or not clear in terms of what is the decision. Based on TP leaders responses the main gap within TP is actually poor or no communication & cooperation among TP leaders outside TP management meetings. In this context TP leaders mainly focus on interaction and cooperation with their own management teams and stakeholders outside TP. This may be - to large extent - of course due to the fact that each TP sub-unit (CM and TF) have their own targets to deliver on and therefore level of interaction between sub-unit leaders are minimum or none. According to TP sub-unit leaders the lack of cooperation among them makes decision making and decision discussion on sub-unit topics often very time consuming as members of TP management do not have enough insights on each others sub-unit business. This forces most decision topics to start with proper background and storyline to get each member on the same level in order for enabling the actual decision making. According to stakeholders outside TP the main gap is communication and cooperation on TP decisions that impact them - specifically on such elements that have impact on end customer (capacity, service levels, quality, and development). From decision making cooperation perspective TP and stakeholders have joint formal forums and informal networks that facilitate cooperation however the challenge within these cooperation is that they tend to focus on discussing the top-down targets and very little on concrete decisions having impact on either TP or stakeholder units. From unit target discussion to concrete action oriented cooperation and decisions is the challenge that requires both TP and stakeholders to be more decision focused then target discussion focused in their formal and informal cooperation. Taking this outset the communication focus is to be addressed in way that impact of decisions are commonly agreed and communicated in the same way. A good example mentioned by a TP sub-unit head and Retail Banking stakeholders was the Differentiated Service Model initiative in TP and very poor communication and cooperation with Retail Banking. Another challenge is the poor or no cooperation among TP leaders outside TP management team. In general my observation during last 4 years have been that in there is extremely
low level of focus on team building activities. There is common belief that teams and team members cooperation, productivity and effectivity will improve through official management team meetings hence there is no concrete plan or action for team building. Comparing my experiences from my previous organization and knowledge from colleagues in other companies I strongly believe attention to team building or lack of it among leaders is a clear challenge that TP are to address.

### Efficient Decision Making

All agree that communicative decisions are self-explained where the leaders’ role is to complement the actual message and secure that target audience understands and knows what is expected to happen in general and through them. Clear gap exists when it comes to cooperation on such decisions related to capacity, pricing, and performance issues. From communication perspective stakeholders find themselves often on request for information mode instead of TP being proactive in communicating. Defining together with stakeholders the decision topics that cooperation and communication could be joint effort.

### Understandable Decisions

TP leaders on express that decisions are understandable through iterative communication with sufficient amount of information. There is a clear message from stakeholders that while the decision as such may be clear the communication of the decision and the 'why' behind the decision is often presented in a complex way or simply the sensible why is missing. Furthermore stakeholders in Retail and Wholesale banking see that TP decisions are not proactively raised to them meaning they are involved when decision has been already made hence making the understanding part of the decision and further communication of it within their own organizations difficult. The challenge is two folded:

a) Cooperation and involvement of stakeholders in good time before decisions are made. This is to facilitate understandability of decision through cooperation & involvement

b) The way decision is translated to communication meaning how well the content of the communication reflects b1) the knowledge and awareness of the audience and b2) expectation from the audience b3) purpose of the communication.
Overall improvements and strengths stated for communication and cooperation in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    Both TP and stakeholders expressed that there is tendency to overpromise and under deliver. Securing that there is clear understanding within TP and stakeholders what TP can and cannot deliver (especially direct deliveries to customers) is key.
    Communication & cooperation on all levels should be built so that there is no doubt in this context.

  - **P2:**
    No P2 improvement was identified for this section.

- **Strengths**

  TP value chain and its cooperation with IT, is expressed as the strength

<table>
<thead>
<tr>
<th>Organizational practices or factors</th>
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<tbody>
<tr>
<td>Interaction &amp; Cooperation in Decision Making</td>
<td>Based on responds there is no doubt that both stakeholders from Retail Banking and TP leaders (L4) and employees find CM to be very important for Retail Banking customers in Household and Corporate.</td>
</tr>
<tr>
<td>Efficient Decision Making</td>
<td>Utilizing right competencies in understanding external changes in comparison to how we work. Having the resources and/or utilizing the existing functions to monitor and analyse external world and utilize the gathered information efficiently in making decisions. Emphasis on local managers and value chains having responsibilities but not real decision power hinders efficient operations.</td>
</tr>
<tr>
<td>Understandable Decisions</td>
<td>TP sees that Retail &amp; Wholesale Banking organizations do not have the same transparency even though to some extent they serve the same types of corporates to whom they offer same TP solutions (in different scale obviously). On the other hand TP sees itself as not being flexible with development &amp; implementation of quick wins that would bring customer loyalty and quick earnings. Understanding the impact of quick wins on customer loyalty and hence customer relationship banking need more attention. Furthermore balancing the Nordic leader scale to be more heterogeneous may bring more benefits in reachability of understandable decisions.</td>
</tr>
<tr>
<td>Actionable Decisions</td>
<td>Too many decisions are made for execution without having a transparency on capacity that would deliver on them, thus not actionable decisions. One consequence is that it makes us slow to deliver to markets as same capacities are used for many different actions. Having the transparency and understanding of what is really possible to deliver by the capacity in hand is important and that knowledge can be found in local operations not on Nordic level. Giving local value chain power to decide and act (within a frame) seems to be desired by all respondents.</td>
</tr>
</tbody>
</table>

Overall improvements and strengths stated for organizational practices and factors in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    All responds indicate that having value chains and cooperation through these are important though the TP participants do not really think that they or the value chains actually have the decision power to decide on locally important factors. It is found to be really confusing as it is not clear who makes decisions and where. Furthermore not having value chains cross leadership levels is found to make decision making take longer as potential decision from L4 value chain must go up to L3 value chain and perhaps higher up sometimes before a decision is made. Value chain must have clarity
on their decision mandate and power to act. Furthermore giving the chair of the value chain clear decision mandate and responsibility would make value chains more effective in terms timely decision making and decision to action.

- P2:
All respondents expressed that the management/ leader representatives, in terms of country as well as types of managers/ leaders in L3 and upwards are too much alike. There is little variety as up to 90% are from either Denmark and/ or Sweden. It would be more beneficial in terms of understanding different Nordic markets if there would be more variety than it is today.

- **Strengths**
Having a vision and mission based value chain strives for forward.

<table>
<thead>
<tr>
<th>Organizational Structure</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Interaction &amp; Cooperation in Decision Making</strong></td>
<td>L4 to employees did not state anything in this section</td>
</tr>
<tr>
<td><strong>Efficient Decision Making</strong></td>
<td>L4 to employees did not state anything in this section</td>
</tr>
<tr>
<td><strong>Understandable Decisions</strong></td>
<td>L4 to employees did not state anything in this section</td>
</tr>
<tr>
<td><strong>Actionable Decisions</strong></td>
<td>L4 to employees did not state anything in this section</td>
</tr>
</tbody>
</table>

Overall improvements and strengths stated for organizational structure in TP are concluded below:

- **Improvements**

Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

- P1:
Clear message from TP L4&L5 and employees is that there is too many structural layers of decision making where actually only above L4 have the real decision making power and action to act.

- **P2:**
  No P2 improvement was identified for this section.

- **Strengths**
  No strengths were mentioned in relation to decision making within organization structure label.

<table>
<thead>
<tr>
<th>Decision Making</th>
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</tr>
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<tbody>
<tr>
<td><strong>Interaction &amp; Cooperation in Decision Making</strong></td>
<td>No results to analyse</td>
</tr>
<tr>
<td><strong>Efficient Decision Making</strong></td>
<td>There is common view that clear decision topic followed by relevant facts (e.g. income, cost, time frame) that supports the decision and decision maker to understand the totality of the decision is key for efficient decision making. The main gap is (towards TP leaders on levels 2-3) once again about having the decision power on local level and not so much on Nordic level as it is today. It takes too long to make decisions and from decisions to actions. Making decision topics clear and equipping them with such facts and other necessary data that support the decision maker in decision making and balancing the power level between Nordic and Local so that decisions are made where things actually happen are perceived as valuable going forward.</td>
</tr>
<tr>
<td><strong>Understandable Decision</strong></td>
<td>Decision are found to be not transparent in terms of 'why' factors. Often the impact of decisions in reality are not understood since most decisions are made without involving people working with and in operations with expertise in realities. Providing the 'why' and involving the people or right level of expertise on made decisions is very much desired.</td>
</tr>
<tr>
<td><strong>Actionable Decisions</strong></td>
<td>To get buy-in so that decisions are implemented faster stakeholders must be involved early enough. Need to be transparent on reasons and</td>
</tr>
</tbody>
</table>
create mutual understanding on decision on hand. Two things that rose were balancing the capacity vs execution power and giving local levels power to decide and act on local markets. Clearly not having enough decision power on local levels is seen as big challenge with emphasize of higher level leaders not having clear understanding of own organization's capacity and capability to execute on top-down decisions.

Overall improvements and strengths stated for decision making in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    Clear number 1 priority for TP to improve is empowering local TP governance/ value chains, leaders and employees with decision making mandate and power to act. As today local TP value chains and leaders have responsibilities but no decision making power.
  
  - **P2:**
    Having transparency on decision making process and reasons behind the decision is another area for improvement.

- **Strengths**

  No strengths were mentioned in relation to decision making.

<table>
<thead>
<tr>
<th>Leadership</th>
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</tr>
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<tbody>
<tr>
<td>Interaction &amp; Cooperation in Decision Making</td>
<td>No results to analyse</td>
</tr>
<tr>
<td>Efficient Decision Making</td>
<td>Top leaders practice making vision and less fact based decisions on big strategic or operational changes but requiring lots of facts on small changes on operational level. Focusing and digging into too much detail occupies lots of time and effort which most of the time does not</td>
</tr>
</tbody>
</table>
pay off as decisions are actually made mainly on few factors. Determining the right level of need facts and other data would help making TP more efficient in decisions and towards actions.

| Understandable Decisions | The L4 and employees express that often decision makers do not have the understanding of 'shop floor' and therefore made decisions are not easy to understand as they are not reflecting true reality. Acquiring or involving right level of people from daily operations in sound making of the decision before making the decision is desired more. |
| Actionable Decisions | We take decisions and actions (DSM was mentioned as an example) that implementation require buy-in from Retail Banking but we have not involved them in the process at any time. If our leaders do not agree on principles on their level it is extremely hard for local TP governance, leaders and employees to implement things that requires cross organization cooperation. There is a need for involvement of stakeholders on right levels and securing timely agreement on principles on decisions that require cross organization implementation. This also requires clear communication on agreed things down to the organization so each relevant “individual” understands what has been agreed and what is to be done within which frame. |

Overall improvements and strengths stated for leadership in TP are concluded below:

- **Improvements**

  Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

  - **P1:**
    Clearly it is expected that leaders on levels 2 & 3 to give lower levels and employees more power to decide and take actions in order to improve time to action, faster implementation, agility in decision making, and leaving up to expectations of the role and responsibilities they are given. Bringing the decision making power where things happen and where know-how on reality is.
  
  - **P2:**
    No P2 improvement was identified for this section.
• **Strengths**

Having leadership with clear vision was mentioned as the only strength.

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<tr>
<td>Interaction &amp; Cooperation in Decision Making</td>
<td>Lots of interaction within TP teams. Retail and CIB involved mainly when directions are needed.</td>
</tr>
<tr>
<td>Efficient Decision Making</td>
<td>Involvement of key stakeholders to hear and consider them in decision making would enable faster buy-in and implementation. Stakeholders are not communicated in good time about decisions or ideas that our top management wants us to drive.</td>
</tr>
<tr>
<td>Understandable Decisions</td>
<td>Generally it is seen that decisions and the context of communication related to it are not precise enough to get the message through. Often the storyline is top-down that is reflects what is seen on top level not what is going on operational level. Build the communication means connecting the context to target audience often decisions are informative (one way).</td>
</tr>
<tr>
<td>Actionable Decisions</td>
<td>Having clear instructions and expectations set by own leaders and top leaders were defined to be on poor level. Setting, communicating and agreeing on instructions and expectations so that they are easy to reflect on was desired.</td>
</tr>
</tbody>
</table>

Overall improvements and strengths stated for communication and cooperation in TP are concluded below:

• **Improvements**

Improvements are divided into two levels of priorities based on their content and improvement impact on TP Decision Making.

• P1:
Improving the horizontal and vertical cooperation and communication dimensions (meaning e.g. cross L3 & L4) across missions and management levels are defined as means for better communication and cooperation in decision making.

- **P2:**
  
  No P2 improvement was identified for this section.

- **Strengths**

  Communication of high level visions and strategies are found to be strength of TP leaders.