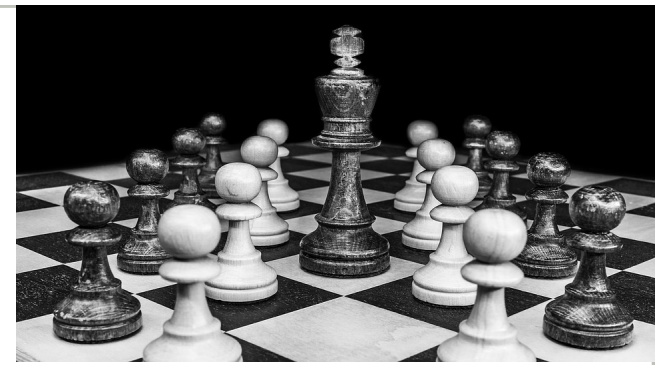ORGANIZING
in Times of Crisis

Class 1: Organizational Decision Making in Crisis

Markus Reihlen

Leuphana University of Lüneburg

The Cuban Missile Crisis 1962
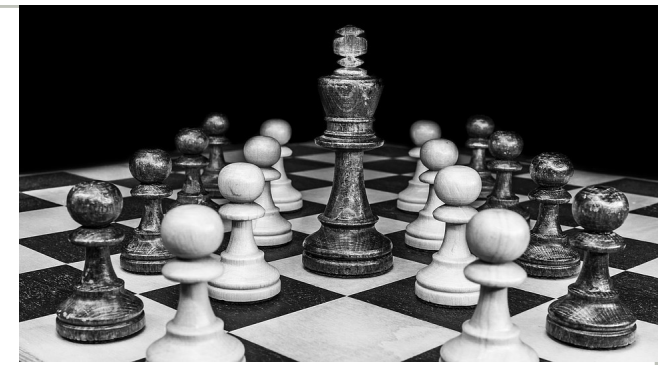
Rational Decision Making
Core Argument



John F. Kennedy

Nikita Khrushchev

Rational Decision Making
Core Argument

The rational theories of decision-making assume that every decision-maker

- knows all the alternatives of action

- knows all the consequences of every alternative course of action

- has a consistent preference ordering for alternative courses of action, and

- uses decision rules that can select a single action to take
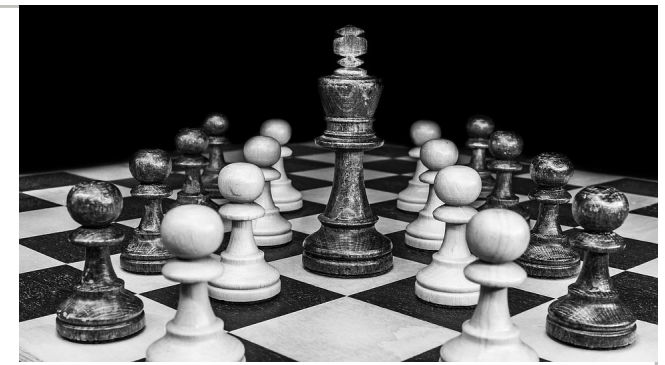
Rational Decision Making
Critique

- From ideal to bounded rationality (Simon, 1957)

- The logic of foolishness and adaptive intelligence (March, 2006)

- Decision problems are not objective, but interpreted and enacted by decision-makers (Daft & Weick, 1984)

- Organizational decision-making is infused by group dynamics and power plays (Pettigrew, 2014)

Decision Making as Sensemaking
Scenario

Protagonist: Especially Karl Weick (1995).

Conditions: Ambiguity, information incompleteness, and

contradictory information.

Sensemaking entails:

- Changes in perceptions to make them mutually consistent
- Changes in goals and expectations to make them consistent with perceptions
- Changes in perceptions to make them consistent with actions already taken; and
- Active efforts to manipulate the environment to make them consistent with one's perceptions and desires.

Decision Making as Sensemaking
Extension

- **Breakdown in sensemaking (**Weick, 1993; Weick, & Roberts, 1993).

- **Dealing with inaccurate and unreliable information** (Mezias & Starbucks, 2012)

- **How do decision-makers respond to inaccuracy and unreliable perceptions?**
  - Seeking more data
  - Reverting to ideology
  - Influencing the audiences
  - Piecemeal social engineering

Decision Making as Sensemaking
Extension

- **Breakdown in sensemaking (**Weick, 1993; Weick, & Roberts, 1993).

- **Dealing with inaccurate and unreliable information** (Mezias & Starbucks, 2012)

- **Sensemaking and culture (**Dougherty, 1992; Janis, 1972)

Decision Making as Organizational Routine
Core Argument

- Organizations become collective sense makers that operate on the basis of routines shaping how information is collected, analyzed, translated into choices, and how choices are executed in the organization. Thus, organizational routines constrain the formation of decision options (Allison, 1969, 1971).

- Connection between organizational routines and the causes of war (Levy, 1986)

Decision Making as Organizational Routine
Extension

- The nature of organizational routines: Ostensive and performative aspects (Feldman & Pentland, 2003)

- Building better bureaucracies: From coercive to enabling (Alder & Borys, 1996)

Decision Making as a Political Process
Core Argument

To make decisions is to act politically, which means exercising influence and power in any possible way. A leader can use power to mobilize resources, energy, and information in accordance with a goal or a strategy (Allison, 1969, 1971).

The political process model highlights that the influence of multiple stakeholders and coalitions exercise influence on the decision-making.

Decision Making as a Political Process
Core Argument

The **Garbage Can Model** (Cohen, March, & Olsen, 1972)

Organizations as **political coalitions** (March, 1962) or **power systems** (Mintzberg, 1983).
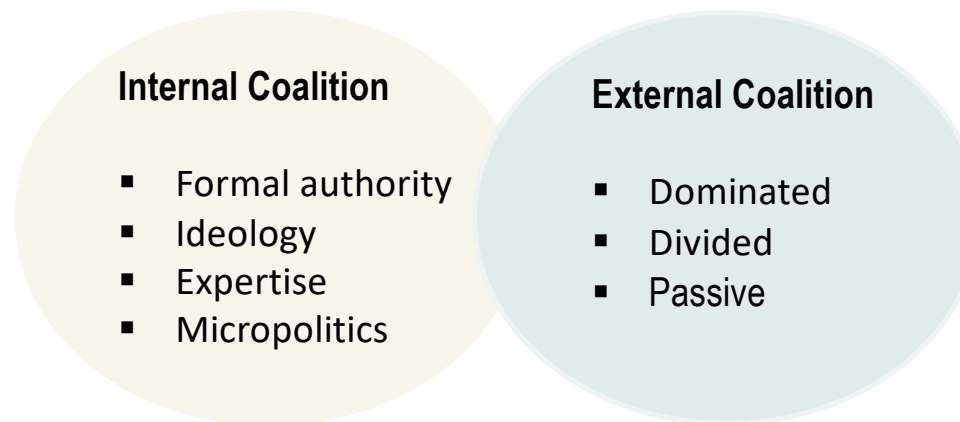
Internal Coalition

- Formal authority
- Ideology
- Expertise
- Micropolitics

Decision Making as a Political Process
Extension

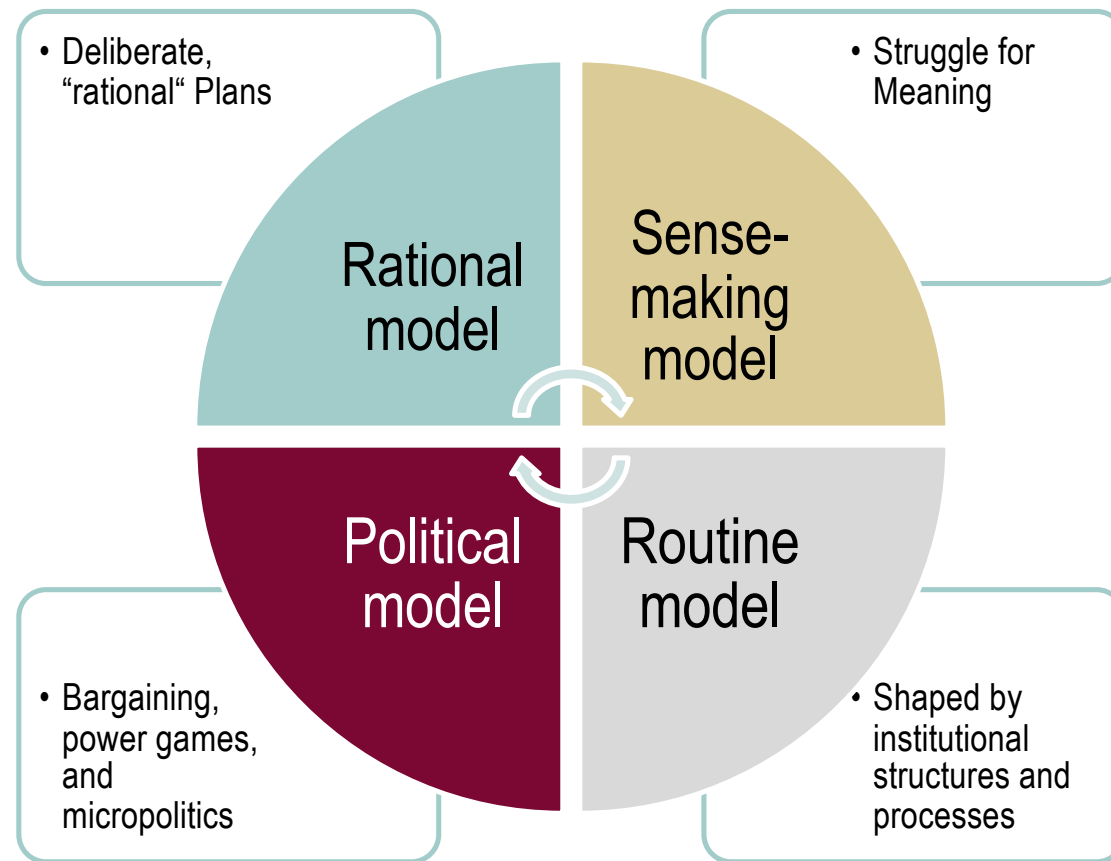- From the internal to the external coalition

Internal Coalition

- Formal authority
- Ideology
- Expertise
- Micropolitics

External Coalition

- Dominated
- Divided
- Passive

- Interpretations of reality as influenced by power games (Meindl et al., 1994)
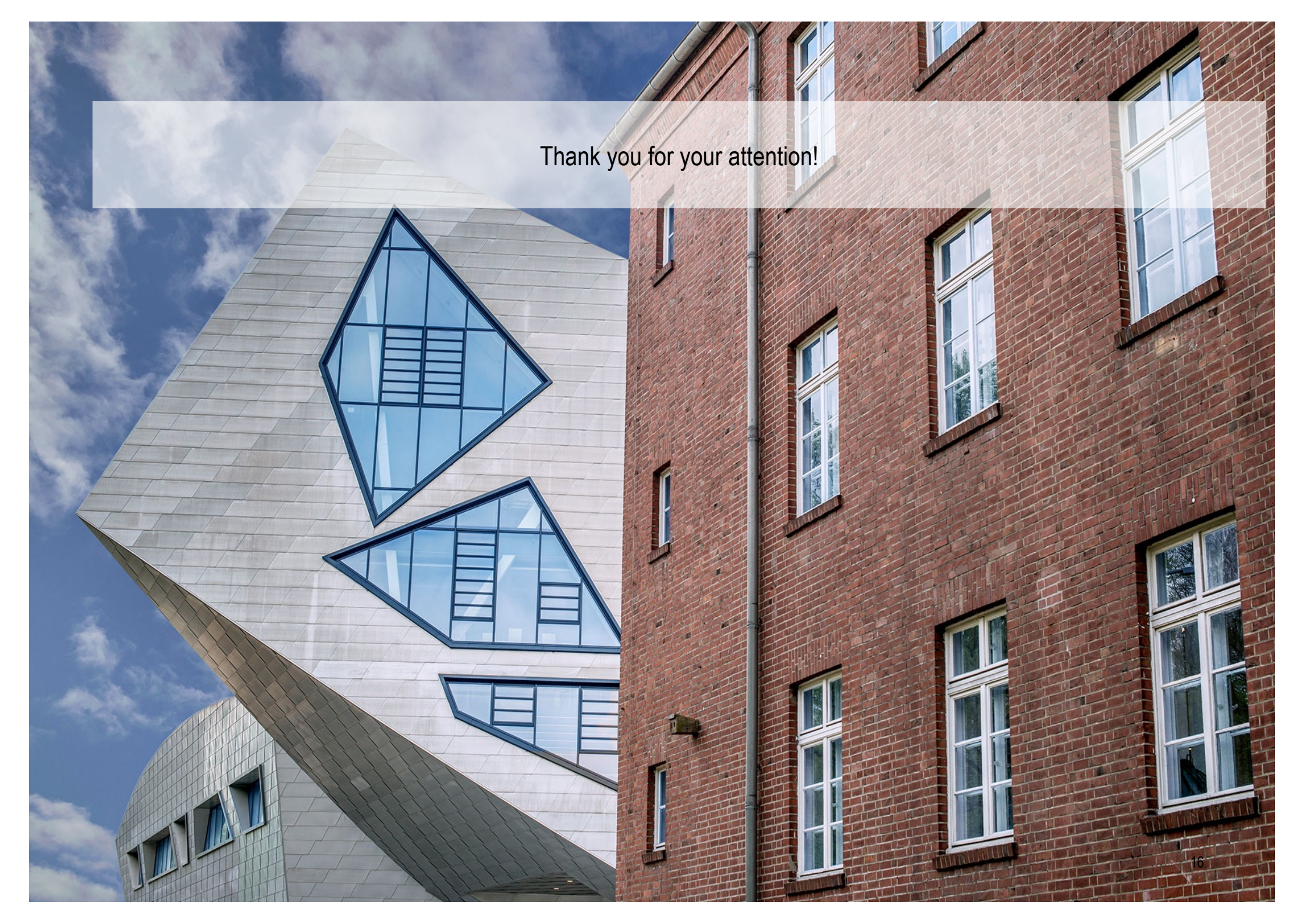
Developing the Art and Science of Organizational Analysis

- Deliberate, "rational" Plans

- Struggle for Meaning

Rational model

Sense-making model

Political model

Routine model

- Bargaining, power games, and micropolitics

- Shaped by institutional structures and processes

Final Thoughts: Robert S. McNamara's Reflection on the Cuban Missile Crisis

Thank you for your attention!

Contact

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Sources

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Pictures

Wikipedia

Pixabay

Video material

Defcon 2 - Cuban Missile Crisis;: https://www.youtube.com/watch?v=Jwz7YAQj-r0&t=42s

Robert McNamara on the Cuban Missile Crisis: https://www.youtube.com/watch?v=3lrH7RtiobQ

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