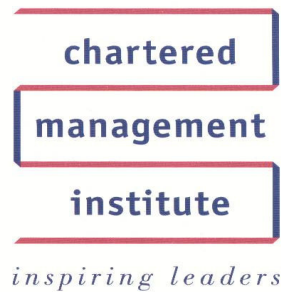




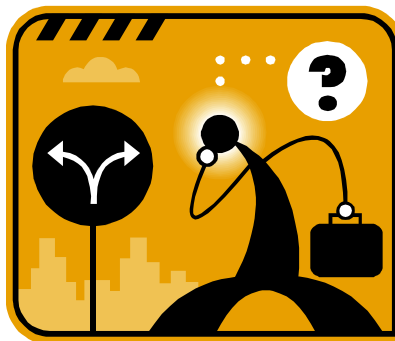
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Chartered Management Institute



Diploma in Management and Leadership

Information Based Decision Making  
Unit 5002



**Candidate Self-Study Guide**

9 January 2009

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# THE DIPLOMA IN MANAGEMENT AND LEADERSHIP

Welcome to The Chartered Management Institute Diploma in Management and Leadership that has been specifically designed to meet your needs whether you are a first line manager, new middle manager, thinking of working in such a role or looking to expand your management potential and business knowledge. It provides you with an excellent opportunity to network with other managers and become more effective in self-development, managing information, people, operations and resources.

Before you start work on the programme, please make sure that you read this introduction thoroughly so that you fully understand what you have to do to be successful.

This qualification was revised on 1 September 2008 and consists of the following core and optional units:

## **Core Units:**

- 5001 – Personal development as a manager and leader
- 5002 – Information based decision making
- 5003 – Performance management
- 5004 – Resource management
- 5005 – Meeting stakeholder and quality needs
- 5006 – Conducting a management project

## **Optional Units:**

- 5008 – Marketing planning
- 5009 – Project development and control
- 5010 – Human resource development

For the purpose of your Diploma in Management and Leadership, you will be studying the 5 mandatory units (plus 5006 – an integrated project) and 5008, 5009 and 5010.

Each Unit is presented to you in a separate candidate self-study guide and should be used in conjunction with the monthly workshops and personal research.

This guide contains some basic information, followed by some questions and it should take you between 10-30 hours to work your way through, depending on the topic and whether or not you attend the relevant workshop. If you make some notes against the questions and add this to your research which you will have the relevant knowledge to complete your work. The total time required will also depend on your experience and should become less as you progress through your programme.

The dates that you are required to hand in your work are clearly marked on your programme so please make sure you become familiar with them and make every effort to stick to them. Essentially, you will be required to bring one completed piece of work to each monthly workshop (unless it is the project workshop) and if you do have problems, however small, please do not hesitate to contact us.

Having completed all core units and 3 optional units to the appropriate National Occupational Standard you will be awarded the Diploma in Management and Leadership.

# INFORMATION BASED DECISION MAKING - UNIT 5002

## Unit Overview

This unit is about communication and use of information to support decision-making.

## Aim

The overall aims of this Unit are to help you:

- Find the right information
- Analyse and present information
- Make informed decisions

## Level

5

## QCA Unit Number

A/501/5034

## Credit Value

7

## Learning Outcomes

Each topic has a set of learning outcomes that you will be able to achieve by the time you have worked your way through this self-study guide. Attended the relevant workshop and carried out some research. At the end of this Unit, you will have the knowledge and understanding of how to:

1. Identify and select sources of data and information
2. Analyse and present information to support decision-making
3. Communicate the results of information analysis and decisions

## Unit Contents

This Unit contains 4 parts:

Part A – Gathering, Selecting and Storing Information

Part B – Using Information to Make Informed Decisions

Part C – Effective Communication

Part D – Chairing Meetings

Part E – Unit Summary

## PART A – GATHERING, SELECTING AND STORING INFORMATION

### Objectives:

By the time you have completed Part A, you will be able to:

- Explain the difference between data and information Describe the criteria required for information to be of the highest quality
- Explain the different types of information that exist (quantitative and qualitative)
- Describe how information might be collected and stored properly
- Explain the key legal implications of the Data Protection Act (1998)
- Understand the risks involved in storing information electronically
- Ensure you protect your information from damage or theft

### Introduction

Information is deemed the foundation of managerial control Schermerhorn J R (1996) as people need to know what is expected of them and as a manager you need useful information to make decisions on a daily basis. Information management is seen in today's business as a key to competitive advantage and more and more you will find people employed just to oversee information systems.

Jones G R (1998) claims that you would not be able to plan, organise, lead or control effectively unless you have access to information. In order to manage information effectively, you need to be able to gather, store and use it properly. Let's look at each topic in turn.

### Gathering and Selecting Information

To manage effectively you need information. In your organisation you are probably surrounded by masses of it but in order to be both efficient and effective you need to be able to concentrate on what information you actually need and be able to gather it, record it, interpret it, make decisions based upon it and store it for retrieval later. First of all, let's look at what information is and of what use it is important to you.

## What is Information?

Before we discuss the key processes involved and gathering, recording, interpreting, storing and retrieving information, let's be clear about what information actually is as people often confuse data with information:

- Data is **raw facts** and figures such as a list of numbers showing how many students enrolled on management courses. This only provides an overall figure which is of limited use by itself. It does not, for example give any guide into income or profit
- **Information** on the other hand is the data that has been selected and processed for a specific purpose. For example, these numbers are now related to the level of each management programme and data is collated into different years

It is important to be able to distinguish between data and information as one of the key uses of information technology (IT) is to help you to turn data into information that you can use to make effective decisions.

## Why Is Information Important to You?

The gathering of information is almost limitless thanks to the growth of IT and regardless of what industry you are in, it is the key to success for yourself as a manager and your organisation because:

- You can monitor progress against agreed targets
- It ensures you are kept up-to-date and, as a consequence, possibly gain a competitive advantage
- It allows you to make better decisions and deal with actual and potential problems
- You can plan and allocate work more efficiently
- You can meet with customers or use questionnaires to get feedback on what they think about your organisation and the products and services it provides

## Types of Information

There are basically 2 main types of information. Quantitative (or hard) information is normally expressed in figures and asks questions like how much, how many, how frequently, how likely and how quickly whilst qualitative (or soft) information cannot be expressed in figures and answers questions like what, why and how. Let's look at both in more detail:

- **Quantitative (hard)** – information contains facts and figures from some type of measurement, for example sales and waste figures, time spent on manufacturing products, number of police arrests or convictions, number of planning applications approved etc

There is a tendency for people to rely on quantitative information because it is seen as being hard fact that cannot be influenced and can be measured objectively. A lot of this type of information exists in organisations and many even employ specialist firms to gather such information for them.

What sort of quantitative data do you use in your job and do you rely totally on it?

To transform quantitative data into useful information, it is necessary to find patterns and trends by using statistical techniques which will be discussed later in this Unit.

The main problem with quantitative information is that it is objective and ignores the subjective, presuming that “figures never lie” yet research shows that quantitative information alone cannot provide the “absolute truth”. An example of this is that 1 and 1 is 2, but in management, even on a good day, it may only be 1½!

- **Qualitative (soft)** – information is about quality, for example the experience of a customer in a taxi ride, cinema, restaurant, theatre. It could also be about the quality of service when reporting an incident to the police, being interviewed about a planning application or speaking to a social worker. As qualitative information is about quality, it is more subjective than objective and can be difficult to both gather and interpret. A couple of techniques that can be used, however, are:
  - Observing a member of your team carrying out a task
  - Interviewing someone
  - Holding focus groups to get people’s views on new products or services
  - Participating in activities. You may recall the Chief Executive of Sainsbury’s and the owner of Dyson working as a checkout person and assembler respectively to see exactly what the jobs were like

Because figures are not involved, it is important to carefully select the source of qualitative information to ensure both accuracy and adequacy and be prepared to ask the right questions.

What sort of qualitative data do you use in your job?

### Primary and Secondary Information

Information can come from 2 basic sources: primary and secondary. Primary information is that gathered by you for your own purposes and could include notes from meetings, customer survey results, networking with colleagues, focus groups, interviews, production statistics etc.

Secondary information, on the other hand, is that gathered by other people for their own purposes and you are using it for yours. It may include journal entries, published reports, sales figures etc

Some secondary information may be more accurate than what you can produce so why not use it instead of “reinventing the wheel”. An example of this could be an assignment for your Diploma in Management and Leadership programme on a particular topic. If an author has written a book on the topic and you are looking for a structure for your report, why invent your own structure when you can use theirs? All you need to do is credit them with the original!

### Storing Information for Retrieval

In most organisations there are a variety of methods used to record and store information and this could be in the form of databases, reports and filing systems (manual for electronic). In any event, the way you record information will depend on:

- The main purpose of the information
- Your organisation’s policy
- Any requirements by law, for example the Data Protection Act

What do you mainly use information for? What is your organisations policy on gathering and storing information?

## Why Store Information?

As we have already discussed, since the improvements in IT there has been a massive growth in information activity and it has also become much easier to store. You only have to think back a few years and look how we have moved from tapes to CD's and beyond. There are a few reasons why we store information and they appear to be:

- **Operational needs** – such as customer files, personnel records, training records etc
- **Financial needs** – such as budgets, stock values, financial reports etc

## Storage Systems

In Topic 1 we discussed collecting information so now it is time to decide how that information might be stored. Your information needs to be retrieved when you require it and there are many ways in which it might be stored for later retrieval such as:

- **Manual** – libraries store books, parliamentary debates are recorded and printed in full in *Hansard* and small organisations operate manual systems because of the small amount of information they deal with. There are some drawbacks with manual storage such as the amount of space require; you can only get so many cabinets in an office. Manual storage can be made more efficient, though, by using:
  - **High Density Storage** – Packing specialist cabinets together in such a way that they can all be accessed at the same time
  - **Automated Systems** – Similar to those used in automated warehouses where the operator enters details into a machine and the machine puts the item away. Retrieval is done the same way.
  - **Transfer to Less Bulky Media** – such as microfilm and microfiche
- **Electronic Storage** – Computer-based information technology has made entirely new ways of storing and retrieving data and information:
  - **Magnetic Tape** – You may still remember audiocassette and videotapes!
  - **Magnetic Discs** – Such as the “floppy” discs we use in PCs
  - **Hard Discs** – (which can also be removable) i.e. as in PCs
  - **ROM** (or read-only memory) chips used in PCs
  - **RAM** (Random-access memory) chips used in PCs
  - **CD's ROMs** are now widely used and these can now be “written to” as well as “read from”

What storage systems do you use? How effective are they? How could they be improved?

## The Data Protection Act (1998)

The Data Protection Act (1998) is an extension of the Data Protection Act (1984) and covers information held about individuals on certain paper files as well as computer data.

In essence, to comply with the act people must be open to individuals about information held about them and very careful about passing that information to third parties.

The main reasons that the Act was introduced into the UK were:

- To counteract people's rights to privacy bearing in mind the amount of information that a computer can hold, transfer and process
- To enable the UK to meet its commitment to European law

The 8 basic principles of the new Act state that data must be:

1. Fairly and lawfully processed
2. Processed for limited purposes only
3. Adequate, relevant and not excessive
4. Accurate
5. Not kept longer than necessary
6. Processed in accordance with the data subject's rights
7. Secure
8. Not transferred to countries without adequate protection

Data of a personal nature also covers both facts and opinions of an individual and they are entitled to:

- Be informed by anyone who is controlling the data whether or not such data is being stored or processed
- Have a description of the data being used and be informed for what purpose the data is being processed and stored
- Be informed of where the data came from

Does your organization store information that is subject to the Data Protection Act? If so, does it comply with the above rules and regulations? Has the DPA ever been broken – what was the result?

### Accessing Information

It does not matter what system is used provided it is user friendly and that information is easily accessible:

- When it is needed
- Only to authorised people (on a need-to-know basis)
- In an easy to use format

Make a note of an information source that you have access to and answer the following questions. It is available when you need it, how easy is it to access, is it understandable or complicated, is there a better way to store it, how can it be improved?

## Quality, Relevancy, Adequacy, Currency and Reliability

In order to ensure that the information you are using is good enough, when you retrieve it the following must apply:

- **Relevant** – in that it only tells you what you want to know. Take a look at the example below:

*“I asked my secretary to find me some prices on accommodation for a large meeting that would consist of some 50 members of staff. The next day, being very efficient, several magazines were produced that had lovely pictures of hotels and seminar centres. It was amazing what facilities these places had these days, sauna, jacuzzi, gymnasium and they were situated in lovely gardens where people could take quiet strolls to relax. For one moment, I was drifting away, wondering where my gym kit was when I realised all I wanted was a room for 50 people so I could hold a meeting.”*

- **Current** – as decisions based on old information are of no use. Imagine giving prices to a customer from an out-of-date catalogue or giving the Chief Constable incorrect conviction rates that he takes to the Prime Minister!!!!
- **Adequate** – in that it covers all of the criteria needed for you to make your decision. If you were thinking about buying a house or car, what information would you need to make your decision?
- **Timely** – in that it is available when you need to make a decision and not at some future date. Often information is not readily available and there may be a cost to your decision because you have had to pay to get a decision when you want it, make your decision when some information is not available or even delay your decision until the correct information is available
- **Reliable** – in that you need to be able to trust what information you have been given. In Darrell Huff’s book called “How to Lie With Statistics” he drew attention to the many ways in which statistics can give a misleading impression of reality

Look at a piece of information you access to make decisions with. Is it relevant, current, adequate, timely and reliable?

## Protecting Electronic Information

Information stored by electronic means is only safe if it is properly protected. This means looking after your pc and associated hardware/software, disks and preventing loss of damage of information:

- **Risks to your hardware** – there are many ways in which your hardware might be damaged such as:
  - Fire, dust or smoke
  - Liquid spillages (coffee etc)
  - Magnetic fields (such as speakers)
  - Power surges
  - Accidents such as dropping or knocking off tables
- **Risks to your disks or CD's** - if you still use “floppy” disks you will be aware that they are very easy to damage. Whilst CD's are much more sturdy than floppy disks, they can still be damaged and, of course, there is a vast amount of information on a CD that can be lost
- **Recovering lost data** – A lot of people assume that any data that has been deleted, either on purpose or accidentally, will be lost. Anything that you delete from your computer only wipes off its “address” so that you cannot find it again, but it is still there. There are many software packages around these days that may be used to retrieve data that has been deleted
- **Making back-ups** – It seems obvious, but the best way to protect electronic data is to make a copy on a regular basis and store it somewhere safe. This is a very easy task and is relatively cheap as storage devices such as CD's are inexpensive
- **Precautions against theft** – This may seem a little obvious as well but there have been many instances of pc theft. Hard drives can be in locked cabinets and disks can be stored in a safe and it is also possible to security “tag” items. Although tagging does not necessarily prevent items from being stolen, it may increase the likelihood of them being found

How do you protect the hardware and software you have? How often do you make backups of your information? What precautions do you take against damage, fire and theft?

## Summary of Part A - Quiz

Having completed Part A you should now be in a position to understand what information is all about and how it should be looked after. Try the quiz below and then re-visit this guide to make sure you have the right answers:

- What is the difference between data and information?
- What are the 2 basic types of information?
- For what reasons is information normally gathered in organisations?
- What are the main ways in which information is stored?
- What types of information are subject to the provisions of the Data Protection Act (1998) and what are the basic rules concerning storage?
- In order for information to be of a high quality, what must it be?
- How might information be protected?

Remember, that any decision you make is only as good as the information you are working with!!

## PART B – USING INFORMATION TO MAKE INFORMED DECISIONS

### Objectives:

By the time you have completed Part B you will be able to:

- Describe you developed your own decision-making style
- Use a recognised model for making decisions
- Explain the advantages and disadvantages of group decision-making
- Describe the main risks involved in decision-making
- Use a variety of decision-making tools

### Introduction

Regardless of the level of manager that you are, you will have to make decisions every day. Some decisions that you make will be very easy and straightforward whereas some might be very complex and difficult.

### Differing Styles of Decision-Making

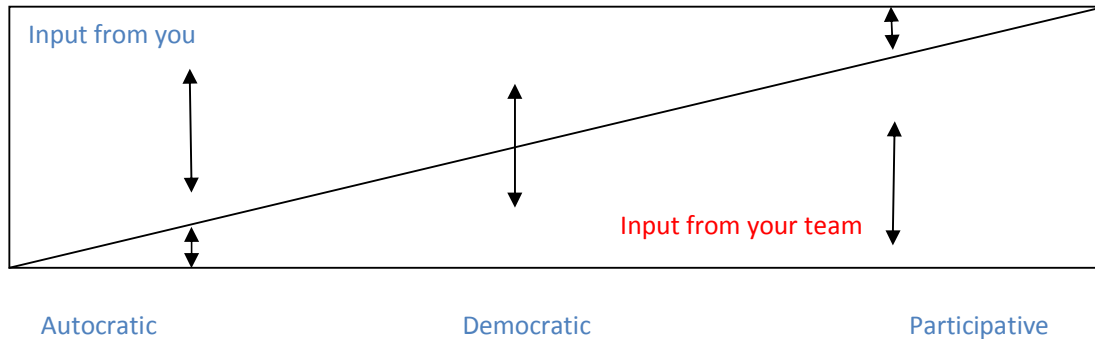
You may find quite often that you take a completely different approach to making a decision that a colleague and you may decide to include the view of your team, whereas the same colleague simply tells his or her team what the decision is.

In order for you to develop a decision making-style of your own, you might want to consider the following.

You will have your own approach to decision-making and this is probably based on:

- Other people who you have copied
- Your own experience of what went well and what did not go so well
- The culture of your organisation (i.e. is it normal to tell people what to do or let them join in the process?)
- The knowledge, skills and abilities of your team members
- Your own preferences (i.e. are you easy-going or strict by nature)

Let's have a look at 3 basic decision-making styles that are part of a continuum in that at one end, you will have the greatest input and at the other, your team members will have the greatest input. These "styles" of decision-making are often reflected in a very simple model shown below:



If your style is naturally that of an autocrat, then you probably make decisions without involving anyone else and simply tell your team what is going to happen. If your style is naturally democratic, then you probably explain the situation to your team, ask for their comments and then make the final decision yourself. If your style is naturally participative, then you probably allow your team to make most of the decisions and simply keep you informed of what is happening.

The most appropriate decision-making style appears to be a mix of all 3, dictated by the situation at the time. If your team is severely behind with a major project or there is an emergency situation that needs dealing with, you might use an autocratic approach. If you were investigating where and when to hold the annual office Xmas party, you might use a participative approach. A democratic approach might be used if you are looking for innovative ideas on how the service or product that you deliver could be improved.

Make some notes of decisions that you have made recently and explain what style you used and why:

## A Decision-Making Model

In Part A, we discussed gathering, storing and retrieving information and it is with this information that decisions are made. Below is an example of a typical decision-making model:

- **Step 1 – Recognition of Decision Requirement** – This means that you will probably be faced with a problem or opportunity both of which require a decision
- **Step 2 – Diagnosis and Analysis of Causes** – Here you should consider what actually occurred, why it occurred, how it occurred, to whom did it occur, what is the urgency and how it is affecting other things. It is important that you consider these issues before deciding to generate ideas
- **Step 3 – Development of Alternatives** – Now it's time for you to develop a list of alternatives. We shall be looking at some decision-making tools later in this topic but it is worth noting that what we call "programmed" decisions (i.e. those that are easy to make) are often easy to resolve and generating ideas is easy. Those decisions that are "non-programmed" decisions require a little more creativity
- **Step 4–Selecting an Alternative** –The best alternative you can choose is obviously one which best fits your original objective. For non-programmed decisions there may be some kind of risk associated with the decision and this is sometimes referred to as the "risk propensity" or the risk you might be prepared to take if there is an opportunity to gain an increased payoff
- **Step 5 – Implementing Your Chosen Alternative** – This is where you have to turn your decision into action so you need the resources and co-operation of those affected
- **Stage 6 – Evaluation and Feedback** – Once you have decided what to do and it is turned into action, you need to gather information to make an "informed" decision about whether the alternative you chose was right or not. This stage will also allow you to learn lessons from the whole process

Recall a decision you have made recently – how close did you follow the model above?  
What improvements can you make to your decision-making process?

## Group Decision Making

Before we progress to the various tools and techniques that can be used in decision-making, most of you are probably in teams or supervising teams so it is worth looking at how decisions can be made in groups.

There are many benefits and problems associated with group decision-making some of which are detailed below:

- **Benefits:**
  - Pooling everyone's ideas
  - Covering all possible eventualities
  - Improving likelihood of acceptance at higher levels because the whole team has agreed
  - Ability to build on various suggestions
  - Prevent rushing into decisions that may be regretted later
  - Give more scope for creativity
  
- **Problems:**
  - Conflict could arise through disagreement on ideas
  - Too many options could be on offer
  - Decisions could be slowed down Accountability could be an issue as no one person is responsible

Have a think about how joint decisions are made in your organisation. What factors aid or inhibit the decision-making process?

There are 3 ways in which groups can arrive at a decision and they are:

- **Debating** – This is a formal way of arriving at a decision where people speak for and against the “motion” being put forward. The motion then normally requires a vote and the motion is either passed or rejected
- **Discussion** – Discussions tend to be less formal than a debate unless ground rules have been agreed beforehand. It is claimed that a discussion is not the best way for a group to make decisions – what is your experience?
- **Negotiation** – This issue is discussed in Part C in meetings, meetings and more meetings

### Risks in Decision-Making

Some managers do not like making decisions, particularly those that are complex or have a level of risk attached to them. Here are some of those risks:

- Making unpopular decisions or getting it wrong can leave you open to criticism by others
- Getting it wrong causes another problem for some people because they like to be “liked” by their colleagues
- Some decisions will have a financial penalty such as going over a budget or losing money on a project that has been wrongly costed because a decision was made on, say, poor or inaccurate information

Think of time when you have had to make an unpopular decision or got it wrong. What was the reaction from people around you and how did you feel?

Some people also have a tendency to over-estimate the possibility of unlikely things going wrong. That's why some people are frightened to go out at night. On the other hand, sometimes we have a tendency to under-estimate the likely events that may happen perhaps because we would prefer if they did not!

To minimise risk you need to gather information that may give you some indication of what might go wrong. The riskier the decision, the more information you may require.

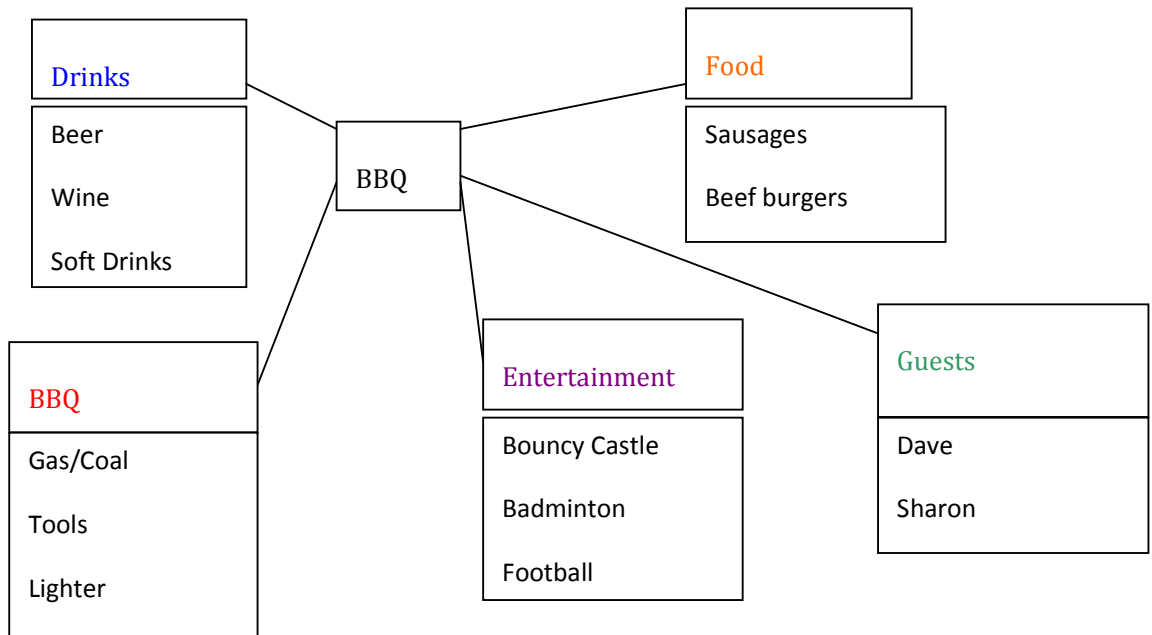
Main Risks:	Minimising Risks:
<ul style="list-style-type: none"> <li>• Something will prevent you implementing your</li> <li>• The risk that your decision will not produce the effects you expect</li> </ul>	<ul style="list-style-type: none"> <li>• Get quality information on which to base your decision</li> <li>• Be rigorous with your decision-making process</li> <li>• Always have a contingency plan (what if .....)</li> <li>• Don't introduce further risks by delaying the implementation of your decision</li> </ul>

### Some Decision Making Tools

In order for you to make effective decisions, you might want to consider some kind of tool or technique to help you. There are many that are available and some of them are discussed below:

- **Brainstorming** – Brainstorming is quite a common decision-making tool which will help you generate as many ideas as possible, but you need to take a structured approach otherwise it will not work. The following approach is suggested:
  - **Set a time limit** of 20-30 minutes depending on the size of the group. The time should be shortened for small groups of say 3-4 people. Ensure you elect a timekeeper so that you do not go over time
  - **Elect a pen-person** who writes every single idea down regardless of what it is on a board or large piece of paper
  - **Each and every suggestion** is acceptable and should be recorded without comment or criticism from anyone
  - **After the time limit** ask team members to eliminate those ideas that cannot possibly work for practical or unacceptable reasons. This will help you produce a shortlist of good ideas

- Compare each of the short-listed ideas with your objectives and see which one fits best
- Choose the one which matches the best
- **Mind-Mapping** - Mind mapping is a decision-making process that was developed by Tony Buzan and is a creative way of putting all the facts onto one sheet of paper so that you can see the whole picture. You can mind map with a group or use it just for yourself. Get hold of a piece of paper, some different coloured pens and find a quiet place to work, then:
  - Take the piece of paper and put the name of your decision in the centre of the page. Next think of some key areas that relate to the decision and draw them, in different colours, around the problem. Next, enter under each key heading, those issues that are affected by the decision. Quite often people use mind maps to decide what to do at a party or BBQ and the result looks something like this:



The amount of detail you put on your mind map is up to you. For example, under drinks you might want to add more details such as: 4 crates of lager, 2 bottles of red wine, ice etc. After you have tried your mind map out a couple of times, you might be able to produce the perfect BBQ!!!!

- **Criteria List** - A criteria list is very helpful when you need to choose between several options and need to check the details before you make your final decision. It is a very simple method that involves:
  - Writing down the decision that needs to be made in the first place
  - Writing down the end result that you would like
  - Identify your criteria for success, in other words those elements that you must have

A simple worked version is shown below regarding the purchase of a new coat:

**Criteria for Success**

Absolutely Essential

Maximum cost £199.00 - YES

Available in all sizes - NO

Available in different colours - YES

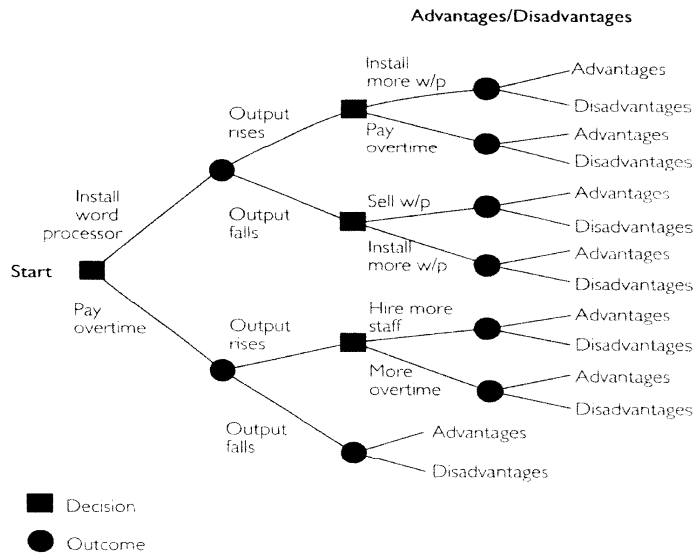
Made out of man-made fibres - YES

Available within 14 days of ordering - NO

Comes with guarantee - YES

You can now approach different suppliers and compare what they are offering with your absolutely essential criteria, in this case a cost of less than £199.00, available in different colours, made out of man-made fibres and come with a guarantee.

- **Decision Trees** - Decision trees enable you to break down a decision into smaller decisions and this is particularly useful if the decision you have to make is complex or large. It allows you to look at each smaller decision and look at the value or impact of it before progressing to another smaller decision. After you have finished drawing the various “branches” of the tree, you can see the value and impact of each small decision and this will help you make your final decision. Try one out for yourself by using the example on the next page:



- **Quantified Intrapersonal Decision-Making (QUID)** - Sometimes as a manager you will be faced with a choice of two decisions and you have to make one of them! QUID looks at time constraints and the importance of that manager's old friend "gut feeling". First of all let's imagine that you choosing between two cars. You need to list the factors that you consider important in a car and award a score for each factor based on the table below:

- 8 points - Extremely important
- 7 points - Very important
- 6 points - Important
- 5 points - Very significant
- 4 points - Significant
- 3 points - Of minor significance
- 2 points - Worth consideration
- 1 points - Worth minor consideration
- 0 points - Not a consideration

Notice that "not a consideration" is awarded 0 points. The only reason this is there, is to show that you have considered all relevant factors but have chosen not to consider some.

Once you have awarded points to your factors, work out the average or mean and compare the two. If the difference is more than 1, you should feel reasonably safe at choosing that one. If the difference is less than 1, the decision is a little risky and worthy of gathering a little more information.

You might also want to look at the total scores before you work out the average or mean because if both the total and average point to the same choice that's ok, but if the total and average point to different choices, you may want to look a little closer. For example, have you included minor factors that have attracted opposite scores for each choice therefore detracting from the real choice you should perhaps make? A worked example is shown below:

Say you wanted to buy a new coat and you had a choice between one made of leather and one and one made of cloth. Here are your factors and your scores:

Leather:	Cloth:
Comfort: 7	Comfort: 5
Colour Choice: 3	Colour choice: 7
Last Longer: 8	Last longer: 3
TOTAL: 18	TOTAL: 15
AVERAGE: 6	AVERAGE: 5

A safe choice would be the leather coat because both the total score and average points towards it but what if the scores were like this:

Leather:	Cloth:
Comfort: 7	Comfort: 5
Colour Choice: 3	Colour choice: 7
Last Longer: 8	Last longer: 3
No of buttons: 2	No of buttons: 6
TOTAL: 20	TOTAL: 21
AVERAGE: 5	AVERAGE: 5.25

The total score might point towards either the leather coat or the cloth coat because they are very close, but the average would point towards the cloth coat. Further examination of your "factors" may reveal that the need for buttons may be a bit over the top and has distorted your final choice.

## Summary of Part B - Quiz

Having completed Part B you should now be in a position to understand what decision-making is all about and how it should be done. Try the quiz below and then re-visit this guide to make sure you have the right answers:

- What types of decision-making styles are there and what are their main traits?
- What is the best decision-making style to adopt and why?
- What are the main steps to effective and informed decision-making?
- What are the advantages and disadvantages of group decision-making?
- Why is it important to consider “risks” in your decision-making process?
- What decision-making tools are available for you to use and how do they work?

As a manager you will spend a lot of your career making decisions and you may well be sharing those decisions with other people, especially at meetings. In Part C we are going to look at the key issues involved in communicating with other, including chairing meetings.

## PART C – EFFECTIVE COMMUNICATION

### Objectives:

By the time you have completed Part C, you will be able to:

- Appreciate that effective communication is a two-way process
- Understand the various barriers that affect effective communication
- Describe the advantages and disadvantages of different methods of communication
- Understand the key elements of effective communication

### Introduction

Jones GR et al (1999) defined communication as the “sharing between two or more individuals or groups to reach a common understanding” and it is the ability to communicate properly that underpins all relationships.

Communication involves making sure you communicate clearly so that others understand your ideas, suggestions, instructions and requests. It also involves you understanding the ideas, suggestions, instructions and requests of others. By using this 2-way communication you will be more able to:

- Understand your work situation
- Quickly make decisions and solve problems
- Respond to situations as they change
- Improve relationships between yourself and your line manager, other managers, your team members and other colleagues

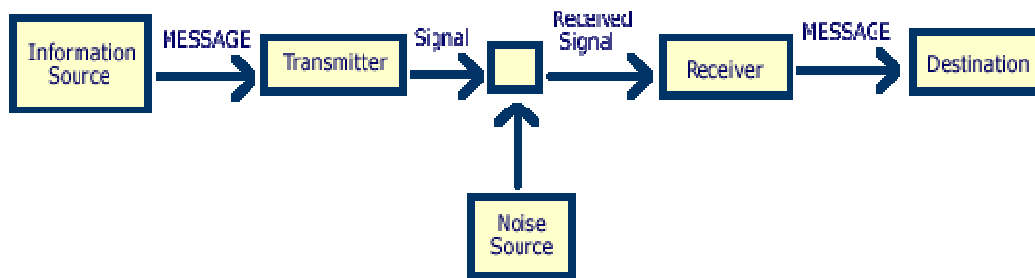
### A Communications Model

Most authors on communication offer a simple model which is surprising since most managers suggest that effective communication is the major problem in most organisations. The model shown below is offered by Jones GR et al (1998):

- **Sender** – This is the person or group wishing to share information
- **Message** – The information that a sender wants to share
- **Encoding** – Translating a message into understandable symbols or language

- **Noise** – Anything that hampers any stage of the communication process
- **Receiver** – The person or group for which a message is intended
- **Medium** – The pathway through which an encoded message is transmitted to a receiver
- **Decoding** – Interpreting and trying to make sense of a message

The important issue which we have already mentioned is that this process is 2-way. The receiver when replying becomes the sender and the process starts again. This model is illustrated below:



Shannon and Weaver (1949)

How do you ensure your communication is two-way? Give examples:

### The Dangers of Ineffective Communication

Some experts claim that people like you spend approximately 85% of your time engaged in some form of communication Adams DA (1993) and that ineffective communication damages organisational performance. Imagine some of the catastrophes that have occurred in history due to poor communication!!

### Barriers to Effective Communications

Earlier we mentioned “noise” which is anything that interferes with the communication process. Some barriers include:

- Assuming that the receiver has information, opinions, beliefs and attitudes but does not check to ensure this is the case
- Assuming that the receiver actually understands the message
- The receiver assuming what the sender meant rather than checking
- The receiver deliberately misinterpreting the message because they do not like the content of it
- The sender deliberately sends a misleading message

Which barriers exist in your organisation that affects good communication?

## Types of Communications

There are many types of communication but let's have a look at a few:

- **Face-to-face** communication is the medium that is the highest in information richness because as well as speaking to people, you can also see their body reactions
- Another method of spoken communication is the **telephone**. This is second in information richness to face-to-face communication with the major difference that you cannot see the non-verbal reactions to your conversation. Other systems similar to the telephone are voice mail and answering machines
- The next down in line for "information richness" is **personally addressed written communication** which involves things like letters and memos. The advantage of this type of communication is that it is addressed personally and demands the receivers attention
- The final in line is **impersonal written communication** which are messages that are written but not to any particular person. Examples could be general letters and memos sent out to all staff or put on notice boards

What methods of communication do you use? What are the advantages and disadvantages of your chosen methods?

## Key Elements of Effective Communications

Effective communicators always take the time to:

- Give clear explanations and instructions whilst avoiding jargon and using language that the receiver will understand
- Check to make sure that the other person understands the message that is being communicated by asking the right sort of questions
- Listen to what others have to say and uses body language appropriately
- Produces written communication that is clear, accurate, brief and easy to understand

Let's have a look at some of these issues in more detail:

- **Giving instructions** – When giving instructions, it is important to be clear what you want and transmitting that to the other person whether you want them to do something, stop doing something or to do something different. You need to make sure that the person concerned is capable of carry out your instructions i.e. having the appropriate knowledge, skills and experience. You should also ensure you speak clearly, avoid jargon, keep to the point and allow the other person to ask questions
- **Questioning skills** – There are many different types of questions that you can use such as closed, open, leading and probing. Closed questions often invite a yes or no answer, open questions invite the listener to consider the question and then offer an opinion. Leading questions are often used to gain acceptance and support and probing questions rely on key words such as “what”, “why” and “how
- **Listening skills** – A good listener always:
  - Focuses on the speaker
  - Listens to the words, noticing the tone and observes body language
  - Avoids interrupting the speaker
  - Checks back at specific intervals by asking questions
- **Non-Verbal communication** – or body language as it is sometimes called allegedly accounts for up to 55% of impact when communicating. Some indications of body language are:
  - Seated stiffly – indicating that the listener is uncomfortable with the subject
  - Folded arms – indicating a barrier, demonstrating disagreement or distrust
  - Hand over mouth – indicating that the listener is holding back what they really want to say
  - Leaning back, hands behind head – indicates a well-established relationship and demonstrates control over the listener

### Summary of Part C - Quiz

Having completed Part C you should now be in a position to understand what decision-making is all about and how it should be done. Try the quiz below and then re-visit this guide to make sure you have the right answers:

- What is the most important issue about effective communication?
- What sort of barriers can exist they make communication ineffective and how might they be overcome?
- What are the key methods of communicating information to people and what are the main advantages and disadvantages?
- What are the key skills in effective communicating?
- What are the main indications of body language?

## PART D – CHAIRING MEETINGS

### Objectives:

By the end of Part D you will be able to:

- Describe some of the reasons why meetings are unsuccessful
- Explain why meetings can be an effective way of communicating
- Chair a meeting properly
- Negotiate effectively during meetings

### Introduction

According to Streibel B J (2003) nobody knows when the first meeting took place but I bet it seemed too long, poorly organised, boring to at least a few, and some were disappointed with the results!

The main issue is that meetings cost time and money and when you attend one it stops you from doing something else and Timm P R (1997) even claims that asking someone if they have been to any good meetings lately is like asking if they have had any pleasant dental surgery!

Timm also offer some interesting facts about meetings:

- 70% of managers consider many of the meetings they attend are a waste of time
- Many managers spend up to 75% of their time in meetings
- The higher up the management chain you go, the more meetings you attend
- Meeting “overkill” is a significant contribution to job stress

Meetings do, of course, serve a purpose and as someone famous once said “Consider this; our national economy is based on a 35 to 45 hour working week. Without meetings, this figure would dwindle to a few hours at the most. Our whole system as we know it would collapse”!!!!

### Advantages and Disadvantages of Meetings

Let’s first look at some advantages:

- You can get ideas and exchange information with lots of people at once
- You can make decisions
- People can be afforded the opportunity of “joining in”
- You can get to know people better
- You can get people to work together
- You can promote a sense of team spirit

Some of the disadvantages to holding meetings seem to be:

- Wasting valuable time that could be used better elsewhere
- Costing a lot of money to get people together
- A way of managers avoiding difficult decisions
- Adding stress to already overworked people

### Reasons for Ineffective Meetings

Meetings are often considered ineffective because:

- No agenda is produced so no-one really knows what is going to be discussed
- They often run over time
- People are often un-prepared
- Nothing particularly interesting was decided upon

These are only a few examples. Most meetings tend to be held out of habit, i.e. every Monday when they may not actually be necessary. Also, agendas are often padded out to make the meeting last its designated time.

Think about the meetings held in your organisation. Are they really necessary? Do they start and finish on time? Are they productive?

In essence, you should only hold a meeting when something is going to happen as a result and you can't come up with an alternative method to achieve this result.

## Chairing Meetings Properly

At some time in your managerial career you will be required to chair a meeting and you do not want to fall for some of the silly mistakes we have already discussed. Chairing a meeting is actually quite an art, so let's have a look at the basics.

Your role as a chair is to ensure that your meeting is well run, that you provide direction, establish boundaries and keep things moving. You can achieve this by paying attention to the 3 main components:

- **Preparing to Chair** – Before a meeting starts, your responsibility to ensure that:
  - The meeting has specific objectives
  - The appropriate people are invited and attendance is confirmed
  - An appropriate venue is selected
  - The agenda has been produced in advance
  - There is someone designated to take minutes
  - Introductory remarks are planned in advance
  - Relevant papers are circulated beforehand
  
- **During the Meeting** – here you are responsible for:
  - Arriving on time and starting and finishing promptly
  - Managing the introductions to ensure everyone knows everyone else
  - Introducing each item to be discussed
  - Managing time
  - Allowing disagreement but managing conflict
  - Dealing with difficult people

## Dealing with Difficult People

Having mentioned managing conflict, it might be useful to discuss the type of conflict you are likely to encounter. Everyone who attends a meeting should have the same objective, but this is rarely the case and it is important that certain types of behaviour is managed effectively so as not to destroy the aim of your meeting. Some typical types of behaviour are shown below:

- **People who dominate** the discussion – Whilst your job is to encourage participation you must not let one person dominate proceedings. You could discourage them by avoiding eye contact or use direct questions to draw in other people at the meeting. If all fails, take a break and have a quiet word with the person in question

- **People who want to argue** - tend to irritate other people at a meeting and this may also waste a lot of time. You may have to point out that this behaviour is wasting time and, again, direct questions to other participants to get them to join in. Above all you should not be drawn into an argument and lose your cool
- **People who hold a meeting within a meeting** - happens quite often but as long as it does not last for a long time it is tolerable. It often happens because someone wants to say something but wants to try it out with someone else before the rest of the meeting. If it goes on for too long you could ask the person to share it with the meeting or say nothing and just look at the individual – that normally works
- **People who do not contribute** - maybe because of a lack of confidence, experience or knowledge in the topic being discussed. Perhaps you could induce them to contribute by asking them a relatively easy question that you know they can answer confidently

There are, of course, many other types of difficult people such as those who are always late, those who continually joke and those who will simply do anything to make sure your meeting is disrupted.

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### After the Meeting

When your meeting is over you should ensure that a review takes place to see if your meeting was effective or not. For example, were the right people there? Did you handle conflict appropriately? Did people read papers in advance like they were asked to do? You should also ensure that any agreed after-meeting actions are monitored to make sure they are carried out.

Using the framework above and the questionnaire on the next page, analyse the last meeting you chaired and write down some ideas about how you can improve in this area.

### Assessing your own skills

If you need to improve the way in which you chair meetings, then you really need to look back over what you have done in the past and assess it. This way you can identify changes that you need to make and try them out in future meetings.

Have a look at the meetings questionnaire on the next page and use it to assess your own abilities to chair a meeting. You can also use the questionnaire to support your views in your assignment as an appendix.

## Meetings Questionnaire

To help with your assessment in analysing your effectiveness in running meetings, try completing the checklist below. You can use it for the next meeting your chair or one that you have chaired recently. The checklist contains pairs of statements and you should rate yourself from 1-10 in each pair:

### Ineffective

### Effective

I rarely use agendas	1	→	10	I always use agendas
Agenda is rarely adhered to	1	→	10	Agenda is always adhered to
My meetings never start on time	1	→	10	My meetings always start on time
My meetings always overrun	1	→	10	My meetings never overrun
I do not state the meeting purpose	1	→	10	I always state the purpose
Only those who want to join in	1	→	10	I ensure everyone joins in
I never thank contributors	1	→	10	I always thank contributors
I never summarise agreed actions	1	→	10	I always summarise agreed actions
I never reflect back to members	1	→	10	I always reflect back to members
Decisions are made by a few people	1	→	10	Everyone contributes to decisions
I never issue minutes	1	→	10	I always issue minutes
I never follow up actions	1	→	10	I always follow up actions

## Effective Negotiations During Meetings

The process of negotiating has traditionally been described in terms of a hard-bargaining approach often based on hidden agendas and power struggles. Today, however, there tends to be a partnership approach based on understanding and trust with the objective of obtaining what is termed a “win-win” situation where both parties are reasonably satisfied with the outcome.

There are other terms in addition to the “win-win” situation that you may come across and they are:

- **Win-lose** – where one party gets what they want and the other does not
- **Lose-lose** – where neither side gets what they want

Some negotiations can be carried out in an informal manner but quite often two opposite views require a structured and planned approach.

## Features of successful negotiations

The very first thing you should do is make you write down your plan or an agenda with clear objectives but be aware that negotiations very rarely follow the plan! Then you should:

- Consider how you may react to the other parties’ arguments and have an ideal outcome or “walkaway” position and set your targets high
- Make sure that a cordial and trustworthy atmosphere is present. This only helps the negotiation though and it is not a prime objective
- Ensure the relevant people are present
- Achievement of the objective is the main success feature. If the objective has been achieved, without compromising future negotiations, then it is deemed a success. There would be little success if you came out of a negotiation for a pay rise if it all went well in a friendly atmosphere yet no pay rise!!

To put this into practice, think of a negotiation that you may have coming up in the future or one that you have recently undertaken and make notes under the following 12 headings:

- What is the background and what are the issues involved?
- What is the climate between you and the other party?
- Do you want a long-term relationship with the other party?
- Who has ultimate power?
- What is your ideal outcome?
- How far are you prepared to move?
- What is negotiable?

- What do you think their ideal outcome is?
- How far do you think they will move?
- What alternatives can you offer?
- What alternatives will you accept?
- What do you know about the party's negotiation style?

After the negotiation, think about how useful this list was. Did it keep you on track? Were you successful and achieved what you wanted? If it is for a past negotiation, how could the list have helped?

### Some Simple Do's and Don'ts of Negotiations

- **Do's:**
  - Start with friendly introductions
  - Listen actively
  - Be prepared to compromise
  - Be prepared to take a break if necessary
  - Talk solutions, not problems
  - Ask open questions
  - Change the package not the price
- **Don'ts:**
  - Interrupt the other person
  - Reveal your "walkaway" position
  - Talk too much or too little
  - Make it personal
  - Ignore the other person's point of view
  - Be afraid to walk away
  - Accept something you will regret later

### Best Practice Negotiators

-  
In a study by Neil Rackman and his colleagues in the Huthwaite Research Group, the results showed that skilled negotiators avoided the following behaviours:

- They never used words like: "fair", "reasonable" and "generous" about themselves because it indicated that the person they were negotiating with might not be fair, reasonable and generous
- They invariably did not introduce immediate counter-proposals if their current proposal was not having the desired effect. Any new proposal simply "muddied the water" and the other party still had their mind on the original proposal

- If conflict occurred, they did not use this as the start of a series of attacks and defences, but dealt with the conflict and then proceeded as before
- They concentrated on a few key arguments and thus not diluting their case

Think of a recent negotiation you have been part of. Did you or was there an opportunity to display any of the traits that skilled negotiators avoid?

### Summary of Part D - Quiz

Having completed Part D you should now be in a position to understand how to effectively chair meetings and developed your negotiations skills: Try the quiz below and then re-visit this guide to make sure you have the right answers:

- What are the main advantages and disadvantages to holding meetings?
- What the key reasons why meetings are ineffective?
- How should you run an effective meeting, before, during and after?
- What kind of difficult people are you likely to come across in meetings and how should you deal with them?
- What does a “win/win situation” mean when negotiating
- What are some of the do’s and don’ts to successful negotiations?
- What must you never reveal during a negotiation?

## PART E UNIT SUMMARY

Well that's the lot! Looking back on this Unit, you should now be able to:

- Identify and select sources of data and information
- Analyse and present information to support decision-making
- Communicate the results of information analysis and decisions

Just a quick reminder of what you have learnt by working through this unit:

- The importance of correct information management, the various types of information and how you can gather information. You have also looked at the importance of storing data appropriately in order that it might be retrieved, analysed and used to make effective decisions. You have also noted the importance of the Data Protection Act 1998
- The importance of being able to make decisions that are based on information and the process you need to follow. You have also looked at the advantages and disadvantages of group decision-making and are aware of the various risks involved and what you can do to reduce those risks
- Communication being a two-way process that involves a sender and a receiver but this can be interrupted by many barriers. There are many different methods of communicating and each one has its advantages and disadvantages. Some of the skills of effective communication involves giving instructions, asking questions, listening and non-verbal communication
- Finally, you have looked at the advantages and pitfalls of holding meetings and what is required of you as someone who might be required to chair meetings. You have also looked at the importance of being able to negotiate during meetings in order that a win/win situation is created

### What's Next?

You are now ready to have a go at the assessment for this Unit so you need to:

- Carry out some research in addition to that contained in your self study guide and gather more information for your work (don't forget the new resources on the CMI website)
- Make sure you attend the relevant workshop

- Follow the link from your resources page on [www.kdtraining.co.uk](http://www.kdtraining.co.uk) to the key documents you need to complete the assessment for this unit. There you will find your:
  - Self study guide (Unit 5002)
  - Work brief (Unit 5002)
  - Marking sheet (Unit 5002)
- You will find an example of this unit's work on the website under the old heading of "Effective Communication and Information Management (Unit C44). The structure and contents are mostly the same for Unit 5002

When you arrive at the next workshop you should bring with you:

- Your completed management report for this Unit
- A copy of your marking sheet (loosely attached to your report with the self assessment completed)
- A copy of your work brief (loosely attached to your report)

All 3 items should be handed to the tutor at the workshop and then they will normally be marked within 15 working days and you will receive a copy of your feedback by email.

At KD Training Solutions we adopt the policy that you will not "get things wrong", you" may just not do them right at the time". This means that if you do not reach the required standard, you will be given an opportunity (after guidance) to resubmit the bit that you did not quite get right.

Good Luck!