

Personal Reflections on the Decision-Making Process of a Mobile Company Which Decided to Entirely Change Their Product Line

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ABSTRACT

The paper provides the decision-making experience in a mobile company which decided to entirely change their product line. The case analysis also identifies the decision-making issues that were aroused in the case as well as why those issues aroused. The theory used in the analysis include: Bounded Rationality, Personality, Motivation, and Porter's five forces. Finally, it also gives critical reflection and how I might have dealt with those issues using theories such as: Herzberg's Motivation Theory, SWOT Analysis and Analytic Hierarchy Process.

Keywords: *Decision-Making, Bounded Rationality, Personality, Motivation, and Porter's Five Forces, Herzberg's Motivation Theory, SWOT Analysis, Analytic Hierarchy Process*

The purpose of the paper is to analyze a decision-making experience, in our company. The paper also analyzes what issue aroused by shifting our focus from the core product to a totally new segment and what could have been the situation if I had dealt with the situation using academic theories, models and frameworks.

I was the production manager in the company and made a decision with the panel of the board members. The decision is generally taken by the higher authority of the organization and we are involved in giving suggestions, which they might implement or not. The decision was about the development of products with technology similar to the latest iPhones and iPads which was released a week ago by the other market competitor. We shifted our attention from the production of reliable handsets to a totally new segment i.e., producing technologically advanced smartphones, so as to have an increase in the sales due to a stiff competition. The whole workforce was made to work on the production of the new products

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and make it available on the market within 2 weeks of implementation of the decision which made the workers very unsatisfied.

THE DECISION-MAKING PROCESS

A decision is generally influenced by many factors like personalities and values, psychology, sociology, environment and motivation. Important decisions cannot be made alone with personal emotions, a detailed analysis should be done.

In our company, the decisions were made by the interaction of ideas between the board of directors and the Production team. The company thought of bringing stiff competition in the market by the production of new products. The company had a very less time gap to implement the decision as well as they also had less knowledge about it, as less amount of time was allotted. In this situation, we were compelled to take a fast decision because our competitor company has already launched a successful product with better technology which will lead to a shift of the customer's attention towards that company (Verhoef & Lemon, 2013).

ANALYSIS OF THE DECISION

The company faced several issues after making the decision of launching new products. Our company had a perception by seeing various other firms that the introduction of new product and making it successful can be the engines of growth (Cohen, Eliashberg, & Ho, 1997), which will take the company to higher platform, but on the other hand they had neglected their focus towards their core product that was reliable handsets. Some members of my production team had the same belief but had less knowledge about how to implement the plan into action, as it was a totally newer segment for them. We can apply various theories to analyze the decision made, they are as follows:

Bounded Rationality

In this situation, we are able to depict that they had a very little span of time to make the decision and moreover they had very less knowledge about the new technology which was going to be implemented. This is a case of bounded rationality in which human rely on short-cuts and other factors like the influence of emotions on cognition, human cognition and judgment is subject to a wide range of biases and errors (Tversky & Kahneman, 1986). This is one of the key issues because our company was not able to judge the pros and cons of the shifting of the production line. Thus, the decision to implement to bring a change in the Product line was taken very fast without giving a second thought to it. This played a vital role in decision-making process.

Personality

As we know that there are different types of people in an organization and they have a different approach towards a given task. According to Myers Briggs Type indicators (Fitzgerald, 2013) we know that different personalities can be known by choosing some

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aspects which decide the nature of a person. These key aspects are Extraverted (E) vs Introverted (I), Sensing (S) vs Intuitive(N), Thinking(T) vs Feeling(F) and Judging(J) vs Perceiving(P). We can easily depict from the scenario that the group of members belongs to ENFP type. Where all the members are “extravert” type of personality because in our organization the members are quite interacting with each other and they were also involved in the decision-making process. The final decision is made by the thoughts of both the board of members and also the members of the production team. In our scenario, we can also see that we have “Intuitive” type of people where the members are interested in making new things and this type of people always see towards making development in the future rather than their past i.e., they started producing technologically advanced smartphones rather than reliable phones which they were producing in the past. The decisions were made in keeping a view so that how it would improvise the future by making the right decisions. Here in our company, we have “feeling” type of people that generally like to take decision emotionally. When they have a lot of details to remember or projects to manage, they may become overwhelmed or discouraged. This type of people takes the decision from the heart and they really care for their employees and their work environment. We also have “perceiving” type of people in our organization who always thought the decision made by them was the best one. This type of people only perceive that they have taken the right decision for the future but there is no guarantee that the decisions taken are beneficial or harmful for the organization in the later stage of life. Since this type of people like starting things much more than they enjoy finishing them, they often have trouble slowing down, preparing carefully.

Motivation

Type A and Type B personality theory (Aswathappa, 2010) has to do with the perceptions that managers have about their employees. Our employees in the production team were generally “B” type of people. The employees were less focused as they took their task lightly and tend to live in lower stress levels. They like to work steadily and enjoy the work they are allocated to do. They are often reflective, thinking about the inner and outer worlds. So, it was not possible for them to take the stress and finish the work within limited time.

Strategic Development

We use Porter’s five forces analysis (Porter, 1980) to know the difference business strategic development that is taken in an organization. They were not able to analyze the different aspects of the porter’s forces which plays a critical part while taking a decision. The company at an earlier stage was unable to identify that what new products are going to be introduced by its competitive rivalry company. The rival company gained a competitive advantage through their innovative ideas. Our company to some extent had a flexible approach towards the production strategy which allowed other company to take over. Even our company was slightly late in making a decision but later they tried to bring the same competitive product within 2 weeks of time.

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REFLECTION OF OUR DECISION

There were some problems in the decision-making process because the decision of shifting their product line led to the distraction of our old customers who were our core members. I think that if we would make some changes to our production unit i.e., producing our core reliable phones and side by side we would also make a separate team taking on the part of developing the new products. By shifting the whole production to a newer segment there is always a bigger involvement of risk because we have moved on from our core popular product to a newer segment. Moreover, we were uncertain that the new products would be more successful as compared to the production of reliable phones or not. Before taking such a decision I would take time to judge that whether the smartphones with new technology or the reliable phones will give them benefit in long term basis. The workers in our company were demotivated and they lagged in the role of taking the organization to the platform for success. I think we should provide better facilities to the workers and also provide incentives and bonus to them which will create motivation to perform well for the fulfilment of the organizational goals (Dartey-Baah & Amoako, 2011). As we know from “Herzberg’s motivation theory” that if the employees are given good hygiene conditions, this helps in boosting the motivational level of the employees. After motivating the employees, we should try to change them from “Perceiving” type to “Judging” type and from “Intuitive” type to “Sensing” type so that it will enable them to analyze the facts and figures needed for the production of technological advanced smartphones.

I would have also analyzed the “Porter’s five forces” theory very well because lack of analysis in this aspect can lead our competitor company go ahead of us. I would always be aware of our competitor’s future strategy and also have a competitive advantage over them so as to sustain in today’s global market. I think that our board of members were also lacking in the “SWOT analysis” because they were unable to recognize their strengths and weakness. They had a wrong conception that smartphone will be their next strength but in addition to that, they missed their core strength which laid the foundations of their company i.e., reliable phones. They were not able to recognize the threats which also led us to this position where we had to match the quality of the competitor company.

To avoid the Bounded rationality issue, instead of applying my rationality I would have collected ample amount of information consulting with experts, engaging in an exceptional effort of situational analysis (Guth & Kliemt, 2004) and then allocate time in implementing that decision. I would also have implemented the analytic hierarchy decision making process (Saaty, 2008) by weighing the priorities which will play a vital role in the decision-making process. This process includes defining the problem and determines the kind of knowledge sought, structure the decision hierarchy from the top with the goal of the decision, construct a set of pairwise comparison matrices.

This type of decision making process helps us to deal with the difficult situation where we unable to judge that which step we should have taken, that it would have helped us in making the right decision. The problem solving is an important part because it helps to show that which decision could lead our organization to have a bright future.

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CONCLUSION

The paper utilizes the decision-making theories to analyze the key issues faced by the company when it tried to gain a competitive advantage over its rivals. The paper analyzes the decision made by the company. Moreover, on reflection, I reflected upon how I might have dealt with the situation using academic theories models and frameworks. This would have helped the company in giving a better outcome.

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Conflict of Interest

The authors colorfully declare this paper to bear not conflict of interests

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