

The Rational Path

By:

Hamid Noorani¹

With rational decisions: we can be more productive in our individual efforts, improve the performance of our organizations through better crafting and implementing of strategic initiatives, and help build a better future for the human family through public policy. We have more knowledge, more ways to communicate, and more computing power at our disposal than at any time in human history. We have great potentials. So let's see how we can realize it by making rational decisions (Noorani, *Rational Decision-Making*, 2010).

Rational thought does not come natural to us humans. From our evolutionary journey we have arrived programmed to survive a hostile and unpredictable environment (Using Your Brain, 2005). We have feelings, hopes, aspirations, desires, and prejudices. And we believe that making decisions based on feeling, hopes, aspirations, and prejudices is only natural. Objectivity is something we have to learn.

Objectivity means seeing things as they are, rather than as we wish or fear them to be. The objective reality is independent of our feelings. That objective reality is governed by a uniform set of rules that we have uncovered through centuries of experimentation and measurement. We call these rules the Laws of Physics, and we have verified their validity through all the technologies that we have developed and use daily (Serway, 1996). So yes, we too, feelings and all, are also governed by these same Laws of Physics, no less than the rest of existence.

We are each entitled to our feelings, hopes, aspirations, desires, and prejudices. And there are times when some of these find a place in the rational decision-making process (Goleman, 1997) (Glimcher, 2004). But we ignore the objective reality at our peril. Laws of physics are not optional.

And they offer us a new understanding of the Universe: that everything touches everything else. Reality is a network of inter-connected systems (Noorani, *POWER - The Modern Doctrine*, 2010). Every action has consequences. While we can choose our actions, we cannot choose the

¹ Hamid Noorani is a professor of management at the Keller Graduate School of Management of DeVry University, and is following a Ph.D. program at the Capella University. He is the author of two books: *POWER – The Modern Doctrine*, and *Rational Decision-Making*. For more information on these books, visit: www.hamidnoorani.com. He is also President of Powerful Methods Inc. For more information visit: www.powerfulmethods.com.

consequences of those actions. The consequences of each decision are determined by the responses of the systems that we influence.

With every decision we pursue some benefit. That benefit is the output of some system. With every decision we aim to manage some system. We design and manage systems, so as to produce defined benefits effectively and efficiently (Noorani, POWER - The Modern Doctrine, 2010). From managing ourselves as individuals, to managing the family, the place where we work, and where we play, we are all busy designing and managing various systems. If we make decisions based on how we feel at the time, we will be managing our feelings and not the situation at hand. Decisions made based on feelings will lead to the miss management of the systems that could deliver the benefits we wish to pursue. So we need to make each decision by methodically following an objective rational process: the rational path.

Separating facts and principles from feelings, fantasies, and opinions is the first requirement for making a rational decision. It guides us to be proactive and respond to new situations with purpose, instead of merely reacting to feelings. It brings us to ask what it is that we are trying to accomplish, and why.

This objectivity is a critical requirement when making decisions individually. It is even more critical when making group-decisions. Managerial decisions are made increasingly by groups that are multi-cultural, cross-functional, and geographically dispersed. For arriving at a consensus on rational decisions, we need an objective rational process: one that all in the group can share and follow. And Systems-Thinking, as the modern scientific philosophy, charts the rational path.

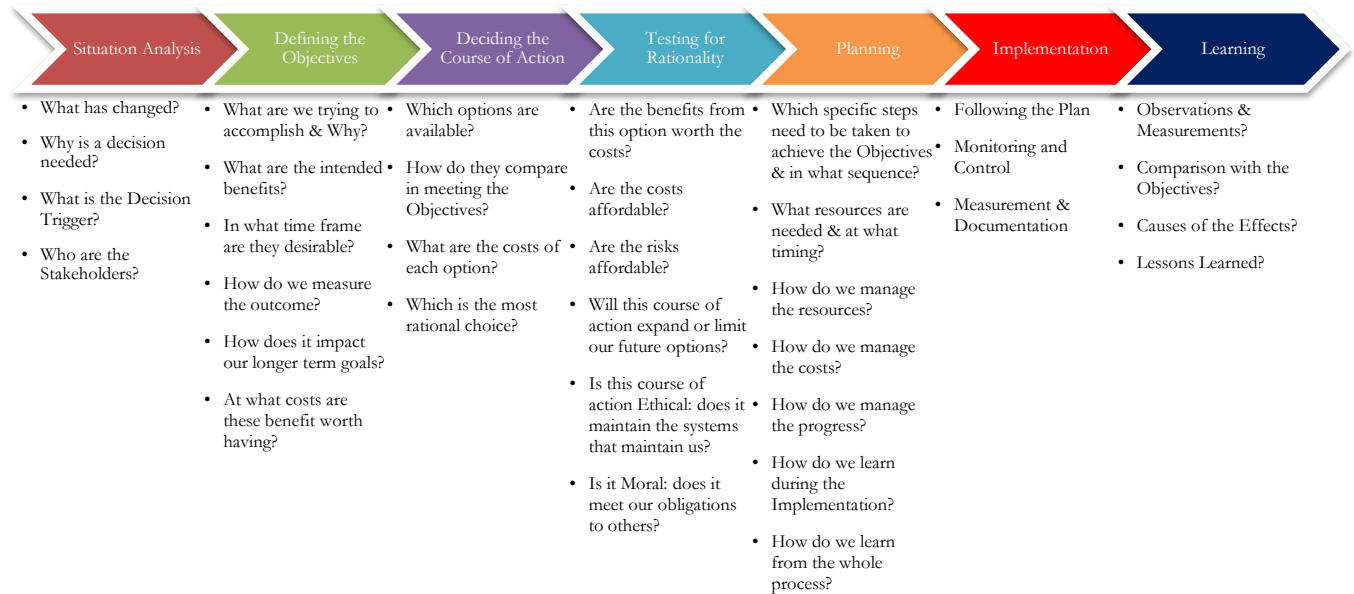
The systems that we design and manage through our decisions are all inter-connected. Every system is a sub-system of a larger system. All individuals, organizations, and governments are sub-systems of the planet Earth. We all function as parts of this shared context, and so we have shared goals. As economic entities, we each make countless decisions of consumption, production, and investment (Noorani, 2008). We are all investors, suppliers, and customers of one another. As biological entities we share common DNA patterns. As social animals we create and share social wealth together. Far from being isolated, we are each a node in network that connects with everyone else and everything on the planet. Our interests are intertwined for the long-term.

Our decisions impact others, and their decisions impact us. With each decision we respond to a situation that was created partly by the decisions of others. And our decision in turn ripples through the network of inter-connections, triggering a cascade of decisions by others in response.

Every action has consequences: some intended, some unintended, some desirable, some undesirable, some known, some unknown, some uncovered later, and some unknowable.

Every decision comes with a cost for the expected benefit. Some costs are quantifiable in terms of the time and money that are allocated to the chosen course of action. But there are also other foregone opportunities. By choosing one course of action, we are in effect foregoing the opportunity of pursuing all the alternative courses of action. For example, by choosing to do one job, you cannot do other jobs due to the limited time available. The costs are certain and immediate, while the benefit comes at some time in the future and is less certain. A decision is rational when the costs are affordable and the benefits are worth the costs.

Well, what if there is a rational path to decision-making and people of all backgrounds can share it? What if we can set rational objectives, achieve them, and learn from the process? What if we can make group decisions in a timely manner and arrive at consensus on a rational choice of action? Enlightened with Systems-Thinking, we can do all this and more. And this is the greatest news of the 21st Century (Noorani, Rational Decision-Making, 2010). Here we introduce this rational path as shown below, and highlight a few key points.



Consider all the rational reasons why decisions are made. They all fall into five buckets:

1. To Solve a Problem,
2. To Avoid a Problem,
3. To Pursue a Present Opportunity,
4. To Prepare for a Future Opportunity, and
5. To Prepare for the Unforeseen.

These are the Rational Decision Triggers (Noorani, Rational Decision-Making, 2010). There are no other rational reasons for making a decision. Any decision that does not aim for one of these triggers should be questioned as to whether it is rational. The first step on the Rational Path is to analyze the situation at hand and see if there is a Decision Trigger, and if so, to define it. If a problem is to be solved, which specific problem is it? If an opportunity is to be pursued, which specific opportunity is that? Identifying the Decision Trigger is important because it puts us on the Rational Path. And if we are making a group decision, it helps all stakeholders see what is to be achieved and why they need to cooperate.

The list of Decision Triggers offers another important insight. There is a logical relationship between these five triggers. To the extent we succeed to avoid problems, we spend less time and effort solving them, allowing more opportunities to be pursued. To the extent we pursue opportunities; we will have the resources to invest in avoiding problems. To the extent we prepare for future opportunities, we can pursue them as they appear. And to the extent we prepare for the unforeseen threats and opportunities, we create options for dealing with situations as they emerge.

When we find ourselves constantly solving problems, it is time to examine the whole system. The Big Picture view that comes from Systems-Thinking shows what strategic initiatives are needed. Often we need to re-design the system as we adapt to the changing conditions. A system poorly designed cannot be well managed (Noorani, POWER - The Modern Doctrine, 2010).

The next step on the Rational Path is to define the objectives in measureable terms. Here again Systems-Thinking lays out the rational guidelines. It reminds us that as intelligent self-sustaining systems we have the ultimate goals of survival, growth, and mission. Survival has to be our goal number one, because without it we lose all functions. Next is the goal of growth because it provides us with the resources and capabilities to function. And choosing something of enduring value to achieve as a mission gives us purpose and direction. Notice that these three ultimate goals

of survival, growth, and mission apply to all individuals and organizations. And they form a structure for all our objectives in all situations.

These three ultimate goals align our short-term objectives in specific situations with our broader and longer term interests. Ethics and morality are also rational goals of all our decisions. Yet we commonly overlook these goals for two reasons. First, we usually define our objectives in narrow and immediate terms. Also, ethics and morality seem to relate more to individual preferences than to objective criteria that can be specifically defined. Ethics and morality are system terms and can be defined and appreciated only from a systems view of the world. Ethics means maintaining the systems that maintain us. Morality means recognizing our obligations to others (Noorani, *POWER - The Modern Doctrine*, 2010).

Systems-Thinking also reminds us that as intelligent self-sustaining systems we are economic entities. The vast majority of all the decisions that we make in a life-time are economic in nature. We sustain ourselves through all the decisions of consumption, production, trade, and investment that we all make. Each of these decisions has its own economic rationale that guides how the objectives should be set and measured (Noorani, 2008).

Having set the objectives, we can identify the available options for achieving them. We then screen those options to find the optimum course of action. But before implementing that decision, we need to test it for rationality. We need to evaluate the selected course of action in terms of the costs and risks that it entails, and see if they are affordable. We need to see if the expected benefits are timely enough and worth all the costs and risks. We can also evaluate the selected course of action to see if it supports the systems that maintain us, and fulfills our obligations to others. This test of rationality helps tailor the selected course of action to the rational requirements of the situation.

Next are the three steps of Planning, Implementation, and Learning. Here we use all the skills and techniques of project management. But during the planning, we need to prepare for learning. We need to plan specific measures for monitoring the progress during the implementation and take timely actions that remedy unexpected problems and leverage unexpected opportunities. This helps control the costs and risks, while meeting and exceeding the objectives. More importantly, it helps prepare for learning from the whole decision-making process.

The decision is made in anticipation of some specific benefits. Yet what we can learn from the whole process is of much higher value. What we learn from making and implementing one

decision can inform and improve all the subsequent decisions. And that makes the whole decision-making process a success.

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