

# USING DECISION ANALYSIS AND BEHAVIORAL DECISION MAKING IN ORGANIZATIONAL DECISIONS

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# UCLA Anderson Mission Statement

UCLA Anderson School of Management is dedicated to transforming business. We do this through: exceptional management research and education, a commitment to critical thinking, a resourceful, collaborative culture and high potential, high performing graduates.

In addition, UCLA Anderson stands for being exceptional: in our research, our caliber of students, our international location and diversity, and in our recognized programs and key disciplines.

Our goal?

To be regarded among the ten most prestigious and comprehensive management education institutions in the world through:

- the reputation of the scholarship of our faculty,
  - the quality of our students, and
  - the achievements of our alumni.
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# UCLA Anderson Programs

Programs	Total # students
MBA	660
FEMBA	525
EMBA	120
EMBA with NUS	40
PhD	70
Executive Education	2000
Undergraduate	4000

The school currently has 71 ladder track faculty members and 20 lecturers and adjunct faculty members

The annual budget is \$58 Million

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# Senior Associate Dean and Chair

- Chief administrative officer for the school, providing support and supervision to the academic areas, faculty and academic personnel office. In addition, manages area reviews and recruiting efforts for new faculty, negotiates salary increases and promotion cases, etc.



# Examples

- 1. Budget Deficit
- 2. Improving MBA Education



# Decision Analysis Part I

- Goal
- Objectives
- Identification of a Portfolio of Actions
- Impact Analysis
- Preliminary Choice



# Decision Analysis Part II

- Trial Balloon and Feedback
- Refining Choice
- Communication



# Budget Deficit

- Standardization across various programs
- Reduction of core course credit
- Consolidation of summer and research support





# Improving MBA Program

- Re-Design of the core curriculum
- Schedule driven by programmatic needs
- Teaching schedule  
(twice a week vs once a week)



# Behavioral Decision Making

- Reference Point, Inertia, and Loss Aversion
- Projection Bias
- Hyperbolic Discounting



# Reference Point, Inertia, Loss Aversion

- Determination and Communication
- Framing



# Projection Bias

- Provide support during transition
- Avoid heavy fisted approach
- Flexibility



# Hyperbolic Discounting

- Implement in stages
- Postpone implementation but not decision



# Conclusion

- Decision Analysis – Formulation and choice of a strategy
- Behavioral Decision Making - Implementation



# Important Lesson

- Think, SAY, and DO the Same Thing
- Sincerity, Commitment, and Determination
- Communicate, Communicate, Communicate



# UCLA Anderson US News & World Report Ranking

Year	Overall Score	Rank	Peer Assess (25%)	Recruit Assess (15%)	GPA (7.5%)	GMAT (16.25%)	Rejection Rate (1.25%)	Salary & Bonus (14%)	Emplyd at Grad'n (7%)	Emplyd 3 Mos. Later (14%)
2005	85	11	4.2 (12)	3.9 (13)	3.59 (2)	705 (5)	75% (9)	95549 (11)	70.5% (23)	88% (32)
2004	80	12	4.2 (12)	4.1 (11)	3.5 (7)	701 (9)	79.4% (11)	90952 (16)	52.1% (56)	74% (61)
2003	79	14	4.3 (12)	3.9 (16)	3.6 (2)	699 (9)	84.9% (11)	92337 (18)	55.7% (56)	74.1% (55)
2002	80	15	4.2 (14)	3.9 (13)	3.6 (1)	691 (8)	82.6% (8)	103364 (21)	77.6% (45)	89.6% (38)

( ) = Rank within attribute