

PRE-ENGINEERING SUSTAINABLE CONSENSUS DECISIONS

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EXTENDED ABSTRACT

The “majority rule” is not an ideal *modus operandi* in group decision-making. In all decision situations in which multiple players are involved, each player’s views should be taken into account; otherwise, there will be a discontented minority. This minority will eventually do all it can to incapacitate the decision. “Rights of minorities” is a well-established notion in international and governmental affairs. Majority rule that ignores the views of minority is not only unfair, but also unworkable in the long run. Ideally, a decision should be made after a consensus among all parties involved has been attained.

The fundamental issue that we are concerned with in this decision situation is how to apportion a finite resource among parties involved. There are many such critical operational decisions in enterprises. Such as,

- How to share profit in a supply chain?
- How to share profit among employees?
- How to allocate budget for capital projects among units in an enterprise?

In apportioning a finite resource, there are various ways, or policies, that each is based on reason and that each is sensible and justifiable on its own accord. We argue that any weighted average, or a convex combination, of such policies, thus, is in itself sensible, or justifiable on its own. Then, the problem reduces to choosing a convex combination of the available policies, which is optimal in some sense. That is, the problem is to structure an operational methodology to guide parties to a consensus, while taking into account the views of all involved.

In a previous study, we have argued that for decisions to be sustainable, it is imperative that the views of all involved parties are taken into account in the final decision. A sustainable decision is defined as one in which all members jointly arrive at a consensus. In this study, we present an approach to “engineer” such a decision.

It is very difficult to obtain real data in real operational cases as mentioned above; therefore, to validate our conjectures and analysis, we continue to turn to an area that we know well and have access to the real data: academic administration. We hope analytical studies based on actual data will shed light on operational decisions of significant importance to enterprises that are mentioned above.