

Decision Making and Control

Overview

Decision Making

How to Make Good Decisions

Problem Solving

Building Decision-Making Skills

Controlling

Making decisions is a built-in requirement of a human resources and leadership position. When associates run into problems, they bring them to you and you decide what they should do. When crises arise—equipment breakdowns, supplies that don't arrive, people calling in sick or hurting themselves or fighting or walking off the job—you decide what should be done. When workers can't or won't do their jobs as they should, you decide whether to retrain them, motivate them, discipline them, or fire them. When things are not going well in your department, you are the one who decides what to do about it. Sometimes your entire day consists of one decision after another, and it seems to you that there is no time left to get any work done.

For a leader in this fast-paced, time-pressured industry, decision making is your work, like it or not. It is not you but the associates you lead who make the products or deliver the services. You plan their work, hire and fire them, solve their problems, settle their arguments, grant or deny requests, deal with the unexpected, troubleshoot, and by making countless small decisions you may not even think of as decisions, you see that the work gets done. How well the work gets done depends a great deal on how good your decisions are.

In this chapter we explore the kinds of down-to-earth decision making that leaders in the hospitality industry are faced with day by day. It will help you to:

- **Identify the three essential elements of a leadership decision, and explain how they help to clarify the decision-making process.**
- **Describe the steps in making good decisions and learn how to put them to work.**
- **Describe the steps to make good decisions and describe how to apply them.**
- **Explain the relationship between problem solving and decision making, and apply decision-making techniques in solving problems.**
- **Discuss the pros and cons of participative problem solving and state an example of when it would be appropriate to use.**
- **List guidelines for approaching various kinds of people problems.**
- **List ways hospitality leaders control the work being done.**



Decision Making

Human beings are constantly making decisions of one sort or another as they go about their daily lives. How do they do this, and what is special about a supervisor's decisions?

ELEMENTS IN A MANAGERIAL DECISION

Human resources and leadership decisions derive from the role and responsibility of being a leader. A leader's *decision* should be a conscious choice among alternative courses of action directed toward a specific purpose. There are three key phrases in this definition that describe three essential elements in the decision-making process.

Decision

A conscious choice among alternative courses of action directed toward a specific purpose.

1. The first phrase is a *choice among alternatives*. If there is no alternative, if there is only one way to go, there is no decision to make: You do the only thing you can. Choice is the primary essential in decision making. Furthermore, the choice is conscious: You deliberately choose one course of action over others. You are not swept along by events or habit or the influence of others; you don't just go with the flow. You are making it happen, not just letting it happen.
2. The second essential of a leadership decision is a *specific purpose*. The decision has a goal or objective: to solve a specific problem, to accomplish a specific result. Like a performance-based objective, a decision has a *what* and a *how*. The specific purpose is the *what*.
3. The third essential is a *course of action*. The decision is to do something or have something done in a particular way. This is the *how*. Making a decision requires seeing that the decision is carried out.

A good decision is one in which the course of action chosen meets the objective in the best possible way—usually, the one with the least risk and the most benefit to the enterprise.

APPROACHES TO DECISION MAKING

Different people approach decision making in different ways. One way is to go deliberately through a series of logical steps based on the scientific method. You formulate your objectives and rank them, gather all the relevant facts, examine and weigh all the alternative courses of action and their consequences, and choose the one that best meets the objectives. This *logical approach* is recommended (with variations) by management scientists. It takes time, something busy hospitality supervisors do not have, and it is probably foreign to their habits: Most people in operations tend to be doers rather than deliberators. It is better suited to weighty top management problems than to the day-in, day-out decisions of hotel and foodservice leaders. Nevertheless, it can be adapted for solving their important problems, as we shall see.

At the opposite extreme is the *intuitive approach*: the hunch, the gut reaction, the decision that *feels* right. People who take this approach to decisions tend to be creative, intelligent people with strong egos and high aspirations. Some entrepreneurs are like

Approaches to decision making

Impulsive (making an off-the-cuff decision), **indecisive** (never quite making up one's mind), **intuitive** (making decisions that feel right), **logical** (making a deliberate stepwise process to make decisions).



A team leader and a supervisor considering decision alternatives.

this: They may be driving around and suddenly they will say, “There’s a perfect location for a restaurant,” and they buy it, build a restaurant, and make it a big success.

But this approach does not work for everybody; much of the time it does not work for the people who practice it. When it does, there is bound to be a lot of knowledge, experience, and subconscious reasoning behind the hunches and the gut reactions. Most people would do about as well flipping a coin: You have a 50-percent chance of being right. Your biases, habits, preconceptions, preferences, and self-interest are all at work right along with your knowledge, experience, and subconscious reasoning. It is almost impossible to see things clearly in a flash, even with extensive background and experience.

Many people have no particular approach to decision making. Some are *indecisive* and afraid of it: They worry a lot, procrastinate, ask other people’s advice, and never quite come to the point of making up their minds. Others make *impulsive* off-the-cuff decisions based on whim or the mood of the moment rather than on facts or even intuition. Both types of people have trouble distinguishing important from unimportant decisions, and they confuse and frustrate their superiors and the people they supervise. Both types have a poor batting average in making good decisions and tend to be plagued with problems and frustrations.

RATIONAL VERSUS EMOTIONAL DECISION MAKING

On occasions, all decision makers use too much emotion in making a decision. For example, consider a couple who spend a fortune in fancy decor when opening up a new restaurant. The rational part of decision making would question the amount being spent

because it does not make sense if the restaurant cannot pay back the amount spent reopening. As managers it is important to weigh out the consequences of our actions before we react purely on emotion. In the hospitality field, leaders need to learn how to approach decision making using both emotion and rationality.

KINDS OF DECISIONS

The decisions a hospitality leader is called upon to make may range from deciding how many gallons of cleaning compound to buy, up to solving problems that are affecting production, people, and profit. Some decisions are easy to make: what supplies to order and whether to take advantage of special prices, number of portions to prepare, weekly schedule assignments, assigning rooms to be made up, granting or denying employee requests for time off or schedule change, what time to schedule an interview, whether to confirm a reservation in writing or by telephone, number of banquet waiters to bring in for a special event. All these decisions are simple to make because you have the historical data or the know-how on which to base your decision.

Sometimes you have a set routine or formula for finding answers to recurring decisions, and if there is nothing new to affect today's decision, you just follow the routine of what has been done before and you don't have anything to decide. This is really a standard operating procedure that may have been established by usage or may be spelled out in your policy and procedures manual.

Many decisions are less clear-cut and more complicated. They may affect many people. There may be many factors to consider. The wrong decision may have serious consequences. Among such decisions are hiring and firing, delegating, and making changes in the work environment or in the work itself, such as introducing a new menu, redecorating a dining room, and changing work procedures. Such decisions require time and thought.

Complicated time-pressure decisions arise when emergencies occur: from equipment breakdowns to accidents, fights, people not showing up, and food that does not meet your quality standards. Even if you have established routines for meeting emergencies, you must still make critical decisions, and one decision may require a whole string of other decisions to adjust to new circumstances. If, for example, you pull a busperson off the floor to substitute for an injured kitchen worker, you have to provide for the busing, and when you ask servers to bus their own tables, you know that customer service will be affected and you have to handle that situation. A single incident thus demands one split-second decision after another.

This kind of decision making requires a clear grasp of what is going on plus quick thinking and quick action: *decisiveness*. These are qualities that you develop on the job. You develop them by knowing your operation and your people well, by watching your superiors handle emergencies and analyzing what they did, and by building your own self-confidence and skill as you make decisions on everyday problems.

Perhaps the most difficult decisions are those necessary to resolve problem situations. In a sense, all decision making is problem solving. But in some situations you cannot choose an appropriate course of action because you do not know what is causing the problem. For example, you discover that customer complaints about room service

Decisiveness

The ability to reach a firm conclusion.

have increased during the last few weeks, but you do not know why. The problem you are aware of (guest complaints) is really a symptom of a deeper problem, and you cannot choose a course of action until you know what that problem is and what is causing it. You need a quick study to isolate the problem: Is it in order taking, preparation, or delivery where the system or procedure has failed? This is a far more complicated decision than, for example, deciding what to do about a stopped-up drain.

Some of the decisions that come up in your job are not yours to make. Sometimes the decision is made for you by company policy, such as prescribed penalties for absenteeism or improper food portioning or smoking on the job. In such instances, the only thing you decide is whether the incident fits the policy specifications—was this the second or third time it happened, and does it deserve the penalty if the clock was fast and she thought it was closing time when she stepped outside to light up her cigarette?

You may have other problems that you do not have the authority to do anything about. If you supervise the dining room and your servers complain about one of the cooks, you do not have authority to discipline that cook. You can work with the head cook, who is on the same level you are, to resolve the problem. If this fails, you can send the problem up through channels to the food and beverage director. But you cannot give orders anywhere but in your own department. It is important never to make decisions or take action where you do not have authority and responsibility.

Since time is probably your biggest problem, *it is essential to recognize which decisions are important and which are unimportant, which decisions you must make now and which can wait.* As a rule of thumb, unimportant decisions are those that have little effect on the work or on people: Nothing serious will happen if you make the wrong choice. Should you put tonight's specials on menu fliers or let the servers describe them when they take orders? What kind of centerpiece should you use on the chamber of commerce lunch table? What color paper should you have the new guest checks printed on? Such decisions are worth little more than a few seconds' thought: What is the problem? Who is involved? What are your choices? Is there a clear choice? If there is no clear choice, make one anyway and move on. Getting hung up on unimportant decisions can be a disaster. It slows the work, your leader and your associates lose confidence in you, and you lose your own perspective, your conceptual grasp of your job.

The opposite mistake—giving too little time to an important decision—can also have serious consequences. An important decision is one that has a pronounced impact on the work or the associates, such as a change in policy or procedures, what to do about a drop in productivity, or how to deal with friction between associates. In such situations the most serious mistake is not taking the time needed to consider the decision carefully. The wrong decision is hard to undo. It may cause serious consequences or perpetuate the problem you are trying to solve.

In another interesting decision-making situation a restaurant owner might seriously consider forming an advisory board because it can enhance both the individual and collective performances of the leadership team. Over time the board will potentially help perform four key functions:¹

- Develop and implement a strategic plan
- Steer clear of potential “avoidable” problems

- Create optimal solutions to issues and challenges as they arise
- Hold yourself accountable over time.

An advisory board does not replace the owner's primary role of leadership; rather, it is a mechanism to enhance results.



How to Make Good Decisions²

When making decisions follow the six steps below and you will improve your decision-making capabilities. The following six steps are a simple version of the logical approach. The procedure is elastic and can be expanded or shortened to fit circumstances.

1. Define the problem and set objectives. (What do you want to happen?)
2. Analyze the problem; get the facts: the relevant who, what, when, where, how, why.
3. Develop alternative solutions.
4. Decide on the best solution.
5. Convert the decision into action.
6. Follow up.

When you are out there on the job coping with an emergency, think about taking these steps. But chances are that you actually will without thinking, and this is as it should be. Suppose that the dish machine breaks down suddenly at noon on one of the busiest days in the year. You don't think about defining the problem and the objective; they define themselves: you need enough plates, silverware, and glasses to get the food out to guests until you can get the machine fixed. You may ask how many clean dishes there are—or you may not even stop for this—you know you are going to run out. You generate alternatives at lightning speed: Wash by hand in the bar sinks? Use the bar glasses? Ask the restaurant next door (a friendly competitor) for help (borrow dishes or share their dish machine)? Use paper and plastic? You don't have time to figure out the pros and cons of each choice: You make a judgment on which is best, and you may use all of them. You take action immediately by directing your people and doing some of the work yourself. This requires more split-second decisions, a few of which may not work out, but you can work with what you have. In fact, what you did was to move logically through, but you also utilized one of the most critical success factors in decision making: *timing*. In many on-the-spot decisions of a leader's job, timing may be the overriding factor: A decision is necessary *now*.

The need to make hundreds of quick decisions every day may make you forget that there is any other way to make a decision. Quick decision making becomes a habit. Yet a quick decision is *bad* timing if it is something you need to think through. In the dish machine breakdown you knew the necessary facts and the available alternatives, and you recognized the problem at once. But in other circumstances you may not know all the facts. You may not recognize the real problem. You may jump in with the first solution that comes to mind. You may not realize the consequences it could have. If your decision affects your people and their work, it is worth taking the time to ensure the best possible outcome.

Let us take an example and run through the decision-making process using our six-step method. You have just hired a new server, Cindy, to replace Gary. She will work a split shift, 11:00 A.M. to 3:00 P.M. and 7:00 P.M. to 11:00 P.M. Tuesday through

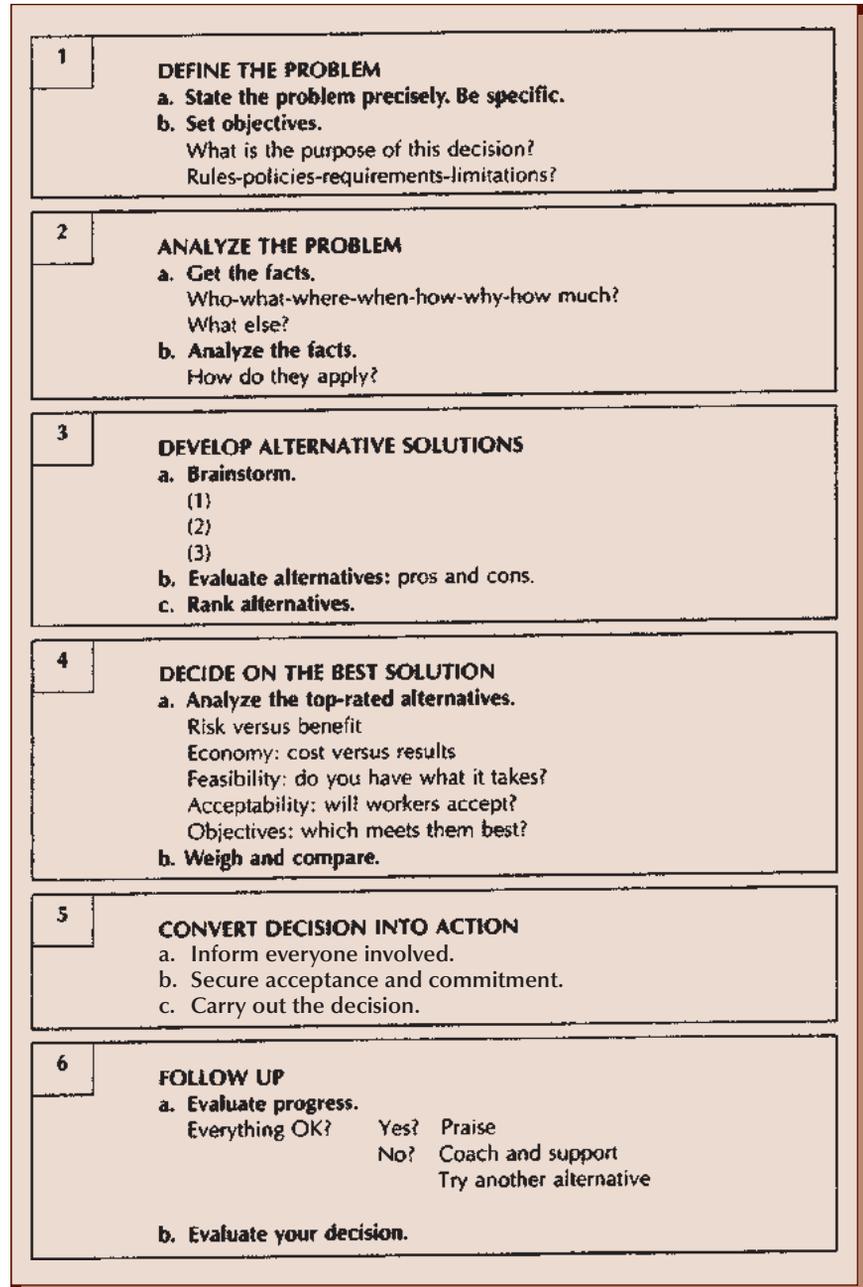


FIGURE 14-1: Pattern for making decisions.

Saturday, which is Gary's last day. Cindy must be trained well enough to start work on Tuesday. She is an experienced waitress, having worked in a restaurant similar to yours. In the next five sections we follow this decision through to its solution.



Making good decisions can sometimes take a team effort.

DEFINING THE PROBLEM

The first step has two parts: to *state the problem precisely* and to formulate your *objectives*: what you want to happen as a result of your decision. You start out by writing down *Who will train Cindy?* Then you realize that there is more to the problem than *who*; there are *when* and *what*: How much training does Cindy need? You restate your problem: *Give Cindy enough training to start on the noon shift Tuesday.* This statement broadens your approach: You begin to include the training itself in your thinking. Figure 14-2 shows your worksheet as you develop your decisions.

Your objectives should restate your problem in terms of the results you expect. They should also include any rules or policies that apply, any requirements as to where, when, how, and so on, and any limiting factors such as time and money. These things are sometimes referred to collectively as *conditions and limitations*.

For your objective, then, you write down: Cindy is to meet minimum performance standards by noon shift Tuesday. JIT method, on-site. Training expenses \$150 maximum.

ANALYZING THE PROBLEM

The next step is to assemble the relevant data, but don't overdo it: Keep the goal clear. It is easy to tell people more than they need to know, yourself included, so don't confuse yourself with too many facts. You can get more as you need them—and you probably will.

Conditions and limitations

Factors such as rules, policies, specific requirements, and limiting factors (e.g., time) that may apply when a problem is being defined.

*Problem: Who will train Cindy?
Cindy trained to start noon Tue.*

*Objectives: Min PBO standards noon Tue.
JIT - On site - \$50 meal.*

<i>Who:</i>	<i>Eloise lunch</i>	<i>P+G+C+W+?</i>
	<i>Karen lunch</i>	<i>P+G+C+W?</i>
	<i>Charlie dinner</i>	<i>P+G+C+W+</i>
	<i>Michael dinner</i>	<i>P+G-C-W+wine+++</i>
	<i>Self-lunch-dinner</i>	<i>4+</i>

What: Wine, guest check, Pretest results

When: Sat - Fri? - Here - JIT

How much \$: Trainers - Cindy

What else? Sat. luncheon

Gary	11-3 & 7-11	Tue-Sat
Eloise	11-3	Mon-Sat
Robert	11-1:30 & 7-11	Mon-Sat
Karen	11-3	Fri-Sat
Rose		5-9 Thu-Sat
Charlie		5-11 Mon-Sat
Michael		5-11 Thu-Sat

<u>Choices</u>	<u>Alternatives</u>	<u>Pro</u>	<u>Con</u>
(M wine)	1. E + Ch. Sat.	2 best people	Sat. busy, Ch wine?
	2. E Fri, Ch Sat	" , less busy, C work Sat noon	\$4 hours extra
	3. Karen either Fri or Sat	3+ (W!)	Less experience - willing?
	4. Michael either Fri or Sat	2+, wine +++	2- (G+C)
(M wine)	5. Fri - Cindy, 1-2 tables Sat.	Avoid Sat, C to start slow	\$\$ less tips for somebody
	6. Fri Self	4+, no \$, Cindy here	I am too busy, interruptions
3	7 Mon E - Ch	slow, Gary gone, fees slow too	Cindy willing? Overtime
	8 Cindy, Sat coaching	Cheapest	\$\$ Pin off Bad policy, busy customers, etc.

Risk - Sat ??

Economy - Mon \$\$\$ but best results

Feasibility } O.X.

Acceptability }

Objectives: No. 3 best

FIGURE 14-2: Decision making: manager's worksheet on training for Cindy.

The easiest way to organize the *fact finding* is to go through the who-what-when-where-how-why routine. The first question is who. After studying the weekly schedule, you put down: *Eloise or Karen (lunch), Charlie or Michael (dinner)*. Some of these servers would make better trainers than others, but you do not eliminate anyone at this point. You want to keep your mind open and your thinking positive. Besides, you need all the possibilities you can get because you may have to settle for a less than perfect solution. Then, reluctantly, you add *Self*. You really don't have the time.

The next question is *what*. You start to write *Server procedures*, and then you think, "Wait a minute, Cindy has been a waitress before; we don't need to train her from scratch." Then you think, "Just what does she know?," and right away you pick up the phone and call her to come in on Friday at 9:00 A.M. for a pretest. You know that she doesn't know wine service; they serve wine only by the glass where she worked before. She won't know your guest check system either. But a lot of things will be the

Fact finding

The process of collecting all the facts about a certain situation.

same. She's bright, and it shouldn't take long to train her. You make a few notes: *wine, guest check, pretest results*.

The next question is *when*. You put down *Saturday* and then you think, "Well, maybe part of Friday, too, since she's coming for the pretest anyway. And Saturday is so busy—you have that bridal luncheon for the mayor's daughter." You put down *Friday*?

The next question is *where*, and the answer is *Here*, with your equipment and your setup, just as though she were working.

The next question is *how*. You write *JIT, show and tell*. You will have to coach your trainers on this, but since they were trained this way themselves and you have performance standards to go by, it shouldn't take long, maybe an hour on Thursday.

The last question is *why*, and you have answered that in your objective. Next you analyze the data you have gathered. Which server would make the best trainer? You rate them plus or minus on performance, guest relationships, communication, and willingness. What about costs? A few extra hours for the trainers and maybe an extra half day for Cindy. It shouldn't go over your \$150 limit.

Anything else? That luncheon on Saturday.

DEVELOPING ALTERNATIVE SOLUTIONS

Now that you have all the facts, your next step is to develop as many alternatives as you can. The first stage should be uninhibited *brainstorming*: You give free rein to your imagination and put down every possibility that you can think of without regard to its drawbacks or limitations. You do not want any negative thoughts to inhibit your creativity. Sometimes a totally impractical idea will suggest a really good solution or a way of adapting another solution for a better result. Sometimes an entirely new idea will suddenly emerge. Ideas spark other ideas, so keep them coming.

You jot down the following:

1. Eloise and Charlie on Saturday.
2. Eloise Friday and Charlie Saturday.
3. Substitute Karen for Eloise either day.
4. Substitute Michael for Charlie either day.

After a moment's thought, you add:

5. Train Friday (Eloise or Karen and Charlie or Michael).
6. Yourself Friday.

And then, since the idea of training on busy days is beginning to really bother you, you add:

7. Train Monday (Eloise and Charlie—Michael and Karen off).

Finally, in case all else fails, you add:

8. Let Cindy start working Saturday and assign someone to coach her.

At this point you run dry. You think you have some good possibilities.

You now move to the second stage of developing alternatives: You weigh the pros and cons of each. You consider the good and bad points, keeping in mind how these would

Brainstorming

Generating ideas without considering their drawbacks, limitations, or consequences (typically, a group activity).

help or hinder the outcome and whether there would be side effects or bad consequences. It is very easy, in concentrating on achieving your objectives, to overlook other results that a course of action might have (the operation is a success but the patient dies).

The larger the problem, the more important this step is. In a major problem affecting production and people, thinking through the consequences is one of the most important steps of all. In our example, some alternatives might produce poor training quality, which could result in problems of service and cost. Or a personality clash might start a good server off on the wrong foot.

You start by listing the pros and cons. As you do this you discover some things you hadn't thought of before. Here are your thoughts:

1. Eloise and Charlie on Saturday.

Pro: Eloise probably 4+ (willing?). Charlie definitely 4+ except on wine.

Con: Very busy day, Charlie wine?

2. Eloise Friday, Charlie Saturday.

Pro: Best trainers. Friday not as busy, Cindy coming in Friday anyway. Cindy can work bridal luncheon Saturday.

Con: Extra cost (Cindy 4 hours Friday).

3. Substitute Karen for Eloise.

Pro: 3+ trainer (willing?).

Con: Less experienced than Eloise, probably less interested.

4. Substitute Michael for Charlie.

Pro: 2+ (excellent performer, willing), superb on wine.

Con: 2- (goes too fast, condescending).

5. Train Friday, Cindy work 1 or 2 tables both shifts Saturday.

Pro: Avoid training on Saturday. Break Cindy in on job gradually.

Con: Extra cost, 1 or 2 fewer tables and tips for someone Saturday dinner—resentment?

6. Yourself Friday.

Pro: 4+ as trainer. No training cost. Cindy coming in anyway.

Con: Important morning appointments. Off 2 to 5. Interruptions.

7. Train Monday, Eloise and Charlie.

Pro: Slow day. Best trainers. Gary gone. Tuesday good for first workday (slow dinner).

Con: Will Cindy trade Saturday for Monday? Six-day week for Cindy. Your day off. Slightly over budget (overtime for Cindy).

8. Cindy to work Saturday with someone coaching.

Pro: Cheapest.

Con: Bad policy. Poor training, bad start, hidden costs. Too busy on Saturday. Customer confusion.

The final step of this stage is to weigh the pros and cons and rank your alternatives. When you are making a very important decision with momentous consequences and you have plenty of time, you will rank all alternatives carefully. But if you have several feasible alternatives and limited decision time, you should pick out the top three or four alternatives and rank them. But don't throw the others out; you may have to come back to them.

Moving on, then, here is what you end up with:

- **First choice:** No. 2. Eloise train for lunch Friday, Charlie for dinner Saturday. Use Michael for wine training Saturday.
- **Second choice:** No. 5. Cindy to pretest and train Friday with Eloise and Charlie and work her regular hours Saturday. Michael to teach wine Saturday. Cindy to work bridal luncheon and 1 or 2 Gary's dinner tables.
- **Third choice:** No. 7. Train Monday, Eloise and Charlie. (Must shave cost a bit further.)

You now have three alternatives that will meet your objectives reasonably well. Of the five remaining, you cross off Number 8: After weighing the pros and cons, you find it unacceptable. The rest are feasible alternatives, but you should not bother with them at this point. At least one of your three choices is bound to work.

DECIDING ON THE BEST SOLUTION

Before making any decision of consequence, the decision maker should test the top-rated alternatives by asking five questions:

1. *Risk.* Which course of action provides the most benefit with the least risk?
2. *Economy.* Which course of action will give the best results with the least expenditure of time, money, and effort?
3. *Feasibility.* Is each course of action feasible? Do you have the people and resources to carry it out?
4. *Acceptability.* Will each course of action be acceptable to the people it will affect?
5. *Objectives.* Which course of action meets your objectives best?

These questions require you to do some more analysis. You must analyze benefits and risks and weigh one against the other. You must figure time, money, and effort and weigh cost against results. You must determine whether you have the people and resources needed in each case and whether it will be acceptable to the people concerned. Finally, you must weigh one course of action against another and decide which meets your objectives best.

You can run through this pretty quickly.

1. *Risk.* There isn't much risk anywhere. The biggest risk is probably in your first choice—Saturday being such a hectic day and leaving the dinner training until Saturday night. Charlie might come in late or things might get busy early. And there really isn't time for Michael to teach wine. So there *is* some risk on training quality that might make trouble later. Now, how about Monday? Monday is your day off; is there a risk there? You could stop in to see how things are going, and with your best trainers, little could go wrong and there's time to deal with it.
2. *Economy.* Monday is definitely the most expensive, but it would probably give the best results, and it's not *that* much more; you could shave it down to budget some way.



3. *Feasibility and acceptability.* Those are definitely the big questions; they may decide the whole thing. You pick up the phone and call Cindy. You find that Monday is okay with her; in fact, she'd like the overtime. She could also meet the other two schedules, but they sound a little confusing. You check with Eloise and Charlie. They can both meet all three arrangements and would like to do the training. They both think Monday sounds best.
4. *Objectives.* Which solution meets them best? You decide on Monday, largely on the basis of risk and, in the end, economy. Although it costs a bit more, you think the training quality will be much the best, and Cindy will have a good start. It is a decision you are not likely to regret, and it will pay for itself in the long run.

ACTION AND FOLLOW-UP

The next step in decision making is to hand the decision over to the people who will carry it out. At this point good communication is the key to success. The people who will carry out the decision must fully understand it, and everyone affected must be informed. Every effort must be made to gain acceptance and commitment. If the people who must carry out a decision are involved in developing the alternatives, it usually pays off, but in our industry this often isn't practical.

You have already involved Cindy and Eloise and Charlie; you had to involve them before you could come to a decision. You know that they are committed. You pick up the phone again and tell the three of them that the plan for Monday is on. You give them the details of the Monday schedule and set a time on Thursday for training the trainers. You will give Cindy the pretest on Friday and pass along the necessary information to Eloise and Charlie. You inform the assistant manager, who will be in charge on Monday. The decision is complete.

Altogether this decision took you 15 minutes or less from beginning to end. Was it worth the time? You think so, definitely. You will start Cindy off on the right foot. She will know what to do and how to do it, she will be confident instead of confused and anxious, and she will feel good about the trouble you have taken to provide her training. She will probably stay beyond the critical first seven days and turn into a good, productive worker. You have probably saved yourself a lot of grief by not making a snap decision for Saturday training.

You also have a lot of new insights on making decisions and on training. You might decide later to delegate training on a regular basis to Eloise and Charlie and give them more training than the quickie things that you can give them in an hour. The last step in decision making is to follow up—keep tabs on how things are going. It is an important step for several reasons. If problems develop, you can catch them early or even fall back on another alternative. If questions arise, you can answer them. Follow-up supports the people carrying out your decision: It reassures them and gives them confidence.

It also gives you a chance to evaluate your decision making. Is everything working out? Did you think of everything? Could you have done a better job in the time you had? Should you have given it more time? What have you learned from this decision? Such a review will help you develop skills and confidence.

Check Your Knowledge

1. How should a leader make his or her own decisions?
2. Describe three essential elements in the decision-making process.



Problem Solving

Do You Know?

What are the pros and cons of group decision making?

Problem solving

Using a logical process to identify causes and solutions to problems or to make decisions.

Problem solving is a special kind of decision making that involves more than a choice between courses of action: It involves identifying the cause of a problem and developing ways to correct or remove the cause. Usually you become aware of the problem through a symptom such as customer complaints, below-standard performance, or substandard food product or room cleanliness—some sort of gap between what is and what should be.



As a leader, it is important to have follow-up training for employees to see how they are progressing.

PATTERN FOR SOLVING PROBLEMS

The chief difference between solving this kind of problem and simple decision making is that there are extra steps you must take before you can begin to generate alternative courses of action. The pattern goes like this:

1. Describe the problem.
2. Search out the cause (get the facts).
3. Define the real problem and set objectives.
4. Develop alternative solutions.



5. Decide on the best solution.
6. Implement the decision.
7. Follow up.

As you can see, the last four steps are the same as in any decision-making process. The difference is in the first three steps. You do your digging for data before you attempt to define the problem and set objectives for solving it. If you try to develop decisions on the basis of your first impression of the problem, you may take the wrong action and the problem will recur. You will have mistaken a symptom for the real cause.

PROBLEM-SOLVING EXAMPLE

To illustrate the problem-solving method, let us run quickly through an example. You are the manager of an independent restaurant and you have recently hired a new cook, a young graduate of a fine culinary school. This is her first full-time job. Your problem is that she is too slow. You think you will have to fire her; she is just too inexperienced. But the food has never been better, especially the daily “cook’s specials” you asked her to develop. The customers are raving about the food but complaining about the service. What a dilemma! Where do you start?

The first step is to *describe the problem as you see it now*. This description should include not only what you see at this point as the primary problem but any other problem it is causing. You write down the following: *The cook is too slow, the food isn't ready at pickup time. Servers are angry because customers are blaming them for poor service. Customers are angry, too.*

The second step is to *search out the cause of the problem*. This involves getting all the relevant facts: the who, what, when, where, how, and why, the ongoing story of what is and is not happening, and any other relevant data.

It is obvious that you must get the cook’s side of the story. When you first talk to her, she is very defensive. She says that the servers are harassing her and it makes her nervous and she can’t work efficiently. You are sure there is more to it than that. That night you spend half an hour in the kitchen observing. Naturally, the servers do not heckle while you are there, but the cook still has problems. You are surprised at how quickly she works. But she cooks the special at the last minute and she can’t do that and plate and garnish everything at the same time. She gets farther and farther behind, so you step in and help her plate the orders.

You make a date to talk to her tomorrow. She is almost in tears and obviously thinks you are going to fire her. You reassure her of your desire to help and you compliment her on the food.

The food is fantastically good. You talk to the customers and they rave about it, not only the special but also the regular menu items. It occurs to you that if you can solve this problem and keep this cook, the word will get around about the good food and your business will grow.

One of the ways to get at the basic problem is to ask a lot of comparison questions. What is being done that was not done before? What is different now, and what is the same? Let’s see:

- The cook is different.
- The food is better, all of it.

PROFILE Eric Walker

Courtesy of Eric Walker

Eric grew up in Kansas City and later moved to several cities in his career with Ritz-Carlton including Naples, Atlanta, and St. Thomas.

Currently Eric is catering and conference services floor manager, The Ritz-Carlton, Sarasota, where his general manager has high expectations of the newly created position. That's a challenge he likes. Having worked as a valet parker, doorman, bellperson, and concierge; Eric has seen both sides of the supervision equation and knows that everything is not black and white. One of the secrets to his success is to empathize with people and to put himself in their shoes. He will do anything to make a guest happy so long as it will not harm the hotel.

Eric leads by example and would not ask any of his associates to do something he would not or could not do. An example of this is when he “jumps in” to help the setup team during the meeting room cleanups while the guests are having a coffee break. He recognizes that the setup team is the most important group

in his area and helps them whenever possible. As a supervisor Eric also has high expectations and holds his associates accountable.

Eric's workday begins at 6:00 A.M. when he goes over the day with his staff and he checks that breakfasts are ready. He then goes over the day with the client and monitors all the functions and meetings to ensure perfect guest service. In his role as the catering and conference services manager, Eric has to take care of all the meeting planners and their VIP's requests. This means he communicates with virtually all departments. Eric is ranked number one, two, or three in all the guest surveys with an average guest satisfaction score of 97 percent. Recently Eric's general manager asked him which position he was eyeing next. Eric's reply was that he wanted to be the best in the company in his position before he moved to another position. Now that's commitment and dedication for you! No wonder the general manager and the executive committee, in view of his meritorious performance, nominated Eric for the J. W. Marriott employee of the year award.

When not working, Eric loves to spend quality time with his wife, five children, and grandchildren.

- The menu is the same except for the specials.
- You also noticed that she is doing some special garnishes.
- The old cook cooked everything ahead except hamburgers and steaks. The new cook cooks the specials to order as well as the hamburgers and steaks.

The next day you talk to the new cook about the problem. You tell her how pleased you are with the food and you make it very clear that you want to solve this situation, which affects both of you. Can she help you analyze it? Finally, she says that she has been afraid to mention it, but the cook's special is a lot of extra work. She is really doing more work than your last cook. You acknowledge that this is true. (Is this a piece of the problem?)

Besides, she says, more specials are being ordered than any other item on the menu, so that makes still more work, especially at dish-up time. You ask her if she could cook the specials ahead and hold them, and she says “No, it's the sauce made in the pan at the last minute that makes the difference.” (Aha! Another clue!)



And the garnishes? She prepares them ahead, but it's true that you can't just plunk them onto the plate; you have to handle them carefully. You found this out last night. (Still another clue.)

You talk with various servers, and they verify that it seems to be the last-minute cooking that slows things up, and maybe the garnishes. Two waitresses confirm that some waiters are loud and nasty in their complaints while they wait for their orders and that the atmosphere gets very unpleasant.

As a stopgap solution to this aspect of your basic problem, you speak to the offenders, pointing out that they are only making their own problem worse. You believe that you have identified the real problem, and if you can resolve it, this side issue will disappear.

The third step in problem solving is to *define the real problem precisely and set objectives*. This corresponds to step 1 of the decision-making formula.

You have decided that you definitely want to keep this cook. But that does not solve any part of the problem. You write down what you now see as the real problem and state your objectives as follows:

Problem: Time between order and pickup is too long. Can't afford to lose this cook.

Objectives: To reduce the time between order and pickup to the standards specified in the cook performance standards, retaining the present cook. Present menu must be retained for the next four months. (You have just had it printed.) Cook's specials concept is to be retained if possible. Extra help may be hired if cost-effective. The cook must agree to the final decision (but not make it).

You start to add: *Long-range objective: to expand business.* Then you come to your senses. Building a business around the skills of a particular cook is an entirely different ball game. You have to solve your present problem within its own frame of reference.

You are now in a position to generate and evaluate alternatives, decide on the best solution, and put it to work, as in the basic decision-making formula.

PARTICIPATIVE PROBLEM SOLVING

In the case we have been following, it is logical for the manager at this point to consider bringing the cook into the next three steps of the problem-solving process. Is this a good idea in general? What are the pros and cons? In management theory there is a school of thought with a strong following that believes in *group decision making*. They argue that many heads are better than one because:

1. You get more information and expertise relevant to the decision.
2. You get more good ideas and can generate more and better alternatives.
3. People thinking together can arrive at better decisions because of the stimulation and interplay of different points of view.

They also argue that in practice:

4. People who have participated in making the decision are generally committed to carrying it out.
5. The coordination and communication necessary to carrying out the decision are simpler and better because everyone already understands what is happening.

Group decision making

A process in which a group of people work together to come to a decision.

This school of thought is associated with Theory Y management style. The experience of many leaders who practice group decision making bears out that the theory can and does work.

Other people take a dim view of group decision making and find the following problems with it:

1. It takes longer for a group to decide something than it does for one person to make the decision. Furthermore, it takes everybody away from his or her other work. (The decision may be better, but is it worth the total work hours required to make it?)
2. Groups are often dominated by one person—usually the boss—because people want to please or are afraid to speak up or disagree, so there really is no advantage. (Here there is really no group decision.)
3. Group participants often get involved in winning arguments or showing off rather than in getting the best decision. (Groups often don't work the way they are supposed to.)
4. If *consensus* (general agreement of all participants) is required, people may go along with a decision they don't like just to get the meeting over with. (Not a true consensus.)
5. Consensus leads to mediocre decisions that will appease everyone rather than the best decision. It can also lead to “groupthink” or conformity rather than to the creativity that is supposed to happen. (Groups may produce worse decisions.)
6. Self-seeking managers can use groups for their own purposes to shift blame in case of mistakes or to manipulate people into agreeing to a decision they do not want to carry out. (Here, again, there is no group decision.)

Consensus

General agreement within a group.

Clearly, group decision making is not a panacea. It works better in some types of organizations than it does in others, and it is more suitable to some problems, some leaders, and some groups than it is to others. Generally, groups work best when:

- Members are accustomed to working together as a team and have differing expertise and points of view but common goals.
- The leader is skillful at keeping meetings on target without dominating or manipulating (or allowing others to do so).
- The group is rewarded for making good decisions.

This combination of conditions is found more often at high corporate levels, but teams of hourly employees are becoming more involved in group decision making. There are times when including workers at some stages of problem solving makes a lot of sense. This is especially true when the problem or decision involves specialized skills or experience that the supervisor does not have or when participation will motivate workers to accept the decision and carry it out. In our example, both conditions are present: The cook knows more than you do about cooking and about the particular problem, and you need her commitment to the decision.

The degree of participation in problem solving and decision making may also vary. This is similar to variations in leadership style running from autocratic to democratic (Chapter 1). Figure 14-3 illustrates such variations of participative problem solving. At one end of the scale the autocratic manager will make the decision alone and



A group works at participative problem solving.

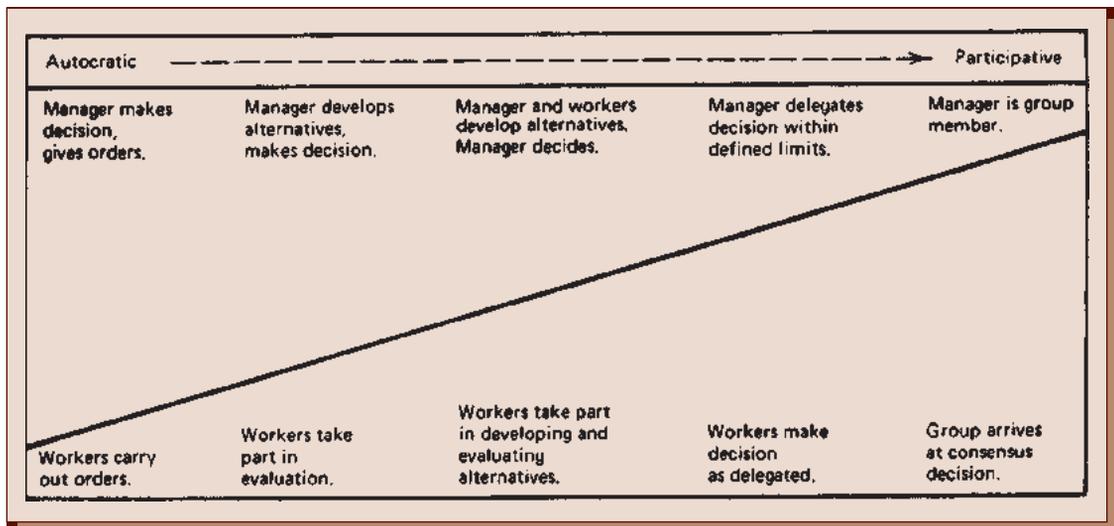


FIGURE 14-3: Range of participation in problem solving and decision making.

tell the workers how to carry it out. For example, a manager will decide on a menu item for tomorrow and order the cook to make it. There is no participation whatever. Toward the middle of the scale the manager will originate an idea and put it out for comment: “As a server, as a cook, what do you think of this menu item—will it sell?”

The workers participate in the evaluation, but they do not take part in generating alternatives. Farther along the scale the manager says, “Give me some ideas for menu items and let’s discuss them.” Here the cook takes part in everything but the decision. Still farther to the right is the manager who says to the cook, “I want you to come up with a couple of new menu items by next Monday, anything you choose within reason is okay with me.” Here the manager delegates the decision with merely a precautionary restriction. At the extreme right is the group decision—clearly inappropriate to this simple problem.

Continuing our example, you as the manager invite the cook to help generate alternatives for solving the time-lag problem. The two of you come up with the following alternatives:

- Develop specials that can be prepared ahead and simplify the garnishes.
- Keep the present cooked-to-order specials the customers like so well and hire a part-timer to cook hamburgers and to plate and garnish each order.
- Keep the present specials, simplify the garnishes, and have the servers plate and garnish the orders.

The cook thinks that she can handle any of the three. Although she will still be doing more work than your former cook, she likes the challenge of developing specials. She wants to work with you on the details of carrying out the decision.

Since your budget and the servers are involved, you will not include the cook in making the decision. You decide to have the servers participate in evaluating the third alternative. You hope they will see that the popularity of the current specials probably means increased business and higher tips in the future. But if they do not agree willingly to the extra work for them, this course of action would cause nothing but trouble. You need their commitment.

SOLVING PEOPLE PROBLEMS ³

Usually, your most difficult problems have to do with people. Problems about the work focus on products, procedures, schedules, time, costs, and other tangible things. Problems centered on people involve emotions, expectations, needs, motivation, and all the other intangibles associated with being human. The problem-solving steps are the same, but people problems require the sensitive practice of human skills.

People problems flag you with symptoms—a drop in output, substandard quality, absenteeism, customer complaints—any gap between standards and performance. The first thing to do is get the facts and dig for the real problem. Don’t make a hasty decision.

Suppose that a cook comes in very late for the second time in a week and you slap a penalty on him as your company procedure requires. He messes up everything all morning: scorches the soup, leaves the herbs and garlic out of the stew, drops an entire crate of eggs, and walks off the job. Two days later you learn that his wife had walked out on him that day, leaving him with two little children to care for. You didn’t get the facts. You didn’t find the real problem. You made the wrong decision. You lost the worker.

Personal problems are not yours to resolve, of course, but listening when people need to talk can help them to solve their own problems or at least relieve their tensions



enough to get on with their work. Advice is appropriate only if it helps to steer someone toward professional help. (You might have been able to help your distraught cook find a day-care center.)

It is important to keep your own emotions out of your workers' problems and to maintain your supervisory role. Dependent people often try to manipulate the boss into telling them how to live their lives. Active but neutral listening, is the best approach to such problems. The time this takes is appropriate only if the problem is interfering with the work.

Problems involving conflicts between people who work together usually surface quickly because most people don't hesitate to complain about each other. The usual problem-solving pattern is very appropriate here. But getting to the real problem may take time because of the number of people involved, their emotions, and probably their disagreement about the facts.

Yet identifying the real problem and solving it is more important than ever. The more people are affected, the more it affects the work. And if people's emotions are running high, they will carry them to the front desk, the lobby, the dining room, the kitchen, or the hospital bed. Customers and patients will not get the treatment they expect and deserve.

A festering problem in many operations is the continuous antagonism between servers and cooks. Perhaps the underlying problem is unsolvable, since it probably has to do with self-image and professional jealousy. Often, each side looks down on the other. Cooks are proud of their skills and their salaries, and they think of themselves as artists. They look down on waiting tables, and they resent it when servers try to order them around. Servers, on the other hand, look down on cooks for very similar reasons. In some instances male-female rivalries are also involved. These are psychological conflicts that no manager has the skills to resolve.

There are, however, ways to eliminate the friction. Sometimes the best decision is to choose not to solve the real problem but to bypass it. Some managers have made the decision to use a food expeditor to receive the orders from the servers and transmit them to the cooks, so the rivals have no contact at all.

WIN-WIN PROBLEM SOLVING ⁴

For dealing with problems involving one person, an interesting participative approach includes the worker from the beginning to the end of the problem-solving process. It is known as *win-win problem solving* because everybody wins. People who have used it say that it solves the problem 75 percent of the time.

The win-win concept is difficult for many supervisors to accept. When a supervisor is dealing with a worker who is causing a problem, it is very natural to think of the situation as a contest that the supervisor must win. Win-lose is a concept that pervades our culture: ball game, tennis match, arm wrestling, election, war—whatever the contest, there is a winner and a loser; that's what it's all about.

In win-or-lose terms, you as a supervisor have four possible ways of approaching the problem solving. The first is a *win-lose* stance: You say to the worker, "You've gotta shape up or else; if you don't shape up, you're fired." You win, the worker loses. Of course, you win the battle, but you lose the war: You either have to hire a new worker or, with a different penalty, put up with a continuation of the conflict on the guerrilla level.

Win-win problem solving

A method of solving problems in which supervisor and worker discuss a problem together and arrive at a mutually acceptable solution.

The second approach is a *lose-win* posture: retreat and appeasement. You don't take a stand, you let the worker get away with things, and you back away from any decision. You lose and the worker wins. And soon you lose not only the battle but also your job.

The third approach is *lose-lose*: compromise. You give up something in exchange for the worker's giving up something, and each of you has less than before. You both lose. Neither of you is satisfied and the problem is likely to reappear, perhaps in another form.

The fourth approach is *win-win*: You find a solution that satisfies both of you. You include the worker from the beginning of the problem-solving process, and you go through the following steps:

1. Together, you establish the facts and identify and define the problem. As the supervisor you make it clear that both you and the worker will benefit from getting the problem solved. You pull out all your interviewing skills; you listen, encourage, and let the worker vent feelings and complaints. Finally, you agree on the definition of the problem.
2. Together, you generate all possible alternative solutions—no vetos at this point. You keep going until neither of you can think of any more.
3. Together, you evaluate the alternatives and pick the one that is best for both of you.
4. Together, you carry out the agreement. You follow up at intervals to see how the solution is working.

Suppose, for example, that you have a desk clerk who does not get to work on time. After considerable discussion you agree that the problem is that her starting hour of 7:00 A.M. is incompatible with her home situation. She has two young children to get ready for school.

You generate alternatives: Let her husband deal with the children. Have her pay someone to come. Put her on a different shift. Have her work 9:00 A.M. to 5:00 P.M. instead of 7:00 A.M. to 3:00 P.M. Terminate her. Put her in a different job: typist, payroll clerk. And so on.

You go over the alternatives and finally agree that she will work the evening shift starting an hour late. She is happy that she can handle both ends of the school day and still make almost as much money. You are happy that you will not have to hire and train a new desk clerk. You already have someone on the evening shift who would like to trade shifts. You both win. For many supervisors the win-win approach represents a major shift in attitude. It denies the traditional assumption that problem employees are adversaries in a contest, replacing it with the far healthier assumption that both parties to the problem are in together. It goes right along with the Theory Y idea that jobs can

be structured to fulfill personal goals and company goals at the same time. And it fits perfectly with the humanistic approach to management that seeks to build a positive work climate and an atmosphere of cooperation and trust. For supervisors who can make that shift in attitude, it is certainly another string to one's bow.

Check Your Knowledge

1. What does problem solving involve?
2. What is the difference between problem solving and simple decision making?



Building Decision-Making Skills

The ability to make good, sound, timely decisions is one of the most important qualities on which a manager is judged. It is essential to running a tight ship and to being a good manager of people. You can learn a great deal about making decisions from books and from observing people who are good decision makers. But the only way to build a skill is to practice it. Here are some guidelines to help you along the way:

- Make sure that the decision is yours to make, that you have both the authority and the responsibility. Make each decision in the best interest of your employer, not your own.
- Accept your responsibility fully: Face decisions promptly. Be ready to take unpopular stands when they are necessary.
- Sort out the important decisions from the inconsequential ones. Make minor decisions quickly. Make major decisions deliberately, seeking out the basic problem and considering consequences before you take action.
- Calculate the risks, and do not be afraid to take them if they are worth the benefits.
- Timing is important; often, it is everything. Adapt your decision making to this overriding requirement.
- Be alert to signs of problems. If you let a situation become a crisis, it may be too late for a good decision.
- Keep an open mind when investigating a problem. Avoid jumping to conclusions, and stay away from your own biases, prejudices, and self-interest. Remember, too, that the easiest solution is not necessarily the best.
- Do consult your supervisor when a problem is truly beyond your ability or experience.
- Make sure that you are not part of the problem yourself.
- You will make some bad decisions along the way—everyone does. Don't brood over them; learn from them.
- Follow up on your important decisions to see how they are working out. Were they good decisions? What would you do differently next time?
- Look at each situation from its own unique perspective. When presented with a situation similar to an earlier one, some supervisors will make the same decision as that used earlier. Although this may work sometimes, it's best to examine each situation individually.



Controlling

Controlling is a process by which leaders measure, evaluate, and compare results to goals and standards previously agreed upon, such as performance standards, and take corrective action when necessary to stay on course. There are visible controls throughout your workplace: door locks, time clocks, the bartender's measuring device, keys to the cash register.

Controlling

Measuring and evaluating results to goals and standards previously agreed upon, such as performance and quality standards, and taking corrective action when necessary to stay on course.

A major area of control for hospitality supervisors is cost: food cost, beverage cost, labor cost, supply cost, energy cost. Cost control is a process by which managers try to regulate costs and guard against excessive costs in order to have a profitable business. It is an ongoing process and involves every step in the chain of purchasing, receiving, storing, issuing, and preparing food and beverages for sale, scheduling employees, and using supplies and energy. Figure 14-4 displays the control process. On a daily basis you will be involved in cost control techniques such as checking vendors' invoices and counting cash. The exact methods you use will vary from place to place, depending in part on the nature and scope of your business, but the principle of sparing your employer excessive costs remains the same.

In the hospitality industry, excessive costs are often due to inefficiency, theft, and waste, factors that you can influence. For instance, you may check production records against recorded sales to ensure that all quantities produced are accounted for. Figure 14-5 shows examples of controls. As a supervisor you can use the following control techniques:

- Require records and reports (such as production reports; food, beverage, and labor costs; and income statements).
- Develop and enforce performance standards.
- Develop and enforce productivity standards.
- Develop and enforce departmental policies and procedures.
- Observe and correct employee actions.
- Train and retrain employees.
- Discipline employees when appropriate.
- Be a good role model.

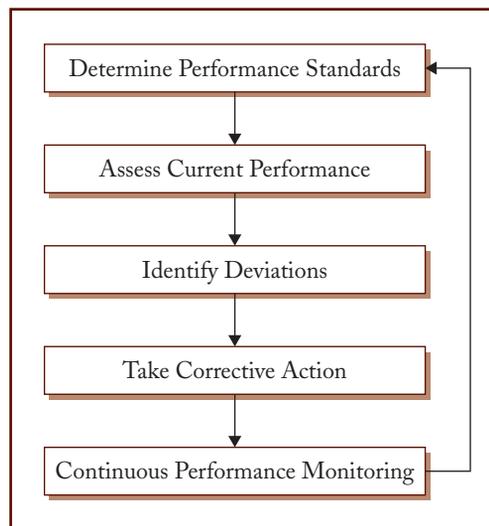


FIGURE 14-4: The Control Process.

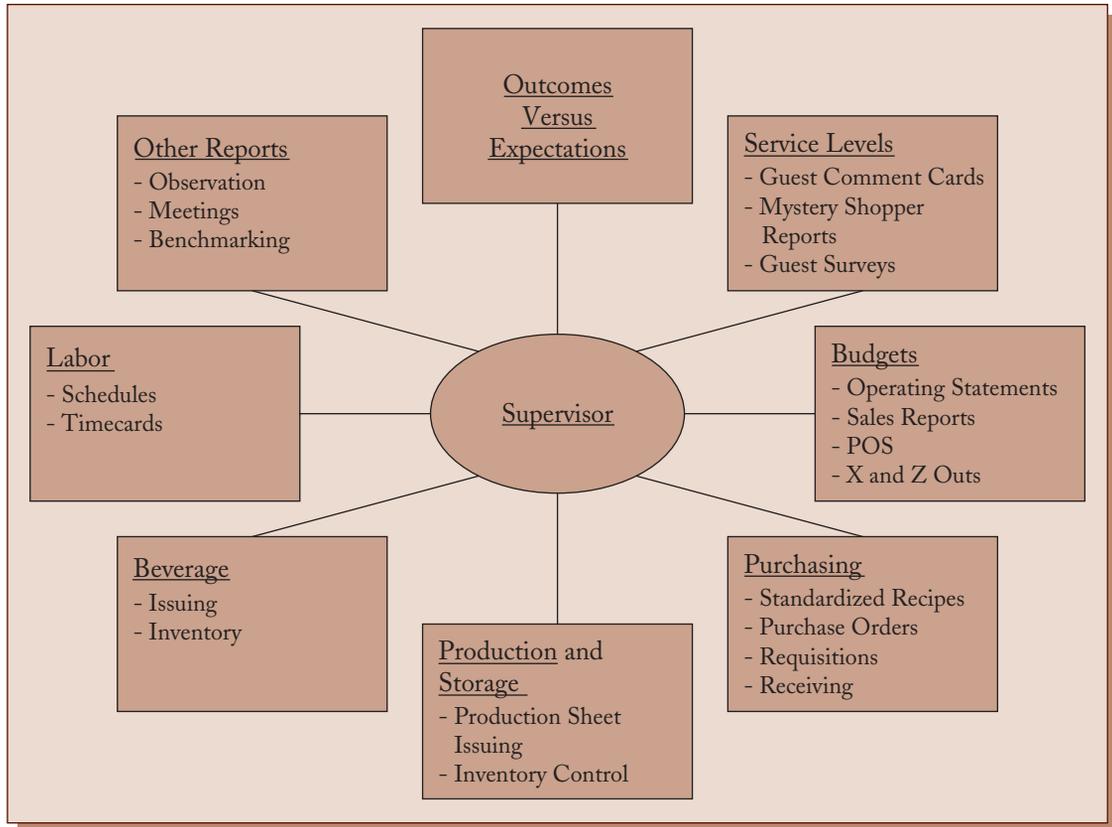


FIGURE 14-5: Examples of Controls.

Performance standards (Chapter 9) define how well a job is to be done (the quality aspect); *productivity standards* define the acceptable quantity of work an employee is expected to do (following performance standards, of course). For example, you may determine that it is a reasonable expectation for a housekeeping employee to complete cleaning a guest room according to your performance standards in 30 minutes, for a server to be able to serve four tables at a time, or for a hospital tray line to produce three trays per minute.

Control in the hospitality industry means providing information to management for decision-making purposes. A good example is the food cost percentage. Let's say we have a casual Italian restaurant and its food cost percentage is budgeted to be 28 percent, but the inventory just taken and calculated shows it to be 33 percent, then at least you know it and can begin the fun part of figuring out what is going on! An old Swiss chef once told the authors that "before you can stop someone stealing the chicken—you first must know how to steal the chicken." Control in a situation like a difference in the actual result from what was expected looks at each step in the process—ordering, receiving, storage, issuing, prepping, cooking, holding, serving, and billing.

Taking another common situation in hospitality, if kitchen labor costs are budgeted to be 14 percent of sales, but turn out to be 18 percent, then we know we must impose

Productivity standards

A definition of the acceptable quantity of work that an employee is expected to do (e.g., the number of rooms that can be cleaned in 60 minutes).

a better control and not wait for the end of the month for the result. We would need to monitor labor costs on a daily basis, so as to avoid a repeat situation.

Productivity is defined as follows: “the output of employee’s services and products in a given time period.” In a restaurant, inputs such as food and service are used to produce outputs such as meals. Productivity can generally be thought of as a ratio:

Productivity

How efficiently an operation converts an input (e.g., food) into an output (e.g., a meal).

$$\text{Productivity} = \frac{\text{Outputs (products or services: quantity and quality)}}{\text{Inputs (resources to produce outputs such as food, labor, and supply costs)}}$$

Productivity measurements tell much about an operation’s efficiency and performance and are the common denominator for comparing your operation with others. They also help when developing budgets and allocating resources. Productivity in the hospitality industry is as much a matter of quantity as it is quality. For example, a server may be able to handle six tables in 20 minutes, but the quality of the service is inferior to that of another server who takes care of fewer guests in the same period of time. Figure 14-6 lists common foodservice productivity measures.

It’s amazing to think that a high proportion of employees will likely steal if given the chance. The trick is to prevent that happening. This was borne out when Julian E. Montoya, founder of the Burrito King chain of restaurants, saw his chain go from success to near disaster in just a few years due to increasing competition and employee theft. Montoya recalls the difficulty of monitoring all of his stores at the height of expansion. One night he went to one of his restaurants unannounced, donned an apron, and went up front to cover the cash register. “The cook took me aside and said, ‘Here’s how it works: You take the order; you take the cash and don’t put it in the register. At the end of the night we split it.’”⁵

Other types of control are *feedforward*, *concurrent*, and *feedback*. With *feedforward* control, the idea is to prevent problems before the activity. When McDonald’s opened

<u>Productivity Measures</u>	
Sales Per Employee:	$\frac{\text{Sales}}{\text{Number of Employees}}$
Labor Cost Percentage:	$\frac{\text{Labor Costs \$}}{\text{Sales}}$
Departmental Labor Cost Percentage:	$\frac{\text{Department Labor Cost}}{\text{Departmental Sales}}$

FIGURE 14-6: Common foodservice productivity measures.



in Moscow, it sent a team of experts to show the Russians how to grow potatoes, how to make and bake the buns, and to ensure the quality of the beef would make a burger that tastes the same as one in the United States.

Feedback

Giving information about the performance of an individual or group back to them during or after performing a task or job.

Concurrent control is control that is conducted during the activity. Supervisors practice concurrent control by walking around and observing the work in their areas. This is known as *management by walking around*. The manager can immediately see if something is being done wrong and can show the associate how to do it the correct way.

Feedback control is the most-used control. It provides accurate information after the fact. Management uses such information in a variety of ways. Daily reports on operations provide feedback on how well the operation performed. The information provided on the daily report can help managers and supervisors compare the results with what was forecast. Feedback can, when shared with associates, motivate them to even better performance. A guest survey or a positive write up in the news media encourages most associates to strive for even better results. People generally want and welcome feedback on their performance and this form of control provides it.

Finally, control provides information necessary for management to make informed decisions. Control is the last element of the management functions and should interface with planning to make for a continuous process.



KEY POINTS

1. A leader's decision should be a conscious choice among alternative courses of action directed toward a specific purpose.
2. Different people approach decision making in different ways. Examples include logical, intuitive, indecisive, and impulsive approaches.
3. The decisions that a hospitality supervisor are called upon to make range from those that are easy to make to complicated time-pressure decisions to problem solving.
4. It is essential to recognize which decisions are important and which are unimportant, which decisions you must make now, and which can wait.
5. The following six steps are a simple version of the logical approach to decision making: Define the problem and set objectives; get the facts (who-what-when-where-how-why); develop and rank alternative solutions; decide on the best solution by examining risk, economy, feasibility, acceptability, and objectives; convert the decision into action; and follow up.
6. When making decisions, your timing can be very important.
7. Problem solving is a special kind of decision making that involves more than a choice between courses of action. It involves identifying the cause of a problem and developing ways to correct or remove the cause.
8. The chief difference between problem solving and simple decision making is that there are extra steps that you must take before you can begin to generate alternative courses of action. The pattern goes like this: describe the problem, search out the cause, define the real problem and set objectives, develop alternative solutions, decide on the best solution, implement the decision, and follow up.

9. Group decision making is advantageous because you get more information relevant to the decision as well as more good ideas. People thinking together can arrive at better decisions, and people who have participated in making the decisions are generally committed to carrying it out. Critics of group decision making say that the process takes too much time and tends to be dominated by one person (usually, the boss). If consensus is required, critics say that it leads to mediocre decisions that will appease everyone rather than the best decision.
10. Group decision making is not a panacea. It works best when members are accustomed to working together as a team and have differing expertise and points of view but common goals, when the leader is skillful at keeping meetings on target without dominating or manipulating, and when the group is rewarded for making good decisions.
11. The degree of participation in problem solving and decision making may also vary.
12. For dealing with problems involving one person, an interesting participative approach, win-win problem solving, means that you find a solution that satisfies both of you. You include the worker from the beginning of the problem-solving process, from defining the problem, through to carrying out the agreement.
13. Some important decision-making skills include: make sure the decision is yours to make, face decisions promptly, sort out the important decisions from the inconsequential ones, calculate the risks, think about timing, be alert to signs of problems, keep an open mind when investigating a problem, consult your supervisor when necessary, make sure that you are not part of the problem, learn from your decisions, and follow up on your decisions.
14. Controlling is a process by which supervisors measure, evaluate, and compare results to goals and standards previously agreed upon, and take corrective action when necessary to stay on course. Figure 14-5 gives examples of controls commonly found in the hospitality industry.



KEY TERMS

approaches to decision making: impulsive,	fact finding
indecisive, intuitive, logical	feedback
brainstorming	feedforward
concurrent	group decision making
conditions and limitations	problem solving
consensus	productivity
controlling	productivity standards
decision	timing
decisiveness	win-win problem solving



REVIEW QUESTIONS

Answer each question in complete sentences. Read each question carefully and make sure that you answer all parts of the question. Organize your answer using more than one paragraph when appropriate.

1. What are the three essential elements in a managerial decision?
2. Describe four different approaches to decision making.
3. What is decisiveness?
4. Describe the six steps in decision making.
5. What is brainstorming, and what are its pros and cons?
6. How can you test which alternative is best?
7. Explain the relationship between decision making and problem solving. Why would you group them together? Why would you consider them separately?
8. Describe the pattern for solving problems.
9. What are the steps involved in win-win problem solving?
10. List 10 tips for making good decisions.
11. Give five examples of controls commonly found in hospitality operations.



ACTIVITIES AND APPLICATIONS

1. Discussion Questions

- What is the difference between decisiveness and decision making? What is their relationship?
- What kind of decision maker are you: logical, intuitive, impulsive, indecisive? Do your decisions usually turn out well? How can you improve them?
- What relationships do you see between decision making and responsibility, authority, and accountability? What supervisory responsibilities discussed earlier in this book involve decision making? Give examples of the kinds of decisions required.
- What situations do you see in the hospitality industry where participative decision making would be useful? Explain. Where would it be detrimental or impossible? Explain. If possible, give instances from your own experience where workers participated in some phase of decision making, and comment on the process and outcome.

2. Group Activity: Decision Making

In a group of two, each person presents a work or school problem to work through in the group. Using the pattern in Figure 14-1, go through the steps for each problem. The person who brought up the problem should write down the results of the discussion on his or her problem.

3. Brainstorming

Brainstorming is a technique that can be useful in a variety of training and other supervisory situations. It requires a few ground rules to promote participation: All ideas must be accepted, the pace needs to be fast, ideas need to be recorded, and some of the ideas must be used. To learn more about brainstorming, take part in a brainstorming session in which you need ideas on (1) the advantages of participative problem solving, and (2) the disadvantages of participative problem solving. Were the ground rules met?

4. Case Study: Who's Managing This Place?

Leon has been head chef at the Elite Cafe since it opened 25 years ago. This little restaurant has been a landmark in a small seaside resort town and up to a year or so ago had always been crowded with customers who came back to enjoy the same fresh seafood dishes they remembered from years before. In the past year, however, there has been a noticeable drop in its business, owing to competition from several new restaurants that feature nouvelle cuisine, health food, and ethnic cuisines.

Leon's boss, Dennis, the restaurant manager, is an eager young man fresh out of a college hospitality program. He sees what is happening and wants Leon to change the menu, but Leon flatly refuses. He says that the food is as good as it ever was—the best food in town—and that Dennis simply isn't promoting it properly and is probably making a lot of other mistakes, too. Leon makes it clear that he has no respect for college graduates who haven't paid their dues and gotten their hands dirty—a figure of speech that is all too appropriate for Leon, whose sanitation practices are old-fashioned, too.

The other personnel are aware of this ongoing situation between Leon and Dennis and are beginning to take sides. Dennis is aware that he must do something quickly. But what? Dennis sees his main problem as regaining the cafe's share of the market and putting it out front where it has always been. He can see only the following alternatives:

1. Fire Leon for insubordination. This is what he would like to do. But Leon is an excellent cook and no one on his staff can duplicate his chowder, his lobster bisque, and some of the other classics, and there are no recipes to follow. Also, it would be difficult to hire someone who could develop a new menu quickly. There is also the problem that it is mainly a summer market; how do you hire a chef for six months of the year?
2. Try it Leon's way—a marketing program emphasizing an old-timey image and ambience—the good old days, tradition. Dennis's heart is not in this approach—he can't believe that Leon is right. He also thinks that giving in to Leon will put Leon in charge—which he very nearly is now—and will make it impossible for Dennis to maintain his authority with his other employees.
3. Discuss the problem with his boss, the owner of the cafe. She is an older woman who really doesn't understand the restaurant business, and besides, Dennis doesn't want to admit to her that he has this problem.
4. Get some expert advice on market trends and how to make a market study: Hire a consultant or pay a visit to his favorite professor at the Hospitality Institute. Dennis has made a preliminary decision. He visits his former teacher and comes back with a new perspective. He still has not made his decision, but he is making headway.

Case Study Questions

1. What do you think of Dennis's four alternatives? What are the pros and cons of each? What are the consequences?
2. What do you think is the real problem? How would you define it?
3. What should Dennis's objectives be?
4. Is Dennis himself part of the problem? If so, does this make it harder or easier to solve?
5. Are there other alternatives besides those Dennis has listed? Suggest as many as you can, and give pros and cons for each.
6. Who do you think is right about the menu: Dennis or Leon?
7. Is it possible for Dennis to change Leon's opinion of him? If so, how?
8. Do you think Dennis and Leon might ever get together using the win-win problem-solving method? Would it be appropriate in this situation?



WEB ACTIVITY

- Go to en.wikipedia.org/wiki/Decision_making and scroll down to “decision making in business and management.” Describe three decision-making models or practices.



ENDNOTES

1. Bradley S. Schneider, *Restaurant Hospitality*, Cleveland, February 2007, Vol. 91 Iss. 2, p. 62.
2. This section is adapted from Michael Tsonton, “New Line Order,” *Restaurants and Institutions*, May 1, 2000, Vol. 110 No. 12.
3. This section is adapted from John Walsh, “Reservations Manager Maintains Steady Business Stream,” *Hotel and Motel Management*, November 6, 2000, Vol. 215 No. 19.
4. This section is adapted from Barbara Young, “Profitable Partnership,” *National Provisioner*, October 2000, Vol. 214 No. 10.
5. Stephen P. Robbins and Mary Coulter, *Management, 8th Ed.*, Upper Saddle River, NJ: Prentice Hall, 2005, p. 477.