

March, James (1994). *A Primer on Decision Making*. The Free Press.

Reviewed by: Kathy Yu

**Abstract:**

Decision making is a complicated and difficult process. It is not simply using rationality to make decisions. There are many limitations that hinder a decision maker from making the best decision because it requires the decision maker to have unbiased knowledge about the subject. At the same time it requires his undivided attention. In *A Primer on Decision Making*, James March gives us an overall view of different theories from social and behavioral sciences and discusses how they are used to look at decision making processes. March also talks about how decisions have symbolic significances and that the evaluation of an outcome is highly subjective.

**Key Concepts:**

- There is no pure form of rationality. Rationality is limited because we often do not and cannot consider all alternatives and all consequences. The reality is that there are limitations to information, knowledge, alternatives, and consequences. Therefore, modifications have been made to pure theories of rational choice.
- Sometimes limitations to knowledge and information can be advantageous when forming partnerships and coalitions. The nature of knowledge and information allows people to form alliances with one another by hiding information.
- There are generally two ways of looking at the decision making processes. Pure rationality and limited rationality as mentioned above view decision making processes as consequential and preference-based. In this perspective, a decision depends on one's expected consequences or one's personal preferences.
- Another perspective of decision making is based on rule-following where people behave and make decisions based on rules that are imposed on them. Society, social institutions and organizations help define and shape one's role and identity. Once people learn and adopt their roles within an organization, they behave according to the organizational rules and the "logic of appropriateness."
- Consistency and inconsistency in preferences among members is prevalent in the decision making process. Since people's preferences change over time, decisions that are based on preferences become unstable as well.
- There are symbolic significances in decision making. It tells us more than just the outcome of a decision, but rather it tells us who is the decision maker, who has power, who is smart and whether or not he acts in a proper and moral manner.
- Decision engineering is a process in which it is dedicated to producing intelligent decisions. Determining whether a decision is "intelligent" is subjective.

**Summary:**

In his book, *A Primer on Decision Making*, James March gives an overall view of how different theories are used to look at the decision making process. He discusses various theories

from both social and behavioral science that affect decision making and examines how these theories apply to both individual decision makers as well as groups and organizations. Since March discusses many theories and ideas in this book, I'm going to highlight some of the ones that I think are important as they seem to resonate throughout the book. March starts his book by defining "rationality" as "a particular and very familiar class of procedures for making choices" (March, 2). Rational theories of choice assume that decision processes are rational, that people use rationality when making a choice or decision. This pure form of rational choice theory assumes that people have perfect and complete knowledge about our environment. However, as we know, pure rationality is impossible because we cannot know all alternatives and foresee and be certain about consequences of every decision. Therefore, students of decision making have made modifications to the theory and incorporated the idea of limited (bounded) rationality. Limited rationality says that we do not have the capacity to know all the information that is needed to choose among all alternatives and all consequences. Even if we do, March tells us that people do not consider all the alternatives and consequences. This is because there are limitations to a decision maker's attention, memory, and comprehension.

In the process of modifying the pure rationality theory, rational theories of information and attention became dominant. March notes that attention is a scarce resource. As decision makers are so occupied with their lives often due to "information overload," they abstract central ideas from information, selecting some while ignoring others. In general, decision makers tend to look for information that is consistent with their beliefs and preferences and ignore that which is not. At the same time, decision makers cannot physically attend different places at the same time so they would often delegate someone to represent them. March says that, "no rational decision maker will obtain all possible information. Rational decision makers can be expected to invest in information up to the point at which the marginal expected cost equals the marginal expected return."(March, 25). March further asserts that as some "information has no decision

value,” decision makers would choose to attend elsewhere where the expected return is higher (March 25). Decision makers look for ways to reduce the time, energy and attention that is impinged upon them. March also notes that people tend to attend to issues and problems that are close in proximity such as problems pertaining to their family members and relatives rather than distant ones.

Through discussion about Garbage Can Decision Process, March further illustrates the importance of time and attention. March says, “in an environment characterized by complex interactions among actors, solutions, problems, and choice opportunities, the simplest source of order is that of time,” meaning that activities, events that occur close to each other seem to be correlated and that decisions happen they mesh together with the right set of actors or decision makers. March says, “in important ways, decision processes build on these temporal categories, combining people, problems, and solutions in terms of their simultaneity” (March, 198).

March tells us that decision making is generally viewed in two broad perspectives, with one group of decision making students viewing decision making as consequential and preference-based. That is, people tend to explain their own actions in terms of their alternatives and consequences of their preferences. This perspective is further distinguished in the idea of “satisficing” and “maximizing” where people do not just choose the best alternative. Rather, decision makers simply choose alternatives that meet with their aspiration or target in the idea of “satisficing.” They choose an alternative that is “good enough.” On the other hand, maximizing is where a decision maker compares all the alternatives and chooses the “best” one. However, one important point is that aspirations change over time, thus making decisions based on preference unstable.

The second perspective of decision making is rule-following and identity fulfillment. Individuals fulfill different roles and identities base on where they belong. In this perspective, identities are social constructs where “social systems socialize and educate individuals into rules

associated with age, gender, and social position identities” (March, 58). In the same way, organizations shape and define their employees’ identity by training them to adopt the identity (March, 60). As identities and roles are defined, individuals behave and perform accordingly to rules of the organization. They behave on the basis of “logic of appropriateness,” meaning they behave in ways that are socially accepted and viewed as “appropriate” or “good” in different contexts.

When discussing decision making processing involving multiple actors, March believes that in a perfect world, if group members have consistent preferences and identities, then both members would benefit from the partnership and group. March says that in the pure form of “teams,” all actors have consistent preferences and identities but he believes that this pure form of “teams” is rare. Often times, partners or group members do not share consistent preferences. When this happens, March says that, “in order to highlight the inconsistencies among groups, inconsistencies within groups are ignored, and the individual groups are treated as teams” (March, 105). This is essential in the formation stage of partnership where partners intentionally hide information from one another. March further cites that the best strategy to build effective partnerships is to remove any inconsistencies (March, 128). This process may involve “aligning incentives” where partners exchange goods or negotiate terms so that both benefit from the partnership. The issue of preference inconsistencies is also salient in a larger setting such as an organization. To address the issue of incoherence within an organization, organizational designs such as departmentalization, decentralization help reduce the incoherence. Through the use of departmentalization, inconsistent preferences are removed and are not as obvious. However, in a long run, March notes that this makes the differentiation even greater where departments continue to maintain their difference by contrasting their careers (March, 194).

People join coalitions for various reasons. Most people join coalitions because they have certain preferences and identities and want to satisfy those preferences by joining ones that hold

congruent values. “Rational actors,” when they join a coalition, they would join ones that are large enough but not too large. The idea is that their share of payoff will decrease when the group gets larger; March cites this theorem as “minimal winning coalition.” Coalitions that are built around the distribution of monetary winnings usually create strong opposition among members of the coalition. The share of the payoff is significantly reduced because the larger the coalition, the less payoff one gets. On the other hand, coalitions that build around decision making that involves “crafting of a policy decision” such as a decision to buy office equipment, there is usually less opposition and tension among coalition members (March, 155).

Interestingly, coalitions are formed in two ways and it is called Complementarities of Demands. The first type is where there is congruence among coalition members and they all support a decision. A second type of complementary is coalition of two *indifferent* members. This type of coalition is called “logrolls,” and it consists of individuals or groups who are indifferent about each other’s demand but agree to join.

March illustrates the advantage of “indifference” by using an example of marriage. A wife overlooks certain areas of chores around the house while the husband overlooks a completely different set of chores. In this manner, there is no conflict involved and both partners “function smoothly” in this mutual indifference (March, 158). In a political setting where there is a complex decision involved, groups may also benefit from forming an ally with another indifferent group as it increases the size and impact of the coalition. March’s illustrates the idea by using the example of the coalition of farmers, capitalists, workers. Both capitalists and workers are always going to choose “farmers” to form an ally with because farmers are “low-cost” coalition members (March, 157).

In the process of forming a coalition with an ally, March tells us that a group would often obscure and manipulate information so that the other party will agree to join the ally. March further notes that knowledge is not innocent; it is manipulated by the knowledge or information

provider. Those who possess the knowledge use it as an instrument of power and this power is often used to manipulate and control at the expense of others.

March points out that in the decision process, decision makers communicate not only about decisions but that, “the meanings elaborated in decision making have importance beyond mundane realities of rendering decision”(March, 212). In the course of decision process, it also tells us who has power and who is smart, what is morally important and what is considered proper behavior (March, 212). Decision processes are opportunities for people to present their attributes to others. As March notes, people do not remember the outcome of a decision, but rather they remember who the winner is and the process associated with it. Furthermore, decision making has both positive and negative symbolic significances. It tells us that a good decision maker is one who makes decisions in a proper way, and shows his expertise. On the other hand, decision making is viewed “corruption” where the disadvantaged are manipulated and the decision energy is misallocated (March, 226)

Finally, March tells us that decision making in the forms of rationality or rule following are useful procedures for decision making but they do not guarantee “intelligence.” March defines “intelligence as an action that the results or an outcome has satisfied the wishes of relevant parties,” and that “decision engineering is dedicated to producing decisions that are intelligent.” As mentioned above, since preferences and identities are not stable over time, it is difficult to evaluate the intelligence of a decision. A decision that may seem favorable and intelligent during the time of decision making may seem “unintelligent” when the outcomes are finally realized (March, 228). Also, the “intelligence” of a decision is highly subjective.

#### **Assessment:**

March takes these theories and applies it to all areas of decision making. The concepts he discusses talk about how decision making apply to individuals, partners, groups, in organizations, as well as in political settings. As Theodoulou and Kofinis say decision making is

essential to the adoption stage of the policy process. They say that, “once policy alternatives are designed, however, some kind of governmental decisions must be made regarding the direction and type of governmental action that will follow,” and that in order for adoption to happen, the decision has to be accepted by authority figures (T&K,145)

This adoption process is further complicated by the “nested” character of decision making process. Decisions that are favorable to an individual may not be favorable to the group he belongs to, or the decision of a group may not be favorable to the organization he belongs. In a very similar way, policy adoption process involves so many formal players in the Congress that the House of Representatives may favor a bill while the Senate opposes it. It is a very difficult process to get a “majority coalition that can be put together to support one particular proposal” (T&K, 163).

Even when a decision gets adopted, implementation faces difficulties as well. Decision makers are not omnipresent; they have limited abilities to attend to the implementation process. Because of this limitation, differences may result between the decisions of policy makers and decisions taken by those responsible for implementing the policy. March says, “Decision makers know this and accept that implementation of decision calls for local information and expertise.”(March, 169).

March’s discussion about the two perspectives of looking at decision process; consequential and preference-based vs. rule-following can be exemplified by the wildfire that just happened recently in Southern California. As I read an article today about how “two dozen water-dropping helicopters and two massive cargo planes sat idly,” waiting to fly the planes and help out with the fire, it reminds me of how some of these bureaucrats are true rule-followers to their authorities and organizations. These bureaucrats abide to their roles and rules too strictly and hinder the helicopters from flying. The bureaucrats abide to the state rule that “require all firefighting choppers to be accompanied by state forestry "fire spotters.”” As the article

mentions, the planes sat idly not because of the wind, but because of the “government rules and bureaucracy.” This example illustrates that those who wanted to fly as soon as the fire broke out were considering and acting in a decision process that is based on consequences and preferences. They see that the consequence of not putting out a small fire in the very beginning may be very problematic and detrimental in a long run. On the other hand, the bureaucrats acted upon a decision process that is rule-following. Above all, I think this example shows how the evaluation of a decision is highly subjective. Bureaucrats see their decision of having helicopters wait and be accompanied by “fire spotters” is a safer way to handle the fire. On the other hand, the Marine Navy that wanted to launch the helicopters sees their decision as a better solution to the wildfire situation.

March’s discussions about decision making process have ideas and findings that are consistent with many of our previous class discussions. This can be found in our class discussion on how every time there’s a change in administration, the agendas and proposals change to fit the new administration. This aligns with the rule-following decision making perspective where organizational values and rules change whenever there is a new administration. People will have to adopt new roles and identities as a new superior or president comes in. Once they take on new roles, they have to learn the new rules of the administration and act “appropriately” to receive acceptance.

March’s discussion about how people tend to weight costs when they need to attend to issues or agendas holds a similar finding with what Mancur Olsen says about people acting on self-interests. Self-interest plays an important role in an individual’s decision to contribute to the collective benefit of a group (Jare Akchin). March seems to agree that people are selfish and act in their own self-interest. In fact, March tells us that people generally only attend to problems and issues that are either affecting them directly or to those affecting their close family members. Olsen’s discussion about group theory and that people see more benefits from small groups

rather than large groups resonate here in March's analysis as well. In economic terms, March agrees that people will get a smaller share of profit from being a part of a larger group. These similarities in their economic and group theory is crucial, however, Olsen believes that people are "rational," while on the other hand March believes that people are really "irrational" and they do sometimes act "foolishly" (March, 264). An example of this can be found in March's idea of arbitrary willfulness. He cites from Kierkegaard's observation that "any religion that can be justified is hardly a religion," and that "the word "faith" is an irrational, selfless commitment that achieves its status precisely by its inconsistency with reason or with self" (March, 269). He says some people simply make decisions without thinking about its consequences or without any legitimate reason, but that arbitrary act allows them "create meaning in an arbitrary expression of aesthetics or faith" (March, 269).

The idea of "logroll" also ties with group theories that we had discussed in class. March says there are obvious advantages to logroll, however, there are limits to logrolling because they require tolerance of differences (March, 159). Logrolls are difficult to sustain as participants who are thrown together become confused as they do not necessarily hold the same objectives. This reminds me of the class activity at the end of Jare's presentation (Jare Akchin). When she split the class in half and had the groups distribute chocolate among themselves, most of the students were confused during the distribution process. The randomly assigned groups, are in a way combined with individuals who are "indifferent" to one another and therefore, the distribution of chocolates process was not successful due to lack of a coherent objective or goal.

The idea of Garbage Can Process also aligns with the Multiple Streams Model that we discussed in class. When combining different events, actors, and problems that occur in close time and physical proximity mesh at the same time, decision happens. In this sense, "time" becomes an important element that puts many actors and influences together to make decisions happen. March's emphasis on "time" is similar to the "policy window" in the Multiple Streams

Theory where it involves many individuals who are busy with other issues in their lives but somehow managed to “mesh” together. This “chance” or “mesh” again emphasizes the importance of putting together what March views as a scarce resource: attention.

March’s discussion about how people tend to decide and attend to “local options and local preferences” while ignoring distant ones “is a major problem in assuring decision intelligence” and also reminds me of our discussion in class about the triggering mechanisms of agenda setting (March, 14). Problems that are close in proximity get more public attention and get on the agenda. Decision makers tend to participate in a choice that is already closer to a final decision rather than a choice that is far from its decision. This is problematic because if everyone is given a choice to choose which problem to attend, then no one will ever attend and solve the difficult problems. I agree with March that unfortunately this is the reality. People are selfish and would usually attend to issues that are simpler, and ones that pertain close to them such as their family and relatives and ignore others that are more distant.

With all these problems and difficulties that March pointed out, decision making processes seem pessimistic in a way. March tells us that there is no confident decision making process. March emphasizes that with all the limitations in knowledge and inconsistencies among decision makers, decision making is a very difficult process. As much as we like to make “intelligent” decisions using the means of decision engineering, there is simply no guarantee of an intelligent decision. I agree with March that this may be a pessimistic view, but by understanding the different frames and theories of looking at the decision process, we can improve our future decision making. March concludes his book by saying that we can “profit from an understanding of how decisions happen in order to make them happen better,” and that “the elegance and beauty of human life is augmented within a vision of decision making, and the human spirit is elevated. The idea of decision making gives meaning to purpose, to self, to the complexities of social life” (March, 272). Theodoulou and Kofinis agree too that in the

pluralistic nature within the branches of government, decision making is a complex process and it does not necessarily yield the “best policy to solve the problem, but simply the most practical and feasible policy that can escape this stage of policy process” (T&K, 163).

I would like to review all March’s ideas and theories in this book, but there are many and they are varied so I have covered the most important of those I found here. I would recommend this book to anyone who is interested in reading more about different theories and frameworks that are used to look at decision process. As March says, frameworks and paradigms help one “focus attention and simplify analysis” in the decision process (March, 14). March also says, “there is a tendency for frames to persist over a sequence of situations” because we tend to remember and use ones that we recently and repeatedly use (March, 14). Therefore, by reading this book it will open up our view about decision process and hopefully readers will be enlightened to adopt new frames of decision making.

### **References:**

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