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Introducing Holistic Decision-making in Management Education through AHP

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Abstract: Management practice has tended to focus on uni-dimensional goals such as profit maximization or share value maximization. Analytic tools covered in business schools have also, for the most part, supported this orientation. Management science tools, for example, typically involve seeking optimal solutions based on quantitative and objective criteria. Management problems often have qualitative and subjective criteria embedded in them, however. Also, several stakeholders can be impacted by any one decision, making it important to incorporate various criteria in decision-making. A tool that can incorporate multiple quantitative and qualitative criteria in a meaningful and rational way was developed by Thomas Saaty in the late 70s called the analytic hierarchy process or AHP. In 2008, Saaty received the INFORMS Impact Prize for his development of the Analytic Hierarchy Process. Management scholars as well as practitioners have been arguing for the use of this tool for contentious, ethics-laden oriented or stakeholder-oriented decision-making. The authors advocated for the teaching of AHP in the required management science course. This will enable management students to implement decisions with a broader view. The topic was piloted in class by one of the authors and student reactions were gathered. Reactions were mixed but tended to be positive.