# Executive vs. Group Decision Making

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Before deciding whether to make the decision alone or to involve others, determine if a decision needs to be made at all. Deciding not to decide should not be equated with indecision, which occurs when a leader *should* make a decision but opts not to. So how do you know? First, ask yourself whether the situation will deteriorate or improve with the decision. If nothing will change, you might not need to make a decision at that juncture. Then, ask yourself what will happen if you do nothing. Will the situation resolve itself? Go away? Compare the effort required to make and implement the decision to the risk or lost opportunity of doing nothing.

If a decision appears necessary, the next question to ask yourself becomes "Who should make the decision?" Sometimes you will need to stand alone in your decision making; at other times you will want the input of your direct reports. In their classic work on the leader's role in decision making, In their book, *Leadership and Decision Making,* Vroom and Yetton outlined these five options for deciding how to decide:

- Act alone. Make the call and tell others what your decision is.

- Ask others for information but don't tell them why you are asking, and don't involve them in a discussion.

- Actively explain the issue and ask for input. Interview people individually for their opinions, consult experts, and seek advice, but then make the decision yourself.

- Convene a group and hear their discussion. Challenge them to produce the highest caliber thinking they can, but then make the decision yourself.

- Involve the group more directly and encourage them to work for consensus. Assure them you will endorse their decision.[4]

Sayings like "two heads are better than one" express a folk wisdom that reflects accumulated knowledge about human behavior in groups, but involving others doesn't always offer the best course of action. When individuals join each other to solve problems and reach decisions, synergy occurs; group members share knowledge, resources and experiences; and usually, better decisions result. Individuals can make decisions more quickly than groups can, but the quality of a group's decision will usually be higher. When group members use time and resources well, they can pool knowledge to solve problems, and ultimately, to reach a better thought out conclusion. While few certifiably "correct" decisions exist, groups members working together will typically outperform or match the efforts of the individual.

Should you, therefore, involve others in all or most of your important decisions? Although no sacrosanct rules exist to determine when you should make the decision by yourself and when you should include others, circumstances will dictate when to do each. In general, you should engage others when the following conditions exist:

1. You need to make a risky call. Because of the blame or responsibility that occurs if an extreme course of action fails, usually one person working alone exercises too much caution. Obviously, as the leader, you will incur the blame no matter who makes the decision, but if you include others, you will hear and entertain more radical points of view.

2. You need multiple perspectives. Frequently there are many parts or steps to the problem, or a great deal of expertise, credibility, or creativity will be required to reach a conclusion. When this happens, no single person will have the resources that a group can provide.

3. The individuals involved will be affected by or responsible for the consequences of the decision. When you need the understanding, cooperation, and commitment of a group, soliciting input from them will increase the likelihood that they will commit to carrying out the decision. Also, if executing the decision will demand coordination of resources, a division of labor, or interdependence, the group members will be able to determine the role that each will need to play in implementation.

5. When people hold diverse or passionate attitudes about the problem and are likely to resist a solution you impose, asking them to reach their own conclusions often engenders their cooperation.

In the aforementioned five cases, you will achieve more success by including others in your problem solving and decision making. On the other hand, sometimes circumstances indicate an individual, rather than a group should make the call. Often, as the leader, you will be the one to make the decision, but frequently you will want to delegate it to the most qualified among your direct reports. Individuals should make decisions in the following situations:

1. If time is short. If you have all the available data, you will make the decision more quickly than a group could.

2. The decision won't have a direct effect on others. When the outcome is relatively unimportant to the group or when the outcome does not affect participants directly, people will resist working toward solving a problem. Most people think they attend too many meetings as it is, so asking them to participate in yet another usually won't add significantly to the quality of the decision you end up with.

3. One or two people will determine the outcome. Sometimes one or two group members tend to dominate discussions and cause social pressure within the group to conform, circumstances that can reduce the discussion to a debate or an intimidating situation.

When leaders perceive this kind of situation, making the decision alone or assigning an individual the task of deciding can help to prevent the pessimism and destructive conflict that might surface during a group meeting.

4. If one member of your team has the expertise to make the decision alone. If the group as a whole lacks the qualifications of an individual member, that person should hold sway.

5. If the information needed to make an informed decision is confidential, only those people who need to know the data should be involved in the decision making process.

Situations will determine the advisability of group decision making, but in general, assigning a group the task of reaching a decision will have a better result. Aside from the reasons mentioned earlier, people often feel more motivated to make high quality decisions when they have an audience because social interaction plays a role in their wanting to "measure up." Therefore, in groups people frequently emulate more motivated and skilled individuals and, by so doing, raise the standard. A word of caution. The single biggest mistake I see senior leaders making does not involve their reluctance to involve others in decisions. It has to do with their eagerness to make *popular* decisions. A well-liked decision and a well-thought-out one differ significantly. The former will seldom prove to be the best one; the latter often will.

Any decision, no matter who makes it, will have three elements: objectives (what you want to do), alternatives (possibilities for doing it), and risk (the uncertainty involved). Disagreement about any one of the three elements will cause conflict in the group, but if the members can’t agree about what they are trying to decide, they doom the process before it begins. When individuals lack clarity about the goal of their decision, they confuse their thinking, procrastinate, and pick an alternative they end up hating. *What* needs to change defines the central and pivotal question in all decision making circumstances.

For instance, I worked with a group of senior executives who wanted to refine their strategy vis-à-vis their marketing plan. Immediately one of the group’s members started discussing what products they would introduce, what new markets they should enter, and the increases to the sales force they would require. This person instantly jumped to alternatives and risk before the group had decided whether or not this was the year to expand or maintain the status quo. When I asked, “What is your goal?” the group realized disagreeing about alternatives and risk made no sense when they hadn’t even decided what a viable solution would look like.

When setting the objective, the group should also separate “musts” from “wants.” Any marketing plan *must* address areas of profitability and capability, but the sales force may *want* to do business with previous clients, in good climates. As every good negotiator knows, never sacrifice a “must” for a “want,” and don’t let the “wants” create the hill you’ll die on. Too often I’ve seen clients frustrate themselves, create conflict, and retard progress by elevating a “want” to the status of a “must.” Of course, everyone agreeing on the status of a “must” versus a “want” won’t happen every time or automatically.

Expressing these different perspectives allows members to consider many different points of view, have fewer fixations on one course of action, and to consider risky alternatives. This discussion of different positions enhances members' involvement with the issues, a situation that becomes more significant when the group is considering a radical decision.

The quality of the decisions will further depend on the interaction patterns among the members and the information exchange they experience. Participants listening to each other and encouraging every person’s contribution will serve to coordinate knowledge, thereby correcting errors or blind spots, which usually results in the group recognizing and rejecting incorrect solutions. So, even if you opt for a group decision, as the senior leader, you will still need to influence and monitor the group’s processes and to oversee the methods they use of making the decision.

## Who Owns the Decision?

Quality, speed, and execution of decisions set top performers apart from everyone else. However, at every level of the organization ambiguity over who owns decisions can create bottlenecks and turf wars that stall the process. Verdicts about ownership of decisions start at the top as CEOs negotiate with the board of directors those decisions the CEO will make independently and those that will involve the board.

From there CEOs determine how members of their team will make decisions for the company. In large organizations, often the first question of ownership centers around functional heads making the calls for their areas versus general managers making them for their businesses. One of my large clients struggled with this for years until a new CFO candidate determined the outcome. After the daunting process of finding a qualified CFO for this $1.5B, the board and CEO were amenable to demands of the most promising candidate. In short, he would not accept the role unless he owned the finance function throughout the organization. Prior to this, each general manager held sway over the decisions of his lead finance person, who then had a dotted line reporting relationship to the company CFO.  The entering CFO reversed that. Once the CFO claimed responsibility and control of his functional area, the CEO realized the rest of the organization should follow suit. This formula won’t work for all organizations, but the lessons remain clear.  The buck has to stop someplace with someone. Those stopping points need to be transparent, even if stakeholders don’t agree about them.

Unclogging decision making bottlenecks requires clear roles and responsibilities. In a perfect world, the leadership team at each level of the organization would agree about who has input for decisions and who has ultimate responsibility for them. However, not too many companies represent perfect worlds. Consensus represents a worthy goal, both when deciding areas of accountability and when making the decisions themselves. But consensus involves time, which can be an obstacle to action, and for the most part, decision makers do not eagerly abdicate control. Therefore, if you can't unclog the bottlenecks, make the tough call and decide who owns the decision. Before you do that, though, you might want to try accountability charting. Done well, it has magic power at all levels of the organization. When people understand what others expect of them, they tend to take responsibility for outcomes. Fear of overstepping can as often delay action as the turf wars

Developing your Accountability Chart is a two-phase process. First, ask each group member to identify the major decisions he or she makes. The completed list should include all major responsibilities as they relate to the group's involvement. Then, each person assigns the appropriate code letter to signify the level of involvement the he or she thinks the boss and others should have in the decision.

Second, in a team meeting that includes the boss, the group member shares these perceptions. If everyone agrees about the level of responsibility, they agree to operate under this agreement until further notice. If group members disagree, they negotiate parameters under which they will operate. Often this will take the form of the leader assigning boundaries for decisions.

## Conclusion

Groups do not provide the perfect arena for solving all problems or for deciding all decisions. Working in groups presents difficulties; however, when the leader manages these challenges and when the group leverages the talents and resources of each member, groups have tremendous potential. When participants understand decision making dynamics and the pitfalls that accompany them, the group has taken steps to a conclusion, but the insidious fiend called indecision can still lurk.