

Lone Wolf meets Devil's Advocate – situational decision-making

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What are the obstacles that hamper successful decision-making?

What are the downsides of group decision-making?

How does our management style affect the process of decision-making?

And why is rational thinking overrated?

The following article discusses tools for the management of decision-making processes under changing conditions.

This article turns the spotlight on several aspects of managerial and organizational decision-making processes. The field of decision-making is of enormous scope, so we shall limit the discussion to its managerial context. First, we'll take a look at the characteristics of different types of decision-makers, and examine the way they cope with different situations. Later, we turn our attention to common pitfalls in decision-making processes. Finally, we offer tools for better organizational and personal decision-making.

Decision-Making with Style

Try to recall an important decision which you were a part of in the past 6 months. Think of the most significant choice you had to make in your organization. How was this decision taken? Did the senior manager make the call after consulting with several assistants? Was it a majority rule? Was it a consensus decision? Were objective facts and information the driving force behind it, or intuitions and feelings? How long did it take to make the final decision?

Some of us tend to make our major decisions on our own, while others prefer to do it after hearing the opinions and exploring the options with others. We also differ in the time we take to make a decision, and in our need to base it on factual analysis or on intuition. In other words, each of us has a characteristic personal decision-making style.

The managerial decision-making style may be mapped using three axes:

- **Decision-making speed:** on the one end you have the impulsive decision-makers, who do not stop to consider the results of their choices, while on the other extreme you'll find those who postpone and avoid making any decision in fear of taking responsibility for it.
- **Collection of information:** to what extent does the manager base their decisions on an analysis of data as opposed to intuition and an internal compass.
- **Sharing:** the extent and manner by which managers involve and include others in the collection of information and in the making of the decision itself.

Usually, when we think of the first axis – decision-making speed – the common view about postponing a decision is negative (“How long must we wait for his decision?”). Indeed, some situations call for an early resolution before things get out of hand and a greater problem is faced. However, on other situations a hasty decision may be very costly. In other cases things may be resolved by themselves (one may say that it is better “to decide not to decide” then).



The second and third axes (collection of information and sharing) provide a framework for describing five typical managerial decision makers:

- **The Lone Wolf:** this manager never consults with anyone and decides on everything by himself.

- **The Surveyor:** this type of manager does not hold a discussion before the decision, but rather samples the views of people involved (in a kind of referendum), and decides according to the majority view.
- **The Authoritarian:** this manager consults and listens to others to draw ideas and directions, but makes the final decision by himself.
- **Semi-Democratic:** this manager holds a discussion and strives for a collective decision, yet keeps the right of veto on certain decisions.
- **Harmonic:** this manager consults and reaches a common agreement, usually through a consensus (e.g. where others have the right of veto as well).

Flexible decision-making – according to the situation

In order to improve the quality of decision-making, we should begin by recognizing our typical decision-making style and that of our co-workers. In addition, as managers, we must understand that different situations call for different decision-making strategies and techniques. Therefore, we have to acquire new mechanisms for making decisions, so that we may choose the way we tackle a situation according to its characteristics.

There are three central questions we need to ask ourselves whenever we are about to make a managerial decision:

- Is it vital to make a decision, and if so – how urgent is it?
- What information is required in order to make a calculated choice, and when is it necessary to go ahead even with partial information?
- Who need to be a part of the decision-making process, and to what extent?



Let us demonstrate the use of the above questions through several examples:

Example A: The organization has grown and needs to be moved to a new office building. The Operations Manager is required to choose the location for the new building. His decision will probably have a direct influence on all departments, and it is desirable to make them a part of the process. This will often contribute to the quality of the decision (providing a more holistic view of the implications of the decision), and will also lower levels of resistance once the decision is made (as everyone had a chance to express their concerns and suggestions and were involved early in the process).

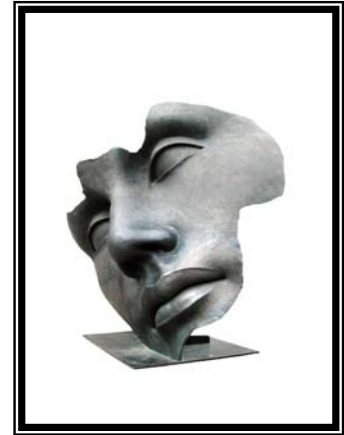
The decision does not seem to be an urgent one, as well. In such a scenario the Operations Manager may prepare initial information on available choices, costs, and considerations. Later – others may be made part of the decision by presenting three or four acceptable options, to be decided by the majority. The **Surveyor** style is most appropriate.

Example B: One of your employees was caught stealing company equipment. Your decision will not directly affect other employees (they might learn from the way you handle the case). The best tactics in this case would be a thorough investigation of the facts, and if in fact the employee has committed the theft, it should be handled without delay and in an authoritarian manner – discharging the employee. It is advisable to consult with the HR department and the legal department, to make sure the dismissal adheres to all legal procedures.

Example C: You come across a significant business opportunity for your organization, but a quick response and action is needed in order to grab it. It is obvious that others will be influenced by the decision, and must therefore be a part of it. In order not to lose time you may call an urgent interdisciplinary meeting, collecting vital information from all participants before making a common and more balanced decision, taking into consideration the various risks and benefits. A group decision will also allow others the chance to agree and support the new business direction.

The Age of Rationality and its dangers

If we seek to improve the way we make decisions, understanding the situation and adopting the appropriate decision-making style is hardly enough. The crossroads in which we choose the directions to our future carry with them quite a few traps and obstacles that may fail us. Following is a discussion of some well-known pitfalls of decision-making processes, along with relevant tools and measures to face those dangers.



The modern age has seen the rise of rational thinking to a position of supremacy. This has gone so far as to lead to the illusion that human can and should try to be perfect decision-makers. The unequivocal belief in the rationality of man is based on the modern view of man, on western philosophy and on the rise and achievements of science in the past two centuries. However, there is still a lot of evidence of the limits of human rationality. We know of the limited ability to collect and process decision-related information, the subjective interpretation of facts, and the effects of personality and culture on decisions.

Consider, for instance, a meeting in which the participants have to make a certain decision. In most cases, they would voice arguments supporting different views, using logical explanations to support their point of view. The underlying meaning of making a decision in such a setting is that one explanation is logically correct while other arguments are logically false. This process fails to face the truth of limited information that participants have. It completely ignores the emotions and egos affecting the course of discussion.

One of the tools that are used in organizations to broaden the scope of thinking and decision-making is Edward De Bono's method of Six Thinking Hats. We used it in numerous organizational settings and training sessions as a tool for an effective and thorough discussion of complex issues. It helps map different aspects of the subject towards making a decision.

The principle of this method is to direct the thinking and the debate of all group members to six different thinking directions. Thus, the entire group moves forward in the same direction, instead of clashing and arguing on the correct way to address the issue altogether. For instance, early in the discussion participants should put on their “Red Hat” - encouraging people to express feelings, hunches and intuitions – without the need for logical explanations. This minimizes hidden influence of negative or positive feelings later in the discussion. Wearing the “White Hat” (focusing on facts, information and missing data) soon afterwards prevents the dangers of ignoring crucial facts and ensures that a decision can be made based on available information. The use of other thinking hats may provide an answer to other typical decision-making errors – such as wearing the Black Hat to investigate potential problems when the entire group is enthusiastic about moving forward with a certain decision.

Overcoming group pressure

Another well-known hazard characteristic of group decision-making is the Groupthink effect, discussed by Janis & Mann (1977). The Abilene Paradox also describes how group decisions can actually be opposite to the views of its members. This phenomena was observed by Jerry B. Harvey and it denotes a process that leads a group to make an irrational decision, mostly because each member tries to adjust his/her opinion to what they consider to be the view of other group members.



Numerous studies have shown that this type of failure has led to crucial decisions – such as the US misinterpretation of the Japanese maneuvers before the attack on Pearl Harbor, the invasion to the Cuban Bay of Pigs, the Challenger and Columbia space shuttle disasters and lately – the American invasion of Iraq.

Janis lists a number of symptoms that help identify when groupthink occurs - the illusion of unanimity, self censorship, avoidance of criticism, pressure on non-conformists, etc. He then points to the typical characteristics of decisions made under these conditions – insufficient examination of alternatives, partial

understanding of the purposes of the decision, ignoring of significant risks involved, lack of vital information and no contingency plans.

We offer two tools for a structured discussion in order to reduce the dangers of groupthink. The first tool is called “Devil’s Advocate” and is used to force the participants to examine the arguments against a decision that is about to be made. Before or at the outset of the debate one of the group members is given the role of questioning the underlying assumptions and major arguments of the team. When someone is trusted with this official role, there are greater chances that they will not fear to express their criticism, opening the way for others to raise doubts and disagreements.

Another tool for overcoming the risks of groupthink is based on the Delphi Technique for situational analysis and decision-making. The views of each group member are written separately and collected in advance (and in sensitive decision – anonymously). The results are then collected and discussed in the group. Due to this seemingly technical procedure participants don’t know the opinions of others when they have to make their own recommendation, and a wider range of views is usually produced.

We used this technique for an expert committee that discussed and rated product innovation ideas. The meeting is opened with a general discussion on the criteria that should be considered when rating the ideas. Participants then personally rate dozens of innovation ideas (produced beforehand) on a scale of 1-5. An average rating for each idea is calculated from these individual judgments and the highest ranking ideas are discussed. In such a way, a certain idea may be highly rated by most members, yet one participant might have noticed a major flaw in the idea, and his reservation is revealed through the low rating given to the idea.

The trap of commitment (to preceding decisions)

The last aspect of decision-making we turn our attention to has to do with emotion and ego. Whenever we make a personal decision, or are involved in a group decision, we become emotionally and psychologically committed to the choice we made. As time progresses and we invest more resources in the execution of our chosen path, our individual and organizational tendency to support that direction grows. Even if we are faced with signs that indicate that the original decision was wrong, we usually find it hard to admit the mistake, conquer our ego and pride, and change it. This kind of situation may lead to a magic trap, driving people and organizations on a path of deterioration and escalation of a single mistake, leading to more and more wrong choices (see Drummond, 1994).



An interesting way to expose managers to this type of danger, so that they may learn to avoid it, is by letting them experience it. This may be accomplished, for instance, through a decision-making simulation and analysis through board games. Such exercises require participating managers to make personal, small team and entire group decisions in a variety of game situations. Most partakers fall into the trap of sticking to an initial game plan, and find it hard to exert strategic or tactical flexibility. Following this demonstration through play, is an observation and discussion of the emotional and inter-personal causes of this escalation. Finally, work related examples of similar decision patterns should be discussed and tools are offered for breaking those patterns.

Improving the quality of personal and organizational decision

In this final section, we suggest ways to cope with the dangers listed above. The suggested measures may be implemented by the management of the organization, and especially the Human Resource Department:

1. Raising the awareness of managers and employees to their decision-making styles through the use of personal test or surveys, observations, management consulting or workshops.
2. A systematic placement of different types of decision-makers in key positions and in task forces.
3. Encouraging the use of decision-making tools such as Delphi, consensual decision-making, Devil's Advocate and the Six Thinking Hats.
4. The analysis of cases of good and bad decisions in the organization itself – aiming towards learning rather than blaming.



Personally, each one of us may learn to improve our decision by observing the ways other people make decisions, asking feedback on the way we make decisions, and intentionally trying out decision-making styles which are different from our typical style. All of this should eventually contribute for improving the way we make decisions and the quality of the decisions we make. In the long term – this is what every organization and person must do in order to advance in today's challenging world.

References

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