

Decision Leaders

They are both decision makers and mentors.



by Howard M. Guttman

LEADERS MAKE DECISIONS. Good decisions create value and define a leader's effectiveness. Poor decisions cast shadows over organizations and those who lead them.

In every business magazine, you'll find examples of both flawed decisions and shrewd decisions made by leaders. What distinguishes the leaders who consistently make wise decisions? As a leader, what can you do to improve your decision track record? Here are three ideas:

1. Go horizontal. The best decision-making leaders have "gone horizontal," meaning they have done away with the old hierarchical business model where decisions are made at the top and executed below. In horizontal organizations, decision-making responsibility is decentralized. Time-consuming, back-and-forth posturing and permission-seeking are swept away. Decisions are made by those closest to the action, with access to the most comprehensive, accurate information and responsibility for implementation. This results in faster, better decision-making and smoother execution. Leaders—from first-level supervisors to the CEO—need to reframe their thinking about leadership, view shared decision-making as a pivotal strategy for success, and provide teams with the information and skills needed to make the tough choices.

2. Use a four-step process. Sure, leaders are paid to make decisions. Some decisions can only be made by the leader, but many other decisions can and should be delegated. The horizontal leader provides team members with a process for identifying and handling both types of decisions. Be clear on what decisions face a team, who will make them, and how. Follow this four-step process for guiding your decision making:

- **Identify the decisions that need to be made.** Whether intact or time-limited, cross-functional or intra-functional, every team is responsible for an array of decisions. Effective leaders first work with the full team to develop a

list of these. The question is not who will make which decisions, but what key decisions will the team be making.

- **Identify decision sub-teams.** For each decision, assemble a sub-team that becomes responsible for making the decision. Identify the smallest number of people needed to make the decision quickly, efficiently, and with an eye to a quality outcome.

- **Assign accountability.** Every sub-team needs a point person who is



responsible for driving closure. Beware of the leadership reversion syndrome, which arises when the leader serves as the point person on too many sub-teams. It comes dangerously close to the old hierarchical model.

- **Select the decision-making mode.** There are three basic decision modes: *unilateral*—made by one person with no input from others, *consultative*—made by one person after getting input from others, or by *consensus*—everyone has input and everyone must agree.

Although most team decisions are made consultatively, no one way is necessarily superior to another, and no one way is appropriate for all types of decisions. No matter which mode is chosen, everyone must agree on and adhere to the selected mode.

For consultative decisions, the full team may identify the other relevant parties whose point-of-view will add value to the decision, or it may be left to the sub-team to select those with whom they will consult. In either case, ask: Who are the people who need to be involved: as information sources, evaluators of the information, assessors of risk, or future implementers?

Once a decision-making mode has been determined, set a deadline for the

sub-team. This gives everyone fair warning: If you want your voice to be heard, contact the sub-team before the deadline. Once the decision is made and announced to the full team, it is considered a *fait accompli*. The discussion should now move to how the decision will be communicated and implemented. Effective decision-making teams set a shelf-life for the decision, noting milestone dates when each should be revisited.

3. Overcome the challenges. In our observations of leaders who have gone through the process of delegating decision-making, we have identified four traps into which teams typically fall, along with tips to counteract them:

- **Deferring to the leader.** Team members tend to defer to you. Refuse to play along. Unless you are part of a sub-team, be judicious about offering your opinion to that team. Hold sub-teams accountable for making the decisions assigned to them.

- **The more, the merrier.** Make sure that everyone appointed to the sub-team adds value to the decision-making process. The price of admission should be proficiency, not position.

- **Clueless about closure.** Because a person has technical knowledge or occupies a certain position on the organization chart doesn't mean that he or she should be the point person for a decision. Driving a decision to closure requires influencing others and keeping them in process—leadership, not technical skills. If a selected point person doesn't have the necessary skills, arrange for coaching right away.

- **Forced unanimity.** Everyone doesn't have to agree with a decision, but everyone must be able to live with its outcome. Don't permit a sub-team to try to win over everyone; do make sure that everyone on the team makes a public commitment to abide by the decision once it is made. Don't permit second-guessing the sub-teams.

Today business leaders are both decision makers and decision mentors responsible for ensuring that the decision-making machine is whirring along; the right issues are being addressed; the right people are being deployed; decisions are being made in a timely fashion; and they are seamlessly communicated and implemented. They must learn to multiply good decisions, not just make them. LE

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ACTION: Multiply good decisions.