Making Decisions

Objectives for Today

• Working in groups
• Inter- and intra-group dynamics
• Group decision making processes when no one is in charge

Group Decision Making

• Making decisions when you are in charge
• Making decisions when no one is in charge
• Examples:
  – Informal groups
  – Groups of peers
  – Ad hoc groups and committees
  – Volunteer groups
  – Others?

Types of groups?

• What’s in a name?

• Not concerned with nuances/semantics between groups, teams, command groups, etc.

Advantages of Group Work

• Synergy: group able to produce more than would have been produced if each person had worked separately.
  – “The whole is greater than the sum of its parts.”
  – increase in innovation, motivation, satisfaction
  – improve response to customers
  – opportunity for division of labor
  – talent pool, build on others’ ideas

How can managers promote synergy?

• ensure members have complimentary skills and knowledge
• empower subordinates
• ensure members are meeting obligations
• refrain from playing direct or supervisory role
• ensure group has available resources (banker)
• ensure inter-group communication (broker)

Task inter-dependence

• Degree to which work performed by one member of group influences work by others
• High inter-dependence requires individual accountability
• Expectations need to be clearly defined

• Weak links known as . . . . . .
Social Loafers

- Social loafers can function in groups with minimal individual accountability
- When individual roles are important to the task, effectiveness crumbles
- Manager’s responsibility to monitor group
  – emphasize value of each person to group
  – ensure group size is consistent with task
  – build group cohesiveness

Three Ways to Reduce Social Loafing

- Making individual contributions to a group identifiable when possible
- Emphasizing the valuable contributions of individual members
- Keeping group size at an appropriate level

Other Problems with Groups

- Poor communication
- Use of personal criticism
- Unclear goals
- Unclear responsibilities
- Leadership vacuum

Other problems

- Interpersonal conflict
- Low commitment
- Different norms among team members
- “Groupthink” – the desire to reach group consensus overrides potentially valuable individual point of view, which can lead to poor decision making

Group Inter-dependence

- Accountability issues apply to groups working together
- Each group must come to the table having met their responsibilities

Three Simultaneous Processes

- Establishing Purpose
- Group Formation
- Individual Commitment
  – continually re-assessing
Establishing Purpose and Ownership

Voluntary groups work best when...

- Responding to common threat or event
  - disaster (quake, flood, storm)
  - economic hardship (Great Depression)
- can put aside differences to solve an urgent common problem
- group ownership of the problem occurs naturally

Without urgent situation, people are more deliberate about getting involved

Potential group members will ask:
- Is this my problem?
- Can I trust the group to help me solve my problem?
- Can they trust me?
- Is this our problem?
- Can we solve this problem together?
- Should I continue?

The consequences of inaction can motivate group formation

- Need the combination of a threat/situation with a corresponding opportunity to address
- individual attempt to address situation is so small, hardly worth the effort - need group action
- causes and effects of problem must be local or regional
  - ad hoc groups have less success addressing acid rain, unfair trade practices, tropical deforestation, world hunger, etc.

Need commitment from individual stakeholders

- Group isn’t a group until members recognize that they share the same problem
- As owners of the problem, they can work together to become owners of the solution
- The group will expand its base as it seeks to involve owners of the solution
  - Must not alienate potential owners of the solution

Stages of Group Development

1. Forming
   - feeling each other out
2. Storming
   - posturing, conflict and disagreement
3. Norming
   - settle down, define problem, focus on purpose
4. Performing
   - division of labor, accountability, ownership
5. Adjourning

Group Dynamics

Conformity and Deviance

- Members conform to norms to obtain rewards, imitate respected members, and because they feel the behavior is right.
- Conformity and deviance must be balanced for high performance from the group.
- Deviance/Conflict allows for new ideas in the group.
Balancing Conformity and Deviance in Groups

Conformity and Deviance
- Formalize criticism
  - Keep criticism isolated from brainstorming
  - Encourage “devils advocate” approach if “groupthink” is a problem
  - Combine + and – criticism in a structured way
  - Clamp down on personal criticism
    - e.g. “John’s ideas are always unrealistic”
    - consider shuffling ideas and presenting them anonymously if interpersonal dynamics stink

Strive For Group Cohesiveness
- **Group Cohesiveness**
  - The degree to which members are attracted to their group
- Three major consequences
  - Level of participation
  - Level of conformity to group norms
  - Emphasis on group goal accomplishment

Sources and Consequences of Group Cohesiveness

Handling a diverse group: Re-visit the Purpose
- Keep the group focused
  - Beware! People can’t help but to go off on tangents
  - Need to reel them in; get them off their soapbox
- Remind the group why you are there
  - the threat and opportunity
- Always come back to the decision question
- Need facilitator and leaders

Thankless role of chairperson
- Keep the peace and be an objective facilitator
  - they may not want you to “lead”
- The dilemma: often the folks around the table are all leaders
- Your job to seek input from less vocal members
- Keep people on task by focusing on the agenda
Group Decisions: Specific Strategies

- Delphi technique
  1. Identify and define the problem
  2. Solicit individual opinions anonymously with a standard questionnaire focused on the problem
  3. Consolidate and analyze all the individual opinions
  4. Resubmit the condensed opinions to the individuals
  5. Collect new opinions and condense
  6. Continue this process until consensus is reached

- Nominal group technique
  1. Brainstorm alternatives
  2. All ideas are presented to the group
  3. All ideas are discussed simultaneously
  4. Put alternatives to a secret vote by having individuals anonymously rank all the alternatives
  5. No face to face discussion
  6. Alternative with the most votes (highest pooled rank) wins and is implemented

- Stepladder technique
  1. Individuals A and B are given a problem to solve
  2. Each comes up with an individual solution
  3. A and B meet and develop a joint solution
  4. A&B meet with C, who has developed an individual solution
  5. A, B, & C come up with a joint solution
  6. A, B & C meet with D, who has developed an individual solution
  7. A, B, C & D some up with a consensus solution, etc. etc.

- Focus on things that can be changed
  - Avoid focusing on what could have been done to avoid the problem
  - Avoid emphasizing who is at fault
  - Focus on:
    - the problem situation,
    - the alternative courses of action,
    - and the decision to be made