Decision Making Styles

By Mark Williams

Head Of Training

MTD Training

Decision Making – An All-Important Managerial Skill

Managers need to make decisions on a daily basis. Some managers are autocratic and tend to make their own decisions, leaving the team to get on with their own roles. The problem is that while an autocratic decision can be made quickly, there are times when the team feels it should be involved.

Consultative decision making occurs when the manager consults with some or all of the team before making a decision. The problem here is that often, the manager has already made the decision, but pretends to consult to keep the team happy. People aren't stupid and this often leads to the team becoming frustrated and disillusioned with their manager.

Group decision making is where everyone has a say and the decision is effectively a vote. These decisions can take a lot of time and can lead to frustration as the majority always win.

We all have preferred styles. As a short exercise, think what would happen if from tomorrow every decision you took was:

1. **Autocratic**
2. **Consultative**
3. **Group**

Answer the following questions. What would happen to the quality of decision making, what would happen to the speed of decision making and what would be the effect on team morale?
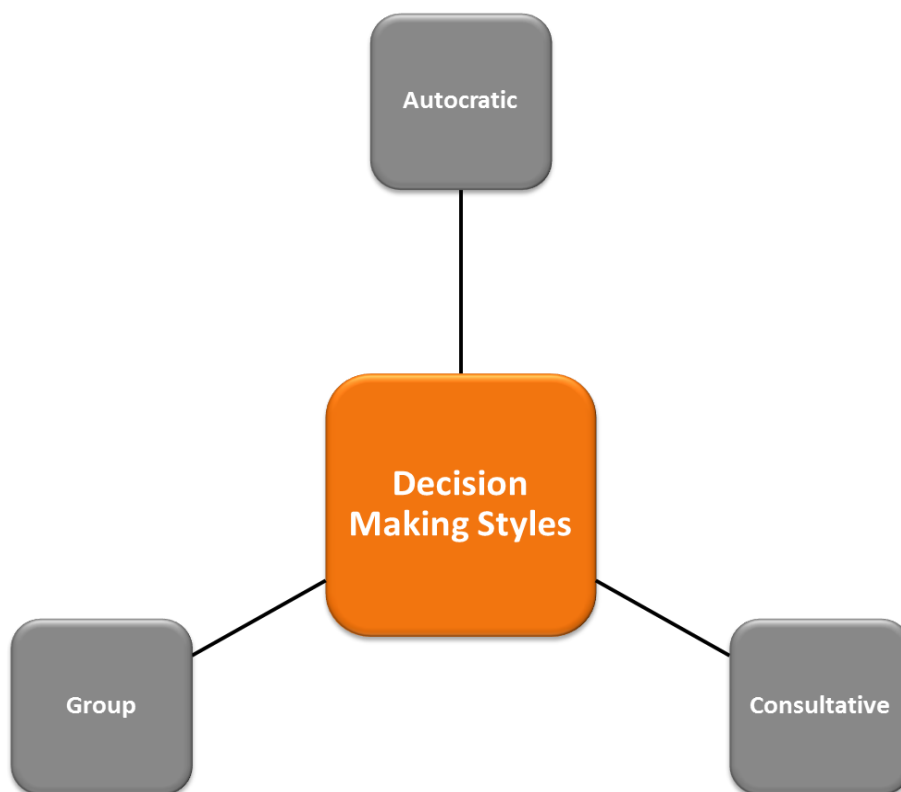
The following classifications show decision-making styles that are available to sales supervisors and managers. These are autocratic, consultative and group decision making styles.

Style	Definition
A1	You solve the problem or make the decision yourself using the information available to you at the present time.
A2	You obtain any necessary information from subordinates, and then decide on solution to the problem yourself. You may or may not tell subordinates the purpose of your questions or give information about the problem or decision you are working on. The input provided by them is clearly in response to your request for specific information. They do not play a role in the definition of the problem or in generating or evaluating alternative solutions.
C1	You share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then you make the decision. This decision may or may not reflect your subordinates' influence, however you approach the consultation with an open mind.
C2	You share the problem with the subordinates in a group meeting. In this meeting you obtain their ideas and suggestions. Then you make the decision, which may or may not reflect the subordinates' influence. Again, you go into the meeting with an open mind.
G2	You share the problem with your subordinates as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of a chairman, co-ordinating the discussion, keeping it focused on the problem and making sure that the critical issues are discussed. You can provide the group with information or ideas that you have but you do not try to press them to adopt your solution and are willing to accept and implement any solution which has the support of the entire group.

A1: Autocratic individual decision.

A2: Individual decision based on information gathering.

C1: Individual consultation and contribution leading to an individual decision.

C2: Group consultation leading to an individual decision.

G2: Consensus decision with group consultation.

Most managers are able to use each of the styles, but tend to prefer and use one style more than the others.

Autocratic decision-making tends to be quick and decisive; however, while it is appropriate for many situations, used to excess it can impact on team morale especially with mature work teams. Newly appointed managers often find autocratic decisions the hardest to make.

Consultative decision-making is the style most managers think they use most of the time. What managers need to decide is whether there is genuine consultation or whether the manager is really being autocratic, but dressing it up as consultation in order to boost team morale. Since most team members realise what is happening this tends to have the opposite effect especially if done on a regular basis.

Group decision-making occurs where the group is given the final decision to make for itself. This is democratic but tends to take longer to carry out, therefore if the building is on fire this may not be the best style to use when deciding whether or not the group should leave. The style is most appropriate to mature work groups where the manager is confident the decision will be in the team's and the company's best interest, and where the length of time taken to come up with a decision is not critical to the quality of the decision.

Decision-Making Styles - Case Studies

1. Having seen the various styles of decision making available to you as a manager (A1, A2, C1, C2, G2) read the following case studies and decide, on your own, which style of decision making is most appropriate and what you would actually decide to do to solve the problem in each case.

2. Having done this get together with your team, and get them to complete the exercise, coming up with a group decision on the most appropriate style in each case and a group solution to each problem.

3. Use the worksheets provided to record your answers.

4. There are no right, or wrong answers to this exercise, as different managers, with different styles can use a variety of styles to make decisions. The value of the exercise is in getting you to identify your preferred style and appreciating that there may be better ways of making decisions available to you.

Decision-Making Styles - Case Study 1

You are personnel and training manager for a large firm of insurance brokers. You have reporting to you a team of six training managers who are responsible for delivering management training to your company's 400 managers and supervisors throughout the UK.

They are mostly keen and hardworking although one member of the team, an ex-branch manager who is 15 years your senior, is unhelpful and does not seem to contribute equally to the teams' efforts despite being the highest paid team member.

You have used the company training centre in the past, a large purpose built centre in Surrey, however the company has decided to sell this centre for development purposes and intends for the future to train its managers at their eight regional offices.

This means the team may potentially have to spend a good deal of time, in the future, travelling and staying away from home. The company has told you it will provide them with extra salary to compensate for the inconvenience caused should this be the case.

You have put together a programme, which will mean the team delivering an average of one 3-day course per week each over the next year. Your problem is to decide whether to relocate members of the team to different regions and cut down on their travelling time and time spent away from home or else leave things as they are. Financially it does not make a great deal of difference which of the options you choose.

All the team members live within a 10-mile radius of the training centre and while they support you they are unhappy with the changes that have occurred. You are meeting with your boss next week and he expects a decision from you by then.

Notes:

Decision-Making Styles - Case Study 2

You are production manager for an engineering company selling spare parts to the motor industry. You have recently installed a computerised stock control system that has been designed to reduce the level of stockholding within the company while continuing to give the relevant departments' immediate access to stocks they need.

The system was very unpopular when it was instigated. Several key members of staff left the company, which caused a lot of problems during the period of implementation.

The system has been running now for three months and there are continuing problems. The manufacturer has been to see you and assures you that the system itself is not at fault. You feel therefore that the problem lies with the workforce.

Your works foremen (five in all) have met with you and each has his own idea of the cause of these problems. The causes have been put as training, morale, lack of incentives, and failure to use the system properly by relying on old methods as a back-up.

You know they are keen to sort the problem out and support the idea of computerised stock control. Your boss has contacted you and given you one week to come up with a solution.

Notes:

Decision-Making Styles - Case Study 3

You have recently been appointed as operations manager to a medium sized engineering company in the Midlands and have a team of six people who report directly to you. The team consists of an Administrative Manager, a Production Manager, the Company Accountant, an Engineering Manager, an Industrial Relations Manager and a Personnel Manager.

The team has been together for a number of years and has worked well together with no real problems occurring. Your managing director has contacted you to say the new administrative block has been completed and your suite of offices is ready for occupation.

You find to your dismay that the offices have been constructed so that there are four offices for sole occupation and a large open planned area. Unfortunately it is too late to change the design of the building so you have to decide who does and does not get his own office.

There is no difference in status between the managers, however the accountant and production manager receive a higher salary than the others and the personnel manager has just completed 25 years' service with the company.

You know from past experience that this is an issue, which will cause concern among team members. It is not possible for them to share an office due to their size so it is inevitable that some of your team will end up in the open-planned area.

Notes:

Decision-Making Styles - Case Study 4

You are head of research and development for a company that manufactures chemicals for the Agricultural industry. You have a very cohesive team of researchers whose commitment to you has been excellent with high levels of productivity and good team morale.

There are six researchers in the team and they will often work together in smaller groups for particular projects. One criticism of the team is that they prefer to do intellectually interesting work which is not very often of commercial value to the company. You have allowed this to go on in the past because the rest of their work has been excellent and of great commercial value to the company.

However, the company is having a cost-cutting exercise and you have been told you must discontinue any projects that cannot be proved to be commercially viable. This means the work the team will be expected to do from now on will be much less interesting and you are concerned that this will cause problems.

You are particularly concerned about this because you know it will affect morale and could also impact on the productivity of the team. You are also aware that a competitor of yours is looking for research staff and worry that this may cause some or all of the team to leave for pastures new.

You have no reason to doubt the loyalty of the team or their commitment to your company and feel that if you are able to find a solution to the problem that will satisfy one team member it will probably satisfy them all.

Notes:

Decision-Making Styles - Case Study Results

CASE STUDY 1

Mark which style you feel is most appropriate:

A1   A2   C1   C2   G2

My solution to the problem is:

CASE STUDY 2

Mark which style you feel is most appropriate:

A1   A2   C1   C2   G2

My solution to the problem is:

CASE STUDY 3

Mark which style you feel is most appropriate:

A1   A2   C1   C2   G2

My solution to the problem is:

CASE STUDY 4

Mark which style you feel is most appropriate:

A1   A2   C1   C2   G2

My solution to the problem is:

About MTD

Sean McPheat | **in**

Chief Executive Officer

MTD Training Group

Email: sean.mcpheat@mtdtraining.co.uk

Sean McPheat is the **Chief Executive Officer** of the multi-award winning **MTD Training Group**.

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