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## 5 KEY DECISION-MAKING TECHNIQUES FOR MANAGERS

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 Communication, Decision-Making, Management, Management Essentials

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Decision-making is an [essential business skill](#) that drives organizational performance. A [survey](#) of more than 750 companies by management consulting firm Bain found a 95 percent correlation between decision-making effectiveness and financial results. The data also showed companies that excel at making and executing decisions generate returns nearly six percent higher than those of their competitors.

At many organizations, it's up to managers to make the key decisions that influence business strategy. [Research shows](#), however, that 61 percent of them believe at least half the time they spend doing so is ineffective.

If you want to avoid falling into this demographic, here are five decision-making techniques you can employ to [improve your management skills](#) and help your organization succeed.

### DECISION-MAKING TECHNIQUES FOR MANAGERS

#### 1. Take a Process-Oriented Approach

One of your primary responsibilities as a manager is to get things done with and through others, which involves leveraging organizational processes to accomplish goals and produce results. According to Harvard Business School Professor Len Schlesinger, who's featured in the online course [Management Essentials](#), decision-making is one of the processes that can be used to your advantage.

“The majority of people think about making decisions as an event,” Schlesinger says. “It’s very rare to



step forward, yet, at the same time, extraordinarily complex.”

When establishing your decision-making process, your first action should be to frame the issue at hand to ensure the right questions are being asked, and everyone agrees on what needs to be decided. From there, build your team and manage group dynamics to analyze the problem and craft a viable solution. By following a structured, multi-step process, you can achieve the desired outcome.

## 2. Involve Your Team in the Process

Decision-making doesn’t have to be done in a vacuum. Involve your team members in the process to bring multiple points of view into the conversation and stimulate creative problem-solving.

Research shows team decision-making is highly effective because it pools individuals’ collective knowledge and experience, leading to more innovative solutions and helping to surface and overcome hidden biases among the group.

By considering others’ perspectives on how to approach and surmount a specific challenge, you can become more aware of your own implicit biases and manage your team with a greater level of emotional intelligence.

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## 3. Foster a Collaborative Mindset

It’s critical to foster the right mindset early in the decision-making process to ensure your team works collaboratively, not contentiously.

When facing a decision, there are two key mindsets to consider, which are:

- **Advocacy:** A mindset that views decision-making as a contest. In a group with an advocacy mindset, individuals seek to persuade others, defend their positions, and downplay their weaknesses.
- **Inquiry:** A mindset that navigates decision-making with collaborative problem-solving. Unlike the persuasion and lobbying approach of advocacy, an inquiry mindset centers on individuals testing and evaluating assumptions by presenting balanced arguments, considering alternatives, and being open to constructive criticism.

“On the surface, advocacy and inquiry approaches look deceptively similar,” says HBS Professor David Garvin in Management Essentials. “Both involve individuals engaged in debates, drawing on data, developing alternatives, and deciding on future directions. But, despite these similarities, inquiry and advocacy produce very different results.”

A recent study by software company Cloverpop found that decisions made and executed by diverse teams deliver 60 percent better results. Strive to instill your team members with an inquiry mindset, so they’re empowered to think critically and feel their points of view are welcomed and valued, rather than discouraged and dismissed.

## 4. Create and Uphold Psychological Safety

In order for your team members to feel comfortable sharing their diverse perspectives and working collaboratively, it’s crucial to create and maintain an environment of psychological safety.

According to research by Google, psychological safety is the most important dynamic found among high-performing teams.

“Psychological safety is essential—first and foremost—for getting the information and perspectives out,”



To help your team feel psychologically safe, be respectful and give fair consideration when listening to everyone's opinions. When voicing your own point of view, be open and transparent, and adapt your [communication style](#) to meet the needs of the group. By actively listening and being attuned to the emotions and attitudes of the team, you can forge a stronger bond of trust with your employees and make them [feel more engaged](#).

## 5. Reiterate the Goals and Purpose of the Decision

Throughout the decision-making process, it's vital to avoid a [common management pitfall](#) and not lose sight of the goals and purpose of the decision on the table.

The goals you're working toward need to be clearly articulated at the outset of the decision-making process—and constantly reiterated throughout—to ensure they're ultimately achieved.

“It's easy, as you get into these conversations, to get so immersed in one substantive part of the equation, that you lose track of what the actual purpose is,” Schlesinger says.

Revisiting purpose is especially important when making decisions related to complex initiatives, such as [organizational change](#), to ensure your team feels motivated and aligned, and understands how their contributions tie into larger objectives.

**Related:** [5 Tips for Managing Change in the Workplace](#)

## MAKING DECISIONS EFFECTIVELY

Enhancing your decision-making capabilities can be an integral part of your journey to [become a better manager](#) and advance your career. In addition to real-world experience, furthering your education by taking a [management training course](#) can equip you with the skills and knowledge to enable both your team and organization to thrive.

***Do you want to design, direct, and shape organizational processes to your advantage? Explore our eight-week online course [Management Essentials](#), and discover how you can influence the context and environment in which decisions get made at your organization.***

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### About the Author

*Matt Gavin is a member of the marketing team at Harvard Business School Online. Prior to returning to his home state of Massachusetts and joining HBS Online, he lived in North Carolina, where he held roles in news and content marketing. He has a background in video production and previously worked on several documentary films for Boston's PBS station, WGBH. In his spare time, he enjoys running, exploring New England, and spending time with his family.*



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