

5.3: Managing Group Decision Making

Learning Outcomes

- Identify the advantages of group decision making.
- Identify the disadvantages of group decision making.
- Describe techniques managers can use to guide and reach consensus in groups.

Decision making in group settings is quite common because most businesses recognize the potential benefits of group participation in the process. In that group setting, the same basic decision-making process can be followed, the same decision-making styles might be favored, and many of the same techniques and biases can still be identified. There are also significant differences, however. What unique aspects to decision making arise when decisions are made in groups?

Advantages of Group Decision Making

Involving multiple participants in the decision-making process provides unmistakable benefits. To begin with, the sum of the knowledge, skills, creativity, and expertise in a group setting will always be greater than that of any individual member. If this greater resource base can be properly accessed and harnessed, the result should be a greater number of more diverse and higher-quality solution ideas. Also, the ability to evaluate those ideas should be improved by group collaboration.

In addition to this primary and most important advantage, group participation also provides the significant benefit of increased understanding of the issue and the decision amongst the team members. If an individual works through the decision-making process alone, arrives at a decision, and communicates that decision to employees who were not involved in the process, those employees might not understand or appreciate the nature, importance, or propriety of the decision. When a decision is made as a group, all the members will have a far greater understanding of the issues and the reasons behind the decision.

Similarly, if group members have a legitimate opportunity to participate in the decision-making process, they will be far more likely to support the decision. They were a part of the process, had the opportunity to help shape the decision, and will probably take greater “ownership” of and exhibit more “buy-in” to the decision.

Practice Question

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Disadvantages of Group Decision Making

The advantages of group decision making are clear, but there are certainly potential drawbacks to consider as well.

To begin with, even when the advantages of group decisions are used, there is no way around the process being slower and more expensive than individual decision making. All the group members must invest their time in the process, and the group discussion and interaction is more time-consuming than individual decision-making processes. The number of man-hours involved can be relatively high, and the larger the group, the higher that number. Further, many group members involved in business meetings report that they find the meetings to be inefficient and wasteful of time.

If groups lead to wiser, better decisions, however, these higher resource investments will almost certainly be more than repaid. There are ways, though, in which group involvement can actually become a hindrance to making good decisions if not managed properly.

One common pitfall is **groupthink**. This is the tendency of group members to conform to and support a proposed group position. Perhaps an outspoken individual strongly favors a decision, and other group members allow themselves to be persuaded simply because of his forcefulness. Alternatively, perhaps a segment of the group shares a common perspective and common biases. Together, they propose a course of action, and because multiple voices are already supporting the decision it makes it easy for the rest of the group to fall in line. This negates the whole purpose of group involvement, which is to bring a variety of perspectives and ideas to the decision-making process.

Groups can also sometimes exhibit a tendency to polarization, meaning their decisions move toward extremes that the individuals alone might not be comfortable supporting. The group setting can cause individuals to feed on the excitement or enthusiasm of one another and move toward those extreme positions.

On the other hand, there is also the danger that groups with sharply divergent perspectives can struggle to agree on a course of action that they can all support. This can lead to a loss of time when no decision is reached. Pressure to resolve this situation and make a decision can then lead to a compromise decision where all sides take a middle ground. Too often, this middle ground represents a solution that none of the group members support wholeheartedly. The end result is often a far from optimal solution.

Lastly, to compound the situation, if a group does make a decision that is not optimal, who bears the responsibility? In one sense, the entire group is accountable, but this also means that no individual will be personally and directly accountable, which can be problematic at times.

? Practice Questions

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Ways to Facilitate Group Decision Making

In light of the potential advantages and potential dangers involved in group decision making, it is important to have a plan to direct and facilitate the group process so it is carried out effectively. This usually requires one individual to take some form of leadership within the group, even if only to help organize and direct meetings. A number of things can be done to pursue smooth and effective group meetings.

Brainstorming is an idea-generating process that specifically encourages all alternatives while withholding any criticism of those alternatives. Therefore, this technique can help build a group's cohesiveness because all members are encouraged to contribute and participate in the process without fear of judgment. In a typical brainstorming session, a small group of people respond to questions or problems posed by a facilitator. All responses are recorded and there is no discussion or analysis at this point. After a set amount of time, the group then selects the ideas or alternatives it would like to explore, but there is no pressure to commit to selecting a solution during brainstorming.

Brainstorming can indeed generate new ideas, but research consistently shows that individuals working alone actually generate more ideas than group sessions because of "production blocking."^[1] When people are generating ideas in a group, many people are talking at once, which distracts the thought process and impedes the sharing of ideas.

The **nominal group technique** is similar to brainstorming, in that it encourages all members to contribute their ideas. However, it is different from brainstorming in that it limits discussion during the decision-making process. Group members are all present but members operate independently and use the following four-step process in idea generating:

1. Members independently write down ideas on a given problem.
2. Each member presents one idea to the group. Each member takes a turn, presenting a single idea, until all ideas have been shared.
3. The group engages in discussion on the ideas for clarity and evaluation.
4. Each member independently rank-orders the ideas. The idea with the highest aggregate ranking determines the final decision.

A major advantage of the nominal group technique is it alleviates the fear of those people who are concerned about having their ideas criticized and who do not like to engage in conflict. But because of the highly structured format, it lacks the flexibility to address more than one idea at a time. Another disadvantage to the nominal group technique is the amount of time needed to present each idea and the resulting discussion on each and every idea proposed.

A new variation is **e-brainstorming**, where people respond to issues via their computers in real time. The responses and rankings are all anonymous and displayed for everyone to view and to add further comments. The advantages of e-brainstorming are the possibility of lots of generated ideas, anonymity, honesty, and speed. The major disadvantage is the reduction in group cohesiveness.

The **devil's advocacy** decision-making technique is where an individual or a group is selected to become the critic in the proposed decision. The biggest strength to using the devil's advocate technique is the ability to prevent groupthink.^[2] The devil's advocate technique allows for in-depth dialogue on a range of ideas and can help bridge seemingly irreconcilable opposites.^[3] This process can help the group refine its thinking and produce high-quality ideas. Any leader using this technique must be aware that it is designed to generate conflict and will require the leader to actively manage the meetings.

For an in-depth discussion on an issue, a neutral **facilitator** or **referee** can be used to separate participant and leadership roles or groups with opposing ideas. The facilitator manages group processes and dynamics and calls for a high degree of neutrality about content issues and a focus on group needs. The facilitator is focused on what needs to be accomplished and appropriate levels of participation, all in an effort to ensure quality decisions are made. The advantage to a facilitated technique is that it can produce innovative, creative and high-quality decisions.^[4] The facilitated model does require a skilled facilitator and a significant amount of time.

In the **Delphi technique** (named after the Oracle at Delphi), experts respond to questionnaires in a number of rounds. Questions narrow in on a specific topic as the rounds progress. The first questionnaire consists of open-ended questions and aims to identify broad issues related to the issue at hand. The responses are analyzed qualitatively by sorting, categorizing, and searching for common themes. These responses are then used to construct the second questionnaire, which is more specific and aims to rate or rank the items in terms of their significance. Subsequent questionnaires can narrow down responses further. As the facilitator feeds back results from the previous rounds, there tends to be convergence to a consensus of opinion. The Delphi technique is useful if convening the participants face-to-face is not practical. The disadvantage is that it takes days to complete and it requires a large amount of work by the leader.

Within all of these group decision-making techniques, you will need to watch for affective conflict and strive for healthy cognitive conflict. **Affective conflict** is when the dialogue becomes “personal” and people become more aggressive or start to disengage. The mindset moves from “we have a problem” to “you are the problem.” Opposition is seen as something to be thwarted rather than explored. The goal becomes winning for its own sake rather than the best possible solution.^[5] **Cognitive conflict** is where people focus on the tasks or issues and debate and thrash these out and come to a creative solution. The parties might argue and exchange views vigorously, yet there is two-way communication and an openness to hearing each other. The goal is to find the best possible solution rather than to win the argument. Alternative perspectives are seen as valuable rather than threatening.

The Final Decision

One of the basic requirements is to make the decision-making process clear. There are different options, of course, and different settings and preferences might lead to selecting one of three options: command, democratic, or consensus. When an organization has a centralized decision-making structure, the “command” preference will dictate that the leader will make the final decision. Also, it could be that the group will actively participate in the discussion and thought process, but the final decision will be made by an individual leader. The **democratic method** is when all group members are given equal authority in a formal voting system. Even then, there are choices. A decision might be accepted by a simple majority or unanimity might be required. The most favored method currently is through **consensus**. Each one of the decision-making processes detailed here is predicated on the involvement of everyone in the group. The consensus process enables the discussion of current and potential obstacles, already known to participants, resulting in work-arounds to be built into a decision in advance. Defining that process from the start will help everyone know what to expect.

? Practice Question

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Strengths and Weaknesses of Group Decision-Making Techniques

Each of these group decision-making techniques has its own strengths and weaknesses. The choice of one technique will depend on what criteria you want to emphasize and the cost/benefit trade-off. For instance, as illustrated in the figure that follows, e-brainstorming is good for generating lots of ideas, the nominal group technique minimizes conflicts, the devil’s advocate generates high quality ideas, and brainstorming builds a group’s cohesiveness. Remember that group performance varies significantly, no matter which techniques you use.

Evaluating Group Decision-Making Techniques

Group Decision-Making Techniques

Effectiveness Criteria	Brainstorming	Nominal	e-Brainstorming	Delphi	Devil’s Advocate	Referee/Facilitator
Number of ideas	Moderate	High	High	High	Low	Low

Effectiveness Criteria	Brainstorming	Nominal	e-Brainstorming	Delphi	Devil's Advocate	Referee/Facilitator
Quality of ideas	Moderate	High	Moderate	Moderate	High	High
Speed	Moderate	Moderate	High	Low	Moderate	High
Potential for interpersonal conflict	Low	Moderate	Moderate	Low	High	Moderate
Commitment to solution	Not applicable	Moderate	Moderate	High	Moderate	High
Group cohesiveness	High	Moderate	Low	Low	Moderate	High

It is also essential to manage the process of the group meeting time to make it productive. There must be a concerted effort to keep the discussion on topic. All group members must also feel free to contribute their thoughts. Sometimes there are rules in place that prohibit any criticism of ideas during the brainstorming sessions so all ideas can be voiced without fear of a negative reception.

At some point, however, ideas need to be evaluated together. Finding the right way for that to happen with a good spirit and environment is important. An effective group leader will find the system that works best for each particular group and setting. If at any point interpersonal conflict or tension arises, the group leader must be prepared with a plan to diffuse the situation and bring the group back to productive cooperation.

1. Paul B. Paulus and Huei-Chuan Yang, "Idea Generation in Groups: A Basis for Creativity in Organizations," *Organizational Behavior and Human Decision Processes* 82, no. 1 (May 2000): 77. [↩](#)
2. Charles Schwenk. "Devil's Advocacy in Managerial Decision Making," *Journal of Managerial Studies*, 21, no. 2, 1984. [↩](#)
3. Thomas L. Wheelen and J. David Hunger, *Concepts in Strategic Management and Business Policy: Achieving sustainability*. (Upper Saddle River, NJ: Prentice Hall, 2010). [↩](#)
4. Thomas L. Wheelen and J. David Hunger, *Concepts in Strategic Management and Business Policy*. [↩](#)
5. Satyanarayana Parayitam and Robert S. Dooley, "The interplay between cognitive- and affective conflict and cognition- and affect-based trust in influencing decision outcomes," *Journal of Business Research* 62, no. 8 (August 2009): 789–796 [↩](#)

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