

CHANGEOSITY INSIGHTS | JULY 2022

DECISION MAKING: A BRIEF GUIDE

By Sally Mitchell-Wolf & Krysta Fox

Think about how you make decisions,
not only what decisions you make



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Make Better Decisions, By Making Decisions Better

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Good morning Ma'am.

The board meeting is at 10am. Mr Ali messaged he will arrive about 20 minutes early and wants to speak to you privately before the meeting.

The supplier has called again this morning to follow up on your decision on the samples. They have requested a call with you this afternoon.

The interviews with the three candidates you indicated are scheduled to begin at 1:30 so you could be available at 3 for the supplier call. Shall I schedule that for 3, or 3:15?

These are the leave requests and expense claims waiting for your review and approval. Can I get you a coffee?

HOW DOES DECISION-MAKING IMPACT YOUR BUSINESS?

What works? What is creating bottlenecks, disempowerment, and roadblocks to growth? How do you bring about change?

Participants in the CEO Roundtable discussed the ways in which having an effective governance and decision-making approach is key when moving beyond being a stagnant or struggling medium size company. However, one challenge is honestly evaluating and effectively refining the approach taken to decision making.



Krysta Fox
CEO, Changeosity



Brett Llewellyn
Advisor, Changeosity

Changeosity's Krysta Fox and Brett Llewellyn recently hosted a CEO Roundtable with a cross section of key leaders in the GCC to talk about how they select and use decision making models which work toward developing a healthier, higher performing organisation.

“Be open to change your mind and self-correct”

Ralph Khoury, CFO Omnicom Media Group



Marie O'Neill,
Managing Director
at Executive
Expatriate
Relocations (EER)



Ralph Khoury, Chief
Financial Officer -
MENA at Omnicom
Media Group (OMG)



Diana Geldenhuys,
Entrepreneur.
Founder and Owner
- HR Tech, Payroll
Outsourcing & Eco-
Tourism



Matt Bate, Founder
and CEO Blackbrick
Property



Adam Woolford,
SVP - Digital
Banking Platform at
First Abu Dhabi
Bank (FAB)

DECISIONS IN TIMES OF GROWTH

As leaders well know, business evolution in the real world rarely follows the textbook models. In the exciting and sometimes messy phases of growth; think startup and rapid scaling of an SME, governance is often organic. Consequently, unhelpful legacy decision-making systems may be established in an adhoc manner (McKinsey, 2020). At the core of business evolution is decision-making, which impacts an SME's financial performance significantly (Weerasekara and Bhanugopan, 2022).

THE FOUR OPTIONS

So, it will be no surprise that successful GCC business leaders identify different points in the evolution of their organisation where they have been a leader who used several of four approaches to decision making discussed by the group.

Sole - The leader makes the decision with or without input from others.

Devolved - The problem is assigned to a team member who has authority to decide.

Participative - The leader seeks input from team members and can be influenced by their views; however, the ultimate decision lies with the leader.

Consensus - The leader seeks input from team members, ensures all opinions are heard and a consensus view is ultimately reached.

Interestingly, the candid discussion during the Roundtable demonstrated that the **most common approach claimed was Consensus**, closely followed by Participative. It's worth highlighting that both styles involve input from respective teams however the locus of final decision differs. In these days of 'collaboration is everything' we can fall into thinking that every decision has to involve everyone, which is practically infeasible.

For example, ‘Sole’ decision-making can enable speed and discretion, such as may be required for expansion in new markets. (Merck Group, 2018) But, it is also difficult to sustain as a company grows, when bottlenecks may appear.

That points to having a greater balance of ‘Devolved’ decisions, which have the benefit of utilising managers who have detailed knowledge of their area of responsibility. Don’t forget that devolved decisions require robust systems of coordination and documentation to avoid opposing parallel processes emerging ((Merck

Group, 2018). Further, the company voice and brand identity present in more traditional sole or family companies may be lost.

Implemented well, both ‘Participative’ and ‘Consensus’ can create employee engagement and take advantage of innovative ideas, but may also be slow to produce decisions, lack spontaneity and, in some contexts, be highly ineffective.

We encourage leaders to use all styles, and that means more frequent utilisation of Sole and Devolved decisions.

Style	Best to Use When	Pros	Cons
Sole	<ul style="list-style-type: none"> You have all the information The matter is confidential or sensitive It's a minor decision that doesn't affect others 	<ul style="list-style-type: none"> Fast Leader knows what's going on 	<ul style="list-style-type: none"> You may have missed an important consideration
Participative	<ul style="list-style-type: none"> There are multiple options and considerations You want to test a theory You want to build empowerment 	<ul style="list-style-type: none"> Builds team involvement Decision gets made 	<ul style="list-style-type: none"> Takes time Team may be disappointed in final decision
Devolved	<ul style="list-style-type: none"> Others have the knowledge or ability to lead You want to challenge and develop others You have become a bottleneck 	<ul style="list-style-type: none"> Helps develop decision making skills in your leaders Take the load off you 	<ul style="list-style-type: none"> You lose control Mistakes can be made, which you'll need to help solve later
Consensus	<ul style="list-style-type: none"> Its important for everyone to believe in the fairness of the decision Feelings are involved 	<ul style="list-style-type: none"> Team feels a culture of collaboration 	<ul style="list-style-type: none"> People may still be unhappy Can be very slow

The exclusive group of GCC CEO's, CFOs, and CIOs, who attended the Roundtable gave their top tips for better decision making, getting stuff done, developing a healthier, higher performing organisation. Their key recommendations include:

- o **Involve, empower** and **train** staff in decision making
- o **Take time** to consider before responding
- o Be **Transparent**
- o **Create** a corporate **culture and processes** that support good quality decision making

FINDING THE UGLY TRUTH

So how do you identify where growth is hindered by legacy systems and outdated strategies in your organisation's governance or your personal leadership style?

Where can leaders find authentic feedback that enables them to turn around their own or their

Who else do you regularly consult with, inside or outside of your team, when making decisions affecting your Company?

COACHING IS KEY

However, all agreed that significant, breakthrough change was achieved as a result of working with coaches and mentors to identify and grapple with the 'why' and 'how' when they saw the impacts of wrong decision making inhibiting their organisation.

Research also shows networking, coaching, and mentorship unlocks potential and supports successful growth of SMEs. (McKinley, 2020)

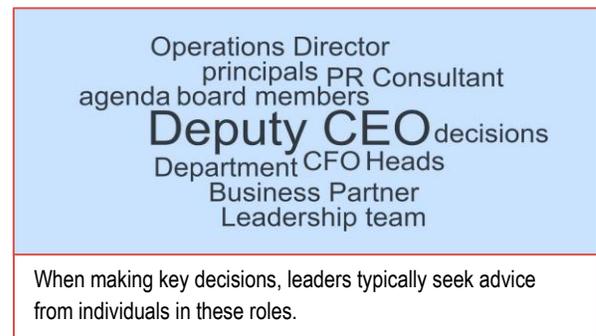
INSPIRING AND EMPOWERING LEADERSHIP TAKES EFFORT

"I trust your judgment, you decide, and I'm here if you need any support" were magical words for Olena to hear. Despite being a talented and dedicated

companies' decision making and switch from making the wrong decisions to the right one?

What steps and strategies produce a corporate culture that enables leaders to make the right decisions and unlock evolution and growth?

The Roundtable group readily identified colleagues when asked:



staff member, she had been struggling with motivation in a decision-making bottleneck environment that stifled her ability to shine and bring to bear the best she could in her role. Unbeknownst to her manager, Olena was, until that moment, considering handing in her resignation.

*Fortuitously, Olenas' line manager had been working to make a game-changing personal shift from 'sole decision maker to being a leader who thought carefully about **how** to make decisions as a team, not just **what** decisions were to be made. As a result, capable and dedicated staff members like Olena stayed with the company because they were also able to grow and develop and contribute meaningfully as it scaled up and transformed into a global player.*

WANT TO LEARN MORE?

If you're curious about exploring this topic and are a leader of an SME or family-owned business who is ready to evolve and take your organisation to the next level, contact us! Changeosity helps leaders like you to create collaborative strategy, develop leadership skills that inspire teams, and dramatically improve the governance of their organisations.

ACKNOWLEDGMENT

Thank you to the incredible leaders who participated in our CEO Roundtable discussions and shared their ideas and insights. Without which, we would not be able to deliver the powerful combination of theoretical frameworks together with the practical realities of what works in a complex, difficult, and challenging work environment.

References

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