SECOND EDITION

MANAGING FOR
CONFLICT AND CONSENSUS

why GREAT Leaders don't take Yes for an ANSWER

MICHAEL A. ROBERTO

Why Great Leaders Don't Take Yes for an Answer

Managing for Conflict and Consensus

Michael A. Roberto

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To Luke, Celia, Grace, and Kristin

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Edmondson also has had a unique impact. She often points out how much she has learned from me. In reality, however, it is I who has done the lion's share of the learning in our work together.

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Michael A. Roberto
Holliston, MA
March 22, 2013

About the Author

Michael Roberto is the Trustee Professor of Management at Bryant University in Smithfield, Rhode Island. He has served on the faculty at Harvard Business School and as a visiting professor at NYU's Stern School of Business. Over the past decade, Professor Roberto has held a position on the faculty of the Nomura School of Advanced Management in Tokyo, where he teaches an executive program each summer.

Professor Roberto's previous book, *Know What You Don't Know* (Pearson/Financial Times, 2009) addresses how leaders can become more effective problem finders. He has created two best-selling audio and video lecture series for The Great Courses (*The Art of Critical Decision Making*, 2009, and *Transformational Leadership*, 2011). His articles have appeared in publications such as *Harvard Business Review*, *MIT Sloan Management Review*, and *California Management Review*.

Professor Roberto's research and teaching have earned several major awards. The *Everest Leadership and Team Simulation* earned an MITX Interactive Award for Best E-Learning Solution in 2011. *Columbia's Final Mission*, a multimedia case study about the 2003 space shuttle accident, garnered the software industry's prestigious Codie Award in 2006. On the teaching front, Professor Roberto is a seven-time winner of the Outstanding MBA Teaching Award at Bryant University. He has been awarded Harvard's Allyn Young Prize for Teaching in Economics on two occasions.

Professor Roberto received an AB with honors from Harvard College, an MBA with High Distinction from Harvard Business School, and a doctorate from the Harvard Business School.

Professor Roberto lives in Massachusetts with his wife, Kristin, and his three children, Luke, Celia, and Grace. You can read more about Professor Roberto's work at his blog: http://michael-roberto.blogspot.com. You can follow him at Twitter as well: @michaelaroberto.

Preface

On April 4, 2011, Eric Schmidt stepped down as Google's CEO, a position that he had held for a decade. Google co-founder Larry Page took over as chief executive. Page made a number of changes at the firm that made huge headlines. He reorganized the management team, shut down or combined approximately 30 products, launched Google+, and acquired Motorola Mobility. Page made another key move that was less recognized and understood by outsiders. He set out to reform decision-making processes at Google. Page worried about creeping bureaucracy, and he wanted to enhance the speed of decision making. He explained, "There are, basically, no companies that make good slow decisions. There are only companies that make good fast decisions....As companies get bigger, they tend to slow down decision making, and that's pretty tragic."[1] While exaggerating a bit for emphasis, Page sent a clear message: He wanted Google to behave more like a startup than the large organization it had become.

How did Page reshape decision-making processes at the firm? Google's new CEO did not want to waste people's time with meetings that lacked a clear agenda, did not have the right people in the room, and lacked a clear set of goals and desired outcomes. Therefore, he outlined some new rules for how and when decision-oriented meetings should take place. Kristen Gil, Google's vice president of Operations, explained: "Those meetings should consist of no more than 10 people, and everyone who attends should provide input. If someone has no input to give, then perhaps they shouldn't be there. That's ok—attending meetings isn't a badge of honor."[2] Put simply, Page wanted lean, agile teams—not giant committees consisting of many people who brought little to the table. Page also directed groups to clarify member roles when they came together to make a choice. In particular, members needed to have a strong shared understanding

about who had the authority to make the final decision. If the ultimate decision maker could not attend a meeting, then perhaps the meeting should not take place.

Page changed the environment, too. He sought to promote more information sharing and collaboration among senior executives. He recognized that, as Google expanded, members of the senior management team spent less time with one another. Executives worked in different buildings, traveled often, and interacted more frequently with their subordinates rather than with their peers. As the senior team members interacted with each other less often, decision making at the top slowed down. Therefore, Page created a "bullpen" at Google's headquarters, and he asked senior executives to work together in that setting several hours per week. He wanted to replicate the startup environment, where founders often work in very close quarters together. He hoped that the bullpen atmosphere would promote collaboration, stimulate informal dialogue, and speed up decision making.

Time will tell whether Page's changes will enable Google to sustain and enhance its competitive advantage. In all types of organizations—from business enterprises to public institutions to sports franchises—leaders often must wait a long time to see the results of the decisions they make. In a turbulent world filled with ambiguity, leaders will not always make the right calls, regardless of their acumen. However, they can take a hard look at the process they are employing to make critical choices, as Page has done. Changing the way decisions are made will not guarantee success, but it can improve the likelihood that management teams will arrive at sound and decisions in a timely manner.

Think for a moment about a decision that you and your team or organization is currently trying to make. Have you considered multiple alternatives? Have you surfaced and tested your assumptions carefully? Did dissenting views emerge during your deliberations, and

have you given those ideas proper consideration? Are you building high levels of commitment and shared understanding among those who will be responsible for implementing the decision? The answers to these questions—and a number of others—help us to evaluate the quality of an organization's decision-making process. The core premise of this book is that a high-quality process tends to enhance the probability of achieving positive outcomes. Therefore, a leader can have an enormous impact through his management of an organization's decision-making processes. Good process does not simply mean sound analytics (that is, the best use of the latest strategy framework or quantitative financial evaluation technique). Good process entails the astute management of the social, political, and emotional aspects of decision making as well. Decision making in complex organizations is far from a purely intellectual exercise, as most experienced managers know. Thus, an effective leader does not just produce positive results by weighing in on the content of critical choices in a wise and thoughtful manner; he also has a substantial impact by shaping and influencing how those decisions are made.

In this book, I make two fundamental arguments with regard to how leaders can enhance the quality of their decision-making processes. First, leaders must cultivate constructive conflict in order to enhance the level of critical and divergent thinking, while simultaneously building consensus in order to facilitate the timely and efficient implementation of the choices they make. Managing the tension between conflict and consensus is one of the most fundamental challenges of leadership. By *consensus*, I do not mean unanimity, like-mindedness, or even pervasive agreement. Instead, I define *consensus* to mean a high level of commitment and shared understanding among the people involved in the decision. Leaders can build buy-in and collective comprehension without appeasing everyone on their teams or making decisions by majority vote. This book explains how leaders can do that.

The second fundamental argument put forth in this book is that effective leaders can and should spend time "deciding how to decide." In short, creating high-quality decision-making processes necessitates a good deal of forethought. When faced with a complex and pressing issue, most of us want to dive right in to solve the problem. Given our expertise in a particular field, we have a strong desire to apply our knowledge and devise an optimal solution. However, leadership does not entail a single-minded focus on the content of the decisions that we face. It also involves some thought regarding how a group or an organization should go about making a critical choice. Deciding how to decide involves an assessment of who should be involved in the deliberations, what type of interpersonal climate we would like to foster, how individuals should communicate with one another, and the extent and type of control that the leader will exert during the process. In this book, you see that leaders have a number of levers they can employ to design more effective decision-making processes and to shape how those processes unfold over time. I argue that leaders should be directive when it comes to influencing the way in which decisions are made in their groups or organizations, without trying to dominate or micromanage the substance of the discussion and evaluation that takes place. Spending time deciding how to decide enhances the probability of managing conflict and consensus effectively.

This book offers practical guidance—grounded in extensive academic research—for leaders who want to improve the way they make complex, high-stakes choices. One need not be a general manager or chief executive officer to benefit from the concepts described here. Any leader of a group of people—no matter the level in the organization—can apply the ideas examined in this book. Scholars and students too can benefit from this book because it offers new conceptual frameworks about organizational decision making, integrates existing theory in novel ways, and introduces a set of rich case studies that illuminate interesting issues with relevance to both theory and practice.

The Research

The research for the first edition of this book began in July 1996. It involved several major field research projects as well as the development of numerous case studies. The first major piece of research for this book involved a 2-year study of decision making in the aerospace/defense industry. I conducted an exhaustive examination of 10 strategic choices made by three subsidiaries of a leading firm in that market. The research involved well over 100 hours of interviews with managers in those businesses, two rounds of surveys, an extensive review of archival documents, and direct observations of meetings. By immersing myself in these organizations, I became intimately familiar with how these executives managed conflict and consensus more or less effectively. This book contains many examples from that body of research, although one should note that names of individuals and firms have been disguised for confidentiality reasons.

The second body of research for this book involved a survey of 78 business unit presidents across different firms listed in the April 2000 edition of the Fortune 500. Whereas the prior field research had enabled me to gather extensive amounts of qualitative data regarding a few senior management teams and a small set of strategic decision processes, this large sample survey-based study provided an opportunity to identify patterns in decision making across many firms.

The third major research project comprised in-depth interviews with 35 general managers of firms or business units in the Boston area across many different industries. In each interview, I asked the managers to compare two decisions that they had made—one that they considered successful and another that they did not. The study enabled me to focus very closely on how leaders thought about process choices that they had made as they were making critical decisions.

Finally, the research involved numerous case studies of particular decisions and organizations. A distinguishing feature of this research is that it includes cases from many disparate settings, not just business

enterprises. I have examined decision making by mountain-climbing expeditions, firefighting teams, NASA managers and engineers, government policy makers, and various nonprofit institutions. The varied nature of these studies has enabled me to develop a rich understanding of how leaders and organizations make decisions in different settings and circumstances.

Two case studies deserve special mention here because my colleagues and I spent an extraordinary amount of time examining those situations, using novel techniques both for gathering the data and presenting the ideas to students. David Garvin and I conducted an in-depth study of Paul Levy, the CEO of Beth Israel Deaconess Medical Center in Boston. The case, which we impart to students in multimedia format, proves distinctive because we tracked Levy's turnaround of the organization in real time from the moment he took over as the chief executive. We interviewed him on video every two to four weeks during his first six months on the job, examined internal memos and e-mail communications between him and his staff, and tracked media coverage of the turnaround. This unique study gave us an up-close look at how a leader made decisions during a radical change effort, as well as how he altered the rather dysfunctional culture of decision making that existed in the hospital at the time.

The second case study that merits specific mention involves an examination of decision making at NASA as it pertains to the Columbia space shuttle accident in 2003. Amy Edmondson, Richard Bohmer, and I have studied this incident in detail, both through an exhaustive examination of the internal e-mails, meeting transcripts, memos, and presentations that were made public after the accident as well as through interviews with members of the Columbia Accident Investigation Board, a former shuttle astronaut, an ex-NASA engineer, and an expert on the 1986 Challenger accident. That study, which we also present to students in multimedia format, is distinctive because we have documented critical events during the final mission from the perspective of six key managers and engineers. By trying

to understand the decision making that took place from the vantage point of people at different levels and in disparate units of the organization, we have gained some unique insights into how and why certain choices were made. Since the publication of the first edition of this book, my understanding of this tragedy has increased. I have visited NASA several times. In addition, I have met and learned a great deal from Rodney Rocha, one of the key engineers involved in the Columbia mission, as well as Brigadier General Duane Deal, a member of the Columbia Accident Investigation Board.

Taken together, this extensive body of research provides the foundation for this book. This work employs a variety of research methodologies and draws upon several academic disciplines. Throughout this book, I also draw on existing theory developed by other scholars and cite the findings from empirical research conducted by others. Again, those theories and studies come in many different flavors; the book does not restrict itself to one particular academic domain in trying to explain how and why organizations and their leaders make decisions more or less effectively. This analysis aspires to be truly cross-disciplinary.

Since the publication of the first edition in 2005, I have continued to study, teach, and consult about leadership and decision making. This new edition includes the findings from new research by me and other scholars around the world. It also incorporates what I have learned through the development and delivery of leadership development programs at many companies around the world. You will see new examples, case studies, and research findings throughout the book.

The Outline of This Book

This book is divided into four broad parts. Part I introduces a conceptual framework for thinking about how to diagnose, evaluate,

and improve strategic decision-making processes. Chapter 1, "The Leadership Challenge," explains why leaders should cultivate conflict and consensus simultaneously as well as why they typically find it very difficult to achieve this objective. Chapter 2, "Deciding How to Decide," describes the implicit and explicit choices that leaders make to shape and influence how the decision process unfolds. Through these process choices, leaders can create the conditions that enable them to manage conflict and consensus in a constructive manner. This new edition offers additional insights regarding the Bay of Pigs and Cuban missile crisis decisions by President John Kennedy. Several years ago, Secretary of Defense Robert McNamara visited my class to discuss these historic decisions, and his recollections have enhanced my understanding a great deal.

Part II—encompassing Chapter 3, "An Absence of Candor," Chapter 4, "Stimulating the Clash of Ideas," and Chapter 5, "Keeping Conflict Constructive," and Chapter 6, "A Better Devil's Advocate"—focuses on the task of managing conflict. Chapter 3 describes the factors that inhibit candid dialogue and debate in organizations. It distinguishes between "hard" and "soft" barriers that block the discussion of dissenting views. "Hard" barriers consist of structural aspects of the organization such as the demographic composition of the senior management team, the complexity of reporting relationships, and ambiguity in job/role definitions. The "soft" barriers comprise things such as differences in status, the language system used to discuss failures in the organization, and certain taken-for-granted assumptions about how people should behave. Chapter 4 explains how leaders can stimulate heightened levels of conflict in their firms. It describes a variety of mechanisms and practices that leaders can choose to employ, and it describes the strengths and weaknesses of each approach. Chapter 5 tackles the perplexing challenge of how leaders can encourage people to "disagree without being disagreeable." This chapter offers a useful set of tools and strategies for how leaders can keep conflict constructive.

A new chapter, Chapter 6, examines the devil's advocacy technique in much more depth than the first edition. After reading the book, many individuals had questions about how to implement this technique effectively. Some people pointed out, rightfully, that devil's advocates often do more harm than good. They can put people on the defensive, create a very negative atmosphere, and cause costly delays. Therefore, in this new edition, I provide an extensive examination of how organizations can use devil's advocates and how they can apply this technique more effectively.

Part III concentrates on how managers create consensus within their organizations without compromising the level of divergent and creative thinking. Chapter 7, "The Dynamics of Indecision," examines why some organizations become paralyzed by indecision. We learn why leaders often find it difficult to build commitment and shared understanding, or why sometimes they find themselves with a "false consensus" that unravels rather quickly when they try to execute a chosen course of action. Chapter 8, "Fair and Legitimate Process," focuses on two critical building blocks of consensus: procedural fairness and legitimacy. It explains how leaders can create processes in which people will cooperate effectively in the implementation effort even if they do not agree with the final decision. Chapter 9, "Reaching Closure," addresses how leaders can move to closure during a contentious set of deliberations. It describes how leaders manage the interplay between divergent and convergent thinking so as to bring a decision process to its conclusion in a timely fashion. Specifically, the chapter outlines a model of achieving closure through an approach of seeking "small wins" at various points during a complex and perhaps controversial decision-making process.

Part IV consists of Chapter 10, "Leading with Restraint," which reflects on how this book's philosophy of leadership and decision making differs from conventional views held by many managers. Specifically, I distinguish between two different approaches to "taking charge" when confronted with a difficult decision. The traditional

approach puts the onus on leaders to provide the solutions to many of their organization's pressing problems. They need to "take charge" and act decisively. The alternative approach proposed here calls for leaders to take an active role in shaping, influencing, and directing the process by which their organizations make high-stakes choices, without micromanaging the content of the decision. Effective leaders welcome others' input and acknowledge that they do not have all the answers, but they still remain firmly in charge and retain the right and duty to make the final decision. However, they understand the importance of creating and leading an effective collective dialogue, in which others have a great deal of freedom to engage in a lively and vigorous debate about the issues and problems facing the organization. In short, this brand of take-charge leadership entails a disciplined focus on how choices are made, not simply what the organization should do.

At the conclusion of this book, detailed notes cite the research studies—mine and those of other scholars—that support the propositions and principles expounded in the main text. At times, the endnotes expand upon the ideas described in the main text, explain important caveats, or offer additional compelling examples of a particular phenomenon. My hope is that the endnotes offer useful guidance and direction for scholars and practitioners who want to investigate certain topics in more depth.

Throughout this book, you will recognize a strong recurring theme—namely, that leaders must strive for a delicate balance of assertiveness and restraint. As you will see, the critical issue for leaders becomes not whether they should be forceful and directive as they make strategic choices but how they ought to exert their influence and control over the decision-making process. As you begin to read the pages that follow, I hope that you take time to reflect on past choices and to scrutinize the way in which you went about making those decisions. Moreover, I hope that you will consider experimenting with the techniques described here so as to not only enhance your probability of making sound choices, but also increase the likelihood

that others will dedicate themselves enthusiastically to the execution of your plans.

Endnotes

1. Q&A session with Larry Page and Eric Schmidt at Zeitgeist Americas 2011. www.youtube.com/watch?v=srI6QYfi-HY, accessed January 2, 2012.
2. www.thinkwithgoogle.com/quarterly/speed/start-up-speed-kristen-gil.html, accessed January 24, 2012. In the memo posted at this site, Google VP Kristen Gil provides a comprehensive explanation of all the changes that Page made to enhance decision making at the firm.www.thinkwithgoogle.com/quarterly/speed/start-up-speed-kristen-gil.html, accessed January 24, 2012.

1

The Leadership Challenge

"Diversity in counsel, unity in command."

—Cyrus the Great

On September 5, 2006, Ford Motor Company shocked the automobile industry by announcing the hiring of Alan Mulally as the company's CEO. Bill Ford, 49-year-old great-grandson of the firm's legendary founder, remained as Ford's executive chairman. Many people expressed surprise that Bill Ford would relinquish the title of chief executive. Perhaps even more astonishing to many observers, Ford had reached outside the industry to hire its new chief executive. Mulally came from Boeing, where he had spent his entire 37-year career. The three large American automakers generally had not hired CEOs from outside the industry. Ford had challenged the conventional wisdom and staked the firm's entire future on this bold choice.[1]

Ford Motor Company stood at the precipice of disaster when it hired Mulally. Referring to America's "Big Three" automakers, he noted bluntly, "These three companies have been slowly going out of business for eighty years."[2] Ford registered a pretax operating loss of $15 billion in 2006, the largest in the firm's proud and storied history. Ford closed numerous plants throughout the United States, and it cut tens of thousands of jobs. The firm even mortgaged most of its assets, including the vaunted blue oval logo, to raise $25 billion in capital. Those funds would finance the restructuring costs and product development investments required to save the company. That audacious

decision ultimately provided Ford enough liquidity to survive the global economic downturn without a government bailout.

Mulally moved quickly to change Ford's strategy. He wanted to focus on the core Ford brand. Therefore, he divested the company's money-losing luxury brands—Jaguar, Aston Martin, Volvo, and Land Rover. He invested heavily in a lineup of new, more attractive, and energy-efficient vehicles. Mulally began to leverage Ford's global assets more effectively to build those vehicles. He could not believe that Ford had different versions of each model around the world, with costly and unnecessary duplication of effort. He pushed the company to build multiple models on the same platform, with a high percentage of common parts in order to capitalize on global economies of scale.

Mulally set out to transform Ford's culture to enable the successful execution of his turnaround plan. He inherited a management team rife with infighting and rivalry. Executives worked in silos and did not share information freely with colleagues in other areas. People did not speak candidly about the problems facing the company, and they resisted sharing bad news with the chief executive. Robust and constructive dialogue did not characterize the executive team's decision-making process. When conflict did occur, it often proved highly dysfunctional.

When Mulally arrived at Ford, he instituted the "business plan review" process. Each Thursday morning, his top management team, consisting of roughly 15 senior executives, would gather around a circular table in the Thunderbird Room at Ford's corporate office for several hours. Each executive posted color-coded charts on the wall to update the team on the situation in his or her area of responsibility. Red indicated a problem, yellow meant caution, and green signified that good progress was being made on a particular issue. Mulally wanted complete transparency, and he wanted the team to work together to address key challenges.

In the past, a division head had often met privately with the CEO to make key decisions regarding his or her area. Silo thinking permeated the organization. Now the entire team made crucial decisions together. Everyone had input on key strategic choices, regardless of who might have primary responsibility for a particular issue. Mulally explained, "Everyone with a stake in the outcome is included in the decision-making process....Problems are discussed candidly and the entire team is enlisted to help find solutions."[3]

Ford's new chief executive always seemed to have a smile on his face, but he did not tolerate the dysfunctional behaviors that plagued the top management team in the past. He established clear ground rules for those crucial Thursday morning meetings. Mulally described "working-together behaviors" that would enable more effective collaborative decision making. Executives could not bring smart phones to the meetings. He did not want constant distractions and interruptions. They could not overwhelm others with "encyclopedic briefing books" or bring aides to the meetings. He wanted the group to stay manageable in size. Executives could not engage in side conversations when others were speaking or presenting. No one could put down others or engage in personal attacks. People had to support their positions with facts and data. Mulally explained the consequences for those who would not abide by the new ground rules: "If you can't do it or don't want to do it or it's too hard, that's okay. You'll just have to work someplace else."[4]

The business plan review process hit an early bump in the road, though. Although Mulally stressed the importance of transparency and candid dialogue, his team could not shake its longstanding fears about speaking up. Week after week, the Thursday morning meetings took place, and amazingly, no one presented a "red" project. The new boss could not believe it. How could his team present such a rosy picture when the firm had lost $15 billion in 2006?[5]

Then a critical set of events transpired at one Thursday morning meeting. Mark Fields, head of North American operations, faced a

production problem with the new Ford Edge vehicle. The hydraulic lift gates did not work properly on many vehicles. Fields knew that an eagerly anticipated new product launch would not transpire as planned. He told his team, "We are not going to ship a vehicle before it is ready. We just can't. We have to delay it. I'm going to have to call it a red."[6] Fields would become the first executive to walk into a Thursday morning meeting with a red dot on his weekly progress report. He braced for the reaction from the new boss as well as his peers.

When Fields presented his progress report, he could feel the tension in the air. The new CEO had preached the importance of accountability ever since he had arrived at Ford. He had stressed the importance of disciplined execution of a focused plan. Would he bring down the hammer on his top manufacturing executive? How upset would he become?

After an awkward silence, Mulally stood up from his chair. Then he began clapping. He didn't just clap politely. He applauded vigorously. Mulally turned and addressed Fields, "Thank you, Mark, for the transparency. Mark, that is great visibility. Now, is there any help you need from any member of the team?"[7] People began to offer suggestions and assistance. A constructive discussion ensued. In the past, executives might have engaged in the blame game. Now they rushed to help. Soon the Edge launch got back on track.

During the next few Thursday morning meetings, the climate began to change. Mulally observed that the charts began to look like a "beautiful rainbow," with red dots mixed in there among the yellows and greens.[8] Joe Laymon, head of human resources, noted, "Alan has a way of making it safe to speak up." Mulally preached the importance of problem solving rather than finger pointing. He stressed the importance of admitting mistakes, learning from them, and working together to fix the problem. He would tell them, "So-and-so has a problem. He's not the problem. Who can help him with that?"[9] The

new boss preached a new message of collective accountability: "The important thing is that we're all accountable to each other. You are accountable to the team, and the rest of the team is here to help you."[10]

Gradually, the climate at Ford began to change. The team began to engage in much more candid and constructive dialogue while grappling with crucial decisions. Fields noted, "A picture was worth a thousand words, and that picture was Alan clapping."[11] Indeed, Mulally told that story many times, as did many of his top executives. As they retold the story repeatedly, a strong message went out to the entire organization: Ford's culture would no longer be the same.

By January 2013, Ford had made significant progress on its turnaround plan. After rejecting a government bailout, Ford posted a small profit in 2009. The firm generated more than $8 billion in pretax profit in 2011 and resumed dividend payouts for the first time in five years. By the fall of 2012, the company had posted positive profits for 13 straight quarters. Mulally certainly did not consider the turnaround effort complete. Ford still had major work to do, but the company had come back from the brink of disaster.

Alan Mulally did not simply make better decisions than his predecessors at Ford. He changed *the way that decisions were made*. Mulally reshaped the climate, the norms, and the decision-making process. He created a new environment where people felt more comfortable speaking up. Mulally recognized that candid dialogue leads to higher-quality decisions. Discussions and debates need to be constructive, though. Prior to his arrival, personal friction and personality clashes had characterized many discussions among senior executives at Ford. Mulally reshaped the decision-making process by establishing new ground rules and norms for the senior team. The team gathered in a new forum, which emphasized collective problem solving and shared accountability rather than silo thinking. He wanted and even demanded rigorous debate, but he strove to keep that conflict

constructive. In the pages that follow, you will learn how to reshape the way that decisions are made in your organization, much as Mulally has done at Ford.

Conflict and Consensus

On April 20, 2010, a series of explosions rocked the Deepwater Horizon oil rig, causing a massive oil spill in the Gulf of Mexico. In February 2003, the Columbia space shuttle disintegrated while reentering the earth's atmosphere. In May 1996, Rob Hall and Scott Fischer, two of the world's most accomplished mountaineers, died on the slopes of Everest, along with three of their clients, during the deadliest day in the mountain's history. In April 1985, the Coca-Cola Company changed the formula of its flagship product and enraged its most loyal customers. In April 1961, a brigade of Cuban exiles invaded the Bay of Pigs with the support of the U.S. government, and Fidel Castro's military captured or killed nearly the entire rebel force. Catastrophe and failure, whether in business, politics, or other walks of life, always brings forth many troubling questions. What alternative choices could BP and its partners have made that might have prevented the massive oil spill in the Gulf of Mexico? Why did NASA managers decide not to undertake corrective action when they discovered that a potentially dangerous foam debris strike had occurred during the launch of the Columbia space shuttle? Why did Hall and Fischer choose to ignore their own safety rules and procedures and push forward toward the summit of Mount Everest, despite knowing that they would be forced to conduct a very dangerous nighttime descent? Why did Roberto Goizueta and his management team fail to anticipate the overwhelmingly negative public reaction to New Coke? Why did President John F. Kennedy decide to support a rebel invasion, despite the existence of information that suggested an extremely low probability of success?

We ask these questions because we hope to learn from others' mistakes, and we do not wish to repeat them. Often, however, a few misconceptions about the nature of organizational decision making cloud our judgment and make it difficult to draw the appropriate lessons from these failures. Many of us have an image of how these failures transpire. We envision a chief executive, or a management team, sitting in a room one day making a fateful decision. We rush to find fault with the analysis that they conducted, wonder about their business acumen, and perhaps even question their motives. When others falter, we often search for flaws in others' intellect or personality. Yet differences in mental horsepower seldom distinguish success from failure when it comes to strategic decision making in complex organizations.

What do I mean by *strategic decision making*? Strategic choices occur when the stakes are high, ambiguity and novelty characterize the situation, and the decision represents a substantial commitment of financial, physical, and/or human resources. By definition, these choices occur rather infrequently, and they could potentially have a significant impact on an organization's future performance. They differ from routine or tactical choices that managers make each and every day, in which the problem is well defined, the alternatives are clear, and the impact on the overall organization is rather minimal.[12]

Strategic decision making in a business enterprise or public-sector institution is a dynamic process that unfolds over time, moves in fits and starts, and flows across multiple levels of an organization.[13] Social, political, and emotional forces play an enormous role. Whereas the cognitive task of decision making may prove challenging for many leaders, the socio-emotional component often proves to be a manager's Achilles' heel. Moreover, leaders not only must select the appropriate course of action, they need to mobilize and motivate the organization to implement it effectively. As Noel Tichy and Dave Ulrich write, "CEOs tend to overlook the lesson Moses learned several thousand years ago—namely, getting the ten commandments written down and

communicated is the easy part; getting them implemented is the challenge."[14] Thus, decision-making success is a function of both decision quality and implementation effectiveness. *Decision quality* means that managers choose the course of action that enables the organization to achieve its objectives more efficiently than all other plausible alternatives. *Implementation effectiveness* means that the organization successfully carries out the selected course of action, thereby meeting the objectives established during the decision-making process. A central premise of this book is that a leader's ability to navigate his or her way through the personality clashes, politics, and social pressures of the decision process often determines whether managers will select the appropriate alternative and implementation will proceed smoothly.

Many executives can run the numbers or analyze the economic structure of an industry; a precious few can master the social and political dynamic of decision making. Consider the nature and quality of dialogue within many organizations. Candor, conflict, and debate appear conspicuously absent during their decision-making processes. Managers feel uncomfortable expressing dissent, groups converge quickly on a particular solution, and individuals assume that unanimity exists when, in fact, it does not. As a result, critical assumptions remain untested, and creative alternatives do not surface or receive adequate attention. In all too many cases, the problem begins with the person directing the process, as their words and deeds discourage a vigorous exchange of views.

Barry Rand, CEO of AARP, once said, "If you have a yes-man working for you, one of you is redundant."[15] In many firms, though, CEOs do not hire people who lack courage or backbone. They do not identify sycophants during the hiring process. Instead, many leaders transform normal hard-working people into yes-men by virtue of the climate they create. Powerful, popular, and highly successful leaders hear "yes" much too often, or they simply hear nothing when people really mean "no." In those situations, organizations may not only make

poor choices, but they may find that unethical choices remain unchallenged. As *BusinessWeek* declared in its 2002 special issue on corporate governance, "The best insurance against crossing the ethical divide is a roomful of skeptics....By advocating dissent, top executives can create a climate where wrongdoing will not go unchallenged."[16]

Of course, conflict alone does not lead to better decisions. Leaders also need to build consensus in their organizations. Consensus, as we define it here, does not mean unanimity, widespread agreement on all facets of a decision, or complete approval by a majority of organization members. It does not mean that teams, rather than leaders, make decisions. Consensus does mean that people have agreed to cooperate in the implementation of a decision. They have accepted the final choice, even though they may not be completely satisfied with it. Consensus has two critical components: a high level of commitment to the chosen course of action and a strong, shared understanding of the rationale for the decision.[17] Commitment helps to prevent the implementation process from becoming derailed by organizational units or individuals who object to the selected course of action. Moreover, commitment may promote management perseverance in the face of other kinds of implementation obstacles, while encouraging individuals to think creatively and innovatively about how to overcome those obstacles. Common understanding of the decision rationale allows individuals to coordinate their actions effectively, and it enhances the likelihood that everyone will act in a manner that is "consistent with the spirit of the decision."[18] Naturally, consensus does not ensure effective implementation, but it enhances the likelihood that managers can work together effectively to overcome obstacles that arise during decision execution.

Commitment without deep understanding can amount to "blind devotion" on the part of a group of managers. Individuals may accept a call to action and dedicate themselves to the implementation of a particular plan, but they take action based on differing interpretations of the decision. Managers may find themselves working at

cross-purposes, not because they want to derail a decision but because they perceive goals and priorities differently than their colleagues. When leaders articulate a decision, they hope that subordinates understand the core intent of the decision because people undoubtedly will encounter moments of ambiguity as they execute the plan of action. During these uncertain situations, managers need to make choices without taking the time to consult the leader or all other colleagues. Managers also may need to improvise a bit to solve problems or capitalize on opportunities that may arise during the implementation process. A leader cannot micromanage the execution of a decision; he needs people throughout the organization to be capable of making adjustments and trade-offs as obstacles arise; shared understanding promotes that type of coordinated, independent action.

Shared understanding without commitment leads to problems as well. Implementation performance suffers if managers comprehend goals and priorities clearly but harbor doubts about the wisdom of the choice that has been made. Execution also lags if people do not engage and invest emotionally in the process. Managers need to not only comprehend their required contribution to the implementation effort, they must be willing to "go the extra mile" to solve difficult problems and overcome unexpected hurdles that arise.[19]

Unfortunately, if executives engage in vigorous debate during the decision process, people may walk away dissatisfied with the outcome, disgruntled with their colleagues, and not fully dedicated to the implementation effort. Conflict may diminish consensus, and thereby hinder the execution of a chosen course of action, as Figure 1.1 illustrates. Herein lies a fundamental dilemma for leaders: How does one foster conflict and dissent to enhance decision quality while simultaneously building the consensus required to implement decisions effectively? In short, how does one achieve "diversity in counsel, unity in command?" The purpose of this book is to help leaders tackle this daunting challenge.

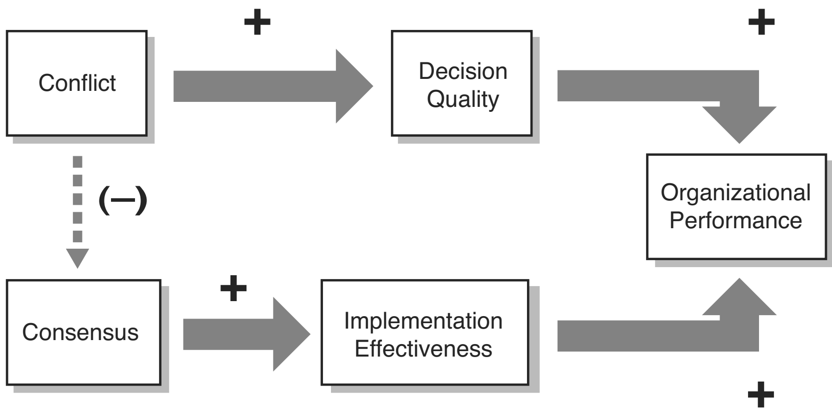

Figure 1.1 The effects of conflict and consensus

Decision-Making Myths

When we read about a CEO's failed strategy in the *Wall Street Journal* or analyze the actions of the manager profiled in a case study at Harvard Business School, we often ask ourselves: How could that individual make such a stupid decision? My students ask themselves this question on numerous occasions each semester as they read about companies that falter or fold. Perhaps we think of others' failures in these terms because of our hubris, or because we might need to convince ourselves that we can succeed when embarking upon similar endeavors fraught with ambiguity and risk. Jon Krakauer, a member of Rob Hall's 1996 Everest expedition, wrote, "If you can convince yourself that Rob Hall died because he made a string of stupid errors and that you are too clever to repeat those errors, it makes it easier for you to attempt Everest in the face of some rather compelling evidence that doing so is injudicious."[20]

Let's examine a few of our misconceptions about decision making in more detail and attempt to distinguish myth from reality. (See Table 1.1 for a summary of these common myths.) Can we, in fact,

attribute the failure to a particular individual—namely the CEO, president, or expedition leader? Does the outcome truly suggest a lack of intelligence, industry expertise, or technical knowledge on the part of key participants? Did the failure originate with one particular flawed decision, or should we examine a pattern of choices over time?

Table 1.1 Myth Versus Reality in Strategic Decision Making

Myth	Reality
The chief executive decides.	Strategic decision making entails simultaneous activity by people at multiple levels of the organization.
Decisions are made in the room.	Much of the real work occurs "offline," in one-on-one conversations or small subgroups, not around a conference table.
Decisions are largely intellectual exercises.	Strategic decisions are complex social, emotional, and political processes.
Managers analyze and then decide.	Strategic decisions unfold in a nonlinear fashion, with solutions frequently arising before managers define problems or analyze alternatives.
Managers decide and then act.	Strategic decisions often evolve over time and proceed through an iterative process of choice and action.

Myth 1: The Chief Executive Decides

When Harry Truman served as president of the United States, he placed a sign on his desk in the Oval Office. It read "The Buck Stops Here." The now-famous saying offers an important reminder for all leaders. The CEO bears ultimate responsibility for the actions of his or her firm, and the U.S. president must be accountable for the policies of his administration. However, when we examine the failures of large, complex organizations, we ought to be careful not to assume that poor decisions are the work of a single actor, even if that person serves as the powerful and authoritative chief executive of the institution.

A great deal of research dispels the notion that CEOs or presidents make most critical decisions on their own. Studies show that

bargaining, negotiating, and coalition building among managers shape the decisions that an organization makes. The decision-making process often involves managers from multiple levels of the organization, and it does not proceed in a strictly "bottom-up" or "top-down" fashion. Instead, activity occurs simultaneously at multiple levels of the organization. The decision-making process becomes quite diffuse in some instances.[21] For example, in one study of foreign policy decision making, political scientist Graham Allison concluded, "Large acts result from innumerable and often conflicting smaller actions by individuals at various levels of organization in the service of a variety of only partially compatible conceptions of national goals, organizational goals, and political objectives."[22] In short, the chief executive may make the ultimate call, but that decision often emerges from a process of intense interaction among individuals and subunits throughout the organization.

Myth 2: Decisions Are Made in the Room

Many scholars and consultants have argued that a firm's strategic choices emerge from deliberations among members of the "top management team." However, this concept of a senior team may be a bit misleading.[23] As management scholar Donald Hambrick wrote, "Many top management 'teams' may have little 'teamness' to them. If so, this is at odds with the implicit image...of an executive conference table where officers convene to discuss problems and make major judgments."[24]

In most organizations, strategic choices do not occur during the chief executive's staff meetings with his direct reports. In James Brian Quinn's research, he reported than an executive once told him, "When I was younger, I always conceived of a room where all these [strategic] concepts were worked out for the whole company. Later, I didn't find any such room."[25] In my research, I have found that crucial conversations occur "offline"—during one-on-one interactions

and informal meetings of subgroups. People lobby their colleagues or superiors prior to meetings, and they bounce ideas off one another before presenting proposals to the entire management team. Managers garner commitment from key constituents prior to taking a public stance on an issue. Formal staff meetings often become an occasion for ratifying choices that have already been made rather than a forum for real decision making.[26]

Myth 3: Decisions Are Largely Intellectual Exercises

Many people think of decision making as a largely cognitive endeavor. In school and at work, we learn that "smart" people think through issues carefully, gather data, conduct comprehensive analysis, and then choose a course of action. Perhaps they apply a bit of intuition and a few lessons from experience as well. Poor decisions must result from a lack of intelligence, insufficient expertise in a particular domain, or a failure to conduct rigorous analysis.

Psychologists offer a slightly more forgiving explanation for faulty choices. They find that all of us—expert or novice, professor or student, leader or follower—suffer from certain cognitive biases. In other words, we make systematic errors in judgment, rooted in the cognitive, information processing limits of the human brain, that impair our decision making.[27] For instance, most human beings are susceptible to the "sunk-cost bias"—the tendency to escalate commitment to a flawed and risky course of action if one has made a substantial prior investment of time, money, and other resources. We fail to recognize that the sunk costs should be irrelevant when deciding whether to move forward, and therefore, we throw "good money after bad" in many instances.[28]

Cognition undoubtedly plays a major role in decision making. However, social pressures become a critical factor at times. People have a strong need to belong—a desire for interpersonal attachment. At times, we feel powerful pressures to conform to the expectations

or behavior of others. Moreover, individuals compare themselves to others regularly, often in ways that reflect favorably on themselves. These social behaviors shape and influence the decisions that organizations make. Emotions also play a role. Individuals appraise how proposed courses of action might affect them, and these assessments arouse certain feelings. These emotions can energize and motivate individuals, or they can lead to resistance or paralysis. Finally, political behavior permeates many decision-making processes, and it can have positive or negative effects. At times, coalition building, lobbying, bargaining, and influence tactics enhance the quality of decisions that are ultimately made; in other instances, they lead to suboptimal outcomes.[29] Without a doubt, leaders ignore these social, emotional, and political forces at their own peril.

Myth 4: Managers Analyze and Then Decide

At one point or another, most of us have learned structured problem-solving techniques. A typical approach consists of five well-defined phases: 1) identify and define the problem, 2) gather information and data, 3) identify alternative solutions, 4) evaluate each of the options, 5) select a course of action. In short, we learn to analyze a situation in a systematic manner and then make a decision. Unfortunately, most strategic decision processes do not unfold in a linear fashion, passing neatly from one phase to the next.[30] Activities such as alternative evaluation, problem definition, and data collection often occur in parallel rather than sequentially. Multiple process iterations take place, as managers circle back to redefine problems or gather more information even after a decision has seemingly been made. At times, solutions even arise in search of problems to solve.[31]

In my research, I have found that managers often select a preferred course of action, and then employ formal analytical techniques to evaluate various alternatives. What's going on here? Why does analysis follow choice in certain instances? Some managers arrive at

a decision intuitively, but they want to "check their gut" using a more systematic method of assessing the situation. Others use the analytics as a tool of persuasion when confronting skeptics or external constituencies, or because they must conform to cultural norms within the organization. Finally, many managers employ analytical frameworks for symbolic reasons. They want to signal that they have employed a thorough and logical decision-making process. By enhancing the perceived legitimacy of the process, they hope to gain support for the choice that they prefer.[32]

Consider the story of the Ford Mustang—one of the most remarkable and surprising new product launches in auto-industry history. Lee Iacocca's sales and product design instincts told him that the Mustang would be a smashing success in the mid-1960s, but much to his chagrin, he could not persuade senior executives to produce the car. Iacocca recognized that quantitative data analysis trumped intuition in the intensively numbers-driven culture created by former Ford executive Robert McNamara. Thus, Iacocca set out to marshal quantitative evidence, based on market research, which suggested that the Mustang would attract enough customers to justify the capital investment required to design and manufacture the car. Not surprisingly, Iacocca's analysis supported his initial position! Having produced data to support his intuition, Iacocca prevailed in his battle to launch the Mustang.[33]

The nonlinear nature of strategic decision making may seem dysfunctional at first glance. It contradicts so much of what we have learned or teach in schools of business and management. However, multiple iterations, feedback loops, and simultaneous activity need not be dysfunctional. A great deal of learning and improvement can occur as a decision process proceeds in fits and starts. Some nonlinear processes may be fraught with dysfunctional political behavior, but without a doubt, effective decision making involves a healthy dose of reflection, revision, and learning over time.

Myth 5: Managers Decide and Then Act

Consider the case of a firm apparently pursuing a diversification strategy. We might believe that executives made a choice at a specific point in time to enter new markets or seek growth opportunities beyond the core business. In reality, however, we may not find a clear starting or ending point for that decision process. Instead, the diversification decision may have evolved over time, as multiple parties investigated new technologies, grappled with declining growth in the core business, and considered how to invest excess cash flow. Executives might have witnessed certain actions taking place at various points in the organization and then engaged in a process of retrospective sense making, interpretation, and synthesis.[34] From this interplay between thought and action, a "decision" emerged.[35]

In my research, I studied an aerospace and defense firm's decision to invest more than $200 million in a new shipbuilding facility; the project completely transformed the organization's manufacturing process. When asked about the timing of the decision, one executive commented to me, "The decision to do this didn't come in November of 1996, it didn't come in February of 1997, it didn't come in May of 1997. You know, there was a concept, and the concept evolved." The implementation process did not follow neatly after a choice had been made. Instead, actions pertaining to the execution of the decision become intermingled with the deliberations regarding whether and how to proceed. The project gained momentum over time, and by the time the board of directors met to formally approve the project, everyone understood that the decision had already been made.

Managing Reality

When Jack Welch took over as CEO of General Electric, he exhorted his managers to "face reality...see the world the way it is, not the way you wish it were."[36] This advice certainly applies to the

challenge of managing high-stakes decision-making processes in complex and dynamic organizations. Leaders need to understand how decisions actually unfold so that they can shape and influence the process to their advantage. To cultivate conflict and build consensus effectively, they must recognize that the decision process unfolds across multiple levels of the organization, not simply in the executive suite. They need to welcome divergent views, manage interpersonal disagreements, and build commitment across those levels. Leaders also need to recognize that they cannot remove politics completely from the decision process, somehow magically transforming it into the purely intellectual exercise that they wish it would become. As Joseph Bower wrote, "politics is not pathology; it is a fact of large organization."[37] Effective leaders use political mechanisms to help them build consensus among multiple constituencies. Moreover, leaders cannot ignore the fact that managers often perform analyses to justify a preferred solution, rather than proceeding sequentially from problem identification to alternative evaluation to choice. Leaders must identify when such methods of persuasion become dysfunctional, and then intervene appropriately to maintain the legitimacy of the process, if they hope to build widespread commitment to a chosen course of action. With this organizational reality in mind, let's turn to the first element of Cyrus the Great's wise advice for decision makers: namely, the challenge of cultivating constructive conflict.

The Absence of Dissent

Have you ever censored your views during a management meeting? Have you offered a polite nod of approval as your boss or a respected colleague put forth a proposal, while privately harboring serious doubts? Have you immediately begun to devise ways to alter or reverse the decision at a later date?

If you have answered "yes" to these questions, be comforted by the fact that you are not alone. Many groups and organizations shy

away from vigorous conflict and debate. For starters, managers often feel uncomfortable expressing dissent in the presence of a powerful, popular, and highly successful chief executive. It becomes difficult to be candid when the boss's presence dominates the room. We also find ourselves deferring to the technical experts in many instances rather than challenging the pronouncements of company or industry veterans. Certain deeply held assumptions about customers, markets, and competition can become so ingrained in people's thought processes that an entire industry finds itself blindly accepting the prevailing conventional wisdom. Pressures for conformity also arise because cohesive, relatively homogenous groups of like-minded people have worked with one another for a long time.[38] Finally, some leaders engage in conflict avoidance because they do not feel comfortable with confrontation in a public setting. Whatever the reasons—and they are bountiful—the absence of healthy debate and dissent frequently leads to faulty decisions. Let's turn to a tragic example to see this dynamic in action.[39]

Tragedy on Everest

In 1996, Rob Hall and Scott Fischer each led a commercial expedition team, attempting to climb Mount Everest. Each group consisted of the leader, several guides, and eight paying clients. Although many team members reached the summit on May 10, they encountered grave dangers during their descent. Five individuals, including the two highly talented leaders, perished as they tried to climb down the mountain during a stormy night.[40]

Many survivors and mountaineering experts have pointed out that the two leaders made a number of poor decisions during this tragedy. Perhaps most importantly, the groups ignored a critical decision rule created to protect against the dangers of descending after nightfall. Climbers typically begin their final push to the summit from a camp located at an altitude of about 26,000 feet. They climb through the

night, hoping to reach the summit by midday. Then they scramble back down to camp, striving to reach the safety of their tents before sunset. This tight 18-hour schedule leaves little room for error. If climbers fall behind during the ascent, they face an extremely perilous nighttime descent. Hall and Fischer recognized these dangers. Moreover, they understood that individuals would find it difficult to abandon their summit attempt after coming so tantalizingly close to achieving their goal. They knew that climbers, as they near the summit, are particularly susceptible to the "sunk-cost bias." Thus, they advocated strict adherence to a predetermined decision rule. Fischer described it as the "two o'clock rule"—that is, when it became clear that a climber could not reach the top by two o'clock in the afternoon, that individual should abandon his summit bid and head back to the safety of the camp. If he failed to do so, the leaders and/or the guides should order the climbers to turn around. One team member recalled, "Rob had lectured us repeatedly about the importance of having a predetermined turnaround time on summit day...and abiding by it no matter how close we were to the top."[41]

Unfortunately, the leaders, guides, and most clients ignored the turnaround rule during the ascent. Nearly all the team members, including the two leaders, arrived at the summit after two o'clock. As a result, many climbers found themselves descending in darkness, well past midnight, as a ferocious blizzard enveloped the mountain. Not only did five people die, many others barely escaped with their lives.

Why did the climbers ignore the two o'clock rule? Many team members recognized quite explicitly the perils associated with violating the turnaround rule, but they chose not to question the leaders' judgment. The groups never engaged in an open and candid dialogue regarding the choice to push ahead. Neil Beidleman, a guide on Fischer's team, had serious reservations about climbing well past midday. However, he did not feel comfortable telling Fischer that the

group should turn around. Perceptions of his relative status within the group affected Beidleman's behavior. He was "quite conscious of his place in the expedition pecking order," and consequently, he chose not to voice his concerns.[42] He reflected back, "I was definitely considered the third guide...so I tried not to be too pushy. As a consequence, I didn't always speak up when maybe I should have, and now I kick myself for it."[43] Similarly, Jon Krakauer, a journalist climbing as a member of Hall's team, began to sense the emergence of a "guide–client protocol" that shaped the climbers' behavior. Krakauer remarked, "On this expedition, he [Andy Harris—one of Rob Hall's guides] had been cast in the role of invincible guide, there to look after me and the other clients; we had been specifically indoctrinated not to question our guides' judgment."[44]

The climbers on these expedition teams also did not know one another very well. Many of them had not met their colleagues prior to arriving in Nepal. They found it difficult to develop mutual respect and trust during their short time together. Not knowing how others might react to their questions or comments, many climbers remained hesitant when doubts surfaced in their minds. Russian guide Anatoli Boukreev, who did not have a strong command of the English language, found it especially difficult to build relationships with his teammates. Consequently, he did not express his concerns about key aspects of the leaders' plans, for fear of how others might react to his opinions. Regretfully, he later wrote, "I tried not to be too argumentative, choosing instead to downplay my intuitions."[45]

Hall also made it clear to his team during the early days of the expedition that he would not welcome disagreement and debate during the ascent. He believed that others should defer to him because of his vast mountain-climbing expertise and remarkable track record of guiding clients to the summit of Everest. After all, Hall had guided a total of 39 clients to the top during 4 prior expeditions. He offered a stern pronouncement during the early days of the climb: "I will

tolerate no dissension up there. My word will be absolute law, beyond appeal."[46] Hall made the statement because he wanted to preempt pushback from clients who might resist turning around if he instructed them to do so. Ironically, Hall fell behind schedule on summit day and should have turned back, but the clients did not challenge his decision to push ahead. Because of Hall's early declaration of authority, Krakauer concluded, "Passivity on the part of the clients had thus been encouraged throughout our expedition."[47]

Before long, deference to the "experts" became a routine behavior for the team members. When the experts began to violate their own procedures or make other crucial mistakes, that pattern of deference persisted. Less-experienced team members remained hesitant to raise questions or concerns. Fischer's situation proved especially tragic. His physical condition deteriorated badly during the final summit push, and his difficulties became apparent to everyone, including the relative novices. He struggled to put one foot in front of the other, yet "nobody discussed Fischer's exhausted appearance" or suggested that he should retreat down the slopes.[48]

Unfortunately, the experience of these teams on the slopes of Everest mirrors the group dynamic within many executive suites and corporate boardrooms in businesses around the world. The factors suppressing debate and dissent within these expedition teams also affect managers as they make business decisions. People often find themselves standing in Neil Beidleman's shoes—lower in status than other decision makers and unsure of the consequences of challenging those positioned on a higher rung in the organizational pecking order. Like Rob Hall, many leaders boast of remarkable track records and employ an autocratic leadership style. Inexperienced individuals find themselves demonstrating excessive deference to those with apparent expertise in the subject at hand. Plenty of teams lack the atmosphere of mutual trust and respect that facilitates and encourages candid dialogue. Fortunately, most business decisions are not a matter of life or death.[49]

The Perils of Conflict and Dissent

Of course, dissent does not always prove to be productive; cultivating conflict has its risks. To understand the perils, we must distinguish between two forms of conflict. Suppose that you ask your management team to compare and contrast two alternative courses of action. Individuals may engage in substantive debate over issues and ideas, which we refer to as cognitive, or task-oriented, conflict. This form of disagreement exposes each proposal's risks and weaknesses, challenges the validity of key assumptions, and even might encourage people to define the problem or opportunity confronting the firm in an entirely different light. For these reasons, cognitive conflict tends to enhance the quality of the solutions that groups produce. As former Intel CEO Andrew Grove once wrote, "Debates are like the process through which a photographer sharpens the contrast when developing a print. The clearer images that result permit management to make a more informed—and more likely correct—call."[50]

Unfortunately, when differences of opinion emerge during a discussion, managers may find it difficult to reconcile divergent views. At times, people become wedded to their ideas, and they begin to react defensively to criticism. Deliberations become heated, emotions flare, and disagreements become personal. Scholars refer to these types of personality clashes and personal friction as affective conflict. When it surfaces, decision processes often derail. Unfortunately, most leaders find it difficult to foster cognitive conflict without also stimulating interpersonal friction. The inability to disentangle the two forms of conflict has pernicious consequences. Affective conflict diminishes commitment to the choices that are made, and it disrupts the development of shared understanding. It also leads to costly delays in the decision process, meaning that organizations fail to make timely decisions, and they provide competitors with an opportunity to capture advantages in the marketplace.[51] Figure 1.2 depicts how cognitive and affective conflict shape decision-making outcomes.[52]

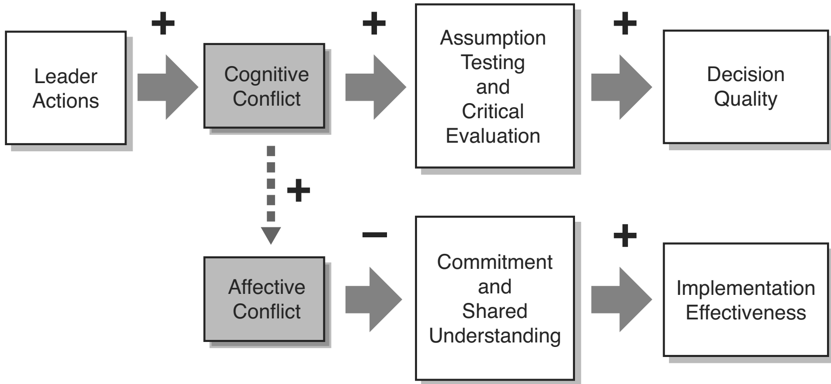

Figure 1.2 Cognitive and affective conflict

Consider the case of a defense electronics firm examining how to restructure a particular line of business. The chief executive wanted to take a hard look at the unit because it had become unprofitable. Multiple options emerged, and managers conducted a great deal of quantitative analysis to compare and contrast each possible course of action. A lively set of deliberations ensued. The chief financial officer played a particularly important role. He scrutinized all the proposals closely, treating each with equal skepticism. One manager remarked, "He would be able to articulate the black-and-white logical reasons why things made sense, or why they didn't make sense....He was incredibly objective...like Spock on Star Trek." Unfortunately, not everyone else could remain as objective. Some managers took criticism very personally during the deliberations, and working relationships became strained. Discussions became heated as individuals defended their proposals in which they had invested a great deal of time and energy. Some differences of opinion centered on a substantive issue; in other cases, people disagreed with one another simply because they did not want others to "win" the dispute. As one executive commented, "We could have put the legitimate roadblocks on the table and separated those from the emotional roadblocks. We would have been much better off. But we put them all in the same pot and

had trouble sorting out which were real and which weren't." Ultimately, the organization made a decision regarding how to restructure, and looking back, nearly everyone agreed that they had discovered a creative and effective solution to the unit's problems. However, the organization struggled mightily to execute its chosen course of action in a timely and efficient manner. The entire implementation effort suffered from a lack of buy-in among people at various levels of the organization. Management overcame these obstacles and, eventually, the business became much more profitable. Nevertheless, the failure to develop a high level of consensus during the decision process cost the organization precious time and resources. Figure 1.3 depicts how conflict and consensus can come together to lead to positive outcomes rather than poor choices and flawed implementation efforts.

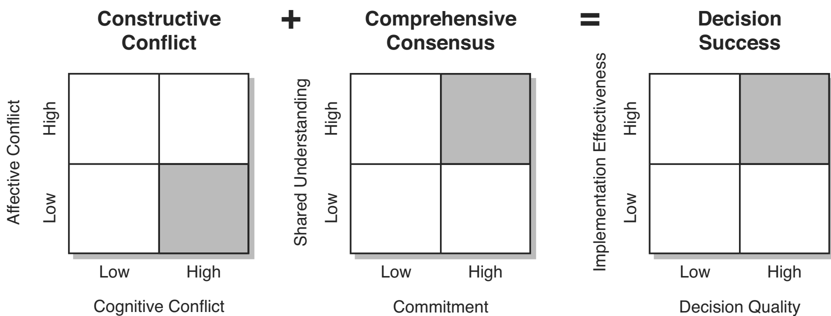

Figure 1.3 The path to decision success

Why Is This So Difficult?

Why is managing conflict and building consensus so challenging? The roots of the problem may reside in one's style of leadership. Often, however, the difficulty reflects persistent patterns of dysfunction within groups and organizations. Let's try to understand a few sources of difficulty that leaders must overcome as they shape and direct decision processes.

Leadership Style

Leaders may have certain personal preferences and attributes that make it difficult to cultivate constructive conflict and/or build consensus within their organizations. For instance, some executives may be uncomfortable with confrontation, and therefore, they tend to avoid vigorous debates at all costs. They shy away from cognitive conflict because loud voices and sharp criticism simply make them uneasy. Others may be highly introverted, and consequently, they may discover that their employees find it difficult to discern their intentions as well as the rationale that they have employed to make decisions.

Some executives prefer to manage by fear and intimidation, and they enjoy imposing their will on organizations. That leadership style also squelches dissenting voices, and it can leave employees feeling unenthusiastic about a proposed plan of action that they did not help to formulate. Of course, a few extraordinary leaders foster enormous levels of commitment while employing this approach. Consider, for instance, the management style of Bill Parcells, the famous professional football coach. He has dramatically turned around four very unsuccessful franchises over the past two decades, and his teams have won two world championships. He thrives on confrontation, instills a great deal of fear in his players, and makes decisions in a highly autocratic fashion. Yet, players put forth an incredible effort for Parcells, and they frequently express an intense desire to please him, despite the fact that he makes their lives difficult at times. In general, however, success often proves difficult to sustain over the long haul for those who employ this leadership pattern. Perhaps that explains why Parcells has chosen to shift frequently from one team to another during his coaching career.[53]

Cognitive Biases

A few mental traps also stand in the way as leaders try to manage conflict and consensus. For instance, most individuals search for

information in a biased manner. They tend to downplay data that contradicts their existing views and beliefs, while emphasizing the information that supports their original conclusions. This confirmation bias explains why leaders may not aggressively seek to surface dissenting views, or why they may not listen carefully to those voices. Naturally, managers become frustrated if they perceive that leaders are processing information in a biased manner, and that disappointment can diminish buy-in.[54] Overconfidence bias becomes a factor in many situations as well. Most of us tend to overestimate our own capabilities. Consequently, we may not recognize when we need to solicit input and advice from others, or we downplay the doubts that others display regarding our judgments and decisions.[55]

Threat Rigidity

In many cases, strategic decision making occurs in the context of a threatening situation—the organization must deal with poor financial performance, deteriorating competitive position, and/or a dramatic shift in customer requirements. When faced with a threatening context, the psychological stress and anxiety may induce a rigid cognitive response on the part of individuals. People tend to draw upon deeply ingrained mental models of the environment that served them well in the past. Individuals also constrict their information gathering efforts, and they revert to the comfort of well-learned practices and routines. This cognitive rigidity impairs a leader's ability to surface and discuss a wide range of dissenting views. To make matters worse, factors at the group and organizational level complement and reinforce this inflexible and dysfunctional response to threatening problems. Consequently, organizational decision processes become characterized by restricted information processing, a constrained search for solutions, a reduction in the breadth of participants, and increased reliance on formal communication procedures.[56]

In-Groups Versus Out-Groups

As people work together in the decision process, they have a natural tendency to categorize other members of the groups in which they interact. They classify some people as similar to them (the in-group) and others as quite different, based on a few salient demographic characteristics or professional attributes (the out-group). For instance, an engineer may distinguish those group members with similar functional backgrounds from individuals who have spent their careers working in finance or marketing. In general, people tend to perceive in-group members in a positive light and out-group members in a negative light. These perceptions shape the way that individuals interact with one another. Highly divisive categorization processes—those circumstances in which people draw sharp distinctions between in-groups and out-groups—can diminish social interaction among group members, impede information flows, and foster interpersonal tensions.

Individuals also appraise other group members in terms of personal attributes such as intelligence, integrity, and conscientiousness. Unfortunately, a person's self-appraisal often does not match the view that others have. An individual may see himself as highly trustworthy, whereas others have serious doubts about whether he is reliable and dependable. When individuals tend to see themselves in a manner consistent with others' views and perceptions, groups perform more effectively. If many perceptual disconnects exist within a group, people find it difficult to interact constructively. It becomes difficult to manage disputes and lead deliberations smoothly.[57]

Organizational Defensive Routines

Organizations often develop mechanisms to bypass or minimize the embarrassment or threat that individuals might experience. Managers employ these "defensive routines" to preserve morale, make "bad news" a bit more palatable, and soften the impact of negative

feedback. They want people to remain upbeat and positive about the organization's mission as well as their own situation. For instance, in many firms, we witness the existence of an implicit understanding of the need to employ a routine for helping employees to "save face" when they have failed. Unfortunately, such behaviors depress the level of candor within the organization, and they make certain issues "undiscussable." Over time, these defensive practices become deeply ingrained in the organizational culture. They do not occur because a specific individual wants to avoid embarrassing a colleague, but rather because all managers understand that this is "the way things are done around here." Leaders often find it extremely difficult to dismantle these deeply embedded barriers to open and honest dialogue.[58]

A Deeper Explanation

All the factors described previously certainly make it difficult to manage conflict and consensus effectively. The core contention of this book, however, is that many leaders fail to make and implement decisions successfully for a more fundamental reason—that is, they tend to focus first and foremost on finding the "right" solution when a problem arises rather than stepping back to determine the "right" process that should be employed to make the decision. They fixate on the question "What decision should I make?" rather than asking "How should I go about making the decision?" Answering this "how" question correctly often has a profound impact on a leader's decision-making effectiveness. It enables leaders to create the conditions and mechanisms that will lead to healthy debate and dissent as well as a comprehensive and enduring consensus.

Naturally, leaders also must address the content of critical high-stakes decisions, not simply the processes of deliberation and analysis. They have to take a stand on the issues, and they must make difficult trade-offs in many cases. Moreover, creating and leading an effective

decision-making process does not guarantee a successful choice and smooth implementation. However, developing and managing a high-quality decision-making process does greatly enhance the probability of successful choices and results.[59]

Throughout this book, I argue that leaders should stay attuned constantly to the social, emotional, and political processes of decision. However, they need to do more than this. They must not simply react passively to the personality clashes and backroom maneuvering that emerges during a decision-making process. Instead, they should actively shape and influence the conditions under which people will interact and deliberate. They must make choices about the type of process that they want to employ and the roles that they want various people to play, as Alan Mulally has done at Ford. In short, leaders must "decide how to decide" as they confront complex and ambiguous situations, rather than fixating solely on the intellectual challenge of finding the optimal solution to the organization's perplexing problems. With this broad theme in mind, let's begin to tackle the marvelous challenge of discovering how leaders can cultivate "diversity in counsel, unity in command."

Endnotes

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3. Ford Motor Company 2006 Annual Report: A Message from the President and CEO. p. 4.
4. Vlasic. (2011). p. 278.
5. M. Abramson, K. Crnko, and A. Useem. (2010). "On leadership: Ford CEO Alan Mulally on catching mistakes." Washington Post Video Interview. www.washingtonpost.com/wp-dyn/content/video/2010/03/17/VI2010031700340.html, accessed October 15, 2012.
6. Vlasic. (2011). p. 282.

7. Vlasic. (2011). p. 283.
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10. Vlasic. (2011). p. 278.
11. Vlasic. (2011). p. 283.
12. Many scholars have drawn this distinction between decisions that are quite novel, ill-structured, ambiguous, and highly consequential and those that are more routine, well-defined, and tactical in nature. For instance, see H. Simon. (1960). *The New Science of Management Decision*. New York: Harper & Row; P. Drucker. (1967). *The Effective Executive.* New York: Harper & Row; F. Harrison. (1996). *The Managerial Decision-Making Process*. Fourth edition. Boston: Houghton-Mifflin. For an example of researchers who define strategic decisions in a manner similar to the approach employed in this book, see K. Eisenhardt and L. J. Bourgeois. (1988). "The politics of strategic decision making in high-velocity environments: Toward a midrange theory," *Academy of Management Journal*. 31(4): p. 737–770.
13. Henry Mintzberg and his colleagues conducted a landmark study in 1976 that documented the dynamic, iterative, and discontinuous nature of many strategic decision-making processes. See H. Mintzberg, D. Raisinghani, and A. Theoret. (1976). "The structure of 'unstructured' decision processes," *Administrative Science Quarterly*. 21: pp. 246–275.
14. N. Tichy and D. Ulrich. (1984). "The leadership challenge—A call for the transformational leader," *Sloan Management Review*. 26(1): p. 63.
15. A. L. and Michael Maynard. 2004. *Dramatic Success: Theatre Techniques to Transform and Inspire Your Working Life*. London: Nicholas Brealey Publishing. p. 14.
16. J. Byrne, L. Lavelle, N. Byrnes, M. Vickers, and A. Borrus. (2002). "How to fix corporate governance," *BusinessWeek*. (May 6, 2002): p. 68.
17. Bill Wooldridge and Steven Floyd have defined and operationalized the construct of consensus as the multiplicative function of commitment and shared understanding. Their definition, survey instruments, and measurement methodology have now been used by a number of other scholars. See B. Wooldridge and S. Floyd. (1990). "The strategy process, middle management involvement, and organizational performance," *Strategic Management Journal*. 11: 231–241. To see how I have measured consensus following a similar methodological approach, see M. Roberto. (2004). "Strategic decision-making processes: Moving beyond the efficiency–consensus tradeoff," *Group and Organization Management*. 29(6): pp. 625–658.

18. A. Amason. (1996). "Distinguishing the effects of functional and dysfunctional conflict on strategic decision making," *Academy of Management Journal.* 39(1): p. 125.
19. For more on what can happen when organizations achieve understanding without commitment, or vice versa, see S. Floyd and B. Wooldridge. (1996). *The Strategic Middle Manager: How to Create and Sustain Competitive Advantage.* San Francisco: Jossey-Bass.
20. J. Krakauer. (1997). *Into Thin Air: A Personal Account of the Mount Everest Disaster.* New York: Anchor Books. p. 356–357.
21. Many empirical studies have shown that organizational decision-making processes can be quite diffuse at times and that they involve simultaneous activity at multiple levels of the firm. In Joseph Bower's seminal work on how resource-allocation decisions are made in organizations, he concluded, "Individual planning and investment decisions are made by managers at many levels of the firm...an idea is shaped as it proceeds up managerial levels until it emerges fully packaged as a request for capital or a business plan for consideration by corporate management. At the same time, each level of management influences the ones above and below it." See J. Bower. (1970). *Managing the Resource Allocation Process.* Boston: Harvard Business School Press. pp. 19–20. For more empirical work consistent with Bower's findings, see R. Burgelman. (1983). "A process model of internal corporate venturing in the diversified major firm." *Administrative Science Quarterly.* 28: pp. 223–244, as well as H. Mintzberg and A. McHugh. (1985). "Strategy formation in an adhocracy." *Administrative Science Quarterly.* 30(2): pp. 160–197. An interesting reflection on the past few decades of research in this stream of literature can be found in R. Butler, H. Mintzberg, A. Pettigrew, and J. Waters. (1990). "Studying deciding: An exchange of views between Mintzberg and Waters, Pettigrew, and Butler." *Organization Studies.* 11(1): pp. 1–16.
22. G. Allison and P. Zelikow. (1999). *Essence of Decision: Explaining the Cuban Missile Crisis.* Second edition. New York: Longman. p. 5. In this book, the authors examine the Cuban Missile Crisis, using three different conceptual lenses. The first—the rational actor model—presumes that one can explain an organization's behavior as the output of the thinking of a rational individual at the top of the institution. The other two conceptual lenses view organizational decisions and action as the result of a more complex set of routines and behaviors involving multiple actors, at different levels, who may have conflicting goals.
23. See M. Roberto. (2002). "The stable core and dynamic periphery in top management teams," *Management Decision.* 41(2): pp. 120–131. In that paper, I provide results from a survey of 78 business-unit presidents at Fortune 500 firms, as well as from field research at several sites. The data show that a top management team performs a variety of monitoring and control functions within most firms, but that a single team with stable composition does not make strategic choices in most organizations.

Instead, different groups, with members from multiple organizational levels, form to make various strategic decisions. A stable subset of the top team forms the core of each of these multiple decision-making bodies.

24. D. Hambrick. (1994). "Top management groups: A conceptual integration and reconsideration of the team label," In B. M. Staw and L. L. Cummings (Eds.) *Research in Organizational Behavior*. Greenwich, CT: JAI Press. p. 172. Hambrick offered this acknowledgment one decade after launching the "upper echelons" literature, which focuses on the effect of top management team composition on strategic choices and organizational performance. See D. Hambrick and P. Mason. (1984). "Upper echelons: The organization as a reflection of its top managers," *Academy of Management Review*. 9: pp. 193–206.
25. J. B. Quinn. (1980). *Strategies for Change*. Homewood, IL: Irwin. p. 13.
26. For interesting case studies that demonstrate the critical role of "offline" activity as it relates to senior management team decision making, see L. Hill. (1993). "Rudi Gassner and the Executive Committee of BMG International (A)," Harvard Business School Case No. 494-055, as well as D. Garvin and M. Roberto. (1997). "Decision-Making at the Top: The All-Star Sports Catalog Division," Harvard Business School Case No. 398-061.
27. For a comprehensive overview of cognitive bias research, see M. Bazerman. (1998). *Judgment in Managerial Decision Making*. New York: John Wiley & Sons. To access another useful guide for managers, see J. E. Russo and P. Schoemaker. (2002). *Winning Decisions: Getting It Right the First Time*. New York: Fireside.
28. For more on the sunk-cost trap, see B. Staw and J. Ross. (1989). "Understanding behavior in escalation situations." *Science.* 246: pp. 216–220; H. Arkes and C. Blumer. (1985). "The psychology of sunk cost," *Organizational Behavior and Human Decision Processes*. 35: pp. 124–140; J. Brockner. (1992). "The escalation of commitment to a failing course of action," *Academy of Management Review*. 17(1): pp. 39–61.
29. Kathleen Eisenhardt and L. Jay Bourgeois found that political behavior—defined in terms of activities such as withholding of information and behind-the-scenes coalition formation—leads to less-effective decisions and poorer organizational performance. See K. Eisenhardt and L. J. Bourgeois. (1988). However, other studies show that certain forms of political behavior can enhance organizational performance. For instance, Kanter, Sapolsky, Pettigrew, and Pfeffer each have conducted studies that show that political activity such as coalition building can prove helpful in building commitment and securing support for organizational decisions. See R. Kanter. (1983). *Change Masters.* New York: Simon and Schuster; H. Sapolsky. (1972). The *Polaris System Development: Bureaucratic and Programmatic Success in Government*. Cambridge: Harvard University

Press; A. Pettigrew. (1973). *The Politics of Organizational Decision Making*. London: Tavistock; J. Pfeffer. (1992). *Managing with Power*. Boston: Harvard Business School Press. Why the discrepancy in these studies? It appears that the results will depend on precisely how scholars define politics, as well as precisely how managers employ political tactics in organizations.

30. In a classic study of more than 200 capital investment choices, Eberhard Witte found that the decision processes almost never followed a simple linear progression from problem identification to selection of a course of action. See E. Witte. (1972). "Field research on complex decision-making processes—The phase theorem." *International Studies of Management and Organization*. Fall: pp. 156–182.
31. James March has described the "garbage-can model" of decision making in which solutions, problems, and decision makers often come together haphazardly, with the outcome sometimes being that solutions are in search of problems to solve. See J. March. (1994). *A Primer on Decision Making.* New York: Free Press.
32. See A. Langley. (1989). "In search of rationality: The purposes behind the use of formal analysis in organizations," *Administrative Science Quarterly*. 34: pp. 598–631; M. Feldman and J. March. (1981). "Information in organizations as signal and symbol," *Administrative Science Quarterly.* 26: pp. 171–186.
33. For more on Iacocca and the Ford Mustang story, see R. Lacey. (1986). *Ford: The Men and the Machine.* Boston: Little Brown; D. Halberstam. (1986). *The Reckoning*. New York: William Morrow; L. Iacocca. (1984). *Iacocca: An Autobiography*. Toronto: Bantam Books.
34. See K. Weick. (1995). *Sensemaking in Organizations*. Thousand Oaks, CA: Sage.
35. For more on the emergent nature of strategy formation, see H. Mintzberg and J. Waters. (1985). "Of strategies, deliberate and emergent," *Strategic Management Journal*. 6(3): pp. 257–272.
36. Welch describes this concept of confronting reality in a video produced at the Harvard Business School that includes a compilation of Jack Welch speaking to students or being interviewed by HBS professors at a series of points during his 20-year tenure as CEO of General Electric. See J. Bower. (2002). *Jack Welch Compilation: 1981–2001*. Harvard Business School Video. Welch also describes what he means by dealing with reality in his book. See J. Welch. (2001). *Jack: Straight from the Gut*. New York: Warner Business Books.
37. Bower. (1970). p. 305.
38. In her book *Men and Women of the Corporation*, Rosabeth Moss Kanter describes how managers have a tendency to search for subordinates who

are similar to them in many ways, including people with similar outward appearances. She argued that homogeneity comforts people, in a sense, particularly during times of uncertainty. See R. Kanter. (1977). *Men and Women of the Corporation*. New York: Basic Books. Many scholars also have argued that demographic homogeneity may signify a lower level of cognitive diversity within a firm (i.e., a tendency for more like-minded people). For instance, see D. Hambrick and P. Mason. (1984).

39. For an example of the pressures to not disagree with a powerful chief executive, one might consider the case of Bill Agee, CEO at Morris Knudsen in the early 1990s. Brian O'Reilly describes his management style in great detail in an article for *Fortune* magazine that appeared in May 1995, after a year in which Agee's firm lost more than $300 million, largely due to a flawed decision to move into locomotive and railcar manufacturing. In the article, O'Reilly quotes a rail company executive commenting on Morris Knudsen's attempt to move into this new business; that executive describes Agee's direct reports as "sycophants and yes-men." See B. O'Reilly. (1995). "Agee in exile," *Fortune*. (May 29, 1995): pp. 50–61.
40. In addition to drawing from published sources, the account provided here includes insights drawn from conversations that I have had with mountaineers David Breashears and Ed Viesturs. Those two highly accomplished climbers led the IMAX film expedition in 1996. They made the wise decision to turn around and climb back down to Base Camp, while the Fischer and Hall teams continued toward the summit. They witnessed the tragic events that took place and helped with rescue efforts.
41. J. Krakauer. (1997). *Into Thin Air: A Personal Account of the Mount Everest Disaster*. New York: Anchor Books. p. 190.
42. Ibid. (1997). p. 260.
43. Ibid. (1997). p. 260.
44. Ibid. (1997). p. 245.
45. A. Boukreev and G. Weston DeWalt. (1998). *The Climb: Tragic Ambitions on Everest*. New York: St. Martin's. p. 121.
46. Krakauer. (1997). p. 216.
47. Ibid. (1997). p. 219.
48. Ibid. (1997). p. 265.
49. For a complete conceptual analysis of the 1996 Mount Everest tragedy, see M. Roberto. (2002). "Lessons from Everest: The interaction of cognitive bias, psychological safety, and system complexity," *California Management Review*. 45(1): 136–158. For educators, the events also are detailed in a teaching case; see M. Roberto and G. Carioggia. (2002). "Mount Everest—1996," Harvard Business School Case No. 303-061. Finally, Amy Edmondson and I have developed an on-line simulation in which teams of students try to scale Mount Everest. As teams make the virtual trek, they face a series of problems and challenges. The team

members must weigh extensive information about weather conditions, health, hiking speed, and other factors as they make decisions. The simulation teaches important lessons about group dynamics and leadership. See M. Roberto, and A. Edmondson. (2011). *Everest Leadership Simulation – Version 2.0*. Harvard Business School Publishing.

50. A. Grove. (1996). *Only the Paranoid Survive: How to Exploit the Crisis Points That Challenge Every Company*. New York: Currency-Doubleday. p. 116.
51. See Amason (1996) for a detailed discussion of the relationship between cognitive and affective conflict, as well as the effect that these two forms of conflict have on outcomes such as commitment, understanding, and decision quality.
52. Many people have speculated about cross-cultural differences with respect to the role of conflict in organizational decision-making processes. I believe that many of the ideas presented in this book represent universal principles, but naturally, managers need to apply these core principles with sensitivity for the cultural settings in which they work. For instance, many people have wondered whether conflict must be handled differently in certain countries, such as Japan. I have chosen not to speculate in this book about cross-cultural differences, given that most of my research has taken place in the United States, Canada, and Great Britain. Moreover, other scholars have not yet arrived at definitive research conclusions with regard to cross-cultural differences in senior management decision-making. More work needs to be done in this area.
53. For more on the leadership style of Bill Parcells, see B. Parcells. (2000). "The tough work of turning around a team," *Harvard Business Review*. 78(6): pp. 179–184.
54. H. Einhorn and R. Hogarth. (1978). "Confidence in judgment: Persistence in the illusion of validity," *Psychological Review*. 85: pp. 395–416.
55. For more on overconfidence bias, see S. Lichtenstein, B. Fischhoff, and L. Phillips. (1982). "Calibration of probabilities: The state of the art to 1980," in D. Kahneman, P. Slovic, and A. Tversky, eds., *Judgment Under Uncertainty: Heuristics and Biases*. New York: Cambridge University Press.
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57. For more on social identity theory and self-categorization theory, see H. Tajfel. (1978). "Social categorization, social identity, and social comparison." In H. Tajfel (ed.). *Differentiation Between Social Groups in the Social Psychology of Intergroup Relations*. London: Academic Press. pp. 61–76; J. Turner. (1985). "Social categorization and the self-concept: A social cognitive theory of group behavior." In E. J. Lawler (ed.). *Advances in Group Processes: Theory and Research*. Greenwich, CT: JAI Press. pp. 77–122. For a recent empirical study applying these theories to better

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58. C. Argyris. (1990). *Overcoming Organizational Defenses*. Needham Heights, MA: Simon and Schuster.
59. A great deal of empirical research has shown that certain process attributes tend to enhance decision-making outcomes (i.e., a higher-quality process leads to higher-quality choices). For instance, see I. Janis. (1989). *Crucial Decisions.* New York: Free Press; J. Dean and M. Sharfman. (1996). "Does decision process matter?" *Academy of Management Journal*. 39: pp. 368–396. For a review of studies in this area, see N. Rajagopalan, A. Rasheed, and D. Datta. (1993). "Strategic decision processes: Critical review and future directions," *Journal of Management*. 19: pp. 349–364.

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