DECISION MAKING TOOLKIT
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We all make decisions in our lives, everyday and often many times a day. Some of these decisions are just about ourselves and impact on no one in particular, like what we might wear in the morning or what we decide to have for breakfast. However, in our work environment decisions are not so simple and usually impact on others, so knowing if you make good decisions and understanding decision making processes is critical to your professionalism and ability to be effective.

A decision for a group is considered good when it meets the needs and interests of all the group members, when the group enthusiastically supports it and when it can be most easily put into action. Meetings are the usual environment necessary for decision making.

This tool-kit assumes you and your colleagues have already implemented the basic best practice of meetings. If not, you do need to get this right before agreeing a decision making process or else no one will be very committed to sticking with the agreements. Regular meetings work better if everyone agrees on a set of discussion guidelines. Some groups post their guidelines as a large sign:

- Listen to others
- Do not interrupt
- Ask clarifying questions
- Welcome new ideas
- Do not allow personal attacks
- Treat every contribution as valuable

Some other tips for good meetings are:

- Display everyone's contribution, consider using a flip chart, overhead projector or a blackboard.
- Follow a set of agreed discussion guidelines
- Develop a friendly culture
- Encourage humour and provide food and drink and allow for social time.
Consensus Decision Making

This Tool Kit deals specifically with **Consensus Decision Making** as it aims to be optimal and fair. Consensus uses open deliberation to find the best solutions to problems. In order to satisfy all members of the group, every decision is of:

- excellent quality,
- carefully examined,
- clearly workable,
- desirable and well thought out.

The model enables groups to attend to two equally crucial aspects of group process:

* The task dimension – achieving the group’s purposes and the goals it sets itself
* The maintenance dimension – building and maintaining good relationships, commitment, and creativity within the group.

The mutual satisfaction promotes commitment to decisions and reduces resentment. On the other hand majority voting, often in use in meetings and partnerships, creates the opportunity for oppression of interests and ideas. Voting is a useful tool but, in the context of consensus decision making, as you will see later.

**As a decision-making process, consensus decision-making aims to be:**

* Inclusive: As many stakeholders as possible should be involved in the consensus decision-making process
* Participatory: The process should actively solicit the input and participation of all decision-makers
* Cooperative: Participants should strive to reach the best decision for the group, rather than a majority opinion
* Egalitarian: All members of a consensus decision-making body should be afforded, as much as possible, equal input into the
process. All members have the opportunity to present, amend and veto or "block" proposals.
* Solution-oriented: An effective decision-making body strives to emphasise common agreement and reach effective decisions using compromise and other techniques to avoid or resolve mutually-exclusive positions within the group

Like all good democratic processes, consensus decision-making is about giving people choice and control over their own lives. This means that consensus can only be found when people choose to agree on something. The group needs not only to follow a process that promotes consensus, it must also develop a culture that promotes it, a structure that allows for it, and a constitution to base it on.

*Referenced from Kate Lawrence (2000) “Consensus Decision Making”*

**Group Culture**

The people of the group or partnership create the culture. Culture is ‘how we work around here’ or how we behave with each other.

For a group to practice consensus democracy they must have a culture that:

- encourages cooperation,
- sharing and teamwork,
- equality and solidarity,
- empathy,
- trust and honesty,
- and unity.

Without these qualities discussion will lead to competition, power struggles, misunderstandings, and other kinds of conflict. To ensure you have these qualities in your group or partnership you will need to review and re-align your common goals and values.

There are two basic kinds of decisions: those that are made by using a specific process and those that are just reactive. Although both kinds of decisions contain opportunities and learning experiences, there are definite advantages to using a specific process to make a decision. The most obvious advantage is the reduced level of stress you will experience. Another is the quality of the result, and satisfaction in making it.
Wise decisions are decisions that are made using a structured process. They are based on the values and perceptions of the decision-maker within a decision framework and include carefully considered alternatives and options along with periodic reassessments of the decision and its effects.

Wise decisions may or may not follow the status quo, or popular beliefs. Here are some characteristics and actions of good decisions:

- Good decision makers organise their thinking so that they can improve the speed and quality of the decisions they make.
- Good decisions are the result of effective thinking.
- Good decision makers assess the decision to be made, and use the process and tools which are relative to the size and importance of the decision.
- Spend time on analytical and creative thinking so that you balance issues and make decisions that result in effective action.

A logical decision-making process will enable you and your partnership to become quicker at thinking things through and reaching “right-first-time” decisions. If you approach a decision in an organised manner, and then meet the same situation again, the value of your original thinking is repaid.

**Tools and Models to help with Consensus Decision Making**

**1) The SWOT Model: Strengths, Weaknesses, Opportunities and Threats**

SWOT is one that many people are familiar with in strategic planning but not often used in the group decision making setting. It’s a matter of sensible choice as to what helps best to identify and illustrate the issues. The SWOT analysis is an extremely useful tool for understanding and decision-making for all sorts of situations in business and organisations. The idea is that you identify the strengths and weaknesses of your service, pinpoint opportunities and note threats in order to make good decisions. SWOT is
normally an assessment of a business or a proposition and can equally be applied to situations where the decision is between differing ways of proceeding or different a choice has to be made about which models or processes to adopt.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Opportunities</td>
<td>Threats</td>
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The analysis is a subjective assessment of data which is organized into a logical order that helps understanding, presentation, discussion and decision-making. The four sections are a useful extension of a basic two heading list of pro’s and con’s, or a plus, minus and interesting points analysis. It also enables creative thinking rather than relying on problem analysis or reactions.

**Strengths and weaknesses are internal to an organization. Opportunities and threats originate from outside the organisation.**

Strengths (maintain, build and leverage),
Opportunities (prioritize and optimize),
Weaknesses (remedy or exit),
Threats (defend and oppose)

SWOT may also be used in conjunction with other methods and/or tool. An example is with Cost Analysis or benchmarking in order to assess numerical values or facts so that SWOT may be applied against it.
Another tool is PEST (political, economic, social and technological) or PESTLE (political, economic, social, technological, legal and environmental) which is generally useful before completing a SWOT - and not vice-versa. PEST/LE can help to identify SWOT factors. There is overlap between both models, in that similar factors would appear in each. They are two different, yet related perspectives: PEST/LE assesses a market, including competitors, from the standpoint of a particular proposition or a business or organisation.

2) Coloured Cards

Some consensus decision-making bodies use a system of coloured cards to speed up and ease the consensus process. Most often, each member is given a set of three coloured cards: red, yellow and green. The cards can be raised during the process to indicate the member's input. Cards can be used during the discussion phase as well as during a call for consensus. The cards have different meanings depending on the phase in which they are used. The meaning of the colours are:

* Red: During discussion, a red card is used to indicate a point of process or a breach of the agreed upon procedures. Identifying diversion from topic, speakers going over allowed time limits or other breaks in the process are uses for the red card. During a call for consensus, the red card indicates the member's opposition. When a member uses a red card, it becomes their responsibility to work with the proposing committee to come up with a solution that will work for everyone.

* Yellow: In the discussion phase, the yellow card is used to indicate a member's ability to clarify a point being discussed or answer a question being posed. Yellow is used during a call for consensus to register a stand aside to the proposal or to formally state any reservations.

* Green: A group member can use a green card during discussion to be added to the speakers list. During a call for consensus, the green card indicates consent.

Live with disagreements
Get agreement on the big picture, then turn to action. Don't exhaust yourself trying to achieve consensus on details. On a contentious issue, embracing a variety of positions will make you more difficult to attack.
3) Pareto Analysis

It uses the Pareto principle – the idea that by doing 20% of work you can generate 80% of the advantage of doing the entire job. It shows the lack of symmetry that almost always appears between work put in and results achieved. This can be seen in area after area of activity. The figures 80 and 20 are illustrative – for example, 13% of work could generate 92% of returns. Vilfredo Pareto was an Italian economist who noted that approximately 80% of wealth was owned by only 20% of the population. This was true in almost all the societies he studied.

So Pareto analysis is a formal technique for finding the changes that will give the biggest benefits. It is useful where many possible courses of action are competing for your attention.

To start using the tool, write out a list of the changes you could make. If you have a long list, group it into related changes. Then score the items or groups. The scoring method you use depends on the sort of problem you are trying to solve. For example, if you are trying to improve profitability, you would score options on the basis of the profit each group might generate. If you are trying to improve customer satisfaction, you might score on the basis of the number of complaints eliminated by each change.

The first change to tackle is the one that has the highest score. This one will give you the biggest benefit if you solve it.

The options with the lowest scores will probably not even be worth bothering with – solving these problems may cost you more than the solutions are worth.
Example:
A manager has taken over a failing service centre. She commissions research to find out why customers think that service is poor.

She gets the following comments back from the customers:
1. Phones are only answered after many rings.
2. Staff seem distracted and under pressure.
3. Engineers do not appear to be well organized. They need second visits to bring extra parts. This means that customers have to take more holiday to be there a second time.
4. They do not know what time they will arrive. This means that customers may have to be in all day for an engineer to visit.
5. Staff members do not always seem to know what they are doing.
6. Sometimes when staff members arrive, the customer finds that the problem could have been solved over the phone.

The manager groups these problems together. She then scores each group by the number of complaints, and orders the list:
- Lack of staff training: items 5 and 6: 51 complaints
- Too few staff: items 1, 2 and 4: 21 complaints
- Poor organization and preparation: item 3: 2 complaints

By doing the Pareto analysis above, the manager can better see that the vast majority of problems (69%) can be solved by improving staff skills. The manager is able to focus on training as an issue, rather than spreading effort over training, taking on new staff members, and possibly installing a new computer system.

4). Six Thinking Hats

"Six Thinking Hats" is a powerful technique that helps you look at important decisions from a number of different perspectives. It helps you make better decisions by pushing you to move outside your habitual ways of thinking. As such, it helps you understand the full complexity of a decision, and spot issues and opportunities which you might otherwise not notice. If you look at a problem using
the Six Thinking Hats technique, then you'll use many approaches to develop your best solution. Your decisions and plans will mix ambition, skill in execution, sensitivity, creativity and good contingency planning.

This tool was created by Edward de Bono in his book "6 Thinking Hats". de Bono’s Hats are meant to explore both emotional states as well as perspectives. He has been quoted to state “Emotions are an essential part of our thinking ability and not just something extra that mucks up our thinking.”

How to Use the Tool:
De Bono believes that one thinking style (or hat) is not inherently “better” than another. A well-balanced group sees the need for all hats in order for the team to consider all aspects of whatever issues they are facing.

In wearing a particular thinking hat, people play roles, or “as if” they are taking a different perspective. Many of us say “Let’s play devil’s advocate, even if only for the sake of politely listing the negatives. The purpose of devil’s advocacy is to deliberately challenge an idea: be critical, look for what is wrong with it. Each of the Hats is named for a colour that is most likely associated with the perspective that one might adopt if they were to wear it. Since we were talking about the devil’s advocate role, one would be wearing the Black Thinking Hat.

The Hats
White (Observer) Facts, figures, rumours, opinions - Objective; Neutral; focus on information; available, what is needed, how it can be obtained. With this thinking hat, you focus on the data available. Look at the information you have, and see what you can learn from it. Look for gaps in your knowledge, and either try to fill them or take account of them.

Yellow (Self, Other) Positives, Pluses, Values, Benefits - Optimism; LOGICAL POSITIVE view. The yellow hat helps you to think positively. It is the optimistic viewpoint that helps you to see all the benefits of the decision and the value in it, and spot the opportunities that arise from it. Yellow Hat thinking helps you to keep going when everything looks gloomy and difficult.
Black (Self, Other) Downside, caution, risk assessment, what could go wrong; judgmental; critical; LOGICAL NEGATIVE view. When using black hat thinking, look at things pessimistically, cautiously and defensively. Try to see why ideas and approaches might not work. This is important because it highlights the weak points in a plan or course of action. It allows you to eliminate them, alter your approach, or prepare contingency plans to counter problems that arise.

Red (Self, Other) Emotions, Feelings, Intuition - fire, warmth; hunches; present views without explanation or justification to group. Wearing the red hat, you look at the decision using intuition, gut reaction, and emotion. Also try to think how other people will react emotionally, and try to understand the intuitive responses of people who do not fully know your reasoning.

Green (Self, Other) Creative, alternatives, new ideas, Variations, Modifications - Vegetation; possibilities and hypotheses. The Green Hat stands for creativity. This is where you can develop creative solutions to a problem. It is a freewheeling way of thinking, in which there is little criticism of ideas. A whole range of creativity tools can help you here.

Blue (Observer) Control, conductor, ring master, organize the thinking, choices, conclusions - Sky; cool; overview; Control over process, Steps to Implementation. The Blue Hat stands for process control. This is the hat worn by people chairing meetings. When running into difficulties because ideas are running dry, they may direct activity into Green Hat thinking. When contingency plans are needed, they will ask for Black Hat thinking, and so on.

OTHER HATS
– Chair-person, organiser; thinking about thinking

The primary benefits of using de Bono’s Six Thinking Hats model allow members of the group to say things without risk. They create awareness that there are multiple perspectives on decision. de Bono intended for the method to be most beneficial to groups, as individuals tend to feel constrained to consistently adopt a specific perspective. This is commonly referred to as “group think”. A group member must clearly identify the colour of the hat he is wearing while making a statement. Wearing a clearly identified hat separates ego from performance. It is most likely to inspire creative, inspiring thinking, similar to word association.
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Six Thinking Hats can be fun. Create tent cards of the each of the six colours, or use coloured flags. Encourage each member of the group to use the hat or flag when speaking from the matching perspective. Plans developed using the '6 Thinking Hats' technique are sounder and more resilient than would otherwise be the case. This technique may also help you to avoid public relations mistakes, and spot good reasons not to follow a course of action, before you have committed to it.

Decision Mistakes

According to management expert Peter Drucker, managers do not generally spend a great deal of time making decisions. Decision making is, however, the task that has the most far-reaching consequences. It’s imperative that managers recognize decision-making mistakes. Eight of the most common errors follow.

- **Failure to Recognise a Problem**
  Having to operate on a day-to-day basis without recognising a problem that’s in front our face, leads to a resigned attitude because of the “system,” and someone else must take action. When schedules present obstacles, or operations aren’t running according to plan, a manager should suspect that a problem exists. They should act to solve the problem. Frequently, managers don’t recognize the problem as their responsibility due to lack of experience, or that they recognize the problem carries with it the obligation to do something. Therefore, no recognition equates to no responsibility.

- **Incorrect Problem Identification**
  Identifying the problem is the next step in effective decision making. This step is also the most difficult because the more obvious consequences from a problem are often mistaken for the actual problem. Often with their time pressures we are less likely to dwell on what’s behind a problem. Other factors that keep from identifying the main problem include inaccurate perceptions and lack of experience. A decision that fails to deal with the real problem is, in effect, a bad decision because it will most likely produce an unsatisfactory solution. It will also result in further decisions having to be made to solve the problem.
• **Insufficient Consideration of Alternatives**

For any problem, there are usually a number of alternative solutions. Failure to think through the alternatives exposes you to the risk of overlooking the best decision. Therefore, it’s essential that you should generate ideas—think outside the box—and also consider possible repercussions from each alternative. Investigate beyond the obvious. Reasons for not thinking through alternatives range from the pressures of time to misperceptions. Decisions, when alternatives aren’t carefully considered, won’t be as effective as they should be and, more than likely, will result in someone else having to make another decision at a later time.

• **Inadequate Evaluation of Risk**

Every decision should be evaluated in terms of costs and benefits, or in terms of the risks involved and the results to be obtained. Failure to do so often produces high cost, complex solutions where the payoff is minimal. If the decision maker evaluates risk systematically, there’s a good chance that the decision will be a good one.

• **Repetitive Decisions**

Often groups handle the same problem over and over, making decisions in each instance on a case-by-case basis. Recurring problems can be more efficiently and effectively resolved through the development of policies, procedures, rules, regulations and the like. If you lack authority to initiate plans of this nature, you should refer the recurrent problem to those who can develop such plans.

• **Delayed Decisions**

There’s no evidence to support the contention that decisions improve with age, that the longer a decision is put off, the higher the quality of the eventual decision. On the other hand, fast—but not snap—decisions have at least two advantages. First, an expeditious decision gives you more time to correct a situation should the original decision prove to be wrong.
Lack of Follow-up
Each implementation should be followed through to see if it is producing the expected result. Not every decision is going to be as effective as first believed. Consequently, you should always monitor the situation to determine if things are working according to plan. Many times, decision makers are so relieved to have made a decision, that they wish to forget it, and go on to other things; hence, they neglect effective follow through.

Decision Pitfalls
Decisions will always have their pitfalls and here are some of the main ones.

- Analysis Paralysis
- Avoiding Decision
- Dealing with Uncertainty
- Fear of Commitment
- Fear of Regret
- Illusion of Flexibility
- Indecision
- Resisting Change
- Too Many Choices
- Decision Making Mistakes
- Strategic Delays
- Decision Shortcuts

If there is no time to adopt an analytical approach, use the VSAFE method

V – Value – check option aids objectives
S – Suitable – check option fits strategy
A – Acceptable – check option is acceptable
F – Feasible – check option is achievable
E – Enduring – check option is long-term
Stepladder Technique

The Stepladder Technique is a useful method for encouraging individual participation in group decision making. It is a simple tool that manages how members enter the decision-making group. Developed by Steven Rogelberg, Janet Barnes-Farrell and Charles Lowe in 1992, it encourages all members to contribute on an individual level BEFORE being influenced by anyone else. This creates a wider variety of ideas, it prevents people from "hiding" within the group, and it helps people avoid being "stepped on" or overpowered by stronger, louder group members. All of this helps the group make better decisions.

The Stepladder Technique has five basic steps. Here’s how it works.

Step 1: Before getting together as a group, present the task or problem to all members. Give everyone sufficient time to think about what needs to be done and to form their own opinions on how to best accomplish the task or solve the problem.

Step 2: Form a core group of two members. Have them discuss the problem.

Step 3: Add a third group member to the core group. The third member presents ideas to the first two members BEFORE hearing the ideas that have already been discussed. After all three members have laid out their solutions and ideas, they discuss their options together.

Step 4: Repeat the same process by adding a fourth member, and so on, to the group. Allow time for discussion after each additional member has presented his or her ideas.

Step 5: Reach a final decision only after all members have been brought in and presented their ideas.
So, group decision making is not always an easy process but can be made smoother by the use of tools and techniques which help the problems become overt and visible.

Decisions vary in complexity and it is the most straightforward decisions that are taken easily, the more difficult decisions house a number of criteria significant to the choice and so make it difficult.

Having an open discussion about the process your group or partnership uses to make decisions is one giant step forward towards a consensus, and therefore an equal way of coming to decisions.