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5 KEY DECISION-MAKING TECHNIQUES FOR MANAGERS

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 Communication, Decision-Making, Management, Management Essentials

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

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

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

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DECISION-MAKING TECHNIQUES FOR MANAGERS

1. Take a Process-Oriented Approach

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

“The majority of people think about making decisions as an event,” Schlesinger says. “It’s very rare to find a single point in time where a ‘decision of significance’ is made and things go forward from there. What we’re really talking about is a process. The role of the manager in overseeing that process is straightforward, yet, at the same time, extraordinarily complex.”

When establishing your [decision-making process](#), first frame the issue at hand to ensure you ask the right questions and everyone agrees on what needs to be decided. From there, build your team and manage group dynamics to analyze the problem and craft a viable solution. By following a

structured, multi-step process, you can make informed decisions and achieve the desired outcome.

2. Involve Your Team in the Process

Decision-making doesn't have to be done in a vacuum. To avoid relying on managerial decisions alone, [involve your team](#) in the process to bring multiple viewpoints into the conversation and stimulate [creative problem-solving](#).

[Research in the journal *Royal Society Open Science*](#) shows team decision-making is highly effective because it pools individuals' collective knowledge and experience, leading to more innovative solutions and helping to surface and overcome hidden biases among groups.

Considering others' perspectives on how to approach and surmount a specific challenge is an ideal alternative because it helps you become more aware of your implicit biases and [manage your team](#) with greater [emotional intelligence](#).

Related: [Emotional Intelligence Skills: What They Are & How to Develop Them](#)

3. Foster a Collaborative Mindset

Fostering the right mindset early in the decision-making process is critical to ensuring your team works collaboratively—not contentiously.

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

- **Advocacy:** A mindset that regards decision-making as a contest. In a group with an advocacy mindset, individuals try to persuade others, defend their positions, and downplay their weaknesses.

- **Inquiry:** A mindset that navigates decision-making with collaborative problem-solving. An inquiry mindset centers on individuals testing and evaluating assumptions by presenting balanced arguments, considering alternatives, and being open to constructive criticism.

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

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

4. Create and Uphold Psychological Safety

For your team members to feel comfortable sharing their diverse perspectives and working collaboratively, it’s crucial to create and maintain a psychologically safe environment. According to [research by technology company Google](#), psychological safety is the most important dynamic found among high-performing teams.

“Psychological safety is essential—first and foremost—for getting the information and perspectives out,” HBS Professor Amy Edmondson says in [Management Essentials](#). “It’s helpful to be able to talk about what we know and think in an effective and thoughtful way before coming to a final conclusion.”

To help your team feel psychologically safe, be respectful and give fair consideration when listening to everyone’s opinions. When voicing your own point of view, be open and transparent, and adapt your [communication style](#)

to meet the group's needs. By actively listening and being attuned to your colleagues' emotions and attitudes, you can forge a stronger bond of trust, make them [feel more engaged](#) and foster an environment that allows for more effective decisions.

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

5. Reiterate the Goals and Purpose of the Decision

Throughout the decision-making process, it's vital to avoid [common management pitfalls](#) and lose sight of the goals and purpose of the decision on the table.

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

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

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

WHY ARE DECISION-MAKING SKILLS IMPORTANT?

Effective decision-making can immensely impact organizational performance. By developing your decision-making skills, you can exercise sound judgment and guide your team through the appropriate frameworks and processes—resulting in more [data-driven decisions](#).

You can also anticipate and navigate organizational challenges while analyzing the outcomes of previous efforts, which can have lasting effects on your firm's success.



IMPROVE YOUR DECISION-MAKING SKILLS

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

Do you want to design, direct, and shape organizational processes to your advantage? Explore [Management Essentials](#), one of our [online leadership and management courses](#), and discover how you can influence the context and environment in which decisions get made.

This post was updated on December 21, 2022. It was originally published on March 31, 2020.

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