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NPTEL ONLINE CERTIFICATION COURSE

LEADERSHIP AND TEAM EFFECTIVENESS

LECTURE – 44

Team Decision Making and Conflict Management

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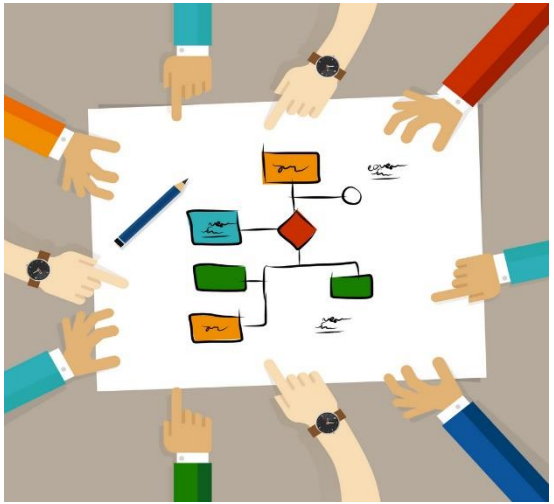
DEPARTMENT OF MANAGEMENT STUDIES

CONTENTS



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Effective Team Decision Making Process

- Teams are particularly effective in problem solving as they are comprised of people with complementary skills. These complementary skills allow team members to examine issues from various angles, as well as see the implications of their decisions from a variety of perspectives.
- Effective decision making process that can help teams solve problems and make ‘good’ decisions.
- In essence, teams make decisions using problem solving techniques. Thus, the process largely rests on the selection of a course of action following the evaluation of two or more alternatives. To effectively navigate this path, the following step-by-step approach can be used.

Team Decision Making Process: Rational Model

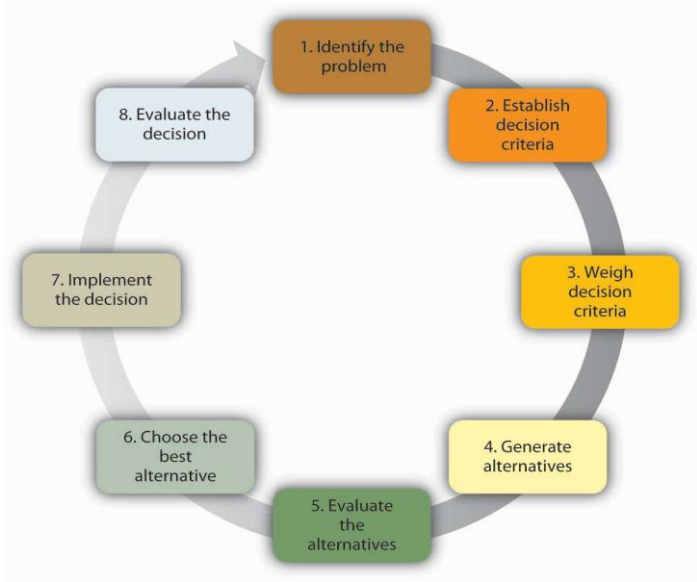
- **Recognize the problem:** Teams must see and recognize that a problem exists and that a decision needs to be made to move forward.
- **Define the problem:** In this stage, teams must map out the issue at hand. During this step, teams should:
  - State how, when, and where members became aware of the problem
  - Explore different ways of viewing the problem – different ways of viewing the problem can lead to an improved understanding of the 'core' problem.
- **Gather information**. Once the problem has been defined, teams need to gather information relevant to the problem. Why do teams need to perform this step? Two reasons: (1) to verify that the problem was defined correctly in step 2; and (2) to develop alternative solutions to the problem at hand.

Decision Making Process

- **Develop Alternative Solutions**. While it can be easy for teams to 'jump on' and accept the first solution, teams that are effective in problem solving take the time to explore several potential solutions to the problem. Some ways to generate alternatives include:
  - **Brainstorming**
  - **Nominal Group Technique**
  - **Delphi Technique**
- **Select the BEST alternative.** Once all the alternatives are in, the team needs to determine the alternative that best addresses the problem at hand. For this element to be effective, you need to consider both **rational and human elements.**

Decision Making Process

- **Implement the best alternative:** Once the alternative has been chosen, the team needs to implement its decision. This requires effective planning as well as communicating the decision to all the stakeholders that may be impacted by this decision.
- **Evaluate the outcome:** Remember that teams and team building is a learning process. It is critical that the team examine whether the proposed plans of action were achieved in an effective way and resulted in positive outcomes.



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Brainstorming

- Originally adopted by Alex Osborn in 1938 in an American Company. According to him, brainstorming means using the brain to storm the problem.
- **Four Basic Guidelines:**

  1) Generate as many ideas as possible. 2) Be creative, freewheeling, & imaginative. 3) Build upon piggybank, extend or combine earlier ideas. 4) Withhold criticism of others' ideas.
- **Two underlying principles:**
  1) Deferred Judgment, by which all ideas are encouraged without criticism.
  2) Quantity breeds quality

Nominal Group Technique (NGT) (Delbecq, Van de Ven and Gustafson, 1975)

- A generic name for face-to-face group techniques in which instructions are given to group members not to interact with each other except at specific steps in the process.

Process:

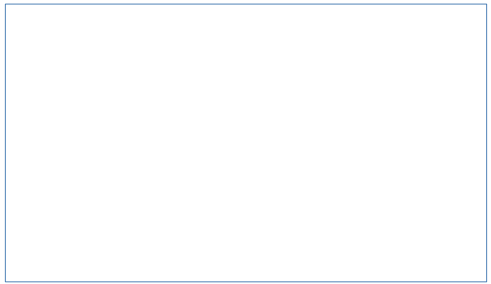
- Members brought together & presented the problem.
- Each members develops solution / ideas independently & writes them on cards.
- All present their ideas in a round-robin procedure.
- Brief time is allotted to clarify ideas, after the presentation by all.
- Group members individually rank their preferences for the best alternatives by secret ballot.
- Group decision is announced based on this ranking.

Delphi Technique

- "Delphi" is a place, where the ancient Greeks used to pray for information about the future.
- In this technique, members selected are experts, & scattered over large distances, having no face-to-face interaction for decision-making.
- The effectiveness of the technique depends on the adequate time, participants' expertise, communication skills, & motivation of the members.

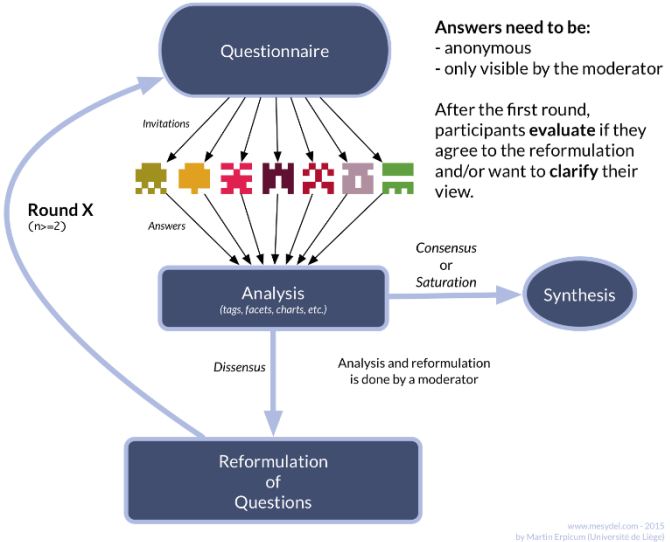
Process:

1. The problem is identified and a set of questions (a questionnaire) are built relating to the problem. Experts in the problem area are identified and contacted, to whom the questionnaire is sent.
2. They anonymously and independently answers the questions and sends it back to the central coordinator.



Delphi Technique

4. These responses are compiled and analyzed and on their basis, a second questionnaire is developed, which is mailed back to participating members to comment, suggest and answer the questions, possibly generating new ideas.
5. The responses to this second questionnaire are complied and analyzed and if a consensus has not been reached, then a third questionnaire is developed, pinpointing the issue and unresolved areas of concern.
6. The above process is repeated until a consensus is obtained. Then the final decision is taken.



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Leader-Centered Decision-Making Model

The leader exercises his or her power to initiate, direct, drive, instruct, and control team members. To be successful, the leader should:

- Focus on task
- Ignore personal feelings and relationships
- Seek opinions
- Get agreement
- Make final decisions
- Stay in control
- Stop disruptions
- Discourage members from expressing their feelings
- Keep it rational
- Guard against threats to his or her authority

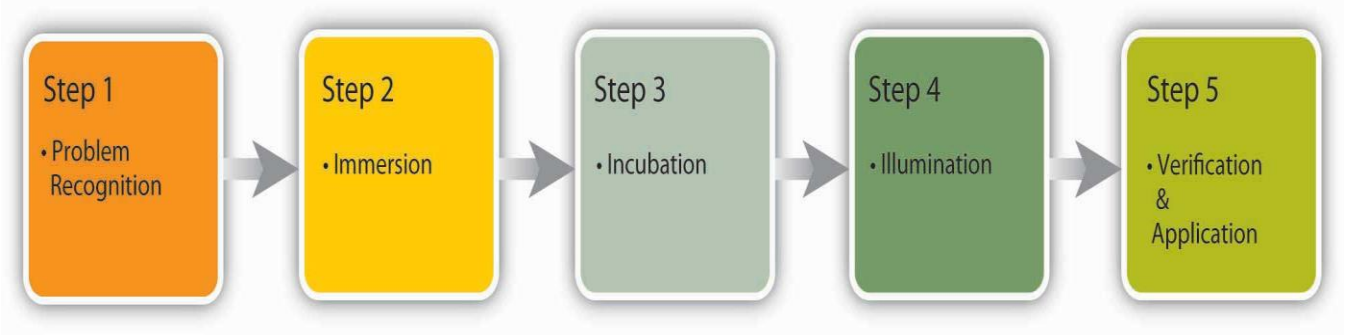
Team-Centered Decision-Making Model

Empowers team members to make decisions and follow through. To be successful, the team leader should:

- Listen attentively
- Watch for nonverbal cues
- Be aware of members':
  - Feelings
  - Needs
  - Interactions
  - Conflict
- Serve as a consultant, advisor, teacher, and facilitator
- Model appropriate leadership behaviors
- Relinquish control to the team
- Allow the team to make final decisions

Creative Decision Making Process

- Creativity is the generation of new, imaginative ideas. With the flattening of organizations and intense competition among organizations, individuals and organizations are driven to be creative in decisions ranging from cutting costs to creating new ways of doing business. Please note that, while creativity is the first step in the innovation process, creativity and innovation are not the same thing. Innovation begins with creative ideas, but it also involves realistic planning and follow-through.



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Creative Decision Making Process

1. **Problem identification:** which is the step in which the need for problem solving becomes apparent. If you do not recognize that you have a problem, it is impossible to solve it.
2. **Immersion** is the step in which the decision maker thinks about the problem consciously and gathers information. A key to success in creative decision making is having or acquiring expertise in the area being studied.
3. Then, I**ncubation** occurs. During incubation, the individual sets the problem aside and does not think about it for a while.
4. Then comes **illumination** or the insight moment, when the solution to the problem becomes apparent to the person, usually when it is least expected.
5. Finally, the **verification and application** stage happens when the decision maker consciously verifies the feasibility of the solution and implements the decision.

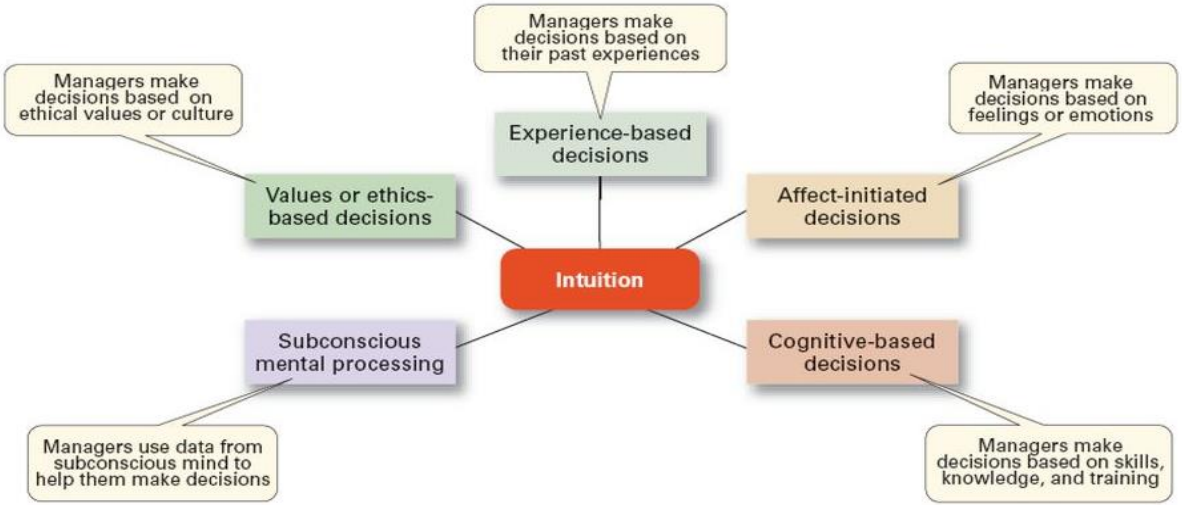
Bounded Rationality Model

The bounded rationality model of decision making recognizes the limitations of our decision-making processes. According to this model, individuals knowingly limit their options to a manageable set and choose the best alternative without conducting an exhaustive search for alternatives. An important part of the bounded rationality approach is the tendency to **satisfice**, which refers to accepting the first alternative that meets your minimum criteria.

For example, many college graduates do not conduct a national or international search for potential job openings; instead, they focus their search on a limited geographic area and tend to accept the first offer in their chosen area, even if it may not be the ideal job situation.

Intuitive Decision Making

Making decisions on the basis of experience, feelings, and accumulated judgement. The intuitive decision-making model has emerged as an important decision-making model. It refers to arriving at decisions without conscious reasoning.



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Decision Making Model

Decision Making Model	*Use This Model When:*
Rational	• Information on alternatives can be gathered and quantified. • The decision is important. • You are trying to maximize your outcome.
Bounded Rationality	• The minimum criteria are clear. • You do not have or you are not willing to invest much time to making the decision. • You are not trying to maximize your outcome.
Intuitive	• Goals are unclear. • There is time pressure and analysis paralysis would be costly. • You have experience with the problem.
Creative	• Solutions to the problem are not clear. • New solutions need to be generated. • You have time to immerse yourself in the issues.

Image Source: https://open.lib.umn.edu/app/uploads/sites/5/2015/03/5522724a27bff3e9d2b2d76050f2e5b2.jpg

Decision Making Errors and Biases

- **Heuristics:** Using "rules of thumb" to simplify decision making.
- **Overconfidence Bias:** Holding unrealistically positive views of one's self and one's performance.
- **Immediate Gratification Bias**: Choosing alternatives that offer immediate rewards and that to avoid immediate costs.
- **Anchoring Effect:** Fixating on initial information and ignoring subsequent information.
- **Selective Perception:** Selecting organizing and interpreting events based on the decision maker's biased perceptions.

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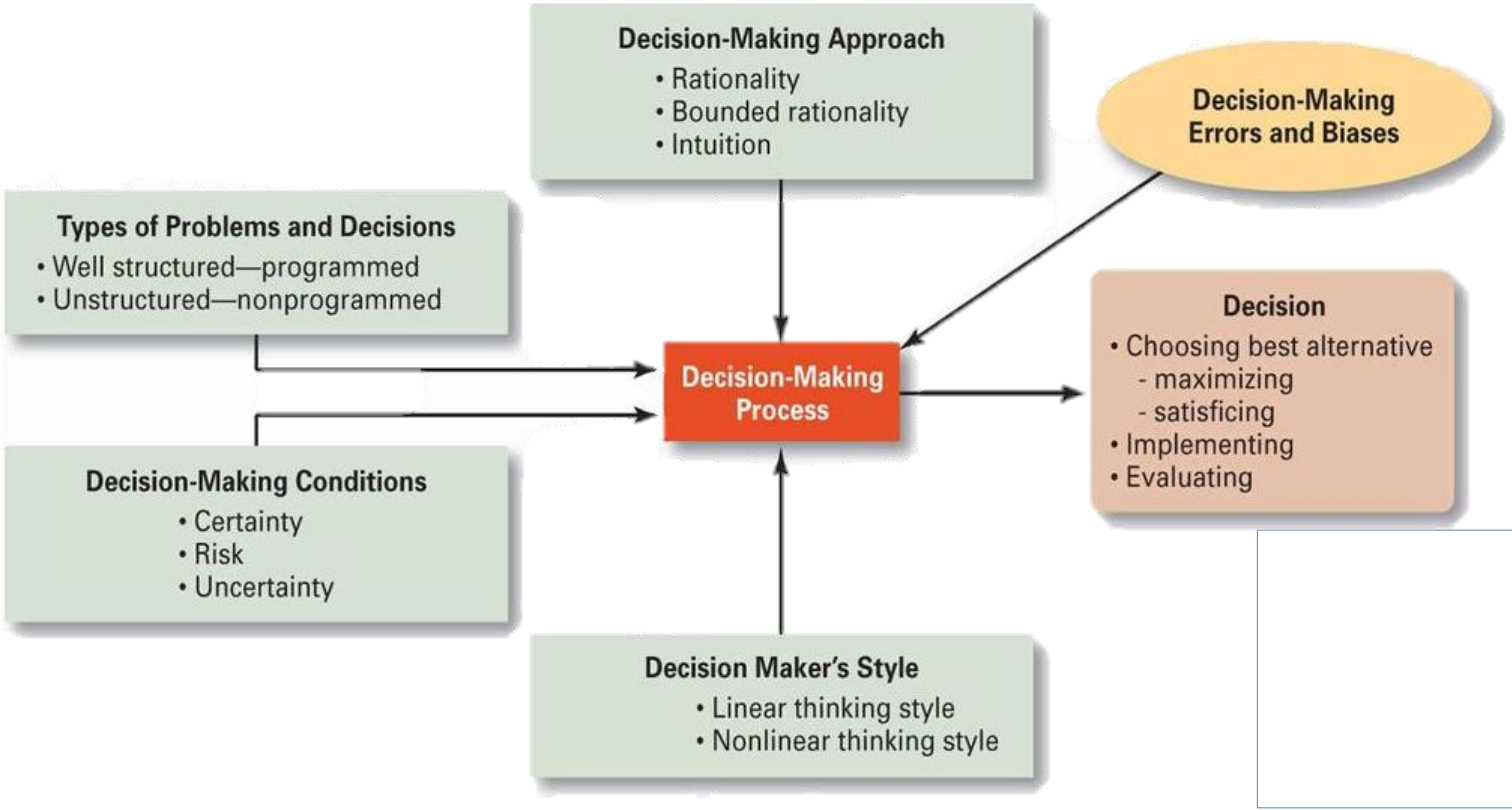
Decision Making Errors and Biases

- **Framing Bias:** Selecting and highlighting certain aspects of a situation while ignoring other aspects.
- **Availability Bias:** Losing decision-making objectivity by focusing on the most recent events.
- **Representation Bias:** Drawing analogies and seeing identical situations when none exist.
- **Sunk Costs Errors:** Forgetting that current actions cannot influence past events and relate only to future consequences.
- **Self-Serving Bias:** Taking quick credit for successes and blaming outside factors for failures.
- **Hindsight Bias:** Mistakenly believing that an event could have been predicted once the actual outcome is known (after-the-fact).

Overview of Team Decision Making



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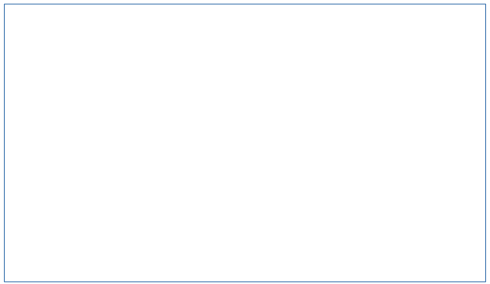
What is Conflict?

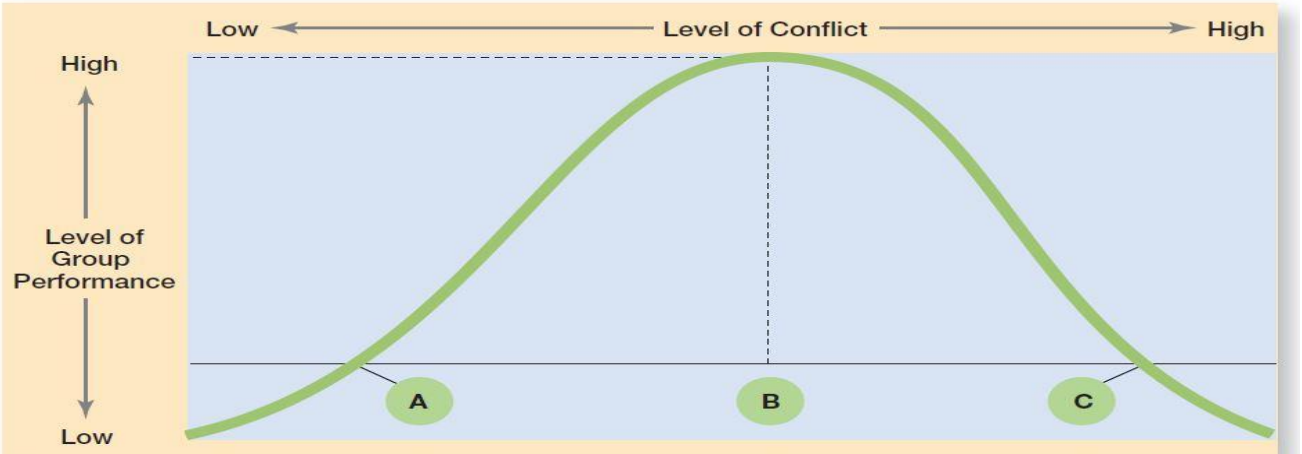
- Conflict occurs when opposing parties have interests or goals that appear to be incompatible. There are a variety of sources of conflict in team, committee, work group, and organizational settings. For example, conflict can occur when group or team members;

1. have strong differences in values, beliefs, or goals;
2. have high levels of task or lateral interdependence;
3. are competing for scarce resources or rewards;
4. are under high levels of stress; or
5. face uncertain or incompatible demands—that is, role ambiguity and role conflict.

- Conflict can also occur when leaders act in a manner inconsistent with the vision and goals they have articulated for the organization.



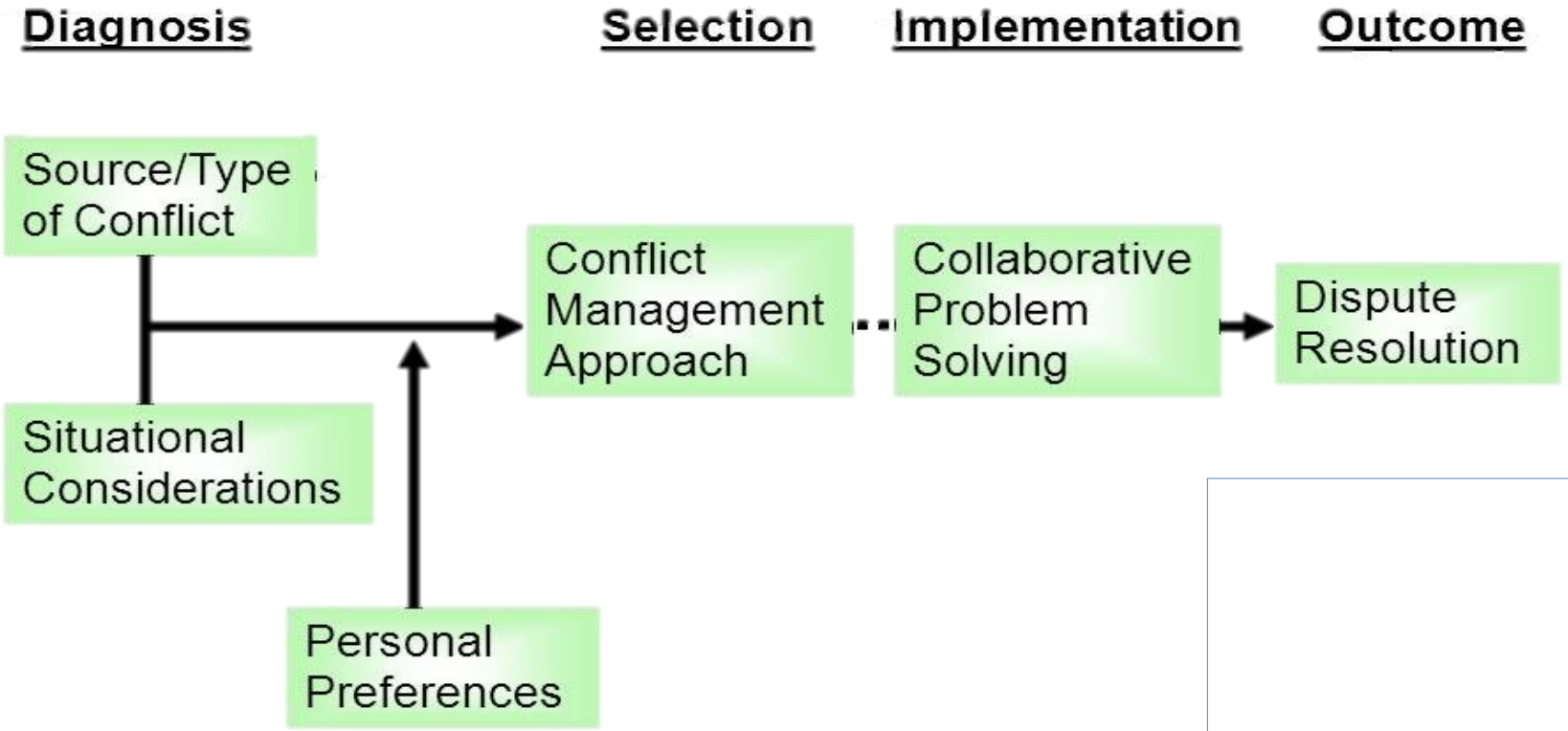
Conflict and Performance



Situation	A	B	C
Level of Conflict	Low or none	Optimal	High
Type of Conflict	Dysfunctional	Functional	Dysfunctional
Group's Internal Characteristics	Apathetic Stagnant Unresponsive to Change Lack of New Ideas	Viable Self-Critical Innovative	Disruptive Chaotic Uncooperative
Level of Group Performance	Low	High	Low

Image Source: https://www.manwim.com/wp-content/uploads/2019/10/Conflict-Group-Performance.jpg

Summary Model of Conflict Management



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Diagnosing Conflict

Conflict focus

- **People-focused:** "In-your-face" confrontations – high emotions fueled by moral indignation. Are negative conflict that involve accusation of harm, injustice, or feeling of resentment between conflicting parties.
- **Issue-focused:** Rational resource allocation negotiations. Can be positive or negative, and involve different parties representing the interest of their own groups, functions, or organizations.

Conflict source	Conflict focus
Personal differences	Perceptions and expectations
Informational deficiency	Misinformation and misrepresentation
Role incompatibility	Goals and responsibilities
Environmental stress	Resource scarcity and uncertainty

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Conflict Management Approaches

Leaders can use five strategies or approaches to resolve conflicts. Perhaps the best way to differentiate between these five strategies is to think of conflict resolution in terms of two independent dimensions: cooperativeness versus uncooperativeness and assertiveness versus unassertiveness.

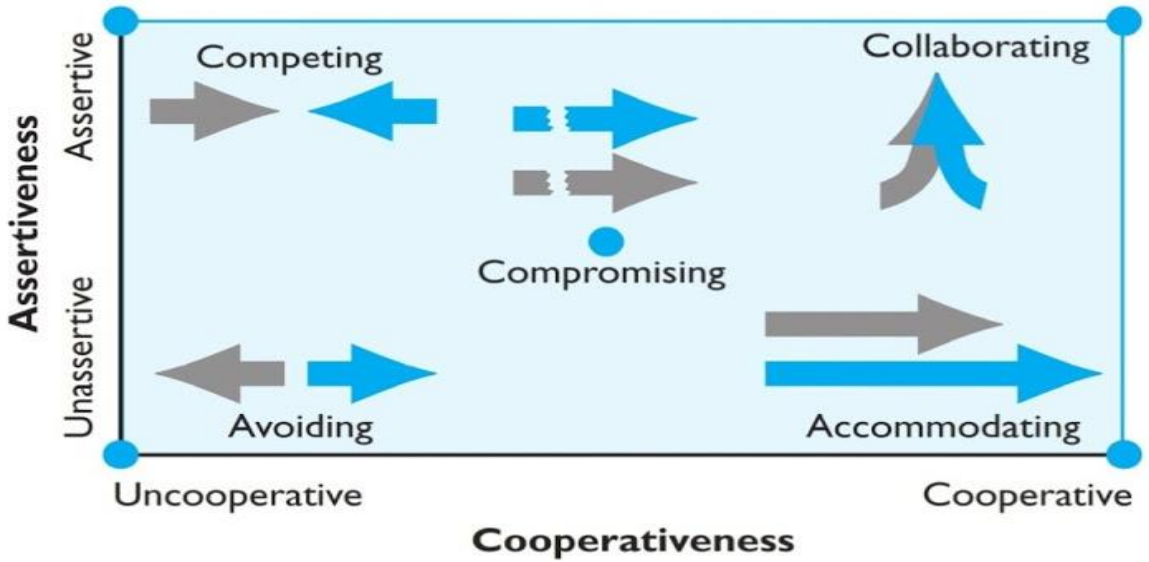

Image Source: https://i2.wp.com/www.iedunote.com/img/dimension-of-conflict-handling-intentions.jpg?resize=728%2C428&quality=100

Framework for Collaborative Problem Solving

- Establish superordinate goals
- Separate the people from the problem
- Focus on interests, not positions
- Invent options for mutual gains
- Use objective criteria for evaluating alternatives
- Define success in terms of real gains, not imaginary losses

Four Phases of Collaborative Problem Solving

1. Problem Identification
2. Solution Generation
3. Action Plan Formulation and Agreement
4. Implementation and Follow-Up

➢ First two phases most difficult to implement effectively.

Case Study: Computerized Decision Making

- As you saw in the opening vignette, computerized decision making has really taken off in recent years. Some have blamed the financial crisis that began in 2007–2008 on excessive reliance on these computerized decision-making models. Lending officers who used to make individualized decisions about credit worthiness through personal judgment were replaced by computerized and statistical models, which resulted in mechanistic decision making. As a result, large numbers of decisions were tied to a common set of assumptions, and when those assumptions proved to be wrong, the entire credit system fell apart and the economy faltered.
- Besides the use of computerized decision models, the use of computerized systems like Twitter for information sharing and the burgeoning number of computer "apps" may be leading to information overload, so facts and figures replace analysis and thought in making human decisions. Eric Kessler from Pace University's Lubin School of Business notes, "What starts driving decisions is the urgent rather than the important".

Case Study: Cont.

Researchers have begun to find that people using too much information actually make worse decisions than people with less information, or they get so swamped in information that they are unable to reach a decision at all.

Computer decision models do present certain advantages. Computers are capable of amassing and compiling enormous amounts of data and using them to spot trends and patterns a human observer would simply never see. Computers also are not prone to emotional decision making or falling into the heuristics and biases we discussed in this chapter. Finally, computerized decision making systems are generally faster than human beings. However, computer decision-making systems have certain faults that might severely constrain their usefulness. Although computers can grind through masses of data, they are not capable of intuition or creative thought. A As scholar Amar Bhidé notes, “An innovator cannot simply rely on historical patterns in placing bets on future opportunities.”

Case Study: Cont.

People are much more likely to spot opportunities that lie just beyond what the data can tell us directly. Also, groups of people working in collaboration can discuss and question assumptions and conclusions. Computers cannot actively consider whether their programming makes sense or adapt automatically when values changes.

Questions:

Q1. What are the specific advantages of using computerized decision making? How can computers be better decision makers than humans?

Q2. Are there advantages to completely disconnecting from the wired world when possible? What can you do to try to retain your ability to focus and process information deeply?

Q3. What are the weaknesses of using computers as decision tools? Are computers likely to have any specific problems in making decisions that people wouldn't have?

Research Paper

Team Performance Management
Vol. 11 No. 1/2, 2005
pp. 40-50

1352-7592
DOI 10.1108/13527590510584311

Improving team decision-making performance with collaborative modeling

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Headquarters, US Navy Education and Training Command, NAS Pensacola, Florida, USA

Purpose

This article aims to examine considerations and strategies for improving team performance in decision-making by teaching teams to use collaborative modeling based on team mental models. In this paper authors' examined collaborative modeling in the context of improving team decision-making performance and offer five imperatives for successful team collaboration.

Research Paper

Design/methodology/approach

The article describes the nature of shared mental models and collaborative modeling, the potential effects of collaborative modeling on team performance, and a perspective on communication imperatives that facilitate collaborative modeling. The articles builds upon this information to suggest five imperatives for teams to help them develop collaborative modeling skills.

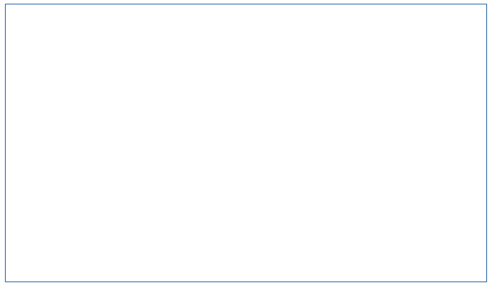
Findings

The article offers strategies in the form of five imperatives for teams to observe in order to build skills in collaborative modeling and improve team performance by improving team members' ability to effect collaborative modeling to accomplish team tasks and goals.

Research Paper

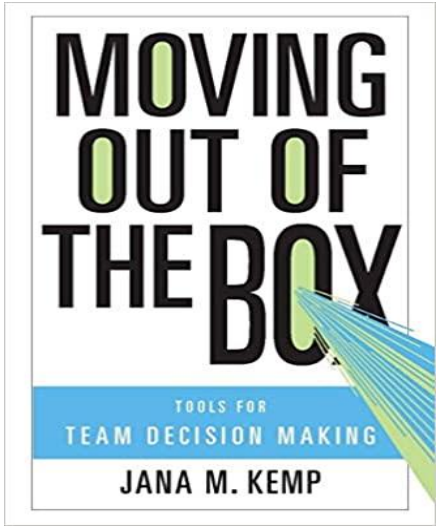
Originality/value

Research over the years in mental modeling and communication has created a powerful argument that effective communication and shared mental models improves team performance. However there is little about application of this concept in the literature. The next step for researchers is to develop application models for collaborative modeling and test those models through empirical research. This paper offers an application model based on imperatives to be observed by decision-making teams in order to facilitate the creation of shared mental models of team tasks and processes.



Book Recommendation

Moving Out of the Box: Tools for Team Decision Making



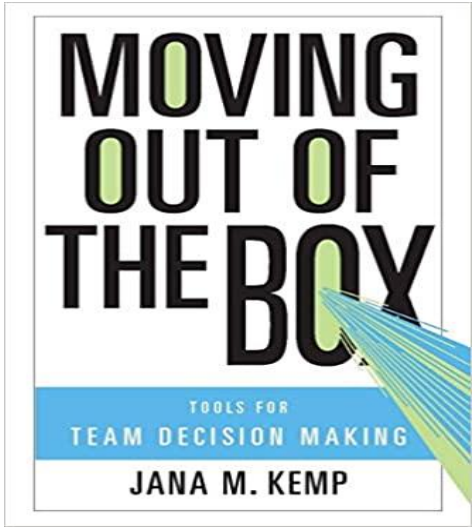
Authors: Jana M. Kemp
Publisher: Stanford University Press (8 July 2009)
Language: English
Paperback: 184 pages
ISBN-10: 0804762465
ISBN-13: 978-0804762465

Image Source: https://images-na.ssl-images-amazon.com/images/I/418EPb1lSUL._SX329_BO1,204,203,200_.jpg

Book Recommendation

The book argues that making good decisions involves expansive group conversation that leads to sound conclusions and swift execution. This sounds simple, but in many organizations, making a decision and seeing it through can become an exercise in frustration for managers and employees alike. At one end of the spectrum are "command-and-control" decisions, proclaimed from on-high and implemented through the ranks without input or buy-in from those affected by the decision. This approach can lead to resentment and backlash. At the other end are purely collaborative, consensus-driven decisions that often lead to inoffensive, weak choices and sub-par results.

Moving Out of the Box shows that there is a time for consensus, a time for command-and-control, and a time to integrate both approaches. Providing examples of successes and failures, the text identifies five decision-making profiles—antisurvival, boxed-in, neutral, engaged enthusiasm, extreme excitement—to help you position yourself in relation to your teammates, facilitate discussion, and steer your group toward the most effective end point.



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