#### Harvard Business Review

#### **Organizational Culture**

# The Seasoned Executive's Decision-Making Style

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The job of a manager is, above all, to make decisions. At any moment in any day, most executives are engaged in some aspect of decision making: exchanging information, reviewing data, coming up with ideas, evaluating alternatives, implementing directives, following up. But while managers at all levels must play the role of decision maker, the way a successful manager approaches the decision-making process changes as he or she moves up in the organization. At lower levels, the job is to get widgets out the door (or, in the case of services, to solve glitches on the spot). Action is at a premium. At higher levels, the job involves making decisions about which widgets or services to offer and how to develop them. To climb the corporate ladder and be effective in new roles, managers need to learn new skills and behaviors—to change the way they use information and the way they create and evaluate options. In fact, we've seen in our

executive coaching that making decisions like a full-fledged senior executive too soon can hurl an ambitious middle manager right off the fast track. It's just as destructive to act like a first-line supervisor after being bumped up to senior management.

Our in-depth research into the reasons behind executive success and failure confirms just how consistently decision-making styles change over the course of successful executives' careers. We scoured a database of more than 120,000 people to identify the decision-making qualities and behaviors associated with executive success and found that good managers' decision styles evolve in a predictable pattern. Fortunately, struggling managers can often get back on track just by recognizing that they've failed to let go of old habits or that they've jumped too quickly into executive mode.

#### **Defining Decision Styles**

Before we look at the patterns, it's helpful to define the decision styles. We have observed that decision styles differ in two fundamental ways: how information is used and how options are created. When it comes to information use, some people want to mull over reams of data before they make any decision. In the management literature, such people are called "maximizers." Maximizers can't rest until they are certain they've found the very best answer. The result is a well-informed decision, but it may come at a cost in terms of time and efficiency. Other managers just want the key facts—they're apt to leap to hypotheses and then test them as they go. Here, the literature borrows a term from behavioral economist Herbert Simon: "Satisficers" are ready to act as soon as they have enough information to satisfy their requirements.

As for creating options, "single focus" decision makers strongly believe in taking one course of action, while their "multifocused" counterparts generate lists of possible options and may pursue multiple courses. Single-focus people put their energy into making things come out as they believe they should, multifocus people into adapting to circumstances.

Using the two dimensions of information use and focus, we've created a matrix that identifies four styles of decision making: decisive (little information, one course of action); flexible (little information, many options); hierarchic (lots of data, one course of action); and integrative (lots of data, many options). (See the exhibit "Four Styles of Decision Making.")

#### Four Styles of Decision Making INFORMATION USE Satisficing (less information) Maximizing (more information) DECISIVE HIERARCHIC Single focus (one option) This decision style is direct, efficient, fast People using this highly analytical and focused style expect their decisions, once taken, to be final and to stand the In public, this action-focused style comes test of time. across as task oriented. NUMBER OF OPTIONS In public, this complex style comes across as highly intellectual. **FLEXIBLE** INTEGRATIVE This style is about speed and adaptabil-In integrative mode, people frame probity. Managers make decisions quickly and lems broadly, using input from many change course just as quickly to keep sources, and make decisions involving abreast of immediate, shifting situations. multiple courses of action that may evolve over time as circumstances change. In public, this flexible style comes across as highly social and responsive. In public, this creative style comes across as highly participative.

Approaches to decision making differ in two ways: in the way that people use information and in the number of options ...

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#### Decisive.

People using the decisive style value action, speed, efficiency, and consistency. Once a plan is in place, they stick to it and move on to the next decision. In dealing with other people, they value honesty, clarity, loyalty, and, especially, brevity. Time is precious in this mode.

#### Flexible.

Like the decisive style, the flexible style focuses on speed, but here the emphasis is on adaptability. Faced with a problem, a person working in the flexible mode will get just enough data to choose a line of attack—and quickly change course if need be.

#### Hierarchic.

People in the hierarchic mode do not rush to judgment. Instead, they analyze a great deal of information and expect others to contribute—and will readily challenge others' views, analyses, and decisions. From the hierarchic perspective, decisions should stand the test of time.

#### Integrative.

People using the integrative style don't necessarily look for a single best solution. Their tendency is to frame any situation very broadly, taking into account multiple elements that may overlap with other, related situations. Consequently, they make decisions that are broadly defined and consist of multiple courses of action. When working with others, integrative decision makers like lots of input and are happy to explore a wide range of viewpoints, including those that conflict with their own, before arriving at any conclusion. Decision making for the integrative is not an event, but a process.

Of course, people don't fall neatly into little boxes. Circumstances also influence the appropriate decision style, and so a manager needs to have the ability to call on all four styles. For example, in an entrepreneurial environment there may not be enough history or time to permit lengthy analyses and deliberation. And while periods of relative uncertainty may call for the multifocus styles, in stable environments the single-focus styles tend to prevail.

# It turns out that people don't necessarily lead the way they think; they decide differently in front of a crowd than they do in front of a mirror.

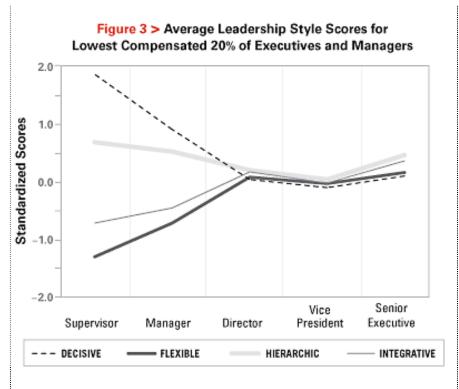
What's more, our research reveals that managers make decisions differently in public settings, where they know they are being observed, than they do in private settings, where there is no need to explain or justify their process. In executives, we call the public mode "leadership style" and the private mode "thinking style." It turns out that people don't necessarily lead the way they think. The decision process is different in front of a crowd than it is in front of a mirror. This distinction applies to all aspects of decision making, whether the person is gathering information, evaluating or presenting options, or making a final choice.

#### **How Managers' Styles Evolve**

When we began our research, we expected to find that managers' predominant decision-making styles would change as they progressed through their careers. But the patterns that jumped right out of the data were even more sharply defined than we could have imagined. We found that decision-making profiles do a complete flip over the course of a career: That is, the decision style of a successful CEO is the opposite of a successful first-line supervisor's. In the leadership (or public) mode, we see a steady progression as managers move up in the ranks toward openness, diversity of opinion, and participative decision making, matched by a step-by-step drop in the more directive, command-oriented styles. In the thinking (or private) mode, we see a progression

toward the maximizing styles—where an executive prefers to gather a lot of information and think things through—and, at the highest executive levels, an uptick in the styles favoring one course of action. (See the exhibit "Charting Decision Styles.")





As an individual progresses from first-line supervisor to manager of managers to director to vice president to, ...

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There's a logic as well as an interdependence to the way the two aspects of decision making evolve. As you move up the ladder, you move further and further away from where the action takes place, so it is easy to lose touch with what's really going on in the organization. It's essential to use a leadership style that keeps the information pipeline open and the data flowing freely, so you have access to the best information and analysis. That's why the flexible and integrative styles dominate at the senior executive level. The open pipeline in turn feeds the evolving thinking style, where the ever more analytic, information-hungry senior executive is focused on finding the single right answer. In public, the senior executive presents a willingness to consider options so as to encourage people to offer information. In private, he or she

uses that information to zero in on a single option or, at a minimum, to narrow the options down to a workable strategy. These patterns in both public and private decision styles become even more pronounced when you isolate the most successful managers, who become even more open and interactive in their leadership styles and even more analytic in their thinking styles as they progress in their careers. (See Figures 2 and 5 in "Charting Decision Styles.")

The most successful managers and executives become even more open and interactive in their leadership styles and even more analytic in their thinking styles as they progress in their careers.

So when does the major shift in styles occur? Our data show that in both the public and the private modes, decision styles tend to cluster early in the management hierarchy. Somewhere between the manager and director levels, executives find that approaches that used to work are no longer so effective. At this point, we see managers' styles falling into a "convergence zone," where no one style stands out as being used more or less than the others. From then on, decision styles fan out again, though in the opposite direction, with different styles prevailing. (See Figures 1 and 4.)

Somewhere between the manager and director levels, executives hit a point where approaches that used to work

## are no longer so effective.

The most successful managers come to the convergence zone more quickly than the least successful, our research reveals, and continue to adjust their styles as their careers progress. The least successful seem to stagnate once they hit the convergence zone; their styles remain clustered rather than evolving in new directions. It appears that even though the least successful people do notice, at around the director level, that something has changed, they can't figure out what they should do differently. So they try a little of everything: Their styles are directive yet participative, action focused yet open to alternatives. The bottom 20% of managers get stuck in this "uncertainty zone," where they often remain for the rest of their careers. (See Figures 3 and 6.)

Although the least successful managers do notice, at around the director level, that something has changed, they can't figure out what they should do differently.

The second level of management is a key transition point in an up-and-coming executive's career. At lower levels, the priority is to keep everyone focused on immediate tasks and getting the work done. At higher levels, that doesn't work anymore. Decision styles become more about listening than telling, more about understanding than directing. Managers must drop the attachment to the hard-edged decisive and hierarchic modes of leadership in favor of the more inclusive flexible and integrative

styles. This is a perilous time, a point where many otherwise talented managers crash and burn, because it's natural to keep doing things the way that worked well in the past.

We saw the impact of this transition in the case of Jill, a secondlevel manager for a large petrochemical company. When we initially met Jill, she was a first-line supervisor in a powergeneration facility at the company. When we met her again, she had earned an MBA and was managing a department that functioned as a liaison between an operating unit and company headquarters. In a casual conversation, Jill told us that she was enjoying the job—now that she had figured things out. At first, she had found her new responsibilities confusing and distressing. But one morning she realized that although she had important things to do that day, none of them had to be resolved immediately. She could take some time, collect information, and seriously consider her choices. This was in sharp contrast with her previous job, where every day things had to be decided and done on the spot. Just recognizing the difference eased the stress considerably and opened Jill's eyes to the change needed in the way she handled decisions.

#### Our Research

For this study, we tapped Korn/Ferry International's database of detailed information on more than ...

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We see a secondary transition point taking place in the thinking styles of managers around the mid-executive and director levels. This is where the integrative style reaches its zenith, a time when managers must think creatively and float a range of ideas to be passed upstairs for consideration. Beyond the director level, the pressure to think in an exploratory and creative way drops off, and more focused thinking again becomes important for success. Increasingly, managers must narrow down their choices and commit people and resources to particular plans. They are ultimately responsible for their decisions; they must be able to call the shots and—in rare instances—call them on the spot.

#### **Implications for Managers**

The primary lesson for managers is that failing to evolve in how you make decisions can be fatal to your career. If a flailing manager recognizes this and corrects the course, he or she can probably recover. This is what happened with Jack, who was the chief engineer for a major shipping company and in his midforties. His position was critically important because the company often transported toxic materials, and accidents in the industry not infrequently cost lives and billions of dollars in damages. Jack was highly competent in most respects; in fact, the CEO, Norm, often said that he was able to sleep at night because he knew Jack was ever vigilant in keeping the vessels in top-notch condition and avoiding equipment failures.

But despite these strengths, Jack's career was in trouble. He was struggling to deal with changing tides of power and authority. Norm was convinced that without a high degree of teamwork at headquarters and in the field, a devastating accident would take place sooner or later, and so he launched a significant culture

change initiative. We were part of the team that Norm had assembled for this effort, as was the new vice president of operations, Robert.

Jack had line authority over engineers working in the field alongside operations managers reporting to Robert. These people were expected to make decisions together, often right on the spot. Yet reports coming back from the field told a story of tense relations and little cooperation, and many employees pointed to Jack as the source of the unease. He was accused of not permitting field engineers to make decisions without first consulting him on matters large and small. Moreover, Jack's very strong ideas about how things should be done seemed often to conflict with the new spirit of teamwork. Tensions between Jack and Robert continued to escalate to the point where the two men could hardly be in a room together. Norm was ready to move Jack out of his role, even though it would have meant sacrificing a wealth of experience and knowledge. To keep his position, Jack would have to change his style.

Jack was not pleased to be singled out for what he considered remedial coaching. When we met with him, we focused on the 360-degree feedback ratings that had come out of the executive team-building process. These showed that his colleagues viewed him favorably as a problem solver and logistics manager. But Jack's peer evaluations dropped precipitously when it came to his ability to manage relationships and to communicate. He was defensive about his scores until we showed him a graph of the average 360 ratings for other managers whose decision-making approach resembled Jack's: high scores on the two highly focused styles, hierarchic and decisive, both in leadership and thinking. That graph looked like a duplicate of Jack's own results.

Basically, Jack's profile, particularly his leadership profile, looked like that of a first-line supervisor, not that of a senior executive. Jack's eyes drifted back and forth between the report he held in his hands and the profile on the computer screen. The look on his face changed then and there, as did the tone of the coaching. Jack went from feeling under assault to actively seeking out feedback and guidance. A few years later, people who joined Norm's team were shocked and skeptical when they heard stories about the "old" Jack. It just didn't square with the cooperative leader that Jack had become. To offer one example: When it was time to make a major upgrade in the company's facilities, Jack went out of his way to ensure that the final design reflected the input of many others, not just his own—something the old Jack never would have done.

In another case, we worked with Phillip, a group vice president for a large holding company. He was widely viewed as an extremely bright and creative executive with an outstanding track record when it came to launching new products and negotiating innovative contracts. Nonetheless, Peter, the chairman and CEO, was concerned about Phillip's future with the company. He saw Phillip as lacking interest in day-to-day problems, deadlines, and other operational details—a view that others shared, as a 360degree profile confirmed. An assessment of Phillip's decisionstyle profile showed that while his public, or leadership, style was very much in line with those of successful C-level executives, Phillip's private, or thinking, style was another story. Although his high scores on both the flexible and integrative styles were fully consistent with his image as an innovative and creative thinker, Phillip's low scores on the focused hierarchic and decisive styles reflected what Peter saw as inattention to operational matters.

The assessment and 360 feedback forced Phillip to surrender his argument that Peter's concerns were overblown. To his credit, once he got over the shock of the feedback, Phillip made it a personal goal to focus more of his attention on day-to-day management issues and on getting problems solved in a timely manner. At our last inquiry, both Phillip and Peter reported that their working relationship was much improved.

It doesn't always work so well. Glen, a business development executive, was brought in to beef up sales at a pipeline company. He was very smart and very competent, with a lot of relevant experience. But somehow he'd moved up through the ranks without learning how to be open and participative in his public decision-making style. The problem became clear when, at a management team event, each member was invited to share a few stories about the best moments of his or her career. Most talked about working with their colleagues to overcome huge challenges, but all of Glen's stories were about prevailing over his peers, winning at the expense of others. He received extensive feedback, and his boss gave him many opportunities to change. Glen agreed to work with a coach, but during their sessions he would just sit there and smile—and then go back to doing things the way he always had. After ongoing feedback, and numerous chances, Glen was fired.

Another manager, John, was senior vice president of human resources for a company that had gone through a merger. The new organization initially retained all of the executives from both companies, but it was clear the ranks had to be weeded out at some point. John knew this as well as anybody—that he was competing with someone for his job. And he was very good at what he did. He was proactive, and he had superb systems that

ran like clockwork. But they had to run according to *his* clock, and John refused input from anybody else. His decision style was strongly decisive and hierarchic. In short, he was highly competent, but he was a bully. And unlike Glen, he wouldn't even accept coaching. John's counterpart from the other organization, meanwhile, was the exact opposite: mainly flexible and integrative and, accordingly, willing to accommodate others' ideas and preferences. Eventually, seeing the writing on the wall, John quit. He knew he would lose the job if he didn't modify his decision style, but he wasn't willing to change. John's experience reminds us that there are two phases of the coaching process: seeing what the problem is and, just as important, being willing to change. That's what allowed Jack and Phillip to keep their jobs.

#### A Decision-Style Approach to Development

Most organizations have management development programs in place, and some have multitiered programs. But generally, the tiers are differentiated by the amount of training given, without reference to any fundamental shift in the way managers must think and lead. Such programs fail to take into account the different behavioral demands that accompany different levels of responsibility. Indeed, most companies still rely on management development and succession-planning schemes based largely on the notions that "leaders are leaders" and that "good people can handle anything." Hence the common approach of identifying high-potential employees and giving them special attention. Companies also often develop lists of leadership competencies—for instance, strategic visioning, teamwork, customer focus—on the assumption that the competencies are the right ones for everyone at all levels.

#### A Global Management Culture?

The database we used for our global research included a sample of more than 180,000 managers and executives on ...

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Our research and experience tell us otherwise. For a leader to succeed, behaviors and styles must evolve over the course of a career. This perspective is reflected in Bose Corporation's approach to management development. It uses a three-tiered model: one tier for first-line managers, another for mid- and upper-level managers, and a third for senior executives. With a better understanding of how behaviors and styles evolve, those who oversee talent management—whose job it is to attract, select, and develop high-performing managers—can create an accurate picture of key responsibilities and tasks at each level. They can then build a corresponding model describing the required competencies and establish a way to assess the degree to which individual executives possess those competencies. (See the exhibit "Building a Road Map for Succession Planning and Development.")

Building a Road Map for Succession Planning and Development					
Major New Job Responsibilities		Management Development Issues: New Behavioral Competencies		ldeal Leadership and Thinking Styles Profiles	
C-LEVEL EXECUTIVE	Formulating strategic vision and plan     Facilitating enterprisewide integration and coordination     Communicating vision and priorities throughout the organization	Leadership	Overseeing development of skills and abilities of personnel in one's area of responsibility     Role-modeling behavioral norms, especially collaboration and openness	Flexible: Integrative: Hierarchic: Decisive:	High to Very High Mod High to High Mod Low to Low Low to Very Low
		Thinking	Systems thinking for cross-functional decision making	Integrative: Hierarchic; Decisive: Flexible:	Mod High Mod High Mod Low Mod Low to Low
VICE PRESIDENT AND DIRECTOR	Analyzing current operations and future possibilities Preparing and communicating recommendations and ideas Actively participating in cross-unit teams and meetings	Leadership	Highly open and interactive commu- nication and leadership behavior     Teamwork skills—particularly, listen- ing and cooperation	Flexible: Integrative: Hierarchic: Decisive:	Mod High Mod High Mod Mod Low
		Thinking	Brainstorming and creative thinking     Critical thinking	_	Mod High to High Mod to Mod High Mod to Mod Low Mod Low
SECOND-LEVEL MANAGER	Managing other managers     Providing ideas and operating data to superiors     Facilitating coordination and coopera- tion across subunits	Leadership	Adapting mode of communications to deal with diverse styles of others Lessening reliance on any one style of communication and leadership—particularly, reducing reliance on direct, command-and-control mode	Flexible: Integrative: Hierarchic: Decisive:	
		Thinking	Monitoring operations across subunits     Providing recommendations and ideas for improvements to superiors	Integrative: Hierarchic: Flexible: Decisive:	Mod High Mod Mod Mod to Mod Low
FIRST-LINE SUPERVISOR	Directing the activities of others     Monitoring ongoing operations     Responding to changing plans	Leadership	Communicating succinctly and providing clear directions and instructions to others     Preparing reports and communicating detailed status to superiors	Decisive: Hierarchic: Integrative: Flexible:	
		Thinking	Monitoring day-to-day status and making quick adjustments to keep things on track     Converting plans into specific tasks, schedules, and logistical arrangements	Flexible: Integrative: Hierarchic: Decisive:	Mod to Mod High Mod to Mod High Mod Mod

### Building a Road Map for Succession Planning and Development

Even the most rudimentary development map makes it clear for up-and-coming managers that what lies just ahead is a new terrain, with challenges that are quite different—in some cases, the opposite—from what they've encountered in the past. It shows them that relying on past successes and habits is no guarantee of success; indeed, it may be the road to failure. For organizations, such a map can alter the conception of "high potential," and, consequently, how high-potentials are selected, evaluated, and developed. Put simply, early high performance is a useful indicator of future success, but it is by no means the only one.

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