

Consultative Decision Making

by Gary Reusche



ebbf mindful people meaningful work }

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CONSULTATIVE DECISION MAKING

1. INTRODUCTION

The implications of the rapid change to a service and knowledge based economy create new requirements for business. Knowledge workers simply will not function well under traditional authoritarian styles of management nor can their organizations compete effectively without decision making approaches that draw on the pool of experience and create effective and productive teams.

1.1. DEFINITION

There are many different ways or styles of decision making, ranging from very centralized authoritarian styles to what we are going to discuss in this article on consultative decision making.¹

1 Other references to this style of decision making include “participatory decision making,” “team or group decision-making,” “integrative decision making,” and “shared decision making.”

There is a difference between consultation *per se* and consultative decision making. The use of the term “consultation” alone can be confusing. Often the first listed meaning of this word is a formal meeting with a doctor for discussion or the seeking of advice. But consultation is also defined as the act of consulting or conferring, where consulting has the general meaning “to deliberate together.”¹ This is accurate, but wholly inadequate to describe the paradigm shift that is required to use this decision-making methodology in teams and companies.

The term “consensus decision making” is an accurate term which is effectively synonymous with “consultative decision making.” Consensus is defined as a “general agreement” or “group solidarity in sentiment and belief.” Consensus decision making is a decision making process that not only seeks the agreement of most participants, but also to resolve or mitigate the objections of the minority to achieve the most agreeable decision.²

What is more important than terminology is to be clear about the distinction between this decision making style and others. And of course to understand the advantages of consultative decision making and why this would represent a paradigm shift for many corporations and organizations, and why the effort to master this technique will yield rich rewards and enhance competitiveness.

1 Merriam-Webster, <http://www.m-w.com/home.htm>

2 http://en.wikipedia.org/wiki/Consensus_decision_making

It is axiomatic that managers are interested in good decision making and are thus committed (or should be committed) to put good decision making processes in place. There are different decision making models, and each model has different processes and different approaches used by a group to make the decision.

The models include:

- Unanimity, where everyone must agree on a given course of action;
- Majority which requires support from more than 50% of the members of the group but implicitly includes a group of “losers” or those that do not support the decision and can actively work against its implementation;
- Consensus decision-making, as defined above, tries to avoid “winners” and “losers”;
- Plurality, where the largest block in a group decides, even if it falls short of a majority;
- Dictatorship, where one individual determines the course of action.

With the exception of “dictatorship,” which falls under the “authoritative” management or leadership style, all of the other models with the exception of consultative and consensus decision making are models based on voting. Voting is a means by which we choose one alternative from several. Consensus, on the other hand, is a process of synthesizing many diverse elements together. Without an understanding of this distinction, it is impossible to implement a consultative decision making style and utilize the advantages implicit in this paradigm shift.

Thus the paradigm shift is focused on building and reinforcing team unity and solidarity, and the conscious decision on the part of the participants to be involved in a creative and synergistic process that is not attached to any individual ego.

The mastery of consultative decision making requires effort, but the results are worth it. Collective intelligence creates better solutions than could individuals. The process facilitates creative decisions as a result of group synergy. And, finally, there is more group ownership and commitment to the decision, and thus implementation is improved. “Perhaps there are no perfect decisions but many good decisions are not implemented because they are not supported by those most directly affected.”¹

1.2. WHY DOES CONSULTATIVE DECISION MAKING WORK

Consultative decision making has, as its foundation, the theory that collective intelligence creates and implements better solutions than could individuals working alone. This effect is referred to as group synergy, when the result is greater than the sum of individual contributions.

Consultative or team decision making is effective because, as E.O. Wilson states², “We are drowning in information, while starving for wisdom.” He goes on to say that “the world henceforth will be run by

1 William O. Walker, *The Role Of Business In Enhancing The Prosperity Of Humankind*, EBBF.

2 Edward O. Wilson, *Consilience: The Unity of Knowledge*, Random House, 1998, p.269.

synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely.” Following similar lines of thought, Erwin Schrodinger³ indicates that “it has become next to impossible for a single mind fully to command more than a small specialized portion” of just about any subject. Alvin Toffler⁴ adds: “We need people who can see straight ahead and deep into the problems. Those are the experts. But we also need peripheral vision and experts are generally not very good at providing peripheral vision.”

But even if the subject matter is not particularly complex, the advantages of team thinking can be objectively measured. John Kolstoe⁵ undertook two studies to attempt to measure the synergy obtained if the participants employed a consultative decision making methodology. Individuals without previous experience in consultative decision making were individually tested using four sub-tests of the Wechsler Adult Intelligence Scale (WAIS). They were then instructed in the consultative decision making methodology, and subsequently they employed this methodology to arrive at a new decision. The team decision was assessed using the same WAIS standard. Both the similarities sub-test (assessing how well the individual or group can see relationships) and the

3 Professor Erwin Schrodinger, *What is Life?*, Trinity College, Dublin, 1944.

4 Alvin Toffler, an American writer (*Future Shock*, *Third Wave...*) and futurist.

5 John Kolstoe, *Developing Genius, Getting the Most out of Group Decision Making*. 1995. George Ronald.

comprehension sub-test (measures the understanding of how and why things work and the best thing to do in a given situation) showed significant improvement when consultation was employed. In the case of the sub-test of comprehension, the score earned through consultation was two standard deviations higher than the composite results of the independently administered scores (71.4 percentile to 99.4 percentile).”

1.3. WHERE CONSULTATIVE DECISION MAKING IS USED

Consultative decision making can be used in all matters and is implicitly or explicitly related to a wide range of topics concerning team effectiveness, organizational culture and participatory processes.

It is self-evident that “...informed decision making at all levels of a company hierarchy is the key to business success. Sound management strategy and process is underpinned by decision-based solutions that make effective use of the vast array of information available to the organization.”¹ Gaining effective access to this vast array of information, finding a way to integrate and synthesize it, and using it for innovative and creative solutions is the challenge of consultative decision making.

Organizational culture is the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the

1 <http://www.sopra.com>

organization.² A four year study of ten firms in each of 20 industries, carried out by Kotter and Heskett of Harvard Business School, found that firms with a strong adaptive culture based on shared values outperformed firms with rigid or weak cultures by a significant margin.³ Strong adaptive cultures emphasize leadership development and employee fulfillment. There are many aspects to employee fulfillment. They include how employees feel about the degree to which their work environment is one of cooperation, team work, open communication and appreciation.⁴ Consultative decision making creates the framework for cooperation and unity. Conversely, not employing consultative decision making reduces the prospects for employee fulfillment as the individuals involved would feel that their contribution was not valued, that cooperation is only superficial and that the leadership style is authoritarian.

Management by Values (MBV), is emerging as a strategic leadership tool. Management by Instructions (MBI) and Management by Objectives (MBO) today give notoriously inadequate results.⁵ In MBV the co-workers

2 Charles W. L. Hill, Gareth R. Jones, *Strategic Management*, Fifth Edition, 2001 Houghton Mifflin, MeansBusiness, Inc.

3 John Kotter and James Heskett, *Corporate Culture and Performance*, Free Press, 1992.

4 Ray Adler, *Cultural Capital: The New Frontier of Competitive Advantage*, President & CEO of Bank Training International, Inc., Vista, CA. 2005.

5 Shimon L. Dolan and Salvador Garcia, *Managing By Values In The Next Millennium: Cultural Redesign for Strategic Organizational Change*; Economics Working Papers from Department of Economics and Business, Universitat Pompeu Fabra, 2000.

take on responsibility for the development of the whole organization—including objectives, strategy and vision. The focus is on creating.

Participation is a term that refers to the extent to which people have input into and control over the decision making processes that directly impact them. It refers to a fundamental change not only in the quantity, but especially the quality, of stakeholder participation. Any organization or company looking to increase participatory processes needs to define its decision making method to achieve this objective. If, in a group setting, personal styles of competition, control and manipulation are exhibited, such behavior by definition destroys the desired results of participation. Without consultative decision making, or something that approximates it, it is hard to see how participatory processes can go beyond rhetoric and successfully unite groups behind a common vision and decision.

Hierarchical, archaic organizational structures and decision-making processes - perfectly suited for the old industrial era - essentially remain the norm. There is, in brief, a growing incongruity between this organizational status quo and the new underlying value changes and social conditions that are fueling the demands for participation. In response, organizations will have to adapt by becoming less centralized and more flexible, horizontal, collaborative and transparent.¹

1 Gregory D. Saxton, *The Rise of Participatory Society*; State University of New York, 2004.

The creation of “self-managed,” “self-directed,” and “self-organizing” groups and teams are other increasingly considered ways of moving away from traditional top-down bureaucratic organizational structures. All encourage participation by employees. Larry Miller² describes the key ingredients of high-performance organizations. The organization of people, particularly at the first level, is designed around the work into small work groups, teams, with a high degree of self-management (Figure 1). High performance organizations shift from individual decisions to team decisions. The process of team problem solving and reaching consensus requires a major change in attitude and perspective. For some, Miller emphasizes, this transition requires years.

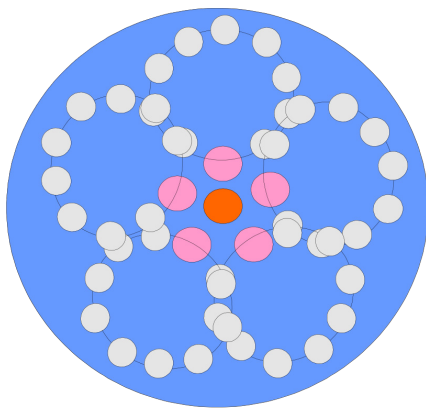


Figure 1. Organization of people into teams. (from L.M. Miller)

2 Lawrence M. Miller, *The High-Performance Organization An Assessment Of Virtues And Values*, EBBF.

Consultative decision making is essential to the functioning of multi-disciplinary teams required to meet company strategies. For example, if an automobile manufacturer wanted to reduce the lead time to develop and introduce a new car model from 18 to 6 months, it might be impossible to achieve this using traditional organization and decision making methods.

1.4. WHERE NOT TO USE CONSULTATIVE DECISION MAKING

Although consultative decision making is appropriate for a wide range of purposes, to blindly or indiscriminately apply it to all matters without regard for effectiveness and appropriateness would be counterproductive. Consultative decision making requires more time than other decision making methodologies (Figure 2). Its utilization is best specified for major decisions and the development of a common vision, to define strategy, to coordinate complex schedules and processes, and to undertake creative problem solving. It is part of a matrix of decision-making.

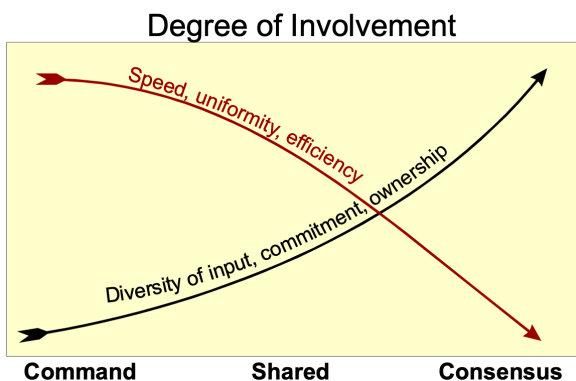


Figure 2. Time required for different decision making styles and relationships to employee commitment and ownership (from L.M. Miller)

A balance is required to employ consultative decision making in a business environment (or in any organization). If used inappropriately, consultative decision making can lead to ineffective use of time. If a group uses consultation on important and routine matters alike, the time spent discussing an issue needs to be considered like an “opportunity cost” for the group. Groups do not have unlimited energy and time. The time and energy spent in consultation needs to be focused on those matters that are of priority, and where unity, creativity and common vision are desired. Where to use consultation, and where to use other decision making methodologies, can itself be a subject of consultation—but needs to be addressed. Using consultative decision making effectively implies the use of other decision making methods and delegation where appropriate.

Consultative decision making is based on the condition that there is sufficient group solidarity: that they are ready to work for one decision that is acceptable for all. A study on consensus decision making undertaken at Cornell University's Johnson Graduate School of Management illustrates what happens if this condition is not met. A "confederate" participated in decision making groups who insisted on decisions that were fundamentally different from those embraced by other members. When the maverick brought the group to a stalemate, members' satisfaction with the decision making process declined significantly, even though every member was given full voice in the proceedings. The study concluded that consensus decision-making has its place, since it results in greater satisfaction and acceptance among group members. But it doesn't work when members have fundamental differences. Another EBBF publication on consultation cites case studies where some staff changes were required before the benefits of consultative decision making could be realized.¹

The size of a consultative group needs also to be considered. Groups of ten or fewer are common. As the size of the group grows, the more difficult it becomes to manage time and differing opinions, and to fully capture the individual inputs into the creative process. Larger groups are possible if the participants are skilled in using this methodology and are conscious of the limitations of time.

1 Don Plunkett, *United Consultation: A Fresh Look at Participative Management*, EBBF.

Methodologies exist that utilize the essential elements of consultative decision making but are adapted for larger groups. For example, the World Bank has published guidelines about ‘action planning workshops’ that emphasize active participation, collective responsibility and a dynamic process. The benefits cited for such an approach clearly reflect the same benefits that are obtained from consultative decision making, including “the articulation of a clear and mutually agreed understanding of a problem, strategy, or programme; building a stronger team with more internal consensus; establishing commitment and ownership within a local agency to a selected approach or an agreed plan; and strengthening skills and understanding among agency staff.” A competent and experienced facilitator is a pre-requisite to manage this process in larger groups.

2. PREREQUISITES AND CONDITIONS

It is unlikely that any group will learn the basics of consultative decision making and immediately apply them successfully. A set of personal, interpersonal, problem-solving and even project cycle management skills are required and integral to the method. More details about how these various skills can be developed and then utilized to establish effective teams employing consultative decision making will be outlined below (Section 4).

In order for consultative decision making to be effective, there must be sufficient solidarity and willingness by the members of the group to employ this method and to work harmoniously. If indifference or hostility exist between members of the group, it is necessary to address and solve this problem. Otherwise the estranged members will alienate the other co-workers, and behaviors originating from rebellion or discontent will undermine the results.

A second condition is more subtle but equally important. The individuals of the group must be willing to look beyond their own self and be open to new ideas, seeing things from a different perspective, and even to humbly seek inspiration. In this receptive state, they “must then proceed with the utmost devotion, courtesy, dignity; care and moderation to express their views.”¹

1 Abdu'l-Bahá, *Selections from the Writings of Abdu'l-Bahá*, p. 88.

2.1. INDEPENDENCE AND VALUES

Successful team relations depend upon the quality of the interrelations between the members. After undertaking research on personal effectiveness, Steven Covey states that effective relationships depend upon maturity and strength of character to maintain them.² He states that it is “the principle of sequencing: private victory precedes public victory.” “Interdependence,” or in the case of “consultation decision making” the dynamics of deciding and working as a team, “is a choice that only independent people can make.”

Thus there is a link between the personal effectiveness of the individuals involved in team decision making and its successful implementation. Individuals participating in this decision making methodology need be concerned with themselves, with their own character. Ideally the individuals involved should be “independent, proactive, centered in correct principles, value driven and able to organize and execute around the priorities in their life with integrity...” At that point they can choose to become interdependent.

“Interdependence opens up worlds of possibilities for deep, rich, meaningful associations, for geometrically increased productivity, for serving, for contributing, for learning, for growing”³ and for team effectiveness.

2 Stephen R. Covey, *The 7 Habits of Highly Effective People*. Simon & Schuster, 1992; pp 185-188.

3 Stephen R. Covey, *The 7 Habits of Highly Effective People*. Simon & Schuster, 1992; pp 185-188.

EBBF Member Richard Barrett undertakes value assessments as a means to plan and measure organizational transformation. Values are those principles that we hold and stand by when making decisions and they are determinants of the organizational culture. Culture is a concept that can be applied to teams as well as larger groupings of individuals. When looking at behaviours in the team, and its performance, the determinants lie beneath the surface, as illustrated in the analogy of the iceberg (see Figure 3). When considering consultative decision making, individual values assessments of the potential participants can help to predict whether or not there is potential for its use in a team.



Figure 3. Determinants of behaviour (from R. Barrett).

2.2. INTERPERSONAL SKILLS

Interpersonal skills that are important in personal effectiveness in various contexts play a large role in the effectiveness of consultative decision making. The context of consultative decision making can exacerbate weaknesses in interpersonal skills, and shortcomings can become acute and trying. Some examples of these skills are given below.

2.2.1 Expressing Opinions

During discussion, ideas build one upon the next, generating new ideas, until the best decision emerges. There is creative interplay of ideas. For some topics involving innovation, there can be a rhythm of search and selection, exploration and synthesis, cycles of divergent thinking followed by convergence.

To accurately, clearly, and briefly state one's opinion is necessary. Dysfunction can characterize a consultative decision making group when the "discussion" gets bogged down by long-winded, meandering explanations by an individual, which effectively stops any interplay of ideas because only one idea is being heard. Being able to succinctly put forth an idea can be learned if there is the will to do it. More complicated ideas may require outlines or graphics of the idea to be prepared ahead of time, or involve a separate seminar where the purpose is a deeper understanding of the subject which can then be followed by a consultative team session.

The members of the group need the necessary skills to support the balance of process. They must express themselves freely as individuals, deliver quality output, and meet time constraints as a group.

2.2.2 Listening

Effective listening is something that everybody needs to learn to do, some more than others. In consultative decision making it is essential that, before expressing one's own view, a participant must carefully consider the views already advanced by others. Dysfunction will take place if group members simply wait for the other persons to stop talking so that they can give their input, effectively not listening to or ignoring others.

There are a number of listening skills that contribute to the team discussions, such as: asking effective questions; expressing empathy; rephrasing; acknowledging; and using silence.

A typical ground rule in consultation is that you don't interrupt another person while they are speaking. However a common exception to this rule is often agreed when it is necessary to ask the speaker to clarify what they said.

2.2.3 DETACHMENT

“The members... must learn to express their views frankly, calmly, without passion or rancor... They must also learn to listen to the opinions of their fellow members without

taking offense or belittling the views of another.”¹ Such principles sound simple, but when not sincerely followed by the individuals of a group, dysfunction will occur. A common mistake in consultative groups is for one member of the group to criticize an earlier idea, before proceeding to present his or her idea. This is often done with the sincere belief that the other person’s idea is wrong, or incomplete.

The difficulty of this theme should not be underestimated. It was a pagan slogan that those who seek the truth must both refute without prejudice and accept criticism without resentment. Supposively this idea had to be rediscovered by Montaigne (1533-1592). Philosophical calm had to be created from within rather than secured by external institutions².

Part of the education received in graduate schools is to be intellectually detached from ideas, to search out the truth. In academic communities nearly everyone feels strongly about their viewpoint and it is understood that one’s opinions are put forth in relation to the accumulated knowledge of a particular discipline. Academic works always include a review of the literature and current thinking, and differences among academics are normal. To present an idea to the academic community with rancor, or to show offence if someone has presented a different contribution, is not accepted behavior in

1 Compilations, *Lights of Guidance*, Bahá’í Publishing Trust, India, p. 179.

2 <http://www.historyguide.org/intellect/lecture8a.html>

this culture. The culture demands frankness and the collectivity of knowledge.

Not everyone has the opportunity to experience this training in academic circumstances but in a supporting environment (see culture below) these skills can be learned in a group.

2.2.4 CONFLICT RESOLUTION

Consultative decision making takes an interactional view of conflict, or that conflict is not only a positive force in a group but that it is often necessary for a group to perform effectively. It is understood that this implies a conflict of ideas, and not of personalities or egos. In consultative decision making, the participants need to forget personalities and to overcome the desire to take sides and fight about the issue at hand.

The desirability of conflict is due to the need for individuals to express themselves independently in consultation. This invariably produces differences in ideas and potential outcomes. If there is no conflict at all, this could be a sign that there exists a dominant personality, or that participants don't give their opinion openly. The relationship depicted in Figure 4 suggests that there is a right amount of conflict that is needed for high group performance.

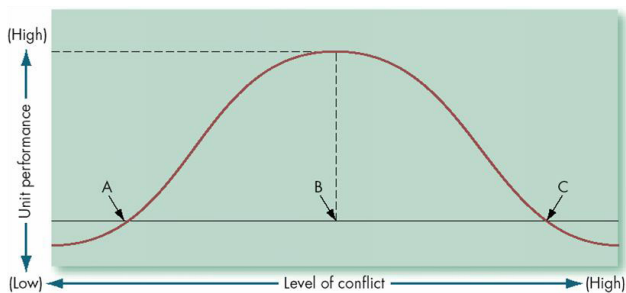


Figure 4. Relationship between performance and conflict in a group or team.

If conflict is a positive force, participants need to know how to deal with conflict and find the optimal, group based consensus. Reasons for conflicts need to be identified. They can be numerous, including:

- Goal Incompatibility
- Lack of Task Focus
- Role Uncertainty
- Resource Allocation
- Budgets and Costs
- Schedules

How individuals react to conflict can either support the consultative process or diminish it. Figure 5 shows various responses based on the individual's assertiveness and cooperativeness. Ideally, all individuals involved in consultative decision making would be assertive and cooperating, placing them in the "collaborating" category.

	Uncooperative	Cooperative
Assertive	Competing	Collaborating
Unassertive	Avoiding	Accommodating

Figure 5. Reactions to conflict based on assertiveness and cooperativeness.

Conflict resolution is a process of working through opposing views in order to reach a common goal or mutual purpose. Given this fact, it is noted that many conflict resolution groups involve methodologies that include consensus decision making. The *Consensus Building Handbook* was the winner of the 1999 CPR Institute for Dispute Resolution “Best Book Award” for excellence in alternative dispute resolution and is a comprehensive reference guide that helps groups of all kinds decide when and how to use consensus building techniques.¹

Some components of conflict resolution would include: controlling emotional responses; seeking understanding; identifying needs and common interests; and seeking mutual benefit or purpose. But whatever the resolution

1 <http://www.cbuilt.org/projects/handbook/index.html>

process, it should not reach the point of causing conflict, hatred and antagonism, which lead to threats.

2.3. SPIRIT, ATTITUDES AND CULTURE

The values, behaviour, and interpersonal skills of the individuals involved in consultative decision making create the basis for an enabling environment. There is also need for positive energy to be created in the group. Kolstoe² gives an example of how an individual “had a way of bringing out the best thinking of others and facilitated good communications that led to good decisions.” The spirit of this person “uplifted and reoriented the group, helping them make the best of a bad situation.” Continuing, Kolstoe states that “joyful enthusiasm and an optimistic outlook go far in finding fresh ideas. Is important to be ‘realistic,’ but it’s just as important to put aside gloomy and pessimistic views and find ways to make things work.” Finally, humor often opens the door to the best ideas in an otherwise serious and somber meeting.

Barrett discusses the necessity for a group to have a positive culture, where the culture is defined as the set of shared attitudes, values, goals, and practices that characterizes a company or corporation (or group). A positive culture would be characterized by employees willing to share their creativity and knowledge with the group or company. When there is an alignment between employees’ values and the organization’s values,

2 John Kolstoe, *Developing Genius, Getting the Most out of Group Decision Making*. 1995. George Ronald.

a positive culture is observed, and employees are more willing to share their ideas. When there is a poor cultural environment characterized by fear, control, bureaucracy, territorial behaviour and manipulation, employees do not feel encouraged to share their ideas and are reluctant to go the extra mile. Cultural transformation in an organization, implying a fundamental rethinking and radical redesign of organizational culture to achieve dramatic improvements in critical measures of performance such as commitment, motivation, empowerment, emotional intelligence, innovation and creativity may be necessary.

Whatever other culture measure is used, agreement in the group is fundamental. "...it is better that all should agree on a wrong decision, than for one right vote to be singled out, inasmuch as single votes can be sources of dissension, which lead to ruin. Whereas, if in one case they take a wrong decision, in a hundred other cases they will adopt right decisions, and concord and unity are preserved. This will offset any deficiency, and will eventually lead to the righting of the wrong.

3. KEY PROCESSES

3.1. TIME MANAGEMENT

Consultative decision making is a powerful tool that can lose its effectiveness if used inappropriately, or if it becomes the podium for self-expression or self-aggrandizement. One of the major criticisms of its use is due to the fact that it is more time consuming. Time management is important to ensure effectiveness.

Two aspects of time management focus on the appropriate use of consultative decision making. Covey¹ categorizes the use of time into four quadrants (Figure 6). One strategy to improve personal effectiveness is to spend more time in quadrant II, the “not urgent but important” quadrant, or the quadrant where one uses time to develop and define strategy, create vision, plan, monitor, evaluate, and receive feedback. This is the same quadrant where consultative decision making will lead to the best results. Like for effective individuals, decisions regarding the use of time for consultative decision making should be based on importance rather than urgency (Quadrant II).

The use of consultative decision making for matters in the other three quadrants can be absurd. For example, using consultative decision making to deal with unimportant matters would be a waste of human resources multiplied by the number of persons involved, and it is

1 Stephen R. Covey *The 7 Habits of Highly Effective People*. Simon & Schuster, 1992.

not likely to be the correct methodology for matters that are urgent and require quick action.

Effective individual time management starts by knowing one's personal mission, sub-dividing into various areas, and looking at planning on a weekly or longer basis. During this process, the need to delegate or assign matters of lesser priorities to other structures or processes is implicit. A similar logic is necessary for consultative decision making. What is its role? In what spheres should it be used? How can it be planned for the week/month/quarter? What must be delegated? These questions must be decided so that the energies and time used in consultative decision making are focused and productive.

	Urgent	Not urgent
Important	I Activities Crises Pressing Problems Deadline-Driven Projects	II Activities Prevention, PC activities Relationship building Recognizing new opportunities Planning, recreation
Not important	III Activities Interruptions, some calls Some mail, some reports Some meetings Proximate, pressing matters Popular activities	IV Activities Trivia, busy work Some mail Some phone calls Time wasters Pleasant activities

Figure 6. Time management matrix (from S. Covey)

A second element of time management relates to the fact that subjects brought to consultative decision making are often difficult, multi-faceted, and/or technologically complex. To start a consultative session on a complex issue with little or insufficient preparation will stymie the group leaving little room for synergy and unity of

vision. Some subjects that are taken to the consultation need preparation in advance. This might be an expert who presents the facts so that the participants have enough knowledge to proceed with a discussion, and might even require a pre-consultation seminar. In the consultative process, a process is used which has as its foundation principles and facts. Jumping ahead to brainstorming or decision scenarios without dealing with the principles and facts leads not only to potential mistakes but also to more conflict in the group. An agreement on principles and facts makes the consensus process easier. But if the principles and facts are difficult, or require a long time to present, it can be better to do this separately.

The issue of time management when the group has met will be discussed in the section on process rules and procedures below.

3.2. CREATIVE AND SYNERGETIC MOMENTS

Larry Miller¹ discusses the different stages that consultation goes through to arrive at a decision. Each stage has a different pattern of conversation. One of these stages is referred to as “dialogue” and concerns the process of seeking meaning and understanding. It is the most meditative stage of consultation. It is a process that requires patience, silence, finding your own inner voice, and the search for what is truly important. But at the same time, dialogue is more than an individual

1 Lawrence M. Miller, *Consultation: Creating Unity and Collective Wisdom*. Private communication.

meditative reflection; it is a period where the group thinks together (Figure 7).

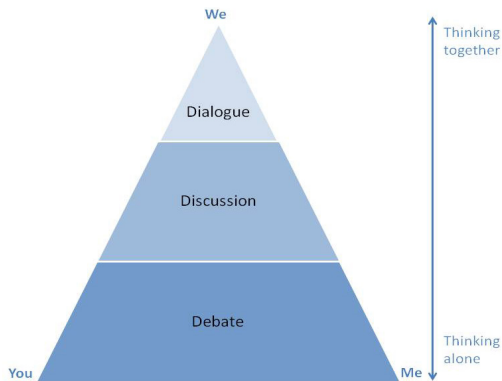


Figure 7. From debate to dialogue (from L.M. Miller).

Kolstoe¹ illustrates what can happen in a group undergoing consultation. A theoretical, optimal group decision is represented by a circle, which he calls the “Circle of Truth.” When consultation is undertaken, this optimal group decision is unknown; it has to be discovered by the group during the consultative process.

During the consultative process, each individual brings his or her idea to the group. The idea of individual “B” can be represented by an oval (Figure 8), which is represented to lie partly within the circle of truth (B1) and partly outside the circle (B2).

1 John Kolstoe, *Developing Genius, Getting the Most out of Group Decision Making*. 1995. George Ronald.

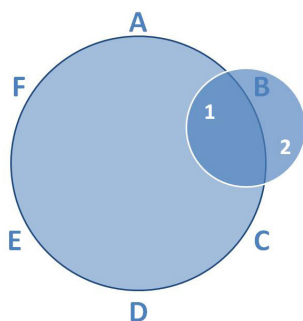


Figure 8. Conceptual circle of truth and representation of one person's idea (from J. Kolstoe).

If the ideas of 6 participants are shown graphically, it may be that no two people share exactly the same ideas, although there may be some overlap (Figure 9).

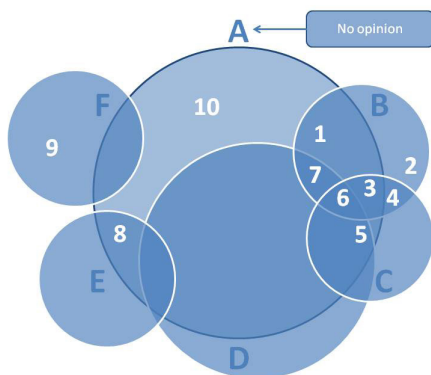


Figure 9. Representation of the ideas of 6 persons in relation to the circle of truth (from J. Kolstoe).

At the start of the consultative process, the individuals express their ideas and the creative interplay of ideas begins. An individual's opinion does not remain constant, it is influenced and changes when new information is received or a new idea is generated, or there is a molding of ideas within the group (Figure 10). The areas of overlap within the circle of truth are important, but not necessarily the determining factor. One individual (such as "F" in the graphic below) may be prompted to open up a previously unexplored area within the circle of truth, and lead the group to synergy.

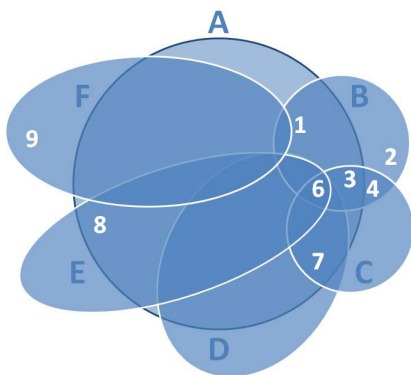


Figure 10. Representation of ideas and how they have changed during consultation (from J. Kolstoe).

3.3. DECISION IMPLEMENTATION AND MONITORING

Consultative decision making does not end with a consensus decision. Integral to the process is to plan for decision implementation and to ensure the process is monitored. Consulting without implementation and

effective results is time wasted. The use of this creative and synergistic process has as its purpose action and objectively measurable results.

There is a mutually beneficial interrelationship between consultative decision making and project cycle management. The use of participatory processes to define project goals, outputs, activities and work plans requires an instrument such as consultative decision making. Likewise, the effectiveness of consultative decision making is greatly enhanced when combined with logically organized project planning and resource allocation. The components of a typical objectives-oriented project management scheme are shown in Figures 11 and 12.

In consultation a monitoring of the decision is implicitly required. The principle is that “...*decisions once made become the decision of every participant—dissenting opinions after decisions are made are destructive and compromise success.*” This requires a standard of behaviour that can be difficult if an individual has doubts about the decision, but is willing to meld his or her will to the group on the assumption that the group decision is best. But what if it is not? What if something changes and new facts are known? How does the group maintain unity in the face of evidence that a decision needs to be reviewed?

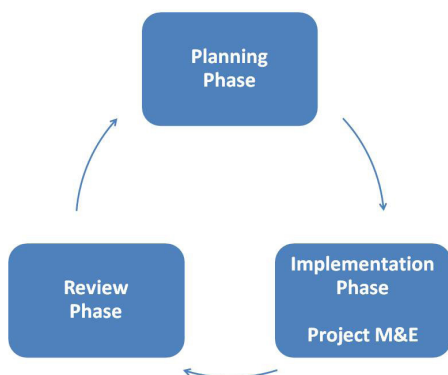


Figure 11. Simplified scheme of the steps in project cycle management.

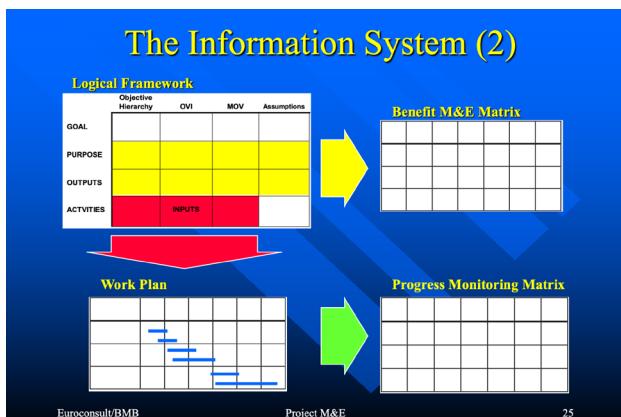


Figure 12. The link between participatory project planning, work plans, and monitoring and evaluation showing the linkage between planning and implementation.

In consultative decision making, the group understands that if a decision is faulty, *“the unity of pursuit will uncover the mistake and the group can find an alternative path quickly and maintain unity of action and purpose.”* Without this assurance that a potentially wrong decision can be corrected at a later time, some individuals would find it difficult to give up a position, felt to be correct, for the sake of unity or solidarity. Thus the knowledge that decisions will be monitored and can be reviewed is an important component to facilitate group unity.

Issues in the modern world can be incredibly complex and even the most inspired group may not come up with the perfect decision on the first round. Alternatively, in some cases, only by taking considered action and monitoring the results can an effective strategy be identified. Or, an initial decision can be correct to start a process, but not the right strategy for the long-term. All of these variants are part of the paradigm of project cycle management, and for the best results a participatory approach using consultative decision making as the instrument of participation is an effective strategy.

4. IMPLEMENTING IN YOUR TEAM

The previous sections are intended to provide information for an informed decision about the implementation of consultative decision making in a team or organizational network. This section assumes that the decision is made to implement this decision-making methodology, and that there are realistic expectations of the effort that is required to make it successful and bring the desired results. It attempts to provide guidance and instruction to those interested, based on the experience of individuals and institutions that use this approach. However, such guidance cannot be all embracing, as every team or organization will have its specific requirements that will have to be addressed.

4.1. UP FRONT INVESTMENTS

As indicated above, there are prerequisites for consultative decision making. Not taking these seriously can compromise the effort. The following list of interventions, while not directly related to consultative decision making, and which have their own justifications for any organization, play a major supporting role in the effective implementation of the methodology. It is strongly advised that they be considered when planning for the implementation of consultative decision making.

- Analysis of decision making structures
- Assessment of the values of individuals involved
- Personal effectiveness training
- Cultural transformation programme
- Communication skills
- Project cycle management skills

4.2. PROCESS

The process of consensus decision making is described differently by different individuals. Kolstoe¹ suggests that decisions involve a three step process: understanding; resolving; and implementing. Miller² describes four “containers” of group consultation: structure and organization; fact finding and analysis; dialogue; and deciding and planning. Lalui³ describes 7 levels, with the 7th level being the maintenance of unity throughout the process (Figure 13). There are no substantive differences between various authors describing the process of consultative decision making. It is important that the process is understood in its entirety by the group, and then the group conforms to the process.

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- 1 John Kolstoe, *Developing Genius, Getting the Most out of Group Decision Making*. 1995. George Ronald.
 - 2 Lawrence M. Miller, *Consultation - creating unity and collective wisdom*, Private communication.
 - 3 Ardawan Lalui, *Managing Research Programmes*, Private communication.

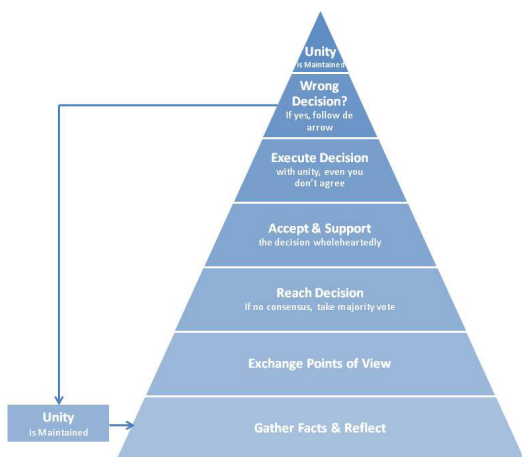


Figure 13. The process of consultative decision making.

Few people have difficulties understanding and agreeing to the logic of the process, as it is straightforward and intuitive. However when a group meets and starts the process, the dynamics and energies and schedule pressures differentially impact on the participants in the group. When this takes place, it is easy to lose sight of the process, and thus the group needs skills and commitment to stay on track. A single individual ignoring process, or not aware of the current stage, can negatively impact on the entire group.

If the group does not adhere to the process, it can jump past principles or the gathering of facts to arrive at a solution. The absurdity of an individual making a decision without knowing or understanding the facts can be obscured in a group where some may have a perfect grasp of the facts and others an incomplete understanding.

The adherence to process is often considered to be the responsibility of the group facilitator or chairman, but as it will be seen in the following discussion, the task of the chairman, also a participant in the group, requires the support of all the members of the group to be effective.

The adherence to process is more than a logical sequence for the development of consensus and implementation plans. By adhering to process the unity of the group is much more likely to be maintained, conflicts are reduced, and the proper attitude is encouraged. For example, concerning the impact of first discussing the principles:

“...There are principles, or what some call human values, by which solutions can be found for every social problem. The essential merit of principle is that it induces an attitude or a dynamic which facilitate the discovery and implementation of practical measures. Leaders of governments and all in authority would be well served in their efforts to solve problems if they would first seek to identify the principles involved and then be guided by them.”¹

Consultative decision making emphasizes process, listening and group thinking, creativity, problem solving, and action plans. The process requires significant energy from the participants and realistic expectations about what can be accomplished. Realistic expectations for an intensive two hour meeting might be three big decision items (30 minutes) and three or four small items (10-15 minutes).

1 Universal House of Justice, *The Promise of World Peace*, p. 28, US Bahá'í Publishing Trust, Wilmette, 1985)

Experienced groups practicing this methodology will learn to deal with the priority items and utilize effectively the energies of the group. Inexperienced groups often spend too much time in consultative sessions, resulting in group fatigue, individuals engaging in other activities during consultation, reduced enthusiasm, and poor accountability.

4.3. PRINCIPLES AND GROUND RULES

Ground rules define how the meeting will be run and are agreed by the participants of the consultative group. These rules describe the rights and responsibilities of the participants. Some examples of ground rules are given below.

1. Begin the meeting with a brief inspirational reading to create a positive climate.
2. Await acknowledgement from the chairman before speaking. Some groups raise hands, or follow an agreed order; others use less formal methods.
3. Exercise complete freedom of expression and opinions, moderated by the need to be concise, allowing time for everyone to participate and the creative interchange of ideas.
4. Support a balance between process and efficiency. All must support the time planning and the need to make and implement decisions.
5. Don't interrupt when another person is speaking. Respect each participant and appreciate the diversity each brings, whether in thought, temperament or character.

6. Take responsibility for creating a friendly and uplifting atmosphere. Speak with courtesy, dignity, care, and moderation to promote unity and openness.
7. Stay on the subject. Focus attention on the task at hand. Extraneous conversation will slow down the process and finding of solutions.
8. Align purpose with the group's purpose.
9. Value and consider all contributions and contributors; belittle none. Evaluation should be withheld until sufficient information has been obtained.
10. Consider, with insight and wisdom, the views of others. If a valid point has been offered, accept it.
11. Expect the truth to emerge through the clash of differing opinions. The best solutions come from a willingness to forge ideas against one another.
12. Let go of your opinions. Once stated, ideas become the property of the group. Ownership of ideas causes disharmony among members of the team and often hinder full exploration.
13. Strive for consensus. It is the goal and achieving it should be the aim of everyone. If, however, consensus cannot be reached, then observe majority rule and support the decision even if you opposed it. Decisions once made become the decision of every participant—dissenting opinions after decisions are made are destructive and compromise success. If a decision is faulty, the unity of pursuit will uncover the mistake and the group can find an alternative path quickly and maintain unity of action and purpose.

4.4. ROLE OF THE CHIARMAN

The chairman (or facilitator) plays a key role in consultative decision making. In some cases, the chairman is selected democratically, either by secret or open voting. In other cases, the formal leader of a company or organization will serve as the chairman. Some groups choose to have a rotating chairman, to give everyone the experience of serving in this role. This practice serves to sensitize all of the participants to the difficulty of being the chairman, and the need for the group to support the chairman.

The chairman guides the group through the stages of reaching a consensus and action plan. He or she keeps the meeting moving, following the process for each subject on the agenda, and monitoring time usage and assisting the group to cover all the agreed agenda in the allotted time. He or she will focus discussion to the point at hand and make sure everyone has the opportunity to participate. The chairman often, but not always, formulates the consensus decision and tests to see if it has been reached.

The skill and fairness of the chairman plays a large role in consultative decision making. It is a difficult role to balance process and efficiency. Not everyone has the ability to see a potential consensus decision when there are conflicting opinions that appear logically incompatible. An experienced chairman with a supportive group will know various methodologies that can be used if finding agreement is difficult (e.g., weighing the options, discussing the pros and cons, gathering more facts, returning to the subject at a later time, etc).

Another important role given to the chairman in some groups is to finish each meeting with an evaluation the meeting—how well did the group function together, and what could be done to make the functioning better.

Specific tasks of the chairman:

1. Coordinates the development of the agenda;
2. Sets up the room and physical environment for the meeting;
3. At the start of the meeting, reviews the agenda and obtains approval of the group;
4. After the agenda is approved, proposes time planning for the agenda items, and obtains approval of the group;
5. Reviews ground rules and confirms the note taker;
6. Keeps the group and speakers focused on the agenda item and task at hand;
7. Protects the process by enforcing ground rules and time allotments;
8. Encourages the expression of various viewpoints;
9. Doesn't let discussion continue between two people, but asks for comments from others in the group;
10. Holds people to speaking for themselves rather than making vague references to others;
11. Helps the group make a decision. Looks for points of agreement and states them;
12. Makes the group deal with going beyond the allotted time limit for an agenda item. Where will the additional time come from? What agenda item should have less time?

13. Focuses on closure by insisting that discussions be resolved with the identification of appropriate next steps, and that agreements and decisions are suitably identified and recorded;
14. Uses humor and other means to alleviate tension, or when solutions are hard to reach;
15. Remains neutral. If drawn into the discussion in support of a particular position, steps aside as chairman until the next agenda item;
16. Organizes regular breaks - energy injections - including short games, songs, a common stretch, etc.

4.5. RECORDERS, TIME KEEPERS, AND "VIBES-WATCHERS"

The chairman needs support to be effective, and this support can be formalized by the group by agreeing on other roles within the group.

Most groups have a recorder that takes notes at the meetings, with the main purpose being an accurate recording of the decisions made and the agreed means of implementation. Different groups have different ideas about the level of detail of the notes taken, but in general they should be sufficient to enable the group to understand essential background elements for the decisions taken and they should not be lengthy. Notebook computers, projectors, and other means can make note taking part of the process of the consultation without losing time. Seeing the words of the decision at the time the consensus is reached can be helpful to prevent misunderstandings later and comments on the wording can increase the clarity.

Some groups include a time keeper to keep things going on schedule so that each agenda item can be covered in the time allotted for it. Unskilled or undisciplined groups often spend large amounts of time on one agenda item leaving little time for the remaining items or causing meetings to run beyond their planned time.

The chairman can find himself or herself in a no-win situation. On one hand, if he strictly conforms to the time schedule by interrupting lengthy expositions, repeated statements, off-subject matters, and the like, members of the group will resent his interference in their right to express themselves as they desire. On the other hand if the chairman does not interrupt lengthy expositions, repeated statements, off-subject matters and the like, members of the group will blame him for unjustly allowing the process to become inefficient or ineffective, or allowing one or more persons to dominate the meeting.

One answer to this dilemma is for all to be aware of the passage of time and the need to deal with all the agenda items. This can be the role of a time-keeper, and by having someone other than the chairman engaged in this activity, it helps the chairman to balance process and efficiency without becoming part of the problem.

An interesting role that is not common, but which illustrates common problems in consultative groups, is that of a “vibes-watcher” or a person who helps the chairman by watching and commenting on individual and group feelings and patterns of participation. The

“vibes watcher” pays attention mostly to the nonverbal communication such as:

- Body language: are people yawning, dozing, sagging, fidgeting, and leaving?
- Facial expressions: are people alert or “not there,” looking upset, staring off into space?
- Side conversations: are they distracting to the facilitator or to the group?
- Are people interrupting each other?

4.6. COACHING TO GET IT RIGHT

Groups can be trained in the processes and prerequisites of consultative decision making, but the group will not meet the prerequisites immediately, nor will they master the processes simply by receiving training. Training gives only the initial, theoretical understanding and rarely is this enough to empower the group to move forward and use this methodology. The initial training needs to be followed up with learning through practical experience. One strategy to improve this learning after the initial training is to use coaching, but the worse strategy is to assume that further learning through experience is not needed.

Training plus coaching is up to four times more effective than training alone.¹ Studies have shown training alone changes behavior by 20% and training followed by coaching changes behavior by 88%.²

1 International Professional Management Association, <http://www.ipma.co.uk>

2 Elisa Mallis, *Coaching toward Transformational Leadership*,

Consultative decision making requires behaviour and attitudes that are not common in most societies. Individuals who are ready to be team players, or who want to collaborate effectively in a team, often display behaviors that contradict these desires. For example, defending one's idea is a common and accepted behavior in many environments, but it destroys the basis for consultative decision making. Or, criticizing ideas as being less desirable or workable is also considered to be normal, but contradicts the idea of looking for ways to find areas of agreement, and creating something new out of seemingly conflicting ideas.

Not infrequently, inappropriate behaviors such as those mentioned are done unconsciously, because these behaviors are normal in the person's experience, and new ideas of collaboration and group synergy have not yet been transformed into new habits and new modes of behavior. For this reason, a skilled coach, not involved in the discussion but observing the proceedings and behavior, can make observations that can help a group to master the methodology more quickly and overcome difficulties. The members of a group are often not able to be objective about their own behavior or the behavior of others in the group, and can fail to identify options for improving the process.

Coaching is particularly appropriate to help the learning process in consultative decision making. A coach:

- is a wise questioner who helps the group access their inner wisdom;

Personal Communication, EBBF 2006.

- does not necessarily come from the same field and may not have deep knowledge about the content of the group's work; and
- is often hired and the relationship between coach and group is a structured, working relationship based on the group's goals.¹

It is possible that a formal leader within the organization or group can use coaching skills to help the group in its learning process, as long as the individual involved clearly lives the values and behaviours necessary for consultative decision making.² On the other hand, if someone from within the group begins to assume the role of a coach without the benefit of being a formal leader in the organization, this can produce resentment on the part of other group members. The formal leader already has a special status in the group and thus does not engender resentment.

If coaching is not used, the group should be good at self-evaluation, and identifying options to continue the learning process and to master the methodology. If there is not a system for continuous learning, the group can develop patterns of ineffective behaviour that continuously reduce the effectiveness of the process and compromising the anticipated results from using this creative decision making methodology.

1 Elisa Mallis, *Coaching toward Transformational Leadership*, Personal Communication, EBBF 2006.

2 It is assumed that, if a formal leader is part of a group, he or she is ready to accept the consensus decisions, and would not depart from this principle without fully explaining to the group why the action was necessary.

5. IN CONCLUSION

The increasing complexity and competitiveness of the global business environment are changing the requirements for success and even survival of many enterprises. Managers can no longer take appropriate and wise decisions on complex issues without involving others and bringing varying knowledge and experience to the table. Traditional authoritarian styles of management and decision making are no longer effective. More participatory and consultative approaches that draw on the knowledge and skills of a pool of experience improve decisions and their implementation, enhance competitiveness, and motivate employees at all levels.

However consultative decision making is not appropriate for all situations. In fact, its misuse can cause waste of time, inefficiency and frustration. Successful consultative decision making implies certain ground rules and the development of enabling qualities in the participants through practice and training. Once these prerequisites are put into practice, the group's support of its decisions will auger well for its success and unity.

6. ONLINE RESOURCES

Internet Links

<http://www.cbuilding.org/projects/handbook/index.html>

http://www.deliberative-democracy.net/resources/library/online_matrix_041004.pdf

<http://conflict.colorado.edu/>

<http://www.cbrc.org/grants.html>

<http://www.cbuilding.org/research/index.html>

<http://www.ecr.gov/>

<http://www.redlodgeclearinghouse.org>

<http://www.thataway.org/index.html>

<http://www.deliberative-democracy.net/resources/>

<http://www.snre.umich.edu/ecomgt/evaluation/guide/why.htm>

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ABOUT THE AUTHOR

Dr. Gary A. Reusche manages two IFC projects: Ukraine Agri-Insurance, since 2007 and Ukraine Agri-Finance since 2011 aiming to improve agricultural financial services in Ukraine. Dr. Reusche's work involves complex technical challenges and innovative solutions never before undertaken in Ukraine. He has worked to develop agri-insurance into an effective risk-management tool that would increase agribusiness access to finance. To improve agri-lending by Ukrainian banks he has developed innovative assessment methodologies that help control agricultural risks and make agribusiness more attractive for lenders.

In addition to the work in Ukraine Dr. Reusche contributes with his expertise to IFC global activities and extends Ukraine's experience to other countries. In particular, he is a member of the Global Index Insurance Facility and undertakes regular missions to Africa, South Asia and Latin America to help develop insurance programs there. Dr. Reusche is also a participant of IFC's global SME AgriFinance group.

Dr. Reusche holds a PhD. in Agriculture and a MBA degree from TSM Business School in The Netherlands. He possesses more than three decades of experience in

agricultural development in over 60 countries. In the last 20 years, he has focused his work on working with agri-business, financial institutions and the agri-insurance sector in Russia and Ukraine.

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