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Overcoming the obstacles to cross-functional decision making: Laying the groundwork for collaborative problem solving

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Many managers today are spending more and more time working cross-functionally. For example, a recent Corporate Executive Board survey of over 20,000 employees found that 60–70% reported working in groups that involve individuals from other internal functional areas or other external stakeholders. Similarly, a Best Companies for Leadership survey, jointly sponsored by Businessweek.com and the Hay Group, found that more than 96% of managers in the top 20 performing global companies agreed with the statement, “*My organization operates in a highly matrixed structure,*” where one of the main goals behind matrix structures is to pull together representatives from different functional groups to make decisions. This increasing cross-functional and lateral flow of information requires a substantially different management approach designed to leverage this knowledge in order to make the best decision for the enterprise. Yet, if managers are not careful, they will unwittingly put in place several obstacles to this process which virtually ensure that the diversity of knowledge resident in these groups and teams will not be effectively utilized.

COMPLEX AND DYNAMIC ENVIRONMENTS: THE DRIVER OF CROSS-FUNCTIONAL DECISION MAKING

This trend towards a more lateral flow of information across functional areas is not at all surprising, given the changing

nature of organizational environments. To compete in a complex and dynamic global environment requires organizations to do two things well. First, organizations must develop more specialized knowledge. Customers in Germany differ from customers in Hong Kong who differ from customers in the United States. As such, each market requires product designs, features, and marketing messages tailored to meet their customers’ unique needs and desires. Further, managing operations and human capital across the globe requires an intricate understanding of complex laws and regulations that can vary substantially across regions. Layer over this several different lines of business and it is easy to see the inherent complexity managers must wrestle with on a daily basis.

To illustrate this challenge, consider how General Electric (GE) has had to evolve when it comes to grooming its employees for management positions. In the past, GE developed its managers’ acumen by moving them across widely disparate divisions of the company in an effort to give them broad exposure to the enterprise. However, as the speed of business has increased and the information demands on decision-making have become more complex, GE has started keeping its executives within one industry for longer periods of time. For example, John Krenicki, the leader of GE’s energy business, held leadership positions in chemicals and materials, lighting, superabrasives, transportation, plastics, and advanced materials prior to his current post. In an interview about changes at GE, Mr. Krenicki noted, “*The next leader of GE Energy won’t have a C.V. like mine. Its next leader will likely come up through GE Energy.*” In the same article, Susan Peters, director of executive development at GE, stated that

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the world is so complex that “*We need people who are pretty deep,*” a point echoed by one of GE’s ultrasound business unit managers who noted: “*Customers won’t tell us exactly what they want. If you’re generic, if you don’t have that domain understanding, you will develop products that will be average and not very successful. . . . GE as a company can’t just take a generic approach here. We have to be specialists.*”

Although more complex environments necessitate increased specialization, the dynamic nature of the market also creates a second requirement for success – *faster decisions*. This need for speed requires organizations to push decisions further down in the hierarchy so that decisions are made in closer proximity to the problems. The way that this is typically done is through the use of cross-functional teams. In fact, the popular press has profiled the effectiveness of these teams in companies like 3 M, BMW, Monsanto and numerous others and how using these teams can speed up decision making for a number of different types of organizational initiatives. Research also supports the importance of these teams. For example, Christina Scott-Young and Danny Samson recently published the results of a large-scale investigation of teams executing fast projects. Drawing on over 200 individual interviews and other data sources from 56 capital projects executed in four continents by 15 *Fortune 500* companies, they found that cross-functional team integration was one of only a few consistent predictors of achieving what they termed a “fast schedule.”

When middle managers work laterally and cross-functionally, it allows decisions to be made at lower levels of the organization (faster) while also allowing for the coordination that these decisions demand (integration). By pulling together individuals from different functions, gaining their input, and pushing decision making down, organizations can gain both speed and integration. The principle purpose of bringing these groups together is to leverage members’ functional diversity so that decisions are made using the best possible information. This is the reason why product development, brand management, project management, consulting, professional services, and global technology companies, to name a few, frequently embed cross-functional teams throughout their organizational structure to manage these processes.

With this focus on using cross-functional teams to organize work, however, comes the challenge of making these teams work effectively, particularly when they come together to make decisions. When this happens, there are three related “obstacles,” that leaders can unwittingly put in place that significantly diminish the team’s ability to effectively leverage the cross-functional knowledge within the team.

Obstacle #1: Opinion Cultures

Accepted organizational wisdom suggests that in order to be an effective subordinate you do not bring your boss **problems**; instead, you bring **solutions**. Similarly, effective leaders do not let their direct reports bring them **problems**; these leaders make sure they bring **solutions**. For direct reports who are working to establish credibility with both their managers and peers, this is great wisdom. Clearly, it is credibility enhancing to be viewed as someone who proactively analyzes and develops solutions to problems. Managers, on the other hand, not

only want their employees to be proactive and thoughtful, they also want their employees to be efficient with their time. One way to increase efficiency is to ensure that when employees seek their managers’ input on specific problems, they have thoughtfully analyzed and considered several options before presenting a recommendation for final input and approval.

When a software engineer, for example, encounters a problem with programming specifications, the organization would prefer that the individual raises the issue to his or her boss with a clear understanding of the ultimate goals of the customer, a clear explanation of how the current plan will not be able to achieve those goals, several potential options that could resolve the problem, and a recommended course of action. Similarly, if a salesperson is not making good traction with a demanding potential customer, the sales manager wants this person to come in with some alternative strategies about how to best approach the sale and gain the manager’s input on the potential courses of action. As this approach to problem solving and decision making becomes shared within the organization, it breeds efficiency, as leaders throughout the organization are briefed on problems along with thoughtfully prepared options, recommendations, and opinions. So this well-worn advice makes for proactive subordinates and both effective and efficient leaders.

But increasingly within today’s organizations, this focus on identifying problems and developing solutions sets in motion a dysfunctional organizational culture for many decisions that impact the organization in very significant ways. One way this type of culture can impede cross-functional decision-making is by breeding an opinion culture where people are expected to have clear and concise opinions about what they think should be done in just about every conceivable situation. This lays the foundation for a heavily advocacy-based decision process that does not effectively leverage the diversity of a cross-functional team.

Obstacle #2: “Progressive” Leadership

Most leaders working in complex and dynamic settings realize that they do not have sufficient information to make many of the decisions they face. Instead, they need to engage others in the decision making process who have more specific and relevant information. In other words, these leaders need to lead the decision making process – not actually make the decision. This is clear to most leaders. But, how one decides to lead this decision making process is another matter altogether and often one where leaders fall short. Many leaders spend a great deal of time identifying the right people to bring together, but spend significantly less time thinking about how to effectively and efficiently lead the group once they are together.

The opinion culture, in fact, lays a very tempting foundation for leading this process in exactly the wrong way. If there is a group of people gathered together who all have opinions, then a logical place to start is by engaging the various stakeholders around the table. This seems like a very up-to-date, “progressive” leadership strategy as top-down, autocratic decision making is seen as out of vogue and particularly ill-suited for dealing with the complex and dynamic environments of today. With the various “opinions” seated around the table and the leader wanting to engage

these stakeholders, an obvious place to start is by asking the group, "So, what does everyone think we should do?" It is such a very simple question, and the temptation is very, very strong to ask it given the opinions that everyone has shown up ready to express. But, this starting point is obstacle #2 to effective cross-functional decision making, because it leads directly to obstacle #3.

Obstacle #3: Competitive and "Vigorous" Decision-Making Processes

One simple question used to initiate a decision-making process can unwittingly open a nasty can of worms. When individuals with diverse perspectives come together to solve problems and immediately share their ideas about what should be done, it quickly becomes known that certain people prefer solution A and others prefer solution B. Once these initial preferences become known, a contest or competition begins with the meeting taking on a predictable pattern. People like to win contests and competitions. And, if people want to win, they no longer approach problems objectively. They are now motivated to "win" by arguing that they are right and other perspectives are wrong. In the process, these advocacy-based arguments activate several well-known information-processing heuristics (often referred to as biases) that lead to no longer seeing the situation objectively or presenting the facts in a balanced way.

Research on the psychology of problem solving and decision making has documented a number of decision making biases, and advocacy decision making processes tend to engage several of these heuristics in very predictable ways. First, there is a great deal of research suggesting that once *anchored* to a particular perspective, we have a very difficult time seeing the world any other way. Anchoring is highly related to the *confirming evidence* heuristic, which suggests that once we have a particular perspective on a problem, we seek out evidence to confirm that perspective and we tend to discount, explain away or not even ask the appropriate questions to gather disconfirming evidence. Once a contest or competition is underway, individuals use anchoring and confirming evidence to *frame* their communication to win the argument, rather than focusing on how to make the best possible decision. This ultimately leads to individuals highlighting and overemphasizing the strengths of their preferred position and downplaying, explaining away, or potentially not even mentioning weaknesses or risks associated with their position.

These behaviors are not necessarily rooted in evil or malicious motives. Rather, they are simply our natural responses when we become psychologically invested in a particular outcome and we want to "win." What is not going on in this process is a vigorous vetting of the options, with each person sharing what they uniquely know about the various options through a balanced and open process. Instead, individuals present their logical arguments about what they believe should be done with the goal of "winning" the competition and being "right."

To recap, organizations create cultures that reinforce the notion that individuals should show up to problem solving and decision making meetings with an opinion about what should

be done. This culture is reinforced and proves to be effective and efficient for many of the small, tactical, execution focused problems that managers face every day. Thus, it becomes stronger and more ingrained over time. Individuals further strengthen this culture by setting these expectations for their subordinates and having these expectations set for them by their managers. Just as this culture is becoming well ingrained in the behavior of individuals, many of these same individuals are moving into positions of increased lateral responsibility, expanded job scope, and where they are members or managers of cross-functional groups tasked with solving more complex problems. These complex problems require the integration of knowledge distributed across different individuals within the group. Yet, despite the changing nature of the decision context and the location of information, the overriding culture of the organization has ingrained in almost everyone that they should show up to meetings with a clear opinion and, therefore, the natural (efficient, unquestioned) starting point for these meetings is a discussion that immediately devolves into differing opinions about what should be done.

THREE OBSTACLES IN ACTION: SELF-REINFORCING DYSFUNCTION

Let us take a look at how these three obstacles to cross-functional decision-making play out in organizations and, in the process, see how these situations could be managed differently. Consider Steve and Tom (names have been changed) who were charged with overseeing a number of complex offshore operations in the oil and gas industry. A few weeks before I met them, they had called together their team to make a decision on a very sizeable joint venture that was in serious trouble. There were three pretty clear choices facing the group: they could sell their stake in the joint venture for a loss, they could buy out their partner, or they could attempt a middle-ground solution by becoming more involved in the active day-to-day management of the project. In this first meeting, some individuals quickly jumped into discussing their opinion about very technical details of the project and how they thought the joint venture should be managed, while others thought that the best course of action was to sell and be done with it. As Steve and Tom described it, "We never got to a real understanding of what was going on, and the scope of the problem." After an hour and a half, the meeting ended with no clear direction on how best to move forward, no consensus among the team, no decision, and increased frustration.

Several weeks later, Steve and Tom had another meeting on the same issue with the same team scheduled in London. For this meeting, they took a decidedly different approach. First, they spent the weekend before the meeting focusing on the agenda and trying to define the problem. As a result of this analysis, they were able to take a much more active role in framing the problem for the team. They started the meeting by setting the stage for the decision in a much more objective manner. The problem was clearly defined at the outset, and they discussed openly their joint venture partner's motivation to improve and the degree to which a willing operator *would* be able to improve. They then explored other options focused on changing the structure of the joint

venture and asked specifically how each of these options would impact the different operational functions represented. Steve and Tom took very active roles facilitating the meeting, engaging the group and encouraging them to think about both the benefits and risks associated with the various options, and they encouraged open communication, balanced arguments, and transparent logic. As they told me after the meeting, "*Defining the story up front really helped. . .we spent a lot of time on how to tell the story and scope out the problem for the team, and then we engaged them around the different options.*"

In my follow-up conversation with Steve and Tom, they made a couple of interesting observations. First, they spent twice the time preparing for the *second* meeting as they did for the first. In opinion-based cultures, advocacy processes take virtually no preparation from a leadership perspective. All the leader needs to do is schedule a meeting and open it with something along the lines of, "*So, what does everyone think we should do?*" and watch the contest and competition unfold. The second observation that Steve and Tom shared with me was that, "*Even though this was a terrible, terrible situation for our company, the team came out feeling good because the discussion was much more constructive and there was absolutely more consensus within the team on how we should best proceed.*" As they said, it was a bad story, well told – a difficult decision, but one that was made well.

In another example, consider the experience of Randy M., former chief executive officer (CEO) of a biotech company. The company was at a crossroad. They had four very clear strategic options confronting them. One option was focused on growing the existing product line, and the other three were focused on diversification. The cold, hard reality was that they did not have the funding to pursue all of the options and, in fact, the board was pushing the leadership team into a binary decision – make a choice to either extend the current product line or diversify. With a binary choice such as this facing the leadership team, everyone developed strong opinions about which of the two options would be best to pursue, and they started to quietly lobby with each other behind the scenes to gain support for their idea. With the board's framing of the decision, coupled with the back-alley lobbying among the leadership, an advocacy-based decision process was well underway.

At that moment, Randy launched an e-mail to the leadership team completely reframing the problem and encouraging everyone to consider how to solve a different problem. Randy proposed that this was not an either/or decision, but a both/and decision. He challenged the team to think about how to pursue both product extension and diversification simultaneously and generate the required revenue to do so. This shifted the leadership team's focus away from advocating for a particular course of action toward a creative, collaborative, problem-focused, and inquiry-based process where they stopped *arguing* about which option was best and started *asking* how they might be able to do both. With the solutions emerging from this reframing and refocusing of the leadership teams efforts, the company ended up both extending their current product line and pursuing two of the three diversification options, where the funding for the diversification was generated by several external grants. The option of

pursuing grant money came about once people started thinking more about options to generate cash instead of just the two options the board was forcing them to choose between. As one might guess, Randy's e-mail is well remembered by many in the organization.

THREE STEPS TOWARD REALIGNING THE CULTURE OF CROSS-FUNCTIONAL DECISION-MAKING

These two examples start to provide insights into making better decisions when individuals around the table come from different perspectives and possess different information. There are three ingredients required for better cross-functional decision-making:

1. Leadership
2. Clear expectations
3. Strong facilitation.

Leadership: autocratic on process, agnostic on decision (NOT the reverse). When information and perspectives are distributed, it is essential that leaders adopt a decision-making process that capitalizes on the hidden potential of individuals' diverse, functional perspectives. After all, is not that the main reason why they are being sought out for input in the first place?

Although it may seem as though cross-functional decision making requires soft or gentle leadership – where the leader sits back and allows everyone to freely voice his or her perspective – that is actually not the case. When leaders try not to dominate the process and encourage input, they typically have everyone share what they think. However, if everyone's "thinking" consists of clear, well-argued, and supported opinions about what should be done, this type of leadership is actually detrimental to good decision outcomes.

Ironically, it takes much stronger leadership to overcome a well-ingrained culture of opinions, recommendations, and "vigorous" arguments. Not only does it take strong leadership, it also takes a different type of leadership. Leadership designed to leverage diverse perspectives by providing a top-down, clear, and decisive decision making *process*, as opposed to either traditional top-down decision making or the passive encouragement of the upward flow of opinions.

Leaders first need to be very clear on both their goal and role. Simply put, the leader's *goal* is to leverage the diversity of knowledge that exists in the room and their *role* is to lead the group through a structured process that dramatically increases the likelihood that a good decision will be made. This requires a significant shift in the leader's way of thinking and operating, as any departure from the typical or default approach requires deliberate and purposeful action. Beyond being clear on both their goal and role, the leader must also help focus the group on the true problem or decision they face. This may sound obvious, but it often is not clearly articulated at the beginning of many decision making or problem solving meetings what the group is actually there to decide or what specific problem they are trying to solve.

Table 1 Inquiry versus advocacy decision processes.

	Advocacy	Inquiry
Concept of decision making	Contest	Collaborative problem solving
Purpose of discussion	Persuasion and lobbying	Testing and evaluation
Participants' role	Spokesperson	Critical thinkers
Patterns of behavior	Strive to persuade Defend your position Downplay contrary evidence	Balanced arguments Open to alternatives Accept/process contrary evidence
Minority views	Discouraged/dismissed	Cultivated/valued
Outcome	Winners/losers	Collective ownership

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It is also important, as part of establishing an inquiry (as opposed to advocacy) culture within the group (see Table 1), to openly discuss what each of the diverse stakeholders is looking for in a solution. In other words, what does a solution to the problem need to have in order for each stakeholder to view the solution as "successful?" For example, Marketing wants products that create a "buzz" in the marketplace, Customer Service wants a product that will be easy for new customers to use, Operations may be focused on quality control issues, Sales the potential for top-line revenue, Finance the bottom line ROI (return on investment) and so forth. The advantage of diverse decision making groups is that everyone brings different perspectives, viewpoints, and information to the process. But, along with this diversity comes different goals, metrics, and criteria for a successful solution. For this reason, these different stakeholder goals need to be acknowledged, recognized, and discussed upfront.

In sum, the leader's job is to clearly frame the problem for the group and then lead the group through a structured process designed to leverage and integrate the diverse perspectives and knowledge. The problem needs to be clearly specified and framed prior to any solutions or opinions being expressed. In addition, the goal and the role of the leader need to be exceedingly clear, and the leader needs to hold fast to this goal and (dare I say it), they need to be autocratic and dictatorial in their approach. But, this top-down, autocratic direction is not around what the decision should be; rather, it is about how the decision should be made. Here the goal is to effectively leverage functional diversity to achieve an optimal decision, where the leader's role is to define, structure, and strongly facilitate this process. In short, leaders need to be autocratic on process and agnostic on the final outcome of the decision – not the opposite.

Clear expectations: participation and preparation. The leader also must clearly communicate that the process used to make this decision will be different both during the meeting and in terms of preparation prior to the meeting. During the meeting, individuals will be expected to engage in active problem solving, generating options, and evaluating these options in a thoughtful, balanced way – where questions are asked before arguments are made. In creating these expectations, it is critical that the leader establish these expectations well in advance of the meeting. Because a funny thing will happen if they do not – individuals will come

prepared to pitch their recommendation to the group and not come fully prepared to evaluate the relative merits of all of the options.

The goal in setting these expectations is to engage the appropriate motives and, therefore, better preparation for the meeting. Said differently, individuals' motives for the meeting will drive their preparation for and participation during the meeting. If the expectation is that they will be asked to advocate for their preference, then they will come prepared to do exactly that. They will come with well thought out reasons for their opinion and lots of positive arguments for why this is the best option. They will come less prepared to fully discuss the weaknesses of their option, and they will come even less prepared to discuss the relative merits of options that they consider inferior. If everyone comes prepared to argue for their choice and less prepared to fully discuss the relative merits of other options, then the leader has not successfully created a process where the diversity of information within the group can be fully leveraged.

Strong facilitation: focus first on knowledge, then opinions. In order to convey the importance of strong and structured facilitation, consider the following story. Imagine that you are summoned for jury duty and, as luck would have it, you are selected to serve as one of 12 members of the jury. But you quickly discover that several years ago the court system hired a "human capital" consulting firm to help develop a better system for leveraging their "human capital;" namely, the jurors. After much analysis, the newly implemented system consists of putting one juror in the jury box for one hour and rotating jurors every hour – so, one juror in the jury box every hour of the trial and a different juror every hour. The trial that you and the 11 other members of the jury are assigned lasts exactly 12-h such that you and the 11 other members of the jury have heard exactly one hour of the 12-h trial. At the conclusion of the trial, the 12-member jury is escorted to the deliberation room.

Now imagine if the jury foreperson (leader) started the deliberation with something like, "Now, I'm sure after what each of you have heard, you have an opinion regarding the suspect's guilt. So, I would like to start the discussion by taking an initial vote – guilty or not guilty." The wrongheadedness of such an approach should be obvious, as this is the equivalent of asking the jury – after only hearing 1/12th of the trial – what **should be done**. Clearly, the logical first step

is to start by extracting what everyone learned while listening to his or her 1-h of the trial. After all this information has surfaced, then and only then can the members of the jury effectively start deliberating about what should be done.

Yet, frequently in the context of cross-functional teams, it seems that individuals do the equivalent of looking at their "one hour of the trial" and making up their mind about what should be done. If the goal for leaders is to leverage the diversity of knowledge, then they need to ensure that the team approaches the situation very much like they would approach this type of jury trial. They first need to elicit perspectives and knowledge and then move to discussing what should be done.

The goal here is to set in place a focus on the overall enterprise and make the best decision for the organization, not the best decision for any particular stakeholder. Individuals must be encouraged to listen to other perspectives, fully share their own perspectives, and actively learn about what each person knows. This will not necessarily be a "nice" process. Rather, the leader needs to set in place a very active, questioning, and rigorous process where individuals are focused on the vigorous vetting of the strengths, weakness, and potential risks of the several options that emerge

from the process. Instead of pejorative or sarcastic questioning, which can often happen when someone is trying to win an argument, the questions ought to be focused on vetting the options through active inquiry into each other's assumptions, data, and logic, all in an effort to gain better understanding.

The leader will need to work hard to create a culture where individuals actively and vigorously seek understanding, where they drive and push others to justify their conclusions and openly discuss how they are reaching these conclusions. This will include not just talking about facts, but also evaluations and conclusions with transparent logical connections between the data that someone has and their conclusions. The key, however, is to delay this stage of the process until after the problem has been clearly defined, and where the divergent criteria for success have been identified and agreed upon by the group.

Consider, for example, the prospect of launching a new product either through a significant ramp up of internal resources or through a joint venture. It would be typical for a cross-functional team to be brought together to evaluate these options. This team would include representatives from different functions within the organization – human

Sidebar #1: obstacles in action: what does the research say?

In my work with executives over the years, I have mirrored this process in a simulated cross-functional decision making exercise with over 500 executives. The goal of the exercise is to highlight the problem of using advocacy/opinion-based decision processes when individuals come to the table with different perspectives, goals, and opinions about what the organization should do – a task called a "hidden profile" exercise.

The exercise is quite simple. Members of an organization's executive team must come up with a consensus recommendation regarding which of three job candidates is the best choice for an opening on the senior management team. Each person in the group represents a different functional vice president (Marketing, Operations, Human Resources, and Sales). The information on the candidates is presented such that there is some common information (e.g., educational background, years with the company) and unique information that has been gleaned from each VPs informal network. The exercise is designed such that the only way a group can identify the correct choice is by having everyone share all of what they know – both strengths and weaknesses about each of the three candidates. Half of the participants are asked to make decisions individually based on their unique perspective on the three candidates, justify this decision in writing, and then record notes for the group decision that follows. Conversely, the other half of the participants do not make individual decisions; rather, they simply receive the case information and are told to approach the task "as a group."

These brief instructions are sufficient to create group processes that are either advocacy or inquiry based (see Table 1). The advocacy teams (those with individual opinions coming into the meeting) virtually always begin the meeting by quickly expressing their individual preferences. This initial sharing of opinions initiates a contest or competition where individuals begin the meeting by justifying why their chosen candidate is the most qualified for the job. In contrast, the inquiry groups (those without an initial preference) obviously cannot start the meeting by sharing initial preferences. These groups typically start by first discussing the goals and objectives of the company, and then identifying the various – and different – criteria for a successful candidate. Typically, they then discuss what each person knows about each of the three candidates regarding the key criteria. With respect to final decisions, inquiry teams are nine times more likely to make the correct decision than advocacy teams.

There is considerable research that offers additional support to the problem of opinion-based cultures in situations involving individuals with different perspectives and information. For example, using similar exercises, research has shown that there is a strong tendency for individuals to stick to their initial preference even when presented with contrary data. Beyond the tendency to simply stick to their initial preference, subsequent research demonstrates that knowing others' preferences in the group reduces the degree to which members of the group pay attention to the information that is shared. For example, in an interesting series of experiments, Andreas Mojzisch and Stefan Schulz-Hardt found that groups that expressed initial preferences were much less likely to solve hidden profile decisions, in part due to group members paying less attention to the information presented by their colleagues. In other words, if I know your preference, I will pay less attention to what you are saying and not think about it very deeply. Of course, with all the initial preferences exposed, I might very well not pay much attention to your arguments, because I am too busy formulating my counter-argument about how you are wrong!

Sidebar #2

Watch out for pre-decision lobbying

It is important to note that thus far the focus has been on situations where the team is discussing options collectively, together, at the same time. Wrong expectations coupled with a misaligned process in the context of this group discussion can fail to sufficiently benefit from the very reason diverse perspectives are pulled together in the first place (leveraging of everyone's unique knowledge). But often the process of deciding does not wait for the group to come together.

Frequently, there is a great deal of pre-circulation of opinions and small coalitions formed prior to the actual meeting. One person seeks out another person to gain commitment to their preference, and several of these one-off discussions happen prior to the meeting so that the decision is essentially made prior to the gathering of the group. Usually, this process results in either one very influential person lining up full support for his or her preference or the formation of clear "sides" where two influential leaders have built two competing coalitions. During these behind the scenes conversations, the influencer does not exactly present balanced arguments and, oftentimes, there is subtle political pressure to get on board with the influencer's point of view. The "influencee" sees how things are lining up and often agrees to go along without really thinking through the situation carefully. Obviously, this type of behind-the-scenes lobbying further impedes the goal of diverse perspectives. Just think about the jury example. How much more handicapped would the process have been if dyadic, behind-the-scenes lobbying had happened prior to the group coming together, with a couple of very influential individuals swaying the preferences of others? How much less information would have been extracted from the group? How much less constructive would the dialogue have been? Thus, forestalling these sidebar lobbying efforts is yet another opportunity for strong leadership to ensure the leveraging of diversity. And, ultimately that is the goal of bringing together a group of diverse perspectives in the first place.

resources, operations, information technology, business development, finance, and marketing. Not surprisingly, each of these different perspectives considers different parts of the initiative to be critical.

Although everyone wants to launch a successful product that satisfies customers and results in a reasonable return on investment for the organization, there are other substantial differences in these individuals with respect to their perspectives and goals. The operations and information technology (IT) representatives are focused on the infrastructure required for both initiatives and look toward the organization's capability to deliver outstanding execution and continue to build the brand reputation. They are, of course, also concerned about the risk associated with a failure to execute. Any uncertainties in the estimation of the post-implementation requirements make both of these individuals quite nervous. The business development person is focused on the upside of diversifying the product line and looking for opportunities to cross-sell with existing products. Finance, on the other hand, is focused on growing revenues and profits to meet the expectations of investors. Finally, marketing is focused on launching the new product based on market research and on how best to position the new product line with existing and new customers.

In pulling this group together to analyze the two launch options, there are several keys to effectively leverage the diversity and create an environment where each individual effectively learns from others in the group. One is to first ask each person in the room to highlight what they are looking for in a decision or, in other words, what are their criteria for success. We see in the above example that there will be clear differences here – operations and IT will be looking at how best to successfully respond to customer demands for support after the launch and what it will take to minimize that exposure, business development will be looking for the option that provides the best opportunity for cross-selling, and so forth. After these criteria are clearly communicated,

the group can begin to evaluate the various options by having each person discuss the relative merits of the various options in terms of pros, cons, and potential risks and exposure.

The goal here is to move from a culture of arguments, winning, and "making decisions," to a culture of collaborative problem solving. One indicator of true collaborative problem solving occurs when individuals from one functional perspective are discussing options from another perspective. For example, in the midst of the discussion, the finance manager questions the operations manager about how what they are discussing will work from a marketing perspective. At this point, individuals have not only gained an appreciation for other perspectives, but they are actually able to *adopt* one of these other perspectives. That is a sign of true collaborative problem solving. In fact, there is some research evidence suggesting that framing a decision as solving a problem, versus making a judgment, leads to a richer discussion of critical information. Thus, one way to encourage collaborative problem solving is by framing the situation as one where different functional groups need to come together to "solve a problem," instead of making a decision.

During this process, another key role of the leader is to work vigorously to overcome a very common and well-documented tendency of group decision making – the tendency for groups to focus their discussion on common, or shared, information instead of unique information. One way to do this is to emphasize that the various stakeholders are there precisely because they represent a unique perspective and bring to the group unique information. This recognition of expertise of each individual – and making it clear to everyone in the group who has what expertise – helps to increase the likelihood that individuals will both share their unique perspectives and value the unique input of others. Everyone must realize that each person is the expert on his or her perspective and needs to be willing to help others learn what they know.

The final step is moving the group from the evaluation of options toward resolution. This is where the discussion can turn from what everyone knows to various stakeholders arguing about which direction they believe is the best way forward. Now that there has been a deep exploration and evaluation of the various options and where a culture of openness and cooperation has been established, the leader can legitimately ask the question, "What does everyone think that we should do?" At this point, it is perfectly reasonable to move to a vigorous advocacy process because as the various stakeholders argue for one direction or the other, they will have to make very clear which key opportunities they believe are critical and which risks they think can be easily mitigated (see sidebar #2). Once the best option is identified, then it is time to move into plans for execution.

CONCLUSIONS

Two words of wisdom go virtually unquestioned. The first is that leaders should never allow subordinates to bring them problems; instead, they should bring recommendations, opinions, and solutions. The second is that in order to make really good decisions – particularly complex decisions that cut across lateral functions – ensure that various perspectives are sought out. In other words, complex decisions require a diversity of perspectives and stakeholders.

These two words of wisdom, however, are often at odds with each other. The purpose of bringing diverse perspectives together is to gain a more complete and well-informed view of the problem. Yet, if layered over this complexity and diversity is a culture that expects opinions, recommendations, and

arguments for favored courses of action – a culture that seems to be widely present in many if not most organizations – then this diversity will not be sufficiently leveraged. Complex, lateral, and cross-functional decisions require a different process that can better leverage this diversity.

At first glance it seems as though leveraging this diversity would require less active leadership. The leader simply needs to ask a diverse group of individuals what they think we ought to do? Right? Wrong, because asking this question coupled with the culture of opinions and recommendations actually incites the exact thing that should be avoided early in the process; namely, the formation of sides and the advocacy-based competition that ensues.

Rather, decision making that leverages diversity requires much more active leadership. It requires more thoughtful preparation and clearer expectations prior to the meeting. During the meeting, it requires a more rigorous framing of the problem and much more active facilitation of the discussion. The leader in such a scenario is not dictating the answer or forcing his or her opinion on the team; instead he or she is leading by providing structure to the problem and process. The more ingrained the culture of recommendations and opinions, the stronger the leadership needs to be to overcome this culture. Yet, this strong leadership is both critical and necessary to effectively leverage cross-functional diversity.



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