THE ENTERPRISERS PROJECT

4 styles of decision-making:
A leader's guide

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Know when to use the different styles of decision-making—and when it's time to try a different approach

Many people think that decision-making is a result of personality rather than a strategic choice. With that said, leaders need to understand that personality can't stand in the way of making critical corporate decisions. Successful leaders can alter their approach to decision-making to accommodate the demands of diverse business situations.

This article will break down four styles of decision-making, when to apply them, and when it's time to try a new approach.

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1. Directive decision-making

A directive decision-maker typically works out the pros and cons of a situation based on what they already know. Directive decision-makers are very rational and have a low tolerance for ambiguity. Their decisions are rooted in their own knowledge, experience, and rationale, rather than going to others for more information. The upside to this style is decision-making is quick, ownership is clear, and it doesn't require extra communication. However, directive decisions can sometimes be made impulsively, without all the necessary information.

When to use directive decision-making

This style of decision-making lends itself well to situations characterized by stability, repeating patterns, and consistent events. Reserve directive decisions for instances where there is a clear and undisputed cause-and-effect relationship; in other words, a right answer exists and is understood collectively.

A leader's role in directive decision-making

A leader needs to sense the situation, categorize it as a scenario that calls for a direct decision and respond appropriately. Make sure there are best practices in place for recurring processes. When classifying the situation, remember to ask yourself: Is this my decision to make, and do I have all the required information to make this decision? Delegate if necessary, but remember to communicate in clear, direct language. It's a leader's job to understand when extensive, interactive communication is unnecessary and to make direct decisions based on the information they already have.

Signs you need to use a different approach

When operations are running smoothly, it's easy for leaders to fall victim to complacency. Leaders need to be mindful of the changing complexity of particular situations. If you start using direct decisions to make complex jobs simple, you need to change your approach. Understand that changing circumstances call for changing decision-making styles.

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2. Analytic decision-making

Analytic decision-makers examine much information before taking action. For example, analytic leaders rely on direct observation, data, and facts to support their decisions. However, unlike directive decision-makers, an analytic decision-maker will seek information and advice from others to confirm or deny their own knowledge. These decision-makers have a high tolerance for ambiguity and are very adaptable, but they like to control most aspects of the decision process. This style is a well-rounded approach to decision-making but can be time-consuming.

When to use analytic decision-making

Analytic decisions are helpful in situations where there may be more than one right answer. Use this style of decision-making to solve problems where the cause-and-effect relationship is discoverable but not immediately apparent. Primarily, you're using this approach to explore several options or solutions and using fact-based management to guide appropriate action.

A leader's role in analytic decision-making

Unlike directive decision-making, leaders need to analyze all the information available to them before deciding on a course of action. It's beneficial to assemble a team of industry experts to assist with analytic decisions; however, leaders need to consider conflicting advice and ideas openly. At the same time, leaders need to consider the viewpoints of non-experts in order to make the most of the analytic decision-making process.

Signs you need to use a different approach

The most significant warning sign of overuse of the analytic decision style is analysis paralysis. If you find yourself functioning in a state of over-analyzing or over-thinking without action or reaching a decision, you need to drop this approach.

3. Conceptual decision-making

The conceptual decision-making style takes a more social approach compared to the directive or analytic methods. Conceptual decision-makers encourage creative thinking and collaboration and consider a broad array of perspectives. These decision-makers are achievement-oriented and like to think far into the future when making important decisions.

When to use conceptual decision-making

Apply conceptual decision-making to problems that involve many competing ideas. This style of decision is best suited for situations characterized by unpredictability and suited to creative and innovative approaches. In these scenarios, you find there is no immediate solution, but patterns emerge over time. Using a conceptual style of decision-making accounts for long-term planning and unknown variables.

A leader's role in conceptual decision-making

For conceptual decision-making to be effective, leaders need to create an environment that encourages experiments designed to reveal instructive patterns over time. As well, leaders need to make a point of increasing interaction and communication. Create groups of people who can contribute innovative ideas and help with the development and delivery of complex decisions. Patience is key, and leaders need to give themselves time for reflection.

Signs you need to use a different approach

If the decision you need to make involves a situation that needs structure and defined outcomes, you shouldn't use a conceptual approach. As well, decisions that need to drive immediate results and circumstances where there is little room for error do not fall under conceptual decision-making.

4. Behavioral decision-making

Behavioral decision-makers try to make sure everyone works well together. Like the conceptual style, behavioral decision-making is group-oriented; however, rather than brainstorming potential solutions, the group is given the options available to them. From there, the group discusses the pros and cons of each choice. This style of decision-making considers many different outlooks and opinions in the process.

When to use behavioral decision-making

Like conceptual decision-making, the behavioral style requires proactive communication. This style takes a more introspective approach by discussing solutions that have worked in the past rather than trying to reveal new patterns.

A leader's role in behavioral decision-making

Leaders need to open up lines of communication in this style of decision-making. Again, create groups of people who can contribute their opinions and encourage democratic discussions. When employing the behavioral decision-making style, don't just impose a course of action. Instead, look at what decision creates the most harmony within the organization.

Signs you need to use a different approach

If group discussion sessions never reach an agreement, you may need to consider another approach. In contrast, if new ideas never come up or no one challenges opinions, behavioral decision-making may not be the best option either. While this style of decision works to benefit the group as a whole, it requires a definite and decisive leader to get things accomplished. If necessary, look for ways and experiments to force people to think outside of what's familiar.

The most influential leaders learn how to adjust their style of decision-making to suit particular circumstances. Different contexts and situations call for individual managerial responses and sometimes multiple approaches to decision-making. By understanding the various forms of decision-making – and staying aware of warning signs – leaders can learn how to make better decisions in a variety of complex contexts.

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