



Decision-Making Exercise (A)

Please read these instructions carefully. They describe the **consensus** method of group decision making. You must utilize this process to develop recommendations for Cyrus Maher, CEO of Waterway Industries (See Assigned Reading: "Growing Pains"). *Please remember that this entire exercise must be completed in one hour.*

The consensus method requires the group to engage in a free exchange of ideas and opinions. Everyone contributes to the discussion by presenting logical arguments. The group ultimately develops a set of recommendations that all individuals find acceptable.

Please follow the key steps and process guidelines¹ outlined below:

Key Steps:

1. Read "Growing Pains" carefully. Please do not discuss this reading with any other class member.
2. Meet with your assigned group to discuss the case. Each individual should have the opportunity to present their ideas to the other group members. Individuals must support their recommendations with explicitly stated assumptions, facts, and data.
3. The group discusses everyone's arguments in an open and constructive manner.
4. The group strives to achieve consensus, meaning that each member can accept a single set of assumptions and recommendations. This does not mean that everyone must be completely satisfied with the final decision. However, each individual should believe that the assumptions and recommendations comprise a logical and plausible course of action for Cyrus Maher, CEO of Waterway Industries.
5. Please record the group's final recommendations as well as the supporting assumptions, facts, and data on the Final Recommendations Form (**Exhibit 1**).
6. Please individually complete the Student Survey (**Exhibit 2**).

¹ Adapted from Sandberg, Schweiger, and Ragan, "Group Approaches for Improving Strategic Decision Making," *Academy of Management Journal*, 1986, Volume 29, No. 1, pp. 51-71.

Doctoral candidate Michael A. Roberto prepared this case under the supervision of Professor David A. Garvin as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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Process Guidelines:

- Explain your assumptions and recommendations in a clear and logical manner. You should attempt to convince others of the merits of your position. However, you should also consider and recognize the merits of others' ideas. Give others ample opportunity to make their case.
- Attempt to avoid treating disagreements as a win-lose proposition. Look for ways to seek common ground or to move beyond the area of disagreement.
- Be quite flexible, but do not change your mind simply to avoid conflict with others.
- Avoid using techniques such as majority voting or coin tosses to resolve disputes. Move the discussion forward by calling for new information, new ideas, etc.
- Remember that differences of opinion naturally occur in a group decision making process. Often, these differences can enhance the group's final recommendations.
- Don't be fooled by initial agreement among group members. Make sure that the agreement actually stems from a common rationale.

Exhibit 1 Final Recommendations Form

Recommendations:

- 1.
- 2.
- 3.
- 4.

Assumptions:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Key Facts/Data:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.