It Doesn't Have to Be Lonely at the Top



By Narayan Pant , INSEAD

Tips for leaders to gain valuable, actionable and informed feedback from their peers.

Sami, a manager in a multinational company, had to make <u>a difficult</u> <u>decision</u> concerning an underperforming direct report. To complicate the situation further, the subordinate in question was a contender for Sami's job and friendly with Sami's current boss. Sami's boss had seemingly left all decisions to him, telling Sami: "You're the boss, you make the decision that's right."

Sami now had to decide whether he should fire his recalcitrant subordinate and was left grappling with his own doubts and fears about the potential repercussions. His boss had said it was his decision, but did she mean it? What if she resented his choice to fire someone she liked and supported? Was he biased in his assessment, especially given that his subordinate was a contender for his position? Would a more capable leader be able to persuade him to be more productive? Sami's group of friends had varied advice. One person said that not firing the subordinate would be a sign of weakness. Another suggested that he should sideline the subordinate and encourage him to leave, that way avoiding his boss' wrath. Sami wasn't convinced until someone reminded him about how loyal he had always been to his company and asked: "What is right for the company?"

All of a sudden, the fog lifted, and he could think clearly again. The comment reminded him where his values lay and that, in turn, made his decision clear.

The wisdom of the crowd

All leaders benefit from having people they can turn to when facing difficult decisions. However, most people I meet tend to disagree. "Oh, they can't know my context," you might think, or "it's complicated and it will take too much time for me to explain it." You may even think, "it's very confidential, you know; I can't tell just anyone what is happening."

These reasons are not significant and probably inaccurate. Try not to dwell on them. If you must, focus on how not asking others for feedback helps you. Maybe it helps you avoid hearing something you don't want to hear. Or maybe it helps you postpone the inevitable. Don't do anything with your speculation – just file it away.

Once you suspend your objections to seeking feedback for difficult decisions, you can implement the following guidelines to maximise the value you receive from the advice.

1. Get feedback from people with no skin in the game

You will naturally question the value of feedback from people you consider biased. Unfortunately, many people you encounter will seem biased because they may gain or lose from your decisions.

Take Sami's case. Who did he encounter daily? Members of his team, some of whom wanted to take over the responsibilities of their recalcitrant colleague and others who wanted to get Sami into trouble. Even Sami's wife was biased towards courses of action that reduced his workload so he could spend more time at home. So, Sami turned to a different kind of group for feedback. He first encountered this group in an executive programme. Since they came from different companies, they were not invested in each other's decisions and could speak openly with each other. They were so captivated by the value of the feedback they received that they continued consulting one another long after the programme ended.

2. Consult informed respondents

Feedback is more valuable when it comes from people who are at least somewhat informed about the decision you are making. These individuals don't need to be experts (there are some circumstances in which experts can even be harmful due to **overconfidence in their judgments**), but they must have informed insights.

Sami's group consisted of people with similar levels of seniority who had all had dealt with difficult performance issues. None of them was an "expert" on performance issues, but they could all share how they thought they would respond if they had to make the decision.

3. Solicit independent opinions

Subjects in experiments tend to give answers they "guess" the experimenters want, just to be nice. Similarly, friends tend to be "nice" and offer their friends the answers they think they are looking for. However, the value of feedback lies in the independence between different respondents and the person seeking feedback. Hence, Sami and his friends had to work hard at offering independent opinions – and resist being nice – when asked for feedback.

They protected independence in several ways. First, they reminded each other to be honest – "nice is the enemy of helpful" became a refrain. Second, they sent each other feedback in writing, before having one-on-one conversations. Also, they did not give feedback in the presence of others in case their feedback was influenced by what they heard. All members believed they received independent and truthful feedback from other group members.

4. Ensure a reasonable degree of diversity

The "wisdom of the crowd" refers to the discovery that a group of independent, informed people can form superior judgments compared to individuals, even when the individuals are experts in their fields. Key conditions to maximising the wisdom from crowds include those discussed earlier – independence and being informed, supplemented with a reasonable degree of diversity.

In the environment in which Sami found his "crowd", diversity was baked into the process. Participants came from diverse companies, industries and countries, all of which fostered diversity in perspectives. However, many contexts have lower levels of diversity but individuals can still aspire to seek diverse opinions.

People I meet in Japanese organisations, where there is generally lower diversity in gender or educational background, can predict the feedback their colleagues will give them. When encouraged, they find that soliciting feedback from people of different genders and educational backgrounds can enrich their understanding about the problem at hand.

It's lonely out there, but it doesn't need to be. All leaders benefit from receiving feedback on difficult decisions, and the value of the feedback they receive is greater if respondents are unbiased, independent, informed and diverse.

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