

REACHING CONSENSUS – THE RISKS AND REWARDS

A consensus decision occurs when a group comes together and makes a decision that everyone agrees on. Consensus is often used to forge a sense of unanimity and goodwill. As a result, we often see teams and groups – even entire organizations – operating on the basis of consensus.

But despite its advantages, consensus has risks. Here are the main ones:

Faux Consensus

Consensus can result in a sense of false harmony. A group that is used to reaching consensus can stifle dissenting views – at the potential cost of reaching a more appropriate decision. For example, if the group is considering a new market or technology, the desire for consensus may mask deep reservations about the hidden costs. The result is faux consensus, which may surface later on in faltering support for implementation.

Loss of Agility

Trying to get everybody on the same page takes more time. Our rule of thumb is that true consensus typically takes at least twice as long as a consultative decision, in which a leader makes the call after gathering input from the affected parties. The time spent coming to a consensus could actually be spent implementing the decision and responding more quickly.

Inability to Make Tough Decisions

Consensus severely hampers the ability to make tough decisions. We worked with a law firm whose managing partner wanted to do everything by consensus. Key market opportunities were missed while internal wrangling went on and on. Competitors grabbed these opportunities. Over a five-year period, total partner income was stagnant in comparison to other law firms. Only when a new managing partner was named, one more willing to make tough calls, did the firm's fortunes change. The inability to make tough decisions is one of the biggest risks of over-reliance on consensus.

Eroded Trust

The expectation that decisions will be consensus-based can cause team members to feel deep distrust if the leader steps in, suspends the effort to build consensus and makes the call. This is one form of eroded trust. On the other hand, if people keep contrary views to themselves to avoid the appearance of conflict, not only does the quality of the decision suffer, so does the level of trust.

Loss of Talent

People grow up in a particular culture and learn the habits of that culture. When people are encouraged to avoid conflict, this tends to weed out more talented leaders who have a clearer eye about the risks and rewards of a given course of action.

When Are Consensus Decisions Appropriate?

Consensus decisions are sometimes necessary. For example, consensus is the best way to move forward when two or more independent organizations are trying to reach agreement. Consensus may also be useful when people share both responsibility and “veto” power.

But the lesson is this: Leaders shouldn't create a cultural expectation that every decision will be consensus based. Instead, a leader should build a culture of consultative decision-making, saying he or she will make the final call after hearing the views of the group. People can speak their minds freely knowing that consensus isn't the goal. This results in higher levels of trust in the team's ability to deal with conflicting views and still make decisions.

Chapter 4 of my new book, [The Leadership Equation](#), dives deeply into the subject of organizational decision-making. It describes how to identify your organization's core values – and how to ensure that employees' day-to-day decisions and activities are aligned with the company's core values.