Decision Making Case Study

Fortune 100 Energy Company

Overview

Like most sectors of the economy, the energy industry experienced some of the most challenging economic and social circumstances in history due to the onset of a global pandemic, in conjunction with a supply and demand shock. McChrystal Group partnered with a leading Fortune 100 company that wanted to maximize team effectiveness through improved communication and decision-making. The company knew it needed to respond quickly to its rapidly changing operating environment, but the company lacked a comprehensive process for leaders to disseminate decisions, limiting access to timely and relevant information at the frontlines.

Our Organizational Diagnostic of the company revealed that only 28% of the organization believed decisions were made in time for effective execution. This was due to the tendency for decisions to be revisited or ineffectively communicated, resulting in inefficient workstreams. Furthermore, only 25% of employees agreed that there was an effective process to solicit input from relevant stakeholders before decisions were made, resulting in unclear ownership and accountability.

Impact of Slow Decisions

When analyzing the impact of slow decisions, we found that employees who experienced delayed decisions were five times less likely to have a predictable work rhythm that allowed them to plan how they spend their time. The lack of a channel to disseminate decisions and allow others to ask questions created a hesitancy to execute.

Ambiguous Decision Making Authority

The company lacked two crucial processes: one that would distribute decision-making responsibilities to the most appropriate stakeholders, and one that would communicate the information required for those decisions. This had a significant impact on the company's ability to react quickly to risks or changes in the environment, hindering the company's COVID-19 response.

Implimenting A Decision Space Framework

Through our partnership, McChrystal Group was able to operationalize these processes by incorporating a decision space framework that reduced ambiguity and enabled the prioritization of tasks. The company also worked to develop a comprehensive knowledge-sharing platform for communicating the strategy and distributing critical information, which allowed leaders to trust that their team was aligned and empowered to make decisions safely, smartly, and quickly.

Results

A second diagnostic at the conclusion of the partnership showed the impact that greater decision-making clarity had on the organization. The decisions that used to get stuck in bottlenecks were pushed down to lower levels, with a 20% increase in employees who agreed decisions are made in time for effective execution. Furthermore, 46% of the company's employees agreed that there was an effective process to solicit input from relevant stakeholders before decisions are made, up from 24% at the start of engagement.

ONLY
28%
BELIEVED

Decisions Are Made In Time for Effective Execution

ONLY
25%
AGREED

There Was An Effective Process In Place to Solicit Input to Make Decisions

Decisions are made in time for effective execution

+26%
100%
80% — 74.0%
60% — 58.6%
48.0%
40%
27.7%
20%
0%
Before   After

Somewhat Agree   Agree + Strongly Agree

Within the company, there is an effective process to solicit input from relevant stakeholders before decisions are made.

+44%
100%
80% — 74.0%
60% — 51.4%
46.0%
40%
24.6%
20%
0%
Before   After

Somewhat Agree   Agree + Strongly Agree

McChrystal Group