

Group Decision Simulation (A)-(F): Examining Procedural Justice in Group Decision-Making Processes

Michael A. Roberto, Harvard Business School
mroberto@hbs.edu

ABSTRACT

This article describes a simulation that explores the role of procedural justice in group decision-making processes. In the exercise, students experience different approaches to leading a group decision-making process, and then provide their assessment of each procedure. An Internet-based software application provides students with real-time feedback regarding their assessments, and enables students to compare and contrast each leadership approach during the class discussion. This discussion tends to focus on the perceptions of fairness associated with each approach, and the impact these perceptions have on decision-making outcomes.

SYNOPSIS

In these exercises, students experience and evaluate four different methods of leading a group decision process. During the exercises, group members provide input and recommendations regarding a business problem, and then the team leader makes the final decision. The decision-making methods differ along two dimensions: leader impartiality and leader consideration. Leader impartiality refers to whether or not the leader announces his or her proposal/position at the start of the group decision-making process. Leader consideration refers to whether or not the leader demonstrates that s/he has contemplated others' views carefully, and has explained how s/he tried to incorporate their input into the final decision (Korsgaard, Schweiger, & Sapienza, 1995).

In Method A, the leader declares an initial position, and provides a comprehensive supporting argument for this proposed course of action. In addition, the leader demonstrates a low level of consideration. In Method B, the leader still declares an initial position, but during the remainder of the discussion, the leader exhibits a high level of consideration regarding group member views and proposals. In Method C, the leader does not reveal his or her views or positions during the group discussion. However, the leader exhibits a low level of consideration during the process. Finally, in Method D, the leader refrains from stating his or her position, and also exhibits a high level of consideration. Figure 1, shown below, provides a profile of the four different methods.

Figure 1: The Four Decision-Making Methods

Impartiality	High	Method C	Method D
	Low	Method A	Method B
		Low	High
		Consideration	

A set of Harvard Business School case studies entitled *Participant and Leader Behavior: Group Decision Simulation (A)-(F)* provides a complete set of instructions for this simulation (Roberto, 2000). The (A)-(D) cases contain instructions for the leaders regarding each of these four decision-making methods. The (E) and (F) cases provide instructions for the other group members. In addition, students must prepare two *Harvard Business Review* case studies, *The Case of the Unpopular Pay Plan* and *The Case of the Deadlocked Directors*. When carrying out the exercise, students utilize the relevant decision-making method to develop recommendations for the protagonist in the associated *Harvard Business Review* article.

Class proceeds in three steps. First, each student actually experiences two different approaches to leading a group decision-making process. To begin, all students experience Method A (low consideration/low impartiality). To prepare, the leaders all read the (A) case, which provides instructions for how the leader should behave in the low impartiality/low consideration condition. The group members read the (E) case, which provides instructions for how the participants should behave during the discussion. Then, one third of the class experiences Method B, one third experiences Method C, and one third experiences Method D. The leaders read the (B)-(D) cases respectively in preparation for the second exercise, and all other group members follow the instructions in the (F) case.

Developments in Business Simulation and Experiential Learning, Volume 28, 2001

Second, the students evaluate the processes they used by responding electronically to a survey via the Internet. The surveys measure perceptions of procedural fairness as well as perceptions of group member influence on the leader's final decision. In addition, the survey measures the level of commitment, group harmony, and decision understanding.

Third, the instructor leads a classroom discussion in which students reflect on their experiences and evaluate the strengths and weaknesses of each approach, using summaries of the survey results as evidence. These survey results are instantly generated after students enter their survey responses, and are provided to the class through an Internet-based software application. These survey results not only compare the different methods, but also contrast the leaders' perceptions of the processes with the group members' perceptions.

PURPOSE

These exercises have three primary purposes. First, they give students the opportunity to experience a diverse set of approaches to leading a group decision-making process. The exercises highlight the importance of small changes in leader behavior, and enable students to examine how these changes impact group members' perceptions of procedural fairness.

Second, the exercises provide students with an in-depth understanding of the components of a fair decision-making process. Students learn that a fair process entails more than giving group members an opportunity to express their views. In order for individuals to perceive a decision process as fair, leaders need to listen attentively, try to incorporate others' input into their decision, and explain the rationale for their decision clearly and thoroughly. In short, students learn that fair process means more than giving people "voice". It entails considering others' views and opinions seriously, and providing them with a genuine opportunity to influence the leaders' decision (Shapiro, 1993; Korsgaard, Schweiger, & Sapienza, 1995; Kim & Mauborgne, 1997).

Third, the exercises illustrate how fairness impacts decision-making outcomes. Students learn that low perceived fairness leads to lower levels of commitment, understanding, and group harmony (Korsgaard, Schweiger, & Sapienza, 1995). Consequently, unfair decision-making processes tend to lead to troublesome and ineffective implementation processes.

LESSONS

The instructor can conclude the class by summarizing around three broad themes: the components of fair process, the effects of procedural fairness, and the need for leader-member alignment.

First, fair process entails more than giving people "voice" in a decision-making process. Group members need to feel that they have had a genuine opportunity to influence the leader's decision. When the leader announces his or her position at the outset, this may cause people to question the fairness of the decision-making process. They may believe that a decision has already been made. Similarly, when the leader exhibits a low level of consideration, group members may believe that the leader has not listened to them carefully, and has not utilized their input when making the final decision (Shapiro, 1993; Korsgaard, Schweiger, & Sapienza, 1995; Kim & Mauborgne, 1997).

Second, perceptions of procedural fairness impact an a group's ability to implement decisions effectively. Low perceived fairness leads to low levels of commitment, a lack of decision understanding, and negative feelings regarding group membership. Commitment, understanding, and group harmony each facilitate implementation. If people perceive a decision process as unfair, they are less likely to work effectively together to implement the decision (Korsgaard, Schweiger, & Sapienza, 1995; Kim & Mauborgne, 1997).

Finally, to implement decisions effectively, leaders and subordinates need to have aligned perceptions regarding the decision-making process. If leaders believe that the process is fair when subordinates do not, then implementation will be difficult. Similarly, if leaders believe that subordinates are committed to the decision, but they report a low level of commitment, then the organization will encounter difficulties during the implementation process. Leaders need to be sensitive to the potential for misalignment, and should take steps to test for alignment prior to concluding the decision-making process.

COMPLEMENTARY CASE STUDIES

To complement these exercises, the instructor may teach students a case study about an actual senior management team in the next session. I have written an effective complementary case study entitled *Decision-Making at the Top: The Case of the All-Star Sports Catalog Division* (Roberto, 1997). The case study explores how one chief executive leads his top management team's decision-making process. In particular, the case teaches students about the importance of fair process, and how difficulties may arise when leaders design and direct

Developments in Business Simulation and Experiential Learning, Volume 28, 2001

processes that are perceived as unfair. The combination of the exercises and the case study provides a very powerful tool for teaching students about the role of procedural justice in group decision-making processes.

REFERENCES

- Kim, W. & Mauborgne, R. (1997). "Fair process: Managing in the knowledge economy." *Harvard Business Review*, Volume Seventy-Five, Number Four, 65-75.
- Korsgaard, M., Schweiger, D., & Sapienza, H. (1995). "Building Commitment, Attachment, and Trust in Strategic Decision-Making Teams: The Role of Procedural Justice." *Academy of Management Journal*, Volume 38, Number One, 60-84.
- Roberto, M. (1997). *Decision-Making at the Top: The Case of the All-Star Sports Catalog Division*. Harvard Business School Case Study, Number 9-398-061.
- Roberto, M. (2000). *Participant and Leader Behavior: Group Decision Simulation (A)-(F)*. Harvard Business School Case Studies, Numbers 9-301-026, 9-301-027, 9-301-028, 9-301-029, 9-301-030, 9-301-049.
- Shapiro, D. (1993). "Reconciling Theoretical Differences Among Procedural Justice Researchers by Re-evaluating What It Means To Have One's Views "Considered": Implications for Third-Party Managers." In R. Cropanzano (Ed.), *Justice in the Workplace: Approaching Fairness in Human Resource Management*: 231-262. Hillsdale, NJ: Erlbaum.