Good morning, everybody. Dennis Engelbrecht with the legacy Series of Digging Deeper.

Today, I want to talk about decision-making. And of course, there's a lot of decision making that goes on at every company and certainly in every construction company. Management theory, at least as I learned it a long time ago, basically states that decisions should be made at the lowest possible level. Now, that doesn't mean all decisions are made at the ground level, but at the ground level, that's where you're close enough to the work and close enough to the customer to be able to make those decisions if you have the proper context, preparation, training, authority, et cetera, all of those things. But basic management theory is the most efficient and the best way is to drive decision making downward to the lowest possible level. So, there are several elements in play for probably why this doesn't happen in many companies, but the first element is power.
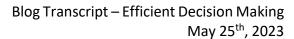
Sometimes we or our people want the power. We want the power of being able to make the decisions. Maybe all the decisions or at least all the important decisions and power is probably not a great motivator for determining where decisions are made because power in and of itself is not one of those pure motivational elements. Power is more greedy, if you will. Trust is another element that's at play. We'd like to drive decision-making down sometimes, but we don't trust the decisions that will be made as we do that. So then they bounce back up to us to have to make those decisions. Now, to improve these things, to improve both the power dynamic and the trust dynamic, job clarity is important.

What decision-making is expected by each person in their particular role, in their particular job. I think in a lot of cases we don't make that clear, and therefore a person might be hesitant to make decisions because they don't know whether it's in their purview to be making those particular calls. "Is this too important?" Or "Am I not considered worthy enough or smart enough to be able to make these calls in terms of decisions?" I think another important aspect to help drive down your decision making is clarity around the company mission, vision and values. Even beyond that, it's annual or monthly goals and objectives. Certainly, if a person understands those well, that gives them the context for making good decisions and allows you to drive that decision-making down toward the lower level. So that person down at the lower level not only has the situational aspects of decisions, but knows the big picture that those decisions fall in.

"If I make a decision this way, is it in line with our mission, is it in line with our values, is it in line with our visions, will it help us meet our goals and objectives or not?" And when people understand those things, they're better decision makers. So if you keep those things secret, your goals and objectives, of course, that doesn't give the people tools with which to make decisions and allow you to drive that decision making down into the organization. There's also people development. Have you given them the training, both to understand the role, understand the mission, vision and all that sort of stuff, but understand how to make decisions and how to make them well, how to put them in context, how to give them a tool, the plus minus columns. What are the pluses, what are the minuses to make a value decision on whether it should be a go or a no-go on a decision?

Some of the things that happens when you don't drive decision downward, we experience a lot of micromanagement. Now, the higher level managers get involved in the detail at the lower levels so that they can make the decisions because they can't make them without knowledge. So that's really where micromanagement comes from. If the people higher up in the organization got to make the decisions at the lower level, well then they end up having to micromanage. And that, of course, is counterproductive, both from a time and efficiency standpoint, but it's counterproductive to allow other people. It cycles rather than allowing them to make decisions in the future. Micromanagement usurps that power and effectiveness and tends to make them make less decisions. And don't take for granted that everybody knows what decisions they should be making or knows how to make those decisions. So training is really key to that.

And finally, decisions, when they're all done at the top, create a bottleneck, which slows everything down, slows down operations. Think about it as a job site decision. Well, if the superintendent or the project manager can't make that

decision, well now they've got to wait. And the people on the other end of that decision, by the way, have to wait as well. And senior managers don't always get around to those decisions on a timely basis. And certainly, in the case of micromanagement, you end up with that bottleneck and that bottleneck slows things down and makes your company less effective. So, think about what's happening in your company with your decision making. Is it being made at the lowest level possible? Have you done the things that allow that to happen? Dennis Engelbrecht, Digging Deeper.