

## Do groups make better decisions than individuals?



It has long been under debate, whether groups make better decisions than individuals in isolation. According to the idea of synergy, decisions made collectively tend to be more effective than decisions made by a single individual. Building on psychological concept of gestalt, it is assumed that an organised whole is perceived as more than the sum of its parts.

However, existing empirical results are mixed. For instance, Cooper and Kagel reported that small groups in strategic tasks deliver outcomes beyond the most optimistic expectations i.e., better than those from the most skilled individual in the group. In contrast, other studies report no difference or even worse performance of groups relative to individuals.

Group decision making has the advantages of drawing from the experiences and perspectives of a larger number of individuals. Hence, they have the potential to be more creative and lead to a more effective decision. In fact, groups may sometimes achieve results beyond what they could have done as individuals. Groups also make the task more enjoyable for members in question. Finally, when the decision is made by a group rather than a single individual, implementation of the decision will be easier because group members will be invested in the decision. If the group is

diverse, better decisions may be made because different group members may have different ideas based on their background and experiences. Research shows that for top management teams, groups that debate issues and that are diverse make decisions that are more comprehensive and better for the bottom line in terms of profitability and sales.

Furthermore, groups can overcome some, but not all, of the problems of individual decision-making. Some common pitfalls are a lack of independent knowledge displayed by the phenomenon of Groupthink, group members being too similar, group members converging too strongly, having a desire to fit into the group, believing other group members have better knowledge. In addition, certain hidden group biases are more prone in group decision-making such as:

- Shared information bias: One well-established finding in the scientific literature is that group discussions tend to focus on information that is shared by all group members, often at the expense of information that is essential but only held by a minority; and
- Amplifying biases: Groups often amplify the initial preference held by the majority of its members—an effect known as group polarisation.

Other pitfalls are that of social loafing and competing goals between the individual and the group. For example, some individuals may be more concerned with their reputation, than making a good decision.

Thus, there is no hard and fast rule as to when to make use of group or individual decision-making, as it is context based. For example, if there is an emergency and a decision needs to be made quickly, individual decision-making might be preferred. Individual decision-making may also be appropriate if the individual in question has all the information needed to make the decision and if implementation problems are not expected. On the other hand, if one person does not have all the information and skills needed to make a decision, if implementing the decision will be difficult without the involvement of those who will be affected by the decision, and if time urgency is more modest, then decision making by a group may be more effective.

### References

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