

Clarifying Decision Authority During Leadership Transitions

Using an authority map to prepare future leaders

Paul Edelman, PhD, PCC

Abstract

Leadership transitions require clarity about who has authority to act, whose judgment should inform important choices, and when a matter requires consultation or escalation. Decision authority mapping provides a practical way to make those arrangements visible. By examining representative decisions, leadership groups can clarify current authority and identify responsibilities that future leaders can begin assuming as their judgment develops.

A future leader can receive a title, a job description, and formal authority while still being uncertain about which decisions the role actually owns. An executive may be authorized to make an operating decision but continue seeking informal approval from the founder. A committee may discuss a proposal without knowing whether it has authority to decide or only to recommend. A family office executive may have responsibility for an investment process while the final decision remains with an investment committee or another authorized person.

These questions become particularly important for family enterprises, family offices, and family foundations when responsibilities are changing. The incoming leader needs to understand the authority attached to the role, and colleagues need to know where decisions will be made. The incumbent leader also needs a workable way to remain available for consultation without continuing to make every decision.

Governance documents, role descriptions, and delegation policies provide important starting points. They may establish formal authority, reserved matters, and financial or signature limits. An authority-mapping exercise can help a group examine how those arrangements operate in practice and where greater clarity would support a leadership transition.

Begin with representative decisions

The exercise begins with a small number of consequential decisions or recurring classes of decisions. A family enterprise might examine a capital expenditure, an acquisition, or a new market opportunity. A family office might consider an investment recommendation, a change in distribution policy, or the addition of a service. A family foundation might examine a major grant, a change in grantmaking priorities, or a decision about who participates in the grantmaking process.

Starting with concrete decisions helps participants identify the authority, consultation, and judgment each one requires. The aim is to establish useful principles that can be applied to comparable decisions, rather than attempt to catalogue every organizational activity.

Distinguish decision authority from task responsibility

Responsibility matrices such as RACI are established tools for clarifying who performs work, who is accountable, and who should be consulted or informed. An authority map addresses a related question: who has the authority to make a particular choice? Someone may perform the analysis, manage implementation, or develop a recommendation without having authority to approve the decision.

The accompanying field guide uses four roles:

Decides

Who has authority to make the decision within the agreed boundaries?

Recommends

Who develops or presents a recommendation for the decision maker?

Consulted

Whose judgment, expertise, or perspective must be sought before acting?

Informed

Who needs to know the decision or its implications?

A fifth field records conditions and escalation requirements. The decision maker may change when a matter exceeds an agreed financial limit, departs from approved strategy, creates unusual risk, or requires approval from an owner, board, trustee, or other authorized body. The relevant governing documents and legal responsibilities must be respected. Authority to sign or implement an approved decision should also be distinguished from authority to make the substantive choice.

Map current practice and define the boundaries

Ask participants to describe how each decision is handled today. Who develops the recommendation? Who is expected to be consulted? Who makes the decision, and how does everyone know that the decision has been made? Where does the actual practice differ from the formal arrangement?

Differences between formal and informal authority are useful information. They may reveal effective practices that have never been documented, or they may show where people are waiting for unnecessary approval, receiving conflicting direction, or operating with different understandings of a decision's status. The map should be treated as a working description rather than a verdict on the past.

Once the current arrangement is visible, the group can ask whether it should continue. A collective decision may need a defined process for reaching agreement and handling a tie. A recommendation may need a clear question, sufficient analysis, and an explicit record of conditions or dissent. A reserved decision may require early consultation so that the senior leader can contribute judgment before substantial work has been completed. A delegated decision may need limits that allow the responsible person to act without seeking informal permission at every step.

From authority to leadership development

The exercise becomes especially useful when the group considers how authority should change over time. For each representative decision, participants can ask who decides today, who might decide in the future, and what experience or preparation would support the transfer.

A future leader might first observe how a decision is framed, then develop a recommendation, lead part of the analysis, make a bounded decision, and eventually assume fuller authority. The map helps the incumbent and the future leader identify those experiences deliberately. It also makes room for the possibility that some authority should remain reserved or that a future leader may not wish to assume every responsibility.

Making delegation work in practice

Delegation requires changes in the way both the incumbent and the future leader operate. The emerging leader needs to exercise the authority appropriately, seek consultation when required, and recognize when a matter exceeds the agreed boundaries. The incumbent needs to allow the authority to be exercised, even when the decision might have been made differently.

The incumbent's judgment can remain valuable. A senior leader may participate in a discussion, ask questions, identify a risk, or offer experience while leaving the decision with the person who has been given authority. The group should make clear when that participation is consultation and when it constitutes approval. Otherwise, people may continue treating the incumbent as the effective decision maker despite a formal transfer.

The map should also specify how important decisions are confirmed, what conditions apply, and what would justify reopening a settled matter. These practices help people know when they are authorized to proceed and when further consultation is required. They can reduce avoidable delay while preserving appropriate oversight.

Applications across family systems

In a family enterprise, the map may clarify the respective roles of owners, directors, executives, and family leaders around strategy, capital, and operating decisions. In a family office, it may distinguish investment recommendations, fiduciary decisions, service priorities, and matters reserved to the family or a governing body. In a family foundation, it may clarify the roles of trustees, staff, family participants, and outside advisors in grantmaking and other consequential decisions.

The authority arrangements will differ. The core questions remain consistent: Who has authority to decide? Who develops the recommendation? Whose judgment must be sought? Who needs to know? What conditions or limits apply? What experience would prepare someone else to assume greater responsibility?

A practical starting point

Choose five to ten consequential decisions that reveal different forms of authority, risk, or stakeholder involvement. Describe current practice, identify the governing principles, and clarify the boundaries that should apply. Then select a few decisions for which authority might begin moving and agree on the experience, consultation, and review that would support the transfer.

For families and their advisors, the method provides a concrete bridge between governance and leadership development. It helps make the current authority system visible, identifies what should be preserved or clarified, and turns the transfer of responsibility into a series of practical experiences through which future leaders can build judgment.

The accompanying field guide provides a structure for selecting decisions, building the map, facilitating the discussion, and extracting the succession implications.

About the Author

Paul Edelman, PhD, PCC, is an executive coach, facilitator, and family enterprise advisor. He helps leaders, families, and advisory teams think clearly and work constructively through consequential decisions and leadership transitions.