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Choicest Of All!

Many seemingly good decisions can prove disastrous to organizations. The reasons are varied (internal and external factors). The most common reason is economic fluctuations and flawed market research. Rarely are decisions with disastrous outcomes attributed to bad decision-making. Examining and improving decision-making can therefore help differentiate between good and bad decisions.

Picture unveiled

Business leaders often ignore the way decisions are made in their organizations. They spend too much time agonizing over specific decisions made. Rarely does it occur to them that they must try and improve their current decision-making practices. Good and bad decisions happen largely due to certain actions undertaken or not undertaken by concerned personnel. These actions result from their decisions or those made by others. In short, the decision-making policies of organizations influence their business performance.

Despite being a crucial aspect of management in organizations, decision-making is given scant weight. Certain contributory factors leading to the neglect of the decision-making process are: preoccupation, misattribution, bolstering, and common sense.

Preoccupation

The most immediate thing that commands attention of organizations, encircled by crises, is survival of those challenges. Most executives are curious about why the crises occurred. Engulfed by a desperate search for surviving the crises, questions like “What did we do to get this on to ourselves?” take a backseat.

Metacognition

The ability to look within self and think about how decisions are made is known as metacognition. Most often, individuals fail to think metacognitively. As a result, the natural tendency is to give importance to the problem at hand and not the underlying root causes. Processes then continue to follow the same decision processes fraught with limitations.

Self-analysis

Self-analysis rarely occurs, and if it does, there is always a great possibility of saving it for later. Most of the time, ‘later’ never seems to arrive. Two reasons contribute to low-priority for decision-making processes:

- Apprehension - Little faith that the investment would yield good returns
- Misconception - Wrong belief that self-analysis is for big, luxurious, wasteful organizations



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Consequently, employees fail to believe that it is genuinely possible to improve decision-making for increased productivity. This leads to a trap that sometimes compromises strategic planning in organizations. Statements such as, “We can’t afford to pay people for sitting around pondering stuff that’s never going to happen”, are not uncommon or unheard of.

Misattribution

Despite a comprehension of current and imposing situations, it is natural to attribute failure to external factors. Research proves that when executives were asked to justify the bad decision-making processes of their organizations, they often pleaded inherent powerlessness. “Nobody could have anticipated this stuff” is a common excuse.

Pressing problems

A recent survey reveals that improving organizational decision-making ranked only 17th among the 46 problems that executives perceived to be urgent. Attracting, developing and retaining top talent was the top-ranked pressing problem. However, organizations fail to realize that troubles in attracting and retaining talent are a result of poor decision-making!

Bolstering

Bolstering gives an extra cushion to flawed decision-making. Bolstering forces enable decision makers to be overly generous in evaluating their decisions. Some studies have shown that bolstering helps individuals maintain a sense of personal competence. However, bolstering does more than promote a feel-good factor. Once employees make particular choices, they tend to ignore evidence that speaks against the rationale behind their decisions. Hence, they continue to suffer from the results of debilitating decisions. More so, they remain clueless about poor organizational performance.

Common sense

Decision making has been branded as a fundamental activity. Everyone seems to know all that there is to know about decision-making, believing effective decision-making is a matter of common sense. Individuals tend to label employees who consistently make bad decisions as not very smart. Rarely do they say things like, “They have not learned how to make decisions.”

Decision neglect, which prevents organizations from realizing their full potential, must therefore be avoided. This can be done through proactive intelligent decision management and history analysis.

Proactive, intelligent decision management

Decision management describes actions that managers take, whether wittingly or unwittingly. Nevertheless, they affect the organization’s employees. Every manager is a decision maker in organizations. Decision-making must be a meticulously planned process. Unfortunately, most organizations indulge in incidental and haphazard decision management. This means that leaders guide the decision processes of their organizations

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by accident or by intuition. Proactive, intelligent decision-making requires the decision makers to do quite the opposite- decide using logic!

Appreciation of decision management necessitates appreciation of organizational decision processes. The latter could be conceptualized through the *cardinal issue perspective*. Decision-making entails resolving ten cardinal issues, which will inevitably be performed in every other situation demanding decision-making.

Cardinal decision issues

Decision processes are the means for decision makers to resolve the various cardinal issues in reaching decisions. The ten cardinal decision issues are:

1. *Need*: Need questions why a decision is not taken at all.
2. *Mode*: This determines who or what will make a decision and how they would approach the task.
3. *Investment*: Decides the kind and amount of resources invested in the decision-making process
4. *Options*: Options identify the different actions that decision makers could potentially take to deal with impending problems.
5. *Possibilities*: Possibilities define the various consequences of implementing an action.
6. *Judgment*: This identifies the best consequence of an action.
7. *Value*: Value defines the intensity with which the consequences impact decision processes in organizations.
8. *Tradeoffs*: This requires decision makers to balance between striking off the negative outcomes against the positive ones.
9. *Acceptability*: This determines the ability of decision makers in getting employees to agree on a decision-making procedure.
10. *Implementation*: The method in which the decision taken could be put into action is implementation.

In proactive decision management, leaders aggressively search for ways to positively influence those around them. In intelligent decision management, leaders apply techniques that have chances of achieving positive effects. The bottom line is to resolve the cardinal decision-making issues in the best possible way.

O-P(p)-Ortunities

Decision research offers a host of tools and techniques that leaders could apply for successful negotiation of cardinal issues. One of the best, however, is the *O-P-O (Options-Possibilities-Options) Cycles* technique. In this technique, decision makers are initially faced with a particular proposal or option. Later, deciders apply procedures that result in various possibilities (ones that normally wouldn't come to mind) associated with the option. These possibilities could reveal serious shortcomings in the initial proposal.



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The second 'O' then helps deciders refine the original option, and retain its merits while precluding the recognized adverse possibilities. This process gives rise to another O-P-O cycle. The process is repeated until the best possibilities surface. This process enables deciders to make the best possible decision under the circumstances.

History analysis

When a major catastrophe occurs, investigators seek to identify what they can learn from this tragedy that can help them improve the situation, thereby reducing the odds of similar disasters in the future. This technique is known as *history analysis*. It adapts the aims, spirit, and many of the specific techniques used by catastrophe investigators. The goal is refinement in organizational practices that have a measurable impact on the organization's performance.

The key element in history analysis is the construction of a chain of causes that result in catastrophes. Those conducting history analysis must isolate factors that:

- Represent actions that organizations could actually perform
- Offset costs against the benefits accruing to them

No organization can escape decision neglect in the absence of committed leadership. Proactive, intelligent decision management and history analysis prove effective tools for flawless decision-making only when a leader champions the cause!