

Exponential Consulting Leadership Topic

www.exponential-consulting.com

Decision Making

By Stephen Billing

Decision making can be considered in terms of the timeliness of decisions, the quality of decisions, and how decisions are communicated.

Timely Decision Making

As humans we are making decisions all the time. As managers we are paid to do so. You have reached the point in your career where you are a manager, so you already demonstrated that you have the ability to make decisions.

Timely decision making is not necessarily about making quick decisions, although that is a part of it. Rather, it is about judging deadlines by which you need to make a decision, and then gathering the best information you can so that you can make the decision in time to take advantage of an opportunity or prevent a problem from worsening.

For example, perhaps there is a change in process, policy or legislation on the horizon and you have to decide who will represent your group in providing input – this might involve attending some meetings or providing a written submission. Obviously you could do it yourself, but perhaps you have a promising person who might do a good job with some support from you. But releasing her will mean that you will need to cover her work somehow. There are often several things to weigh up in making a decision like this. But you have several days before you have to respond with your nomination. What information can you obtain in the meantime that will help you decide whether you can release her? Roster information? Do you sound her out for her interest and risk disappointing her if you cannot find backfill for her role? Timely decision making in this case is about gathering the best information you can in the time available and responding by the due date.

© Stephen Billing 2009. All Rights Reserved

What about a staff member requesting to attend a training programme. You now have an investment decision to make – is the budget available? Does the programme fit with your business requirements? Is it going to address the person's most pressing needs from a business perspective? Can you make the time available? Do you have enough time to find out? If the course is tomorrow, maybe not.

Some kinds of decisions can be harder than others. But perhaps there are some decisions that you take too long to make, or that you make too hastily. Perhaps you procrastinate on certain kinds of decisions, for example if the decision will involve delivering unpalatable news to someone.

This is where it is useful to create two columns and list on the left hand side those decisions where you seem to make timely and speedy decisions. On the right hand side, list those areas where you do not. Use this column to take an honest look at your decision making. If you get stuck, ask yourself, what would those closest to you say? For example, what would your partner say were the areas you were slow to make decisions? What about your mother or father? Your best friend? Once you've made the lists in the two columns, consider what is common about the decisions in the left hand column. How could you use those attributes to help you with the right hand column? If you lack expertise, ask others who have the expertise. Accessing the relevant expertise is a key skill for a manager – whether this involves employing it in your team, identifying others in your wider organisation who have the expertise and can help you, asking favours from friends and family or accessing your wider network.

One other problem in timely decision making relates to when you communicate your decisions. It is quite a common pattern for people to be able to make decisions in their head, but to delay communicating those decisions. If you find that you are able to make decisions but change your mind about when to tell others such as your team members, then this might be an area for development for you.

Perhaps you decide things but are waiting for the safest time, or don't want to offend others or are waiting until you are well prepared to declare your decision. Maybe you are afraid of the reaction. If any of these apply to you, then you have to work on declaring your decision when you have made it. First of all you have to give up your emotional attachment to avoiding offending others and to being right – this is the emotional side of it. Then you have to recognise that you are going to have to let others know at some stage, so the sooner you do, the more time you will have available to adjust your approach if you do get adverse response. This is the logical side of it. You have to address both emotional and logical aspects – it is not enough just to focus on one.

Decision Quality

Good decision making is likewise a mix of intuitive and rational aspects. In good quality decisions, your logical reasoning and your emotional gut feel are lined up together supporting the decision – it feels good and it makes sense. In other words, in good quality decisions, the balance of advantages and disadvantages (i.e. the 'logical') and your gut instincts (i.e. the emotional) are both supporting the decision.

To take an extreme example, a decision to accept a bribe or kickback on a business deal may make logical sense from a financial perspective, but your gut instinct or moral compass will tell you that it is not the right thing to do. On the other hand, your desire to impress someone might lead you to make a financial decision that, on reflection, does not really stack up. I myself fall into the latter camp and have learnt the hard way that regardless of the decision you are making, you must consult both your intellect (rationality) and your feelings, especially in making important decisions. You need a check and balance of both rational and intuitive aspects of decision making.

How to Involve Rational Elements in Decision Making

There are two main ways to make sure your decision making is rational, particularly if you are an emotional decision maker like me. The first is to check your decision with a person with well-developed logical skills (this is the method I have found most helpful), and the second is to rate the different options against your criteria for the decision.

Let's start with running your decision past someone who has a logical orientation, someone you know you can trust to tell you if your decision is rubbish. Think, who are the wisest people you know – these are often people who wouldn't fall into the same traps as you, and the reason for this is no doubt because they look at decisions differently from you. It may well be someone older or more experienced, definitely someone whose judgment you trust. This person may well be outside your organisation and will be someone who can ask you provocative questions that require you to justify your reasoning. I have found that being held to account for your reasoning is the toughest test of the rational justification for your emotional decision making.

The second way to make sure your decision making is rationally sound is to rate the options against the criteria for the decision. For many years I have used a method developed by Kepner-Tregoe for important decisions like choosing a provider for a service, making a business investment decision, buying a house, changing a job. You do this in three steps. First, identify the criteria for the decision. For example, in choosing a vendor for a project, the criteria might be availability to start, quality of work, price, your rapport with the vendor, and experience in similar projects.

The second step is to work out your musts and wants, and decide on relative weightings for each of the criteria you identified in the first step.

Exponential Consulting Ltd

Mobile 027 4802 164

Musts are those things that you must have in your decision. For example, if you were hiring a specialist to help you with a business problem a must would be that they had expertise in the area concerned. If you are thinking about a performance problem, a must would be that the performance problem is resolved. Other things might be wants, such as familiarity with your industry. At this point you make a "go/no go" assessment. If the musts are not met, then the alternative is abandoned. If the musts are met, then you look at how well the alternative matches your wants.

Deciding on the weightings of each of your 'wants' means thinking about how important each of your wants is. The most important wants should have more weight than the less important wants. This is very logical, right? So, you assign rankings for each of your want criteria. The most important criteria (e.g. the musts) would score the highest ranking, while the less important 'wants' would have a lower ranking. A simple way to do this is to rank each of the musts and wants out of ten points. The most important score 10, and the less important score fewer points according to their ranking.

The third and final step is to consider each of the options available to you. Rate each of the options out of ten points against each of the criteria on a score of one to ten. For example, a provider might score well on price (e.g. 9 out of 10) but not so well on experience in similar projects (e.g. 3 out of 10).

Once you have scored each of the options against each of the criteria, then multiply the option's scores for each of the criteria by the weighting. For example, if price is weighted 8 out 10, then an option scoring 7 out of 10 would get a final score of its score (7) on that criterion multiplied by the weighting of the criterion (8) or 56 in total, for that criterion. It can help to create a table like the following – you can make as many columns as you need for the number of options you are evaluating.:

Then add up the total weighted scores to give you the highest scoring option.

Criteria	Weighting	Option 1 Score	Option 1 Weighted Score (Score x Weighting)	Option 2 Score	Option 2 Weighted Score (Score x Weighting)	Option 3 Score	Option 3 Weighted Score (Score x Weighting)
Price	8	9	72	3	24	5	40
Industry knowledge	6	3	18	5	30	9	54
Total Weighted Score			90		54		94

Once you have decided your highest ranked rational option, don't stop there. Consider your intuition before making the final decision.

How to Involve Intuitive Elements in Your Decision Making

This section contains ideas for how to bring your intuition into your decision making. But first, let's consider what intuition actually is. At first glance, intuition seems to be something mysterious that a small number of talented people have access to. Maybe you think you either have good intuition or you do not. But you can actually practice intuition. In fact, your experience in your job has given you all sorts of sensitivity to things like your customers (internal and external), dynamics in your team, your boss, and to your business processes. In other words, you have practice and experience that maybe you cannot describe, but which are part of the richness of your 'gut feel' or intuition. Your experience is what enables you to act spontaneously with good feel for what will work. Have you experienced anything similar to the situation you are now facing? If so, what did you decide and what, on reflection, did you learn from that experience? How does that affect your current decision? Is there one option that just feels right, even though you can't explain why?

Don't be too quick to dismiss your gut feel. It is informed by your experience as a manager and your experience as a contributor. Other life experiences also come into play as well.

The first idea for checking into your intuition is to talk to someone else. Someone who you feel is wise and is tapped into their own intuition – perhaps someone who seems to you to be intuitive or has good judgment or who has given you good advice in the past. Perhaps it might be someone you respect as a spiritual being. It may not be the same person you go to in order to check out the rationality of your options. The bottom line – go to someone who you know will help you access your own intuition about this decision.

The next idea for tapping in to your intuition is more reflective. Perhaps it is not practical to talk to someone else. In which case, imagine you are talking to that wise intuitive person. Think about what they would do. How do their likely choices differ from yours?

The third idea is to seek out your spiritual side. If you are a meditator, you could meditate on the decision as a way of seeking intuitive guidance. My way of doing this is to close my eyes and count down slowly from ten to one imagining myself descending a stair with each count. I then imagine myself in a lovely garden because that is peaceful for me. You could imagine a beach, a bush scene, a mountain or somewhere you feel totally calm. I just stay in that peaceful place for a while and when I am ready I come out of it. Then I ask myself what I think about the decision I am grappling with, and that is my intuitive answer.

Depending on your religious beliefs, you might choose instead to pray, to visualize success or to seek counsel from a higher power.

Your own beliefs and life experience will tell you the best way to develop your intuition. I have found that the more I pray, meditate or visualize, the better my intuition becomes. Perhaps it's a bit like going to the gym, the more you do it, the better your results.

Involving Others and Communicating Your Decisions

An earlier part of article mentioned communicating your decisions in a timely way. As a manager it is important to realize that all that you do or don't do takes on a symbolic meaning to your people. What I mean by this is that your people look at your actions and ascribe to them a particular significance, just because it is you, the manager, who has taken that action (or non-action). This is quite a responsibility.

So the way you involve other people in your decisions, quite innocently, can take on a meaning for your team that you never intended. For example a simple change to a roster can lead your team members to wonder if you are favouring a particular individual, or to speculate on other future changes.

Vroom and Yetton have a useful way of thinking about how you involve others in your decision making.

1. The leader can solve the problem or make the decision personally, using the information available at the present time. (Autocratic)
2. The leader can obtain necessary information from subordinates, then personally decide on a solution to the problem. The leader may or may not tell subordinates the purpose of the questions. Their input is limited to the leader's request for information. (Autocratic)
3. The leader can share the problem with relevant subordinates on a one- to-one basis. After getting their ideas, the leader then makes the decision. The decision may or may not reflect subordinate views. (Consultative)
4. The leader can share the problem with subordinates in a group meeting during which she/he obtains their ideas and suggestions. The leader then makes the decision personally. The final decision may or may not reflect subordinate influence. (Consultative)
5. The leader can share the problem with subordinates as a group. Together, all parties generate and evaluate alternatives and attempt to reach consensus on a solution. The leader facilitates the meeting, attempting to keep attention on the problem and moving the group toward a mutually acceptable solution. However, the leader does not try to influence the group to arrive at any particular solution. (Consensus)

Conclusion

Decision making. You tend to just make decisions as you go along, and most of them have been good – that's why you're a manager today. There are three things to consider if you want to improve your decision making – timeliness, decision quality and communication of the decision.

Most decisions that you make are time bound, that is they have deadlines. Timely decision making does not necessarily mean making the decision straight away. It is about getting the information you can in the time available, and then deciding in time to take advantage of opportunities or avoid problems. Sometimes you can buy yourself more time to gather additional information.

Consider the logical (rational) reasons and the emotional or intuitive aspects of your decisions, especially for important decisions. This article contains tips for how to do this.

Equally as important as the decision itself is how you involve others and how you communicate the decision to others. That is where Vroom and Yetton's thinking is helpful.

Work on improving the timeliness of your decisions and the quality. Most importantly, consider how you will involve others in the decision and the communication of the decision. This will definitely improve your effectiveness as a manager.