

Assessing Your Decision-Making Style

“The reasonable man adapts himself to the world: the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man.”

George Bernard Shaw

How We Make Decisions

The significance of the decisions made by decision makers and problem solvers is inversely proportional to the number that they make. Senior executives tend to make only a few, albeit important, decisions, while those on the front line frequently need to make decisions. While the senior executives' decisions grab the headlines and attention, less senior people can often have a more important effect by changing perceptions as well as determining the success or failure of the operation.

! How people make decisions does not simply depend on rank: it depends on the individual's experiences.

There are many broad styles of making a decision—one way of differentiating between people's styles is between those that decide rationally and those that decide intuitively. Management theorist Peter Drucker believes

decision making to be a rational process. That is, it relies on a set of sequential steps leading to the desired outcome. A framework is set for reaching an effective decision, with failure coming as a consequence of deviation from this framework or of the inadequacies of the framework itself.

Rational ...

A typical rational approach is to:

1. **Assess the situation.** Rational decision makers ask whether the decision relates to an underlying issue, or whether it is the result of an isolated event. Generic decisions need to be addressed consistently, while isolated events are exceptional. If the problem is one that has recurred, or will do so, then an “off the shelf” solution will suffice. If the problem is unique, then unique thinking is demanded.
2. **Define and specify the decision.** This ensures the problem is understood first. The best way to go about this is to clarify the parameters for success.
3. **Make the decision.** Effective decision makers understand the need to compromise to achieve the essential goals. Nevertheless, the decision maker needs to have a clear view of what is right and do what is needed, without hesitation or failure. It is this stage that can benefit greatly from creativity and innovation.
4. **Implement the decision.** This is the key stage: making it happen. Executing the decision is the most time-consuming, critical phase, demanding flexibility and unflagging attention.

5. **Monitor the decision, making adjustments.** There are two certainties: decisions concern fallible people, and they are made in a changing environment. Reporting procedures should be built into the process to monitor the implementation of the decision. As circumstances change, and mistakes are made, solutions can be perfected.

However, it is important to understand that just as intuition and emotion may result in irrationality, so too can issues at the other end of the spectrum. An emphasis on rationality can lead to an ignorance of creative insight and a lack of emotional intelligence. Inept problem solvers are terrorized by problems, using the very process of solving them to hide from them and create “noise” to distract from the real task at hand. The key is balance. In the words of Michael Eisner, for many years the CEO of the Walt Disney Company: “Balanced emotions are crucial to intuitive decision making.”

 **When making decisions or solving problems, emotions must be understood and managed actively because, like it or not, they are important.**

... OR INTUITIVE?

Events are not always ordered or clear, and relevant information may be unavailable. This can prohibit rational decisions. People may not think consistently and may

make mistakes. Anyway, aren't insight, random moments of genius, and creativity valuable? And what is the point of a rational process when reality undermines it? A rational approach only provides the framework; what's required are inspiration, insight, and instinct. The intuitive approach is the use of individual perspectives to dictate decisions. It is best to view rationality as the "macro" framework and intuition as providing the "micro" detail and ingenuity.

Many decisions are ambiguous—concerned with choices, not absolute rights or wrongs. Quantitative methods are usually used earlier in people's careers, but lose their relevance as decisions become more complex and a matter of personality. All successful people, at some point, go beyond the numbers. Sound instinct is what employers are paying for.

WHEN MAKING DECISIONS ...

- Balancing emotions and reason is necessary to make successful decisions
- The rational approach provides a check on the application of instinct, which can run away with itself in a welter of fear, lack of confidence, or excitement
- Instinct balances the sterile uniformity of the rational approach. Together with intuition and emotion, it can be used to bring flair and insight, which lead to the best decision

The Roles We Play

Experience suggests that decision makers are placed in

as many different situations as there are people to make decisions! However, we can generalize, grouping people into several distinct types of decision maker.

There is no “right” or “wrong” way to make a decision, as each decision demands different approaches for it to turn into a success. To be more scientific, we can say that people exhibit clear behavioral preferences when making decisions. These must be understood as different approaches suit different circumstances.

The following represent some of the personalities that people adopt when decision making and some of the approaches people prefer to take. Do you recognize these people around you—at work and in life generally? Considering the strengths and weaknesses of each approach should enable you to synthesize a wiser and more effective style of decision making and problem solving.

THE POLITICIAN

This approach emphasizes debate, discussion, and consensus. The Politician is likely to go with the majority and emphasize the people aspects of making and implementing decisions.

Strengths:

- Seeks a wide range of opinions and ideas from people
- Attempts to build a consensus about the best approach
- Works well in group situations (like politics!)

Weaknesses:

- Can upset and alienate people if consensus is not possible

and one approach has to be chosen above another

- The quality of the decision can depend on the quality of the ideas available

THE ROBOT

This person rigidly follows policies and procedures: they clearly understand what is expected of them and know that there is little or no room for deviation. This approach works well for people in extremely stressful or high-pressured situations: soldiers, surgeons, or certain aspects of the emergency services.

Strengths:

- Clear and focused
- Risk averse
- Accurate and thorough
- No need for explanation or discussion

Weaknesses:

- Little or no scope for creativity or initiative
- If the procedures or frameworks are flawed, then so are the resulting decisions and actions

THE COWBOY

Shooting from the hip is the style adopted by this decision maker. They often make quick, “snap” decisions and then actively focus on implementing them and making them work. They are loyal to decisions once made, and can be tough and uncompromising.

Strengths:

- Prepared to take difficult decisions
- Willing to see their decisions through to their conclusion
- Clear and focused
- Leads from the front
- Consistent—unlikely to change course once a decision has been made. Getting the result is all that matters: invariably the ends are seen as justifying the means

Weaknesses:

- Can be insensitive and inappropriate: not a team approach
- Generates an emotive response from others: respect or dislike, liking or loathing

THE LONG-DISTANCE RUNNER

This decision-making style is relentless and uncompromising: the need to attain the objective is paramount and is pursued with a never-say-die attitude. They cannot be stopped and they simply will not give up—ever.

Strengths:

- Relentless and determined
- Resourceful, competitive, and completely unwilling to accept failure
- Innovative and particularly strong at generating options and solutions
- Works well when their back is against the wall—this approach often encourages and inspires others to new achievements

Weaknesses:

- Works well in difficult or changing situations, but is less suited to normal or mundane conditions
- Can be ruthless in their pursuit of the ultimate objective

THE HISTORIAN

This approach looks to past events and precedents for the right decision. Best practice is understood and brought to bear when decisions are required: this might be in the process of analysis, decision making itself, or implementing the decision.

Strengths:

- Able to see potential flaws early and take preemptive action
- Values experience and works well in similar or repetitive situations (for example, a lawyer or accountant)
- Emphasizes information and data—primary sources—and avoids conjecture or snap decisions

Weaknesses:

- Less well-suited to new situations, although the historian may recognize the need for innovation when it arises
- Decisions may lack initiative, or be wrong if affected by a mistaken interpretation of events

THE MAVERICK

This style is quirky and unusual: people who adopt this approach often have an idiosyncratic way of viewing situations and might be good lateral thinkers. They also tend to dislike rules and approach things in their own individual way.

Strengths:

- Ingenious and intelligent
- Questions established norms and rules—likes to “think outside the box” (similar to the Long-distance Runner in this respect)
- Hugely innovative
- Questions authority

Weaknesses:

- Decisions are the key—effective implementation is often a secondary concern
- Decisions may be fine in theory but hard to make work in practice

Mixing Styles

For people to meet all of their challenges successfully, the ideal approach is to adopt a complex and varied mix of styles. Clearly, an appreciation of these various styles is extremely valuable, but individual decision makers need to consider the specific demands of their current position, and then clarify, establish, sustain, and change their approach as required.

This is fundamental to decision making, especially in organizations. If leaders are unable or unwilling to change their style and the organization's competencies to cope with the dynamic, turbulent, competitive environment, then the organization—or possibly just the individual—will fail.

! While continuous improvement is always valued in organizations, there are also times when a more dramatic, discontinuous change is needed.

Decision makers increasingly understand that, in addition to strategic leadership skills and the ability to manage uncertainty, they must also possess *an ability to manage in adversity*, whether resulting from the loss of an existing market, a crisis of confidence among customers, the failure of a business product, or some other factor. The organization's structure, culture, and control systems need to be flexible enough to allow for emergency decision making and swift, remedial action to overcome these difficulties.

ADOPTING THE BEST STYLE WHEN MAKING DECISIONS

- The enlightened decision maker or successful problem solver will adopt different styles at different times. They have the perceptiveness to realize when a particular style will work, why, and in sufficient time to permit action to be taken

- People often combine aspects of a particular approach—the key is to know what elements of each approach to use, and when
- People's decision-making approaches tend to focus on a single style, which categorizes that person and is largely the result of human nature. This is not necessarily “bad”—after all, a person's value derives from their unique approach. However, decision making can be improved by learning to adopt methods that represent a break from one's “norm”
- Using the right decision-making style requires sensitivity to the situation. Be aware that the nuances of each situation are often unfamiliar or unexpected
- There is a need for effective leadership during the process of decision making. This applies throughout the organization, and includes those managers responsible for specific functions as well as the overall leader
- Decision makers must learn to manage uncertainty: this requires an ability not only to be proactive, but also to respond effectively to events. As we said at the start, it is not simply what we know that matters, but how we react to what we do not know
- Decision making in organizations requires a broad awareness and understanding of what is happening. The commercial environment is becoming increasingly volatile, competitive, and international, driven by many factors including the widespread application of technology. The potential for chaos exists and

organizations must find ways of dealing with constant challenges

Auditing Your Decision-Making Style

By answering the following questions, you will:

- Clarify the styles you prefer to adopt when making decisions
- Understand the strengths and weaknesses of the different approaches

The questions in the table on page 42 are designed to assess skills in specific aspects of decision making. While some questions can be answered “wrongly” and so would require some remedial action to be taken, most questions are not simply “black and white.” Consequently, they allow you to understand your strengths and weaknesses, and represent areas you might wish to improve.

Rate each question on a scale from 1 to 5, where: 1 is never, 2 is seldom, 3 is sometimes, 4 is often, 5 is always.

Your style	1	2	3	4	5
1. Do you define your objectives before making major decisions?					
2. Do you apply a range of approaches to decision making?					
3. Do you use technology to improve the decision making process (e.g. to research facts or test solutions)?					
4. When making decisions with others do you agree the objective first?					
5. How often do you check that you have all the necessary information?					
6. Do you take time to analyze information before making decisions?					
7. Do you generate multiple solutions during the decision-making process?					
8. Do you evaluate each of the various options, and their associated risks?					
9. Do you meticulously prepare the implementation of major decisions?					
10. Do you monitor decisions after they have been made?					
11. Do you support decisions with further actions and decisions?					
12. Are you confident in your ability to make major decisions?					
Total:					

A score of 50 or more indicates a clear, consistent, and methodical approach to decision making.

Scores between 40 and 50 show a clear tendency to approach major decisions in a thorough and conscientious manner, aware of the need to focus on most elements of the decision-making process. However, there may be areas for improvement, with certain parts of the process sometimes being neglected.

Scores between 30 and 40 suggest that the approach is sound, but there are areas where definite improvements can be made. Review your decision-making approach to see where attention is needed.

Scores between 25 and 30 demand greater consistency. Perhaps decisions are being approached intuitively. If so, this may work well, but there is a need to focus on the neglected stages of the decision-making process.

Scores of less than 25 can show a haphazard approach: decisions may work out, but there is no assurance of consistency. Even if decisions are being made and implemented, their quality could be improved with adherence to the decision-making process.

The next chapter will:

- Outline a framework for successful problem solving
- Increase the speed and quality of your problem solving
- Enable you to use the right problem-solving technique at the right time
- Help you understand the strengths and weaknesses of different techniques
- Give you confidence in your ability to solve problems successfully