

Leaders and Decision Quality

"Making-Decisions is one of the most important functions performed by leaders" (Yukl, 2006). "Effective performance in leadership roles will depend upon thinking about the decision that must be made to influence others", (Lord & Hall, 2005). The quality of decisions has a direct impact on team cohesion, performance and sustainability.

"Decision-making can be defined as the process of reaching a judgement or choosing an option, sometimes called a course of action, to meet the needs of a given situation" (Flin, O'Connor & Crichton, 2008). "Decision-making ideally involves scanning, problem discovery, diagnosis, search, evaluation, choice, innovation, authorisation and implementation" (Bass, 1983).

Decision-making is a necessary response to the "perpetual change, movement and transformation" (Ladkin, 2010) that characterises our contemporary environment.

"For time and the world do not stand still. Change is the law of life and those who look only at the past and the present are certain to miss the future". JFK.

The traditional view that decisions are the responsibility only of those in formal leadership positions is not accurate in our dynamic information age. To be effective and successful, decision authority must be shared throughout the team in order to maintain agility, responsiveness and 'edge'.

In truly empowered teams, everyone, regardless of their position, has the opportunity to 'lead in the moment', therefore, in the context of this blog, a leader is any team member who decides to act. Leading in the moment has its foundations in making decisions. The quality of a decision as perceived by others, has a direct impact on team leadership effectiveness, specifically in developing a culture of 'reciprocal trust', which is a prerequisite of high performing teams.

There are seven stages (and eight questions) to achieving decision quality:

1. Scan the Horizon. (*What's going to happen next?*)

2. Focus on the Situation. (What's the key issue? & How much time do I have?)

3. Adopt an Approach. (*How do I think about it?*)

4. Control for Emotion. (*How do I feel about this situation?*)

5. Decide. (What's my best course of action?)

6. Values Check. (*Is this the* Right *thing to do?*)

7. Feedback. (How can I improve?)

<u>Scan the Horizon</u>. By positioning themselves where they can gain a clear understanding, the leader maintains a high degree of situational awareness, using effective communication to interpret feedback about process goals; looking for situational cues or recognisable patterns that trigger a situation assessment. Scanning requires a degree of detachment from the *here and now* and more attention to what's around the next bend.

<u>Focus on the Situation</u>. Acting on feedback, situational cues and patterns, the leader defines the different types of situation that the team is facing. One useful way of categorising situations is into 'Wicked Problems' (complex, not previously experienced), 'Tame Problems' (familiar, with a previously successful solution at hand) and 'Critical Problems' (time limited, crisis) (from Grint, 2010). This situation assessment leads to the adoption of a decision-making approach, or combination of approaches, (*How do I think about it?*)

<u>Adopt an Approach</u>. There are four approaches (from Flin et al) to resolving problems. Leaders usually adopt one, or maybe a combination of all four approaches in their decision-making:

a. An approach based upon mental models, drawing on the leaders' (and his/her team's) **experience**. In time-limited situations, people tend to rely on familiar and *available* mental models. This '*Gut feeling*' is an appropriate tool for experienced leaders, often acting upon subconscious value frames. This

"Humans are inherently flawed and biased information processors" (Tice & Wallace, 2003) approach is ideal for *tame* problems, however, due to associated cognitive bias, and the debilitating effects of stress, care must be taken not to make this the default setting when more

detailed approaches would be more effective.

- b. An approach based on organisational **policy**. Where the situation has been encountered before and the organisation has standing operating procedures or guidelines. This approach is most appropriate where *tame* problems are complex and maybe *critical*, requiring several steps to resolve.
- c. An approach based on **critical analysis** of options. By balancing the advantages and disadvantages of as many courses of action as possible, the leader aims to identify or synthesise an optimal solution. This approach is thorough, but time consuming and often involves the team in brainstorming which has been proven to be a most effective method, but can be limited by the effect of 'Group Think' (Janis, 1982). The leader must also remain aware of the effect of 'Negativity Dominance' (Rozin & Royzman, 2001), where greater weight is given

to negative factors in an attempt to reduce risk and potential loss, rather than exploiting opportunities and accepting risk.

d. An approach based on **innovation**. In the face of *wicked* problems, leaders need to be creative. Here there are no *oven ready* solutions. Innovative decision-making relies upon a culture of "Intellectual Stimulation" (Bass, 1985). In

successful teams the norm allows people to think outside the box and take risks without fear of sanction. Team based innovative solutions are the

"Serious decision-making starts when the rules run out" (Larken, 2002)

bread and butter of adaptive leadership, with dynamic, shared decision-making underpinning their competitive edge.

<u>Control for Emotion</u>. At the inception of the decision, there is a need to control for emotion. We are all influenced by our emotions and never more so than when navigating change. By controlling for emotion and stepping back to take a rational look at the situation we often 'see' more than we did originally. The leader takes a moment to ask 'how do I feel about this situation?' Where an emotional response is detected, and where time allows, they seek advice from someone who is less emotionally involved.

<u>Decide</u>. Perfection is the enemy of quality decisions. The leader must 'Satisfice' (Herbert Simon) and make a timely decision 'deciding to decide' leaving enough time to communicate the vision (inspirational motivation), mission (outcome goal) and the process goals necessary to achieve it, to the rest of the team. There must also be enough time left after the decision making process for the completion of the task.

<u>Values Check</u>. Immediately prior to making a final decision, the preferred course of action should be checked for alignment against prevailing cultural and professional values. This values check ensures that actions will be supported by the strength of peoples convictions and that the decision is authentic and morally right¹.

<u>Feedback</u>. There is no such thing as a bad decision – it was probably a good decision at the time it was taken, however as Von Moltke said: "*No plan survives first contact with the enemy*". Successful teams are response-able, resilient and don't give up, they adapt to change, as an iterative process where there will always be the unpredictable consequences of a leaders' decision. Feedback on the consequences of the decision is, therefore, an essential element in decision-making quality. Leaders ensure that they have an effective feedback network within and beyond the team, assessing progress and reporting on process goals; looking for situational cues or recognisable patterns that trigger a situation re-assessment. In this way we return to step one – Scanning the horizon.

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¹ Assuming, here that your cultural values are ethical!

