

## Our Mission

To help individuals, teams and organizations reach their potential through strategic planning, innovative coaching, development of team effectiveness and management consulting.

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Ethical Performance

## Making Better Decisions—Part Two

By Gary M. Cook

In our Fall 2010 Newsletter we discussed the art and science of making better decisions, particularly from the standpoint of how bias affects all of us in our decision-making.

In this newsletter, the first of the New Year 2011, we will focus on the decision process itself and how to improve it in the course of making decisions themselves.

We see three distinct steps to an effective decision-making process:

- Framing decisions appropriately
- Establishing an effective process
- Rigorously analyzing and learning from how both “good” and “bad” decisions were made

Let us look at each in turn.

### Framing Decisions Appropriately

Framing decisions appropriately has several dimensions.

First, it is important to establish a climate of trust and honesty, without which you will not obtain the quality of comments and the candor that is required to end up with an effective decision process. How does one do that? Several rules apply:

- Make it clear to all that you personally don’t have all of the answers – and believe that to be true! This is difficult for many of us, because we were always “the smartest person in the room,” and still believe we are where we are because “we know the answers.” But research confirms what many of us have intuited: When it comes to facts, some of us can remember better; when it comes to analysis, some of us can analyze better. But most of the time, as the Japanese saying goes, “All of us are smarter than any one of us.” If you can’t accept this principle, stop reading, because the value of the rest of this newsletter is premised on this simple statement.

- Set up the conditions where each person can be heard. If one person is an introvert, recognize that, give them time to make their contribution, and if necessary, let them do it offline (but make it clear to others that you have done so). If there is a sense that participants want to take the side you are taking, take the other side! And/or assign people to argue each side.
- Recognize that leadership “power” comes from projecting the self assurance that you do not personally have to have the answer and that you are responsible in the end for the decision, whatever it is.

Second, spend time appropriately framing the issue. A good guide is found in the book “Fierce Conversations,” by Susan Scott (2010). She suggests 7 questions that should be addressed. And while her focus is on one-on-one conversations, the questions also apply to decision-making settings in general. The questions (as amended slightly for our purposes) are:

- Name the issue
- Select a specific example that illustrates the challenge
- Describe broadly the circumstances and emotions around this issue
- Clarify what is at stake if nothing changes
- Identify your views as to why the issue is important
- Indicate your wish that a decision be made
- Invite your colleagues to respond

Third, be aware of the consequences of the way most of us think:

- We tend to think judgmentally, as in who is “right” and who is “wrong.” Many decisions are better made if a solution is found that makes everyone “right.” Some decisions don’t have a right or wrong answer, and for most, the answer is not immediately obvious (if it were, it wouldn’t really be a decision, would it?)

# Cook & Company Commentary

– We don't like to be criticized, even "constructively." Recent MRI-based research demonstrates that receiving critical comment activates the same sections of the brain as does physical distress. This is why what is known as Appreciative Inquiry (which we call Possibility Analysis: see our Winter 2008 Newsletter on the subject at [www.cookcompany.com/whats-in-the-news/newsletters](http://www.cookcompany.com/whats-in-the-news/newsletters)) works so well. Thus use questions that speak to what the future can be ("possibilities"), rather than try to "solve a problem," or remedy a shortcoming.

## Establish an Effective Process

Remember that Edward Deming proved over 60 years ago in Japan that you can't "inspect in" quality. By extrapolation, this means that you can't make decisions without the benefit of those who are going to carry them out. Make sure that they are involved. Use the Highly Reliable Organization (HRO) behavior, "defer to expertise." It is amazing to me, particularly in large organizations, how often little or no attempt is made to involve those who have to carry out decisions in the process of making them.

A good example of where this can lead is found in a program recently implemented by a Fortune 50 company, whereby a functional "program oversight" organization rolled out an initiative requiring front-line employees to report potential issues directly to them (going around their line management). The irony is that this is an engineering-centric organization, where probably one in every two employees was exposed from their first day in college to the principal that you *can't inspect in quality!* And this makes employees informants rather than owners.

In a similar vein, any effective decision-making process should attempt to continually help employees embrace and take responsibility for developing ever-better judgment. Thus, for that host of decisions where their supervisors (and you!) know the answers, at every turn ask the question, "What do you think you should do," instead of providing the answer.

Third, use some variant of the Japanese process, whereby you ask each participant, not "what's your recommendation," but rather, "How do you see this issue, and what are

the major positives and negatives you see for each major alternative suggested solution?" On major decisions, it also helps to keep track of the answers in a balance sheet format. Most organizations that have adopted this process are pleased at the depth and breadth of important considerations this approach develops.

## Rigorously Analyze Outcomes

Remember our diagram (reprinted below) from the previous newsletter to the effect that only a good process creates, in

### Good Decisions and Good Process

		Outcome	
		Good	Bad
Process Used to Make the Decision	Good	Deserved Success	Bad Break
	Bad	Dumb Luck	Poetic Justice

Source: Russo and Schoemaker, *Winning Decisions*, 5. Reproduced with permission.

the event of a good outcome, a deserved outcome? All other outcomes are insufficient if you want to truly build an effective decision-making organization.

Thus it is important to look at both good and bad outcomes, and analyze both what happened as well as how to improve.

A good mantra in this regard is "Blame in private, focus on process in public." It may be that a single individual makes a bad decision, and should have known better, but HRO theory demonstrates that most serious mistakes have a host of "parents," and the challenge is to create a process which helps avoid that combination of mistakes.

Similarly, a good process involves all of those who should be involved, and ensures that they get their say (for the reverse, see our newsletters on the Columbia Disaster, and Katrina, both at [www.cookcompany.com/whats-in-the-news/newsletters](http://www.cookcompany.com/whats-in-the-news/newsletters)).

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