

DECISION MAKING

Competency Development Guide

Decision Making Defined:

A process that involves identifying alternatives, analyzing their consequences and the outcomes you want, and making the best choice.

Effective decision making is important for personal and professional success. People who don't think things through or consistently make rash or bad decisions struggle to achieve their goals and find fulfillment.

The decision-making process

You follow logical steps when you make a decision. It's helpful to think of decision making as an established process so that you don't miss or compromise any steps.

A basic decision making model includes five sequential steps:

Establishing a context for success

The first step is to establish a context in which to address the problem effectively. To do this, you should involve the right people, keep the decision group small, encourage participation, and choose diverse settings for meetings.

Framing the issue properly

Your experiences and expectations affect your perceptions. So when a complicated situation arises, you need to frame it properly to make sure you address the key issue. To avoid misframing, question initial perceptions. Try to pinpoint your and others' biases. Seek out the perspectives of other team members and try to approach the issue from several angles.

** More on framing on the following page **

Generating alternatives

You need to be creative at this stage – try to come up with as many ways of understanding the situation as you can. You can brainstorm, which you do as a team by writing down as many possible alternatives as you can, without criticizing or judging them. Your list should include as many alternatives as possible, but it shouldn't be overwhelming.

Evaluating alternatives

You now need to evaluate your alternatives. This involves determining how well each meets your objective.

Choosing the best alternative

Once you've considered the merits of each alternative, you need to choose the best.



"Nothing is more difficult and therefore more precious than to be able to decide."

Napoleon

"Whenever you're making a consequential decision...just take a moment to think, write down what you expect to happen, why you expect it to happen and then write down how you feel about the situation, both physically and even emotionally."

Michael J. Mauboussin

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There are psychological rules for decision making that are well established, especially so-called “irrational” decision making under risk. This has resulted in a new area of research on something called “framing.”

Framing theory presents the psychological rules for how people make biased, irrational decisions. Framing shows that how something is presented—the “frame”—influences the choices people make ... especially when there’s risk involved.

6 Basic Framing Techniques

1. Metaphors. This is giving a new meaning to an idea or a program by comparing it with something else. For example, certain Information Technology initiatives are called “Death March Projects,” when any one of the estimated resource requirements of time, talent, or money are off by more than 50%.

That’s a pretty severe metaphor, yet it instantly conveys the magnitude of the potential problems. Who wants to do nothing about a death march project?

2. Stories. You can frame a subject by telling an anecdote in a vivid or memorable way. Think of Aesop’s Fables. Think of all those office “war stories” you’ve heard. Even though it’s just about a single incident, a story makes something sound like a universal truth.

3. Traditions. The workplace is full of traditions, of “we’ve always done it this way.” Established patterns develop a momentum all their own. It can be very hard to break from behaviors that have been ingrained over the years.

4. Slogans and catchphrases. A great slogan can be very powerful. Think of all the commercial themes you’ve heard over the years. Many of them are classics ... “Where’s the beef? They’re GRRRRRREAT!” And think of all the catchphrases that have become standard conversational bits ... “Yada, yada, yada. We are two wild and craazy guys!” There are literally thousands of them.

5. Objects. You can strengthen your message through the use of objects, either conceptually or physically. What has more impact, a list of items, or a “Pyramid of Values?” We don’t get promoted, we “climb the ladder of success.”

There are trophies in the lobby symbolizing performance excellence. Or banners, or whatever. Things carry their own emotional and psychological weight.

6. Contrast. You can always make things look different by comparing them to something else. For example, “Well, it beats a punch in the face.” Yeah, that one’ll make just about anything sound better.

Those are the basic tools of framing: metaphors, stories, traditions, slogans, objects, and contrast. They are certainly being used ON you. And they can potentially be used BY you. So you need to know how they work.

SUPPORTING BEHAVIOR STATEMENTS

To identify competency skill gaps consider outlining key supporting behaviors that are important in your organization.

You can assign a basic Likert scale to each behavior statement (examples outlined below) and have the employee and the employee’s manager rate proficiency.

ANALYTICAL THINKING:

Analyze costs, benefits, risks and chances of success of decisions.

Break down concepts, issues, and problems into their component parts.

Compare data from a variety of sources.

Notice discrepancies and inconsistencies in information and materials.

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6 Elements of Decision Quality

An appropriate frame, including a clear understanding of the problem and what needs to be achieved.

Creative, doable alternatives from which to choose the one likely to achieve the most of what you want.

Meaningful information that is reliable, unbiased, and reflects all relevant uncertainties and intangibles.

Clarity about desired outcomes, including acceptable trade-offs.

Solid reasoning and sound logic that includes considerations of uncertainty and insight at the appropriate level of complexity.

Commitment to action by all stakeholders necessary to achieve effective action.

Source: An Organization-Wide Approach to Good Decision Making by Larry Neal and Carl Spetzler, Harvard Business Review, May 2015

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SUPPORTING BEHAVIOR STATEMENTS

PLANNING:

Determines the length and difficulty of tasks and projects.

Establishes goals and objectives.

Organizes work into processes.

PRIORITY SETTING:

Focuses energy on critical tasks.

Generates focus.

Identifies primary goals over minor objectives.

Identifies usefulness of tasks to completing a goal.

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