

Decision Making

Workshop 4

Alicia is a new supervisor at a commercial printing firm, and her first three weeks have been relatively easy. This Friday morning, however, she has a tough call to make.

A local college—one of the firm’s largest clients—is sponsoring an Alumni Weekend to celebrate the opening of a new science building. Alicia’s team has been working on a full-color, glossy booklet for the college to hand out tomorrow morning to the visiting alumni.



The job was delayed while the college designers fussed with the details. Yesterday Alicia sent out a final proof. The college was supposed to approve it by this morning, but no one from the college has responded.

Nan, the customer service associate, has been trying in vain to reach her contact at the college. Alicia knows that if the printing doesn’t begin right away, there won’t be time to finish during regular working hours. What should she do? She’d like to discuss the problem with her own boss, but Mr. Wallace is on vacation.

Alicia’s head swirls with the possible consequences of the wrong choice:

- ◆ If the booklets aren’t ready on time, the college staff may be furious (even though the delay was their fault), and Alicia’s firm could lose a major client.
- ◆ If Alicia starts the printing right now and the college doesn’t like the results, that decision, too, could cost the firm a major client.
- ◆ If the college’s approval comes in this afternoon, Alicia could

set up an overnight shift to finish the job. But Mr. Wallace might be angry about the cost of overtime wages.

Luckily, Alicia has had some supervisory training. She sits down, takes a deep breath, and reviews what she knows about the process of effective decision making.

What’s Inside

Here, you will learn to

- ◆ deal with uncertainty and risk
- ◆ follow steps for effective decision making
- ◆ “sell” your decisions to others

Uncertainty and Risk

In Workshop 1 you learned that making decisions and solving problems is one of the key functions of a supervisor. You want both your employees and your superiors to trust you to make the right decision at the right time. You can't be an effective leader if you're seen as indecisive or prone to mistakes.

Like Alicia in the scenario you've just read, you may find that most of your decisions are simple and routine. Occasionally, though, you'll face a truly tough call. It may involve a touchy situation with employees, a tricky problem with a client, or a quandary in interpreting your own company's rules and guidelines.

What makes a decision difficult? Usually two factors are responsible:

- ◆ Uncertainty
- ◆ Risk

The way you deal with these two factors will greatly influence your success as a decision maker.

In the context of decision making, the term *uncertainty* means that you can't predict the likely effects of each possible outcome—or perhaps you can't even guess what the potential outcomes may be. Imagine that your production team is creating a video for an important client to present at a trade show. You notice a small, five-second flaw in the video. If you decide to fix the flaw, the job will be late. You don't have any previous experience with this client, nor do you know the precise date of the trade show. On one hand, would being a day late make a big difference in this case? On the other hand, would the client notice the small flaw? Would viewers at the trade show notice it, and what would happen if they did?

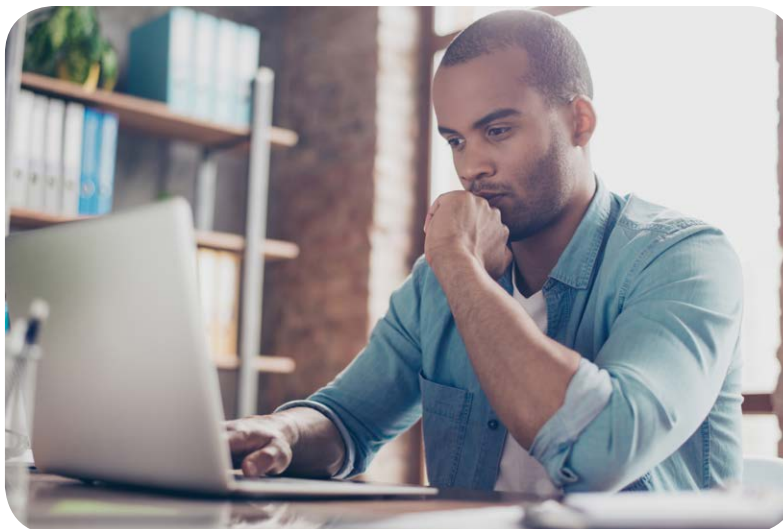
In this situation you face a lot of uncertainty.

Risk means that there is some danger for you, your team, or your organization if you make the wrong choice. In our video example, your firm may lose a big client if you make the wrong decision. Your entire team's reputation may suffer.

Personally, you may get an earful from your boss and damage your chances for promotion.

We are prone to say that an organization has done well because of exceptional leadership. What we generally mean is that the decisions taken have been good decisions.

— **CHARLES PERROW**
Complex Organizations



How can you best handle uncertainty and risk? Although each situation is different, these techniques often help:

- ◆ **Seek more information.** Additional information can reduce your uncertainty and help you calculate the degree of risk in each possible choice. In our sample situation, you might not want to tell the client about your problem, but you could ask other people in your firm about the client's typical preferences. You could discover the date of the trade show. You could find out how the video will be projected and therefore how visible the flaw would be.
- ◆ **Ask for other people's opinions.** Your colleagues and your employees can be valuable sounding boards for your ideas. Even if the decision is yours and yours alone, it's no shame to consult others. They may help you see new ways of approaching the problem.
- ◆ **Involve team members in the decision.** Often, if a decision will affect the entire team, it's appropriate to call a meeting and let the team members help you decide. Your employees may even come up with options that you haven't considered.
- ◆ **Make a fallback plan.** Plan in advance what you will do if particular risks materialize.
- ◆ **If the problem is too large, consult your boss.** Now and then, you may be faced with a decision that is too complex or too all-important for you to make without involving your superiors. If you approach your boss by saying something like, "We have a problem I think you ought to know about," you're not ducking your responsibilities. You're giving your own supervisor a chance to intervene or to offer guidance.

If I don't look, will the problem disappear?



Many of us approach difficult decisions by procrastinating. We behave as if a problem ignored long enough will vanish of its own accord. Sometimes the original problem does indeed disappear—by turning into a bigger one. A minor matter becomes a crisis.

Surely, you don't want to rush a big decision. Often you can "sleep on it"—that is, let your mind work on the matter overnight, or perhaps for several days. But there is a fine line between that approach and procrastination.

If you can acquire information to aid your decision, start doing that now. If you can consult other people, begin that process right away. Then, instead of just "sleeping," your mind will be making progress.

ACTIVITY 4.1

NAME _____

Uncertainty and Risk

How do you confront decisions that involve uncertainty and risk? To analyze your own typical approach, decide how well each of the statements below applies to you. Answer each item using the following scale:

- 4 Very much like me
- 3 Somewhat like me
- 2 Mostly unlike me
- 1 Completely unlike me

- _____ 1. When I have to make a tough decision, I don't expect any help from others, especially not from my employees or classmates.
- _____ 2. When I'm uncertain about a decision, I stop to figure out which facts I need and how I can get them.
- _____ 3. In most decision making, I "shoot from the hip," trusting my instincts.
- _____ 4. In a risky situation, I analyze the risk of each possible choice.
- _____ 5. Even if I don't have a fallback plan, I go ahead.
- _____ 6. I discuss difficult choices with others who are involved, seeking everyone's opinion.
- _____ 7. I worry so much that I put off decisions.
- _____ 8. I plan what I'll do if things go wrong.
- _____ 9. I would never admit to my boss that I'm having a problem.
- _____ 10. I'll listen seriously to advice from any reputable source.

To calculate your total score for this exercise, first *reverse* your scores for the odd-numbered items. On item 1, for instance, if you wrote a 4, make it a 1; if you wrote a 2, make it a 3. Now add up all the numbers.

The maximum score is 40. The closer you came to 40, the more likely you are to be successful as a decision maker. How close did you come? In what areas do you need to change your approach?

_____ **SCORE**

Steps for Effective Decision Making

Researchers who study effective decision making often break the process down into several distinct steps. Although you may not always be aware of these steps as they occur, understanding them can help you improve your own decision-making process.

Step 1: Define the Decision

“Defining the decision” may sound too automatic to need discussion, but you’d be surprised how often supervisors mislead themselves about the scope of their own decisions. Long-term, high-impact decisions have a way of disguising themselves as simple everyday choices.

Imagine that you've been assigned to head a team on which Gwen and Bill are the two senior employees. You don't know either of them very well, but in your first few days on the job, you find Gwen easier to talk to. Now you find that a sensitive task has to be done, and you don't have time to handle it yourself. You'll have to delegate it to Bill or Gwen. You're inclined to choose Gwen. You'd feel more comfortable with her handling the task.

But stop a minute. In this situation, you should ask yourself: “What am I really deciding here? Am I simply assigning one task? Or am I saying that Gwen is going to be my main assistant from now on?”



As another example, think of our earlier scenario involving the video with a five-second flaw. Say you decide to go ahead and finalize the job without fixing the flaw. Are you also deciding that, if someone notices the mistake, you'll pretend you didn't know about it? Do you really want to be a liar?

You'll be a better supervisor if you're self-aware enough to understand what you truly mean by the decisions you make.

If there is one quality that best describes a supervisor or a manager, it is that of being a decision maker and a problem solver.

— JACK HALLORAN AND
GEORGE L. FRUNZI

Supervision: The Art of Management

Step 2: Explore Alternatives

Many decisions present themselves in an either-or format. Choose Gwen or Bill. Release a flawed video on time, or fix it and fail to meet the schedule. Often, however, if you think creatively, you'll realize that other options are available.

Consider the either-or problem of whether to pick Gwen or Bill to handle a sensitive task. What might some other alternatives be? Here are a few:

- ◆ Call in Gwen and Bill and ask them to work together on the project.
- ◆ Call a meeting of the entire team and ask for suggestions and volunteers.
- ◆ Delegate some of your other work so that you can handle the sensitive task yourself.



Besides using your own ingenuity to explore alternatives, you can ask for suggestions from others—your employees, your boss, your colleagues. Don't trap yourself in an overly limited set of options.

A supervisor should be demanding but fair.

— **DAVID GALLI**
Metal Fabrication Manager

Step 3: Analyze the Effect of Each Alternative

Once you have assembled all the possible options, you should investigate each one as logically and thoroughly as time allows. Think about both the short-term and the long-term consequences of each choice.

At this stage you often need to gather more information. To evaluate the options in our Gwen-Bill example, you might need to seek answers to questions like these:

- ◆ Has the team handled tasks like this in the past, before I became supervisor? If so, how? Who did what?
- ◆ Could Bill and Gwen work well together? Have they worked together before?
- ◆ Is there any mutual jealousy between them, so that one might be jealous if the other were given an important job?
- ◆ If I assign the task to one or the other, will they think my choice has serious implications for the future? For instance, if I choose Gwen, will she think she's my number-one aide? Will Bill think that?
- ◆ How do other teams in the company handle matters like this?

A little bit of information-seeking can make your decision a great deal easier—and smarter.

Step 4: Choose and Implement the Best Alternative

Once you've assembled the pertinent information and analyzed the alternatives, go ahead and make your decision. You don't want to fall into "paralysis by analysis."



Next, take appropriate steps to implement your decision. Choosing Gwen to handle a task won't do any good unless you give Gwen a full briefing, hand over the background data she will need, discuss with her exactly what has to be done and when, and tell others she has the authority to deal with this matter.

Step 5: Review the Outcome

A final step—too often ignored—is to take some time afterward to review the outcome of your decision.

This step is important for three reasons:

1. If you find you made the wrong decision, you may be able to reverse it, or at least head off some of the worst consequences.
2. The outcome may create new problems that require new decisions, and the sooner you become aware of these, the better.
3. If your decision turned out poorly, you can profit by analyzing the reasons for your mistake. Ask yourself, "How could I have foreseen these negative outcomes? What can I do better in the future?"

? Did you know?

When faced with a tough decision, many supervisors believe they can rely on their instinct or intuition. Sometimes they're right, especially if they are experienced managers with a deep understanding of human nature.

The foundation of good intuition, however, is prior knowledge and thought. If your "sixth sense" warns you that a certain choice is wrong, it's because your brain is processing relevant information from your past experience. Consequently, your intuition will improve if you work to establish a strong base of knowledge.

ACTIVITY 4.2

NAME _____

Practice Your Decision Making

Look back at the story on the first page of this workshop. Imagine that you are Alicia, and apply the five decision-making steps to her problem with printing the college booklet.

1. **Define the decision.** State the decision to be made as precisely as you can. (If you think that the main choice involves other, unstated decisions, list those as well.)

2. **Explore alternatives.** Think of all the possible ways of handling this situation.

3. **Analyze the effect of each alternative.** Briefly describe the likely consequences of each choice.

4. **Choose and implement the best alternative.** Indicate your choice and describe your plan for putting it into effect.

5. **Review the outcome.** Is there anything you should do later to check on the outcome of your choice and try to learn from it?

“Selling” Your Decision

Supervisors often make their own lives difficult because they fail to “sell” their important decisions. “Selling” in this sense means convincing other people that the decision was the right one.

You may think: “If I’m the supervisor and the decision is clearly mine to make, why should I worry about convincing other people? They’ll see the outcome, and then they’ll know I made the right choice.”

Maybe. But if you don’t get key people to “buy into” your decision, any of the following may happen:

- ◆ Your employees don’t see the importance of your choice, so they don’t bother to do what you’ve asked them to do.
- ◆ Your employees think you’re wrong, so they do the opposite of what you’ve specified.
- ◆ You get a reputation for “flying by the seat of your pants.”
- ◆ Your superiors as well as your employees suppose that you were unfair or arbitrary.
- ◆ If the decision turns out to be wrong, everyone assumes you had no good reasons for making the choice you did.
- ◆ If the decision turns out to be right, you get less credit than you deserve.



To put the matter another way, you want to be right, but you also want others to agree that you are right. Perceptions do matter.

Walking around afterward to tell people how smart you were won’t accomplish this objective.

Instead, when you make an important decision, you should communicate not only the choice itself, but also your reasons for it and the degree of importance you are assigning to it. Let your

employees know that you have thought the matter over carefully and taken everything into account.

Of course, this task will be easier if you’ve adopted a participative style of leadership, as described in Workshop 2. Employees who were involved in the decision-making process will already be well informed about the matter. Workshop 5 will return to the subject of employee participation in decision making, and Workshop 6 will tell you more about methods for communicating with your staff.

The Ethics Check



The easiest type of decision to “sell” is one that is not only smart but ethical. If your choice involves, say, cheating a customer, your employees may go along in the short run, but they will lose respect for you, and your long-term authority will be undermined. And if you’re dishonest about the factors underlying your decision, you may find that people understand your thinking far better than you would like.

Many companies have formal codes of ethics. If this is the case in your own company, abide by the code. You should also have your own code that goes above and beyond what the company requires.

When you’re not certain about the ethical nature of a decision, try to take time for what the Edward Lowe Foundation calls a brief “ethics check.” Ask yourself questions like these:

- ◆ Does this course of action fit company policy?
- ◆ Is it entirely legal?
- ◆ Will this choice build respect among my employees and colleagues?
- ◆ Do I have to conceal any of my thinking from my boss?
- ◆ Would I be ashamed to tell my friends about my choice?
- ◆ Would I be embarrassed if customers or clients found out?
- ◆ Will I think better or worse of myself?

? Did you know?

One of the best ways to convince employees to “buy into” your decisions is to accept accountability. That is, let people know that you stand ready to accept blame as well as credit for the outcome. When a decision goes wrong, don’t try to pass the buck. Admit it was your mistake.

Once employees see that you can be trusted not to play the “blame game,” they may work extra hard to turn even your dubious decisions into success stories.

ACTIVITY 4.3

NAME _____

A Decision from Your Past

Recollect a time when a supervisor, teacher, or family member made an important decision that directly affected your life. Answer the following questions about the situation.

1. Did the decision maker communicate his or her reasons for the decision in a way that you could appreciate and understand? How well did you understand?

2. How did the person's communication, or lack of it, affect your respect for the person (for instance, your feelings about his or her intelligence, reliability, and trustworthiness)?

3. How did the communication, or lack of it, affect your willingness to comply with the decision?

4. After reflecting on this experience, what lessons have you learned? How can you apply this experience to your own decision making as a supervisor?



GETTING CONNECTED

Many Websites offer information relevant to the topics of this workshop.

For instance, for general tips on decision making, see

<https://myqss.link/Decision-Making>

For articles on ethics in business, look at some of the online offerings of ***Business Ethics*** at:

<https://myqss.link/Business-Ethics>

WORKSHOP WRAP-UP

- Under conditions of uncertainty and risk, you can improve your decision making with techniques such as seeking more information, asking for other people's opinions, and involving team members.
- The steps for effective decision making include defining the decision, exploring alternatives, analyzing the effect of each alternative, choosing and implementing the best alternative, and then reviewing the outcome.
- To convince employees to support your decisions, be sure to communicate your reasons for your choices.