Make Decisions Less Of A Problem

Problem solving and decision-making are an integral part of achieving business, project and individual success. Research indicates that *we are not as good at decision-making as we believe we are*. Our confidence grows the more we consider a problem, and our memory fades as time and distance increases between us and the decision and its result. One study indicated that in a business environment, for decisions that participants claimed a 90% likelihood of success, the actual results demonstrated confidence should have been between 70 and 80 percent. That *equates to between $100K and $200K loss per million dollars of decision*. It could be the difference between profitability and loss. Marked improvement to our bottom line can arise from a modest improvement in our decision-making.

If the choices were obvious, decision-making would be easy. Our decisions are inextricably associated with our problem solving approach, including the quality of the information, time frame available, importance and visibility of the results and the level of stakeholder buy in that is required.

Improving decision-making requires that attention be placed on the process. In making decisions we must cope with situational constraints (e.g. time and budget

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Abstract

The process followed in solving problems and reaching decisions is influenced by personality factors and the process we follow. This article introduces how to make these less problematic, suggesting some areas that need to be considered in establishing such processes.

Keywords

Business decision, complexity, decision making model, decision making process, ethical decision, problem solving, problem solving technique, problem solving process

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limitations), environmental factors (e.g. government regulations, competition, economic conditions), team dynamics, individual perceptions, personal problem solving and communication styles, and the decision-making framework of the organisation (e.g. are there guidelines and standards for information gathering and evaluation to assure a consistent approach?).

The basic problem solving process comprises the following steps:

Recognise problem. Though awareness of a problem develops, this step is often curtailed by not allowing the problem to fully manifest itself, reacting to symptoms of the problem rather than the problem itself.

Define problem. Though an obvious step, the tendency is for people to jump directly to "develop solution" without fully appreciating, defining or documenting the true nature of the problem. That is like embarking on a journey without knowing why you are going, or

Does dealing with complex decisions get the better of you?

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implementing operational plans without a corporate purpose, vision and strategy. How many times have you been in a team, discussing a solution and you realise that you lack clarity on what the problem actually is?

Develop solution. This usually consumes the major portion of effort. Imposed time and cost constraints, failure to fully develop and consider creative solutions that address the real problem, and lack of clarity over what problem needs to be solved are some causes of failure at this point. Developing a solution is highly dependent on the team, their individual problem solving styles and how conflict is managed. The team leader must enhance cognitive conflict (that which focuses on the work activities, how and why they are being performed etc) and reduce affective (or interpersonal) conflict.

There are two main *problem solving modes* – *sensing* and *intuiting*. Those who are Sensing favour facts and concrete concepts, and want to take action and see results, but have a tendency for over simplifying the complex. The Intuitive group prefers to explore possibilities, play with ideas, rely on hunches but also have difficulty finishing tasks. There are also a number of common styles or roles that people naturally play, each of those having specific strengths and weaknesses. All these personal aspects need to be considered and accounted for in the problem solving approach to achieve optimum results.

Most of us are capable of developing solutions on our own. It is a totally different experience working within a team. We must then deal with different styles and the varying informational and emotional needs of the individuals. *Learning to be comfortable and cohesive as a team during periods when confusion reigns is also vital* (I refer to this as *Fog Management*).

One of my most memorable experiences took place while I was chairing the team responsible for developing the Project Management Institute's globalisation strategy. After a day of intense discussion we were in a thick fog of confusion. We had no answers. New questions kept arising. There was no clear next step. We concluded the day, enjoyed a relaxed evening together, and did not worry about or discuss the problems we were facing. The next morning ideas flowed naturally and easily. Within fifteen minutes we had a model that became the basis for the final strategy.

Knowing when to step back and incubate is a vital part of effective problem solving.

Make decision. Information may be gathered and problems solved as a team, but decisions are often made by the leader, or by an entirely different group (e.g. a Company Board receiving a proposal). Each decision-maker has a preferred *mode and style for evaluating information* and reaching a decision. The two primary modes are thinking and feeling. The Thinking person focuses on logic, impersonal principles, accuracy and timeliness, with a tendency for overlooking personal considerations and being risk averse. The Feeling person is aware of the feelings of others, is responsive and sympathetic, and is generally persuasive and a good negotiator. However, they also have trouble conveying bad news and dealing with conflict. Couple these with the different decision-making styles, and the problems associated with presenting the appropriate information to the decision-maker and the whole process becomes very interesting indeed.

For effectiveness, a leader needs to recognise the weaknesses and gaps in their own style, and ensure they involve others who will test and complement them. An organisation may develop standards for the form and content of information that must be presented for key decisions, evaluations that are to be conducted, and considerations that must be accounted for (e.g. ethical issues). Consider Enron as an example of where corporate decision-making processes failed because they did not account for these factors sufficiently.

Enact decision. Having made the decision it must be implemented. A significant problem that often manifests itself in this stage is the lack of commitment to the action by management. This is a symptom of failure in the earlier stages of the problem solving and decision-making process. Implementing significant decisions requires prudent use of resources within budget and time constraints, and gaining stakeholder acceptance. This is where project management skills become crucial, such as planning, coordinating, communicating, managing risk, negotiating, and a host of others.

Feedback. The results speak for themselves, and the problem has either been resolved, or there are still

For more information related to themes in this article, refer to chapter 11 (Purposeful Forward Movement) of: Harrison, S. G. (2012). *Appreciate the Fog: Embrace Change with Power and Purpose*. Auckland, New Zealand: Xlibris Corporation.

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outstanding issues. Was the real problem addressed? Was it addressed adequately and appropriately? What organisational fall out must be resolved? If the process ran smoothly, these will be easy answers. Unfortunately the feedback/assessment process is often left out or is conducted in a way that undermines beneficial learning.

There are many and varied reasons problem solving and decision-making can go awry. It takes skill, experience, commitment and patience to develop personal and organisational capability in this most important management area.