

# The Leadership**Impact** Newsletter

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## Decision-Making

*“Democracy is the process by which people choose the person who'll get the blame.” - Bertrand Russell*

“H.L. Mencken offered a caution that health care leaders should keep in mind: ‘For every complex problem, there is a solution that is simple, elegant and wrong.’”

“Generalist managers can help functional experts to avoid falling into the trap of simple, elegant and incorrect solutions. They can do this by the questions they ask and the evidence they require in support of recommendations.”

“Many people (including executives) use simple, one-dimensional criteria for judging situations: good/bad, profitable/unprofitable and so forth. This is a natural and expedient way to arrive at conclusions. ... However, it can lead to a very superficial assessment of a given situation.”

“Creating a diagram is a tool to help you listen carefully, react thoughtfully and communicate clearly, applying logic and good judgment to a difficult situation. ... Whenever you see one-dimensional thinking in a management discussion, you are witnessing a team that is not using all its assets effectively. One-dimensional thinking is almost always superficial.”

Peter McGinn, *Thinking Clearly about Complex Issues, Hospitals and Health Networks OnLine, 2/27/07*

On July 4, 1962, at Independence Hall in Philadelphia, President John Kennedy delivered an address on government and national and global issues. Kennedy said, “*We are not permitted the luxury of irresolution. Others may confine themselves to debate, discussion, and that ultimate luxury—free advice. Our responsibility is one of decision—for to govern is to choose.*” CEOs and other executives will recognize the truth of this statement. Decisions may be difficult, and some executives and boards shy away from them. But making decisions is at the heart of leadership. The future of an organization depends on the decisions made today.

The way a question is framed determines the way evidence is gathered, the types of answers that are discovered, and the decisions that result. For example, in “Manage Your Energy, Not Your Time,” Tony Schwartz said: “*It’s been a revelation for many of the people we work with to discover they have a choice about how to view a given event.... The most effective way people can change a story is to view it through any of three new lenses, which are all alternatives to seeing the world from the victim perspective. With the reverse lens, for example, people ask themselves, ‘What would the other person in this conflict say and in what ways might that be true?’ With the long lens they ask, ‘How will I most likely view this situation in six months?’ With the wide lens they ask themselves, ‘Regardless of the outcome of this issue, how can I grow and learn from it?’*” (*Harvard Bus. Rev.* Oct. 2007) Different questions can yield different interpretations and different implications.

Good decision-making begins with asking good questions. Bad decision-making often begins with asking no questions at all. Be wary of people who have all the answers, but no questions. They are operating on assumptions, not facts, a stance that is particularly dangerous in a changing environment.

Here are five types of ‘P’ questions to help frame issues.

- Positioning Questions: Identify the current facts (or position)  
“What do the data say about ...? What have we learned from...?”
- Possibility Questions: Establish targets  
“What performance levels must we achieve to support our strategy?”
- Proposal Questions: Identify options or alternatives  
“How could we change our approach to use our resources better or remove anticipated obstacles?”
- Probing Questions: Follow-up questions to dig deeper  
“Why? Why not...? How does that work?”
- Principle Questions: Tie decisions to mission, vision, and values  
“How do these proposals mesh with our value of ...?”

The goal is to improve decision-making by being based in reality but also looking broadly and deeply at alternatives. By the way, you should not only ask these questions of others, you should also ask them of yourself.

For more, see sidebar and next page

## Identifying & Analyzing Options and Making Choices

Anyone who has read Consumer Reports has seen good presentations of decision alternatives and selection criteria. Typically, CR uses charts with different products arrayed across the top and benefits listed in the left column. Each cell of the chart includes a rating of performance. This allows a prospective buyer to evaluate multiple options at once and consider trade-offs among the alternatives.

Executives often see similar charts when they evaluate information technology purchases. In health care, The Advisory Board frequently uses such charts to summarize the results of their benchmarking studies. Here's how a chart might look for three ways to share information:

	Chart	Checklist	Prose
Detailed	Better	Good	Best
Interactive	Best	Better	Good
Nuanced	Better	Good	Best
Overview	Best	Good	Better
Simple	Better	Best	Good
Systematic	Best	Better	Good

Without a formal analytical display device, decision-making discussions tend to wander. Substantial research attests to our limited ability to keep more than a few facts in active memory or make multiple discriminations among complex data. When data are displayed in user-friendly tables, however, it is easier for participants to see the forest and the trees—the overview and the specific ratings. Executives who present decision criteria and data this way will see more productive and focused discussions.

The use of simple tables and charts will generally pay off in more active participation in decision-making. Visual displays help executives:

- think systematically,
- locate gaps in information or logic,
- and complete analyses others can understand, build upon, and employ in the deliberations.



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Additionally, the use of visual decision tools

- engages people
- helps them adopt new frameworks for problems
- and helps them consider choices more logically.

The structured approach to decision-making has one major flaw, however. An approach that is too mechanical may not take sufficient advantage of the experience and judgment of participants; wisdom is a hard thing to quantify. As Einstein reportedly said, “Not everything that counts can be counted, and not everything that can be counted counts.”

Individual participants in a decision-making discussion still hold personal responsibility for assessing and choosing among alternatives, even when others have provided them with excellent analytical support.

*“I have found that great people do have in common an immense belief in themselves and in their mission. ... At the crucial moment of decision, they draw on their accumulated wisdom. Above all, they have integrity.”*

*-- Yousuf Karsh*

When I work with executives, I often share a simple formula I learned years ago from *Human Synergistics*.

$$E=QxA$$

The effectiveness of a group decision (E) is a function of both the quality of the decision (Q) and its acceptance by the group (A). If either Q or A is low, then the effectiveness of the decision will be low regardless of how high the other factor may be.

I find that when we use structure to help identify and analyze options and when we approach decision-making with good insight into group dynamics, we improve both the quality of a group's decisions and their acceptance by participants.