



How to make better decisions

Presented by: Dinah Vincent

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We all make decisions every day, many without even noticing. This is about the harder ones: the ones that take time and energy, and leave us wondering... I've found six approaches that I hope will help you make better decisions and be confident that you made the right call.

What's the pay off? Simplicity.

Julia Hobsbawm's *The Simplicity Principle* puts decisions in context as an element that leads to simplicity. Her book uses the hexagon as symbol of simplicity – a six-sided shape that locks together neatly.

The first of the six elements is clarity. Within clarity, the first element is decision. She frames this in the negative, saying delay and indecision create complexity. There's not much advice on how to become more decisive, but heed the warning: **not making decisions extends complexity**.

1. Get the benefit of others' experience

Listening to other people's stories gives you a starting point

Gary Klein talks about stories as teaching aids that allow us to review decision points in a scenario and learn from others. We're less likely to waste energy re-inventing the wheel.

He says a good story puts people in a predicament, with enough context for us to make some sense of it. We find out their intentions and their actions. We learn about the effects of their actions.

How can you use this at work? By having someone who has some experience of what you are about to attempt share their story with you.

Klein suggests you may hear the story up to four times.

1. Listen to the summary and assess where it is relevant to your circumstances.
2. Listen to the fuller story to understand the stages and decisions points.
3. Question the decisions, and maybe pose hypotheticals – what would you have done if that hadn't happened? What if that option wasn't available?
4. Ask about the mistakes a novice might make. This pushes the teller to reveal how their expertise helped them avoid poor decisions. (Klein, pp.189-190)

2. Use the team mind

A team mind gets to places an individual mind can't

Klein compares what thinking and decision making look like when we do it alone or as a team. Individual and team minds have the same features: working memory, long term memory, limited attention span, filters, and the ability to learn.

When we think and make decisions alone, we can tell ourselves that it was a logical process. When a team thinks together, in a brainstorm session with whiteboards and post-it notes, we see the random and accidental way ideas form. The beauty of this externalised shared thinking is that a team mind 'can come up with ideas that are beyond the skills of any single team member'. (Klein, p. 233)

But a team needs to be at certain stage of development to get the benefit of shared thinking.

When does a team mind form?

Klein likens team development to infant development and identifies four stages that relate to a team's development as a decision-making unit. The four stages are:

1. Team competencies – what can team member do? Are there shared practices and routines that everyone in the team can perform?
2. Team identity – mature teams know why the team exists and what it does. They understand the various functions performed by team members and how they fit together.
3. Team cognition – a team's ability to think, both in the moment and for the future. Klein suggests these questions to test the team's development: how does the team describe its goals and intent? To what extent does the team share an understanding of the situation?
4. Team meta-cognition. A mature team reaches a point where it knows its who, what, why – and can manage situation to get the best result. (Klein, p. 243)

When you team reaches this point, it can: 'create new and unexpected solutions, options, and interpretations, drawing on the experience of all the team members to generate products that are beyond the capabilities of any of the individuals.' (Klein, p. 245)

A team mind can converge on the same wrong idea

Olivier Sibony warns that the team mind is vulnerable to the groupthink bias. Individuals tell themselves that something must be right based on other people's choices, and the collective agreement becomes further proof that it is the right decision. (Sibony, pp. 122-23).

Sibony offers some antidotes to this trap. Here are three:

- Develop your own networks of informal advisors – people who think differently and are independent of the decision.
- Organise opposition to an idea. That means creating a funding a team to develop a response in direct opposition to the front runner. This is not a cheap option – but it might be cheaper in the long run.
- Bring in outside challengers. Again, you're going to have to spend some money, or some relationship capital to do this. How significant is the decision? What is the cost of making the wrong call?

3. Understand when intuition is helpful

Intuition is usually the product of significant experience

Maybe you think of yourself as an instinctive decision maker, someone who follows their gut instinct to get to the right place. But intuition isn't always helpful.

As well as thinking about the team mind, Gary Klein has researched 'naturalistic decision-making'. His research shows intuition or gut feel is actually the result of experience and the ability to recognize patterns.

People with sufficient experience can make good decisions very quickly. What a they are doing, without realising it, is noticing when events don't match the pattern their experience tells them to expect. Powerful examples of this come from high-stakes situations such as medical emergencies and fires, in which the right instinctual reactions save lives. (Sibony, pp. 49-51)

Daniel Kahneman and Amos Tversky, who gave us system one and system two thinking, tested intuition in a different setting. They asked experts to come up with an optimum sample size for a project. The subjects relied on their intuition and got it wrong, even though they had access to a formula that would calculate the right number. (Sibony, pp. 51-52).

Klein and Kahneman then got together to create a guide to when intuition works:

- In an environment where the same causes lead to the same effects
- AND
- We have had adequate opportunity for learning the environment

What decisions do you make where cause and effect are predictable, and where you really know the environment?

"Our intuition is nothing but the recognition of situations that we have experienced before, we should trust it when such situations can truly be recognised, and when we have truly learned the right responses to them." (Sibony, p. 53)

4. Manage the time you have for your decision

Make deadlines work for you

Wethey puts decisions into three time-based categories: 60 seconds, 60 minutes, 60 hours.

60 second decisions are likely based on the intuition I've just been talking about. They might be about actions that will have a dramatic effect – saving lives, or saving money.

60 minute decisions are often disguised as meetings. How do we optimise that as a decision-making period? It is back to basics:

- Does the agenda drive decision making? (If there is not an agenda, what is the purpose of the meeting?)
- Are the right people at the meeting (not too many, not too few)?
- Will the minutes clearly record what action will be taken, who by, and when?

If you find yourself at 60 minute meetings with no agenda, offer to draft one and circulate it before the meeting, or ask in that meeting that you co-create one on a whiteboard.

60 hour decisions demand a process. Wethey describes this as time to take a view, but not to reach a firm decision. (Wethey, p. 135) To make that decision a firm one, he suggests following the checklist from 'Before you make that big decision...' by Kahneman, Lovallo, and Sibony.

They have a checklist to help with big decisions that demand quality control. You can't pick and choose; if you really want to check the quality of your decision making, all twelve questions need to be answered. The checklist is in three sections, with biases to check for in yourself, recommenders, and the proposal itself.

- **Ask yourself**
 - o Check for self-interested biases: what were the motivations?
 - o Check for affect heuristic: has the team fallen in love with the proposal?
 - o Check for groupthink: were dissenting opinions allowed and explored?
- **Ask the recommenders**

Challenge the recommenders on six biases: saliency (influenced by a memorable success), confirmation bias, availability bias, anchoring, halo effect, sunk cost fallacy.
- **Ask about the proposal**
 - o Is the base case overly optimistic?
 - o Is the worst case bad enough
 - o Is the recommending team overly cautious?

5. Use opportunities to prompt decisions

Do you only make decisions to solve problems?

Look for opportunities to make decisions to take advantage of opportunities, rather than waiting for a problem to prompt a reactive or defensive decision.

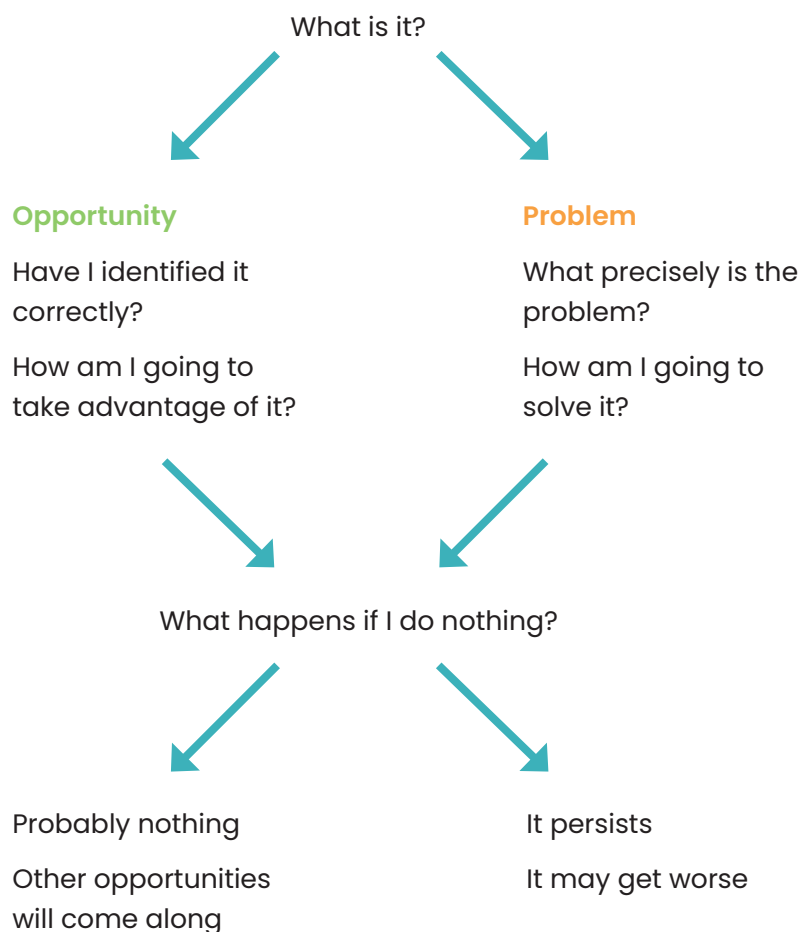
David Wethey quotes Steve Kneeland on problem solving: “bridging the gap between the ways things are and the way they ought to be.” (Wethey, p. 69)

If we’re experiencing the status quo bias, the way things ought to be is a fixed point.

Are your decisions based on threats to the status quo – which you frame as problems?

Are your decisions prompted by opportunities that arise from changes to the status quo?

Wethey steps through the thinking: (Wethey, pp.69-71)



Kneeland says problem solving is about what has happened, while decision making is about what happens next. That distinction might help shift your mind set to one that looks for opportunity – is focused on the future.

6. Use values to guide decisions

Difficult decisions may signal a values clash

The Heath brothers (2013) suggest that agonizing decisions are a sign of conflict among core priorities.

So what is really important to you? Being true to your values can help eliminate some options and generate others.

What if you are struggling to reconcile a decision that seems to conflict with your values?

The Heaths have some tips.

1. Widening your options by using AND thinking. Is there a way to satisfy your values and the teams intent?
2. Be devil's advocate because you can still have an impact on implementation.
3. Start a values based conversation – it's not personal – it's about business values.
4. Anticipate the harm to minimize the impact.
5. Assume positive intent – most people want to the right thing. They have different paths to get there.

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From The Training Practice team – Dinah, Hilary, Kristen, James, and Gabe

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Get in touch: 027 222 1498 | office@trainingpractice.co.nz