

The Leadership Program

Leaders Making Decisions

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Peter Drucker's Leadership List

1. Determine what needs to be done.
2. Determine the right thing to do for the welfare of the entire enterprise.
3. Develop action plans
4. Take responsibility for decisions.
5. Take responsibility for communicating action plans.
6. Focus on opportunities rather than problems
7. Run productive meetings
8. Think and say “we” rather than “I”
9. Listen first, speak last.

COMPARING THREE STYLES OF LEADERSHIP

	COMMAND AND CONTROL	CONSENSUS	COLLABORATIVE
ORGANIZATIONAL STRUCTURE	Hierarchy	Matrix or small group	Dispersed, cross-organizational network
WHO HAS THE RELEVANT INFORMATION?	Senior management	Formally designated members or representatives of the relevant geographies and disciplines	Employees at all levels and locations and a variety of external stakeholders
WHO HAS THE AUTHORITY TO MAKE FINAL DECISIONS?	The people at the top of the organization have clear authority	All parties have equal authority	The people leading collaborations have clear authority
WHAT IS THE BASIS FOR ACCOUNTABILITY AND CONTROL?	Financial results against plan	Many performance indicators, by function or geography	Performance on achieving shared goals
WHERE DOES IT WORK BEST?	Works well within a defined hierarchy; works poorly for complex organizations and when innovation is important	Works in small teams; works poorly when speed is important	Works well for diverse groups and cross-unit and cross-company work, and when innovation and creativity are critical

Today's Discussion

- Should a decision be made?
- What needs to be considered?
- What competencies are needed?
- How to gain consensus?
- How to identify red flags?
- Ideas in Practice

Does a Decision Need to be Made?

	URGENT	NOT URGENT
IMPORTANT	DO <i>Do it now.</i>	DECIDE <i>Schedule a time to do it.</i>
NOT IMPORTANT	DELEGATE <i>Who can do it for you?</i>	DELETE <i>Eliminate it.</i>

Decision Making Matrix

- Internal
 - Company – How does this decision impact the company?
- External
 - Client – How does this decision impact the client's business?
- Personnel
 - Team – How does this decision impact the resources and team?
 - Me – How does this decision impact me and my goals?
- Resources
 - Does this impact our resources?

Is anything missing from this list?

Competencies Required in Decision Making



How do you gain consensus?

- Who do you involve?
- What information do you share?
- How do you ensure alignment?

Identifying Red Flags in Decision Making



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A 7-Step Process

1. **Lay out the range of options.** It's never possible to list them all. But it's normally helpful to note the extremes. These provide boundaries for the decision.
2. **List the main decision makers.** Who is going to be influential in making the judgment calls and the final choice? There may be only one or two people involved. But there could also be 10 or more.
3. **Choose one decision maker to focus on.** It's usually best to start with the most influential person. Then identify red flag conditions that might distort that individual's thinking.
4. **Check for inappropriate self interest or distorting attachments.** Is any option likely to be particularly attractive or unattractive to the decision maker because of personal interests or attachments to people, places, or things? Do any of these interests or attachments conflict with the objectives of the main stakeholders?

Process (continued)

- 5. Check for misleading memories.** What are the uncertainties in this decision? For each area of uncertainty, consider whether the decision maker might draw on potentially misleading memories. Think about past experiences that could mislead, especially ones with strong emotional associations. Think also about previous judgments that could now be unsound, given the current situation.
- 6. Repeat the analysis with the next most influential person.** In a complex case, it may be necessary to consider many more people, and the process may bring to light a long list of possible red flags.
- 7. Review the list of red flags you have identified** and determine whether the brain's normally efficient pattern recognition and emotional-tagging processes might be biased in favor of or against some options. If so, put one or more safeguards in place.