Decisions, Decisions...

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Are you using the right method to make decisions?

As a leader, what kinds of decisions do you need to make on a daily basis? Are they all simple ones that all you have to do is look up the answer somewhere, such as in a procedure manual? Most likely, not.

If your day resembles that of most leaders, you encounter several types of problem situations, and every day throws you different curves. Welsh scholar Daniel Snowden researched how people make decisions based on the type of problem situations and categorized them into four quadrants. Visualize this: on the right are two types of problem situations that have answers that are already known: basic and complicated. On the left side of the quadrant are problems in which the answers are not known: complex and chaotic. Here are brief descriptions and examples of each of the four quadrants.

**Basic** problems only have one answer which is typically documented somewhere, such as in a procedure manual. You could easily delegate simple decisions to someone on your team. An example of a basic problem is when a vendor notifies you that you haven’t paid an invoice. Tracing the documented steps in your payment process can determine what went wrong so that you can find and pay the invoice.

**Complicated** problems are those that have more than one answer and you must select the answer that works best for you. You may look at the pros and cons of each choice, and perhaps even ask an expert to help you decide. For example, if your organization is interested in creating a new web site, you may solicit proposals from several different vendors and seek advice from a web expert to help make your decision. You need to select which answer is best for you.

What about those decisions that you have to make for which there is no answer? Maybe it’s a problem that you or your organization have never encountered before and there is no best practice in your industry from which you can refer. Snowden calls these **complex** decisions. They require creativity; you are treading new ground. Let’s say your revenues had been steadily increasing for seven quarters, then declined in the last three. You cannot look up the answer in a procedure manual; you cannot call in experts who have solved this kind of problem before. There may be many factors affecting your bottom line – the economy has slowed, a valued customer is having financial problems, your employees are disengaged, equipment is not functioning as it did, marketing efforts are not reaching the correct audience, etc. If you only deal with one aspect, it may not keep the others in balance and working cohesively. Can you afford the time to try to fix one at a time?

It may take months or even years to create a fully workable solution, unless you use a structured decision-making tool such as Alber Enterprise Center's The BRIDGE issue management process.
Within hours, this facilitated process will bring clarity to the situation by probing for the factors affecting the situation, crafting a plan for dealing with each factor, and providing you and your team with a tangible road map for implementing the plan.

The fourth type of decisions should be rare; those are chaotic situations. Has someone hacked into your computer system and stolen valuable information? You need to act immediately to close the breach, then revert to one of the other three decision-making quadrants to fix the problem.

Your predisposed decision-making style may prefer one of these methods other others. Yet, if you try to use the wrong method for the type of problem you are encountering, you may spin your wheels and never fully make the decision that moves you forward. Think about the type of problem situation you are encountering and then choose the best method for solving it.

For more information on Snowden’s four quadrants of decision making, read this article: https://hbr.org/2007/11/a-leaders-framework-for-decision-making

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