



Effective Decision Making

Erasmus+



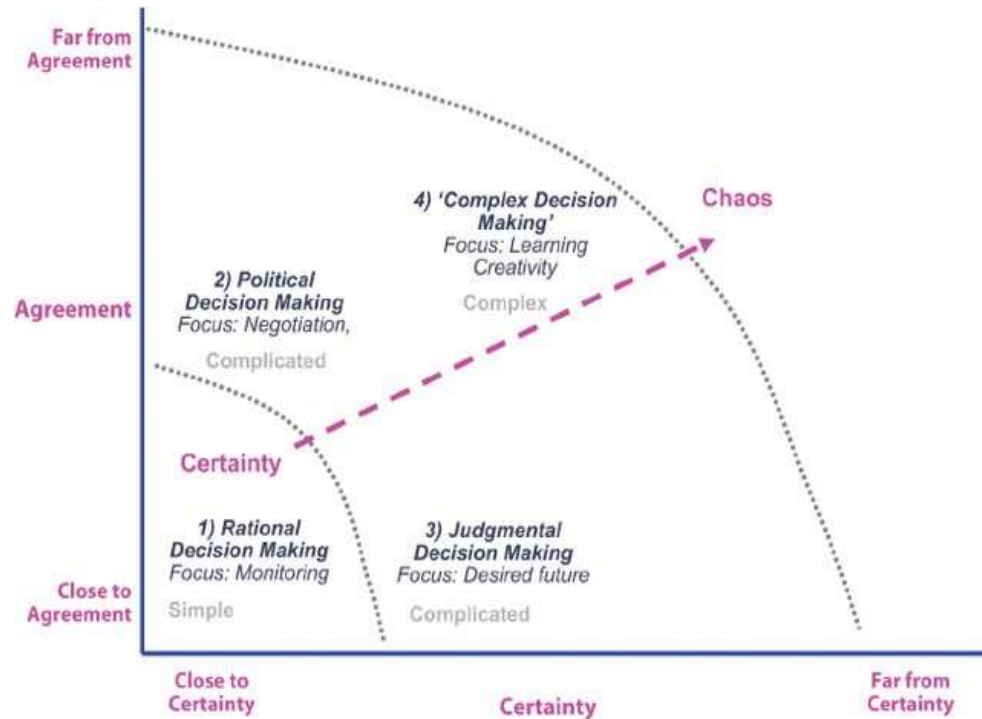
THE CONTEXT - DECISION MAZE



January-February 2014 Harvard Business Review 27

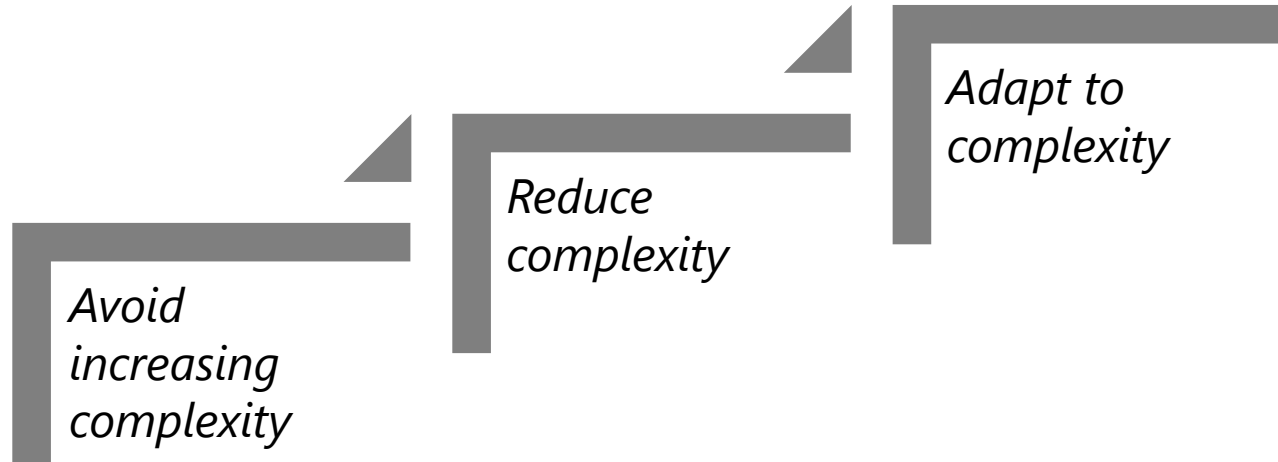
Source: Bennett and Lemolne, Harvard Business Review, January-February 2014

STACEY COMPLEXITY MODEL

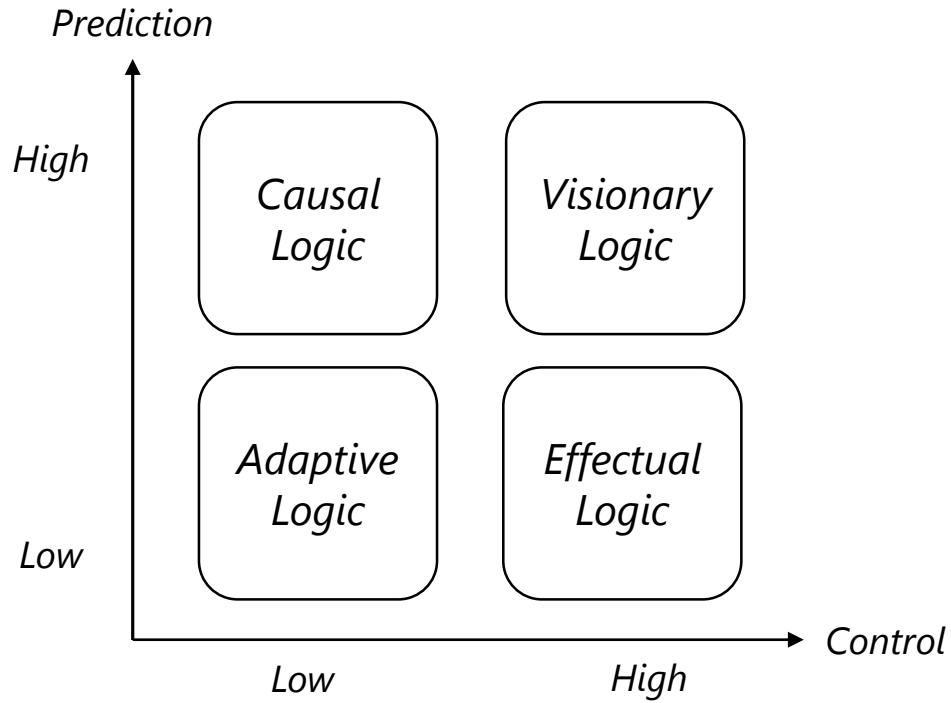


Source: Stacey (1996, p.47) in Lane and Dow (2010) DOI: [10.1108/00251741011041328](https://doi.org/10.1108/00251741011041328)

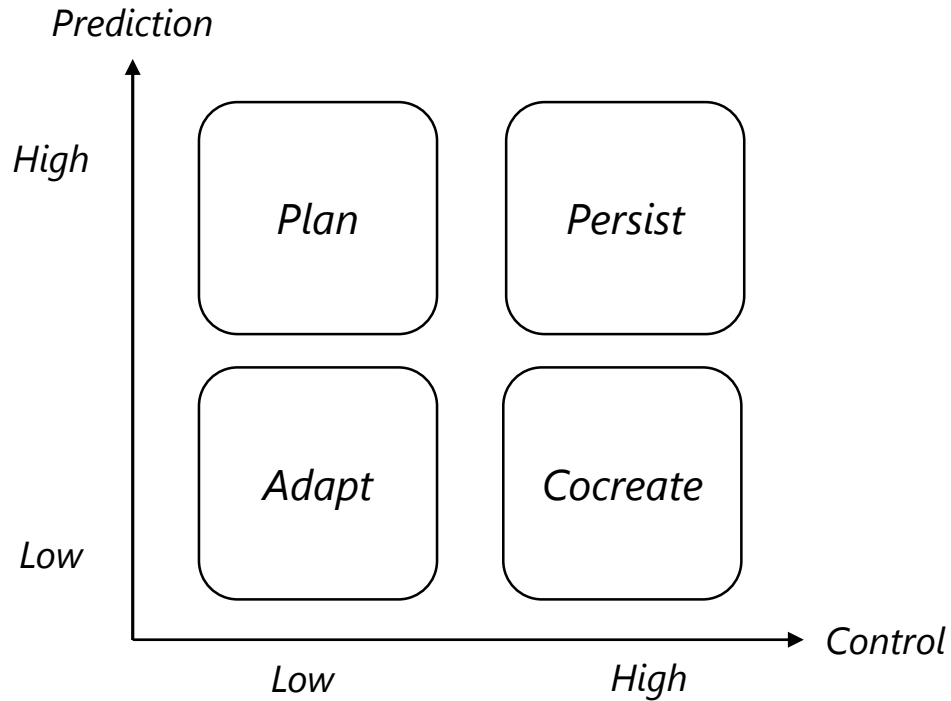
GENERAL STRATEGIES TO DEAL WITH COMPLEXITY

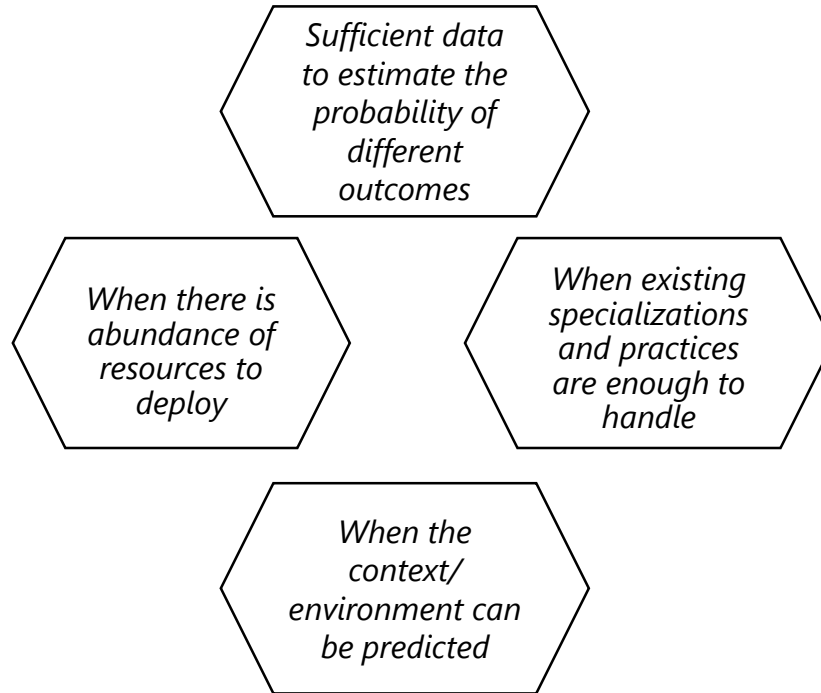


DECISION LOGICS OF ENTREPRENEUR LEADER

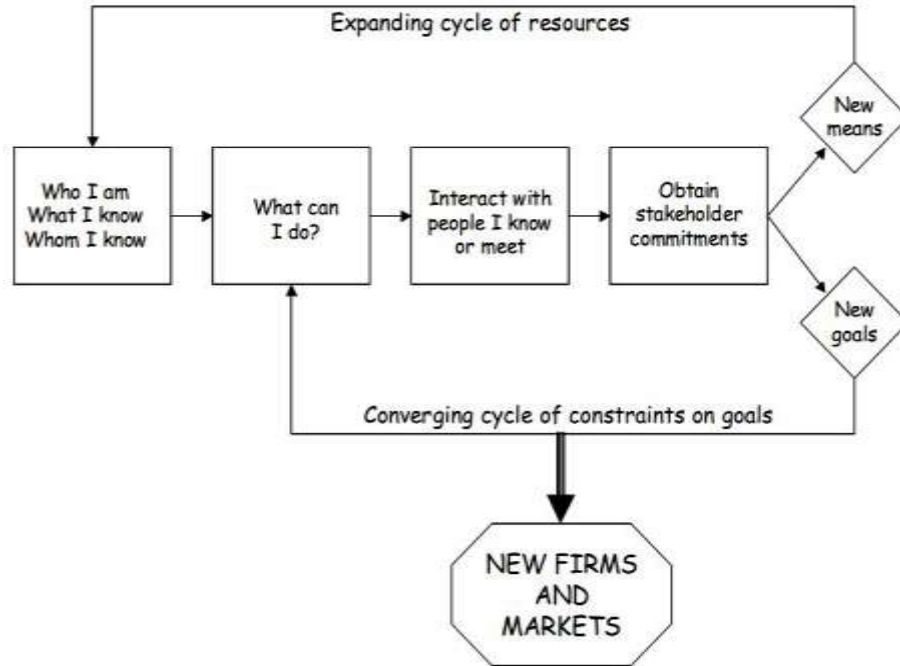


TYPICAL LEADERSHIP FOCUS BASED ON DECISION LOGICS





EFFECTUAL LOGIC – UNSURE END, WORKOUT THE AVAILABLE MEANS



1. Patchwork Quilt

Means-driven action from the leader based on the assessment of Who am I, What I know, and Whom I know

2. Affordable Loss

Leader assesses loss how much he can take on rather calculations about expected positive returns.

3. Bird-in-Hand

Leader is willing to negotiate with all or any possible stakeholders based on his assessment.

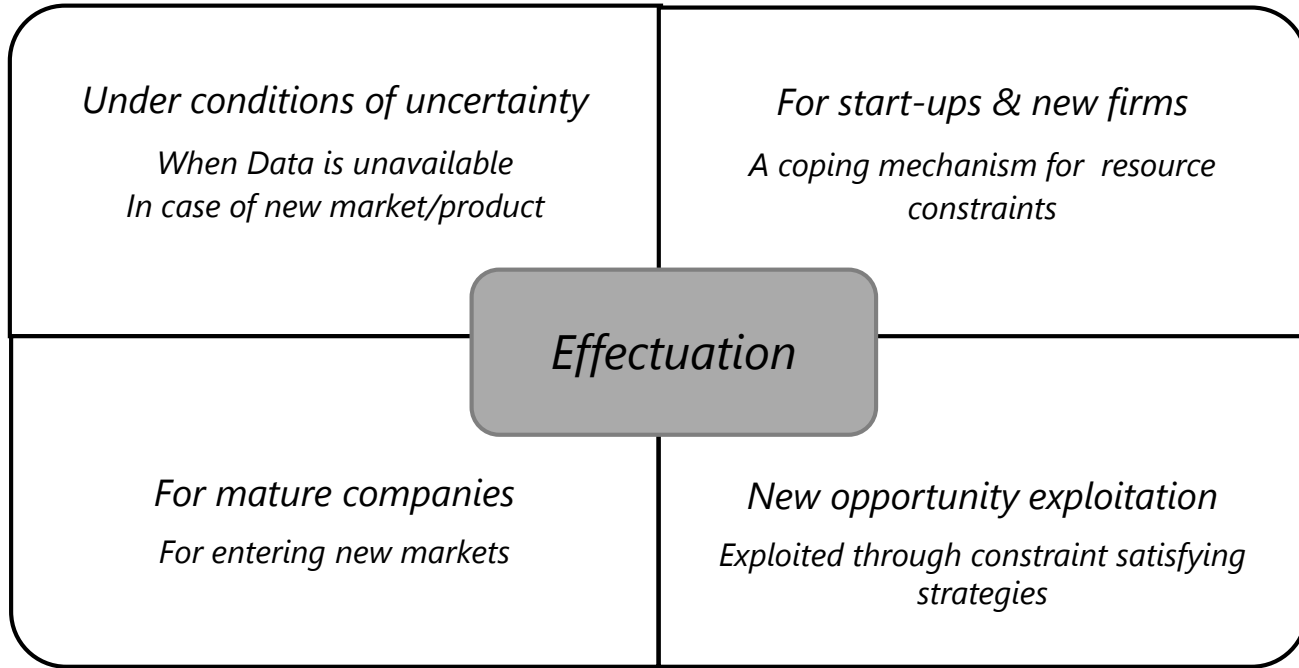
4. Lemonade

Leader is open to opportunity/challenge/surprise for his benefits rather avoiding the with predisposition

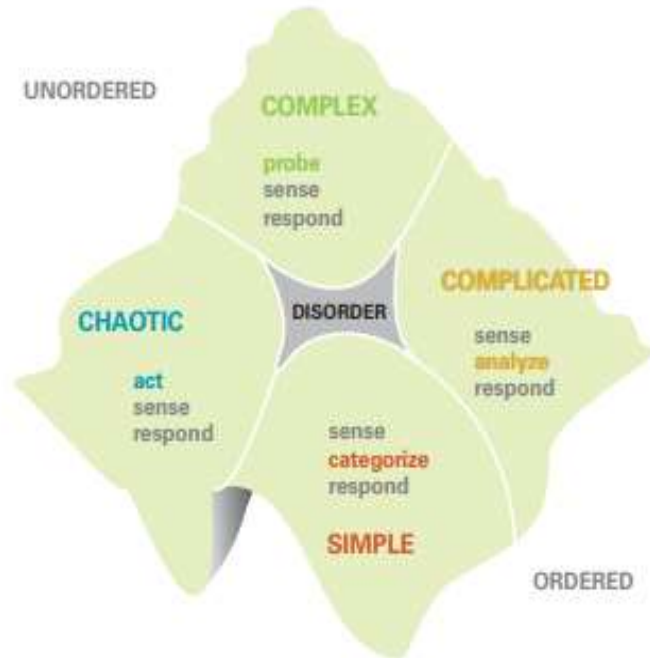
5. Pilot-in-the-Plane

Highly reliant on 'people as prime resource' principle, works intensively with people, never undervaluing people, keeps asking people 'how to do it?', 'how to shape it?'

Source: Read and Sarasvathy (2005)



THE CYNEFIN FRAMEWORK



Source: Snowden & Boon, Harvard Business Review, November 2007

DECISION IN MULTIPLE CONTEXT – A LEADER’S GUIDE



	CONTEXT’S CHARACTERISTICS	THE LEADERS JOB	DANGER SIGNALS	RESPONSE TO DANGER SIGNALS
SIMPLE	<p>Repeating patterns and consistent events Clear cause-and-effect relationship exists Right answer exists Known know how</p>	<p>Sense-Categorize-Respond Ensure proper process Delegate Use best practice Communicate clear</p>	<p>Complacency and comfort Desire to make complex Entrained thinking Overreliance to best practice</p>	<p>Repairing orthodoxy in communication Avoid micromanaging Awareness of benefits and limitations of best practice</p>
COMPLICATED	<p>Expert diagnosis Cause-and-effect relationship discoverable, more than one right answer Known unknowns</p>	<p>Sense-Analyze-Respond Create panels of experts Listening to conflicting advices</p>	<p>Experts’ overconfidence in their solutions Analysis paralysis Expert panels Avoiding non-experts</p>	<p>Combat entrained thinking with stakeholders opinions along with experts Experiments and games for out-of-box thinking</p>
COMPLEX	<p>Flux and unpredictability Unknown unknown No right answer Many competing ideas</p>	<p>Probe-Sense-Respond Look for what, not right answer Interact and communicate with methods for ideas</p>	<p>Falling back into habitual, command-and-control mode Looking for facts not “emerging patterns” Accelerated resolution of problems and grabbing on opportunities</p>	<p>Being patient and allowing time for reflection Use approach of communication for patterns to emerge</p>
CHAOTIC	<p>High turbulence No clear cause-and-effect relationship Unknowables High tensions No time to think many decisions to make</p>	<p>Act-Sense-Respond Look for “what works”, rather for right answer Apply immediate command-and-control to establish order Provide, clear and direct communication</p>	<p>Apply command-n-control approach “Cult of the leader” Missed opportunity for innovation Chaos unabated</p>	<p>Set up mechanism to take advantage of the opportunities Encourage the team to challenge leader’s point of views once the crisis has abated Work to shift the context from chaotic to complex</p>

Source: Snowden & Boon, Harvard Business Review, November 2007

LET'S COOK!

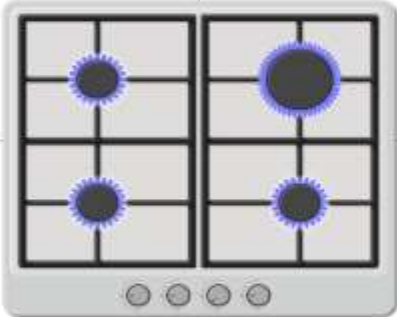
DECISION-MAKING CANVAS

Choose the right decision method for your team.

Team name:

Date:

SIMMERING This method is gentle and slow, requiring time to get out of essentials. Put something in the back burner when you need to get started. Decisions How Who	GRILLING This method requires a little more time to analyze information. Grilling is easy, but hard to do it right; don't waste it! Decisions How Who
BRAISING This braising method has a two-step approach, making a temporary decision now and getting more information to make the final call later. Decisions How Who	STIR-FRYING This method requires action and a small amount of time. Just small chunks of information and make quick decisions. Decisions How Who



STIR-FRYING

Think about decisions that, involve medium to high risk, are required to be taken under pressure, considering small chunks of information, and acting fast to get best outcomes

SIMMERING

Decision is not urgent or crucial, risk is low, too many unknowns and require time to gain clarity, requires engagement and agreement of the stakeholders.

BRAISING

Beyond binary decisions, complex problem with multiple perspectives, urgent act required without arriving at final decision, final decision can come later.

GRILLING

Medium to complex decisions, medium to high risk decisions, decision maker gets certain time to act but not too much time.

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