

# Decision Dynamics

Presents

## The *Dynamics* of Decision Making

### Understanding Styles of Decision-Making

Decision styles are learned habits of thinking. Like all of our styles - writing, talking, dressing, playing games - we learn to make decisions in school, at home, at work, in leisure activities, and from following the examples of others. Because of varied backgrounds, people learn to make decisions in very different ways.

As you will see, no one of the styles we will describe is better or worse than any other style in an absolute sense. A style is a good thing or a bad thing only in relation to a situation. Each style has its potential strong points and weak points. The strong points show up when the style fits the situation at hand. The weak points are noticeable when the style fails to fit the situation.

Because situations requiring decisions can vary dramatically, a style that works extremely well in one situation may run into real difficulties in others.



### The Benefits of Understanding Decision Styles

Being able to recognize decision styles and diagnose the style requirements of situations can mean the difference between a highly successful career vs. a career that falls short of a person's potential. Knowledge of the potential strengths and weaknesses of different styles can serve to illuminate how to adjust one's own styles successfully. This same knowledge can help to pinpoint one's own developmental needs as well as those of others whom one may need to guide and lead.

In addition, one can develop important insights into how to work effectively with others and help teammates realize the benefits of their varied ways of thinking and deciding. This can help turn a diverse group of people into a smoothly functioning, high performance team, instead of a group stumbling blindly over their differences.



### Why Focus on Decision Making?

Leadership and management functions vary widely from organization to organization, but there is one function that all leaders and managers share in common - they all must make decisions. The average day at work in the life of a manager or executive is packed with decisions, both large and small, from beginning to end. Some decisions are crucial because, for better or worse, they affect greatly individual and organizational performance. As important as decision-making is, it often goes ignored that individuals can and do differ dramatically in how they go about making decisions.

Unfortunately, many people do not realize that *how* they make decisions can be as important as *what* they decide. Consequently, they fail to notice when the situations they face require them to decide differently from the way they usually approach decisions.



Our research shows that individuals who can modify their decision styles in response to changing circumstances stand out among their peers as most successful.

As managers and executives move up the management ladder, they must modify their styles to remain effective and successful. Those who understand the dynamics of decision-making stand a much greater chance of adapting to the demands of situations that require doing things in ways that differ from how they have done things in the past. Moreover, as leaders who understand the potential strengths and weaknesses of different decision styles, they will recognize that style differences among people may offer opportunities for synergy and teamwork, rather than as obstacles and sources of destructive conflict.

Insights such as these enable one to recognize one's own developmental needs and those of others. This enables one to operate as an effective and influential leader and coach who brings out the best in people. Leaders such as these see when to delegate and to whom; they assign work to those best suited to perform successfully. In short, they see the big picture and they are able to move nimbly and with agility from situation to situation. Moving up the ladder simply means using the insights they have developed already to adapt and modify their actions to fit the demands of new situations.

## Information Use: Maximizers and Satisficers

People differ greatly in the amount of information they take into account when making decisions. Some zero-in on just a few key facts. Others mull things over after pulling together large amounts of information. Figure 1 below shows graphically the differences between those who go for just the key facts ("Satisficers") versus others who hold out for lots of facts and information ("Maximizers"). The "learning curve" shows the basic truth that understanding of any situation increases with the amount of information taken in about that situation. However, as can be seen, the curve increases rapidly at first and then bends down and flattens out eventually. The first facts take one up rapidly in understanding, going from nothing to something greater. But, as the information gathering process proceeds, new facts carry less weight and contribute less and less to further understanding.

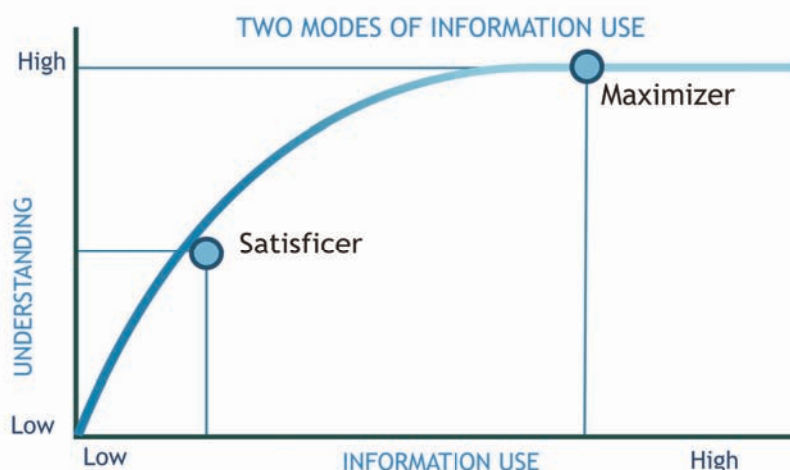


Figure 1

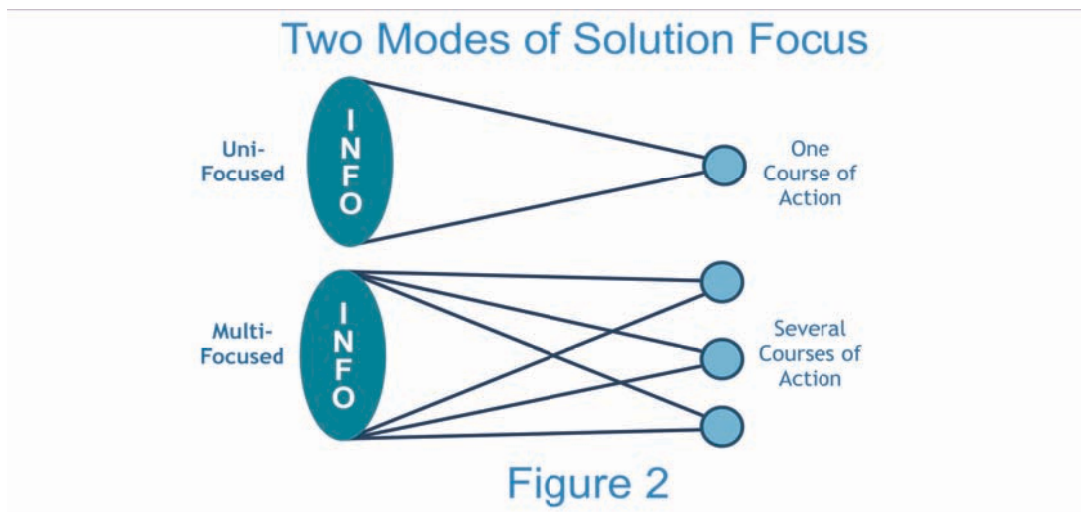
In the realm of decision-making, there's no one style that stands out as best, independent of the situation in which the style is used.

## INFORMATION USE (continued)

There's nothing better about the Satisficer mode, nor the Maximizer mode, of information use. "Better" depends on the situation. The satisficer mode tends to work well when time is of the essence; the maximizer mode has an advantage when careful analysis is required.

## Uni-Focused and Multi-Focused Decision Makers

Faced with a decision to make, some decision-makers ("Uni-Focused") typically come up with a very specific solution or course of action that they see as the best or most workable. In contrast, others ("Multi-Focused") generate solutions consisting of multiple courses of action or alternatives. Figure 2 below depicts these two solution-focus modes. Focus differences between decision-makers can be sources of real tension. But, here again, nothing is better about one mode than the other; which is better depends on the situation at hand. Leaders familiar with decision styles understand this and can use these different approaches to decision-making constructively to handle different kinds of circumstances calling for decisions.



Note that information use habits and solution focus habits are completely independent of each other. So, when they are combined to describe different approaches to decision-making they define sharply different styles.

When people do not understand the dynamics of decision-making, they tend to see style differences in "good" vs. "bad" terms. However, after training and assessment in decision-styles, tensions fall away and synergies arise.

Differences are no longer seen as oddities or as faults. People who couldn't bear to be around each other start to work with each other. Sometimes, new friendships develop with a growing appreciation of the complementary nature of different styles.



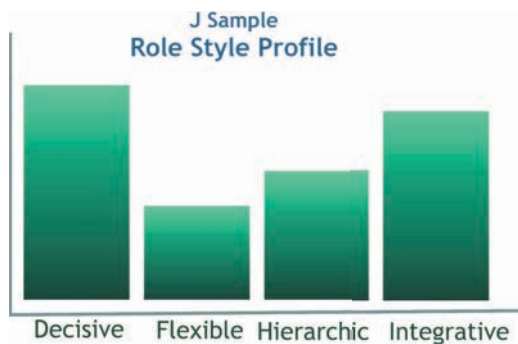
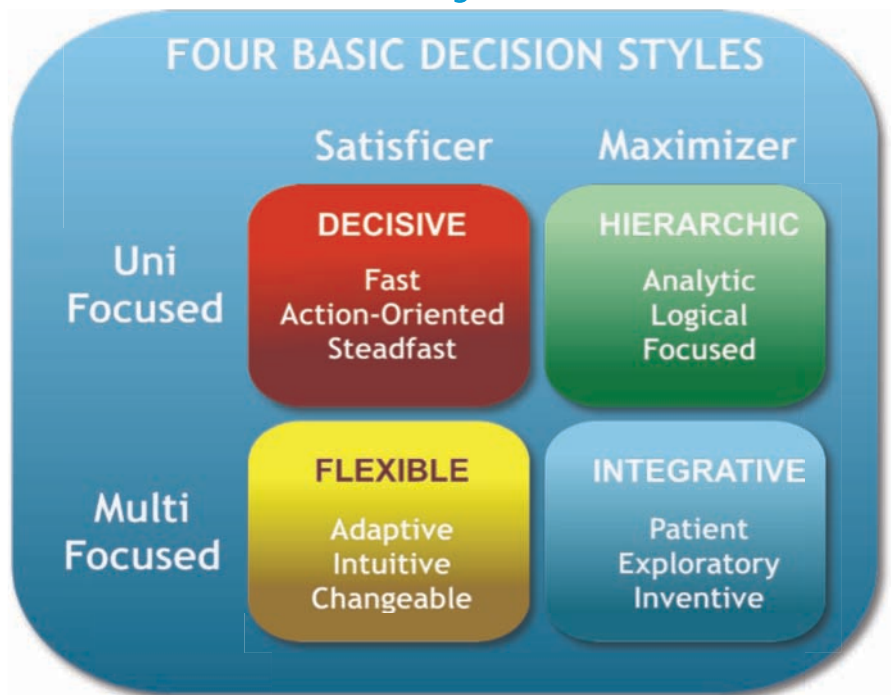


# Putting It All Together: The Decision Style Model

Combining the two modes of information use with the two focus modes produces a style model depicting the four basic decision styles shown here at the right.

Experience indicates that an individual generally uses one or two of the four styles more frequently than the others, with the remaining styles used more occasionally. No one uses just one style.

Each decision style has its own merits depending on the circumstances in which it's used. Decision style assessments show a person's style profile from two perspectives: role styles (styles used in formal situations) and operating styles (styles used unself-consciously when just going about things naturally without giving thought to how one is behaving). So, the assessments reveal both the inner and outer person.



Decision style profiles are a bit like thumb prints; they come in many shapes. The profile at the left shows an example of a role (public) decision style profile. The height of the bars indicates the relative intensity of the person's use of each style. In this example, the profile shows a primary style of Decisive (used most frequently) with an Integrative secondary style (used next most frequently). The other styles would be used, too, but a lot less frequently. We would expect this person to behave quite differently in different situations.

## The Harvard Business Review Study

In one of the largest studies of management success ever conducted, involving over 100,000 managers and executives (see "The seasoned executive's decision-making style," *Harvard Business Review*, Feb. 2006), we found that the most successful executives at the highest levels on the management ladder have strikingly different style profiles from their less successful peers and from managers at lower levels on the ladder.

Our study made two things very clear: Different styles are needed at successively higher rungs of the ladder, and the particular differences (see public role style progression at the right) suggest that the changes revolve around behaviors that tend to encourage people to come forward with the large amounts of high quality information needed to make critical decisions. The findings showed that between the second and third level in management a sharp shift is needed to move away from a more command-and-control mode of influence and leadership to a more interactive, collaborative and participative mode of leadership.

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