

Making Better Decisions



...a better way to manage

the
happy
manager

Published by Apex Leadership Ltd.

HOW TO BE A BETTER MANAGER

Making Better Decisions

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How to be a Better Manager...

Making Better Decisions is one of a series of practical, thought-provoking guides, designed to help you deal with a wide range of management ideas, activities and situations. Whether you are a new manager, or one who wants to hone or develop existing skills, we're sure you'll find something valuable in any of these guides.

This series of e-guides is published by Apex Leadership Ltd. The guides have been developed by a team of professional managers, consultants and educators. The full range of titles is available from [Apex Leadership Ltd](#), or from [the Happy Manager.com](#). Use these guides to benefit from our wealth of management expertise. Let us help you find: **a better way to manage...**"

Phil Higson & Anthony Sturgess
Directors, Apex Leadership Ltd

Using the guides

Each guide contains information, insight and inspiration on essential management topics. The best way to use the guides is to read through each section in turn, ensuring you pause for reflection wherever you see the "Consider..." points. Be sure to answer any questions posed, wherever they appear - they are there for a reason!

Consider ...

Tools ...

After you've worked through the guide, work through the tools. These have been designed to help you use and develop the advice given in the guide.

- Click on the tool buttons where they appear for an in-text hyperlink to the actual tool.
- At the end of each tool you can simply click on the "return" link to get back to your place in the guide.

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Decision making

Some argue decision making is the most difficult aspect of management. The decisions you make shape the business you are in.

Effective management is a complex activity. For instance management thinker Peter Drucker lists the three functions of management:

1. Managing a business
2. Managing managers.
3. Managing workers and work.

In performing these functions, good managers need a combination of sound knowledge, good attitude and practical abilities. Effective management also requires the co-ordination of analytical, administrative and organisational skills.

Inevitably then, with such a complex set of responsibilities, all managers will be faced with the need to make decisions. It's the scale and scope of decision making, its constant presence, and the potential impacts, that arguably make it the most difficult aspect of management.

How can we make better decisions?

In this guide we will help you to:

- Determine whether you have a decision to make.
- Define decision making in a way that helps you to understand what makes for good decision making.
- Identify different types of decision making needed for different types of decisions.
- Assess decisions based on their level.
- Apply different decision making styles.
- Explore the two ways of thinking that shape our decision making.
- Implement a 7 step decision making process.
- Develop your intuitive decision making capability.
- Help others make decisions using the power of budget
- Determine when and how to make decisions with groups and teams.

"Each indecision brings its own delays and days are lost lamenting over lost days... What you can do or think you can do, begin it. For boldness has magic, power, and genius in it."

Johann Wolfgang von Goethe German writer and Politian

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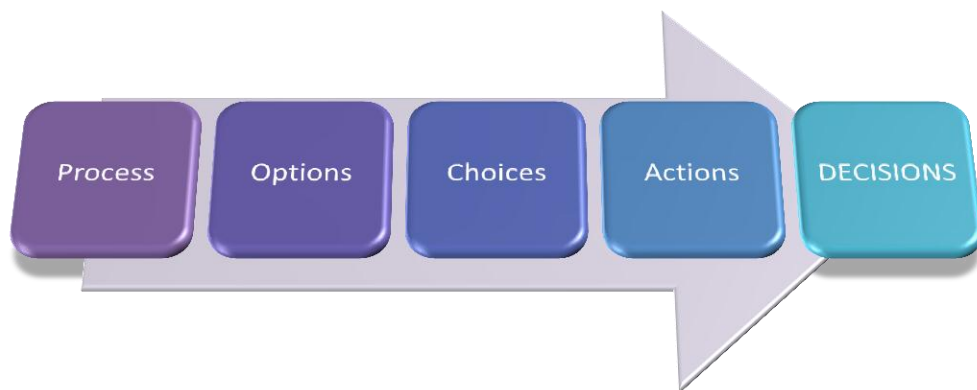
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Defining decision making

We think having a clear definition of decision making can help you make better decisions. This can help you to focus on how to select the most appropriate actions, at the least cost, and with the most advantages. So let's start with a definition:

Decision making is the **process** of making a **choice** between a number of **options** and committing to a future course of **actions**.

This definition clearly denotes four key aspects which lead to the decision. We'll consider each:



Process

Firstly, decision making is a process with several stages. Done properly, these will combine to produce effective outcomes.

Of course in some instances, decision making may simply consist of someone making up their mind to do something. Some levels of decision making require this, though more of this circumstance later. More often though, in life and especially in business, many decisions are not that simple.

More complex or important decisions are best made after undertaking a series of steps. Understanding this process is vital to making good decisions. Especially where the resources impact is high, or the outcome implications are important.

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Making decisions with groups and teams

What group decision making methods do you use? If you're unsure how to answer that question, then this section will help you think through some relevant approaches.

All groups have to make decisions, but it's often unclear how to make them. The first step though is to think through your own preferences as a team leader or manager, what do you want to achieve? Then consider the nature of the situation and the expectations of team members. Wherever possible, decisions should be made at the lowest level possible. The closer to the action the better; where knowledge of the situation is greatest.

Why Make Group Decisions?

Involving a group in decision making has several advantages:

- Everybody has the opportunity to bring their experience, knowledge and skills to the situation.
- Those closest to the situation often know valuable information.
- Participation in decision making makes for better decisions.
- Group and team members are more likely to ensure a decision works if they have been part of making that decision.

First Things First

Even if you have decided to involve others in the decision making process, firstly you'll need to consider your own preferences, and the situation you are in. Typically, a team leader adopts styles across a continuum.

- Directive - the leader decides and tells the group/team.
- Consultative - the leader makes the decision and consults, persuading and gaining support.
- Participative - the situation is explained with everyone being encouraged to participate.
- Delegative - the leader gives the responsibility for the decision to the group/team, providing support where needed.

The approach you adopt will be affected by both your own preference, and by the situation you are in. For example, a crisis situation may require immediate or decisive action. Such a situation may not allow the time for consultative or participative styles and you may need to use a directive approach.

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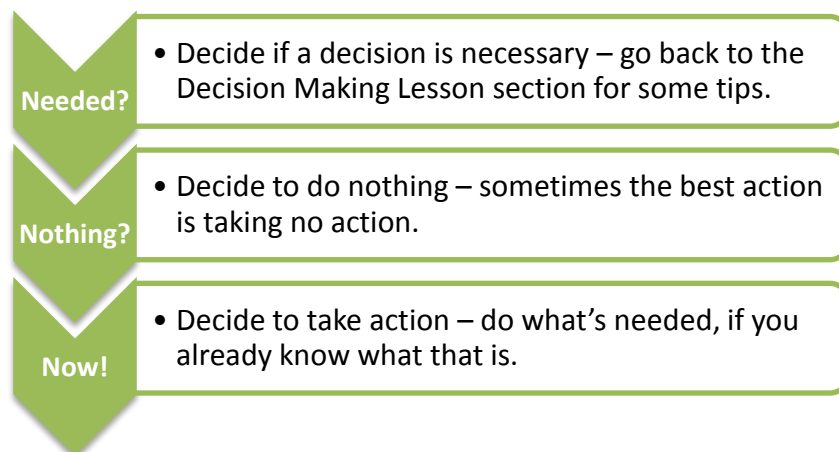
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A problem is usually something that's going wrong, where the cause can be traced to the past. Making a decision means we are looking ahead. It is a commitment to a course of action which addresses the problem. Of course, decision making is a part of any problem solving process. We need to decide what action to take, having analysed a problem and generated a range of options. But how do you know whether you have a decision to make or a problem to solve?

A simple approach is to first decide whether you think something is wrong. If there is, the next thing is to ask what's wrong and why. If you know the answer, and dealing with the matter is straightforward, you don't have a problem, you have decisions to make:



It's only when you're not sure what's causing the problem that you need to use a problem solving process.

This will involve some of the decision making techniques addressed in this guide but it's clearly not the same thing.

For more help on how to identify, analyse and solve problems, refer to our companion guide: [What's the Problem](#).

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Tool 1: Do you need to make a decision?

One of the most important decisions to make is whether or not you need to make a decision. Use the questions below to help you think through whether or not you actually have a decision to make.

<p>Do we need to make a decision yet?</p>	<p>If the answer is no, there may be nothing wrong with deferring a decision.</p>	
<p>What will happen if we don't decide yet?</p>	<p>If the answer is "nothing bad" then perhaps no decision is best.</p>	
	<p>If the answer is "something undesirable" then a decision does need to be made.</p>	
	<p>If the answer is "we don't know", then perhaps more information is needed or; it really is time to take a risk?</p>	
<p>Is the problem likely to go away?</p>	<p>Sometimes the best decision is no decision, because the problem will go away. Careful monitoring and an assessment of whether the situation is transient will help.</p>	
<p>Don't mistake deciding not to make a decision with putting off a decisions</p>	<p>This is not the same as deferring a decision, just because it's difficult or uncomfortable. 'Not deciding' is not a procrastinator's charter!</p>	

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What's the Problem?

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First published in Great Britain 2012
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