

The Art of Making Effective Decisions

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Dr. Joe Folkman, President of Zenger Folkman

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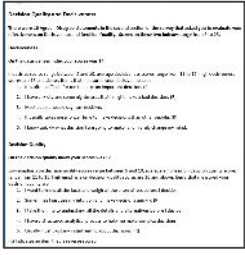
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The Making Decisions Self-Assessment

Type into your browser:
bit.ly/zfdecide
(Link is case-sensitive)


Why a self-assessment?

- Preferences vs. Proficiency
- Self-data can enhance the learning experience.



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Objectives

- Micro learning experience based on research from Zenger Folkman and others.
- Analyze your personal results from the "Making Decisions Assessment."
- Share insights on how individuals can become more decisive and make better decisions.
- Provide tools and guidance for selecting an area of development and specific actions to use.


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**LAST CHANCE:
The Making Decisions Self-Assessment**

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Are decisiveness and decision-making topics of high interest for you?


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What is the biggest problem in your organization?

- Decisions are made too quickly
- Decisions are being delayed
- Poor decisions are being made



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**McKinsey & Company
Five Trademarks of Agile Organizations**

"Agile organizations emphasize *quick, efficient, and continuous decision-making*, preferring 70 percent probability now versus 100 percent certainty later..."

Rather than big bets that are few and far between, they continuously make small decisions as part of rapid cycles, quickly test these in practice, and adjust them as needed for the next iteration.


This also means agile organizations do not seek consensus decisions; all team members provide input (in advance, if they will be absent), the perspectives of team members with the deepest topical expertise are given greater weight...

Other team members, including leaders, learn to 'disagree and commit' to enable the team to move forward."

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Two Components of an Effective Decision Maker



Effective Decision Maker = Decision Quality + Decisiveness

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What exactly is decisiveness?

An operational definition:
When the need for a decision is understood and accepted, decisiveness is a person's willingness and ability to make and implement a timely decision.

Decisiveness is both a mindset and a behavior.


Varieties of Indecisive Experience:
Explaining the Tendency to Not Make Timely and Stable Decisions by Georges A. Potworowski

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9

Decisiveness is not a "standalone" strength

- Decisiveness only has high value when it is accompanied by a rigorous decision-making process.
- A good decision-making process is of no value unless the responsible person is decisive and will act on the decision.
- Being decisive is of no value if the decisions are not good ones.
- Together they become a powerful combination of strengths.




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10


What causes people to be indecisive?

1. **Procrastination.** Putting off deciding. Slow. Need more time. Worry and obsess about the decision.
2. **Waffling.** Not willing to commit to a premise or principle. Low self-esteem/confidence. Seeking to please everyone. Prefers status quo.
3. **Dependence.** Let others decide. Wants to know what others think. Worries about social consequences. Relies on external sources to give answer.
4. **Disorganization.** Lack of having proper data. No process for decision.



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11

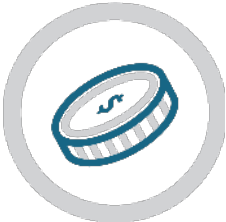


The Decision-Making Process

- The ideal process used for making a decision and the psychological hurdles that make it difficult.

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12



You Want to Buy a Car

- Type: gas, electric, diesel
- New or used
- Brand
- Model: economy, luxury, sedan, SUV
- Dealer or private party
- Lease or buy
- Negotiations

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13

The Decision-Making Process

<p>Decision-Making Process</p> <ol style="list-style-type: none"> 1. Understand the big picture 2. Identify the goal 3. Gather data 4. Winnow down the alternatives and options 5. Evaluate and make the decision 6. Review 	<p>Implications</p> <ul style="list-style-type: none"> • Decisions are made in a broader context • What are the major forces surrounding this decision? • Who are the stakeholders?
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14

The Decision-Making Process

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15

The Decision-Making Process

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16

The Decision-Making Process

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17

The Decision-Making Process

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18

The Decision-Making Process

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19

Review your self-assessment results for Decisiveness and Decision Quality.

Open your email

Find an email from Zenger Folkman with the subject "Decision-Making Self-Assessment"

Decision-Making Self-Assessment

The purpose of this self-assessment is to help you understand your strengths and weaknesses in decision-making. The results are based on a survey of 1,059 leaders.

Overall Leadership Effectiveness

1. How do you rate your overall leadership effectiveness?
 2. How do you rate your decision-making effectiveness?
 3. How do you rate your ability to make effective decisions?
 4. How do you rate your ability to make decisions quickly?
 5. How do you rate your ability to make decisions with confidence?

Decision Quality

1. How do you rate the quality of your decisions?
 2. How do you rate the speed of your decisions?
 3. How do you rate the confidence of your decisions?
 4. How do you rate the consistency of your decisions?
 5. How do you rate the effectiveness of your decisions?

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Which was your highest score?

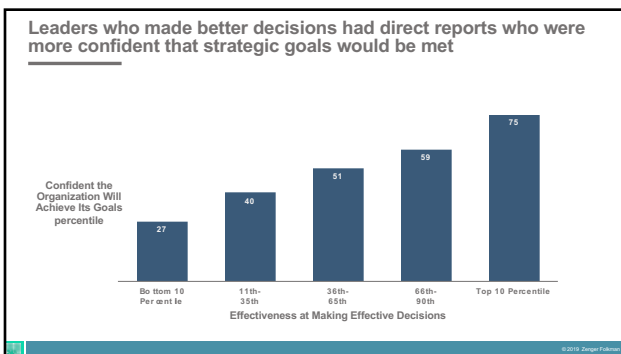
- Decisiveness
- Decision Quality
- Equal on Both

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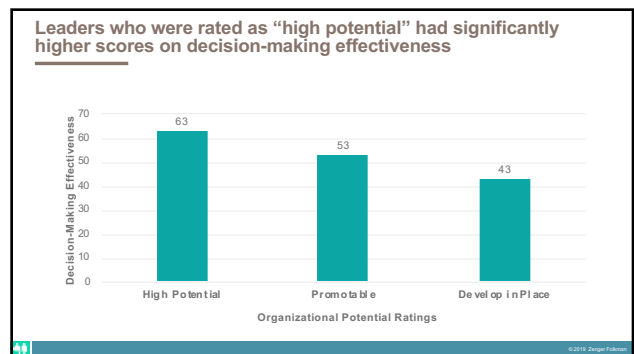
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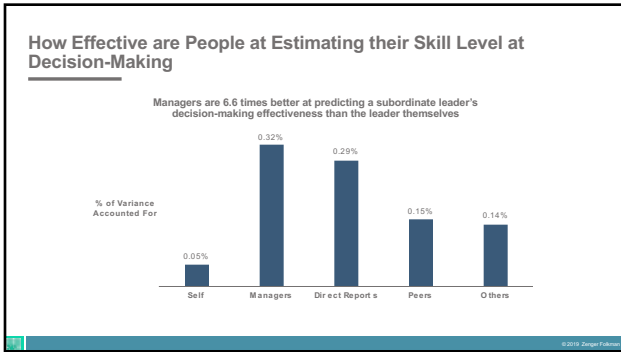
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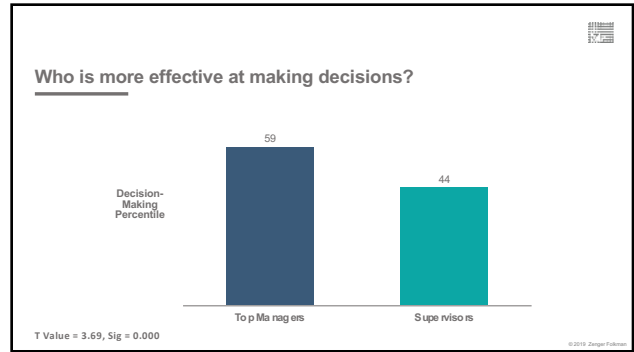
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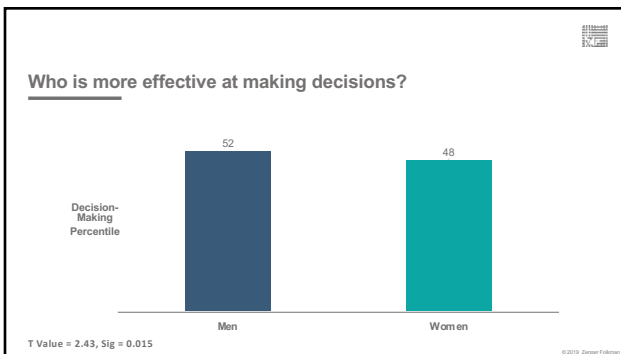
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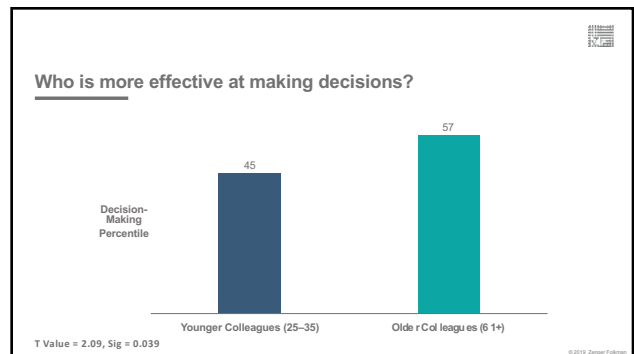
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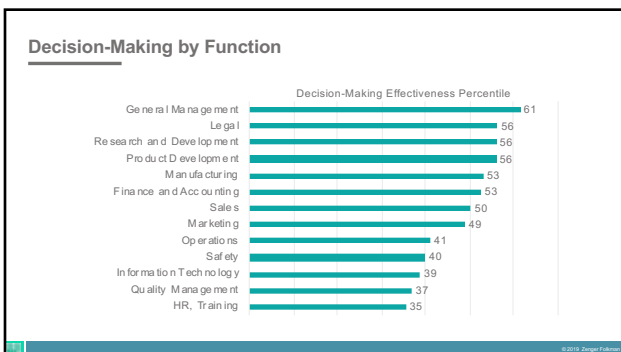
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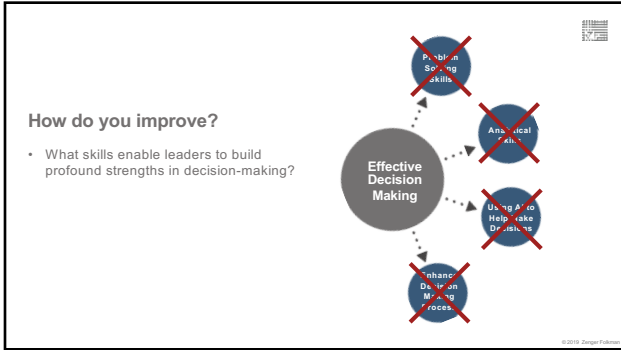


29

A Different Approach to Helping Leaders Improve

<h4>Typical Decision-Making Training</h4> <ul style="list-style-type: none"> • Explore how problem solving and decision-making interrelate. • Introduce a range of problem-solving and decision-making tools. • Offer techniques for methodically evaluating choices. • Outline common decision-making traps and how to avoid them. 	<h4>ZF Approach</h4> <ul style="list-style-type: none"> • Analysis of data from thousands of leaders. • Identify the major causes of poor decision-making or lack of decisiveness; help leaders see where they can improve. • Contrast outstanding decision makers and identify what they did differently; compared to those who were average. • Identification of companion behaviors that enable a leader to be more decisive and to make and implement better decisions.
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30



31

The Four Enablers of Effective Decision-Making

- We analyzed multi-rater data on over 87,000 leaders and identified three key clusters of items around decisiveness and making good decisions.
- The four elements must all be present for effective decision-making to exist.
- They are:
 - Courage
 - Deep Knowledge and Expertise
 - Clear Strategy and Direction
 - Delivering Results

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32

Courage

The extent to which leaders have the courage to make and implement difficult decisions.

- Is not afraid to take the risks necessary to achieve goals and objectives. Decisions can be fine tuned; usually better to do something than nothing.
- Takes calculated risks and is willing to bear the consequences of unpopular decisions or outcomes.
- Acts quickly on low risk, high potential opportunities. Set reasonable time for good decision-making process to occur, then agree when decision will be made.
- Has the courage to make the changes that will improve the organization.
- Constructively challenges the standard approaches and finds improved processes to get work done.
- Faces up to difficult situations rather than avoiding or ignoring them.

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Clear Strategy and Direction

The extent to which a leader understands and communicates the strategic direction to others.

- Helps people understand how their work contributes to broader business objectives.
- Maintains a clear perspective between the overall picture and the details.
- Has a perspective beyond the "day-to-day" work to take a longer-term, broader view of business decisions.
- Provides others with a definite sense of direction and purpose.
- Envisions a "future state" and designs a plan to get there.
- Stays focused on key priorities that are critical in order to achieving long term goals.
- Focus on cost of indecision, that not making decision stops action, while the organization treads water.

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34

Deep Knowledge and Expertise

The extent to which a leader has expertise and is knowledgeable about decisions.

- Teammates trust his/her ideas and opinions because of in-depth knowledge and experience.
- Many people seek after his/her opinions.
- His/her skills and knowledge make an important contribution to achieving team results.
- Is trusted by others to use good judgment when making decisions.
- Has the ability to anticipate and respond quickly to problems.
- Spots new trends, potential problems, and opportunities early.

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Delivers Results

The extent to which a leader has can successfully deliver expected results.

- Follows through on objectives to ensure successful completion; i.e., does NOT get distracted before project is completed.
- Acts with speed, conviction and sense of urgency to achieve critical priorities.
- Does everything possible to achieve goals.
- Can always be counted on to follow through on commitments.
- Keeps people focused on the highest priority goals and objectives.
- Willingly goes above and beyond what needs to be done.

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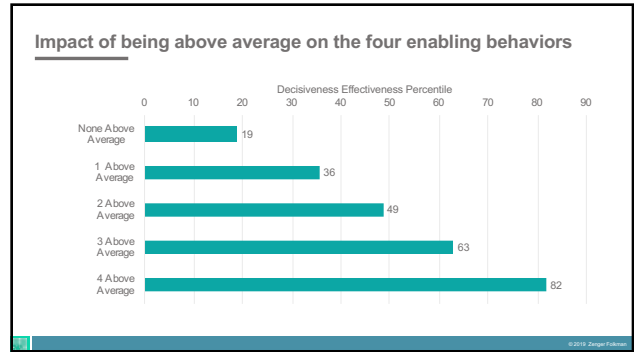
36

The Four Enablers of Decisiveness



- Courage**
- Clear Strategy & Direction**
- Knowledge and Expertise**
- Delivers Results**

37



38

Look at the second section of the Decision-Making Self-Assessment Results

- This part of the report measures your preferences for the four behaviors that enable effective decision-making.

Four Behaviors that Enable Effective Decision Making

This assessment is designed to measure your preference for four different behaviors when compared to each other. There is a total possible score of 20. The score is calculated based on your rank order of preference for each behavior. A higher score indicates your tendency to engage in that behavior over others. We know that typically a higher preference is combined with higher performance or ability on a behavior. The lowest score suggests the behavior you may want to develop further to improve your decision-making.

Knowledge and Expertise Score — 19
 Clear Strategy and Direction Score — 17
 Courage Score — 15
 Delivers Results Score — 8

39



How to Become a More Effective Decision Maker

40

Criteria for Selecting One Element to Improve

Lowest Score

There is a high correlation between your preference and your effectiveness.

Highest Impact

If you were to improve one element, which would have the greatest impact?

41

What It Takes to Change


"In order to change people, start with a general ideal of what they want to change; but to really change, a person needs to move from general to specific." — Gene Dalton

<p>General</p> <ul style="list-style-type: none"> I want to be a better human. 	<p>Specific</p> <p>By treating people who are different from me with dignity and respect, by:</p> <ul style="list-style-type: none"> Greeting them with a pleasant hello. Thanking them for their contribution. Looking for ways to include them.
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42

Courage

- Be a champion. Identify a new process or initiative that you can support...
- Be quick to act. In your daily work, be mindful to embrace change quickly...
- Challenge the status quo. Identify a process or procedure that you believe to be out of date or inefficient...




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Clear Strategy and Direction

- Be current. Keep current and conversant on news and events that affect the organization...
- Teach others. Take new employees on a tour of the company and introduce them...
- Be the informant. Inform your organization and direct reports about things happening...




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Knowledge and Expertise

- Learn the business. Be sure that you understand the commercial goals...
- Expand your horizons. Look outside your organization for new technologies...
- Collect relevant data. Learn where your information resources are...




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Delivers Results

- Stay on task. Begin each day with a review...
- Keep team goals in view. Begin every staff meeting with a status review...
- Identify a direct report or team project that has lost momentum...



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46

Development Guide Resource

Invest in yourself and begin to develop your effective decision making capability.

The link to download the development guide is included in the survey at the end of this webinar.

You can take the assessment by going to: bit.ly/zfseptember19



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47

The Extraordinary Leader

In today's rapidly changing, highly competitive environment, the organizations that excel in their respective markets are those whose people are the most competent, passionate, and focused on delivering results.


Develop extraordinary leaders in your organization today.

Contact us at info@zengerfolkman.com.
Or visit zengerfolkman.com

Survey link — bit.ly/zfseptember19



48




“In any moment of decision, the best thing you can do is the right thing. The worst thing you can do is nothing.”

Theodore Roosevelt

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49



Thank you

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50