

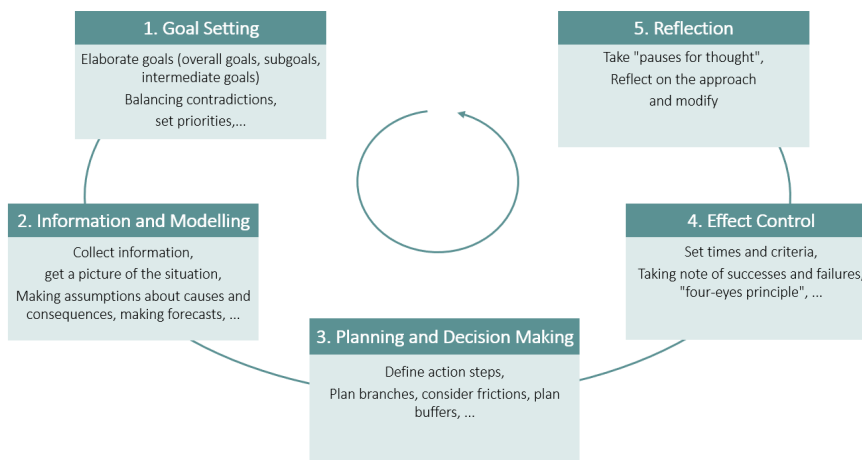
In the eye of the crisis - and now what? Decision Making and Solving Problems I

Peter Drucker called it "the task which makes or breaks a manager." Making decisions in complex situations is always a great challenge. If in addition, time pressure and the risk of mistakes impacts on the situation, many managers can reach their limits, both methodically and mentally, quickly. This is the case we are facing in today's unique circumstances. Time pressure, risks and particularly the uncertain consequences of actions put decision makers under great stress and can result in wrong decisions.

Having had, and continuing to have, many discussions with managers facing this challenge, we thought it would be helpful to set out some ideas in two articles. In the first paper, we look at the basic structure of problem solving.

Insight 1: Organising the structure of the problem solving process

Problem solving and decision making demand a conscious "organisation of action". Dörner¹ names a few requirements that problem solvers need to meet. They are not new, but in this particular situation they are of great importance.



1. Goal Setting

This encompasses working out goals including intermediate goals, identifying and balancing contradictions and setting priorities.

Tip

- Discuss openly and thoroughly the validity of current goals with your team. Basic assumptions may have changed - do you still stick to your goals?
- In the current situation, also ask yourself: What do you not want to change? What should remain as it is? Setting priorities means consciously detaching oneself from subordinate priorities.

Common Mistakes

- Goals remain vague and general - they do not set a clear direction for action.
- Insufficient intermediate goals - the various steps needed to reach the overall goal are not defined.
- Not setting priorities – management time is taken up with chronic fire fighting of "problems" as they occur.
- Rigidity - final goals are being committed to prematurely, there is no flexibility or openness to change.
- Illusion of agreement – reaching an agreement too early, not dealing with conflicting goals.

¹ Dörner, Die Logik des Misslingens. Strategisches Denken in komplexen Situationen.

2. Information Management and Modelling

Gather, structure and evaluate information. Take a view of the whole system that is affected. Understand the interconnections between the elements, identify critical points, make assumptions about causes and consequences and build scenarios.

Tip

- In your team, discuss openly how things are connected - an early, common understanding of the situation and interconnections saves a lot of time in the solution finding process.

Common Mistakes

- Being right is more important than discovering mistakes and learning about the situation from others.
- Not thinking about what degree of accuracy is appropriate for the overall situation.
- Only taking note of what fits in with your own opinion.
- Uncritically adopting views of others.
- Transferring previous knowledge without checking. For example a solution from another area is implemented simply because it worked in the past, without checking whether it would be effective in the new situation.

3. Planning and Decision Making

Define action steps over a certain time period, plan alternative paths, consider possible conflicts, plan time buffers, determine the timing and mechanism of decision making.

Tip

- Always be realistic with solution planning! Ask yourself: What are our assumptions under which this solution variant works? What do we have to do to make it work?
- What are possible disruptive factors? What can make it go wrong? Is there a plan B?

Common Mistakes

- Ignoring long range and side effects – concentrating only on the desired effects of planned actions.
- Rigidity – disregarding changing reality, not adapting the plan.
- Optimism - not expecting that one's own actions could go wrong and being surprised by the corresponding failure.

4. Control & Reflection

Acknowledge successes and failures, determine times and criteria for measuring/checking, adhere to the "four-eyes principle", reflect and modify your own approach. Determine moments for reflection ("reflection break").

Tip

- Enter checking and reflection times in your calendar - the biggest risk is to have "no time" for reflection.

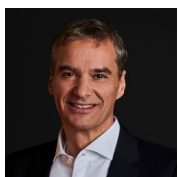
Common Mistakes

- "Head in the sand" attitude! – A mistake is not acknowledged; the problem gets redefined to fit the outcome, or a failure gets rationalized as "just one of those things".
- Checking only the target indicators - side effects along the way are not identified.
- Having a defending attitude instead of focusing on the essentials.

Taking heed of these ideas will not guarantee that you never make a wrong decision. What it will do, is ensure that your decisions are well thought, and the results and side effects are trackable in the future. This means that you have more success with your decision making and you will be able to learn lessons from those decisions that don't go fully to plan. In this way, your decision making should become more effective.

In part II of this article we will discuss insight 2 in more detail.

Written by the **PURE Management Team**:



Markus Robl

Partner and managing director of Pure Management Group GmbH. He is a qualified trainer and coach with a focus on management diagnostics, consulting and training in general management topics.

Contact: markus.robl@puremanagementgroup.com

PURE Management advises people and organisations worldwide in solving complex management challenges: in the areas of strategy, structure, culture and leadership - methodically through consulting, project management, workshop design, training, coaching and sparring.

For more articles, please visit our Website: <https://www.puremanagementgroup.com/>