

SYSTEMS PERSPECTIVE ON DECISION-MAKING FOR LEADERS

In the complex environment of today's business world, leaders are often called upon to act against their instincts. You're working to enhance the resilience, productivity and health of your organization. You need to know when to share power and when to wield it alone, when to look to the wisdom of the group and when to take your own counsel.

Under pressure, what do you need to be more effective addressing issues with varying levels of uncertainty and adapt with creative solutions?

A deep understanding of context, the ability to embrace complexity and paradox, and a willingness to flexibly change leadership style will be required for leaders who want to make things happen in a time of increasing uncertainty.

From "A Leader's Framework for Decision Making"

Information management is necessary but insufficient to support appropriate decision-making. To operate at ever-higher levels of effectiveness in situations of uncertainty and flux, you need **knowledge development and access**.

What will maximize your organization's resilience when facing the unknown?

What type of issue are you dealing with?

Complexity science and knowledge management research reveal that it is highly useful to distinguish between the types of issues that organizations face. Complex issues are the most difficult to deal with yet are increasingly the most pivotal in determining whether a project or organization will succeed or fail.

Do you know when you are dealing with **complex situations and decisions** in your organization? Some major change – a bad quarter, a shift in management, a merger or acquisition – introduces unpredictability and flux.

The trouble is that leader "recipes" arising from crisis management can make a mess with complex issues and decision-making.

When you understand the characteristics and nature of the issue or situation, you can choose an appropriate goal and approach for achieving that goal.

Complex issues are best approached with **systemic methods** because they incorporate a broad diversity of perspective, experience, and dynamic knowledge. Systemic methods are bound by systemic principles:

- Diversity
- Egalitarian engagement
- Candor
- Trust
- Transparency
- Focus on relationships
- Design for time
- Holistic imaginations
- Clarity of higher purpose

Good leadership requires openness to change on an individual level. Truly adept leaders will know not only how to identify the context they're working in at any given time but also how to change their behavior and their decisions to match that context. They also prepare their organizations to understand the different contexts and the conditions for transition between them. Many leaders lead effectively – though usually in only one or two domains (not in all of them) and few, if any, prepare their organizations for diverse contexts.

From "A Leader's Framework for Decision Making"

Addressing complex issues with systemic methods maximizes the organization's resilience as it faces the unknown.



COACHING FOR LEADERSHIP AND COLLABORATIVE EXCELLENCE

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Categorizing Issues

<p>Unknown Uncertainty = HIGH</p>	<p>Complex</p>	<p>Complicated</p>	<p>Known Uncertainty = LOW</p>
	<ul style="list-style-type: none"> • Cause & effect / key variables are only knowable after the fact. Variables and relationships between variables always changing. Uncertain causation. • Approach: Explore – Utilize multiple, diverse perspectives seeking patterns and emergence. Design probes to test the system variables. Build promising probes into pilots. • Uncertainty: HIGH / Low • State: Episodic / CHRONIC <ul style="list-style-type: none"> ◦ High levels of uncertainty and many variables out of your control. You still need decisions! • Access intrinsic, collective resourcefulness, bound by systemic principles. Experts and hierarchy can block improvement. • Goal: Continuously improve a condition or situation, the position of the organization. 	<ul style="list-style-type: none"> • Cause & effect / key variables are knowable but are not known within our organization • Approach: Bring in experts who have the requisite experience and knowledge. Shift to a ROUTINE issue when staff develops knowledge and practices. • Uncertainty: High / LOW • State: EPISODIC / Chronic <ul style="list-style-type: none"> ◦ Limited levels of uncertainty with assurance that with time / acquired expertise, problem can be solved. • Goal: Solve the problem. 	
	<p>Chaotic</p>	<p>Routine/Simple</p>	
	<p>Cause & effect / key variables are not knowable. Variables and relationships between variables always changing. Uncertain causation. Shift it into the Complexity Area.</p> <ul style="list-style-type: none"> • Approach: Apply rules and constraint. Observe how variables respond. Adjust and repeat. • Uncertainty: HIGH / Low • State: EPISODIC / Chronic <ul style="list-style-type: none"> ◦ High (maybe total) levels of uncertainty and many variables out of your control. You still need decisions! • Goal: Re-stabilize the system sufficiently. 	<ul style="list-style-type: none"> • Cause & effect / key variables are known within our organization • Approach: Bring organization closer to best practices. Correct the process; come within statistical parameters. • Uncertainty: High / LOW • State: Episodic / CHRONIC <ul style="list-style-type: none"> ◦ Limited levels of uncertainty. • Goal: Solve the problem. 	

Adapted from David Snowden & Mary E. Boone, *A Leader's Framework for Decision Making* – Harvard Business Review, Nov 2007 and Future Insight Maps



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