



## **Decision-Making Style and Outcomes --- Perception and Personality**

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*“No Enterprise is too small to Profit from a little Systems Thinking...”*

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We all make decisions --- we make them continuously in our day-to-day activities. Some decisions are rather simple, such as selecting tea or coffee or which direction to turn when driving. Some are more complex, such as selecting the best investments for a financial portfolio or when to retire. For all of these, the basic process for making decisions is the same. Yet, we often find the outcomes of our decisions are not what we expected, especially in the case of complex decisions. How can this happen ?? The reason is that outcomes are strongly influenced by personal decision-making styles, which are driven by perception and personality. Here, we will discuss how perception and personality affect the outcomes of our decisions and the importance of understanding and adapting our own personal decision-making styles throughout the process.

We are all familiar with the basic steps of the decision-making process. At a high level these are:

- Establish the need for a decision (Decision Point);
- Gather information about the situation and possible approaches to resolution
- Evaluate alternatives and their potential outcomes and select an optimum approach
- Enact the selected alternative;
- Evaluate the outcome.

We all can appreciate Decision Points. They may be thrust upon us by circumstances beyond our control; or, we may determine that there is a need to do something. We then boldly gather information, consider our options, and go with the best alternative that time and resources permit. And then, many times, we find that our selected approach is not very effective or not effective for very long. Or perhaps, we just aren't happy about it. Why isn't the outcome what we expected ??

The fault is not with the process. Rather, the undesirable outcome is the result of the way that we execute or apply the process. It is in our lack of understanding of our own personal decision-making style and failure to adapt it to the decision at hand. The initial stage of understanding and adapting is to begin the process by focusing on the desired outcome. All of the dimensions of the outcome must be represented in the information gathering. If being happy is one aspect of the desired outcome, then, there needs to be some input about what makes us happy. If the desired outcome can be described by financial or product measures, then this is the type of input information required. In lifestyle decisions, we will require a wide range of input information if we expect to reach an effective conclusion.<sup>[1]</sup>

The next stage is recognition that our perception both limits and colors the data that we process into information. We are surrounded by a data-rich environment; attempting to process all of this at once is like trying to "boil the ocean". We have therefore developed the ability to filter out the irrelevant on the basis of our cultures and our professional training and experience. This is critical to survival and making sense out of what is going on around us. However, this ability can also work to our disadvantage,

particularly when we are making decisions in areas outside of our usual business or technical environments. We must remain aware that our finely trained abilities to focus may exclude data vital to our consideration of matters such as lifestyle choices. We need to be willing to open the aperture to make that data available when appropriate for the type of decision that we are undertaking.

Another aspect of perception affecting information gathering in our decision-making is the fact that we more often see what we expect, rather than that which is truly present. We have all seen the optical illusions, the card tricks, the word and letter color games that rely on this basic human trait. This distortion of data by expectation has the effect of biasing the information that we assemble. We tend to combine information and group it into patterns that fit our existing conceptual maps. This is a valuable ability that helps us save time and be more effective in our customary environments. But, again, it is a potential liability when making far reaching decisions in unfamiliar territory. Maintaining an awareness that “things are not always as they seem” and a willingness to change perspective are critical to adapting our personal decision-making styles to farther reaching choices.

The next stage of understanding and adapting personal decision-making style is appreciation of the influence that our personality traits or behavioral styles have in the process. We each have unique personalities, characterized by our preferred approaches and responses to interactions with the environment and other individuals. Over the years, many researchers have attempted to categorize these tendencies by developing different models, such as the Myers-Briggs Type Indicator (MBTI), DiSC, the Five Factor Model (FFM), and others. The common feature among all of the models is that we each tend to follow preferred patterns of behavior, given no other constraints. This tendency is strongly manifested as we develop and evaluate alternatives, and especially, when we select an optimum approach during the decision-making process. For example, an MBTI “Judging” (J) type will more often than not look for planned and organized approaches, particularly those that will result in a well-defined closure of the matter. Those rating high on the MBTI “Perceiving” (P) scale tend to prefer adaptive and flexible approaches. Neither tendency is better than the other; however, either may be better suited for a given decision requirement. As an illustration, we might consider that flexible and adaptive approaches and plans are better suited to lifestyle decisions than those plans that are “locked in stone”. During the decision-making process, we must remember that we are subject to personal preferences in methods. And, that these are tendencies, only; they are not hard-wired into our brains.

Finally, we’ll consider the interactive effects of perception and personality expressed in the personal decision-making style. In addition to influencing alternatives evaluation, personality traits play a major role in the information gathering methodology. They influence preferred information sources, and data validation and adequacy. An individual with a DiSC “Conscientiousness” (C) style prefers to get “all” data, while one with an “Influencing” (i) style is quite comfortable with only partial data. The MBTI

“Sensing” (S) type prefers current, objective data, while the “Intuition” (I) type operates quite well from patterns and predictions. Again, no one trait is superior to another, but it is important to remember that our personalities can affect the methods by which we collect data and convert it into usable information. Losing sight of the effects of perception and personality on the quality and suitability of the information that we process in making our decisions and compensating for those effects will inevitably lead to ineffective outcomes.<sup>[2]</sup>

Perception, particularly our cultural-experiential filters, can play a limiting role in our selection of optimum approaches during alternatives evaluation. Perhaps the most obvious is in the screening of alternatives on the basis of past performance alone. “We never tried that before” or “this has always worked in the past” are phrases frequently heard in businesses in a market share downslide and from individuals who limit their choices to the familiar. In straightforward situations, where operating constraints and the environment are consistent with past experience, that square peg still will not fit in that round hole. However, in more complex situations, where perhaps constraints and even the environment are free to change, that hole can be in a more flexible medium. We must be on guard to avoid eliminating potential high-reward alternatives, particularly in wide-scope decision-making scenarios. Otherwise, we may trap ourselves into trying to thrive in a new environment using old methods, much like “a polar bear in the Sahara”.<sup>[3]</sup>

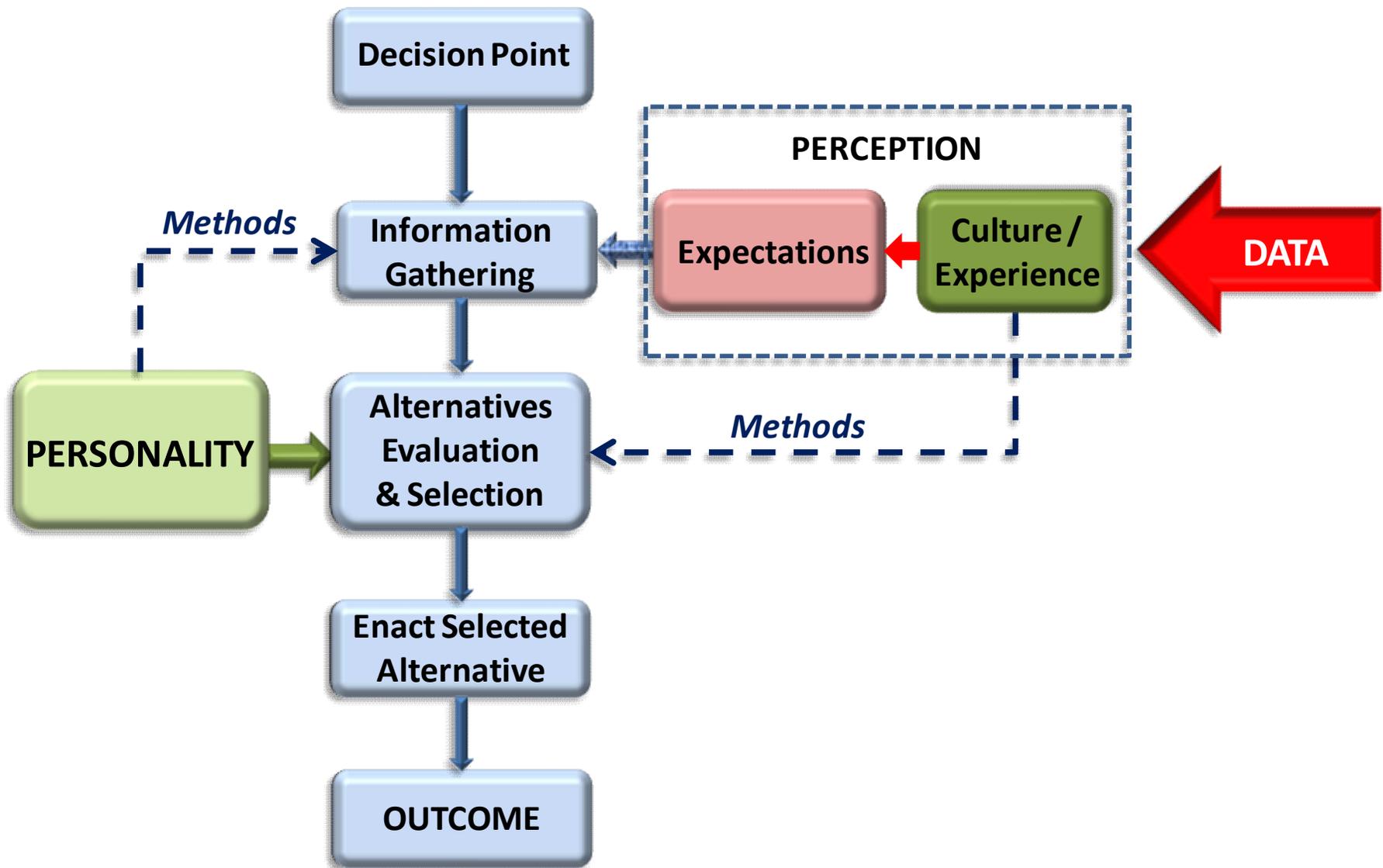
A high level representation of the decision-making process, including the influences of perception and personality is shown in Figure 1. The core of the process still consists of the steps we considered at the start of this discussion. The conduct of the process, however, is highly leveraged by the effects of the very individual aspects of perception and personality. Their weighting can swing outcomes quite easily from highly effective to highly undesirable.

In conclusion, our personal decision-making styles, driven by perception and personality, are as critical to the outcome of the decision-making process as the supporting information. This is especially true in cases where input data goes beyond straightforward, objective measures. Our perceptions and personalities are the key forces which drive the outcome. By understanding and adapting our personal styles to the matter under consideration, we can greatly improve the effectiveness of our decision-making, especially in long-term, subjective areas such as lifestyle changes.

<sup>[1]</sup> This concept is quite familiar to Six Sigma practitioners who rigorously trace process outputs to input variables.

<sup>[2]</sup> The important concept that inadequate or defective input to a process results in unacceptable outputs has been known for years to computer programmers as “GIGO” (Garbage In, Garbage Out).

<sup>[3]</sup> From David L. Katz, MD -- the “polar bear in the Sahara” is the dramatic image of a creature thrust into an alien environment that Doctor Katz uses to illustrate the health crisis that the world faces today due to nutritionally induced obesity, diabetes, and related ailments.



**Figure 1:** High Level Representation of the Decision-Making Process