

## **How to Make Decisions Without Blinders**

**By  
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Executives tend to be unaware of the feelings—both positive and negative—that their direct reports have about them. Knowledge of the positive emotions feels good, but ignorance of the negative emotions can create a blinder that engenders other problems. Unwittingly, executives condition their people to tell them what they want to hear, even when what they need to know differs. You shoot just one messenger, and the other messengers get wind of it. The chances of you hearing bad news, much less conflicting points of view, diminish in direct proportion to the number of messengers in your wake.

In their article, “Decisions Without Blinders,” Bazerman and Chugh examined bounded awareness, a phenomenon that occurs when cognitive blinders prevent a person from seeing, seeking, using, or sharing highly relevant, easily accessible, and readily perceivable information during a decision-making process. Bounded awareness can happen at various points in the decision making process when decision-makers don’t gather relevant data, consider critical facts, or understand the relevance of the information they have. It can happen later when these decision makers don’t share information with others, thereby bounding the organization’s awareness. Most decision-makers fail to notice the specific ways in which they limit their own awareness, but failure to recognize those limitations can have grave consequences.

Systems thinkers have given us a useful metaphor for a certain kind of blinding behavior in the phenomenon of the boiled frog. The phenomenon is this. If you drop a frog into a pot of boiling water, it will frantically try to leap out. But if you place it gently in a pot of tepid water and turn the heat on low, it will float there quite placidly. As the water gradually heats up, the frog will sink into a tranquil stupor, and before long, it will unresistingly allow itself to be boiled to death.

When we fail to notice the gradual changes happening around us, we resemble the unfortunate frog. That’s what happened when experts overlooked the threatening changes in Mount Pinatubo. In June of 1991 Sister Emma, a nun who worked with the Aeta tribesmen living on the flanks of Mount Pinatubo, visited the offices of the Philippine Institute of Volcanology and Seismology to let them know there had been a large explosion near the mountain’s summit.

In previous months scientists had noticed some activity in the mountain but had not thought them definitive enough to consider seriously. After more than four centuries of slumber, Pinatubo Volcano erupted violently and unexpectedly, pouring more than five billion cubic meters of ash and pyroclastic debris onto the islands. Its wake left hundreds dead, injured, or missing, and more than one million people displaced. Hundreds of millions of dollars in private properties and infrastructure lay in ruins. For months, the ejected volcanic materials remained suspended in the atmosphere where the winds dispersed them to envelope the earth, reaching as far as Russia and North America.

Pinatubo's eruption signaled the world's second-most violent and destructive volcanic event of the 20th century, yet it surprised many.

Executives put on their decision making blinders when they become insensitive to changing environments too, much as the boiled frog failed to notice the gradual increase in water temperature and the scientists in the Philippines failed to detect Pinatubo's warnings. The dot com BOOM-BUST offers another perfect example. Bloated dot com companies failed to discern shrinking markets, just as the gradual changes in the water's temperature failed to alert the frog to its impending doom.

The good news is people can learn to be more observant of changes in their environment, but only when leaders cultivate an awareness of the kinds of information that could directly affect their organizations. Tiltmeter measurements and seismic activity alerted volcanologists to convince those near the volcano to evacuate in time to save millions of lives that would have otherwise been lost. These scientists had accurate measuring tools and knew what to look for, and yet they still experienced shock and disbelief when they realized the magnitude of the explosion. Will your team be similarly surprised with environmental changes? Or as fortunate as the inhabitants of the Philippines who had Sister Emma to alert the scientists? What gauges does your team use to foresee the future? What data would help them predict strategic changes for your organization? If you and they don't know what you're looking for, you run the risk that your blinders will lead to your being blindsided. Bazerman and Chugh suggest these steps to help you increase your awareness:

- Know what you are looking for and train your eyes to see it.

Just as Secret Service agents scan a crowd to recognize risks, executives can prepare themselves and others to recognize threats and opportunities.

- Develop or pay for an outsider's perspective that gives you a new or different perspective.
- Make sure you seek and hear disconfirming evidence.
- Think about the full context of the situation without overemphasizing one focal event.
- Ask for information explicitly.
- Create a culture that makes information sharing the default position.

In general executives must rely on others to streamline the data flow to them, but with preparation and a clear understanding of what those data should be, your direct reports can help you avoid the perils of bounded awareness. Learning to expand the limits of your knowledge before you make an important choice will save you from asking, "How did we miss that?" or "What volcano?"

## Conclusion

Effective decision making does not happen by accident. In most cases, executives have made a conscious, well-thought-out decision to make an effective decision. They have gained information to understand the problem that necessitates the decision; they have examined and evaluated numerous choices; and they have settled for nothing less than stellar data. Then, they did the courageous thing. They opted for the best, not safest or most popular course of action.