

Effective Decisions: The Hinges of Destiny

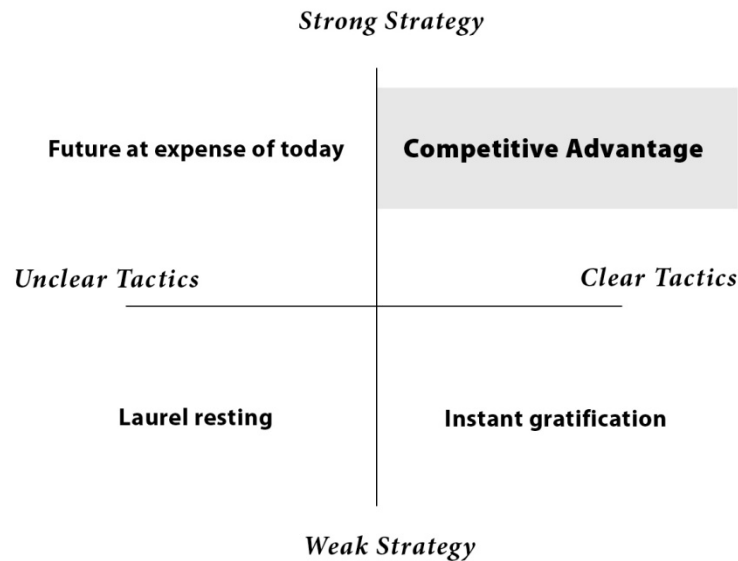
By Linda D. Henman, Ph.D.

When senior leaders consistently make good decisions, little else matters; when they make bad decisions, *nothing* else matters. Each time you engage in decision-making, you stand at a pivot—a turning point that will take you in directions that will contribute to your success or demise. After all, a decisive leader who can't hit the target is the same as one who doesn't even know where to find it. The results are the same. To better hit the target, try the 2 X 2 Matrix.

The 2 X 2 Matrix is a powerful but profoundly underutilized tool for making decisions. It forces an examination of two variables that influence something that matters, like strategy and tactics. Placing these two variables on a standard x-y grid enables you to analyze the tension between opposing forces.

This technique helps people explore competing forces as they challenge themselves to think at a higher logical level and to put aside emotions. It also helps them see both sides of an issue, even when they face a paradoxical situation. The horizontal axis represents a This / Not This issue that stands in tension with the vertical axis that characterizes another This / Not This situation. You can also contrast past / present or new/ old as you examine things like cost vs. benefit, product vs. market, or change vs. stability

I frequently use a 2 X 2 Matrix to help executive team members better understand how to explore and unearth the inherent tensions between strategy and tactics.



Sometimes I will ask the team to vote on the quadrant they see the company operating in most of the time. At other times, I will ask them to divide ten points among the four quadrants to gain a sense of the overall perception of how the company operates. Listing examples in each quadrant can also be eye-opening.

Focusing on these variables does not simplify the analysis. On the contrary, decision makers can gain deeper understanding of their issues and learn more about their challenges when they break business down to manageable components and discuss competing priorities, in this case of tactics and strategy.

When you and your team face a decision, the 2 x 2 Matrix can go beyond restoring things to what they were before the problem arose. Remember, that reinstating the status quo won't take your organization forward; it will just keep you from slipping backwards, often a vital first step.

Too often senior leaders allow themselves and their team to focus on the past. In futile attempts to rewrite history, they concentrate on corrective or adaptive actions—activities that will keep everyone busy but won't really move the organization forward. Preventing problems before they arise, or planning for contingencies if they do, would be time better spent. But too frequently reinstating or maintaining the status quo sets the agenda, as decision makers overlook ways to move toward renewed success. Therefore, the next step is to learn to use the 2 x 2 Matrix as an instrument for making better decisions. It's one way to control your destiny.

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