

Decision-Making As A Leader: An Essential Skill For Excellence

As a leader, you are responsible for the path that your team or organization will take. And people will continuously rely on your abilities and decision-making skills to achieve the goals of the organization.

But the decision-making styles of a leader shouldn't be confined in the work place. Instead, the standard concept of how leaders make their decisions should be a part of your overall decision-making process in every aspect of life.

Although decision-making as a leader may entail a wide array of components which can't be summarized into a few paragraphs, some basic attributes can be observed.

The following attributes describe how good leaders formulate their decisions. Studying these attributes may help you learn the basic traits of a leader as a decision maker.

Decisions Are Data-Based

A good leader makes his or her decisions based on data and thorough the analytical process; nothing is left to chance or to what the horoscope says for the day. Analytical data-based decision-making enables the leader to pinpoint weaknesses and to plan exit strategies in case the decision made doesn't work out as planned.

The essence of analysis in a leader's decision-making process is the total bird's eye view it affords him or her regarding the situation at hand which will enable the leader to meet problems with solutions.

Conducting an analysis throughout the decision making process will enable the leader to make an informed judgment. While it is true that you can't know everything, doing an analysis of available data about a predicament will, nevertheless, lessen the risks of failure. Overall, a leader knows the value of cutting losses or damages to a minimum.

While all decisions need to be data-based, there are at least four different kinds of decisions.

Paradigm Decisions

Paradigm decisions are those which provide guidelines for decision-making for all people in an organisation or team. Decisions such as: Having a smoke-free organisation, having a non-discriminatory people policy, etc. are paradigm decisions. They help team members and leaders to take the right decisions when they are faced with a dilemma.

Such decisions need to be made with the involvement of everybody. The consensus process is a very useful methodology to make such decisions.

Policy Decisions

Policy decisions are necessary to provide for resources and official sanctions for the operations of an organisation.

For instance if the Performance Appraisal Process needs to be reviewed, then a couple of policy decisions need to be taken. A decision needs to be taken to set-up a committee which will analyse the existing process. The different teams in an organisation need to volunteer a representative to become members of the committee.

The management team needs to allocate money and time for this team to function and come up with an insightful report. All decisions that are taken to facilitate the functioning of this team are policy decisions.

Policy decisions are taken in a participatory mode with the involvement of everybody who will be involved in the implementation of the task.

Procedural or Functional Decisions

Procedural decisions are taken by a few people who will be implementing the decision or who will be impacted by the decision. These are decisions that will help people implement a process. They know what to do if they come across an unusual issue.

For instance, outlining the procedure of recruitment and selection in an organisation, is a process of detailing the actions that the team will take when they follow this procedure. It will also detail the actions to be taken in case of exceptions.

Structured Decisions

Structured decisions are taken by individuals who are directly implementing or executing the plans of the organisation. These decisions are informed by the data available to the employee, the procedures/structures that have been put in place, and the knowledge of the policies and paradigms of the organisation. The decision-maker could be the CEO or the security guard at the gate.

Understanding the kinds of decisions, and the number of people who need to be involved in taking them, provides the leader with a confidence to take decisions - sometimes alone and sometimes along with others.

This will also give the leader the confidence to accept the decisions of his team members - as they are taken with an understanding of the values and procedures of the organisation.