# The Art of Critical Decision Making

*Michael A. Roberto*

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**The Art of Critical Decision Making** Michael A. Roberto
12 hrs and 21 mins

Learn to approach the critical decisions in your life with a more seasoned, educated eye with this fascinating 24-lecture series that explores how individuals, groups, and organizations make effective decisions. The heart of this accessible series is a thorough examination of decision making at three key levels. First, you'll look at decisions made at the individual level, where, among the many things you'll learn is that intuition is more than just a gut instinct and, in fact, represents a powerful pattern recognition capability. Then, you'll explore decisions made at the group level, where you'll try to answer the question of whether groups are "smarter" and more capable of making critical decisions than individuals. And finally, you'll pull back to analyze organizational decision making, in which Professor Roberto demonstrates how some organizations have encouraged and reliably performed vigilant decision making in the face of risky scenarios.

Whether you're the head of a Fortune 500 company, a government agency, or an everyday household, you constantly make decisions important to you and those immediately around you. These lectures offer you a toolbox of practical knowledge and skills that you can apply to various decisions - whether large or small - in your everyday life and work. Professor Roberto's lively lectures are packed with useful anecdotes, tools, and advice designed to improve your own ability to make informed decisions. As you explore the intriguing process of making a good decision, you'll strengthen your grip on individual theories of decision making and the situations that illustrate them.

Disclaimer: Please note that this recording may include references to supplemental texts or print references that are not essential to the program and not supplied with your purchase.

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## The Art of Critical Decision Making Details

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# From Reader Review The Art of Critical Decision Making for online ebook

### Amir Tesla says

Awesome, I learned and digested tons of information regarding effective decision making.

Professor Roberto conducts an exhaustive research on different levels of decision making, being personal, group and organizational level and elaborates on each part, scrutinizing what the potential flaws are, along with corresponding rich case studies and the practical ways of dealing with them through this marvelous 13 hours Lecture series.

I literally learned a lot and set aside those avid and constant learners, I strongly recommend it to those who are in position of making the final calls from parents, to managers and leaders.

### Jessica says

One of the most helpful courses I've listened to

### Bugzmanov says

between 3 and 4. not bad, but not very practical. i would expect it to be filled with strategies and tactics, but it's more about philosophy, organizational structure and psychology. which is not bad as a review, but feels a bit shallow at the end

### Ryan Lackey says

This book is a pretty good overview of the theory of decision making, going into both individual decision making (pretty cursorily) and extensively into some organizational decision making and problems. There were some good case studies and examples used in the organization section (especially failures, such as NASA Challenger and Columbia) — the book isn't as useful for a problem-focused manager in the short term, though; it is a bit more academic and theoretical than a how-to. Pretty good, though.

### Scott Wozniak says

Strong summary of the how to make good decisions. He uses a series of real cases from history to explain each point, from how to avoid common errors to how to build decision processes that work well.

**Johnny says**

I started this audio book when taking a long journey with a friend. I was amazed at the insights which Michael Roberto was able to bring using case studies. I had always been dubious of case studies because they always seemed like they were shaped to create a certain outcome. As a result, I didn't feel like they had enough variables to be interesting as "lab experiments" or "test questions." I really appreciated the fact that Roberto includes a quotation from former Secretary of Defense and President of Ford Motor Company, Robert McNamara that states just my issue in a different way. He said that case studies typically "frame" the problem for the students such that they didn't necessarily have to learn to ask the right questions. Of course, that's true to some extent—even with my preferred approach of "gaming" problems. But I can confess that I added at least two different "hands on" exercises to this quarter's classes at DePaul because of a quotation from a former Harvard Business School dean cited in Roberto's work: "HOW we teach is WHAT we teach."

This audio book is one of those courses that allows you to experience lectures as though you were there. In fact, The Teaching Company (which published this course) even provides a printable "textbook" to go with the book and will provide my permanent notes (beyond the fact that I often use these reviews to store my notes in "cloud" form). The purpose of this course was to inculcate values and a methodology in critical decision making that might avoid critical failures in future efforts. As a result, Roberto began by performing a little myth-busting on decision-making. He demythologized the idea of the CEO making all the decisions by pointing out that there is innumerable and often conflicting activities that lead up to the actual point of the decision. Debunking #2 (that decisions are made in the room where they appear to be made), he points out that the real work in any organization usually occurs "off-line" in one-on-one conversations or small subgroups rather than the conference table. Rather than buying into #3 (that decisions are primarily intellectual exercises), he presents high-stakes decisions as complex social, emotional, and political processes. Indeed, he suggests that politics often becomes a model for convincing when there is no clear-cut financial model to test and build. He challenges the accepted wisdom (#4—managers analyze and then, decide) by pointing out a pattern of managers (which resonates with my personal experience) actually deciding on a course of action and assigning people to come up with a number of ideas which s/he will sift in order to convey the legitimacy of his/her original decision. Finally, he questioned the myth of managers deciding and then acting (#5) by pointing out that important strategic decisions evolve over time so that there is a certain amount of reacting and analysis that must take place before we can decide. We have to learn to think of decisions as processes rather than events.

His next step was to destroy our tendency to take short-cuts via "cognitive biases." The two that jumped out at me (or pointed their finger at me) were the "overconfidence bias." For me, it meant that I thought I could transfer my success in magazine publishing in the secular world into success in book publishing in the world of religion. Relying on what I knew, I was too slow to discover what I didn't know about the differences in markets, distribution, and margins. In the book, he described disasters on Mt. Everest to show how lives were lost as a result of overconfidence causing people to break their own rules and overlook their own procedures. The other one caught my attention because I've seen it in companies where I worked and in professional sports teams that I've followed. The "sunk cost" effect indicates a tendency to escalate commitment to a poor decision in order to justify the past investment. The old Wall Street technique of "dollar cost averaging" is largely an attempt to justify "sunk costs" as it is practiced in individual investing today; the sports team that keeps playing an athlete who is clearly over the hill because of his percentage of the payroll may be an example of a general manager hurting the team in an attempt to justify his/her "sunk costs;" and even his marquee example of the failed Everest expedition showed this because the clients didn't want to waste their "sunk costs" of $65K in supplies and months of preparation because the already short window for the ascent was closing due to weather forecast. Roberto also went on to speak of a third bias, the

"recency effect." I saw this in one company where I called it "decision by fad," but I don't think it is as common as the other two.

Of course, the primary problem in decision-making traps would likely be the "confirmation bias." I believe we all have a tendency toward it in our subconscious approaches to study and consideration. This is our tendency to only gather and rely on information that confirms our existing views and either avoid or downplay data that would endanger our pre-existing hypotheses. This underscored our need to ask "disconfirming questions." Related to this (and serving as the subject of the next lecture) was the idea of framing. Essentially, framing can serve as a problem or an opportunity. Frankly, I hadn't realized that framing a problem as a threat increases risk-taking behavior and the amount of resources to be "thrown" at the problem. I like the idea of framing a problem as an opportunity in order to react less rigidly (ie. more flexibly). This was extremely interesting to me and Roberto sealed the deal by quoting from one of my favorite authors, F. Scott Fitzgerald: "The test of intelligence is the ability to hold two opposite ideas simultaneously."

It was illuminating to hear/read his idea of intuition as "superlogic that cuts through extraneous detail and gets to the heart of the problem." It made sense to recognize that intuition is developed with expertise and experience in a given field, but it was encouraging to discover that experts can actually help novices develop intuition if that's their goal. Of course, he also points out how depending strictly on intuition can become a problem when the rate of diffusion changes and complexity and/or novelty becomes fog of war. Most valuable was his five-step process for communicating one's process for intuitive decisions to others: 1) here's what I think we face; 2) here's what I think we should do; 3) here's why; 4) here's what we should keep our eye on; and 5) let's talk. Related to intuition, of course, is the use of analogy in "pattern-making." That major warning was not to take analogies whole cloth. One key was writing down two lists (one for similarities and one for differences) because, as Lee Iacocca once said, "It's harder to ever deceive yourself on paper."

My "textbook" has all sorts of notes all the way through with the same kind of detail until one reaches the final chapters on seeking out problems (walking through failure scenarios and not automatically trying to simplify the organization's interpretations of abnormal behaviors/phenomena). There's something healthy about the approaches to risk management when the hierarchy is flattened so that input is sought from all levels of the organization. Such organizations are called HROs ("high-reliability organizations"). Finally, he insists on the necessity of leaders being voracious learners and creating an organization where process (in addition to content) helps organizations to find the right questions rather than the right answers.

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## Nick Armstrong says

Whew. A broad topic with a lot of practical applications.

Key takeaways:
- nobody goes into work trying to do a bad (or unethical) job
- people can only make sense of the facts they have on hand in the context they're aware of, hindsight bias is incredibly hard to override
- company culture sometimes creates habits that allow for errors to propagate
- strongly-coupled systems can create minor issues that snowball into catastrophic results even when there's redundancy in place

- legitimately arguing for a viewpoint counter to your own allows you to pull the best pieces of the argument out
- value the front-line and actively seek out problems without blame (hidden problems are the enemy)
- identifying issues and problems (e.g. when a decision must be made) is just as important as actually figuring out the correct framework for making a decision

So many good case studies here, well worth exploring for business owners.

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### Michael says

I enjoyed the case study format - it made the topics memorable and contextualised. This isn't so much about philosophy or psychology of thinking, but about decision making in corporate environments. I'll probably go back and review the notes sometime.

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### Tina Panik says

A thorough, intelligent examination of how and why we decide things in our life, from the personal to the professional. They chapters on group think, team dynamics, and management are especially helpful. This course is well worth the time!

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### Trevor Price says

The first half, focusing on behavioral economics and individual decision making, was more relevant to me personally. But the second half on organizational decision making was actually more interesting.

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### Ron Wroblewski says

A Great Courses DVD class.

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### Diane says

I've only listed to the first 12 lectures, but I think it very good.

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### Paul Green says

I'm not into management literature and I'm not even sure how this came to land in my To Read pile. Glad it did. Strong decision making lessons presented and analysed as case studies.

## Ralph Trickey says

This isn't aimed at individuals but at organizations and why they make bad decisions and what they can do to avoid them. I found it fascinating myself. It isn't because people are stupid, but because some management styles discourage out of the box thinking.

## Tõnu Vahtra says

I was holding back listening to TGC audiobooks because I was afraid they are hard to follow due to being written as university lectures and being dense of academic information. I was pleasantly surprised as the courses were not that dry at all (at first it seemed like just another one on cognitive biases and Kahneman but cognitive biases were covered only in a few chapters). The audiobook came with 120 page E-book also which provided the main points and references to all the courses which was good for recalling and capturing the key concepts to long term memory. There were a few core scenarios analyzed from different angles throughout the courses and unfortunately they were not the "standard" ones that I have mostly read many times already. Among my favorite courses was the section about developing intuition and the apprentice example (how younger hospital nurses learn from more experienced ones when they are "thinking out loud", this reference is also used in describing Cynefin sensemaking tools). This book also contained quite a lot of collective sensemaking topics and will probably explore further into this direction.

- nobody goes into work trying to do a bad (or unethical) job
- people can only make sense of the facts they have on hand in the context they're aware of, hindsight bias is incredibly hard to override
- company culture sometimes creates habits that allow for errors to propagate
- strongly-coupled systems can create minor issues that snowball into catastrophic results even when there's redundancy in place
- legitimately arguing for a viewpoint counter to your own allows you to pull the best pieces of the argument out
- value the front-line and actively seek out problems without blame (hidden problems are the enemy)
- identifying issues and problems (e.g. when a decision must be made) is just as important as actually figuring out the correct framework for making a decision (Cuban missile crisis example and the role of Eisenhower in World War II).

"How do you pass on intuitive wisdom to newer managers? It's hard to codify that knowledge. Hospitals face the same issue with nurses. How do you pass along that intuition? They find that much of it occurs through apprenticeship and the way that expert nurses communicate their thought process to novices. Thinking out loud turns out to be a key practice that expert nurses employ. Such behaviors work much more effectively than trying to write down intuitive wisdom."

Key dimensions of deciding how to decide:
• Composition: Who should be involved in the decision-making process?
• Context: In what type of environment does the decision take place?
• Communication: What are the "means of dialogue" among the participants?
• Control: How will the leader control the process and the content of the decision?

A fair process:
• Provide a process road map at the outset of the decision process.
• Reinforce an open mindset.
• Engage in active listening.
• Explain their decision rationale.
• Explain how others' inputs were employed.
• Express appreciation for everyone's input.

Avoiding problems of practical drift:
• Foster transparency in organizational structures and systems.
• Avoid Band-Aid approaches to small problems.
• Create a climate of open and candid dialogue.
• Carefully watch for when information is "handed off" from one unit of the organization to another.
• Attack silo thinking and work out inter-divisional rivalries.
• Design more effective cross-functional teams.
• Conduct careful after-action reviews to improve processes.