Lead Effectively By Making Better Decisions
John Austin

**Educator** - Professor, Leadership Studies, Fielding Graduate University

Former faculty member at Penn State Smeal College of Business and The University of Washington

**Experience**
Consulted to leaders at Hewlett Packard, General Electric, Merck, Nokia, HSBC, Pfizer, and more.

**Expertise**
Work cited by CNN, Barron’s, the Wall Street Journal and others.

Alan Todd

Founder and CEO, Corp/U
BRITAIN’S EXIT FROM E.U.
With Brexit Deal in Peril, Theresa May Scrambles to Save It

- Britain’s prime minister set off on a series of visits with E.U. leaders, seeking ways to increase domestic support for her withdrawal agreement.
- Mrs. May had delayed a vote on the deal after it came under attack both from the opposition and from many members of her own Conservative Party.

FRANCE
A Contrite Macron Offers Pay Increases and Tax Cuts to Ease Protests

- In his most substantive public remarks on the demonstrations that have roiled France, President Emmanuel Macron promised steps to address them.
- Whether Mr. Macron’s actions will ease the deep-seated resentment toward him in France was unclear at best. So were the particulars of his proposals.

The Protests Have Cost French Businesses Billions of Euros
They’ve also threatened Mr. Macron’s strategy for growth.
JOHN FLANNERY REPLACED AS GENERAL ELECTRIC CEO
Political Leaders
Business Leaders
Family Leaders

Analyze Issues In Order To Form a Judgement
## The 3 Most Important Skills Required of Leaders

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Thinking</td>
<td>2%</td>
<td>7%</td>
<td>17%</td>
<td>39%</td>
<td>35%</td>
</tr>
<tr>
<td>Collaboration</td>
<td>2%</td>
<td>7%</td>
<td>19%</td>
<td>40%</td>
<td>32%</td>
</tr>
<tr>
<td>Creativity/Innovation</td>
<td>2%</td>
<td>8%</td>
<td>34%</td>
<td>28%</td>
<td>28%</td>
</tr>
</tbody>
</table>

N=2100+ executives and managers

**Improve Critical Thinking and Make Better Decisions**

- Decision effectiveness is 95% correlated with financial performance\(^1\)

- Study of 500 managers and executives found 98% fail to apply best practices when making decisions

- Since 2009, requirements for critical thinking skills have doubled in job postings\(^2\)

- Among employees with a four-year college education,
  - Only 28 percent were rated excellent critical thinkers.\(^3\)

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1. Larson, Erik. (May, 2017) *Don’t Fail At Decision Making Like 98% Of Managers Do*. Forbes [https://www.forbes.com/sites/eriklarson/2017/05/18/research-reveals-7-steps-to-better-faster-decision-making-for-your-business-team/#613ca94f40ad](https://www.forbes.com/sites/eriklarson/2017/05/18/research-reveals-7-steps-to-better-faster-decision-making-for-your-business-team/#613ca94f40ad)


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A Fundamental Leadership Trap

Overconfidence → Limited Mindset → Confirmation Bias
Try To Remember These 3 Cards

- Jack of Spades
- King of Clubs
- Ten of Diamonds
It’s the First Re-Framing that is Hard
Small Action #1:

Ask yourself how would others see your problem differently.
Two Common Sources of Limiting Decision Frames

- Ignoring Past
- Current Trends
ANNOUNCING
The Greatest Forward Step in the Baking Industry Since Bread was Wrapped
a fine loaf sold a better way

SLICED
KLEEN MAID BREAD

Sketch above shows how fresh bread loaves are conveyed through the slicing knives. Photo is a close-up of the slicer showing the double bank of keen, jagged knives, delivering the sliced loaves.
It’s NOT Common Sense

Small Action #2

Start with the assumption you would make the same mistakes as others
Backward-Forward Flip

Why Industry Said It Would Not Happen

- 
- 
- 
- 

Why We are Wrong

- 
- 
- 
- 

< past event >

Why It Will Not Happen

- 
- 
- 
- 

Why Industry Was Wrong

- 
- 
- 
- 

< current event >

Why We are Wrong

- 
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- 
- 

Why It Will Not Happen

- 
- 
- 
-
Trends are solid...until they are not
What’s Missing

Small Action #3

Question available data and seek out data blind spots.
U1: Change in alcohol consumption

U2: Discretionary income for under 30

U3: Area population growth

U4: Change in beer consumption

U5: Ability to find staff

U6: Increase in young professionals in the area

U7: Trends for home entertaining (gaming, online socializing)

U8: Number of competing bars

U9: Change in state allocation of liquor licenses

U10: Increase in out-of-town visitors

Uncertainty Vectoring adapted from Austin, J. 2015. Unquestioned Brilliance: Navigating a Fundamental Leadership Trap, Fisher Baldwin Press
Questions