

# Your Guide to Avoiding Decision-Making Traps in Crisis Management

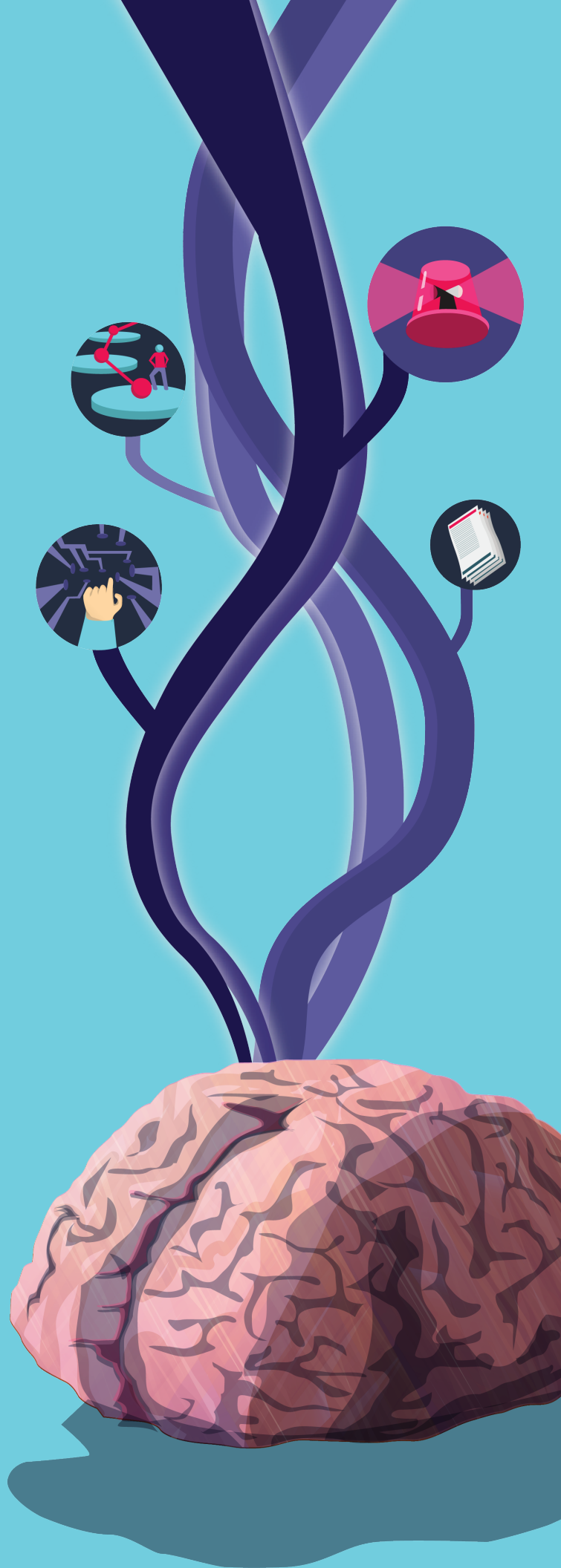


# First – the facts about decision making in a stress context

Let's face it, decision making is hard. It's hard in any context, but especially difficult in crisis when stress is high, and the brain and body go haywire. All of those factors conspire to make crisis decision making more irrational – yes, irrational.

Early research on this subject confirmed that subjects under stress generally failed to consider all possible options before making a decision. The result being: decisions turned out to be less systematic and more hurried than those made under normal conditions. Sound familiar?

In fact, subsequent research shows that we're barely scratching the surface, when it comes to how stress impairs our decision-making capacities. Case in point: we now find that under the broad banner of ineffective decision making falls a more targeted class of decision derailers, a concept introduced by experts in business resilience and continuity, Guy Higgins and Jennifer Freedman.



# What are decision derailers

Like the name implies, decision derailers are barriers to rational decision making. They are, by definition, behaviors that get in the way of effective decision making. Decision derailers tend to be acute in practice, which means a team's decision-making strengths won't necessarily compensate for derailing behaviors. So it's particularly important for crisis

practitioners, who undertake decision making under the most stressful of situations, to fully understand decision derailers and adopt mitigation strategies to overcome the worst effects of those derailers. We've, therefore, pulled together a pocket guide to help crisis teams do both. First, the major groupings of decision derailers:



## Altered perspectives

*(Framing, compelling stories, recent events).*

When we frame a crisis situation inaccurately, we've fallen prey to this group of decision derailers. Let's be

clearer. Here, decision makers have had their frames of reference irrevocably altered, either by a compelling story or a recent event. The framing is inaccurate, because neither the compelling story nor the recent event is actually relevant to the crisis at hand. Still, the crisis decision maker will let that story or event unduly influence the decision taken, simply because it offers a stockpile of positive associations or memories.



## Organizational speed bumps

*(Excessive optimism, overconfidence, frequently).*

Organizational groupthink often prevents effective, crisis decision making. Under this grouping, we turn to examples of teams prematurely cutting

off consideration of all possible alternatives, because those teams feel excessively optimistic or overconfident in the approach they've taken. The downsides of this bias are clear. Teams don't recognize their limitations and will make faulty decisions based on fallacious premises.

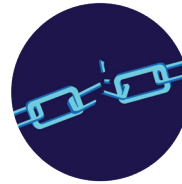


## Appeal to authority

*(Sunflower reflex, champion bias).*

In crisis, we tend to defer to the opinions of senior stakeholders, often the supervisor who makes the ultimate decision. When that superior isn't

physically present, as can be the case in crisis, teams will make decisions they think mirror the decision the boss would have taken (the sunflower reflex). The same goes for our tendency to defer to those who have superior experience, another derailing appeal, especially when teams uncritically and unquestioningly privilege the decision of someone who's been there before (the champion bias).



## Resistance

*(Escalating commitment, anchoring, loss aversion).*

We often resist change, especially when making decisions in times of great stress. In crisis specifically, teams will get

tethered to a set course of action and refuse to budge. That's even when the situation calls for flexibility and recalibration, as crisis situations so often do. At those times, teams might even double down, or escalate their commitment, by throwing more resources at a certain course of action. This derailer is akin to the sunk cost fallacy. Similar to escalating commitment is prematurely committing to a set course based on the first piece of information gathered or the first decision taken, otherwise known as anchoring.



## Informational pathologies

*(Confirmation and information bias, WYSIATI, failure to communicate).*

Crisis is invariably related to information. Decision makers must often base judgments on information that is unclear, faulty, and/or incomplete.

Those informational lapses only exacerbate another all-too-human tendency to accept information that conforms to our preexisting notions. The consequences of falling prey to confirmation and informational biases are pretty clear. We overemphasize what we want to believe while ignoring anything that lies outside of our preconceived notions. Along those lines, decision makers will limit sources of data and information just to "people in the room." Interestingly, the opposite behavior, seeking out myriad sources so as to avoid having to make a final decision, is also a derailing behavior. Additionally, individual crisis practitioners often gather highly valuable information, but they don't necessarily communicate those findings with relevant stakeholders, especially when those practitioners don't feel empowered to do so, or when their findings contradict a prevailing consensus.



# How to stop your decisions going off the rails

Here are helpful strategies to mitigate the effects of the decision derailers highlighted above:

## 1

**Consider as many frames of reference as practicable.** This strategy will often involve teams deferring the initial framing of the crisis situation in order to gather a fuller breadth of alternatives. When should teams stop deferring decision? Until mutually reinforcing information allows them to develop a truly accurate frame.

## 2

**Practice pattern-gathering.** We privilege compelling stories and recent events, partly out of a failure of imagination, a failure that only gets exacerbated during moments of high stress. To check this tendency, teams will need a ready store of patterns, gathered before a crisis, to reference as the crisis develops.

## 3

**Establish good decision-making criteria ahead of time.** Like with pattern-developing, most decision-making pathologies can be attenuated if teams establish effective decision-making criteria upfront.

## 4

**Think critically.** Teams fall prey to organizational speed bumps when they fail to think critically about their decisions or sources of information. In practical terms, critical thinking means asking tough, informed questions (even of crisis leaders) and not settling for compelling stories.

## 5

**Ask for (more) evidence.** When we find ourselves deferring to authority and experience, we have forgotten that effective crisis decision making should be grounded in the best evidence possible (not the best person available). Crisis teams must make a habit of always asking for supporting evidence as the decision-making process unfurls. Moreover, teams should always insist on identifying the largest number of options practicable, at any given time.

## 6

**Invite criticism.** Under stress, it's pretty common to misread sources, either too narrowly or over-broadly. A sure way to mitigate against this class of derailer is to have crisis leaders empower their teams to constructively push back against the leader's assessment if they don't find that evaluation to be sufficiently grounded in the evidence.

## 7

**Take advantage of multiple perspectives.** It's pretty human to make decisions based solely on the people and sources around us. But a good way to broaden our stockpile of sources is simply to rely on more and different perspectives and people. Crisis leaders don't necessarily have to look too far afield. Their teams consist of practitioners with a wealth of differing perspectives. Crisis leaders must always ask themselves, how many voices am I really listening to?

## 8

**Don't commit too early.** By definition, anchoring is a result of a team committing to a set course of action too quickly. Crisis teams should strive to keep their options open as long as practicable.

## 9

**But don't procrastinate either.** Delaying a decision beyond a reasonable time horizon is another, common derailer. Teams must remember that the hallmark of an effective crisis decision is timeliness. What use is a theoretically good decision if it comes too late to solve the problem?

## 10

**Finally, review and revisit.** Crises are by definition unexpected, highly fluid situations, which means that decisions taken at any one moment might be "wrong" in the next. Teams must constantly revisit and monitor the progress of the past decisions they've taken in case they need to change tack.



In parting, we recognize that decision derailers are all reflexive behavioral patterns, so very easy to fall prey to, especially in a stressful crisis situation. As natural as those behaviors are, decision derailers still constitute barriers to effective decision making under stress. And as such, they cripple crisis decision making. It's, therefore, vitally important for teams to be able to accurately identify, correctly diagnose, and decisively combat the corrosive effects of decision derailers.



## Citations

<sup>1</sup> Kubilay Gok and Nuray Atsan, *International Journal of Business and Social Research: Decision-Making under Stress and Its Implications for Managerial Decision-Making: A Review of Literature.*

<sup>2</sup> Guy Higgins and Jennifer Freedman, *Journal of Business Continuity & Emergency Planning: Improving decision making in crisis.*

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