



MAKING **GOOD DECISIONS**

.....

AN OVERVIEW OF EVIDENCE-BASED DECISION-MAKING



Vela Institute
ILLUMINATING EDUCATION



Using Science, Psychology, Data, & Technology

**to improve individual and
organizational decision-making.**



What Is A Good Decision?

When you are in a situation in which you have multiple options, and need to act on (or go with) the best one, you have what we call a decision on your hands. A good decision is choosing the best out of all the available options. There are several barriers to choosing the best options.

THOSE BARRIERS INCLUDE:

- Cognitive biases
- Information processing shortcuts
- Groupthink & group dynamics
- Stuck in ways of doing things
- Our preferences

A good decision is made by gaining the best and most relevant information about the options, acknowledging and dismantling barriers, and choosing the best option.

“Bounded Rationality” can present a significant barrier in decision-making. Rationality is bounded by limits to the capacity of our brains, available information, and time to make decisions. This proves that we alone might have enough information to choose the best option. Those that choose to rely on their brains alone are known as satisficers. Satisficers may choose a satisfactory, but not necessarily the best, option as they are not able to evaluate all the possible contingencies of each option. [1]

What Is Evidence-Based Decision-Making?

“Making the best decision requires critical thinking and using the best available evidence.” [2]

Evidence can be defined as the information collected from scientific research, facts, benchmarking data, best practices, collective experience, personal experience and intuition (CEBM). Research shows most decisions are not based on the best available or highest quality evidence. Additionally, most decisions are not made by considering more than one of the listed sources of evidence.

Within this workbook, we are going to dive into how evidence-based decision-making can help your organization make the best decisions. We will introduce a seven-step model along with five sources to gather evidence from to improve both critical thinking and evidence quality.

Copying the successes of other organizations by utilizing their best practices and benchmarks is one way to collect information about the options available. But relying on only the information in the hopes of replicating their success without evaluating the fit within your own organization increases the likelihood of making a poor decision.

WHY SHOULD I CARE ABOUT EVIDENCE-BASED DECISION-MAKING?

ASK

Translating the practical issue into an answerable question.

ACQUIRE

Systematically searching for and retrieving evidence from all sources.

APPRAISE

Critically judging the trustworthiness or relevance of the evidence collected.

AGGREGATE

Weighing and combining evidence from each source.

APPLY

Incorporating the evidence into the decision-making process and conversation.

ADVISE

Communicating ongoing feedback.

ASSESS

Evaluating the outcome of the decision that was made.



SCIENTIFIC LITERATURE

What research has been published to support or guide the development of the study?

ORGANIZATIONAL INFORMATION

What does our internal data tell us?

TECHNOLOGY

What can we learn from technology and how can we leverage it to communicate?

PROFESSIONAL EXPERTISE

What does your professional expertise tell you is happening?

STAKEHOLDERS

What are the stakeholder perspectives, values or concerns?

Misconceptions About Evidence-Based Decision-Making

Maybe we haven't totally won you over yet and you're thinking it's not for you. Let's debunk some common misconceptions you might have.

Evidence-based practice ignores the practitioner's professional experience.

TRUTH: Evidence-based practices considers all sources of information. [3]

Evidence-based practice is all about numbers and statistics.

TRUTH: Evidence-based practices considers numbers and statistics as well as perceptions and judgements. [3]

Managers need to make decisions fast and don't have time for evidence-based practice.

TRUTH: Even quick decisions need to consider the quality and sources of evidence to ensure a poor decision is not selected. [3]

Each organization is unique, so the usefulness of scientific evidence is limited.

TRUTH: Although organizations do differ, they tend to fall into similar situations. [3]

If you don't have high quality evidence, you can't make a decision.

TRUTH: Newer or fast-moving organizations often do not have much evidence. They can operate by using a pilot test or prototype in lieu of a final decision. [3]

Misconceptions About Evidence-Based Decision-Making

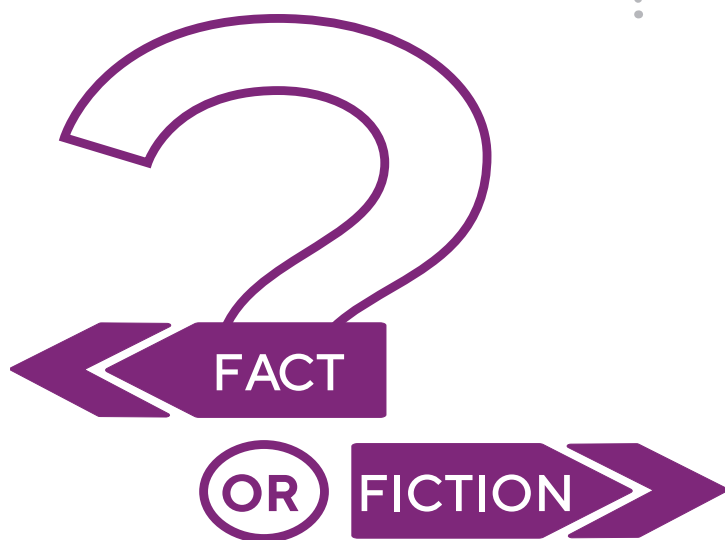
Good quality evidence gives you the answer to the problem.

TRUTH: Evidence on its own does not speak for itself. Without knowledge of context, it can be evaluated and interpreted in many different ways. [3]

I am plenty smart and have had enough experience. Isn't that all I need to make decisions?

TRUTH: Intelligence does not help people gauge whether to engage in the analytical decision-making process or use cognitive shortcuts, mental models or heuristics.

Experience can lead to making overconfident decisions as opposed to a structured formal decision-making process. [4]



Ask: Can the problem be translated into an answerable question?

The Benefits of Completing the Ask Phase:

The below biases are just a few of the reasons why organizational decision-making fails over 50% of the time. All these biases could be addressed by taking the time to implement the 'ask' phase.

Organizational repairs for better decisions

Organizational Biases	Repairs
1. Solving the wrong problem <i>(Idea-led not problem-driven)</i>	Take time at the start to ask diagnostic questions. Engage in an active search to gather all information available.
2. Ignoring politics <i>(Sponsor biases, pet projects)</i>	Acknowledge possible politics that could effect the decision. Focus on de-biasing all individuals involved in the process.
3. Considering just one option <i>(Pet project, gut feeling)</i>	Entertaining multiple options.
4. Focusing on a single outcome <i>(Narrow view of success)</i>	Using several outcomes of decision success and effectiveness.
5. Narrow Interests Dominate <i>(Stakeholders ignored)</i>	Broaden the kinds of stakeholders considered and involved.
6. Relying on Easily Available Information <i>(Stories and "hippos")</i>	Broadening sources of information to include scientific evidence, organizational data, expert judgment and stakeholder concerns.

The preferred outcome is a full understanding of the issue requiring a decision and a question that highlights directions to dig deeper. [4]

Stakeholders

Stakeholders are people whose interests affect or are affected by the organization's decision and outcomes. At times, the stakeholder's acceptance of decisions made by the organization can determine whether the outcome is a success or failure.

Stakeholder evidence differs from organizational evidence as it is the consideration of the decision's effect on the stakeholders, as opposed to the factual data related to the decision.

Types of Stakeholders: [3]

DIRECT	INDIRECT
Direct stakeholders are those that are directly impacted by the decision.	
Indirect stakeholders are those that are indirectly impacted by the decision.	

PRIMARY	SECONDARY
Primary stakeholders are those that the organization has their main responsibility to think about in the decision.	
Secondary stakeholders are those that the organizations have less of a responsibility to think about in the decision.	

INTERNAL	CONNECTED	EXTERNAL
Internal stakeholders are the teachers and administrators.		
Connected stakeholders are the students and parents.		
External stakeholders are the government, communities and society at large.		

Stakeholders

INFLUENCE & INTEREST

Interested stakeholders are those that perceive that they could be harmed or benefit from the decision.

Influential stakeholders are those that have the power make the decision a success or failure.

Relevancy occurs when we consider having a high level of interest in the decision and a high level of influence.

Stakeholder Analysis:

Identifying who the stakeholders are is probably the most critical to the short- and long-term success of the project. Stakeholders are anyone affected by the project, not just those in the initial meetings, and they may have different levels of input or involvement during the project. A stakeholder analysis helps identify the following:

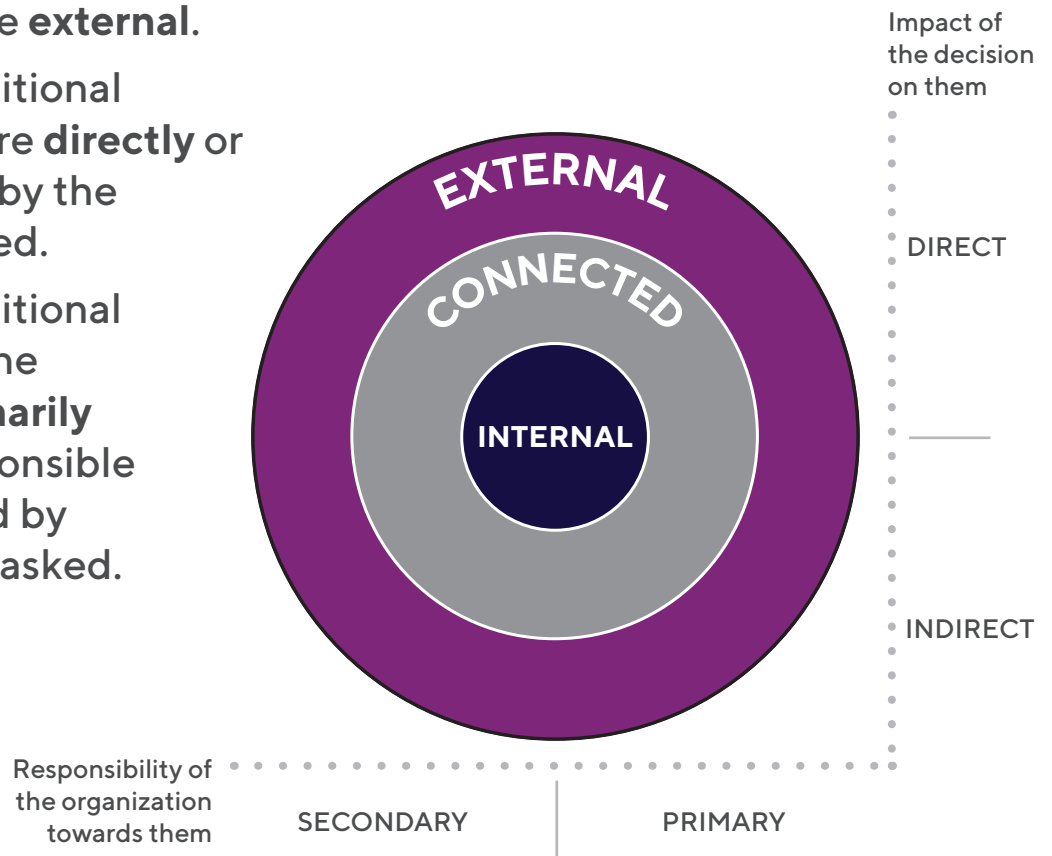
- The interests of all stakeholders, who may affect or be affected by the project.
- Potential issues that could disrupt the project.
- Key people for information distribution during execution phase.
- Groups that should be encouraged to participate in different stages of the project.
- Communication planning and stakeholder management strategies during the project planning phase.
- Ways to reduce potential negative impacts and manage negative stakeholders.

Stakeholder Activity

To identify those that should be in the room making decisions, a stakeholder analysis should be done.

Step 1 ^[3]

- Brainstorm stakeholders of the question being asked that are **internal**.
- Brainstorm stakeholders of the question being asked that are **connected** to the organization.
- Brainstorm stakeholders of the question being asked that are **external**.
- Brainstorm any additional stakeholders that are **directly** or **indirectly** affected by the question being asked.
- Brainstorm any additional stakeholders that the organization is **primarily** or **secondarily** responsible for that are affected by the question being asked.



WHY SHOULD I CARE ABOUT EVIDENCE-BASED DECISION-MAKING?

Stakeholder Activity

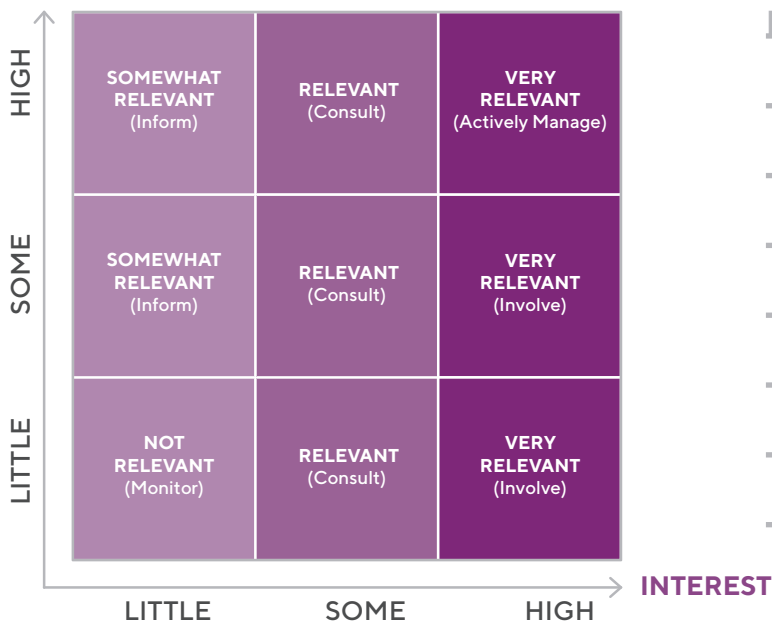
Step 2 [3]

- Rate each of those stakeholders 1-3 (1 being not influential, 3 being very influential) on their influence on the questions being asked.
- Rate each of the stakeholders 1-3 (1 being not important, 3 being very important) on their perception of how important the question being asked is to them.

Step 3 [3]

Assign each person a section in the box below. For example, if a person was rated 1 for influential and 1 for interest, they would be placed in the not relevant box. If they are rated 2 for influence and 3 for interest, they would be placed in the very relevant box.

INFLUENCE



Notes:

References

- [1] Simon, H. (1982) Models of Bounded Rationality: Behavioral Economics and Business Organization. Vol. 2, MIT Press, Cambridge, MA.
- [2] Barends, E., Rousseau, D.M., & Briner, R.B. (2014) Evidence-Based Management: The Basic Principles. Amsterdam: Center for Evidence-Based Management
- [3] Barends, E., & Rousseau, D.M. (2018) Evidence-Based Management: How to use evidence to make better organizational decisions. New York : Kogan Page Ltd
- [4] Rosseau, D. (2019). Making evidence-based organizational decisions in an uncertain world. [online] Cebma.org. Available at: <https://www.cebma.org/wp-content/uploads/Rousseau-2018-Organizational-Dynamics-Evidence-Based-Decisions.pdf>



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