



# MAKING BETTER DECISIONS - EMOTIONALLY

**AS A LEADER**, making decisions is probably one of the most important things you must do. When you think about making decisions our inclination is to be rational and logical. According to researchers, there is a correlation between emotions and decision making. Emotions do affect the way people make decisions.

In Dr. Steven Stein's book, "The EQ Leader", he explains that there are two ways emotions affect your decisions. One of them is called "Incidental", which is the mood you are in when making a decision that is unrelated to the decision you are about to make. For example, you may be sad about a story you read, just before deciding on which two sales managers to hire or you are an anxious person much of the time that is worrying about things you can't control.

The second way emotions affect your decision making is directly when the emotion you experience has been triggered by positive or negative emotional memories because of the choice itself, or from considering the options. These are known as emotional and cognitive biases. In the "Intuitive Decision Making" profile developed by James Andrews, PhD., he suggests that emotional biases are the attitudes and beliefs of a person that are formed and influenced by many factors, including early childhood conditioning and cultural background. On the other hand, cognitive biases are habits and thinking patterns that can cause poor judgements.

## The most prevalent cognitive biases are:

- **Anchoring:** The mind gives more weight that it should to the first information it receives. For example, a coworker says to you: "I think Mary is performing at about 30%. What do you think? Your response may be biased because you have an anchor at 30%".
- **Status Quo:** We have a strong preference for staying with what already exists. For example, you do not support a new idea because you become familiar with the current method of performing the work. "Why rush to change?"
- **Sunk Costs:** Because we would rather not admit mistakes, we have a difficult time writing off investments we already have made. For example, you add up the material and staff time costs for a project. You give those costs a great deal of weight, causing you to reject a new vendor that may do a better job.
- **Confirming Evidence:** We tend to seek out information that supports our existing view and ignore information that disconfirms our existing view. For example, you ask Mike, who most often agrees with you, to render an

opinion, but avoid George, who tends to challenge your decision.

- **Framing:** Once we think we understand a problem, it can be difficult to break out of that way of understanding the problem, even if our initial understanding is inaccurate. For example, you must negotiate with a vendor. You frame your approach as a pure price negotiation, preventing you from generating creative options such as forming a partnership instead.

- **Estimating/ Forecasting:** Our minds are not well suited to make estimates in the face of uncertainty. We tend to be conservative, influenced most by what just occurred, and overconfident about our accuracy. For example, you are trying to estimate the value of setting up e-commerce on your website. Even though you do not have access to any real data on e-commerce sales, everybody is talking about it, so you estimate a 40% increase in sales. You make this estimate with such confidence that the company invests heavily in e-commerce.

Problem solving is associated with being conscientious, disciplined, rational, methodical, systematic, and persevering. The key is a desire to do your best and confront your problems in the face of doubt, stress, time pressures, and adversity. Making better decisions with emotional intelligence involves increasing self-awareness to start recognizing mental patterns and gut feelings as physical cues faster.

If you are a leader who wants to improve performance, decision making, and relationships through emotional intelligence development, please contact us to learn more about "The Emotionally Effective Leader" Workshop. ●




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### ABOUT JOE

Joe Bacigalupo, MBA, MPEC, ACPEC is a Managing Partner and an Executive Advisor at AlliancesHub International, LLC.

AlliancesHub offers Change Management and Strategy Consulting, Talent Optimization and Analytics, Leadership Development, and Executive/ Leadership Coaching services.

- [www.allianceshub.com](http://www.allianceshub.com)
- [info@allianceshub.com](mailto:info@allianceshub.com)
- 469-287-2086