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LEAD BETTER BY SEEING MORE

In this over-information age, an alarming number of business plans fail because leaders ignore the facts needed to make sound decisions. Misguided perspectives can be blamed on a lack of data, wrong data or the inability to understand relevance. Even in hindsight, some leaders fail to see what went wrong.

A fast-paced culture requires precise planning, effective decisions and timely actions, all relying on dependable information. Leaders who want to move their organizations forward must gather evidence, ask the right questions, verify presumed facts and decipher vast amounts of data.

Business plans suffer when:

- Leaders ignore available information.
- Necessary data aren't acquired in time to make decisions.
- Data are available, but leaders fail to analyze them appropriately.
- Leaders may choose to overlook key details.

TWO TYPES OF THINKING

Of all the skills leaders require today, perhaps none is as challenging as adequately processing information. The ability to spot holes in data, conceive solutions and analyze results calls for sharp thinking.

Thinking can be broken down into two primary categories, suggests Harvard Business School Professor Max H. Bazerman, PhD, in *The Power of Noticing: What the Best Leaders See* (Simon & Schuster, 2015): intuitive and deliberative.

We employ intuitive thinking during crises, when immediacy is required. Our thinking is instantaneous, with

emotion as a factor, and it produces reactionary responses. We make use of immediate information, or that which initially impacts our senses. Sudden information is generally incomplete, incorporating whatever is available at the moment.

By contrast, leaders sift through information, take time to gather data and draw conclusions when employing deliberative thinking. Such thinking is reasoned and structured, diving deep into the issues at hand. We gather data from non- immediate sources, compiling and assessing it to make a more systematic evaluation.

Leaders frequently—and unnecessarily—put themselves in the intuitive-thinking mode, Dr. Bazerman asserts. They over-rely on speed, neglecting to step back and analyze data. Consequently, they avoid doing sufficient research and make ill-informed decisions and plans.

Leaders fail to use information efficiently in three distinct ways, each with a specific cause and solution.

MISSING WHAT'S IN FRONT OF YOU

Bombarded with more information than they can effectively process, leaders can miss things that are “hidden in plain sight.” Information overload causes important facts to be overlooked. Leaders commonly bemoan how something so obvious wasn't caught. In the fallout, outsiders critique these oversights and question leaders' abilities.

During the mortgage lending frenzy of the mid- 2000s, for example, institutions and agencies were drowning in their efforts to track interest rates, loan traffic, the housing boom and profits. Telltale data revealing the risk of loan defaults were completely available, yet most missed this critical aspect of the lending environment.

Dr. Bazerman and a New York University colleague coined the term “bounded awareness” to describe how we consistently miss readily available stimuli. Our desired goal becomes our overwhelming mission, despite realities that can upend the best- laid plans. When leaders are so caught up in one situational aspect, they fail to observe another, leading to dire problems. Think of the manufacturer who's so obsessed with delivery deadlines that he overlooks reports of quality problems.

Leaders can overcome bounded awareness by broadening their perspectives and thinking beyond their typical frame

A message from Nancy...

Let me ask you:

- Are the people on your team engaged and committed or just collecting a pay check?
- Do you have the right people in the right seats on the bus? Are you in the right seat?
- Is the high cost of turnover eating away your organization's bottom-line?
- Are your processes and procedures (or lack thereof) delivering productive and efficient results?
- How comfortable are the members of your senior team managing and leading others?

In today's highly competitive environment, it's no surprise that “what got you here may not get you there.”

At Proffitt Management Solutions we are fully committed to providing a unique blend of team and individual development and executive coaching sessions where participants achieve more focus, a sense of purpose, and better results in their leadership roles.

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of reference. Careful consideration of issues always trumps a cursory glance. Bringing in a more diverse, cross-functional team is paramount. Leaders make better decisions when their teams answer critical questions:

- What type of information is appropriate, and which should be discarded?
- Do we have all the data we need?
- If not, where do we access more information?
- How accurate are the data we have?
- Have we examined all the issues at play?
- Is there anything we haven't considered?

If leaders have a vested self-interest, they may skew information to support their emotional position. Such motivated blindness alters reality to make us see what we want to see (and miss the details we'd rather ignore). A retail-chain founder may believe in his brand and company legacy so passionately that he fails to notice its outdated sales approach, which is turning customers toward more progressive competitors.

To preserve self-esteem, a leader may have a self-serving bias, which causes a false sense of reality. The status quo seems rosy, and problems go unnoticed. These leaders often wonder why those around them seem troubled and continuously point out problems.

Leaders can counteract a self-serving bias by seeking guidance from a trusted colleague, mentor or professional coach. Work on seeing things from others' perspectives to broaden your views and ensure decisions benefit others first (i.e., how can I best help my people?).

Leaders with too narrow a focus limit their observations to major issues and ignore the minor, yet nonetheless important, ones. Equally problematic is a preoccupation with one specific matter that pulls focus from the big picture. This inattentive blindness often plagues leaders and is caused by distractedness.

Leaders can defeat inattentive blindness if they learn to step back from a situation and deliberately examine secondary and tertiary issues. Know that the most effective solutions are achievable only when problems are attacked holistically, not as a series of disconnected parts.

IGNORING WHAT'S HIDDEN FROM VIEW

Understandably, information outside the forefront is harder to observe, but it may be the most critical to obtain. Details not initially obvious often have the greatest impact, and their elusiveness causes leaders to underestimate them.

Immediate thinking, where intuition and emotion dominate, often prevents leaders from considering hidden information. Some leaders believe that if they cover the obvious items, most issues will be under control. This dangerous mindset regards small details as non-critical and not worthy of inspection.

Consider the leader of an electronics firm who cuts costs and introduces a cheaper version of a product his competitors provide. His company makes significant investments in design, retooling and advertising. Unfortunately, he ignored known R&D research that would have alerted him to new technology that will render his product obsolete.

Gradual-change blindness also causes leaders to miss information. When a series of small changes occur, they may be subtle and, on their own, go unrecognized. But their collective effect is dramatic, and leaders may be lulled into thinking that nothing is really happening as gradual shifts play out. Leaders realize something's wrong only when it's too late.

Remember the tale of the frog placed into a pot of cold water on the stove? When the burner is lit, the water heats gradually, but the frog doesn't notice. When the water reaches a boiling point, it's too late: The frog is cooked. Had the frog been immediately subjected to boiling water, he would have jumped out of the pot.

Like the frog, people tend to overlook minor changes. An engineering leader, for example, may not observe his team's attempts to streamline proven product-testing processes. A series of minor concessions may go unnoticed until the final product displays major deficiencies. By then, it's too late to make reasonable corrections; the project has failed.

Leaders can prevent gradual-change blindness with a timeline view of recent progress. Seek help from those with personal knowledge who can clearly and objectively present the facts. Take regular snapshots of how a situation develops to avoid surprises and reduce risks.

NOT WANTING TO SEE THE TRUTH

Oversights caused by ineffective thinking seem innocent and unintentional. However, those caused by self-serving motives deservedly draw more criticism. Emotional blind spots are problematic, but rejecting unfavorable data is inexcusable.

Some leaders believe everything must go their way, with a predetermined outcome in mind. They include only the information that supports their position and overlook anything to the contrary.

Pride also impacts perception. Some leaders think they have nothing left to learn. Additional information isn't required because they know it all and are convinced they're right. Overconfidence or conceit ruins their judgment.

A seasoned sales director, for example, may push aside the latest customer price target information, boasting of his successful track record. He insists his charm and negotiating skills will close the deal. Unfortunately, all the good-ol' boys are gone, and his customers are now sharp, methodical number crunchers who can outthink him.

Taken to an extreme, a prideful bias becomes a conflict of interest. Leaders make decisions to benefit themselves, either directly or indirectly, at the expense of colleagues or the organization itself. This behavior is typically rooted in fear of failure.

Conflicted leaders are extremely difficult to work with. The challenge increases with leaders who refuse to admit mistakes and intentionally disregard data that damage their position or self-esteem. Leaders most interested in saving face cause catastrophic problems: failed

projects, staff resentment and disengagement, and declining team performance.

Some CEOs are known for inflating their reputations by acknowledging only positive achievements as they prepare to face their board of directors. Information that disfavors their leadership is cast aside.

Leaders who request assistance from a reliable colleague, mentor or executive coach will minimize prideful bias, Dr. Bazerman suggests. Feedback from someone who monitors your style and behaviors allows you to recognize prideful tendencies and minimize the roadblocks they cause in your decision-making.

Better observation skills lead to improved insights, decisions and results. You have only one opportunity to get something right the first time. Make it happen by seeing as much as you can.