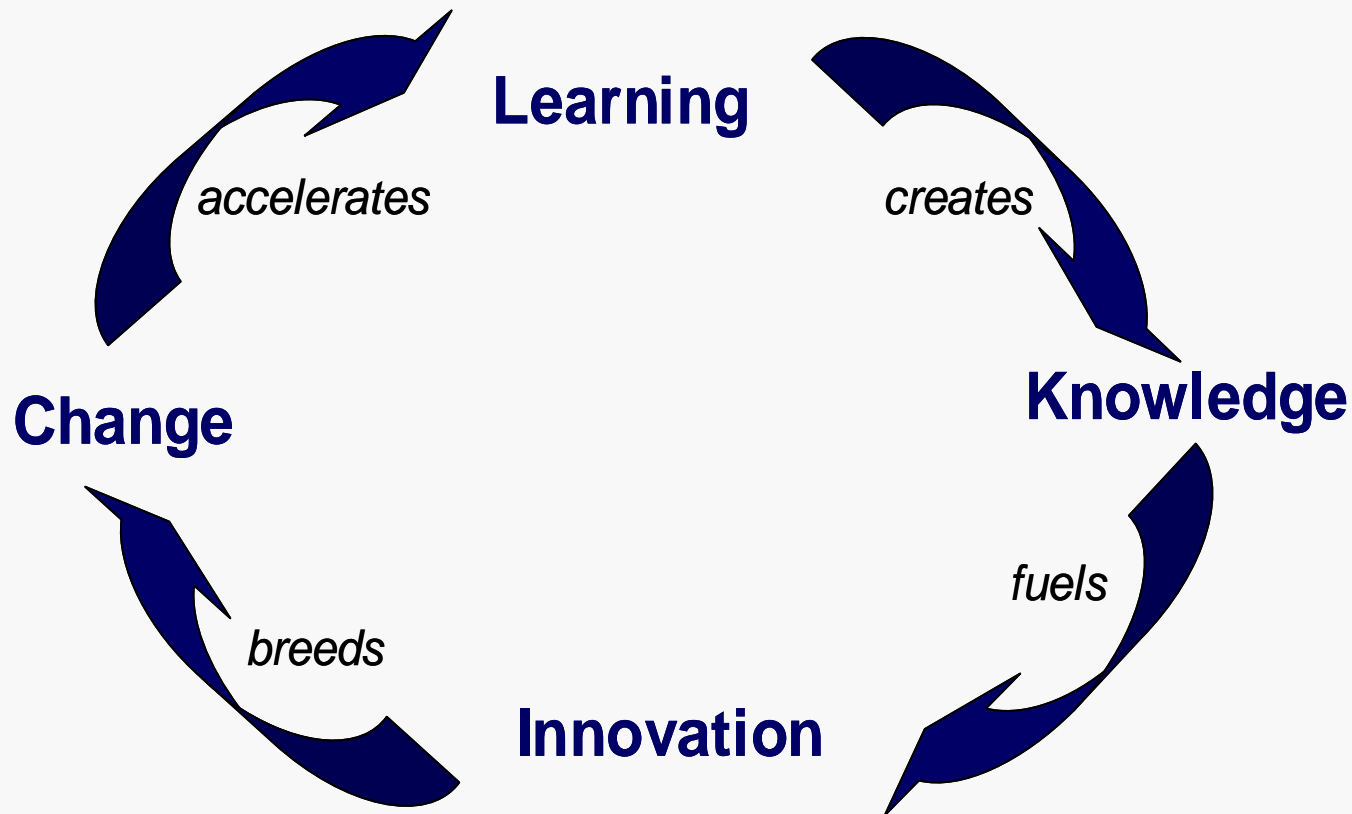


Decision making and organisational growth in a knowledge-based organisation

Adaptive decision making

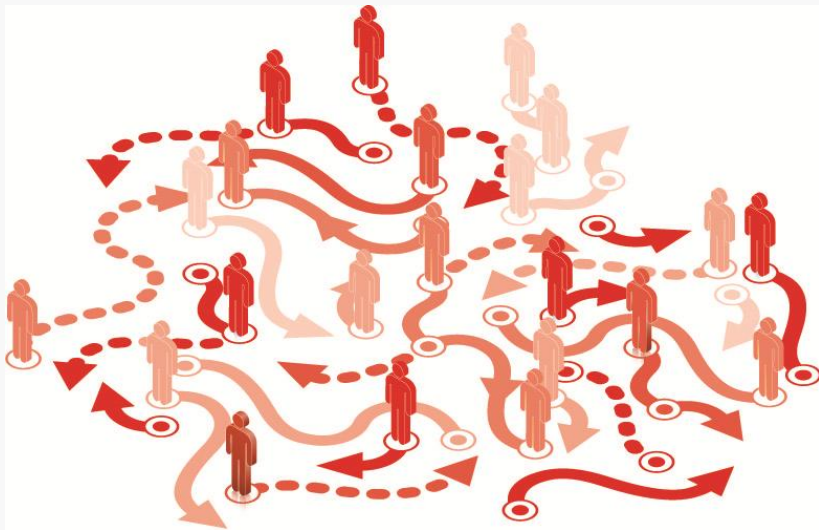
- *“The art of leadership is to be able to bridge different perspectives”*
- *“Even when you have drawn a line, you’ve still got to keep it flexible”*
- *“I’ll have to be thinking about the needs of all these different people, all the time, that means I have to suspend speed. The best solution is usually to pause and reflect”*
- *“There’s always value in going back around and look at that track again and seeking for more inside facts”*
- *“I am very, very open to other people’s sensitivities”*

Adapting through learning

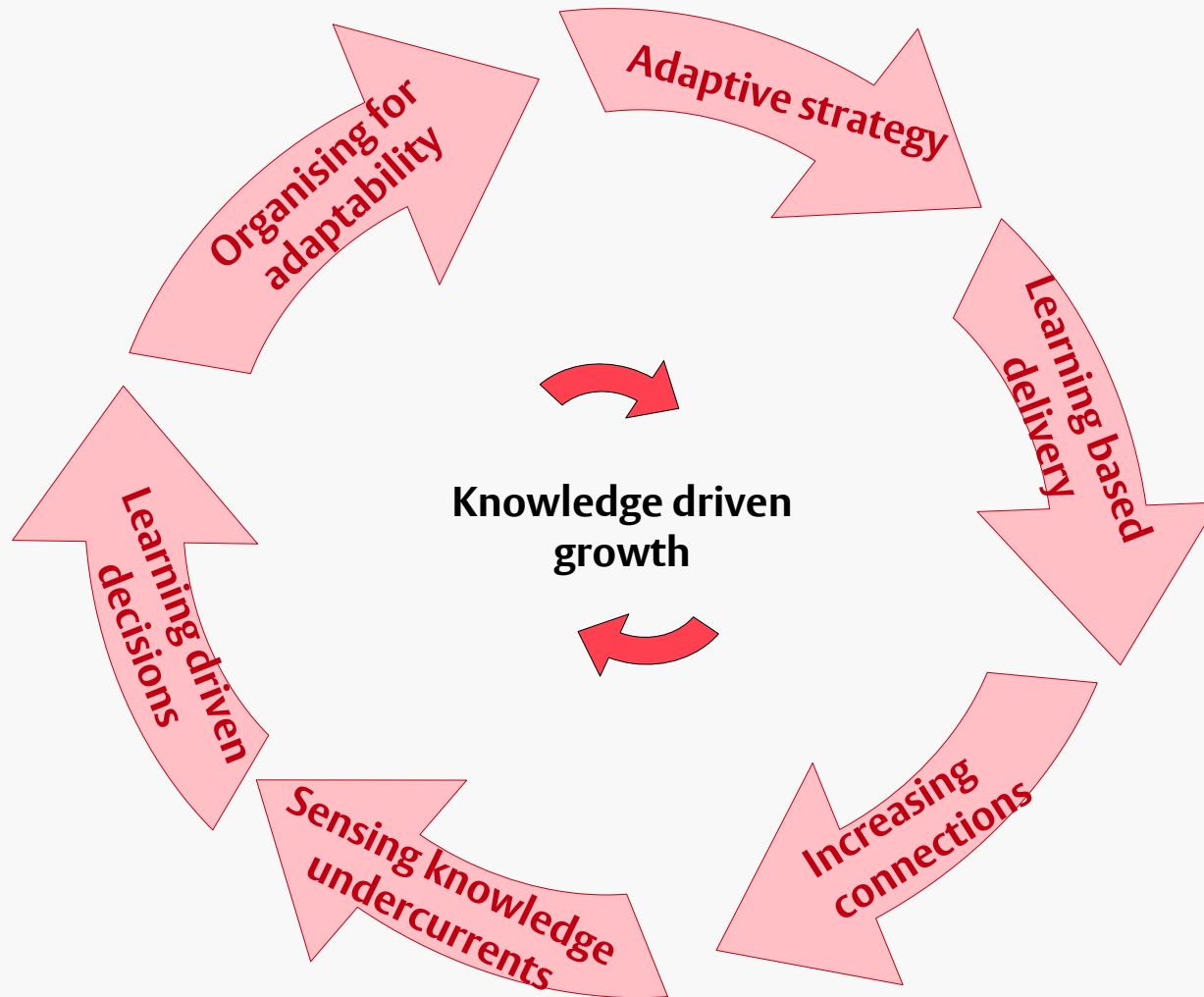


(Birchall and Tovstiga, 2005)

Jobs have become more specialised



- Increased job specialisation makes it more **difficult to see the bigger picture**.
- This reduces the capacity for meaning-making, **reducing the potential for deep learning by individuals**, which translates into reduced potential for the organisation as a whole to learn.



Growth through change / innovation

Creating new knowledge that wasn't available to the organisation

- Needs new ways of looking at things.
- Gives the capacity to change and respond very differently to emerging conditions.



Efficiency

Improving the way existing knowledge available to the organisation is used

- Needs continuous improvement and learning processes.
- Helps reduce costs / improve quality

Key challenges

There are challenges in achieving a dynamic balance between efficiency and growth that need to be acknowledged and thought through in the unique context of every organisation.



Organisational ambidexterity



Organisational ambidexterity is the capability to reconcile internal tensions and conflicting demands, in particular the capability to both exploit existing competencies and explore new opportunities.

Contextual ambidexterity is “*the behavioural capacity to demonstrate alignment and adaptability across an entire business unit.*”

(Gibson and Birkinshaw, 2004)

Adopting a capability-based approach to decision-making



Our objective: Identify factors that will enable managers to help build decision-making capability in their organizations as the internal and external environment evolves.

Human decision making

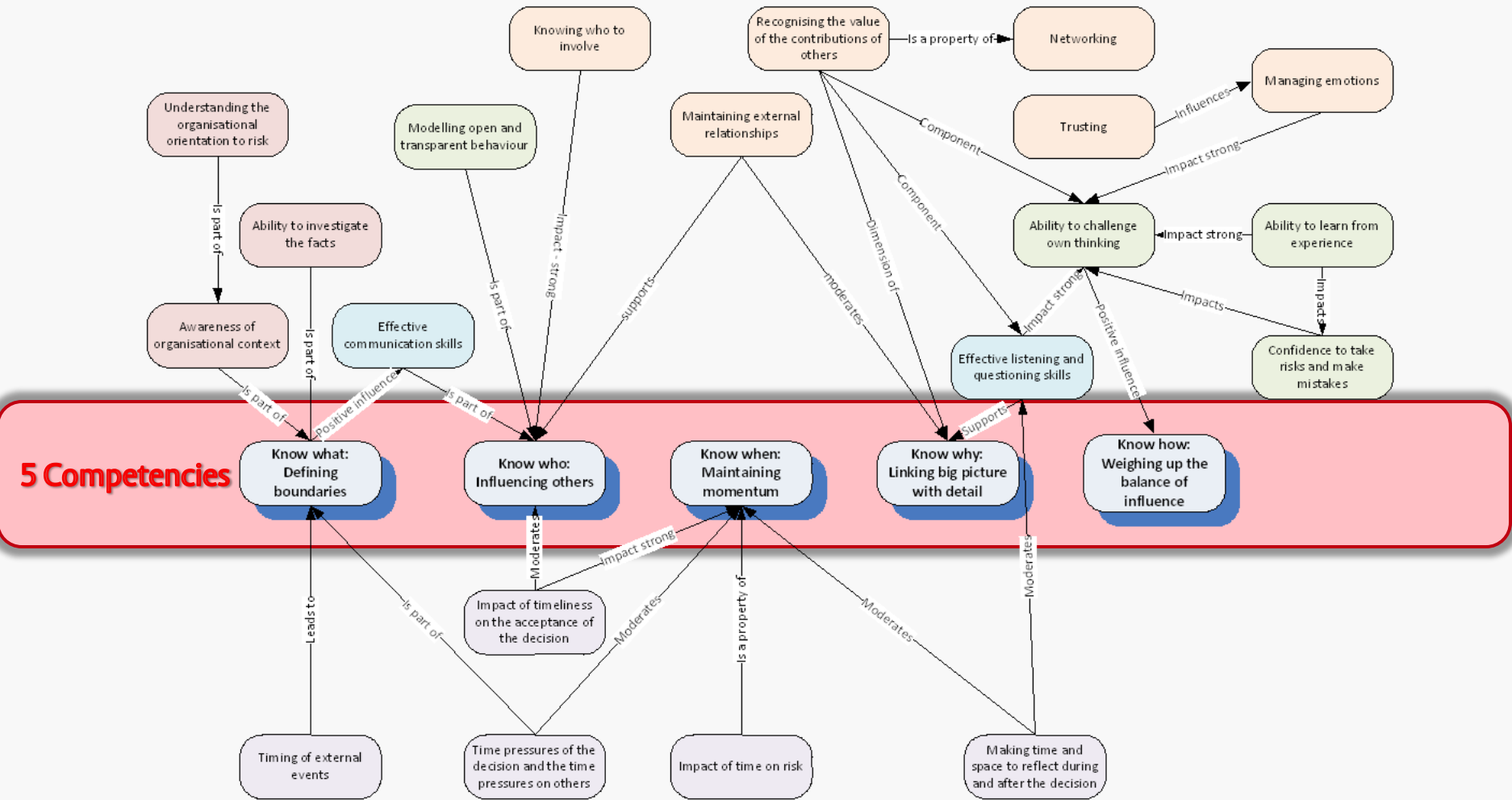
- Flawed people with incomplete information seek to make good enough decisions through negotiation with others. (*Cyert and March 1963*)
- We adopt heuristics to speed up decision making, but these create traps. A large number of cognitive and emotional biases have been identified – mitigating the risks of these biases involves improving access to knowledge or increasing individual or organisational reflection. (*Tetlock, 1991*)
(*Hammond, 2006*)
- The organisational environment influences responses – highly turbulent environments can mean that decision traps potentially have an even greater effect. (*Eisenhardt 1999*)



Constructing a maturity model

Factor \ Level	Using experts	Using technology	Using internal and external collaboration	Organisational learning about decision making	Developing individuals as decision makers
Ambient					
Accepted					
Applied					
Ad-Hoc					
Aware					

Developing decision makers



Skills and abilities underpin the competencies

Awareness of time in relation to the effectiveness of decision making

- The timing of relevant external events.
- The time pressures of the decision and the time pressures on others.
- The impact of timeliness on the acceptance of the decision.
- The impact of time on risk.
- Making time and space to think and reflect during and after the decision.

Contact details

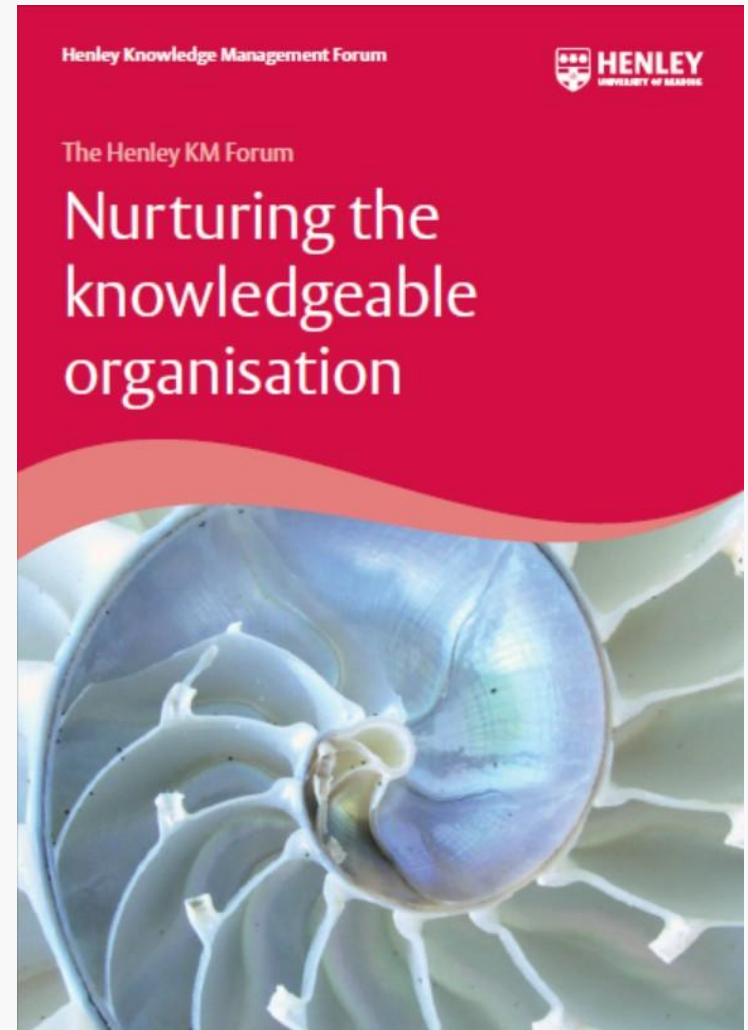
This work was carried out as part of the research agenda of the Henley Knowledge Management Forum based at Henley Management College in the UK.

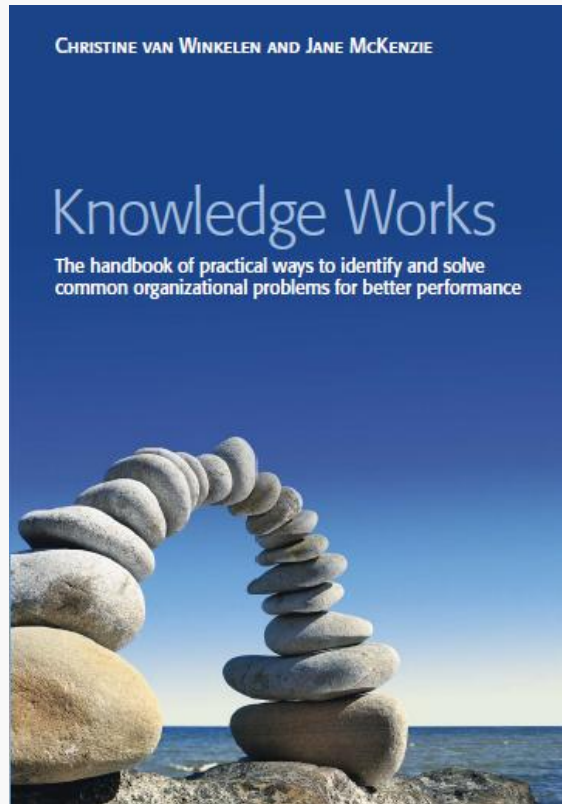
www.henley.reading.ac.uk/kmforum

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10 years of Henley KM Forum research

Download the slides, maturity model and coaching framework from:

<http://www.knowledgeworkshandbook.com>

You can also view a webinar on this knowledge and decision making research at:

http://www.reading.ac.uk/henley/html/HTML_Emails/Henley_Webinar_email_Oct_2011.html