

The MYSTERY DECISIONS leaders make

Why do leaders make strange decisions when it comes to people?

When we monitor remotely, we observe carefully, we listen attentively, and we analyze thoroughly, and then we laugh silently at the mysteriousness of decisions that management are taken. We don't take things at face value.

Cynicism and distrust are rampant in today's business environment. Eighty percent of employees want nothing to do with their organizations, or the managers who run them. Great management principles, once the backbone of successful companies, are now often used and manipulated by corporate leaders for their own gain. If left unchecked, these formerly great principles turn into malpractices that damage morale, thwart productivity and destroy companies.

The mystery decisions refer to unethical, illegal and/or ad-hoc decisions by managers that harm the organization, its employees or its stakeholders. They can include actions such as embezzlement, insider trading, harassment, discrimination, abuse of power, and negligence. In addition, to causing financial losses, management malpractice can also damage the reputation of the organization, leading to a loss of trust from customers, investors and employees. It can also result in legal action, regulatory fines, and even criminal charges.

To prevent management malpractice, organizations should have strong ethical guidelines and compliance programs in place. This includes educating employees on ethical conduct, promoting transparency and accountability, and establishing clear reporting channels for misconduct. It is also important for organizations to regularly assess and monitor their risk exposure to potential management malpractice and take appropriate measures to mitigate those risks.

Mystery decisions refer to decisions that are made without a clear understanding of the underlying reasons or motivations behind them. These decisions are often made in complex or ambiguous situations where there is a lack of clear information or conflicting information. Mystery decisions can be challenging because they require individuals to make choices without a full understanding of the consequences or risks involved. This can lead to uncertainty and anxiety, especially if the decision has significant implications for the individual or the organization.

To navigate mystery decisions, it can be helpful to gather as much information as possible and seek advice from trusted sources. This can involve conducting research, consulting with experts and seeking out the opinions of colleagues or mentors.

It is also important to be aware of biases or assumptions that may be influencing the decision-making process and to approach the decision with an open mind.

Ultimately, when making mystery decisions, it is important to recognize that there may be no clear or perfect solution. Instead, it may be necessary to weigh the available information and make the best possible decision given the circumstances.

Here are a few examples of these decisions that many of us have witnessed through the years:

1. In pursuit of finding professional people to join the organization, we keep looking for talented and competent members that have the right educational background and experience, going through hundreds of CVs and numerous of interviews. Then, we find the candidate, but we make two mysteries' decisions:

FROM EGYPT



BY PROF. DR M AMR SADIK

VP Dimensions Consulting Ltd. UK

- a. The candidate is overqualified (nonsense statement), so we drop them;
 - b. We offer less than what the candidate deserves.
2. During the annual performance review, the employee, accomplished all objectives and tasks as required, perfectly done, but we insisted on making two mysteries' decisions:
 - a. We give 4 out of 5 rating, because there is always room for improvement;
 - b. We give 4 out of 5 rating, so the employee can't ask for a raise or promotion;
 - c. We give 4 out of 5 rating because this is company policy.
 3. We came up with the annual training plan as well as career development for individual employees who will be promoted, but once again make these mystery decisions:
 - a. The employee must sign a declaration that he/she will continue with the organization for at least two years after returning from the career development program, otherwise the costs will be deducted from his entitlements if resigns;
 - b. Attending the training program will be after official working hours.

WHERE THINGS WENT WRONG

Instincts and hunches may have a comforting influence on day-to-day decisions, but when it comes to major strategic choices and matters of great complexity, intuition doesn't often get a seat in the C-Suite. Leaders are more likely

to rely on hard evidence and data, logic and rational analysis to support their biggest and most important decisions. But these kinds of decisions the mind can't comprehend, and they also don't make any sense.

Decisions are the coin of the realm in business. Every success, every mishap, every opportunity seized or missed stems from a decision someone made - or failed to make. Yet in many firms, decisions routinely stall inside the organization, hurting the entire company's performance. The culprit? Ambiguity over who's accountable for which decisions. Think of the above-mentioned meaningless decisions and ask yourself the following questions:

- Were the decisions right?
- Were they made with appropriate information?
- Were the right people involved, in the right way?
- Was it clear for each decision?
- Who had the final say?
- What is the impact on moral?
- Was it matching with organizational culture?
- Were the decisions based on appropriate facts?

From my own personal analysis, people decisions in the majority of organizations are taken randomly and spontaneously with no considerations for the general impact of moral or deep analysis on the consequences.

Personally, I, remember that, at the beginning of my career, I faced a similar decision. As an Assistant Personnel Manager, I was running the entire department without a department head, and was ready to take up the post of Personnel Manager, since my performance was above management expectations, but, one day, the General Manager called me to his office, and ironically said, "We know that you are up to the post, but we can't promote you as the company policy dictates that we have a European department head."

A few months later I resigned to join another company. So, companies hide behind policies when it comes to people decisions.

Peter Drucker once wrote: "People decisions are the ultimate - perhaps the only - control of an organization. People determine the performance capacity of an organization. No organization can do better than the people it has. The yield from the human resource really

determines the organization's performance."

There can be a multitude of reasons why people make such decisions. Here are some possible factors:

1. **LACK OF INFORMATION:** Sometimes people make decisions without having all the relevant information or without fully understanding the implications of their choices. This can lead to poor decision-making;
2. **COGNITIVE BIASES:** Our brains are wired to take shortcuts when making decisions, which can lead to biases that distort our judgment. For example, confirmation bias, where we only look for information that confirms our pre-existing beliefs, can lead to poor decision-making;
3. **EMOTIONS:** People may make decisions based on their emotions rather than rational thinking. For example, they may make decisions based on fear or anger rather than careful analysis;
4. **PRESSURE:** People may make decisions under pressure, such as time constraints or social pressure from peers. That can affect their judgment;
5. **LACK OF EXPERIENCE:** People may lack the necessary experience or expertise to make informed decisions in certain areas;
6. **OVERCONFIDENCE:** People may be overly confident in their abilities to make good decisions, leading to overestimating their knowledge or skill level;
7. **PERSONAL VALUES AND BELIEFS:** People's decisions may be influenced by their personal values and beliefs, which may not always align with what is objectively the best choice;
8. **RANDOM CHANCE:** Sometimes even the most informed and rational decision can turn out to be wrong due to random chance or unexpected events.

BLACK HOLE OR BLACK BOX

In the context of Human Resource Management (HRM), a "black hole" typically refers to a situation where job applicants or employees feel that their job applications, resumes or inquiries are disappearing into a void without any response or feedback from the company. As for the term "black box" it refers to a situation where the decision-making process

of HRM is not transparent, and it is difficult for employees or job applicants to understand why certain decisions were made.

So, whether you want to call it this or that, this phenomenon needs to disappear because such decisions are harming the organizations and its culture, and eventually it impacts on the brand and degrades performance.

We don't want to manipulate employees' career progress, we don't want to give untruthful hopes, we don't want to give false statements (people are the most important assets), but we need to practise what we preach and be human.

Human capital is a valuable asset of a company. If managed properly, these assets can create sustainable competitiveness for the organization. Therefore, the effective management of these assets is imperative. Human capital in the form of competencies, motivation, skills, innovation owned by employees is an important factor that can improve company performance.

Satisfaction with HR practices plays a role in influencing employee attitudes and behaviors, there is a positive relationship between HR satisfaction and affective commitment.

CONCLUSION

There are no more important decisions within an organization than people decisions, and it ought to be said that thorough analysis can prevent the collateral damage and harm that will be created by mysterious decisions. We need to carefully think things through. Prof. Dr M Amr Sadik is VP Dimensions Consulting Ltd. UK, based in Cairo, Egypt. He is an HBR Advisory Council Member, Adjunct Professor IPE Management School, Paris, and of Middle East Programs for, Victoria University, School of Management, Switzerland and HR Professor and Board Member GUEST, Latvia. ■

PROF. DR M AMR SADIK is VP Dimensions Consulting Ltd. UK, based in Cairo, Egypt. He is an HBR Advisory Council Member, Adjunct Professor IPE Management School, Paris, and of Middle East Programs for, Victoria University, School of Management, Switzerland and HR Professor and Board Member GUEST, Latvia

 **ChoiceScreening**

7 Healthy Work Habits



1 STRETCH

Reduce muscle tension by frequently stretching throughout the day.



2 DRINK WATER



Increase energy and relieve fatigue by drinking 8 glasses a day.

3 STAND DURING CALLS

Maintain blood sugar levels and reduce back pain by standing when you can.



4 EAT A HEALTHY LUNCH



Increase your stamina throughout the workday by eating healthily!

5 TAKE QUICK BREAKS

Re-charge by taking quick breaks throughout the day.



6 COLLABORATE



Build a spirit of camaraderie within your team with collaboration.

7 UNPLUG

Taking time off helps maintain a healthy and fulfilling work/life balance!

