

## YOUR DECISIONS ARE EMOTIONAL

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I heard it again last week, “What’s the rush?” Sometimes I hear, “If it isn’t broken, don’t fix it” or the one that really makes me crazy, “We are so much better than we were.” Many a leader has said to me a version of, “You should have known me ten years ago, I was much worse.” My all-time favorite was when an executive, in charge of risk management, yelled at me (complete with a red face), “Our decisions are NOT emotional!”

These comments have one very positive thing in common. They reduce anxiety. If only shareholders cared about that. If only employees admired leaders who make decisions that prevent them from feeling anxious. What if a leader’s need to push their anxiety to the side would prevent competitors from racing ahead or start-ups from eating their lunch? If only great leaders became great because they took the path that demanded little of them.

Great leaders develop self-awareness and self-control. They do this by facing the fact that emotion plays a role in decisions and it should. Why else would people pay \$1,000 for a mobile phone? Why do people spend time touting their choice of mobile phone/computer/tablet and criticizing those who bought a different brand? Why does one executive I know mock me for using a

MacBook while another praises me for my iPhoneX? Emotion.

### **Emotion is the fuel for behavior.**

Human beings make decisions ranging from where to eat lunch and buy a pair of shoes to where to work and when to leave a job based, in part, on how we feel when contemplating a course of action. It may be a small, nagging feeling of little import or a full-on experience complete with sweat and palpitations or thrilling anticipation. The symptoms vary widely with the magnitude of feelings, but the fact remains that people want less anxiety and will do things to reduce it. It is a necessary and adaptive aspect of being human and if we are simply avoiding a restaurant that is a bit pricey for us, no harm. Indeed, good comes from it.

### **A good leader uses emotion and a good measure of self-control.**

What is not adaptive is denial of our anxiety, unease, and fear. This leads to avoidance of contradictory information, unfamiliar people, new experiences, ideas and especially evidence that we are on the wrong track. Careers are ruined by comments made when tension runs high and a leader loses the ability

to recognize their emotion and contain it appropriately. Tony Hayward, former CEO of BP will probably never live down his comment after the Deepwater Horizon explosion and massive oil spill that resulted. I'm sure you recall him saying, "I just want my life back."

A good [leader](#) uses emotion and a good measure of self-control. They don't mistake their own feelings for facts and thus over-react. Neither do they deny emotion, whether their own or others. Rather, they consider both the facts and the emotion – good and bad. Is the idea appealing (emotionally positive) or is it a way to avoid unpleasant emotion?

## **A few questions that you can ask yourself to help sort out the effect of emotion on your decisions:**

1. Am I 'dead set' on a course of action? If yes, why?
2. Is there something or someone I can avoid facing if I make a particular decision? If yes, how much does it matter?
3. Have I received advice that makes me over-cautious? From whom? How credible is their advice?
4. Am I being 'egged on' by others? Nagged? Pushed? Why?
5. Do I hesitate because I fear using my own judgment (which has proven reliable)?
6. Looking back on the major decisions I have made, what do the good ones have in common? What do my mistakes have in common? Who can corroborate my analysis?

In business, too often we think about facts as good things and emotion as something to be avoided, lest it contaminate our decisions. It's tempting to try to manage how much emotion we allow into our decision making, but this fails to take into account the amount of emotion that is present but not in our awareness. Better to accept that our feelings are there and have an impact. A willingness to admit it, sincerely, opens the door to our own growth and ability to make the best decisions we are able.

Charlie Munger, Warren Buffett's long-time colleague, talks about mistakes, studies mistakes and is quick to admit his own. His, and Buffett's behavior is worth studying.

## **What has helped you recognize your own strengths and vulnerabilities in major decisions?**

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- Challenges assumptions
- Seeks to reduce risk, not avoid it
- Serves as a framework in which adjustments are expected and can be accommodated

We advise on any unaddressed issues to help the board and the company move forward. If you have any questions about The Board Mindset, visit [www.theboardmindset.com](http://www.theboardmindset.com) or [contact us](#).