

TO APPROACH
decision-making uncertainty

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Wisdom as a cognitive skill

Companies and their managers are called upon to create the common good, i.e. to balance subjective, organizational, and broader community interests as much as possible.

In this context, **the ability of people** (all of them, managers and not) **to make wise decisions that allow to overcome or mitigate paradoxes**, such as the one between health and economy for a public manager or the one between current efficiency and innovation for a private manager, not to mention the contradiction between short term profit and sustainability, **becomes decisive**.

The cognitive skills that support decision-making wisdom **are measurable and developable, in both people and companies, and have concrete, verifiable impacts on business outcomes**



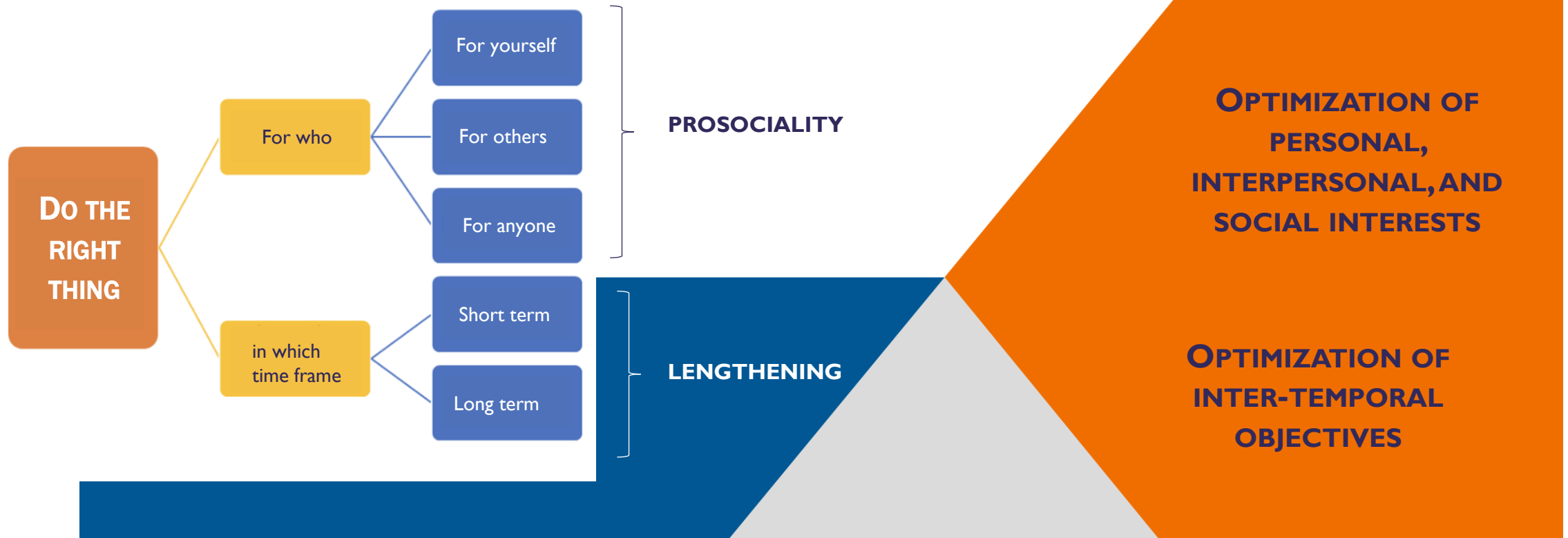


At the beginning... practical wisdom

"A true disposition, accompanied by reasoning, which directs action and concerns things that are good and bad for man.»

Aristotele, Etica Nicomachea, VI, 5, 1140 b 4

What is decision-making wisdom



Wisdom in decision-making means maximising fulfilment of interests that are in conflict with each other, through a) the avoidance of difficulties or creativity in overcoming them (Foresight), and b) the desire to contribute to the creation of the common good (Pro-sociality), which are themselves based c) on the integration of the cognitive, emotional and ethical faculties typical of human beings, and on producing d) **relevant social and economic benefits**

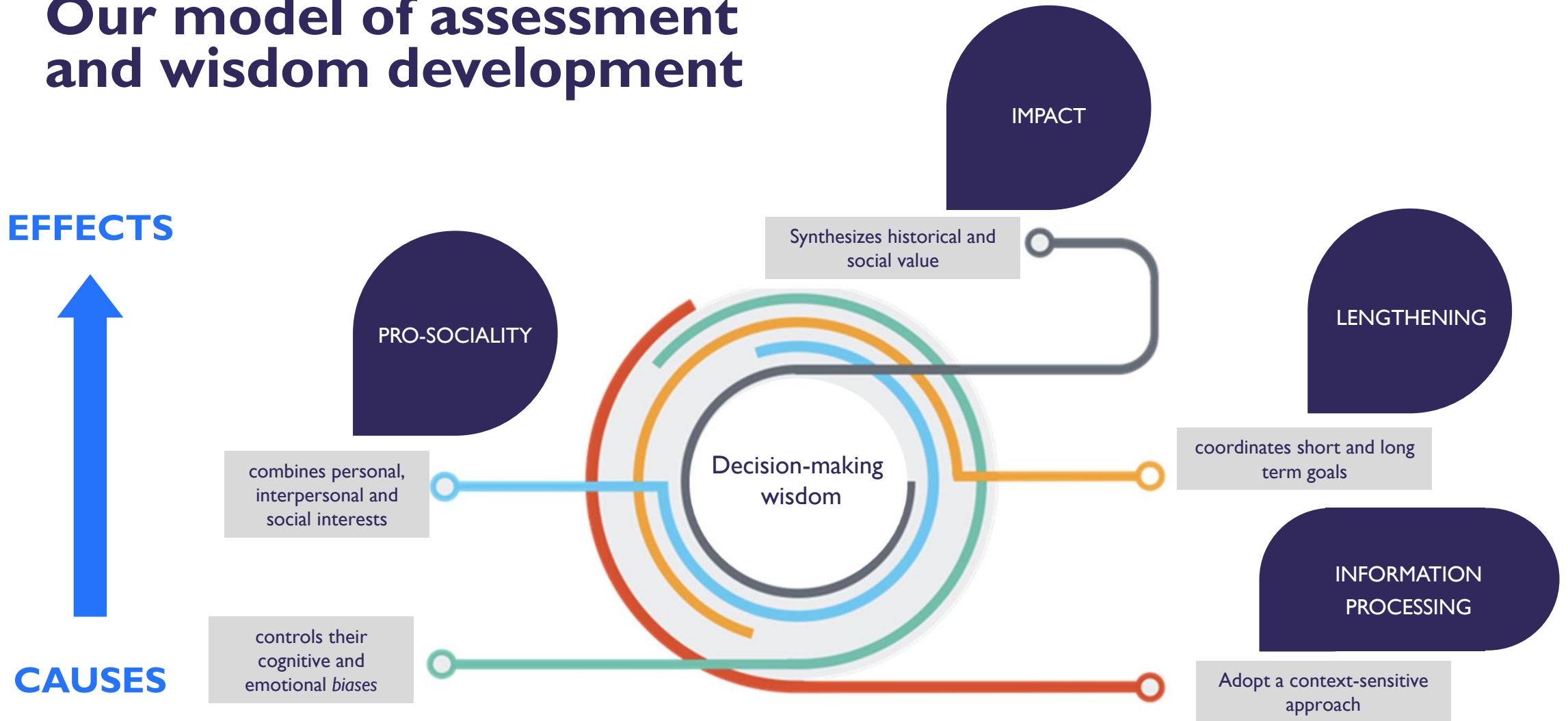
Some observations on decision-making wisdom

As for people, we observed that, given equal conditions, **different individuals respond with greater or lesser "wisdom"** to a same simulated work context particularly complex: it means that some are more able to maximize the value of their actions for the longest possible duration (farsightedness) and for the greatest number of stakeholders (pro-sociality paretiana)

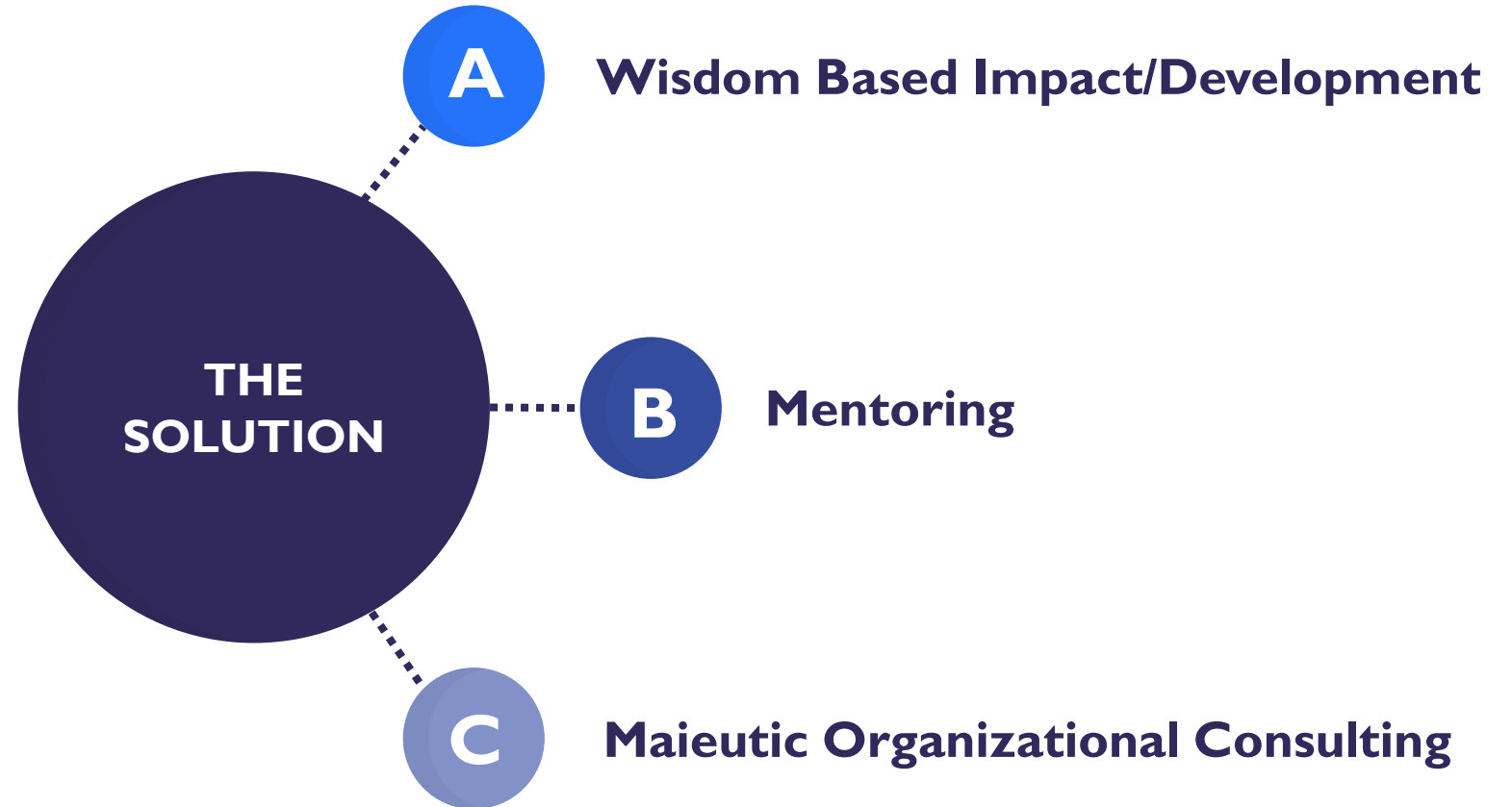
With regard to Organizations, we see that **the wisest** (forward-looking and pro-social) **managers are able to formulate organizational, incentive and operational governance solutions** that can positively influence the quality and wisdom of the decisions made by employees and teams



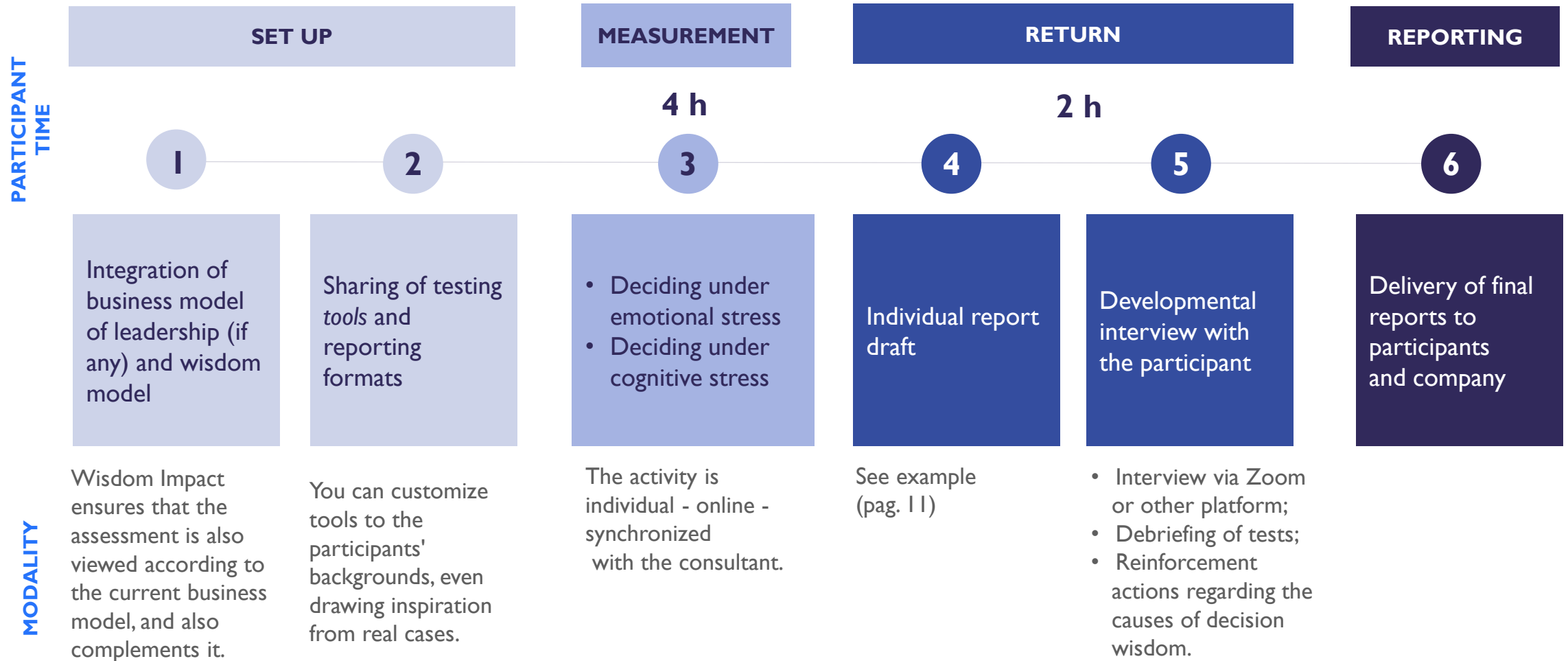
Our model of assessment and wisdom development



**How to assess
and develop the
decision-making
wisdom of
people and
organizations**



A) THE WISDOM BASED IMPACT/DEVELOPMENT

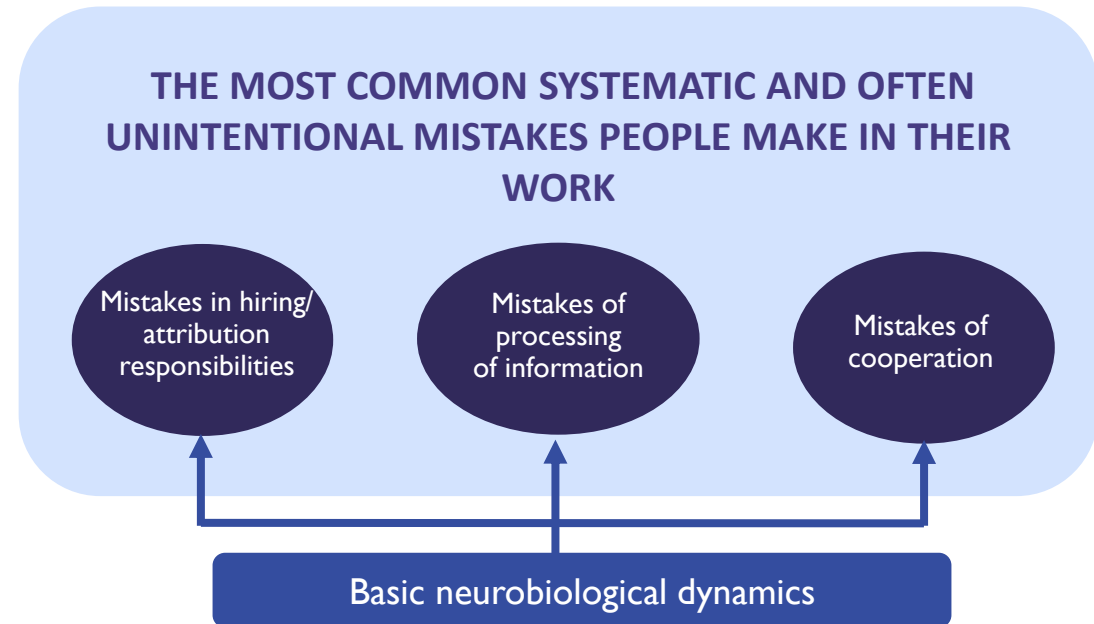


The return of results and development model

Wisdom Impact does **not** assess the participant's abilities but explains why they make the decisions they do and what the impact of those **decisions** is

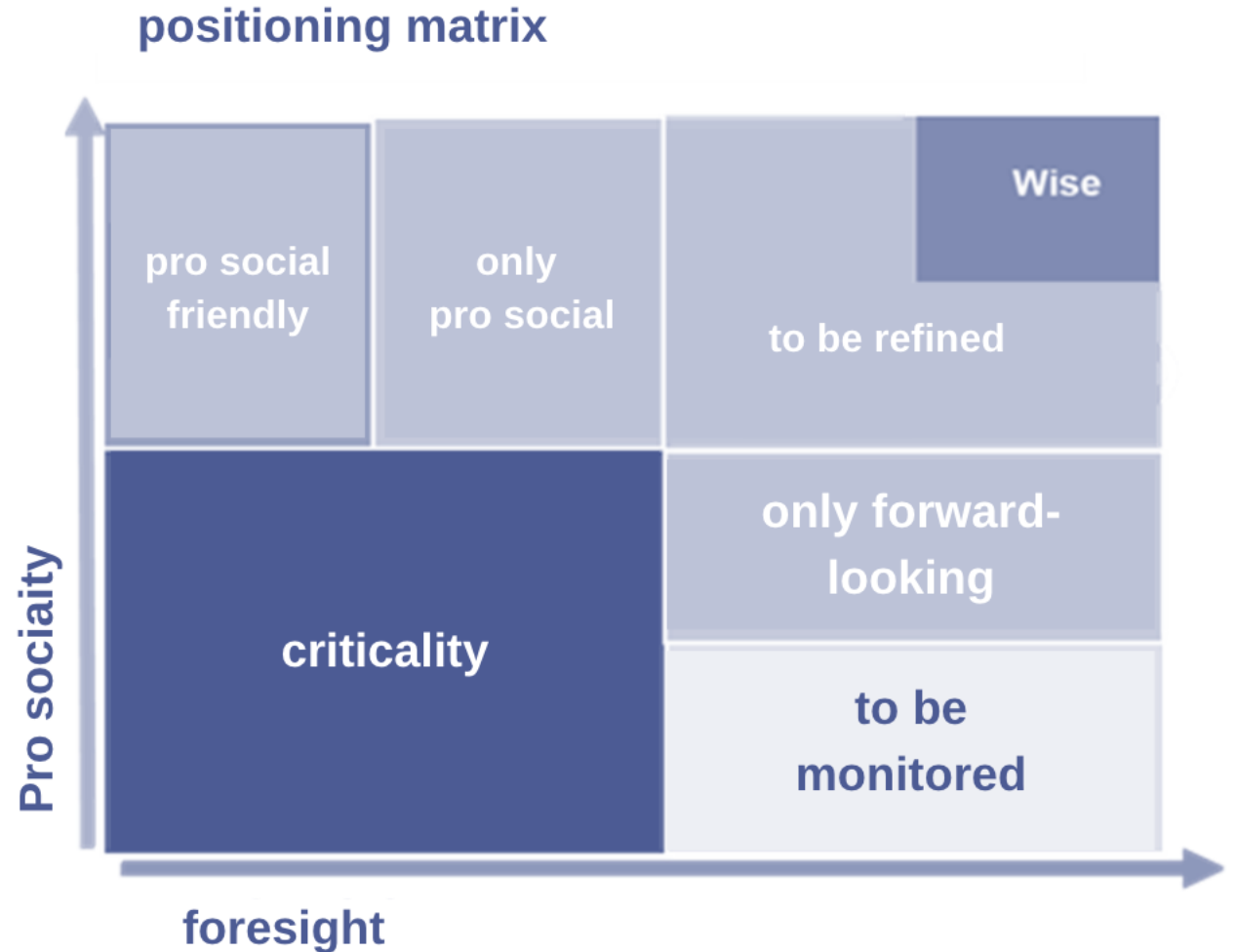
It is shown to the (average) participant that it is possible to improve individual and others' performance *if they value their social-ethical disposition and innovation.*

In detail, it is verified with the participant that the decision-making "errors" committed and found are attributable to (a few) root causes, repetitive and standard, **typical of human functioning under conditions of uncertainty**

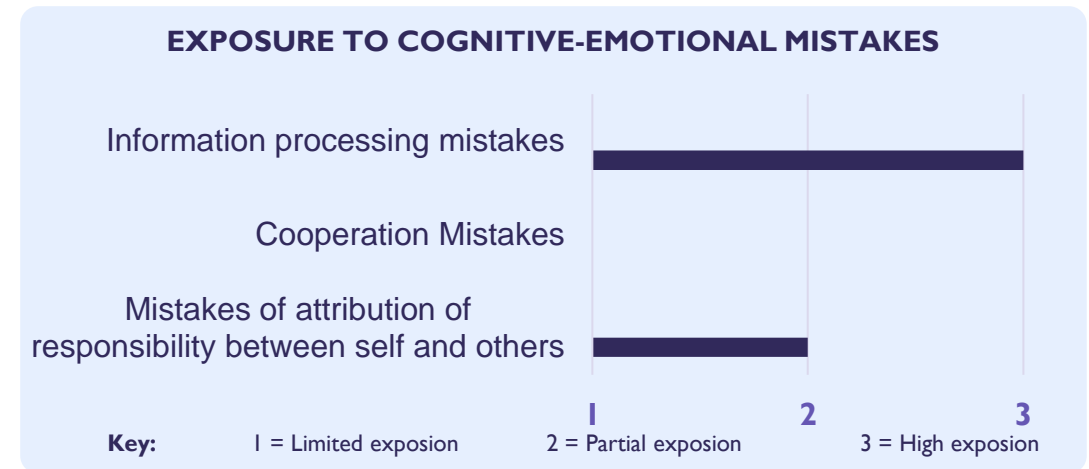
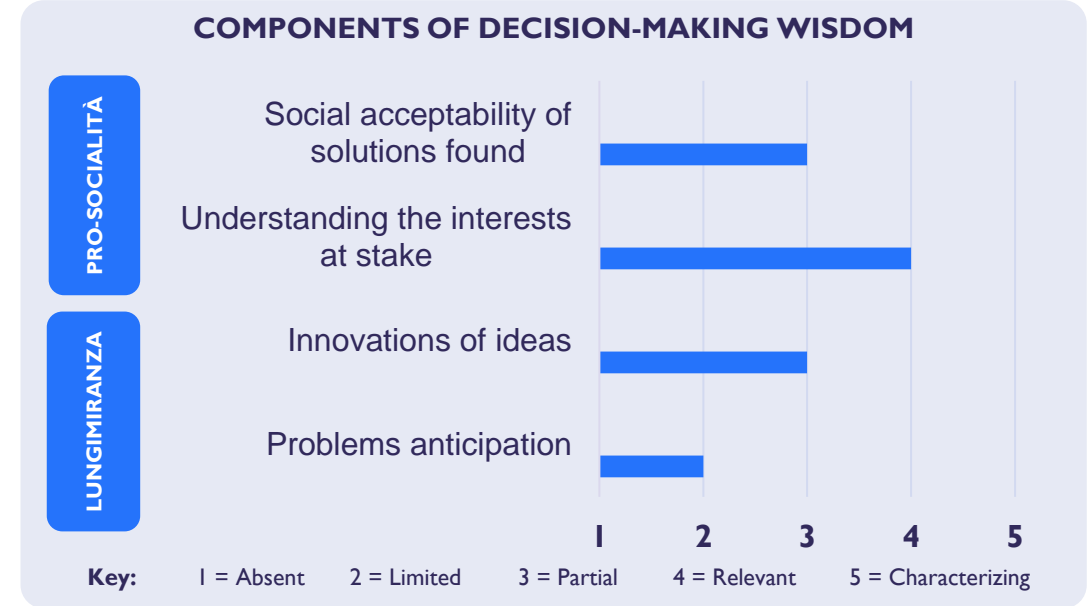
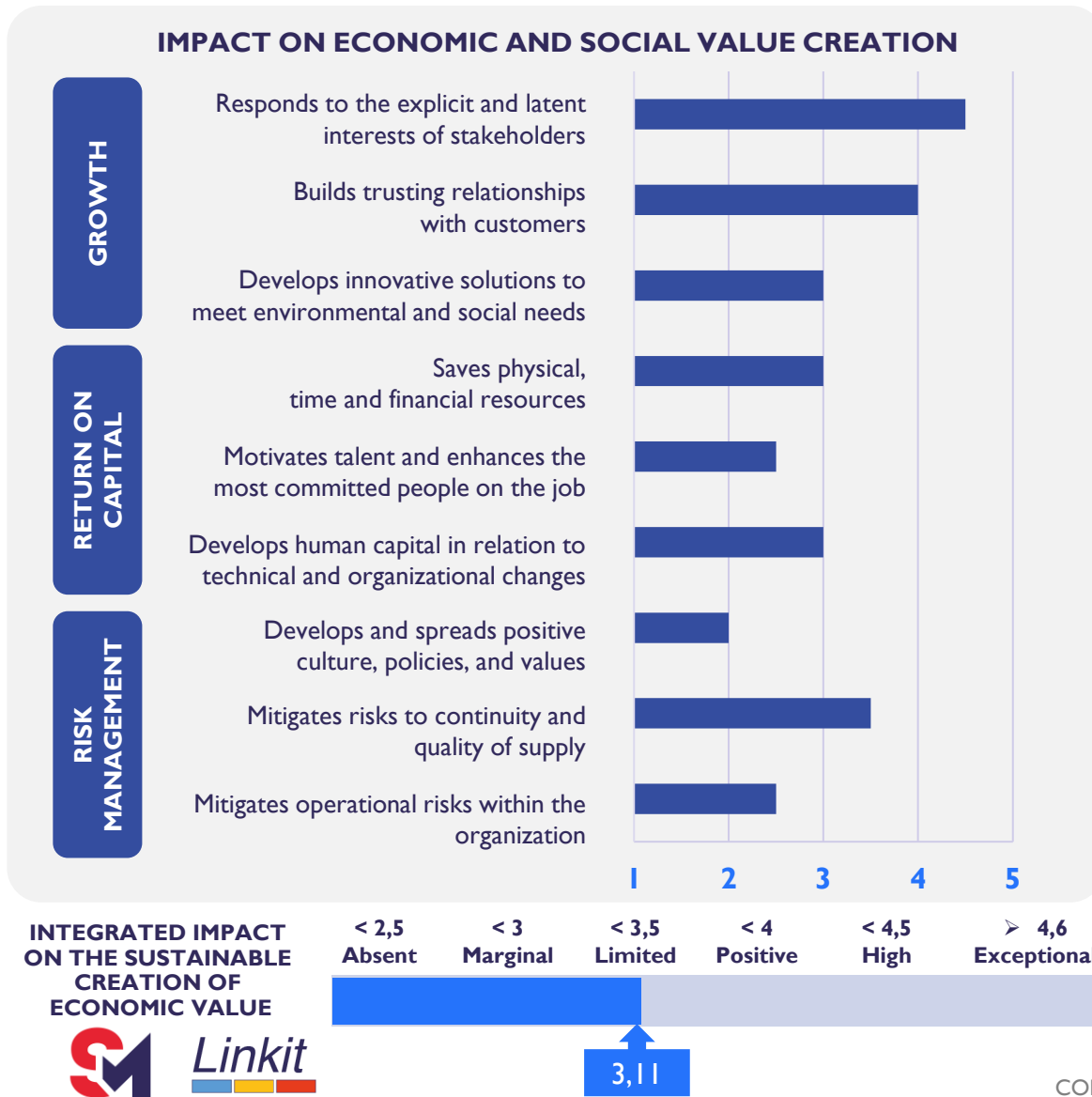


Example of portfolio of Management

- ✓ Pro-social managers tend to be more of an enabler of problems and are not in a position to contribute enough to eco-systemic sustainability.
- ✓ Managers who are "only" forward-looking are able to produce brilliant solutions to problems, but risk having them rejected or obstructed by the stakeholders involved.
- ✓ Wise managers, who combine foresight and pro-sociality, make half as many cognitive errors as others.
- ✓ There is a correlation between information processing errors and the tendency to make excuses for failure or to blame others
- ✓ The wiser a Manager makes decisions, the less he or she distrusts and stereotypes members of groups other than his or her own. At the same time, wise Managers are less likely to behave in a conformist manner within their own group.



Example of quantitative evaluation



B) MENTORING

GOAL:

GUIDE THOUGHT TO ITS
ETHICAL AND
ECONOMIC SUCCESS:

Overcoming your own
bias/noise

Reinforcing the ability to apply
general principles of rationality
to contingent situations

From an environmental, social,
and good governance
sustainability perspective

00

HOW WE MAKE OUR DECISIONS

01

IMMAGINATION

How to cultivate wise
intentions and strengthen the
will to achieve them

02

SENSE OF AGENCY

How to improve self-
governance in decision making,
from (intended) intention to
outcome

03

RESILIENCE AND DECISION-MAKING POLICIES

How to incorporate
experience in a functional way
into the wisdom of future
decisions

C) MAIEUTIC ORGANISATIONAL CONSULTING

GOAL:

ACHIEVE ORGANIZATIONAL CONDITIONS THAT IMPROVE HUMAN DECISION-MAKING

Promoting a critical amount of good practices

Reducing information asymmetries in crucial decision-making processes

Reviewing the rewarding criteria that discourage (even unconsciously) cooperation

00

DESCRIBE YOUR ORGANIZATION'S DEVELOPMENTAL DESIRES AND SYMPTOMS OF DISCOMFORT

01

UNDERSTAND

Analyze organizational and managerial causes that penalize decision wisdom in processes

02

SOLVE

Elaborate solutions by taking cues from innovative organizational models or by customizing the experiences of others

03

APPLY

Launching experiments, counting results, up-scaling what works

Applying decision-making wisdom in real cases



Reducing time on projects



Relaunch of a factory in trouble



Sense of belonging in an engine factory



Increased Revenue in an ISF Network



Service and revenue quality of bank branches run by new directors



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