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THE POWER OF NO

More than twenty years ago when the washing machine market in India was brimming for the first time with a slew of brands and competition was really hot, one company stood out for its outstanding performance. In this company, the CEO was stupefied at the phenomenal performance of one of his zonal managers who went on to receive a massive hike in emoluments and a promotion to the very top of the marketing department.

It so happened that the CEO happened to read an article in a management journal to the effect that success ought to be analysed at least as seriously as failure and one should always be healthily skeptical--use the power of NO. He appointed a Creativity consultant to look into the reasons for the phenomenal performance of the 'star' zonal manager. Unknown to this manager the consultant traveled deep into the territory meeting dealers and end users and thereafter submitted what turned out to be a shocking verdict that led to the resignation of the 'star' manager. It turned out that the end users were using the washing machine to churn *lassi* ! The company quickly realised that this was a health hazard and that the manager was in fact aware of this perverted use of the product.

An oft repeated fault in many organisations is to automatically attribute success to the brilliance of the manager concerned or the team. Failure conversely is attributed rather automatically to incompetence. This is a serious flaw. In the above instance the CEO could have requested the 'star' performer to make a presentation to all the sales staff and share his insights into the strategy and tactics that in fact led to his grand 'success'. In all cases of good performance it is essential to analyse the success factors with a view not to investigate into a possible fraud as in the *lassi* case, but in fact to see if the strategy could be replicated across the organization and also to determine if it was sustainable. In the performance assessment systems of most organisations the focus tends to be on successful outcomes of an executive's efforts. This emphasis is being carried too far in most companies. The result of this overemphasis on outcomes is that little if any

attention is paid to the process by which success was achieved. Consequently good performance based on fortuitous circumstances gets rewarded while a dynamic executive whose performance may not be up to the mark for reasons beyond his control may go unnoticed or even punished. The role of chance factors in successful decision making or business strategy cannot be overlooked.

The decision making process has not received the attention it deserves. In nationalized banks for example it is common for executives to be denied promotion or to be suspended for what the management considers lapses in decision making leading to bad loans. It may benefit these banks to make a study of the correlation between the quality of loans on one side and quality of the decision making process on the other. They, and other organisations that lay stress on 'results' may discover some truths, that could be summarised as follows

O U T C O M E

DECISION PROCESS ↓	GOOD OUTCOME	BAD OUTCOME
GOOD DECISION PROCESS	JUSTICE	BAD LUCK
BAD PROCESS	LUCK	POETIC JUSTICE

Too often for want of adequate awareness of and stress on the process factor, organisations may end up rewarding luck and punishing competence.

In the early stages of the decision process we tend to make a fundamental error, that of not challenging the data available to us. We tend to look at the data and form a viewpoint and then not seek further data. Even in gathering data we tend to look for that which confirms our pre-existing views. We fall into the trap of assuming a certain stance and then seeking evidence that substantiates our stand. This, the 'confirmation bias' is possibly why some of the best thought out and researched decisions often go wrong. People who say that 'seeing is believing' are usually better at believing rather than seeing, said George Santayana. What he referred to is the

phenomenon whereby we actually and unconsciously seek evidence that strengthens our pre-existing beliefs. This bias is perhaps one of the most debilitating aspects of human thinking. Allied with this is the mental filtering that we all do whereby we let into our mind information in a selective fashion. This filtering usually lets in only confirmatory information into our thinking process while conveniently keeping out disconfirming evidence. I had a personal experience recently when a young college student from a South Mumbai college asked my opinion on the quality of college education in Mumbai relative to the rest of the country. I told her that Chennai had some of the best colleges offering quality education,, at which point she reacted almost violently . Obviously I had touched a raw nerve . She was not comfortable with evidence that challenged her pre-existing beliefs. She challenged the basis of my conclusion and when I told her that I relied on surveys done by two major national weeklies she retorted ‘Both these magazines have no credibility in Mumbai anyway’. Of course I assuaged her feelings by honestly stating my reservations about the scientific validity if such surveys. I was aware of the power of NO , the power of healthy scepticism.

While this was a relatively harmless instance, the consequences could be disastrous in the corporate context when decisions are taken with the confirmation bias. It is therefore necessary to be conscious of the working of such a bias and deliberately seek out disconfirming evidence. Some very successful top executives make a fetish, and rightly so, of deliberately encouraging executives who ‘ dare’ to differ from them. Thus Sam Goldwyn used to tell his colleagues ‘I do not want yes men in this organization. I want people to speak their minds even if it costs them their job’. What he meant was that he insisted on disconfirming evidence.

Another top executive used to say at the end of a meeting that since all participants were in full agreement with his views he considered the meeting a waste of time and would summon another one on the same subject when some of his colleagues would prove him wrong!

I once advised a top executive friend of mine to recruit those who aggressively differed from him in the interview and challenged his viewpoint. He tried this tactic with trepidation. He now tells me that these dissenting recruits proved to be the most innovative ones he had ever employed. They had helped him avoid falling into the trap of the confirmation bias. Indeed the power of NO is immense . Parallel thinking, pioneered by Dr.Edward de Bono, is one technique that can help keep out the confirmation bias, and summon the power of NO, more so in a group decision making context.