

# Collaborative Decision Making

Being a good leader requires more than just knowing the right way to do things. It also requires knowing *how to choose the right things to do*. Decision-making is arguably the most difficult, and the most essential, task a manager performs. Effective decision-making makes it possible for organizations to succeed by aligning their resources with their objectives.

Decision-making is hard because of various cognitive and organizational limitations such as [limited memory capacity](#), [framing bias](#), [overconfidence](#), [politics](#), [groupthink](#), [loss aversion](#), [sunk costs](#), [endowment effect](#), [availability bias](#), [anchoring](#), and [representativeness](#). To cope with these and other limitations, managers have resorted to various decision-making strategies, such as [intuition](#) (aka “seat of the pants judgment”), [BOGSAT](#) (“bunches of guys and gals sitting around talking”), [rules of thumb](#), [heuristics](#), [simple tradeoffs](#), [nutshell briefings](#), [satisficing](#), and [misuse of numbers](#).

Executives rate decision-making ability as the most important business skill, but few have the training they need to consistently make good decisions. Decision-making skills are easily taught. Coaching helps decision-makers improve their performance, as it does for athletes.

Next: [Limitations of effective decision-making](#)

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