Evidence-based Management

Let’s begin

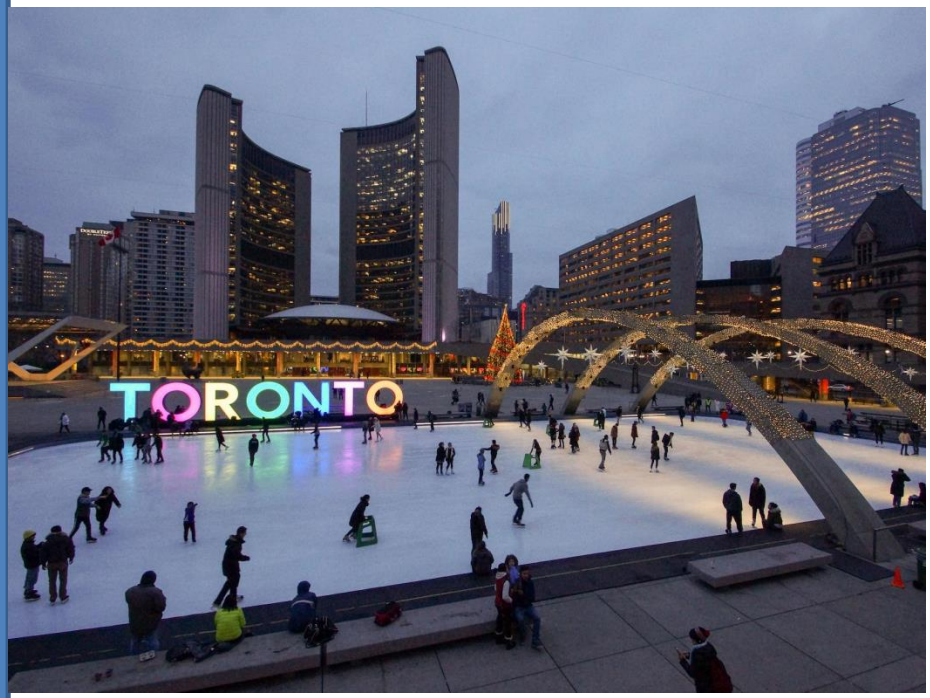
Awarded Fellowship in Centre for Evidence-based Management

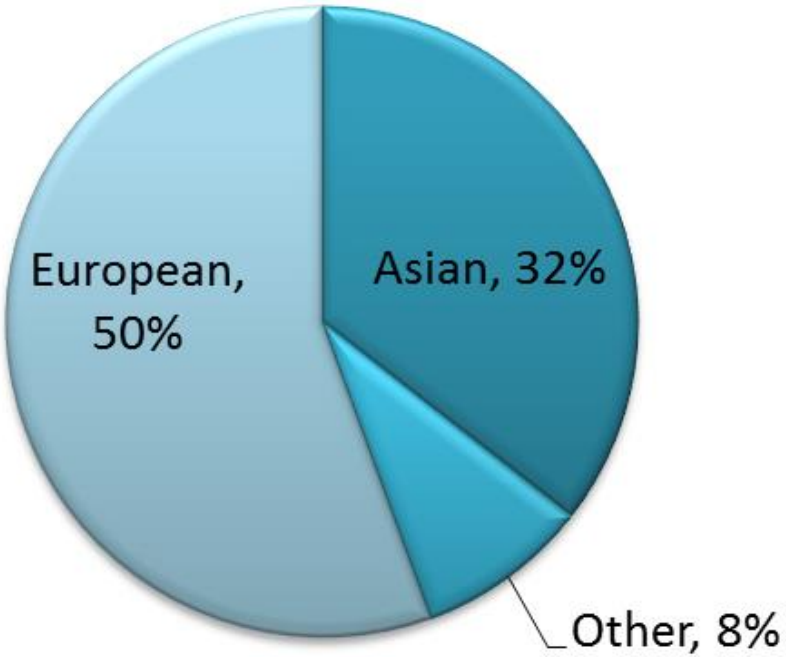
David Creelman
CEO Creelman Research

Winner of the Walker Award for work on *Boards and HR*

Co-author of *Lead the Work: Navigating a world beyond employment*

Collaborator with Henry Mintzberg, Ed Lawler, Dave Ulrich, John Boudreau, Wanda T. Wallace


TORONTO


European, 50%
Asian, 32%
Other, 8%

Let's get focused with feedforward

- Write down *one decision* your department needs to make.

  E.g. "I need to decide what to do about diversity."
  "I need to decide where to post job openings."

- _____
- (30 seconds)

Find another participant and introduce yourself

Say "*My decision is _____. What options should I consider?"*

They give two options.

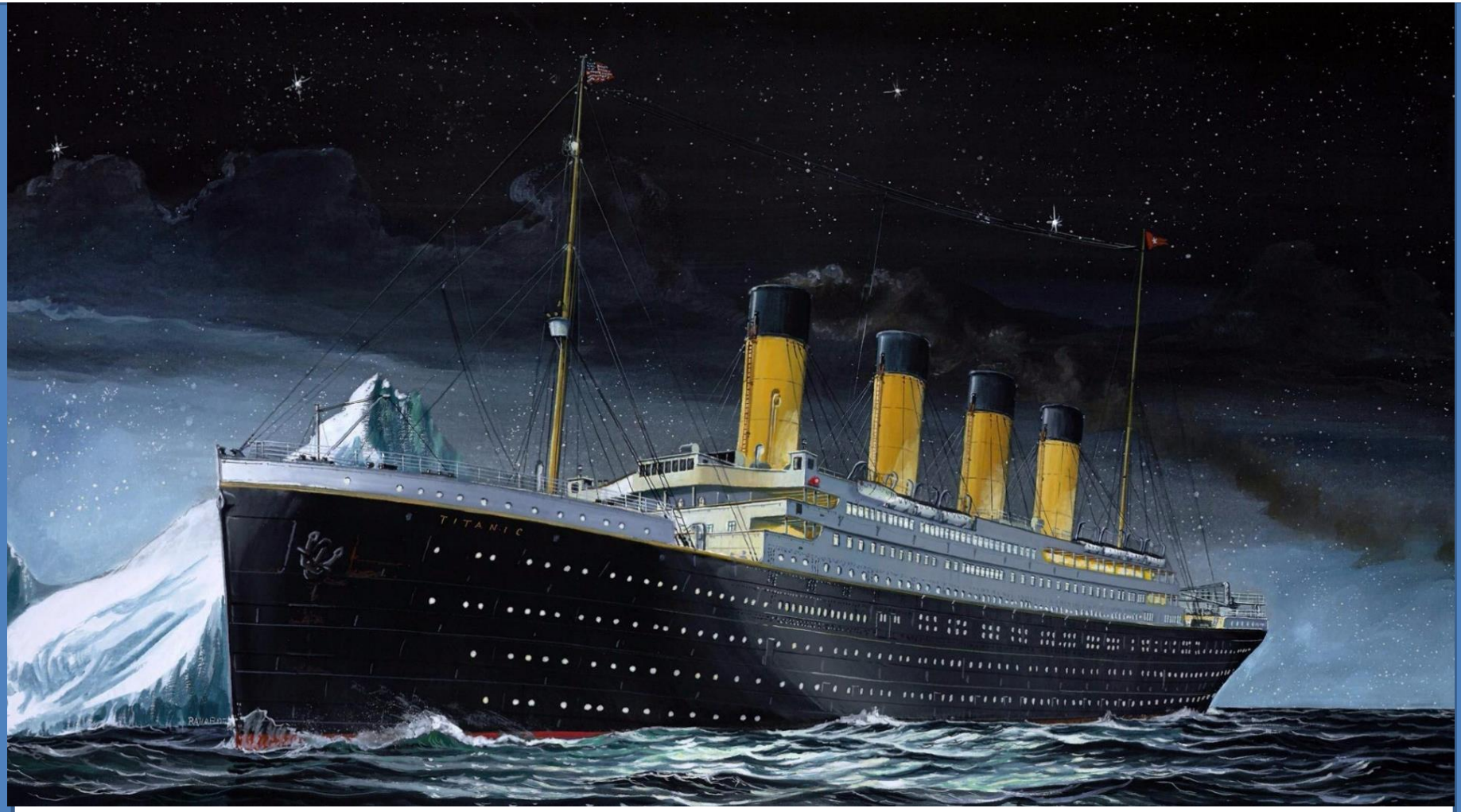
_____

_____

You say *"Thank you. What's your decision?"*
and you'll give advice.

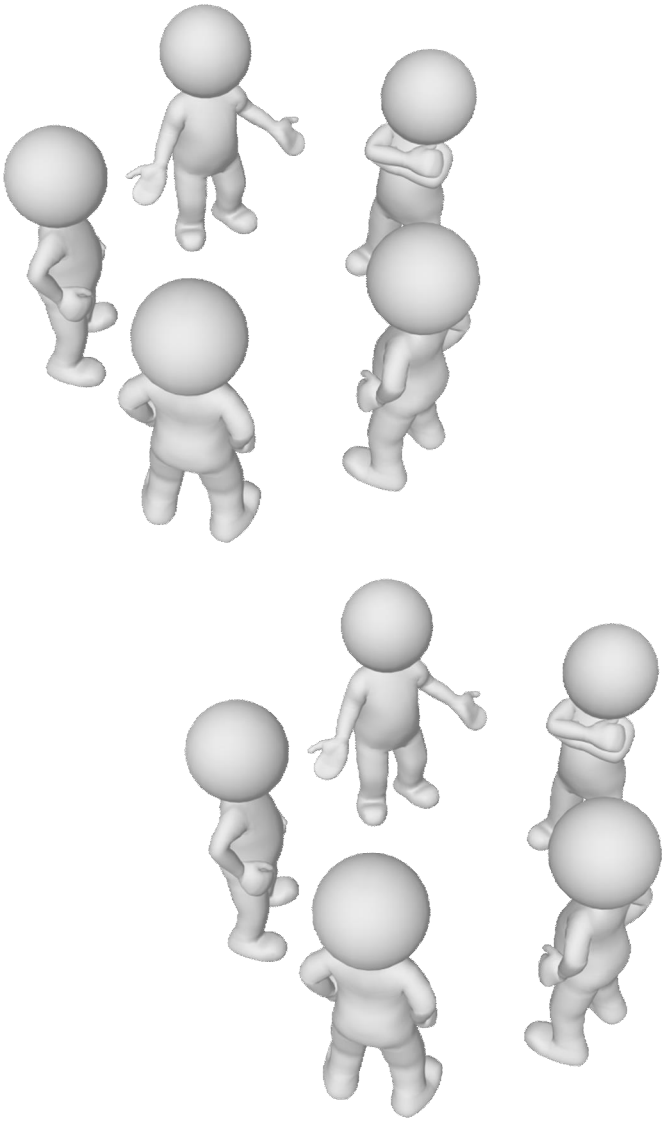
Then repeat with a new participant until the exercise is over.

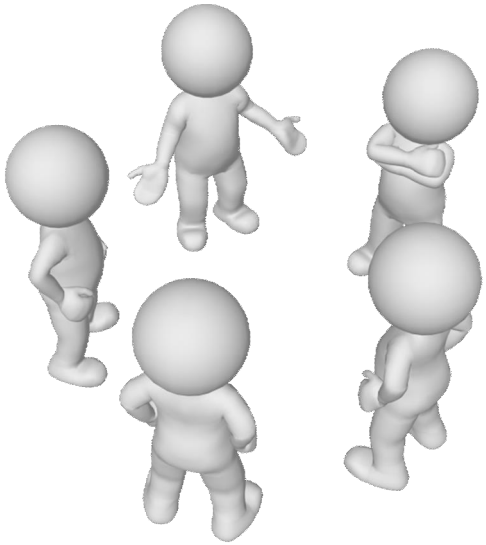
What are we trying to solve for?



When do we need better decisions?

Think of a decision that proved to be a poor one





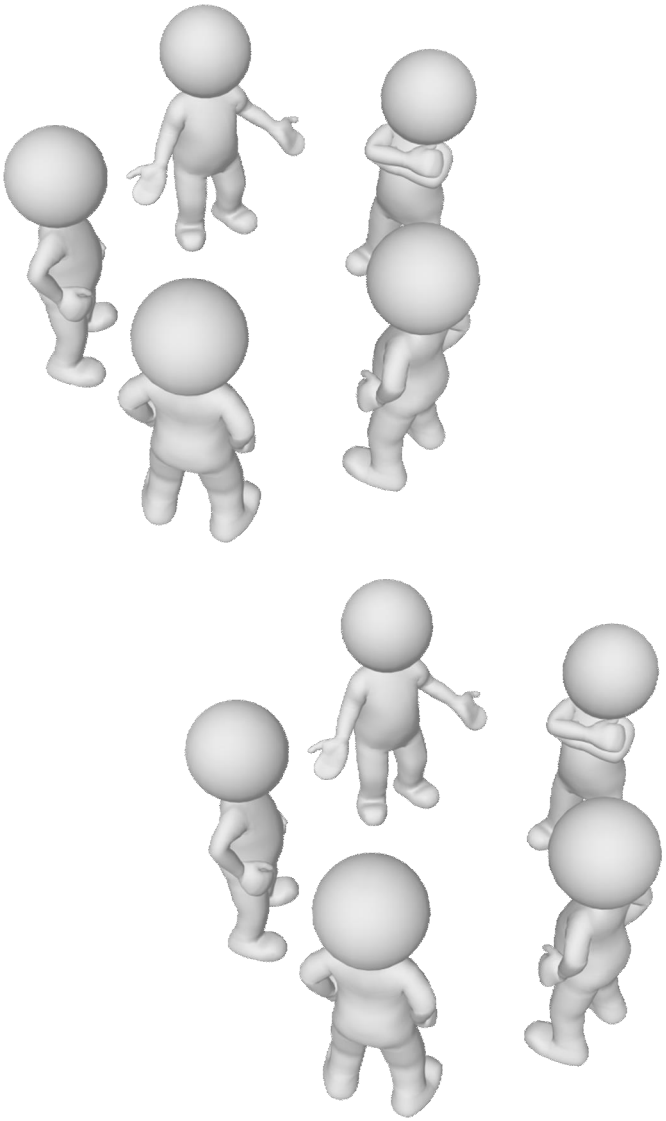
What led to the poor decision?

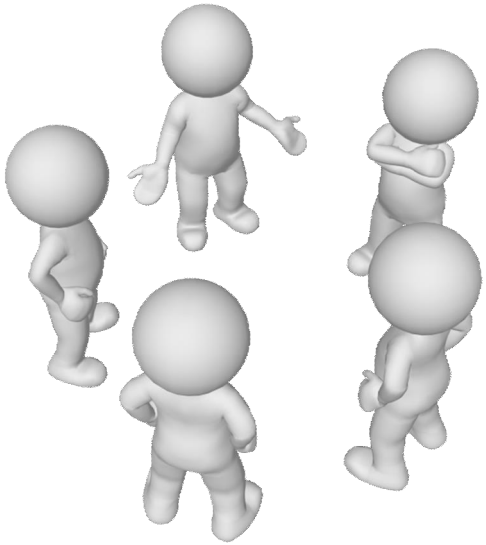
Would more attention to the evidence have helped?

Core Principle of EBMgt

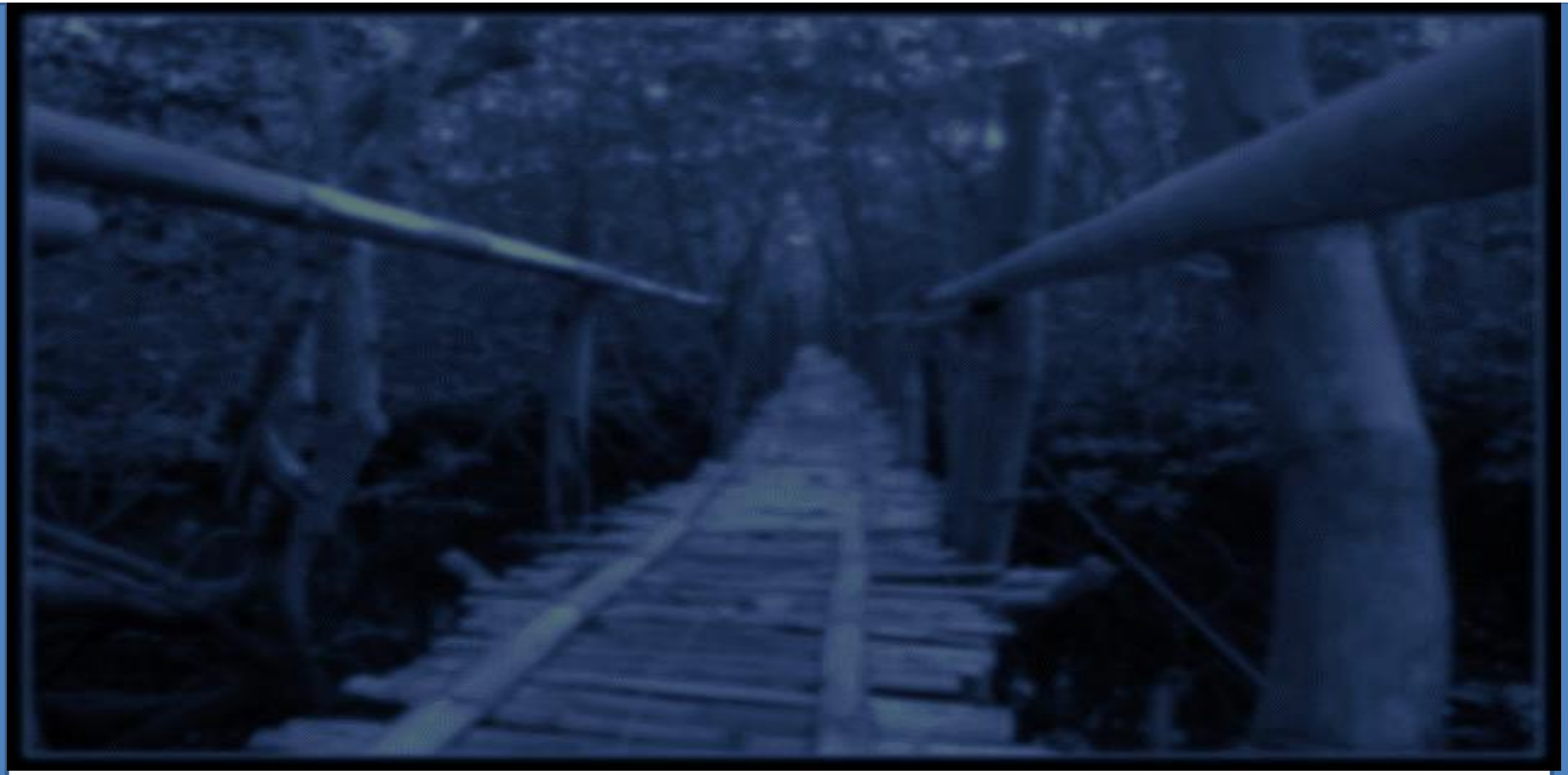
- We should base important decisions based on a review of the evidence
- Not on:
  - Opinion
  - On what others are doing
  - What feels good
  - On what we always did

When is the decision process dysfunctional?

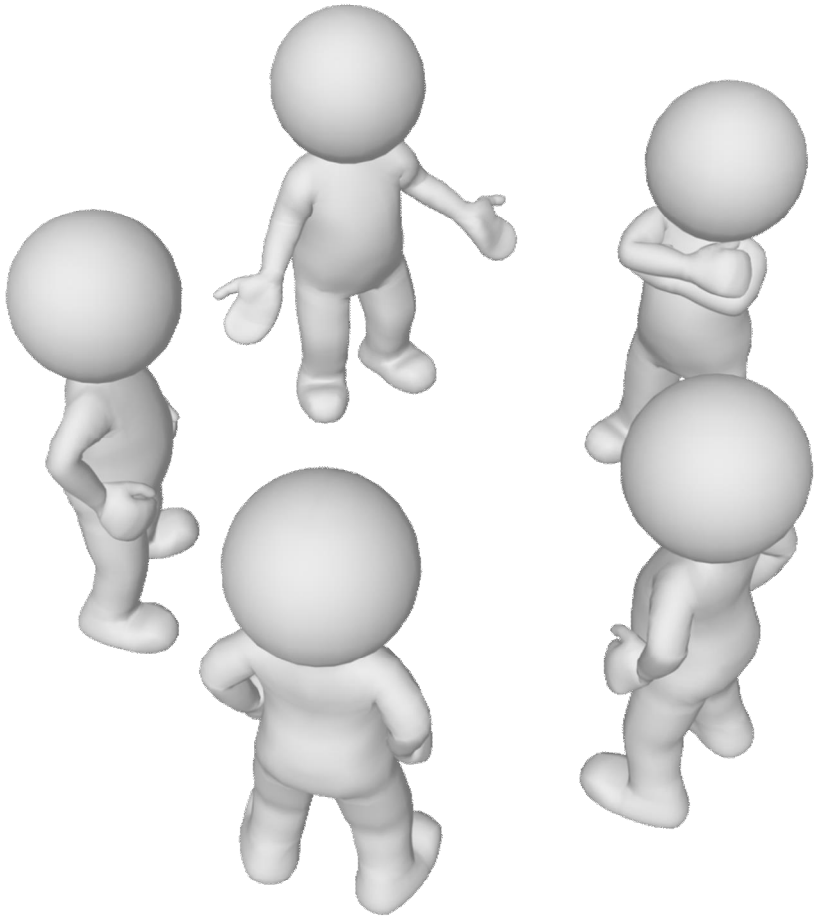




Have you experienced times when a decision process was dysfunctional?



When is the decision process dysfunctional?



What are some decisions you had to make under conditions of high uncertainty?

What are we trying to solve for?

- We want to avoid bad decisions.
- We want to avoid unpleasant, unhelpful decision processes.
- We want help with our own decisions.

- Evidence-based practice is an approach that can help, even transform, how we make decisions.

Origins

Evidence-based Medicine

Image: http://www.bastyr.edu/

“I was introduced to the members of the Department of Medicine as the new residency director. The person who asked the first question was so angry, he was shaking. His hands were shaking and his voice was shaking.”

Dr. Gordon Guyatt,

Professor of Epidemiology and Biostatistics at McMaster University

Why did some doctors hate Evidence-based Medicine?

“But surgeons had on interest in getting help from anyone—least of all chemotherapists…

“The surgeons were not just skeptical,” Bonadonna recalled, “They were hostile. They did not want to know.”

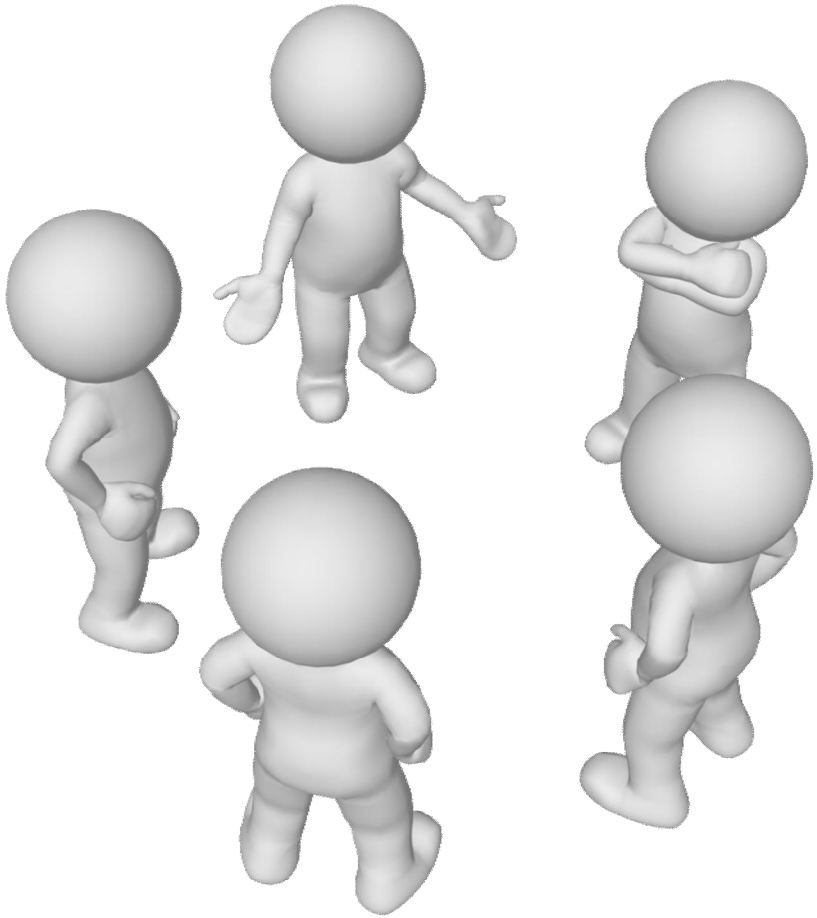
“No … cancer trial…could have proceeded without the blessing…of larger than life surgeons. Yes these surgeons were the *least* likely to sponsor a trial that might dispute the theory they had so passionately advocated for decades.”

Abridged quotes from “The Emperor of All Maladies”

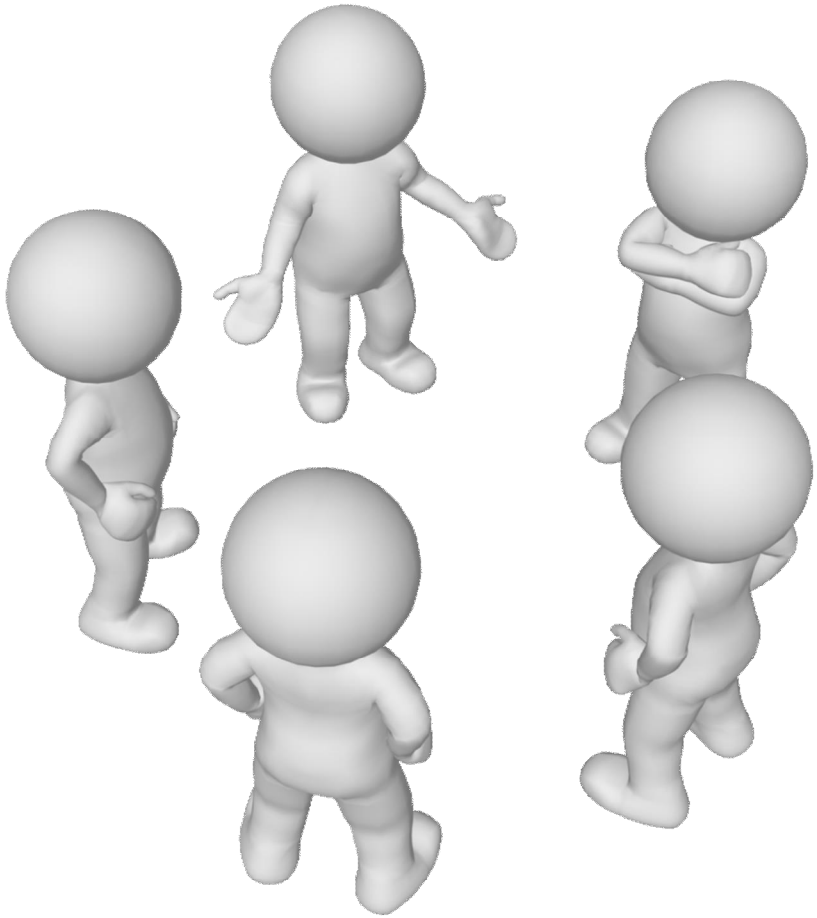
Core Principle of EB Practice

- Evidence-based practice can challenge the status quo in uncomfortable ways.
- Hence, it may have both the costs and the benefits of a revolutionary change.

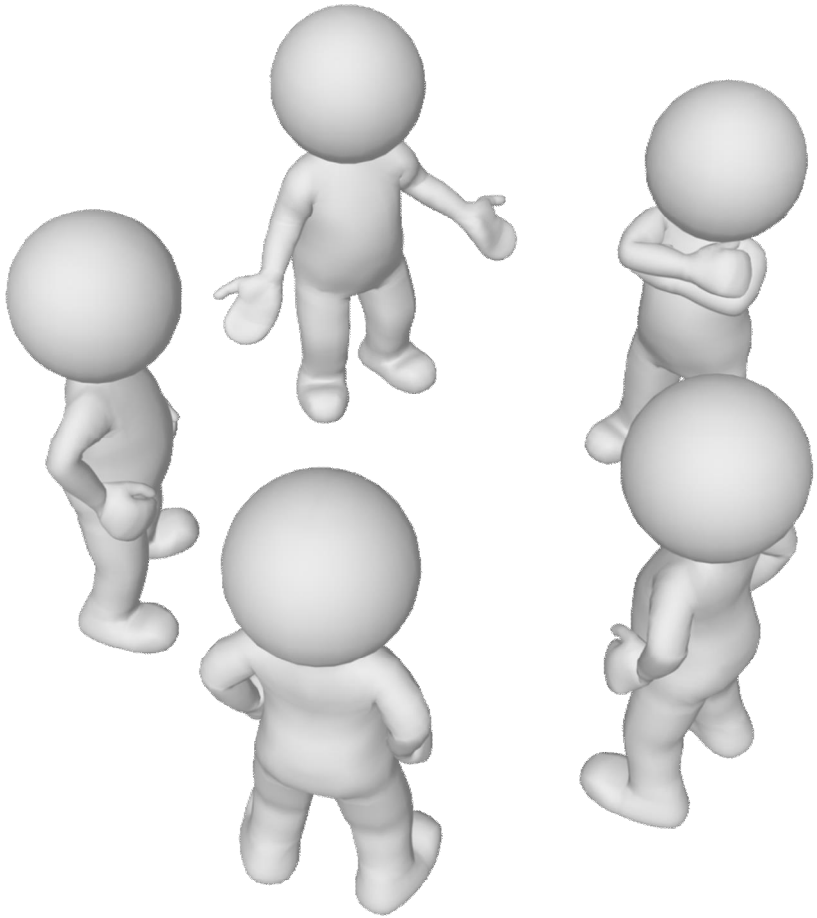
What do better HR decisions look like?



Where would you like to focus more HR attention?



What are some HR focuses you would like to fix?



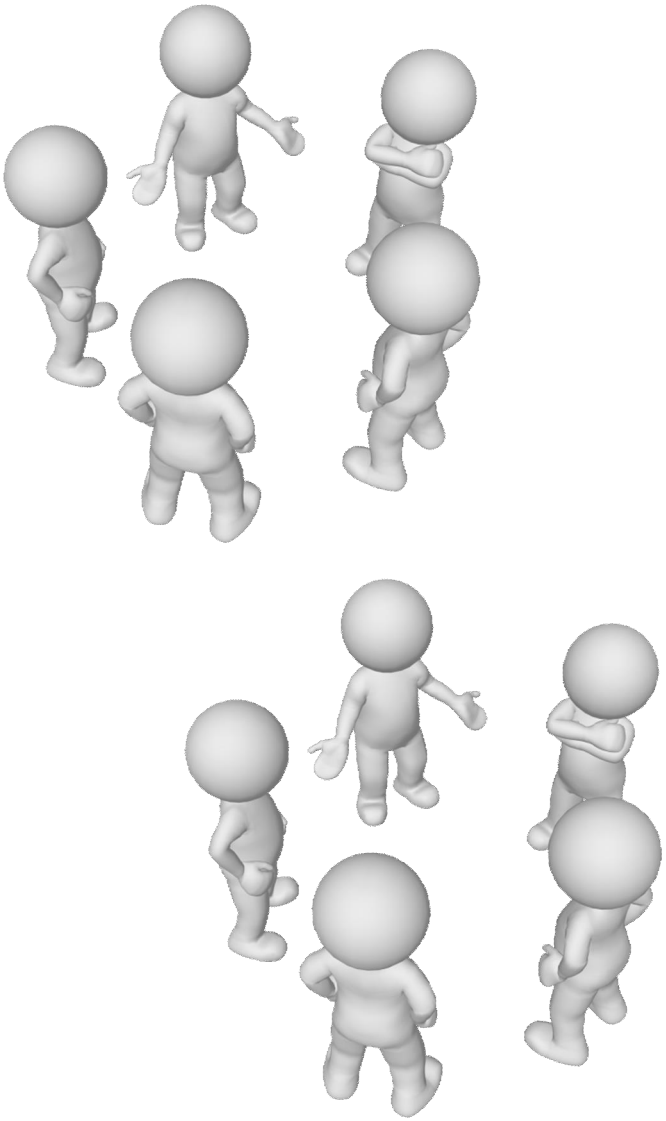
Where would you put an extra dollar in benefits?

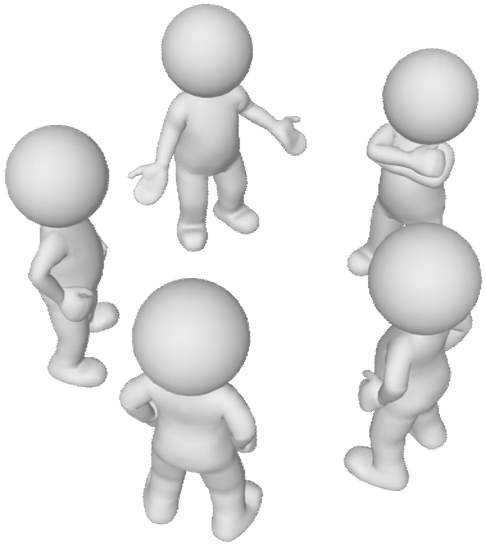
Core Principle of EB Practice

- We seek *available evidence* to make a more informed decision.
- The evidence may come from statistical analysis; structured interviews; academic research; surveys….
- The application of evidence-based practice can look quite different from situation to situation.

Where it Begins

CLARITY





Assuming you had great data & systems; how would you go about analysing turnover?

Aside: Data Quality

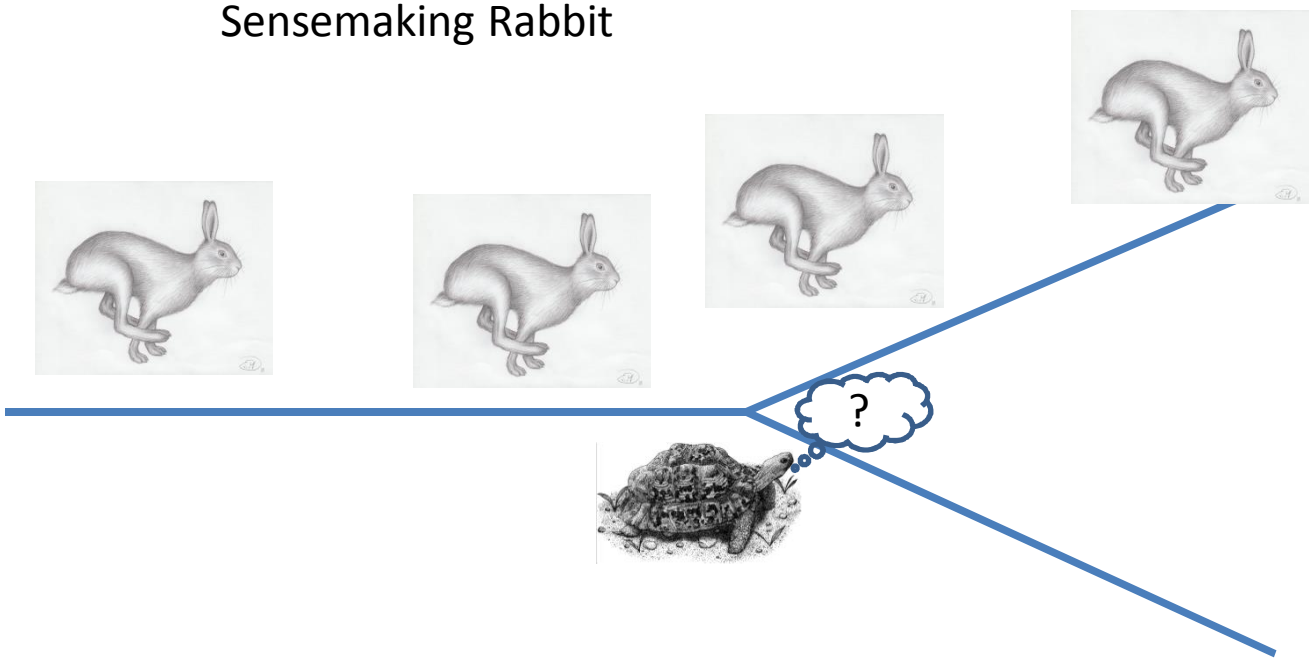
- How much data do you have?
  - (leads to analytics)
- How much data do you trust?
  - (leads to information governance)

Sensemaking

Data Analysis

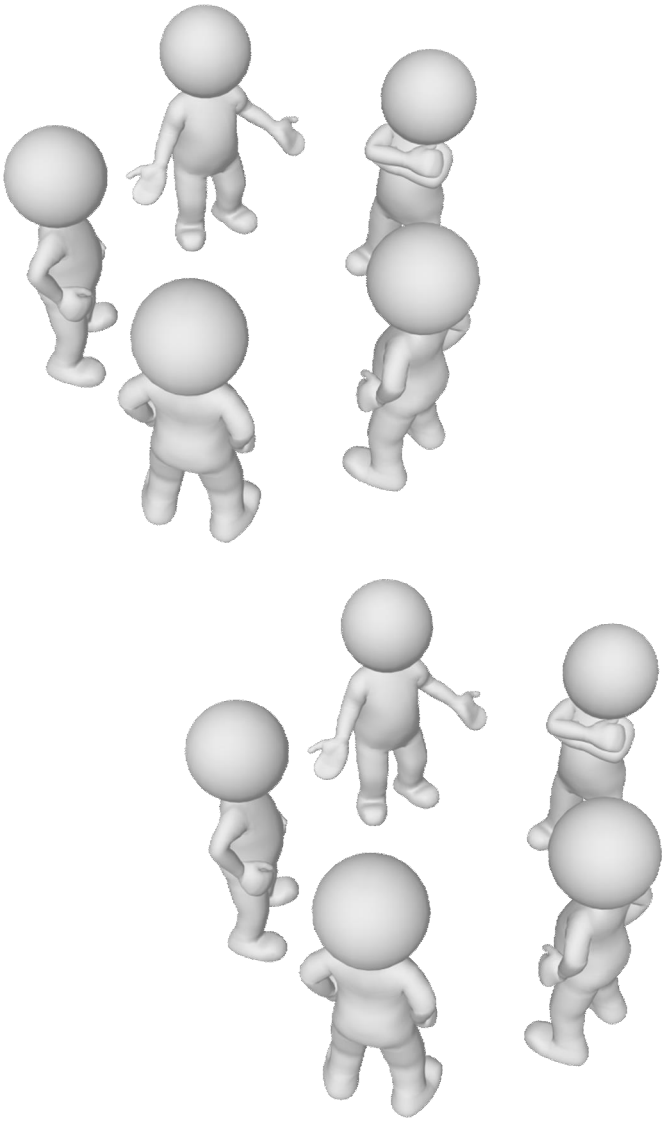
- Where is it high? (segmentation)
- How has it changed? (trends)
- What relates to what? (correlation)

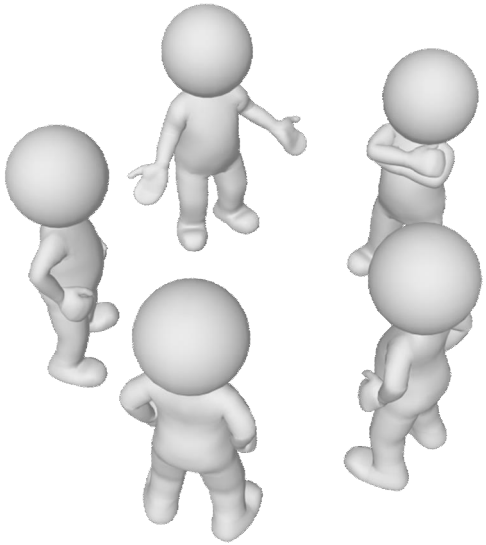
Sensemaking Rabbit



Decision making Tortoise

1st Moment of Truth in EBmgt





Share a time you hit pause, to get clarity about the decision to be made and options available.

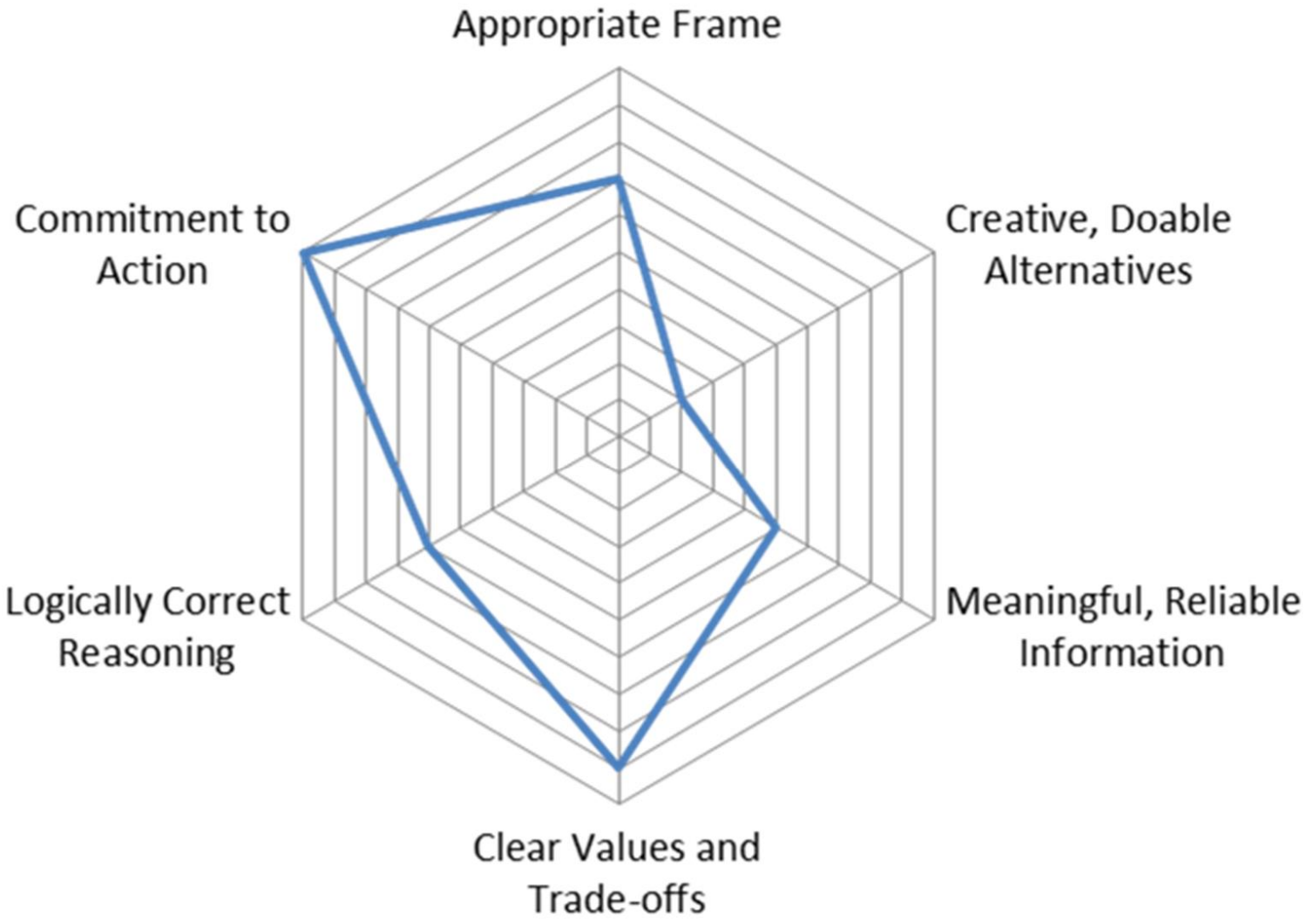
The Mantras

- What's the real business issue?
- What are we trying to solve for?
- What's your hypothesis?
- What's the answerable question?
- What decision are we making?

Answerable Question Exercise

1. We have too many open positions in IT.
2. This guy's a lousy performer, deal with it.
3. The board wants an ethics program.
4. We don't have enough managers with global experience.
5. We're spending too much on expats.
6. We have too few/too many women in sr. mgmt.

Decision Clarity

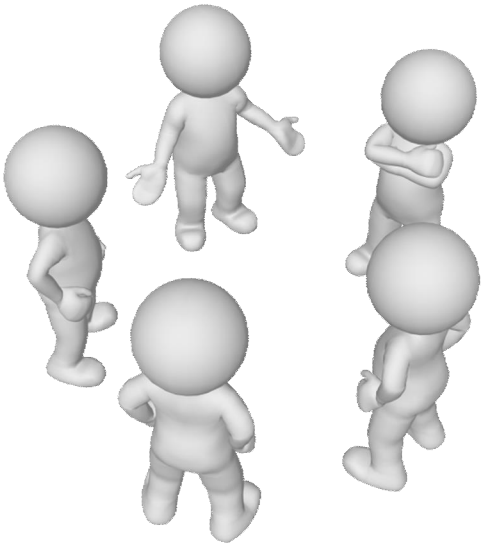


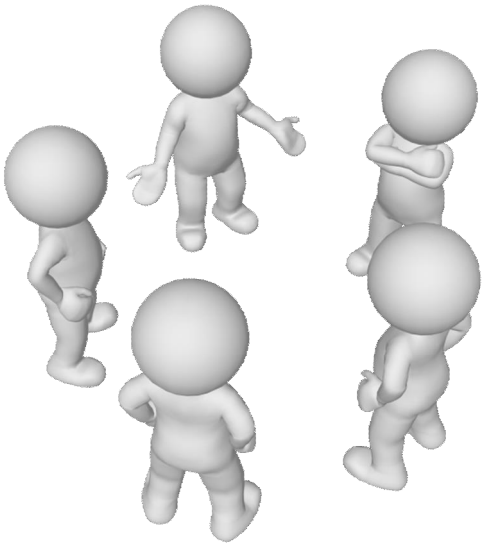
Six factors in decision making

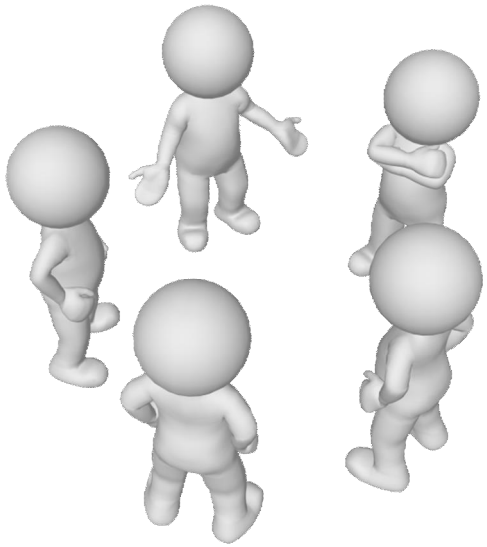
1. **Information** - What do we know? What don't we know?
2. **Alternatives** - What are the options or choices?
3. **Frame** - What decisions are we trying to make? What are the givens?
4. **Commitment to Action** - Are we ready to make the decision and take action?
5. **Logical Reasoning** - Are we using good logic to evaluate our options, using available information, and keeping in mind what we want?
6. **Values** - What do we want? How do we make trade-offs?

Lets practice

Pick a decision you need to make

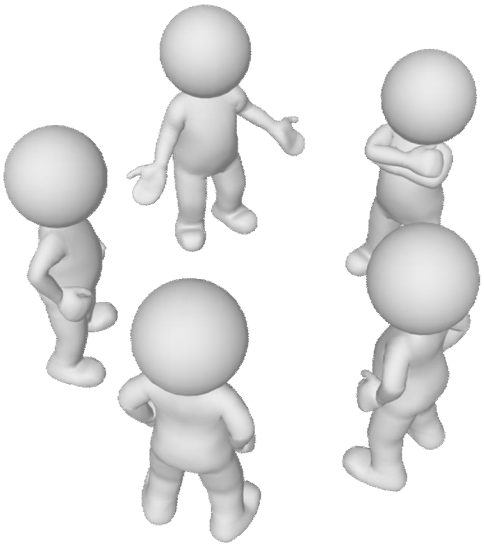


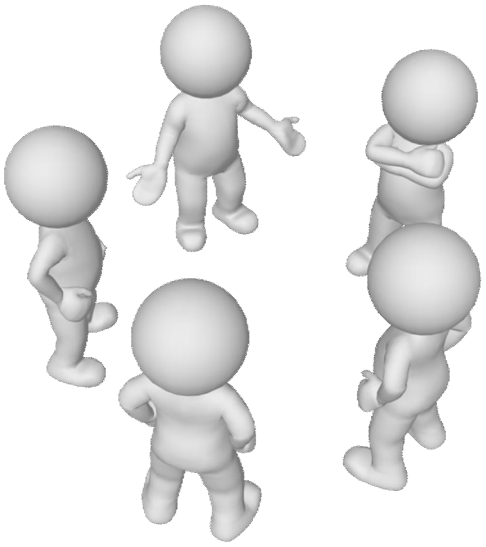


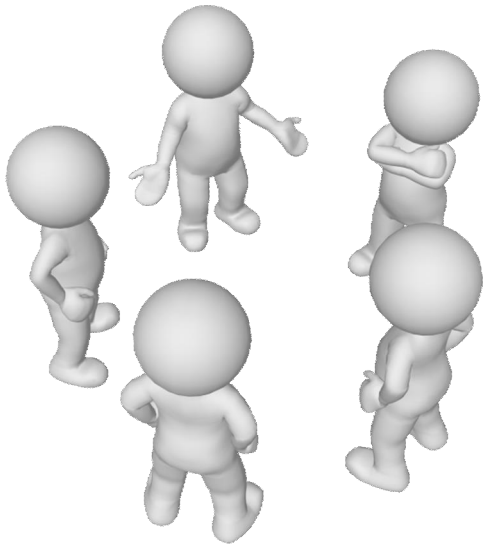


Frame: Are we clear what the decision is, what decisions have already been made; that will not be made now? (1-10)

Do we have clear, doable **alternatives**? (1-10)

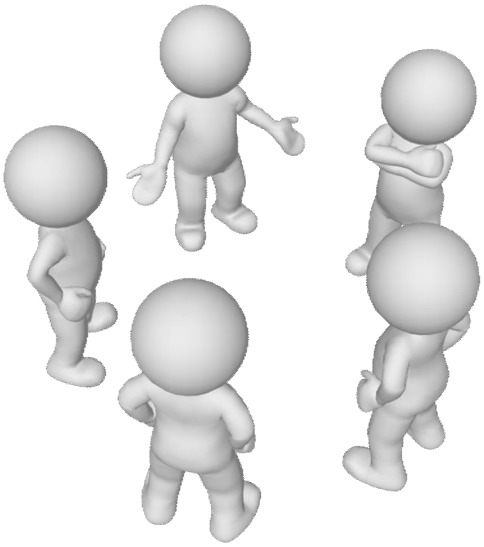


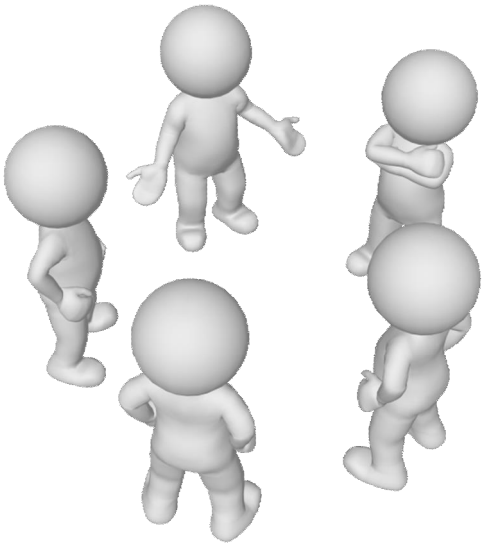


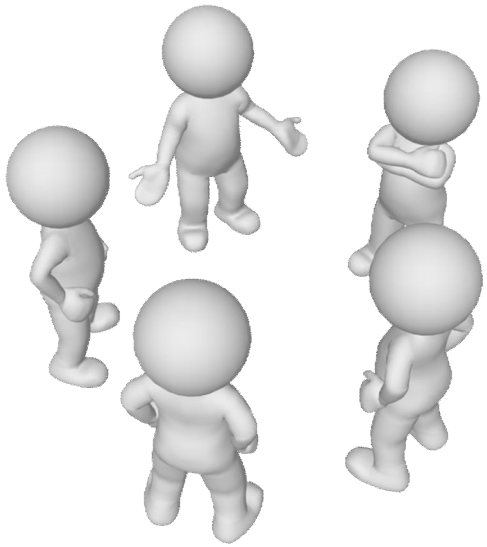


Do we have good information? (1-10)

Are we clear about values & trade-offs? (1-10)







Do we have logically correct reasoning?
(1-10)

Is there a commitment to act?
(1-10)

How to make an informed decision

PROCESS

THE EBMGT PROCESS

Six Steps

(Textbook)

1. ***Asking***: *translating a practical issue or problem into an answerable question*
2. ***Acquiring***: *systematically searching for and retrieving the available evidence*
3. ***Appraising***: *critically judging the trustworthiness and relevance of the evidence*
4. ***Aggregating***: *weighing and pulling together the evidence*
5. ***Applying***: *incorporating the evidence into the decision-making process*
6. ***Assessing***: *evaluating the outcome of the decision*

Acquiring Available Evidence

Six Types of Evidence

1. **Scientific evidence:** findings from published scientific research
2. **Organizational experiments:** data from experiments run within the organization
3. **Organizational data:** analysis of existing data
4. **Experiential evidence:** the professional experience and judgment of practitioners
5. **Stakeholder evidence**: the values and concerns of people who may be affected by the decision
6. **Logic models** (explicit causal models)

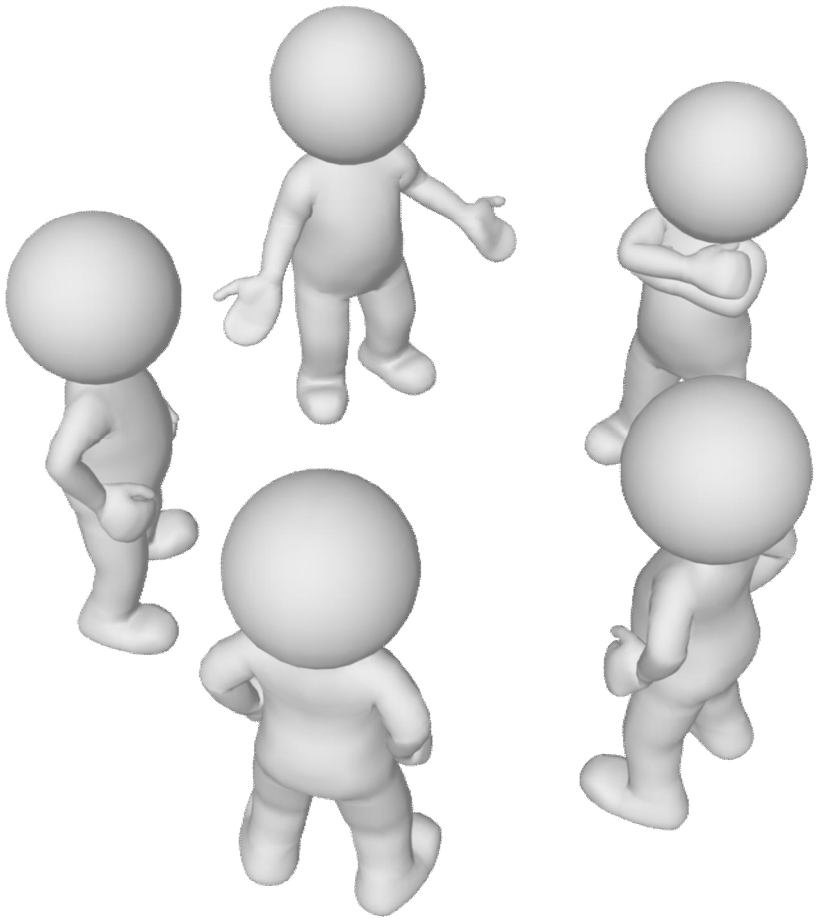
Lets practice

Pick a decision you need to make
& discuss the available evidence

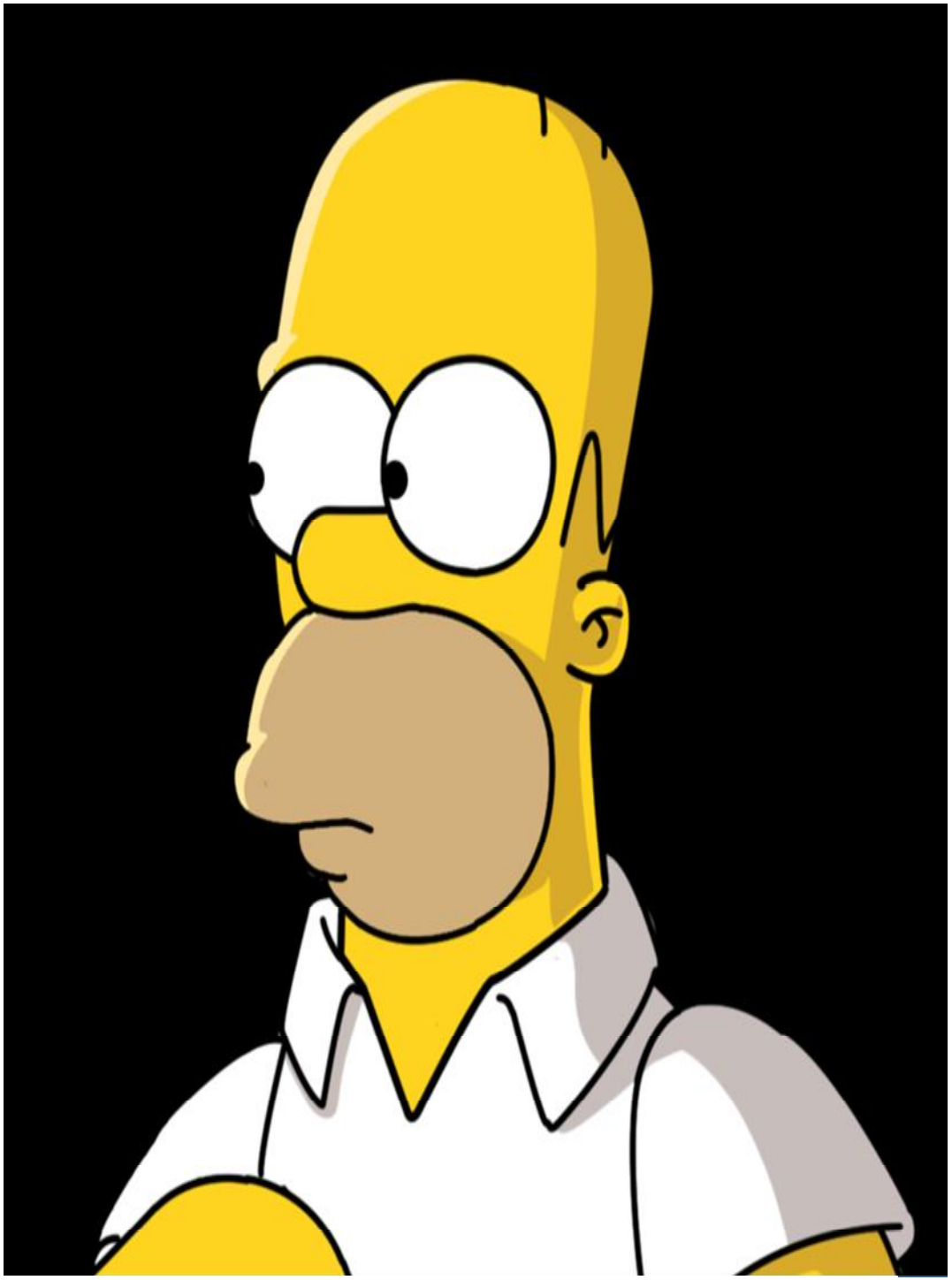
Quality of Evidence

Type of Evidence	Quality
Manager's opinion	Low
Systemic review	High
Academic paper	Moderate
What worked at another organization	Low
In-house experiment	High
Experienced expert	Moderate

Can it work in Malaysia?

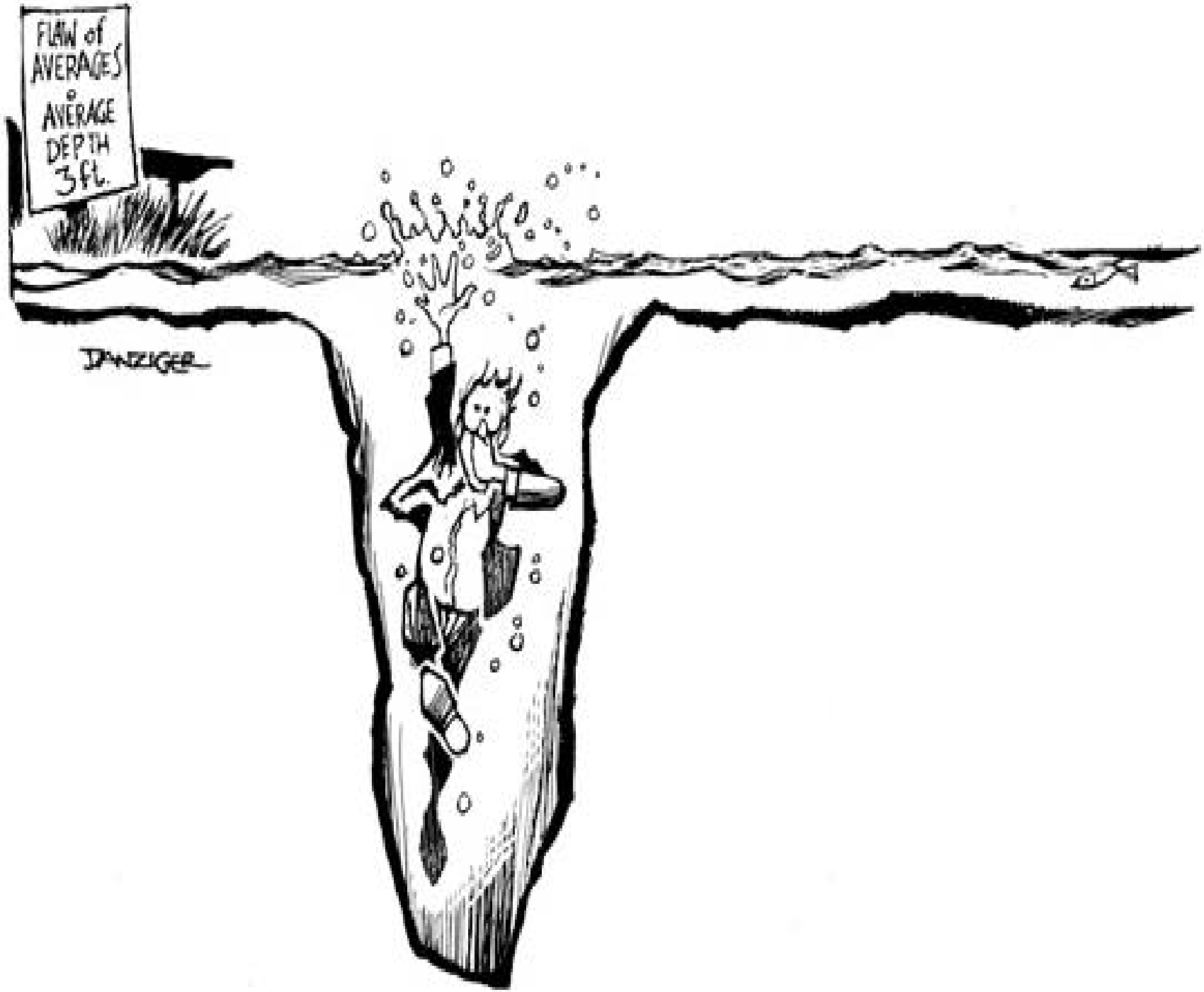


ARE HUMANS GOOD AT DECISION MAKING?



A Grab bag of biases

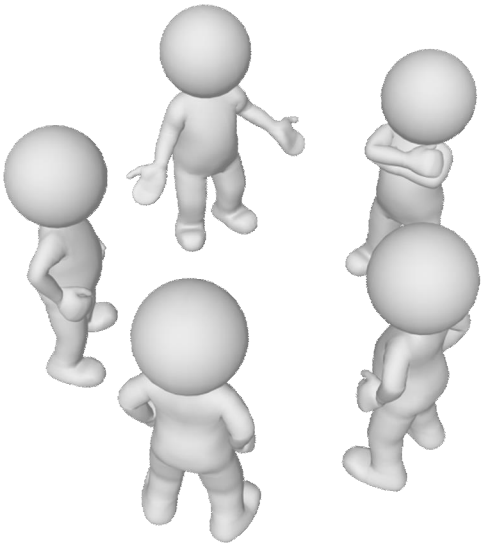
- Anchoring: *The first piece of information colors the whole decision process*
- Confirmation bias: *We look for information to confirm our preconceptions*
- Flaw of averages: *An average may obscure what's most important (image)*
- Choice-supportive bias: *We tend to think our choice must have been right*
- And hundreds more…

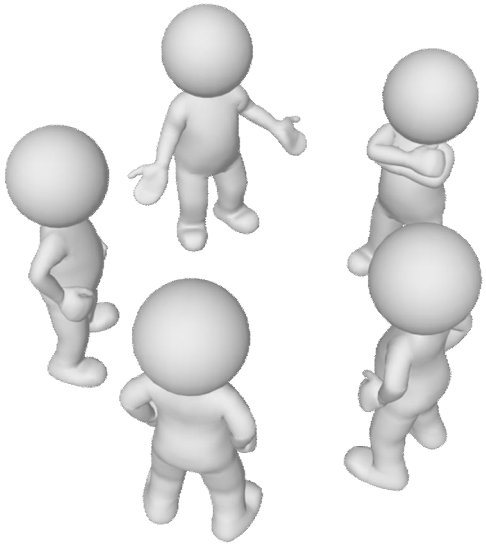

FLAW of AVERAGES
AVERAGE DEPTH 3 ft.

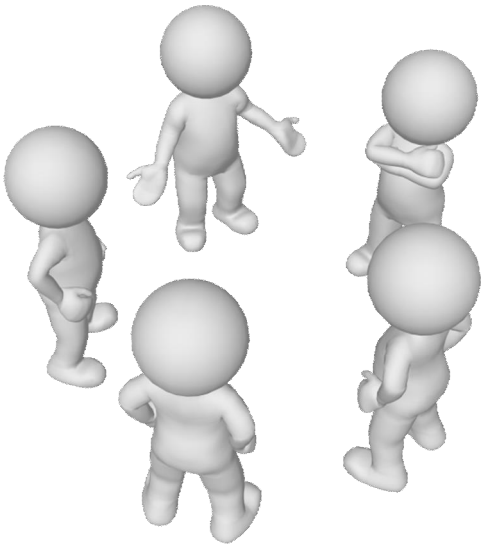
Ways to reduce INDIVIDUAL bias

- Data – *A culture that instinctively look for data*
- Defend – *Leaders who routinely make employees defend decisions*
- Delay – *People who listened to their grandmothers and "sleep on it"*
- Conversation – *People only change their minds via conversation*
- Humility – *A culture where you can admit you don't know (so let's find out)*
- Many minds – *Get a set of diverse viewpoints*
- Decision coaches - *A formal process and support mechanism for decisions*

How to get started?







Have you had success getting new “ways of doing things” off the ground.

Two strategies

Resources

Evidence-based management

http://www.cebma.org/

www.ioatwork.com

www.re-work.org

www.scienceforwork.com

Evidence-based medicine

Questions and Discussion