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# SOME REASONABLE HINTS ON HOW TO INTEGRATE FEELINGS IN COMPLEX MANAGEMENT DECISIONS

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### Zusammenfassung

Sowohl aus einer theoretischen Perspektive (vgl. Damasio 2006 a und b, Elster 1999, Ashkanasy et al. 2002) als auch aufgrund unserer empirischen Untersuchungen kann man Emotionen als einen wesentlichen Bestandteil von organisationalen Entscheidungsprozessen betrachten. Wir gehen daher mit Freimuth und Zirkler konform, die in der Entwicklung emotionaler Kompetenzen unentbehrliche Formen komplexer Wahrnehmung und kommunikativer Fähigkeiten für das Coaching von Management sehen (vgl. Freimuth/ Zirkler 1999, S. 250). Auch unsere Handlungsempfehlungen gehen davon aus, dass emotionsintegrierende Entscheidungsprozesse, die die Zufriedenheit der Entscheider verbessern, ein relevanter Bestandteil zukünftiger Management Handelns sein sollten.

In der Tat, Emotionen können immer zweierlei bedeuten: Sie können einen gefangen halten, zwingen, treiben oder verunsichern. Sie können aber auch Halt geben, bereichern, stützen und lenken. Mit "Sicherheit" sind sie immer integraler Bestandteil von (Auswahl-) Entscheidungen. Das Letztgenannte anzuerkennen, wäre ein wichtiger Schritt in Richtung einer emotionsintegrierenden Personalauswahl.

# **Einleitung**

Das Thema "Emotionen in der Personalauswahl" wird von wissenschaftlicher Seite zumeist negativ (Emotionen als Störfaktor) oder überhaupt nicht behandelt. Unser Anliegen ist es, diese vorherrschende Meinung aufzubrechen und sie mit neuen Vorstellungen und Ideen zur Bedeutung und Auswirkung von Emotionen in der Personalauswahl zu bereichern. Hierzu haben wir den Blick auf die Auswählenden gerichtet. Ausgehend davon, dass Emotionen fester Bestandteil von Auswahlentscheidungen sind, geht es darum, die Vielfalt an Mustern und den Umgang mit Emotionen darzustellen. Emotionen werden sowohl als konkrete Gefühle wie Angst, Freude, Lust, Neid oder Eifersucht erlebt, als auch in Form eher unbestimmter negativ oder positiv gerichteter Gefühle.

# Introduction

When looking at the scientific literature, management and managerial decisions are often referred to as being either right or wrong. However, making the "right" choice can be very difficult considering the fact that economic decisions are often embedded in a complex environment. Decision-makers have to deal with different pieces of information. These pieces can be inconsistent or not manageable at all and it will lead to a logical dilemma (eg. Neuberger 2002, p. 337 ff.). This puts managers in very uncertain situations (eg. Milliken 1987, Höhnekopp 2000). One important consequence is mostly negated in this context. This in the economic research and from the manager point of view. In a situation of uncertainty (which is very common) managers might feel insecure or they are even afraid of what is to come (eg. Freimuth 1999). Especially fear is something that does not seem to exist in management. There are a lot of models how managers should deal with uncertainty. One can find examples in risk management (eg. Ho 2000, Nielssen 1976), in entrepreneurial areas? (eg. McKelvie et al.), in change-management or even in future research (eg. Lempert et al. 2010). The economic research looks at uncertainty like problem that needs to be solved. This can be achieved with the right decision model in the "right" context. It makes uncertainty a more cognitive, empirical or situational problem than an individual problem. Particularly complex economic and management problems are handled as an individual problem from my point of view. Managers are afraid to make the wrong decisions for several reasons: They don't want to provoke a conflict with colleagues or superiors (interpersonal reasons). They are afraid to lose their status or being blamed for their mistakes (individual reasons) and above all they don't want to cause trouble for their company.

If you look at the individual side you have to account for emotional aspects within the decision-making process. Emotions are an important part of the decision-making process as well as a part of the ongoing research debate (eg. Kahnemann 2011). Unfortunately that does not mean that the dualism between emotions and rational choices are reversed. This article takes a closer look at the individual and its requirements and experiences that can help managers to handle complex and uncertain situations. **Not mandatory in a way how to find the best solution, but in a way how to feel good about their own decisions.** This is why I will explore the decision-making process in more detail by using the example of job-hiring-decisions (which are full of uncertainties) and not only their results. I will also show the different ways of integrating emotions which can help or harm the hiring process.

# The decision process as emotional experience

First of all I want to look at general feelings of decision-makers in situations of uncertainties. I found out that executives from the top-management to the small firm entrepreneurs feel very different in their hiring process. There exists a large variety from feeling bad, uncomfortable or being afraid over middle range feelings to very positive feelings. Here are two real life answers to the question of how they feel in the selection process:

Mr. C.: Well, I don't find this kind of situation very pleasant. One has to go through it again and again even though you already know it (eg. Apelojg, 2010, p.112).

Mr. M.: I find it very relaxing, it is one of my favorite subjects, that I work on. I could do that kind of stuff for half the day. I have lots of fun in the situation, as well as when I see how things work out afterwards, or don't (eg. Apelojg 2010, p. 121).

We can see that decision-makers have mixed feelings during the selection process. The decision-making process can be influenced by a variety of factors. On one hand we have bad key data from the capital market, conflicts with colleagues or with the family at home and on the other hand one could have been promoted or finished a project successfully. These general feelings have consequences for the decision-making process as a whole. Decision-makers feel unsafe and afraid often don't want to decide at all. Another valid point would be that decision-makers tend to reflect on themselves rather than on the decision-making process. This possibly could result from their low self-esteem regarding their own decisions. In this case, they are wondering: Am I asking the right questions? Which impression has the job applicant of me?

Decision-makers who are comfortable in such situations feel secure with the selection process. Further, they are more confident regarding their own choices. Both from an economic and a psychological point of view my study showed that decision-makers should not hire employees in a conflicted state of mind. These suggestions are based on theoretical assumptions from neurological science (eg. Damasio 2006, LeDoux 2004). Now we need to ask: How do we come to a decision and what are the right conditions for "good" decisions?

From Damasio's point of view all decisions – especially complex ones – need a specific direction. If we have to choose between different outcomes which are based on different pieces of information we need to consider all given facts. This leads to somatic markers which create an assessment system. These markers I will call gut-reactions or gut-feelings and we need them to make decisions. Damasio brings forth the example of humans whose gut-feelings are connected to the hypothalamus. Therefore they cannot easily make simple decisions. They try

to calculate every possible scenario: the traffic, the weather, and so forth. A rational decision-maker tries to consider every possibility and thus does not come to a decision. The same thing happens to decision-makers who cannot trust their gut-feeling. Their search for objective information takes too long to come to a final judgment.

This is why today it is more important than ever to listen and trust your gut, because it can save managers a lot of time.

To answer the initial question: "What are the right conditions to handle complex decision-making processes?" we have to look at different strategies (forms) of integrating emotions during this process.

I found three basic forms: gut-decisions, anti-gut-decisions and gut-neutralizing-decisions. The strategies differ in respect to the decision-makers level of emotional reflection. What are gut-decisions? They are positive or negative feelings which direct the conscious in a certain direction. An exemplary statement would be: I do not want to hire this person because I have negative feelings about him or her, but I cannot explain why. These kinds of decisions are called intuitive decisions (Gigerenzer 2007, Finucane et al. 2005, Sayegh et al. 2004, Sinclair et al. 2002). Studies on this topic show that intuition is necessary in complex decision-making situations; especially if you have a lot of work experience in this field (eg. Plessner/Czenna 2007). I argue that gut-decisions are more than just intuition because in a selection process we ask questions, we watch the peoples' behavior, and we read the job applicant's résumé and so forth. This means that the separation of implicit and explicit or subjective and objective knowledge of our feelings is not useful due to the fact that such a separation is nearly impossible – neither practically nor theoretically. The important point is that our gut-feelings are leading us towards a direction we want to go. In my study I could see that people who are following their gut are more satisfied with their decisions. That does not mean that they are always making the right decisions.

But if they made a wrong decision they are dealing with them in a positive way, which means that they learn from the consequences. In contrast to that kind of decision, decision-makers who try to neutralize their feelings are not able to learn from their mistakes. Further, in my studies I analyzed that especially women working in big companies have a very structured selection process make these neutralizing decisions. These women had a lot of problems talking about their feelings during the selection process. Personal feelings like anger, fear, or happiness were not reflected. If they had negative feelings for the job applicant, the only reason for their feelings was the behavior of the applicant. I could not find out if these interview partners had a high or low trust in their gut-feelings because analyzing these was not allowed.

One woman said:

"When we made all kind of interview methods like, structured interviews, assessment center and psychological test and everything was positive, then at the end it is all right that the feelings play a role" (eg. Apelojg 2010, p. 162).

Here you can see that feelings are the reason for making mistakes. Only if every objective possibility is tested, feelings are allowed. In another company they tried to filter all kind of feelings to separate them from the selection process. These kinds of decisions should be objective and rational. It is not surprising that these people make no mistakes and if they make mistakes it was not their fault but a measuring mistake at most.

In my opinion this kind of decision is dangerous in two ways. On the one hand, it puts the individual in a very low position in the individual selection process (eg. similar to me effect...) and allows no individual development – like learning from one's mistakes. On the other hand, real feelings during the selection process are unclear and stay undefined. An example would be a supervisor who cannot work with women or has problems with extraverted people. If these negative feelings stay undefined the human resource department cannot tell why the supervisor does not want to hire the preselected applicants. This is often the beginning of a very speculative selection process: Everyone knows the emotional reasons of the other but no one is talking about it!

Another point is that problematic decisions are anti-gut decisions. Anti-gut-decisions I define as decisions where the decision-maker has a positive or negative feeling and is acting against this feeling. These decisions are very common in the selection process as well. I found two main reasons for this decision-making pattern. One lies in the personality of the decision-maker. People who have a low trust in themselves and their feelings make anti-guts-decisions more often than people with high trust. The second reason is a situational factor. For example conflicts within a supervisor lead to pressure to make a decision lead to that position being unoccupied for a long time. That can also happen when the supervisors feels that there are not enough good applicants. These problems often have negative consequences. One is that the decision-maker feels uncomfortable with his decision. Every time the hired person makes a mistake he or she will think it was his or her fault. Additionally, economic consequences can arise. The hiring and firing process is a very expensive process. If you hire the wrong person he or she causes legal trouble it will cost the company about 40000 \$ up to 200000\$ per person.

With the example of the selection process I combined the different strategies and their consequences in a model. It shows that there are always personal, situational and structural factors which influence the three types of decisions (Figure 1).

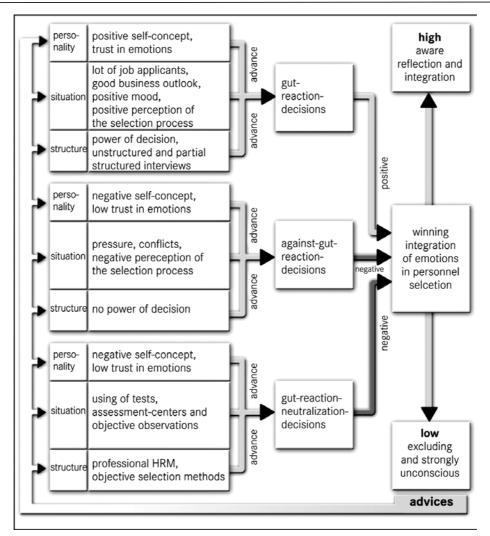


Figure 1. The example of the selection process

### **Conclusions**

To conclude I can say that managing uncertainties is a highly individual problem and feelings play an important role. Therefore, managers should learn everything about their feelings and how they can help to make the right decisions. This is what I call the "winning integration of emotions". That means to learn how you can trust your feelings and not try to find a way to separate feelings from objective information. Secondly, it is very important to reduce the amount of anti-gut decisions because it can save you from a lot of wrong decisions which can

cost a lot of money. You have to analyze which personal, situational and structural factors advance anti-gut-decisions. Following your feelings will bring out better decisions and not only for the company but for the managers.

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