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The Four Key Factors That Drive Successful Decisions

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The Four Key Factors That Drive Successful Decisions

Abstract

The mechanisms of language operate as the vehicles for motivation, thinking and deciding. Language is a replica, a model, a representational map of reality. In the same way that a flawed roadmap will misrepresent reality and mislead a traveler, a flawed linguistic rationale will mislead a decision maker in any situation. In high-stakes situations that occur in globalized organizations, such as the current economic meltdown, the importance and consequences of flawed linguistic rationales are obvious. Simple suggestions for self examination of linguistic rationales are offered.

Keywords

Motivation, Motivational Profiling, Decision Making, Linguistics

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*ACFEi: American College of Forensic Examiners, International

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The Four Key Factors That Drive Successful Decisions

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The mechanisms of language operate as the vehicles for motivation, thinking and deciding. Language is a replica, a model, a representational map of reality. In the same way that a flawed roadmap will misrepresent reality and mislead a traveler, a flawed linguistic rationale will mislead a decision maker in any situation. In high-stakes situations that occur in globalized organizations, such as the current economic meltdown, the importance and consequences of flawed linguistic rationales are obvious. Simple suggestions for self examination of linguistic rationales are offered. Key Words: Motivation, Motivational Profiling, Decision Making, and Linguistics

Introduction

The for-profit business world offers a real-time laboratory for the examination and analysis of effective decision making. Unlike the worlds of academia, non-profits and government, the market-driven business environment is extremely sensitive to the stimulus-response dynamics of profit. Because of this, executives who find success in this environment possess decision-making habits and skills that should be of interest to behaviorists and other social scientists. Among successful executives, executives of the caliber of Jack Welch or Warren Buffet are rare. The authors contend that the repertoire of these business icons (and all exceptional executives) contains four essential ingredients of motivation and decision-making.

Our extensive executive coaching and consulting experience has led us to conclude that the habits and skills of successful executives are rooted in and emerge from the four key factors underlying their decision-making process. We refer to these factors as the Four Factor Model™. The four key ingredients that drive effective decisions are:

1. The executive knows exactly the career and business situation he or she is in without illusions.
2. The executive knows the role he or she has to play (his or her job), and how to play it very effectively.
3. The executive has clear and ambitious goals.
4. The executive creates cost-effective options for his or her decision-making.

These four ingredients are the basic executive template for exceptionally effective clear thinking, unencumbered by excesses of emotion and deficits of reason or knowledge. In the world of business, the trademark of clear thinking is functional objectivity, a one-to-one connection between one's *ideas* of what is real and what *is actually* proven to be real by observable, bottom-line effects. Objectively speaking, a roadmap or GPS system must faithfully reproduce a representation, a model, of the

physical geography to be traveled. Failure to do so could prove disappointing or even disastrous.

A current example of flawed mental maps among many executives can be found in the risky decisions that led to the current worldwide financial crisis. Most everyone in the developed world has experienced the effects of risky decisions in the decline of their personal assets. In 2008, there was a prevailing mental map among financial executives about the risk of financial derivatives. That shared map disastrously failed to match the actual territory of the risk involved. In retrospect, those executive decision making flaws could be characterized as follows:

In essence, what had happened was that banks, hedge funds and others had become over-confident as they all thought they had figured out how to take on risk and make money more effectively. As they initially made more money taking more risks, they reinforced their own view that they had it figured out. They thought they had spread all their risks effectively and yet when it really went wrong, it all went wrong. ...It was a result of a system heavily grounded in bad theories, bad statistics, misunderstanding of probability and, ultimately, greed, he said. (Shah, 2009)

We have learned that when faulty beliefs occur among decision makers, the results can be devastating. The connection between one's ideas and reality serve executives best when their mental maps, ideas and thoughts match actual reality. The mechanism of ideas happens to be the implicit rules of language with which we think. In large part, language manages the meaning of experience. If trial and error learning represents personal experimentation with reality, then executives inhabit decision-making realms ruled by experimental models based upon their linguistic maps of business territory. The consistency of an individual's linguistic quality control in personal map-making and decision-making necessarily determines the difference between adequate performance and exceptional performance.

One instance is the difference between clear writing and incoherent writing. The kind of linguistic rules that govern clear writing also govern clear thinking. For example, the misuse of a word due to ignorance of its accepted meaning can not only communicate something unintended, but the word's actual accepted meaning may offer useful and important conceptual content for the user. A junk bond unintentionally or mistakenly labeled and rated higher will quite likely spell trouble for someone down the line—trouble that would have been avoided had the user known and understood the reality of its junk status. In short, the flawed use of language rules creates flawed decision making. From clear thinking emerges effective decision making and strong results for these executives and their organizations.

Many executives unknowingly infuse their decision making with consistently flawed linguistic errors in their rationales, and these errors hurt their results. Linguists Hayakawa (1990) and Bandler and Grinder (1975) have identified the language characteristics involved in such misperception. For instance, the Bandler and Grinder phenomenon known as the "meta model" identifies subjective perceptual errors of reality. Language inherently allows us to generalize, distort and delete aspects of reality in everyday conversation, or in print media.

Hayakawa (1990) pointed out a different major feature, i.e., that people misunderstand one another when they are talking at different levels of abstraction. When referring to a herd of cattle, one person labels the herd with the abstract term wealth, another uses the abstract term asset. Without a common frame of reference, confusion of terminology can easily result.

Inherent language rules and codes are similar to the grammar everyone learns in grade school. When language reflects one's erroneous personal coding patterns, the resulting lack of objectivity produces substandard decision-making. Those familiar with language can identify those codes as easily as a sports announcer calls the plays in a game.

Adjusting the language codes in an individual is like sharpening the focus of a camera lens. Reality is much easier to manage when it is in focus. Language-based errors of perception occur because of a simple phenomenon: *an individual's ego resembles an individual's eyeballs*. An eye can see reality, but an eye cannot see itself – unless there is someone on hand to act like a mirror. Without effective and objective feedback, executive decision-making will not be optimally adaptive to the complex and changing situations that arise in organizational environments. Accurate decision mapping leads to better decisions. Joe—link this to qualitative inquiry and methodologies?

Rarely do executives have *a knack for objective self-observation* and self-induced decision-making tune-ups. Barack Obama is reported to have this ability (Rose, 2008). Less than 5% of the executive population has this knack for enhancing their own decision making process. To illustrate, senior executives often complain to the authors of a common flaw found in junior executive decision-making. “They write position papers as if they are working for a good grade in schoolwork rather than presenting a case that I can use to win a bigger budget.” Spontaneously perceiving such an academic blind spot seldom occurs without a bit of unpleasant feedback. It is a rare skill to be able to mirror and measure one's thinking and one's decision habits objectively.

Automatic Thinking and Decision Making

To illustrate, right now as you read this, please stop for a moment and *say a sentence out loud*. Any sentence. Just pick one out of the blue sky.... whatever you said, here is what that little task means to you. When you decided to speak that sentence, you did not consciously decide to engineer the sentence-building process by selecting a subject, a verb and an object. You did not consciously select vocabulary to fill the in blanks of the sentence architecture. You did not consciously decide to use a transitive or intransitive verb.

But your *automatic brain processes* did *exactly* that kind of engineering process to construct your thought. Language is a rule-based entity. Rules permit prediction. Such automatic, rule-based, aspects of decision-making are the roots of individual effectiveness. Yet, such automatic processes are blind spots to conscious awareness.

It is at that invisible cognitive level of decision making that the four factors of executive decision-making operate. This phenomenon explains why it is so difficult to monitor personal decision making process – because most of it is beyond an individual's grasp. Trying to do so resembles the impossibility of lifting yourself up by your own

bootstraps. We must also clarify here that decision making presupposes *motivation*, which we have written about extensively elsewhere (Yeager & Sommer, 2007).

When the results of executive decision making are less than satisfying, something within these four factors is *always* the cause. And that cause is *always* out of sight, just like most of an iceberg is out of sight. If it were within one's grasp, the person would deal with it as quickly as they would fix a flat tire on their car. These four factors of complex decision making are the accessible and changeable aspects of perceptual decision making errors. Without a clear self-understanding of automatic decision-making processes, executives will repeat habitual mistakes time after time in spite of intentions to the contrary.

This kind of bias in perceptions can be identified and managed in terms of the four factors (Yeager, 2003). However, ordinary, well-meaning feedback clearly does not address this issue successfully. The reason is simple. Feedback offered by others comes in terms of the content of performance issues. But performance issues do emerge from the automatic processes of decision making. Those processes are encoded by the inherent rules of thinking that are as obscure and encoded as the grammatical rules of one's native language (Hayakawa, 1990).

Automatic-level decision-making limitations emerge as performance shortfalls. Results and relationships usually suffer. If results or relationships aren't 100% in terms of an individual's own standards or a superior's standards, then there is a shortfall. The shortfall then acts like grease on a doorknob. Career doors don't open. Developments in recent years have made conversational access to this depth-level of thinking a routine coaching experience for executives (Yeager, 2003).

The positive results achieved in job and career coaching occur in terms of accelerated results, careers and enhanced performance. Executives need to know how these four factors work to get the most from themselves. Even minor performance improvements act like compound interest over time by leveraging modest changes into cumulatively powerful effects. How dramatic the effects of improvements will be on one's personal and organizational bottom line depends on the issues one has at stake.

As mentioned, hidden problems within the four factors always take place out of sight of one's objective awareness – or else they would be obvious and easy to change. The issues can be characterized as personal hidden agendas or habits of thinking that the individual doesn't recognize. In many cases the causes are unexamined assumptions. The invisible assumptions express themselves as things that an executive "takes for granted." For example, you saw earlier how everyone takes "automatic sentence engineering" for granted. Automatic processes are not in anyone's control, no matter how skilled, powerful or well-positioned someone may be within an organization.

Erroneous assumptions that routinely leave a trail of wreckage are as common in the executive suite as pin stripe suits. This phenomenon is not about content-based skills such as financial know how or knowing a foreign language or reading, writing and arithmetic. It is about the sub-conscious, automatic features of executive thinking that are at the roots of performance. The fact to notice is that automatic thought can work for or against a person – and the causes may never be known.

Stellar performers in many fields simply cannot explain the source of their extraordinary success (Yeager & Brenner, 1994). The linguistic rationales that create their success are not available at will for them to articulate. Early linguistic

developments brought these embedded linguistic rules to light and applied technology has rapidly advanced to enhance executive performance (Bandler & Grinder, 1975; Yeager, 1983, 2003).

Four Executive Blunders

Here is a horrible example of a situation, a real one, where an executive managed to breach all four factors. This kind of scenario plays out in the corporate world with surprising frequency.

Harry talks with his boss only to learn that he has been given a very disappointing raise compared to his expectations. He returns to his office, fuming. He feels his worth to the company has been undermined since he views his own work as the best compared to his team of co-workers. Eventually he decides to set things right. He returns to his boss's office, they have a loud argument, and Harry is nearly fired – plus he lost the argument.

Harry felt justified. People often feel justified for what they do. But how many of us really are justified from an objective point of view? As consultants, we see these kinds of executive misperceptions every day. Here are the root causes of what Harry got wrong in terms of the four factors (Yeager, 2003).

The situation.

Harry misread the situation. He framed the situation as win-lose instead of win-win. Harry made the mistake of believing himself to be an invaluable, yet wronged, employee. Instead, he needed to see himself as a supplier of services to a customer, his boss. The customer is always right whether the individual is a consultant or an employee. Harry believed in his opinion of himself and ignored clear feedback to the contrary from his boss, the customer. No supplier of services can survive long when at odds with the customers. Consultants and employees are equally vulnerable to an unhappy customer.

The role, the job.

Harry believed in his subjective version of his role in the situation. In today's market, there is only one major difference between an employee and an external consultant. If the customer is not satisfied, it merely takes longer to fire an employee than it takes to fire a consultant. His boss hired him to solve problems but instead Harry created two problems. First he disappointed his boss, resulting in a minor raise. He did not take that as a clue about his shortcomings. And, secondly, he created another problem by angering his boss. In spite of his positive self regard, Harry was not indispensable. He needed to play his role with the understanding that he has competitors and that his boss has a menu of options for his services. This of course goes both ways; if Harry finds that he cannot reasonably satisfy his boss, then he must shop his services

elsewhere. Failing to be prepared for such changes is a further misunderstanding of his role as the proprietor of Harry, Inc.

The goal.

Given his situation, Harry had the wrong goal. His goal was short-term and self-serving. He actually believed that he could argue successfully instead of displaying some diplomacy and common courtesy. His goal was not to find out what his shortcomings were in the boss's terms and how to correct them. Instead, he believed he should get what he felt he deserved. In contrast, he could have tactfully learned his boss's point of view and found out how to support his boss's goals for a win-win outcome.

The wrong option.

Harry chose the wrong option. He chose anger and argument over diplomacy and persuasion. Winning such an argument is impossible. He did not anticipate the consequences of an argument. If he had been able to be "curious not furious" about the causes of his boss's point of view, then he might have thought it through and taken a persuasive approach. He chose the wrong option of an immediate tactical and emotional reaction rather than a cooler, more strategic and ecological approach. Harry decided to give in to his anger rather than to take a diplomatic route. Righteous indignation is a poor substitute for finding a workable solution where both sides can win. At the very least, much would have been gained from Harry recognizing the context and allowing himself a cooling-off period.

The Common Denominator

Wishful thinking, based on deeply seated beliefs, afflicts many, many executives. In most situations, executives tend to do better than Harry. But many if not all of his mistakes had one common denominator: they were based on *automatically* operating ideas that he "took for granted." We all take things for granted. The downside occurs when those "blind spots" invisibly create a minefield of personal destruction in the path of smart people.

But even if an executive is only mistaken about one of these four factors in any given situation, a career will be handicapped, and many working decisions will go badly. Relationships and results are bound to suffer. As occurs with a single flaw in executive rationales, even the best new luxury car cannot move with a single flat tire. Other than in cases of lack of know-how, virtually all executive problems will boil down to one or more of the items in the Four Factor Model™ of executive decision making and career progress.

It is very difficult for an individual to perceive subjective limitations objectively. Like an iceberg, thought processes that are taken for granted are below the surface. This kind of invisible issue will not surface in an ordinary conversation. That is why a Jack Welch or a Warren Buffet is so rare. Exceptional executives have a way of reassessing the things they take for granted – especially about themselves. That ability to reassess one's self with a measure of objectivity is what makes them special.

Probes into the success of exceptional executives consistently find that they are the objective masters of these four factors (Yeager & Sommer, 2007). Some may use friends or a coach as a source of feedback to adapt their thinking. Some may analyze their own decision processes carefully for flaws. Once in a very rare while, someone gets it right by pure luck. In any case, those individuals probe their own assumptions within their thinking and enhance their decision-making.

They do not get in their own way. It's simple as that – no exceptions. We know this from having successfully coached countless executives in the Fortune 500 companies. When the underlying, out-of-awareness belief is corrected, careers leap forward and individual decision-making takes on a new leverage in power and effectiveness. We have seen this time and time again.

Assessing the Four Factors

Subjectively “taking things for granted” about one’s self can severely limit an executive career. For one thing, by taking for granted your own overlooked decision flaws, you may never know why you are not doing as well as you should. Any one or any combination of these four factors, when misread, can cause serious trouble for the individual who is caught unaware. Popular 360-degree peer evaluations and performance ratings can define what is wrong, but can’t get at the invisible reasons behind the limitations. Assessments need to probe the depths of the hidden rationales to find the real cause. Then there must be an equivalent solution.

Peer evaluation cannot diagnose the cause at the automatic level of decision processing. That is why so many performance and feedback programs seem so ineffective. They are working at a superficial level. Off-the-shelf performance improvement methods act like instructing a medical patient to get rid of their problematic symptoms without knowing the real causes (Yeager, 1983). Linguistic coaching alters the rules of thinking which alters the rules of decision making.

Any successfully coached executive coached typically enjoys a rapid change for the better. The main reason for this is that a language-based coaching effort quickly targets the issues and the hidden rationales like a laser. As Benjamin Whorf (1956) famously put it: “The limits of my language are the limits of my world.” Issues that operate at the automatic level of language and thinking have great power to enhance or inhibit decision making progress. Reconfiguring the language rules automatically reconfigures the effects of those rules. Conversational techniques for adapting those automatic decision functions now exist.

Finding the sub-surface issues usually requires external, objective perspectives. The more qualified the help, the better. Fixing the issues among the four factors does not resemble personal heavy lifting for the executive. Metaphorically speaking, suppose you trusted a moving company to transport and organize your furniture in your new house. You would expect to find the furniture placed according to the plan you gave them. But if you arrive and find all of the living room furniture stacked in the kitchen, you can’t use either room. With that configuration, you are stuck. Still, there is nothing inherently wrong with the furniture, nor with the kitchen.

However, if you simply reorganize what you have to match the plan, everything will work the way you want. Highly leveraged executive coaching among the four

factors is more like reorganizing internal furniture than it is about creating whole new repertoires of performance. Most executive issues, though often subtle and hard to detect, have straightforward solutions.

Some of symptoms related to the Four Factor Model™ are listed below. A linguistic analysis of your statements regarding these feelings and/or contexts would reveal underlying preferences and beliefs that are out of context for your role and situation:

- Do relationships at work make you defensive?
- Are you mostly on offense or on defense?
- Do you feel free to pursue the job goals you have in mind?
- Are you too busy worrying about what could go wrong?
- Are you and your boss on the same page?
- Do you dislike the feedback you get about your performance?
- Are critics or ‘politics’ holding you back?
- Is your career progress measured in minor gains?
- Do you have doubts about your performance and potential?
- Are things going according to plan less often than anticipated?
- Do you feel happy about your work, most days?
- Does obtaining cooperation from others become a struggle?
- Do others seem to get unfair advantages?

When anyone takes something for granted, there is no clue, no mental red flag, to signal that something is not up to par. Like an iceberg, most reasons for personal limitations are hidden beneath the surface. The causes for “the way things are” are primarily hidden – or the executive would change them immediately. Everyone’s beliefs within the four factors will be uniquely their own. That means a prefabricated “program” solution will not work. Programs are standardized approaches and don’t work well for unique personal perspectives.

The four factors are simply a fact of human linguistics and are just as obvious as an eye not being able to see itself without a mirror. Self-assessment questions for the four factors can be framed as follows:

1. Do you know exactly the career and business situation you are in without illusions?
2. Do you know the role you have and how to play it very effectively?
3. Do you have clear and ambitious goals?
4. Do you make cost-effective choices that work?

Such self-assessment is a good beginning for recognizing and perhaps reorganizing how one makes decisions in one’s professional context. The deeper probing, however, will necessitate a linguistically trained coach. Our experience is that executives and other professionals who avail themselves of such career development typically find greater congruence, and therefore more career success.

Closing Observations

These four key factors are universal measures of executive success. The four factors reflect a methodology for accessing and adapting linguistic, rule-based, automatic thinking. Those methods can reveal exactly how and where executives are overlooking their own blind spots. Language is the ideal feedback mechanism for decision making enhancement. Experts can conversationally elicit those language patterns. Those out-of-awareness patterns can be discussed and repackaged in a typical coaching dialog. The results are immediately obvious in most cases. Successful executives like Jack Welsh and Warren Buffett, routinely monitor and adjust their thinking for better decisions. Their implicit goal is to match the four key factors. When those factors are working at optimal levels, with self help or with professional help, performance typically rises to exceptional levels.

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Authors' Note

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