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Decision-Making as an Organisational Capability - Not an Individual Skill

This article explores why decision-making needs to be treated as an organisational capability, not an individual skill, and what "good" looks like for boards, executives and leadership teams operating under scrutiny.

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Decision-making has never been more visible - or more scrutinised - than it is today.

Many organisations are confident in their decision processes. They have experienced leaders, established governance forums and well-developed compliance artefacts. But when decisions are later examined by regulators, inquiries, boards or through hindsight, what is tested is rarely intent or effort. It is the quality of the reasoning applied at the time.

The uncomfortable reality is that many organisations struggle to clearly evidence how critical decisions balanced risk, opportunity and stakeholder impact - particularly months or years after those decisions were made.

This is not a new challenge. Harvard Business Review recently dedicated an entire special edition to decision-making, exploring bias, uncertainty, judgement and the limits of human cognition. Yet despite decades of research and leadership development, most organisations still lack a single, systemised way to govern how decisions are made - consistently across levels, risks, opportunities and regions.

The hidden assumption we still make

Most organisations continue to operate on an unspoken assumption: that decision-making is primarily an individual leadership skill.

Decision-making has traditionally been anchored in individual experience and professional judgement. Leaders are trusted to draw on their expertise and instincts, particularly when decisions must be made quickly or under pressure.

That assumption held reasonably well in more stable environments. In today's reality - defined by complexity, scrutiny and interconnected risk - it is increasingly being tested.

When decisions become exposed

In regulated, safety-critical and publicly scrutinised environments, decisions no longer disappear once they're made.

After incidents, disruptions or strategic failures, organisations are rarely asked only what decision was taken. They are asked:

- How was the decision framed?
- What information was available at the time?
- What risks and trade-offs were considered?
- How was judgement aligned across leaders?
- Why was this decision reasonable under the circumstances?

In other words, organisations are being asked to demonstrate the quality of their decision-making process, not just the outcome. Many are not equipped to do that.

The paradox inside mature organisations

Here's the paradox. We have:

- sophisticated risk management systems
- mature crisis management arrangements
- detailed governance and compliance frameworks
- robust performance and execution metrics

But when it comes to decision-making itself, we rely on informal mechanisms: emails, conversations, meetings, private notes and tacit understanding.

The logic, assumptions and trade-offs behind critical decisions are rarely captured in a consistent, transparent or reviewable way.

Decision-making remains personal, fragmented and opaque.

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Crisis as the first point of exposure

In practice, weaknesses in organisational decision-making rarely surface during periods of stability.

They are most often exposed during crisis events - when time pressure, uncertainty, incomplete information and competing priorities converge. In these moments, organisations quickly discover whether decision-making has been designed as a collective capability or whether it relies primarily on individual judgement.

The issue is not a lack of experience or intent, but the absence of a shared decision logic that enables decisions to be framed, tested and explained consistently under pressure.

Frameworks aren't the problem — systems are

This gap doesn't exist because we lack frameworks.

From the volume of data available, advanced analytics and powerful tools designed to support insights, leaders have no shortage of ways to think about decisions and talk about decision complexity.

Leaders are trained to recognise uncertainty, ambiguity and non-linearity.

Yet when it comes to how decisions are actually made, and later examined, this sophistication often evaporates. Complexity is acknowledged, but decision-making itself remains informal, undocumented and highly personal.

Frameworks live in training, documents and facilitation sessions. They depend on individual discipline - precisely when pressure is highest and memory is least reliable.

As a result, organisations may think well about decisions but struggle to demonstrate how decisions were made.

Decision-making is a capability

The emerging insight is simple, but powerful:

Decision-making should be treated as an organisational capability, not an individual act.

A capability is something that is:

- structured
- repeatable
- shared
- observable
- improvable

We design systems for finance, safety, operations and risk. Yet the activity that determines outcomes across all of them - decision-making - is left largely unsystemised.

When crisis and regulation converge

While crisis conditions reveal weaknesses in decision-making, it is regulatory review and board scrutiny that bring those weaknesses into sharp focus.

Under time pressure, incomplete information and competing priorities, leadership teams must align quickly and act decisively. Informal decision processes are stretched to their limits.

Later, when scrutiny intensifies, organisations often discover that:

- rationale is unclear
- assumptions weren't explicit
- trade-offs weren't surfaced
- judgement wasn't aligned

The issue is rarely that leaders lacked competence. It's that decision discipline wasn't systemised.

Boards and regulators are increasingly aware of this.

They're shifting from outcome-based assurance to decision-process assurance - wanting confidence not just in what was decided, but how judgement was applied.

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The missing piece

What's striking is many organisations are yet to adopt a single decision process that:

- works across all levels of the organisation
- applies to risks and opportunities
- supports crisis, regulation, governance and strategy
- preserves human judgement while making it visible
- creates defensible records without bureaucracy

Such a decision system doesn't replace judgement. It protects it.

From trust in people to trust in systems

Historically, organisations relied on trust in individuals.

Increasingly, they need trust in process and systems that ensure decisions can be understood in the context in which they were made, not judged with hindsight.

The future of decision-making isn't about smarter leaders alone.

It's about decision-ready organisations.

Organisations that systemise decision-making don't remove judgement, they make it defensible, scalable and fit for the world we now operate in.

What does good look like?

A single, coherent decision process and system that can be used:

- for all types of decisions - risk and opportunity
- at all levels of the organisation
- across functions, regions and operating contexts

A practical system that embeds decision discipline into how work actually happens.

In practice, this capability supports:

Crisis & Incident Management

The system supports disciplined decision-making under pressure, enabling leadership teams to align quickly, surface critical trade-offs, and retain a clear, defensible decision record even in time-constrained, high-stress environments.

Regulatory Compliance

Decisions are captured in a way that supports regulatory review, inquiries and post-incident scrutiny, reducing exposure, avoiding hindsight bias, and strengthening organisational confidence in how judgement was applied.

Board Assurance & Governance

Boards gain visibility into how decisions are made, not just what was decided, improving trust in executive judgement, strengthening oversight, and enabling more informed challenge and assurance.

Strategic Execution

Strategic decisions are more deliberate, better aligned and more consistently executed, reducing drift between intent and action across complex, decentralised organisations.

Capability Uplift

With decision-making as a system, decision-making maturity improves over time because the capability itself becomes visible and measurable.

Patterns in judgement, risk appetite, escalation, and trade-off management can be identified, reflected on and strengthened. Leaders develop shared decision language, greater alignment, and more consistent decision quality, through repeated use of a common process and system.

Over time, decision-making shifts from an implicit skill held by individuals to an organisational capability that can be learned, reviewed and continuously improved.

Organisations that systemise decision-making don't remove judgement, they strengthen it, making it visible, defensible and fit for the complexity and scrutiny that now define leadership.

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About Janellis

Janellis has been working with leaders across the public and private sectors since 1999 to help execute strategy and build organisational resilience.

The Decision Support Tool (DST), also known as the Critical Thinking Framework, has supported leaders for more than 18 years in addressing complex and high-consequence decisions. The DST was developed with input from Sir Peter Cosgrove and is aligned with key elements of the Australian Defence Force Military Appreciation Process (JMAP).

Qantas were the first global organisation to embed the DST enterprise-wide as part of a broader Resilience Uplift Program. Since then, it has been applied industries, including aviation; banking and finance; construction; critical infrastructure; education; emergency services; energy; health; insurance; hydro; manufacturing; property; retail; superannuation; transport; utilities; telecommunications; and water and in regions including Australia, Canada, New Zealand, India, the UAE, UK and the United States.

For more information

E: info@janellis.com.au | P: +61 2 9994 8914

W: www.janellis.com.au

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