How to Tackle Your Toughest Decisions
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Every manager makes tough calls—it comes with the job. And the toughest calls come in the grey areas—situations where you and your team have worked hard to gather the facts and done the best analysis you can, but you still don’t know what to do. It’s easy to become paralyzed in the face of such challenges. Yet as a leader, you have to make a decision and move forward. Your judgment becomes critical.

Judgment is hard to define. It is a fusion of your thinking, feelings, experience, imagination, and character. But five practical questions can improve your odds of making sound judgments, even when the data is incomplete or unclear, opinions are divided, and the answers are far from obvious.

Where do these questions come from? Over many centuries and across many cultures, they have emerged as men and women with serious responsibilities have struggled with difficult problems. They express the insights of the most penetrating minds and compassionate spirits of human history. I have relied on them for years, in teaching MBA candidates and counselling executives, and I believe that they can help you, your team, and your organization navigate the greyest of grey areas.

This article explains the five questions and illustrates them with a disguised case study involving a manager who must decide what to do about a persistently underperforming employee who has failed to respond to suggestions for improvement. He deserves a bad review, if not dismissal, but higher-ups at the company want to overlook his failings.

How should the manager approach this situation? Not by following her gut instinct. Not by simply falling into line. Instead, she needs to systematically work through the five questions:

• What are the net, net consequences of all my options?
• What are my core obligations?
• What will work in the world as it is?
• Who are we?
• What can I live with?

To grapple with these questions, you must rely on the best information and expertise available. But in the end you have to answer them for yourself. With grey-area decisions, you can never be certain you’ve made the right call. But if you follow this process, you’ll know that you worked on the problem in the right way—not just as a good manager but as a thoughtful human being.

Net, Net Consequences

The first question asks you to thoroughly and analytically consider every course of action available to you, along with the full, real-world, human consequences of each. Grey-area problems are rarely resolved in a flash of intuitive brilliance from one person; as a very successful CEO told me, “The lonely leader on Olympus is really a bad model.” So, your job is to put aside your initial assumption about what you should do, gather a group of trusted advisers and experts, and ask yourself and them, “What could we do? And who will be hurt or helped, short-term and long-term, by each option?”

Don’t confuse this with cost-benefit analysis, or focus solely on what you can count or price. Of course, you should get the best data you can and apply the relevant frameworks. But grey-area problems require you to think more broadly, deeply, concretely, imaginatively, and objectively about the full impact of your choices. In the words of the ancient Chinese philosopher Mozi, “It is the business of the benevolent man to seek to promote what is beneficial to the world and to eliminate what is harmful.”
In today’s complex, fluid, interdependent world, none of us can predict the future with total accuracy. And it’s sometimes hard to think clearly about grey-area issues. What’s important is taking the time to open your mind, assemble the right team, and analyze your options through a humanist lens. You might sketch out a rough decision tree, listing all potential moves and all probable outcomes, or designate certain people to act as devil’s advocates to find holes in your thinking and prevent you from rushing to conclusions or succumbing to groupthink.

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When you make important, difficult decisions, you affect many people’s lives and livelihoods. The first question asks you to grapple hard with that reality.

Core Obligations

We all have duties—as parents, children, citizens, employees. Managers also have duties to shareholders and other stakeholders. But the second question gets at something deeper: the duties we have to safeguard and respect the lives, rights, and dignity of our fellow men and women.

All the world’s great religions—Islam, Judaism, Hinduism, Christianity—emphasize this obligation. The contemporary ethicist Kwame Anthony Appiah has said, “No local loyalty can ever justify forgetting that each human being has responsibilities to every other.”

How can you figure out specifically what these duties oblige you to do in a particular situation? By relying on what philosophers call your “moral imagination.” That involves stepping out of your comfort zone, recognizing your biases and blind spots, and putting yourself in the shoes of all key stakeholders, especially the most vulnerable ones. How would you feel in their place? What would you be most concerned about or afraid of? How would you want to be treated? What would you see as fair? What rights would you believe you had? What would you consider to be hateful? You might speak directly to the people who will be affected by your decision, or ask a member of your team to role-play the outsider or victim as persuasively as he or she can.

Again, you must look past economics and your business school training. Yes, managers have a legal duty to serve the corporation—but that’s a very broad mandate that includes the well-being of workers, customers, and the community in which they operate. You have serious obligations to everyone simply because you are a human being. When you face a grey-area decision, you have to think—long, hard, and personally—about which of these duties stands at the head of the line.

The World as It Is

The third question pushes you to look at your problem in a clear-eyed, pragmatic way—seeing the world not as you would like it to be but as it is. Ultimately you need a plan that will work—one that will move an individual, a team, a department, or an entire organization through a grey area responsibly and successfully.

The phrase “the world as it is” points toward Niccolò Machiavelli’s thinking—a perspective that might seem surprising in an article about making responsible decisions. But his view is important, because it acknowledges that we don’t live in a predictable, calm environment populated with virtuous people. The world Machiavelli described is unpredictable, difficult, and shaped by self-interest. Sound plans can turn out badly, and bad plans sometimes work. Much of what happens is simply beyond our control. Leaders rarely have unlimited freedom and resources, so they must often make painful choices. And a great many individuals and groups will pursue their own agendas, skilfully or clumsily, if not persuaded to do otherwise.

That is why, after considering consequences and duties, you need to think about practicalities: Of the possible solutions to your problem, which is most likely to work? Which is most resilient? And how resilient and flexible are you?
To answer those questions, you need to map the force field of power around you: who wants what and how hard and successfully each person can fight for his aims. You must also ready yourself to be agile and even opportunistic—manoeuvring around any roadblocks or surprises—and, when the situation calls for it, to play hardball, asserting your authority and reminding others who is the boss.

It’s easy to misinterpret the third question as an “out”—an excuse to do what’s safe and expedient instead of the right thing. But the question is really about what will work if you bring persistence, dedication, creativity, prudent risk-taking, and political savvy to the task.

**Who Are We?**

According to an old African adage, “I am because we are.” Put differently, our behaviour and identities are shaped by the groups in which we work and live. As Aristotle said (and as a vast body of scientific literature has since confirmed), “Man is by nature a social animal.” So, this question asks you to step back and think about your decision in terms of relationships, values, and norms. What really matters to your team, company, community, culture? How can you act in a way that reflects and expresses those belief systems? If they conflict, which should take precedence?

To answer those questions, you might think about the defining stories of a particular group—the decisions and incidents that everyone cites when explaining the ideals to which you are collectively committed, what you have struggled to achieve, and what outcomes you try hard to avoid. Imagine that you are writing a sentence or a chapter in your company’s history. Of all the paths you might choose in this grey area, which would best express what your organization stands for?

This question comes fourth because you shouldn’t start with it. Unlike the first three, which require you to take an outsider’s perspective on your situation and consider it as objectively as possible, this one addresses you as an insider, at risk for adopting an insular, limited view when you consider norms and values, because we are naturally inclined to take care of our own. So, counterbalance that tendency with the thinking prompted by the previous questions.

**Living with Your Decision**

Good judgment relies on two things: One is the best possible understanding and analysis of the situation. The other involves the values, ideals, vulnerabilities, and experiences of whoever will be making the decision. A seasoned executive once told me, “I wouldn’t go ahead with something just because my brain told me it was the right thing to do. I also had to feel it. If I didn’t, I had to get my brain and my gut into harmony.”

Ultimately you must choose, commit to, act on, and live with the consequences of your choice. So, it must also reflect what you really care about as a manager and a human being. After considering outcomes, duties, practicalities, and values, you must decide what matters most and what matters less. This has always been the challenge of taking on any serious responsibilities at work and in life.

How will you figure out what you can live with? End your conversations with others, close the door, mute the electronics, and stop to reflect. Imagine yourself explaining your decision to a close friend or a mentor—someone you trust and respect deeply. Would you feel comfortable? How would that person react? It may also be helpful to write down your decision and your reasons for it: Writing forces clearer thinking and serves as a form of personal commitment.

**In Practice**

Now let’s turn to our case study. Becky Friedman was the 27-year-old manager of a 14-person technology group responsible for clothing sales at an online retailer. One of her team members, Terry Fletcher, a man 15 years her senior with a longer tenure at the company, wasn’t doing his part. Although his previous boss had routinely given him scores of 3.5 on their five-point performance scale, Friedman didn’t believe his work merited that; and whenever she presented him with opportunities to develop his skills and ramp up his contributions, he failed to follow through. So, she wanted to drop his rating to 2.5 and put him on a performance improvement plan (PIP), on a path to dismissal.
Soon, however, two of the company’s vice presidents, good friends of Fletcher’s, caught wind of her plans and paid her a visit. They asked whether she was sure about what she was doing and suggested that the real problem might be her management.

Suddenly the situation was no longer black-and-white. Friedman had entered a grey area and felt stuck. To find a way out, she turned to the five questions. She considered her options—stick to her plan, abandon it, or find a middle ground—and their consequences. She reminded herself of her basic duties to her fellow human beings, including Fletcher, her team, and the VPs. She evaluated the practical realities of her organization. She weighed the defining norms and values of her various social groups. And she thought carefully about her own abiding sense of what really matters in life.

She suspected that if she pushed forward and gave Fletcher the rating he deserved, she and her team would suffer retribution: The VPs could withhold resources or even force her out of the company. She also worried about Fletcher, who seemed off-balance and appeared to have few things going well in his life. How would a poor review and a possible job loss affect him, not just financially but also psychologically? If Friedman chose option B, however, she would still have a deadweight on her team, which might prevent the group from achieving its ambitious goals and demoralize its most talented and diligent members. The VPs might also take her capitulation as a sign of weakness, which could keep her, a relative newcomer, from moving up in the leadership ranks.

**Would you feel comfortable explaining your decision to a close friend?**

Middle-ground options, such as presenting Fletcher with further development opportunities or giving him another warning, seemed more promising but carried their own risks: Would they be effective in changing his behaviour? Would they still result in backlash from the VPs? Friedman also thought about what she, her team, and her organization cared about most. As a woman in computer science, she knew what it was like to be marginalized, as Fletcher was among the whiz kids in her department, and she felt compelled to help him. At the same time, her group prided itself on exceptionally professional performance, and her company, although young, had always claimed and generally proved to be a meritocracy with high standards and a sharp focus on customer needs.

After much deliberation, Friedman decided to try a counselling session with Fletcher. She opened by telling him that she had decided to give him a 2.5, but that she wouldn’t put him on a PIP because it would be too demeaning. She then asked him to consider the department’s recent hires—all of whom had strong technical skills—and honestly evaluate whether he would be happy or successful working alongside them. She concluded by suggesting that he spend the next several months continuing to do his job while also looking for another one. She was surprised and relieved when his immediate anger over the bad rating subsided and he agreed to consider her plan; in fact, he had already been toying with the idea of leaving. He spent the next several weeks looking for other positions, inside the company and elsewhere, and soon joined another company. Friedman, meanwhile, continued to thrive. She had, of course, been lucky; there was no guarantee that Fletcher would respond so positively to her feedback. But she’d put herself in a good position by getting the process right, and she’d been prepared to try other, equally thought-through tactics if the first didn’t work.

When you face a grey-area problem, be sure to systematically answer all five of the questions, just as Becky Friedman did. Don’t simply pick your favourite. Each question is an important voice in the centuries-long conversation about what counts as a sound decision regarding a hard problem with high stakes for other people.

Leadership can be a heavy burden. It is also a compelling, crucial challenge. In grey areas, your job isn’t finding solutions; it’s creating them, relying on your judgment. As an executive, I greatly respect once told me, “We really want someone or some rule to tell us what to do. But sometimes there isn’t one, and you have to decide what the most relevant rules or principles are in this particular case. You can’t escape that responsibility.”

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