

Making Better Decisions

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Range management is difficult and complicated. Managers must continually make decisions that affect the long-term health of the rangeland and sustainability of the ranch. Decision making can be risky. Everyone makes wrong decisions sometimes, regardless of their education and experience, because no one can completely and accurately predict the future. But some people continue to make the same mistakes year after year because they don't assess the real causes of their mistakes and problems.

Human nature is often the culprit. We want to believe everything will be fine; when it isn't we may blame nature or others rather than realize that we need to improve our decision-making skills and risk assessment.

Decision making always involves uncertainty. The better we can deal with uncertainty, assess the likelihood of future events, and learn from past mistakes, the better decision makers we will be. Good managers know that they must consider both the present and the future, not sacrificing long-term welfare for short-term profits.

Here are some guidelines for making good management decisions (adapted from Halpern, 1989).

1) Beware of your own bias.

Each of us has biases, or ways we typically see things. When you have a decision to make, you may unconsciously look for evidence that supports your biases, rather than seeking opposing views so that you can really evaluate your choices. It is uncomfortable to have someone challenge your ideas, but the other person may be correct. When you have a tough decision to make look for people who will be helpful critics by disagreeing with your point of view. They can help you reevaluate your ideas, consider new information, and make better decisions.

2) Use "rule of thumb" guidelines with care.

"Rules of thumb" or "cookbooks" can be handy and lead to fast solutions, but they may not give you the correct answer. For example, one rule of thumb is to cull all open cows immediately after palpation. While this practice will reduce your herd's forage requirements and your direct costs, it may also reduce your income. You are timing the marketing of animals to fit

a general rule rather than choosing the time most beneficial to you and your resources. Rules of thumb can be helpful guidelines, but they have to be fine-tuned to your situation. Evaluate your alternatives and risks before acting.

3) Watch out for wishful thinking.

Another tendency of human nature is to believe that pleasant events are more likely to happen than unpleasant ones, and that if we want something to happen it will. Optimism may be a wonderful human trait, but not when it distorts the decision-making process. Good decisions depend on realism, not optimism. Failure to consider the possibility of very unpleasant outcomes can lead to disastrous consequences. Too many ranchers hang on to all their livestock even when rainfall is below normal, simply because it might rain. This destroys your pastures and pocket book. Even if it does rain, your pastures need rest to recover from the drought before you resume normal stocking rates. Many ranchers and pastures never recover before the next drought occurs.

4) Be realistic about the value of your assets.

It can be hard to let go of something in which you've invested money, time or effort. An example is the rancher who believes that a cow is too valuable to sell when the market is low **and** when it is high. This kind of thinking can trap you. Rather than thinking about the money already spent on an investment, it's important to consider its present value and what it is likely to be worth in the future. If you aren't careful, you can invest more in an asset than it will ever be worth in the future.

5) Beware of perceptions about what is "best."

In making decisions, we select alternatives that seem "best" to us. But how do we determine what seems best? Sometimes we rely on generally accepted ideas or popular "wisdom" rather than on sound, rational criteria. This can be risky. You would think, for example, that killing brush would increase your forage supply and allow you to make more money. But the results might well be different. Undesirable plants or other brush species might take over the cleared land, or forage production might not increase enough to pay for the brush control.

6) Get all the facts.

We are often attracted by what looks good, but looks can be deceiving. A neighbor's pasture that looks very productive might not actually be profitable. Before you imitate the neighbor's management practices, it would be a good idea to check all the details and apply them to your specific situation, just as you would check out a bull's production capabilities, genetics, behavior, etc. before buying it.

7) Don't be lured by the familiar.

Because we feel comfortable with things that are familiar, we tend to like them more. You are likely to continue doing what dad and granddad did on the ranch because you are familiar with these activities and decisions. But everything is changing, and old practices or policies could be wrong today. It takes effort to learn something new or to question familiar practices. Don't just do the same things year after year and expect to see improvement when the ranch is deteriorating, assets are shrinking, you are working harder, and failure is likely. Make changes before you are in a crisis.

Evaluate Decisions Frequently

Once decisions are made and plans are underway, many people assume things are going well. One sign that they might not be is having to deal with frequent crises. Crises are usually a result of gradual processes that could have been changed. For example, forage shortfalls result from gradual depletion of the forage supply. If you monitor current conditions and re-check future forecasts continually, you'll know whether or not your previous decisions and plans are working well. Then, if things don't go as you expected, you'll be able to make adjustments to reduce financial and resource risk. Learn to recognize warning signs, and plan ahead by having extra resources on hand for times of crisis.

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For further information:

Halpern, Diane F. 1989. *Thought and Knowledge*. 2nd ed. Hillsdale, New Jersey: Lawrence Erlbaum Associates.

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