

NEWS RELEASE

‘SA managers, investors and entrepreneurs could do with a decision-making mind shift’ – Prof Charlene Lew during inaugural address



From left to right: UP's VC and Principal Prof Francis Petersen, Prof Charlene Lew, and Prof Morris Mthombeni, Dean of GIBS at UP.

PRETORIA - During her recent inaugural address, Professor Charlene Lew, newly inaugurated professor at the University of Pretoria's (UP) [Gordon Institute of Business Science](#) (GIBS), offered insight into the decision-making behaviour of managers, investors and entrepreneurs.

The address took place at UP's Senate Hall, and was introduced by UP Vice-Chancellor and Principal [Prof Francis Petersen](#), and presided over by GIBS Dean [Prof Morris Mthombeni](#). Prof Lew's findings were based on research that she, fellow researchers, and master's and doctoral students have been conducting.

The problem of indecision, she said, afflicts even some of the most senior company executives and directors of boards in South Africa. As for investors, some suffer from the exact opposite – mild to moderate overconfidence in their abilities to make good decisions. However, according to Prof Lew, this can be turned around as it relates

to both groups, and to other levels of managers and leaders as well as entrepreneurs.

“Yes, human beings have limitations such as decision biases and limited mental processing capacity, but an equal truth is that we have an immense ability to grow our decision-making skills,” Prof Lew said.

She referred to some of the latest research findings on psychological and other impediments to good decision-making, as well as tools, techniques and mindsets that managers, investors and entrepreneurs could consider in order to improve their decision-making capabilities. Her objective, she said, is to synthesise all these “puzzle pieces” into a comprehensive framework for better decision-making and outcomes.

Fear of accountability, overconfidence and underdog bias

Factors that can hamper good decisions or choices include fear of taking accountability for decisions, a preference for conventional thinking and a lack of healthy risk-taking cultures in some organisations.

“Even strategic leaders face the problem of indecision,” Prof Lew said, explaining that research into decision-making in a complex South African corporation had shown indecision stemming from organisational, interpersonal and personal factors. “One is the fear of taking accountability: people are afraid of retaliation if the decision does not work out well. In turn, this indecision not only leads to poorer organisational performance but affects interpersonal relationships in teams, with team members becoming demotivated.”

Research on investor decision-making revealed limiting phenomena such as overconfidence and “underdog bias”, where investors’ decisions are coloured by memories of the difficulties they have experienced in life rather than the positive results of overcoming difficulties.

However, the focus of her current research is not on the limitations or “boundedness” of human decision-making.

“Dwelling on our boundedness will not give us less bias, more time or information, or improved mental processes,” Prof Lew said, adding that her objective is to “go beyond boundedness” and leverage the untapped creative potential of human decision-making capacities.

Some powerful ways to tap into this potential include enhanced scenario planning, values-based and ethical decision-making, cultivating a healthy risk culture, exercising mindfulness and using heuristics (mental shortcuts).

Embracing implausibility

Some of the research from Prof Lew’s group highlights the value of “unconventional thinking” and the willingness to embrace “implausible futures” in scenarios planning. This mindset tends to be lacking among many managers and investors, whose decisions could benefit from including unusual options in the decision mix, adding to the richness of decision-making processes.

The research also points to the benefits of cultivating supportive environments for effective collective reasoning, such as by making time for scenario thinking and creating dedicated spaces for this where people can openly share their perspectives.

In shaping a good risk culture, it is crucial for board and senior management to communicate and encourage values that support a little risk taking, Prof Lew said.

Choosing between competing values

Values-based decisions, she explained, usually need to be made when people are facing competing “sacred” values. An example of this is making a choice between saving a company versus saving jobs.

“Which one do we choose and which one do we sacrifice?” Prof Lew asked. “The finding was that people who value openness to change are a lot more effective in making values-based decisions than those who prize traditions and norms.”

Prof Lew also focused on ethical considerations in decision-making.

“I believe ethical criteria are the foundation for all good decision-making,” she said, mentioning research conducted on moral judgement and moral intent to do the right thing. “We found a relationship specifically between people who have developed a trait of mindfulness – being present and not judgemental – and more morally responsible decisions. This gives us a lot of hope that we can create reasoning patterns in people that can drive better ethical choices.”

Ultimately, Prof Lew would like to shift decision-making in society

“If I could play a small role in fighting corruption in that way, I would be grateful.”

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ABOUT THE UNIVERSITY OF PRETORIA

The University of Pretoria (UP) is one of the largest contact and residential universities in South Africa, with its administration offices located on its Hatfield Campus in Pretoria. This 115-year-old institution is also one of the largest producers of research in South Africa.

Spread over seven campuses, it has nine faculties and a business school, the [Gordon Institute of Business Science](#) (GIBS). It is the only university in the country with a [Faculty of Veterinary Science](#), which is ranked the best in Africa. UP has 120 academic departments and 92 centres and institutes, accommodating more than 56 000 students and offering about 1 100 study programmes. It has the most academic staff with PhDs (70%), NRF-rated researchers (613).

The 2025 Times Higher Education subject rankings placed UP first in South Africa in the fields of [Accounting](#) and [Finance](#); [Architecture](#); [Electrical and Electronic Engineering](#); Law; Sport Science; and Veterinary Science. UP's Faculty of Law has been ranked as the top law school in Africa for a remarkable eighth consecutive year.

Quacquarelli Symonds (QS) ranked the University among the top five in Africa, as part of their [2024 World University Rankings \(WUR\)](#). UP was the only South African university featured in the [2023 World University Rankings for Innovation \(WURI\)](#), falling within in the 101-200 range of innovative universities.

For more information, please go to www.up.ac.za