

# How This Work Creates Business and Economic Impact

Max Stephens

## About the Author

Max Stephens is a developmental theorist, personal development strategist, and bestselling author whose work explores the hidden dynamics of high performance, ambition, and human flourishing. He has written more than 100 research articles on the psychological and cultural drivers of success and has coached over 30 high-performing leaders each year, from CEOs and entrepreneurs to elite athletes, creatives and military professionals. His coaching practice and intellectual work intersect at a single point: the recognition that high performance is often a compensatory strategy, born of relational fracture and sustained by unresolved emotional wounds.

Drawing on philosophy, developmental psychology, and history, Max situates high performance within the broader story of civilisation. His work challenges high performers to see themselves not as isolated anomalies, but as participants in enduring patterns of desire, rivalry, and ambition. By integrating insights from thinkers such as René Girard, Søren Kierkegaard, Friedrich Nietzsche, Ken Wilber and contemporary psychology, he reframes success as more than the pursuit of wealth, status, or control, as a deeper movement toward contribution, systemic responsibility, and structural integration.

Max is the author of *What the F\*\* Do You Actually Want?\**, a bestselling book that critiques the illusions of success and invites readers to orient their ambition toward purpose that extends beyond their own immediate desires. He lectures on applied developmental theory, and his frameworks, including the Fracture-Strategy-Distortion (FSD) model and the Relational Rights Model (RRM), both of which are used in both coaching and academic settings. His essays form a philosophical canon that explores the hidden costs of ambition while pointing toward a more integrative path.

With a background that bridges high performance, developmental psychology, and philosophical inquiry, Max's mission is to help high performers discover their completeness within themselves and reorient their drive as a force for meaningful impact in the world.

## Executive Summary

At senior levels, economic outcomes are constrained less by capability than by decision quality. Most CEOs and business owners already understand, in principle, what good decisions look like. The primary risk does not arise from ignorance, but from the difficulty of sustaining clear judgment under pressure, complexity, fatigue, and competing incentives over time.

As responsibility increases, decisions become asymmetric. A relatively small number of judgments—around pricing, capital allocation, strategy, hiring, and partnership—carry disproportionate downstream consequences. At this level, even minor distortions in judgment

can quietly compound into material economic outcomes. What appears rational or defensible in isolation may, over time, shape trajectories that take years to unwind.

This memo addresses a structural risk that is common, predictable, and routinely under-acknowledged at senior levels: normal human variance operating at points of leverage. All human performance fluctuates. No leader operates with consistent clarity, energy, or emotional regulation at all times. In senior roles, however, the cost of this variance increases sharply. Decisions made while fatigued, compressed, avoidant, or overly confident may not register as errors in the moment, yet still lock in consequences that scale across people, capital, and strategy.

Compounding this risk, personal blind spots do not remain personal at senior levels. Unexamined bias, loyalty to outdated strategies, identity-driven preferences, and avoidance of necessary conversations routinely translate into organisation-wide effects. These are not character flaws; they are predictable human tendencies whose impact scales with authority. When left unexamined, they quietly erode value despite competence, experience, and good intent.

Despite the economic significance of this risk, it is rarely addressed directly. Advisory support typically focuses on strategy, execution, or answers, while boards often assume consistency of judgment where none can realistically exist. As a result, a gap persists between what capable leaders know and what they reliably execute under real-world conditions. The purpose of this memo is to make that gap explicit and to frame decision quality not as a personal development concern, but as a material economic variable. Addressed correctly, small improvements in judgment stability can produce outsized financial impact. Ignored, the cost compounds quietly.

## Human Variance Under Load

All human performance fluctuates. No leader operates with consistent clarity, energy, or emotional regulation at all times, regardless of experience, discipline, or intelligence. This is not a failure of professionalism; it is a basic feature of human cognition under load.

Senior roles intensify that load. Time compression, decision density, competing incentives, reputational pressure, and responsibility for others are structural features of executive life. These conditions are not temporary; they are persistent. As a result, senior leaders routinely make consequential decisions while fatigued, distracted, or operating with incomplete attention.

At lower levels of responsibility, this variance is absorbed by the system. Decisions affect smaller scopes, errors are more easily corrected, and consequences are limited. At senior levels, the same variance operates at points of leverage. The cost profile changes.

A decision made with slightly reduced clarity does not need to be wrong to be expensive. It only needs to be marginally suboptimal and locked in. Over time, these marginal deviations shape pricing discipline, strategic positioning, capital allocation, hiring quality, and cultural norms. Because the decisions are reasonable in isolation, the cumulative impact often goes unexamined.

Importantly, this risk is not episodic. It does not appear only in moments of crisis or obvious failure. It emerges during periods of sustained pressure, extended growth, or prolonged responsibility — precisely when performance appears stable from the outside. The more competent and reliable the leader, the more likely these effects are to be masked.

Attempts to eliminate human variance through discipline, willpower, or process alone are typically insufficient. Variance is not a bug to be removed; it is a condition to be managed. At senior levels, the relevant question is not whether judgment will fluctuate, but how much that fluctuation is allowed to influence decisions with long-term consequences.

This reframes executive performance away from individual optimisation and toward risk containment. The objective is not constant peak performance, but consistency of judgment where leverage is highest. When variance is left unacknowledged, its cost compounds quietly. When it is accounted for structurally, its impact can be materially reduced.

## When Personal Blind Spots Become Organisational Risk

At senior levels, personal blind spots do not remain personal. They scale.

Every leader carries preferences, assumptions, loyalties, and habits of interpretation shaped by experience and past success. In most contexts, these function as heuristics—efficient shortcuts that enable speed and confidence. At points of leverage, however, the same heuristics can introduce systematic distortion.

Unexamined bias does not typically present as error. It presents as reasonable judgment reinforced by experience. Loyalty to a strategy that once worked feels prudent. A preference for familiar operators feels responsible. Avoidance of a difficult conversation can be justified as timing, diplomacy, or stability. Each decision, taken alone, appears defensible.

The risk emerges through accumulation.

When a senior leader repeatedly delays pricing adjustments, maintains a plateaued strategy, tolerates underperformance in key roles, or remains overly involved in execution, those decisions shape organisational behaviour. Teams calibrate around what is rewarded, tolerated, or postponed. Capital flows toward what is protected rather than what is optimal. Strategic optionality narrows quietly over time.

Because these outcomes unfold gradually, they are rarely attributed back to the original judgments. Performance may remain strong in the near term. Growth may continue. Yet value erosion can occur beneath the surface through misaligned incentives, conservative positioning, or deferred renewal. By the time the impact is visible, the decisions that produced it are already embedded in structure, culture, or long-term commitments.

This is why senior decision risk is difficult to self-detect. The same authority that enables scale also reduces feedback quality. Direct challenges diminish. Signals are filtered. Results lag behind decisions. In this environment, blind spots are not corrected through intention alone.

Importantly, none of this implies incompetence or poor leadership. These dynamics arise precisely because capable leaders rely on judgment under uncertainty. The issue is not the

presence of blind spots, but the absence of mechanisms to surface and correct them before they scale.

At senior levels, organisational outcomes are often the cumulative expression of a leader's unexamined assumptions. When those assumptions align with reality, value compounds. When they do not, erosion occurs quietly and predictably.

## Where This Shows Up in Practice

At senior levels, decision risk rarely appears as obvious failure. It appears as a sequence of reasonable choices whose cumulative cost only becomes visible over time. The following examples are typical points at which judgment distortion quietly translates into economic impact.

### Pricing and Commercial Discipline

A leader recognises that pricing is conservative relative to value delivered, yet defers adjustment to avoid friction, instability, or customer reaction. The decision appears prudent in the moment. Over time, margin discipline erodes, pricing anchors harden, and revenue is materially constrained despite strong demand.

### Strategic Inertia

A strategy, offering, or market position has clearly plateaued, yet execution continues in the absence of a clean decision to adapt or exit. Past success creates loyalty; sunk cost justifies delay. The organisation remains busy, but optionality narrows. Opportunity cost compounds quietly while competitors reposition.

### Executive Over-Involvement

Senior leaders remain deeply engaged in execution, decision approval, or operational detail long after scale requires a shift in role. This behaviour often appears responsible and committed. In practice, it displaces attention from higher-leverage decisions around capital, talent, and direction, while signalling dependency throughout the organisation.

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### Deferred Conversations

Necessary conversations with partners, senior hires, or key clients are postponed in the interest of stability, timing, or diplomacy. The delay feels minor. Its downstream effects—cultural drift, misaligned incentives, or unresolved performance issues—are not. These costs rarely surface immediately, but are difficult to unwind once embedded.

## Decisions Made Under Load

Key judgments are made while fatigued, time-compressed, or managing multiple competing pressures. Each decision is only marginally suboptimal. At scale, those margins matter. Hiring standards slip slightly, risk tolerance shifts subtly, or precedent is set that shapes future behaviour.

## Playing Below True Leverage

A leader senses the capacity to operate at a higher level—charging more, entering stronger partnerships, addressing larger problems—yet remains just below that threshold. The hesitation is not fear in the obvious sense; it is a preference for familiarity. Over time, the organisation calibrates to that ceiling.

None of these decisions are irrational. Most are defensible in isolation. The economic impact emerges through repetition and reinforcement. When similar judgments are made under similar conditions, patterns form. Those patterns shape outcomes.

This is how capable leaders can unintentionally lock in trajectories that underperform their true potential.

### 1. Supporting Data: Evidence on Decision Risk and Cognitive Bias in Executive Contexts

The following empirical findings demonstrate that cognitive biases and decision inefficiencies are pervasive among professional decision-makers and that they have measurable organisational impact.

### 2. Cognitive Biases Systemically Affect Professional Decision-Making

A comprehensive review of research on professionals' decision-making across multiple domains (including management and finance) shows that a range of cognitive biases — such as overconfidence, confirmation bias, and framing effects — consistently influence judgment and choice in real-world settings. These biases are predictable and recurrent across contexts, indicating that even highly trained professionals are susceptible to systematic errors in judgment.

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#### 4. Executives Report Substantial Decision Quality Challenges

In a McKinsey survey of senior executives, a large majority indicated that poor strategic decisions were as common or more common than good ones within their organisations. Specifically, 72 % of senior executives reported that bad strategic decisions were about as frequent as good ones or the prevailing norm, highlighting the prevalence of decision quality issues even among experienced leaders.

#### 5. Inefficient Decision-Making Carries Measurable Organisational Cost

McKinsey research on organisational decision processes estimates that inefficient decision-making consumes about 530,000 manager days per year at a typical Fortune 500 company, equivalent to approximately \$250 million in annual wages due to time lost on decisions that do not deliver value.

#### Cognitive Bias Impacts Managerial and Strategic Outcomes

Additional research shows that decision-making biases such as optimism and overconfidence are present across managerial decision contexts. These biases relate directly to underestimating risk, overestimating project outcomes, and maintaining decisions that are less than optimal in complex environments.

*The dynamics described above are well-documented in empirical research across management, strategy, and decision science.*

#### Why This Risk Is Rarely Addressed

Despite its prevalence and economic significance, decision risk at senior levels is rarely addressed directly. This is not due to lack of intelligence, sophistication, or intent. It is a consequence of how leadership support is structured.

Most advisory functions focus on *answers*. Strategy consultants provide options. Financial advisors optimise capital structures. Coaches address behaviour, performance, or mindset. Each plays a valuable role, yet none are designed to operate consistently at the level of judgment distortion itself — particularly under conditions of pressure and leverage.

Boards, meanwhile, tend to assume decision consistency as a function of experience and track record. Competence is inferred from past success. Variance is attributed to external conditions. As a result, fluctuations in judgment are rarely examined unless outcomes deteriorate visibly. By the time concerns surface, decisions are already embedded in strategy, structure, or long-term commitments.

Senior leaders are also uniquely exposed to feedback degradation. As authority increases, challenge decreases. Signals become filtered. Disagreement softens. Decisions are increasingly validated after the fact rather than interrogated at the point of choice. This is not a failure of governance; it is a predictable feature of hierarchy.

Compounding this, decision risk is often misclassified. Because it involves human factors — bias, fatigue, preference, avoidance — it is implicitly treated as a personal or “soft” issue rather than an economic one. This framing obscures its financial impact and places it outside the remit of formal risk management, despite the fact that its consequences routinely exceed those of more visible operational risks.

Finally, there is a category gap. Decision risk at senior levels sits between disciplines. It is not purely strategic, not purely financial, and not reducible to performance management. As a result, it is frequently acknowledged in principle but left unowned in practice.

The outcome is a persistent blind spot: a material economic risk that is widely experienced, intuitively understood, and systematically under-addressed.

## What Actually Reduces Decision Risk

At senior levels, decision risk is not reduced by more information, better intentions, or increased effort. Most leaders already have access to sufficient data and understand, in principle, what good decisions look like. The issue is not knowledge accumulation, but judgment stability under real conditions.

What reduces decision risk is not the elimination of human variance, but its **structural containment** at points of leverage.

This begins with externalised judgment. Senior leaders operate inside the systems they shape. Their thinking is necessarily entangled with identity, responsibility, history, and consequence. In this context, internal reflection alone is insufficient. Decision quality improves when judgment can be examined outside the pressure of ownership, without reputational or political cost.

Equally important is the reduction of decision noise. Under load, otherwise capable leaders carry unnecessary cognitive and emotional interference into key judgments — fatigue, urgency, loyalty, sunk cost, or avoidance. When this interference is not surfaced, it quietly distorts otherwise sound reasoning. Reducing decision risk requires creating conditions in which these distortions can be identified and removed before they influence consequential choices.

Consistency matters more than optimisation. At senior levels, the economic impact of maintaining acceptable judgment under imperfect conditions often exceeds that of occasional peak performance. Stabilising decision quality during periods of pressure, growth, or fatigue prevents small deviations from becoming embedded commitments.

Finally, effective reduction of decision risk requires proximity to real decisions. Abstract insight is insufficient. Risk is mitigated when judgment is engaged at the moment of choice — before decisions are locked into strategy, structure, or precedent. Once embedded, even marginally suboptimal decisions become expensive to reverse.

None of these principles are complex. What is rare is their consistent application at senior levels, where authority, time pressure, and responsibility converge. When decision risk is addressed structurally rather than personally, small corrections can produce disproportionate economic impact.

## Closing Note

Decision risk at senior levels is not theoretical. It is structural, predictable, and economically material. It arises not from lack of intelligence or intent, but from normal human variance operating at points of leverage.

The implications are straightforward. Where decision quality is stabilised, value compounds. Where it is left unmanaged, erosion occurs quietly, often masked by competence, momentum, or short-term performance.

Work at this level is necessarily private, selective, and closely tied to real decisions. It should be pragmatic rather than performative, and it should pay for itself quickly. If material value is not evident early, it should not continue.

This memo reflects how decision risk is approached in private advisory with senior decision-makers.

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