Which factors hinder good decision making?

Overview and brief explanations

<u>Target audience:</u> everyone interested, no special knowledge necessary

Reading time: 10-20 minutes

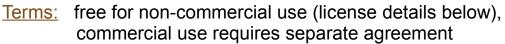
Page layout:

allows easy reading without scrolling, even on very small screens



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Creative Commons 3.0 Unported License Attribution - NonCommercial - SharedAlike Before we begin, you may want to know this:

This text is a (slightly edited) excerpt from the book 'Decision making, politics and quality of life' by Edgar Hartel.

Most examples, and all persons or organizations appearing in them, are invented.

Chapters

- 1. Introduction A short one
- 2. Problems. All sorts, all sizes. Where do they come from?
- 3. What is a 'good' or 'bad' decision? A definitions intermezzo
- 4. What happens when bad decisions are made frequently? About circles and spirals
- 5. How can bad decisions be avoided? A short answer
- 6. Which factors hinder good decision making? An overview
- How to overcome the factors that hinder good decision making Approaches and methods
- 8. Decision making theory vs. real life Why available tools are not used
- 9. An appeal: how you can contribute Better decisions, less problems
- 10. Conclusion A short one

Appendices

- A. Quality of life as a decision criterion The most important one?
- B. Is there a 'mother of all problems' ? How to solve interconnected problems
- C. Do not create larger problems while solving the original one Where is the grass greener?
- D. Factors that hinder good decision making Briefly explained
- E. Quality standards for decision making What they could look like
- F. How to visualize and evaluate decision options Step by step
- G. How to make and use argument maps Avoid endless discussions

H. Miscellaneous Acknowledgements, remarks,

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of the PDF e-book Decision Making,

Contents

Politics and Quality of Life

by

Edgar Hartel



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The human mind has extraordinary abilities. And many limitations.

Some we know and accept.

Example: divide 1232 by 56 in your head and say the result within 5 seconds.

Most likely your mind was **not capable** of doing this, but you are neither surprised nor embarrassed. Other limitations we are not aware of, or find difficult to accept.

Example: having limited abilities in decision making would really hurt our pride (especially if decision making is our job). Wouldn't that mean we're stupid? No way. Hence there is nothing wrong with our decision making abilities. Voilà. You just heard a human mind in denial mode.

This sort of denial may keep our self-confidence up, but doesn't bring us any nearer to good decision making. While looking at the following diagram you might think:'well, I have seen other people with these limitations'.

Hmm. You will get most out of this text if you sacrifice a little selfconfidence and think one step further: 'also my mind has these limitations'.

(Mine certainly has)

Progress

Intro done

Overview diagram up next

Hindering factors that are always present but unintended ... often present but unintended ... often present and intended

Summary

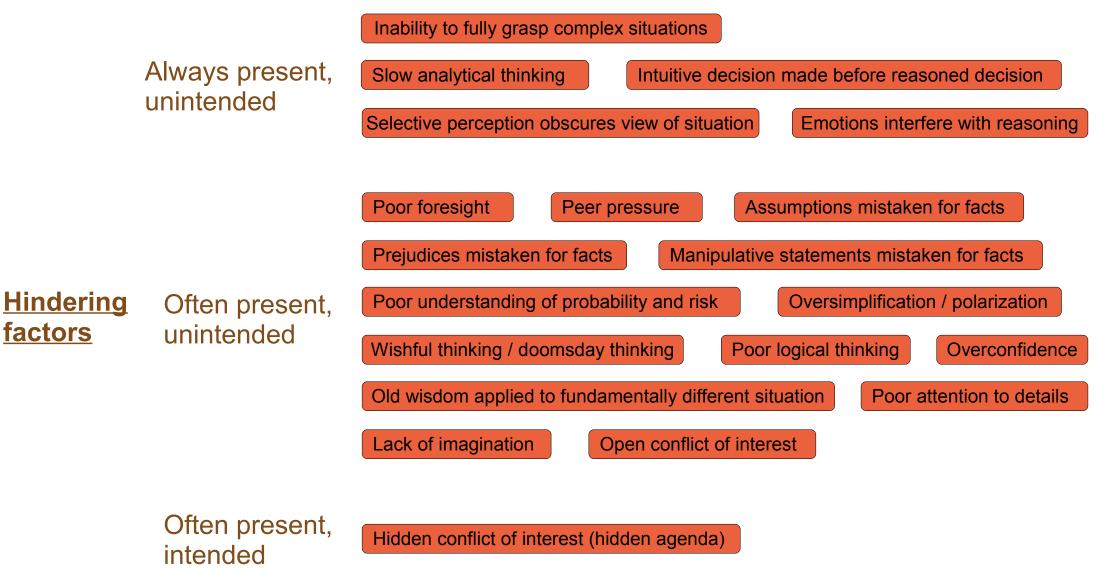


Fig. 6.1 : factors hindering good decision making

20 different factors, and this is not a complete list.

Which ones actually are present in a given decision making situation will vary. But very likely there will be more than 10 of them.

The next pages show brief explanations for most factors mentioned in the diagram. Please note that it is possible to overcome all hindering factors by using appropriate techniques.

How? Chapters 7 and 9, and appendices B, C, and E-G of the original book suggest solutions.

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Summary

Inability to fully grasp complex situations

A complex situation consists of many elements such as facts, processes and relations between them. There may be tens, hundreds or more elements. In order to fully grasp a situation, we must develop a mental model of it.

Unfortunately our minds fail to do so if there are more than about 5-10 elements involved.

As a workaround for this limitation, we often resort to focusing on just a few elements at a time, while disregarding all others. This means we never see the whole picture, only small parts of it.

However, from these small parts we may be able to develop a much simplified mental model of the situation. This model would be inaccurate, but in most cases better than nothing.

Unfortunately we are usually not aware of how simplified and inaccurate our own view of the situation is.

Slow analytical thinking

Usually there is only limited time available before a decision must be made. In order to get the best result, the situation (and expected outcomes of different choices) should be analyzed completely within this time.

Very often this is not done, mostly because we are not able to do that kind of thinking fast enough.

Intuitive decision made before reasoned decision

Every new situation we face is very quickly evaluated by our subconscious mind.

It then often advises (or alerts) us by making us feel an impulse to think or act in a presumed correct way. This first impulse serves us well as a survival mechanism, and as a guide in familiar situations.

In unfamiliar or complex situations, this impulse is often wrong.

Nevertheless, it influences or even dominates our conscious thinking. Often it urges us to search for arguments that support it, and to discard others.

<u>Selective perception obscures</u> <u>view of situation</u>

'We see what we want to see.'

Our senses can deliver information at a much higher rate than our conscious mind can process it. Fortunately, physical and mental filter mechanisms save us from information overflow. They do this by blocking seemingly unimportant information from reaching our conscious mind.

Unfortunately, this often includes valid information that contradicts our already established views.

Emotions interfere with reasoning

Bodily conditions, emotions and thoughts influence each other mutually. But conflicts between them are common.

Example: sometimes people, while in a rage, smash something expensive they own. Not because of sound reasoning, but because of interfering emotions. Along with certain hormones in their bloodstream.

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Summary

I believe some hindering factors in this category need no further explanations:

Poor foresight

Assumptions mistaken for facts

Prejudices mistaken for facts

Old wisdom applied to fundamentally different situation The next pages list the ones that do.

Peer pressure

Societies have social norms that define acceptable and unacceptable behaviour. Peer pressure is a similar control mechanism, but limited to a smaller peer group (e.g. your family, neighbours or co-workers), and often more intense.

It therefore feels difficult to say or do something your peers will not approve of.

Even if you believe it is right.

<u>Manipulative statements</u> <u>mistaken for facts</u>

Much of the information presented to us by other persons (directly or via various media) is meant to make us feel or think in a particular way. Namely the way intended by the other person. Often enough we do not recognize these manipulation attempts and accept biased information as correct.

Such attempts can target us through all common formats (e.g. articles, reports, diagrams, statistics, photos, video footage, speech).

Note that rhetorically brilliant statements are almost by definition manipulative.

Poor understanding of probability and risk Most of us have no education in risk analysis and rather weak skills in probability mathematics.

Instead, our understanding of probability and risk is usually based on own personal experience and intuition. Intuition, however, does not work well for estimating probabilities.

We tend to expect outcomes that are in fact improbable, and to be surprised by probable ones.

In familiar situations, we often end up underestimating risk because they 'always turned out OK so far'. The difference between high risk and guaranteed damage is also not clear for many of us.

Example: discussions about the health risks of smoking, where a 'still healthy neighbour who has been a heavy smoker for 30 years' is cited as 'evidence' against such risks.

Oversimplification / polarization

Complex situations become easier to grasp if we disregard information that has no bearing on their outcome.

If such simplifications are not made carefully, also relevant information is disregarded.

Later conclusions will then be wrong.

In extreme cases, the real situation is reduced to a 'black and white' only scenario.

This is often done intentionally for propaganda purposes, or to meet the demands of fast paced media.

<u>Wishful thinking /</u> doomsday thinking This is optimism or pessimism not sufficiently supported by arguments and facts.

In effect, hope or fear replaces sound judgement.

Poor logical thinking

Many, many things can go wrong in this area. This one is very common:

A statement of the type 'A follows from B' looks often like a logical and convincing argument in a discussion.

However, if such a statement is true or not depends usually on additional conditions:
'A follows from B (but only if C and D are true)'

Until it is clear what these conditions are, and that they are met, the original statement is logically not sound and therefore not a good argument. Example: 'wider roads give better traffic flow' (but only if traffic does not increase proportionally as a result, and if there are no other bottlenecks).

Overconfidence

This is the delusion of having thorough understanding and control of a situation.

As a consequence, sensible checks and precautions are considered unnecessary.

(A well-proven recipe for trouble)

Poor attention to details

'The devil is in the details.'

Not in all of them, but you don't know in which ones until you actually take a close look. If a decision turns out to be bad, it doesn't really matter if it is bad because the decision maker lacked overview or 'only' overlooked a crucial detail.

Some decision makers are not willing or able to deal with details.

These need to delegate this task to competent others, and to carefully consider their findings before deciding.

Lack of imagination

We see opportunities and threats only within the boundaries of our own personal imagination.

Very real opportunities or threats that exist outside these boundaries will not be noticed.

Note that these boundaries differ from person to person.

Open conflict of interest

In some situations a decision maker may have personal, professional and/or political interests.

These interests are often in conflict with each other.

Example: a manager who has the option of becoming very rich by transactions that later on may ruin the company If such a conflict of interest is not kept secret, but readily acknowledged by the decision maker and made known to everyone involved, it is of the open variety. But even if a hidden agenda can be ruled out, and the decision maker honestly tries to act ethically correct, the decision making process can easily be biased.

Note that the bias could also be against personal (and other) interests, because the decision maker may want to prove his integrity.

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Summary

Hidden conflict of interest (hidden agenda)

As in the 'open conflict of interest' scenario, the decision maker has diverging interests in a situation.

Again these interests are usually of a political, professional or personal nature (meaning: power, money, prestige, pleasure).

But this time the decision maker pretends:

- that there are no other interests (beside the official one),

or - that there is no conflict. At this point it must be assumed that the decision maker has a hidden agenda, and is not willing to make an unbiased decision in his official role. Example: a politician who plans to retire from office next year, but has not made his intention public. The politician wants to work as manager in industry afterwards. In the meantime, he makes political decisions in favour of that industry.

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Summary

At least 20 different factors can hinder good decision making.

Most are rooted in human nature.

It is difficult and unpleasant to recognize such limiting factors in your own mind. Hence they are usually ignored or denied.

A single factor can, if undetected and unchecked, 'contaminate' a decision making situation. And lead to a bad decision. This is the last page of this excerpt.

If you've read it: Thank you.