

# ICMIF Mutual Leadership Course

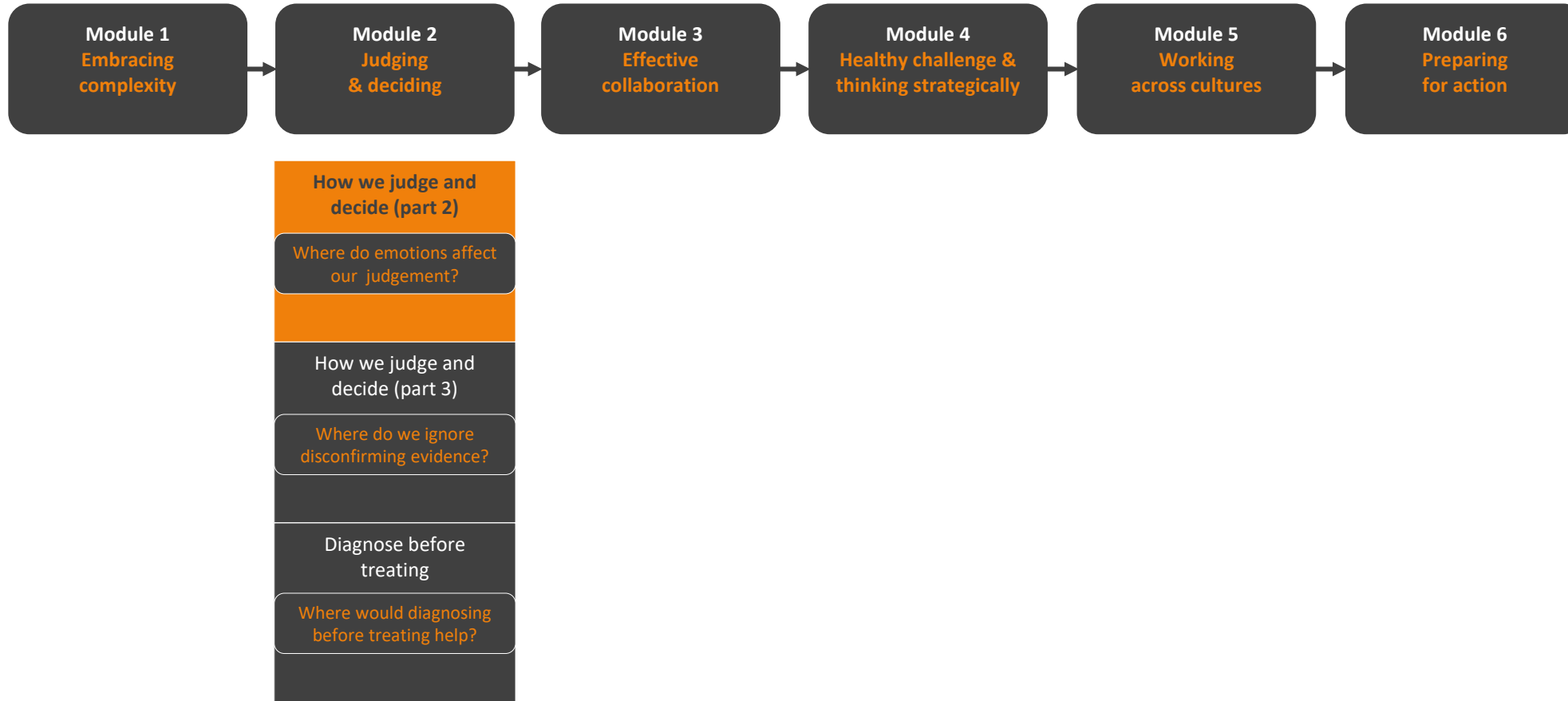
## Module Summary

## 2. Judging & Deciding

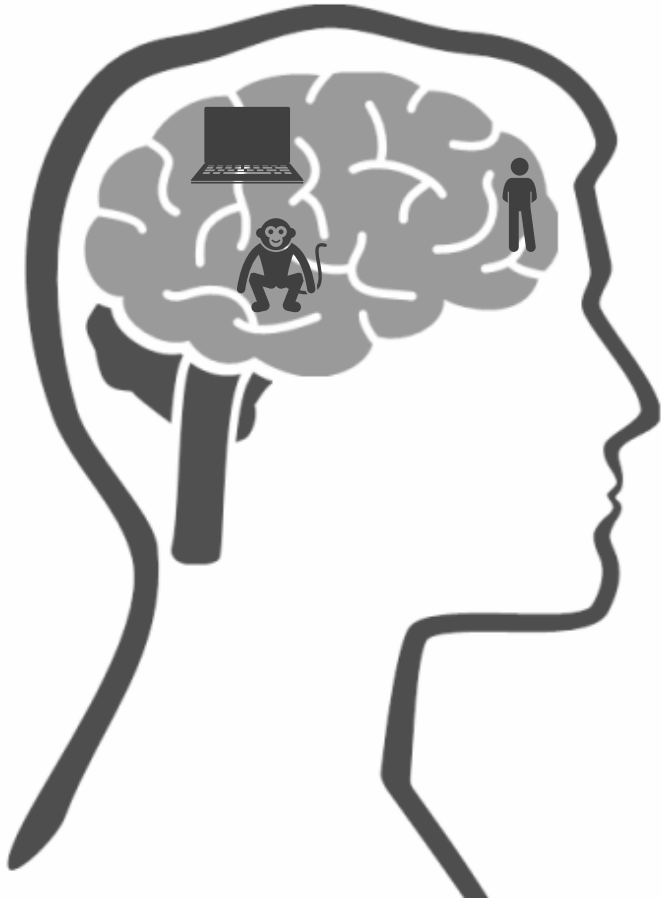


# Mutual Leadership

## adapting to a complex world



# Three Teams



## 1. Subconscious brain *"The Computer"*

Patterns based on experience  
Beliefs

20x faster  
than the Human



## 2. Emotional brain *"The Chimp"*

Approach or avoid  
Feelings

5x faster  
than the Human



## 3. Thinking brain *"The Human"*

Logic and analysis  
Facts

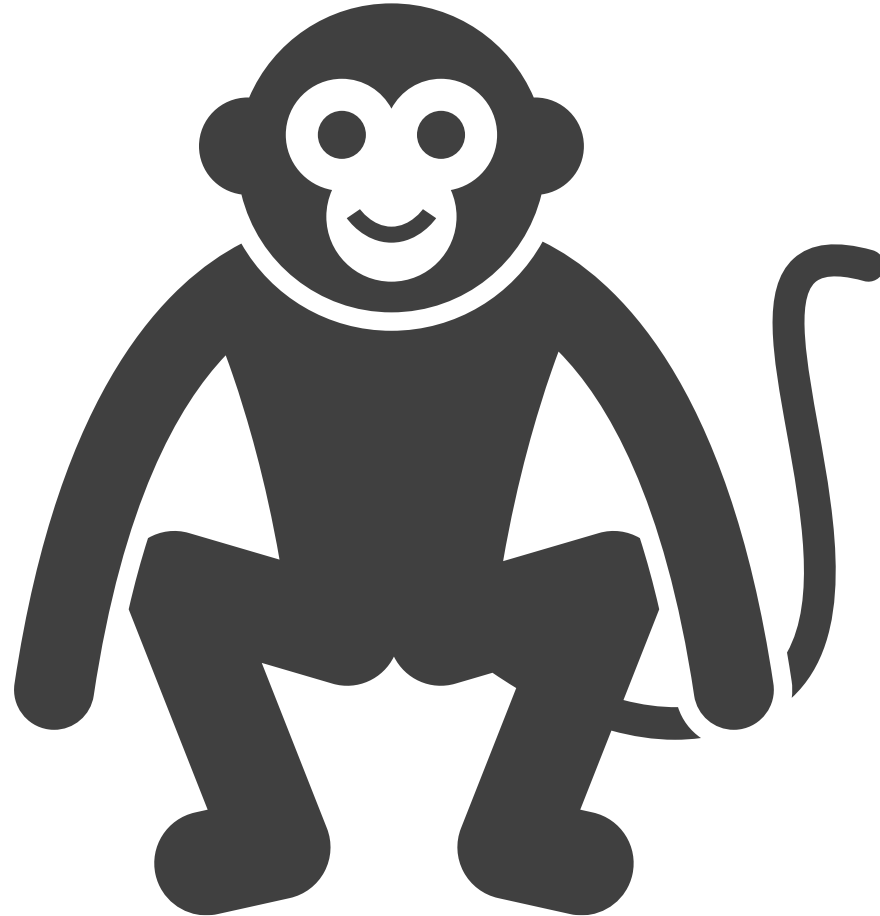
# Why Emotions Are Critical



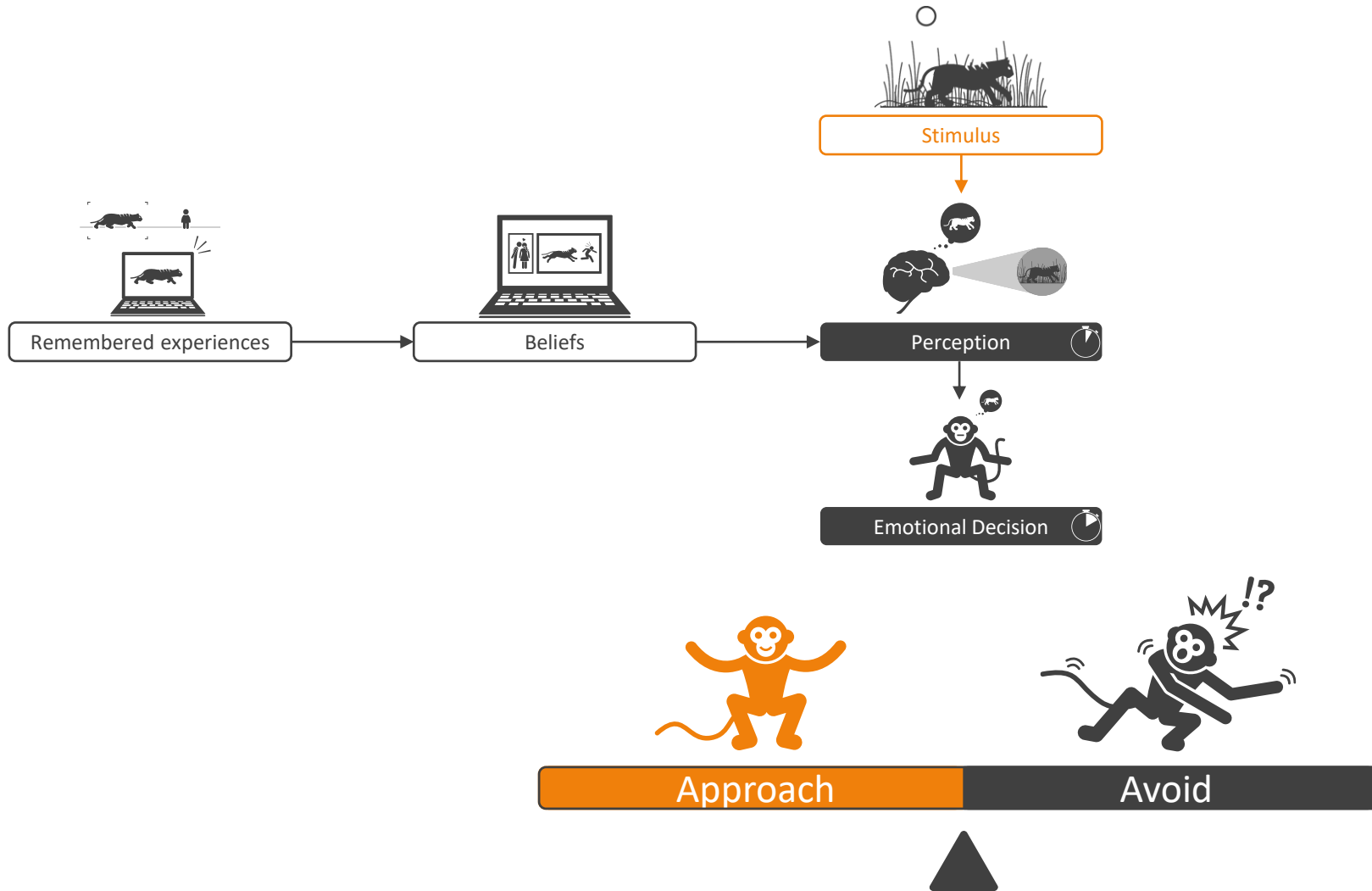
# Emotions Prompt Us To Act



# Our Chimps Run Most of Our Lives

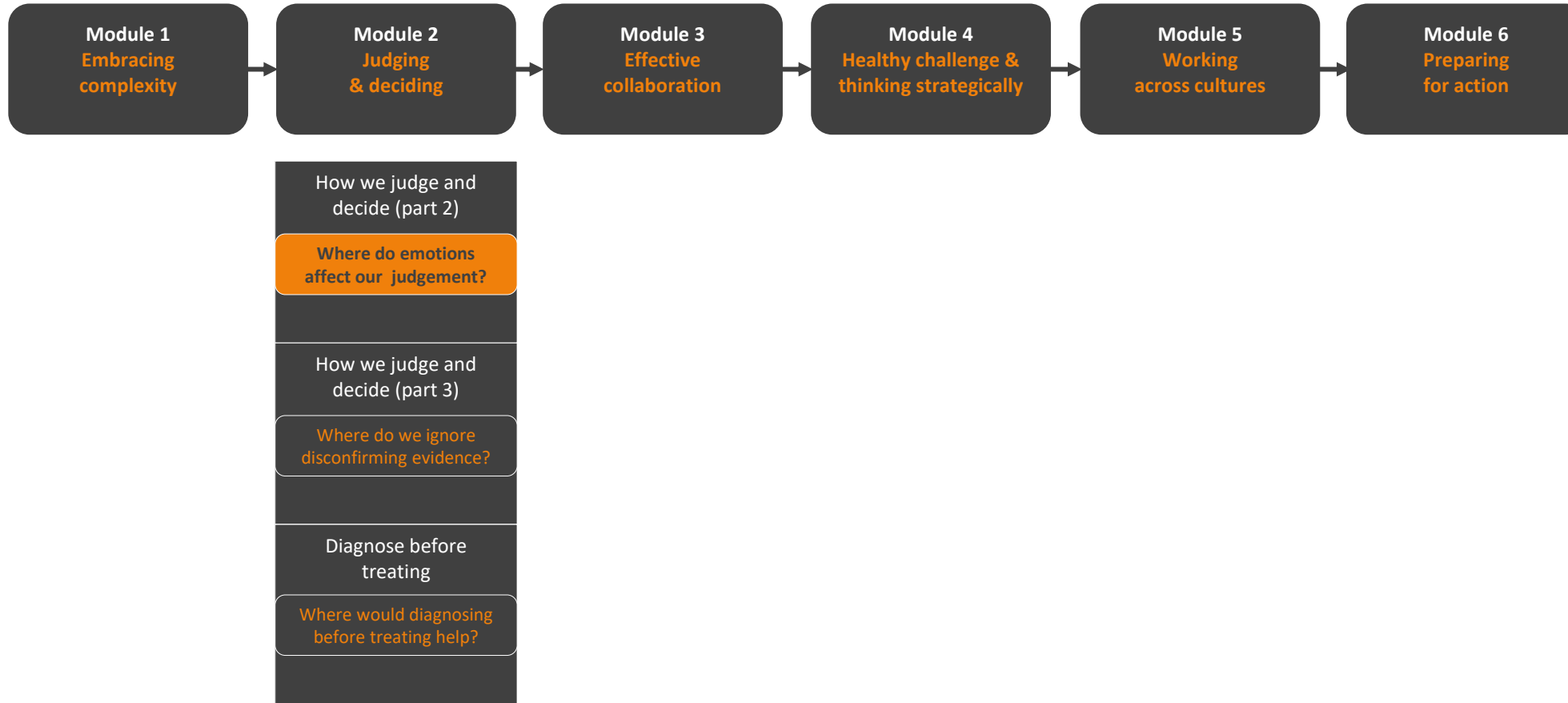


# Chimps Prompt Us to Approach or Avoid



# Mutual Leadership

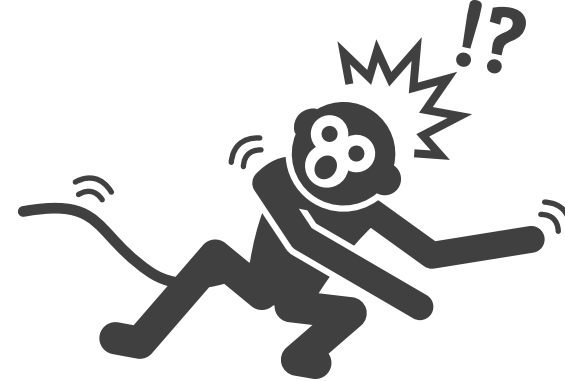
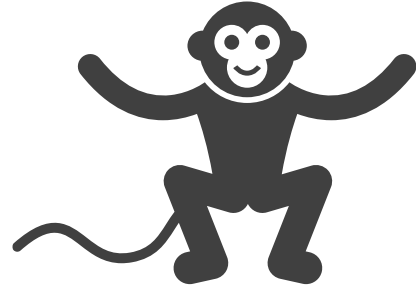
## adapting to a complex world







# Your Return On Investment



## Feeling as Thinking

Our emotional brains tell us how they feel about the patterns our subconscious brains deem relevant, and encourage us to either approach or avoid the object of our attention on that basis.

**How we feel** about the object of our attention frequently turns into what we **think about it**.

**Where in your work does your Chimp influence your judgment?**



**1. Capture** your perspective



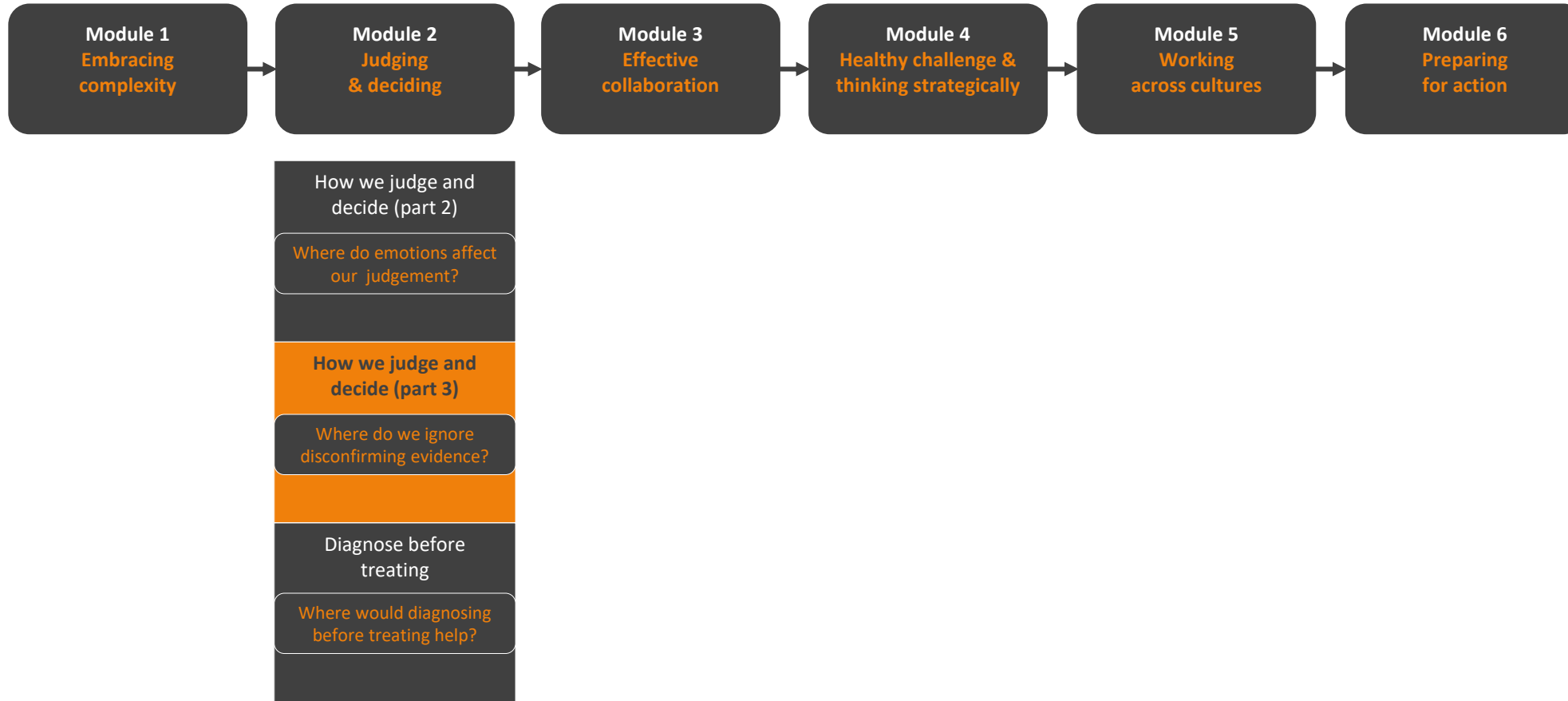
**2. Share** your perspectives



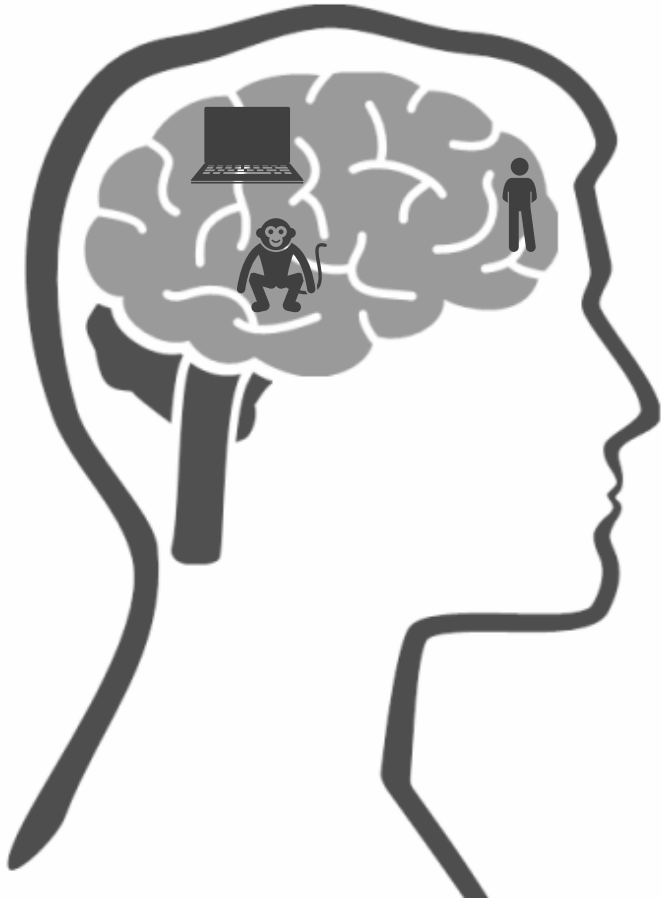
**3. Discuss** your perspectives

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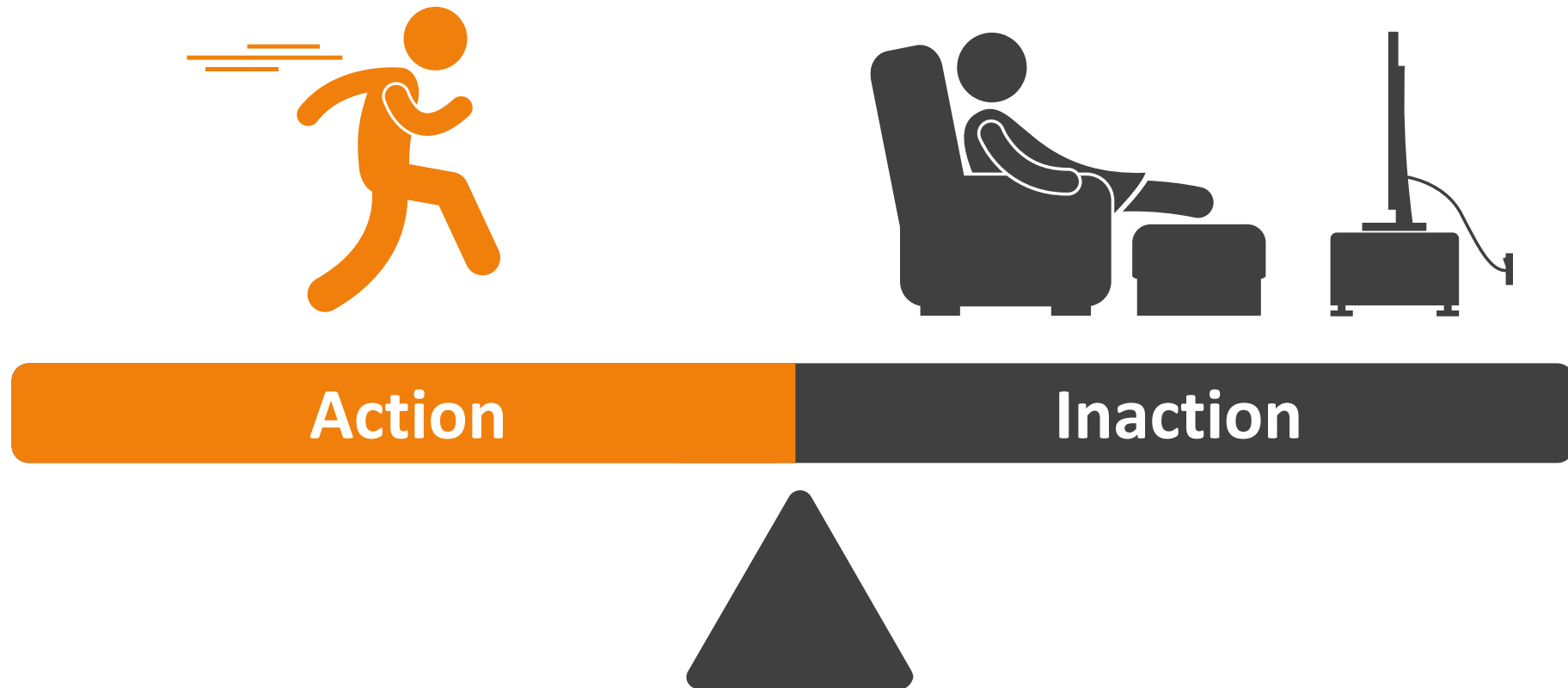
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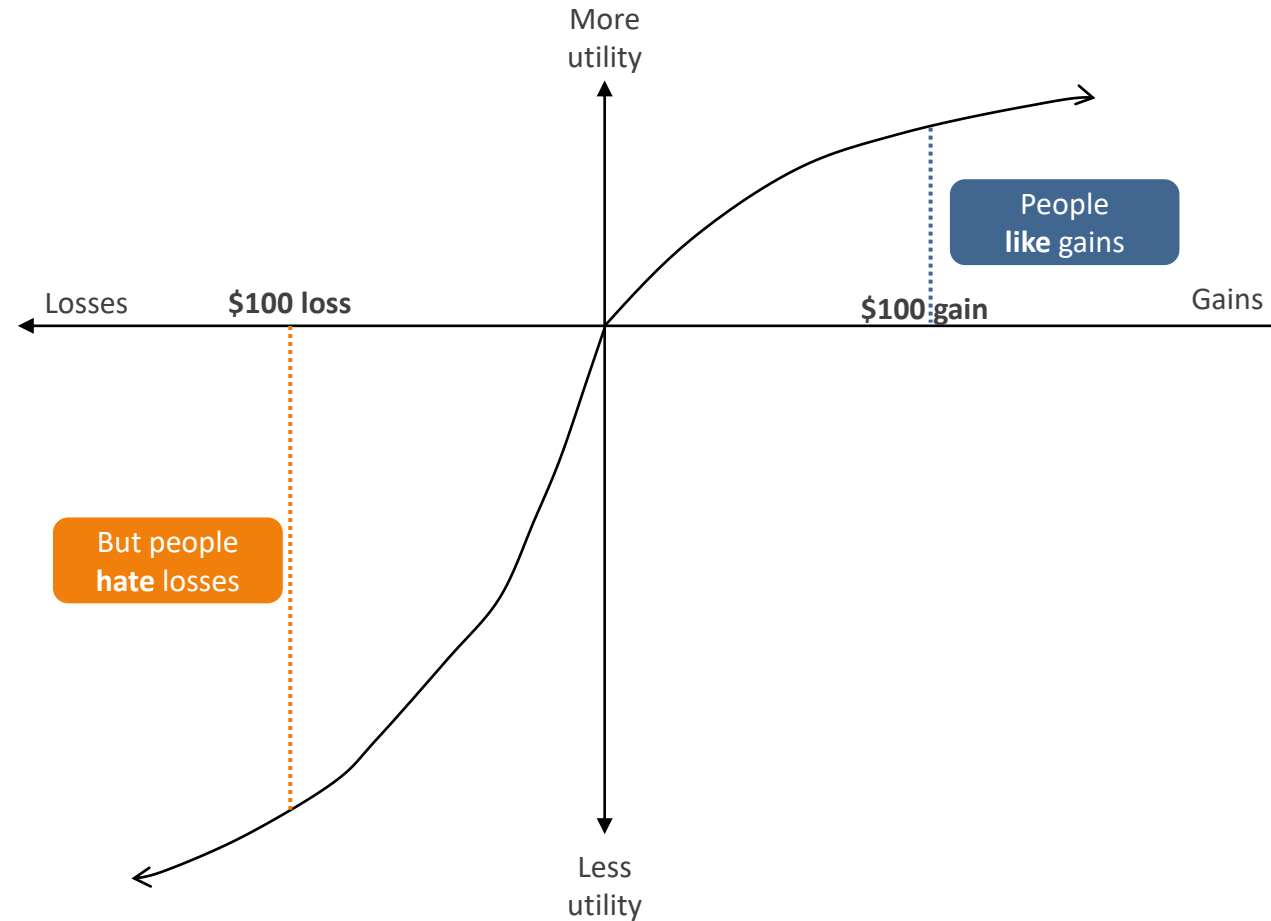
Logic and analysis  
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# Two Principal Types of Bias



When we say we're 90%  
confident of something...  
... we're actually 65%  
confident of it

# People Hate Losses More Than They Like Gains



Source: Misbehaving, Thaler

# The Biases of Action and Inaction

## Action



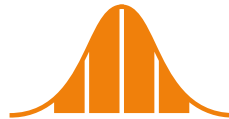
### Overconfidence



Most of us are overconfident. When we say we are 90% confident of something, what we really mean is that we are 65% confident of it.

We are inclined to 'bite off more than we can chew' and engage in risk seeking behaviours that are not warranted by our chances of success

### Base Rate Neglect



Many of us ignore the base rate chance of success or failure when we are close to action. We take an inside view.

We lose our objectivity in favour of the declaration that 'it will be different this time.'

## Inaction



### Loss Aversion



We dislike losses more than we like gains.

We overweight the possibility of loss in our decision making.

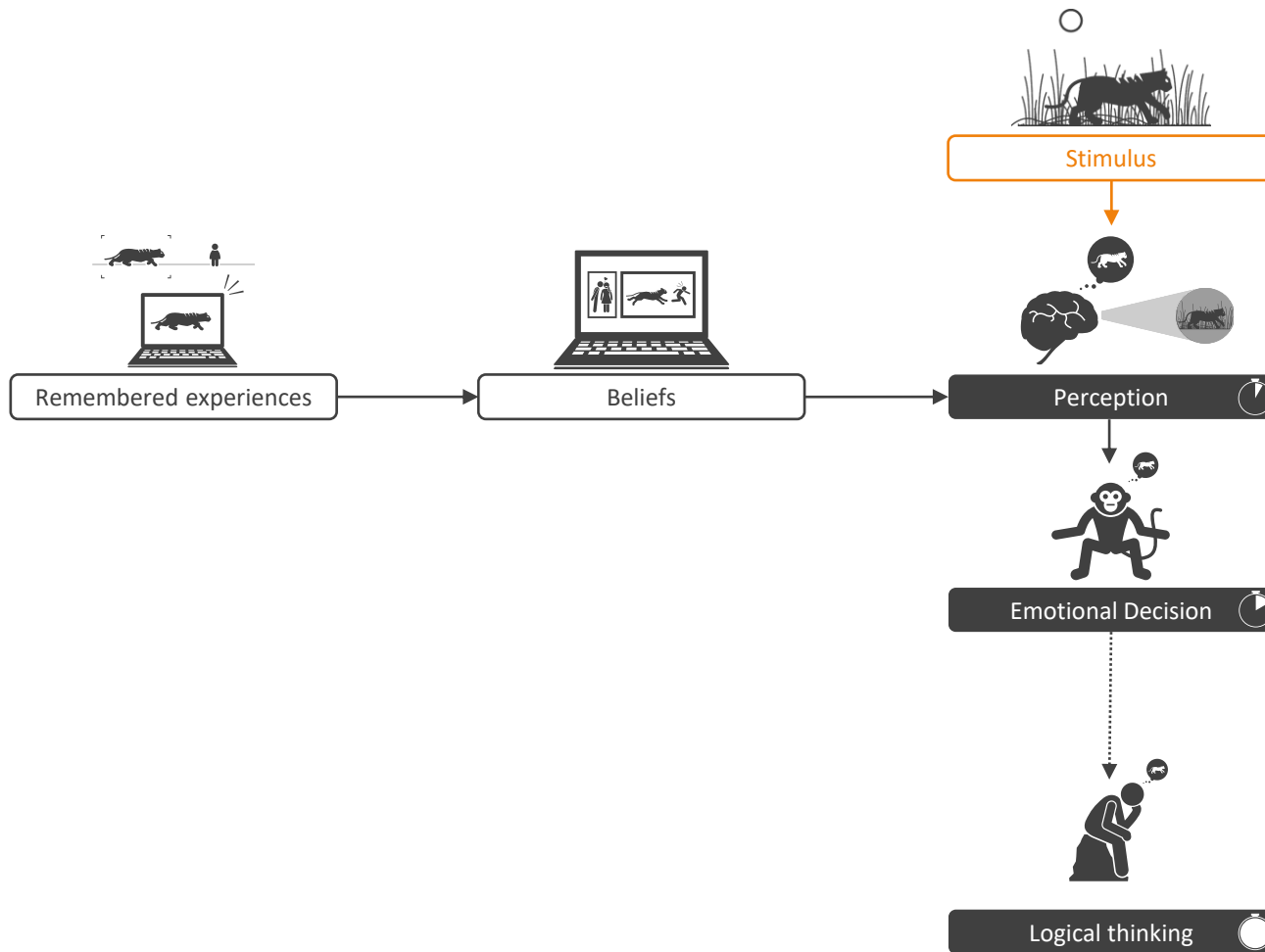
### Familiarity Bias



We tend to judge options and ideas that appear familiar to us as being inherently more attractive than those with which we are less familiar.

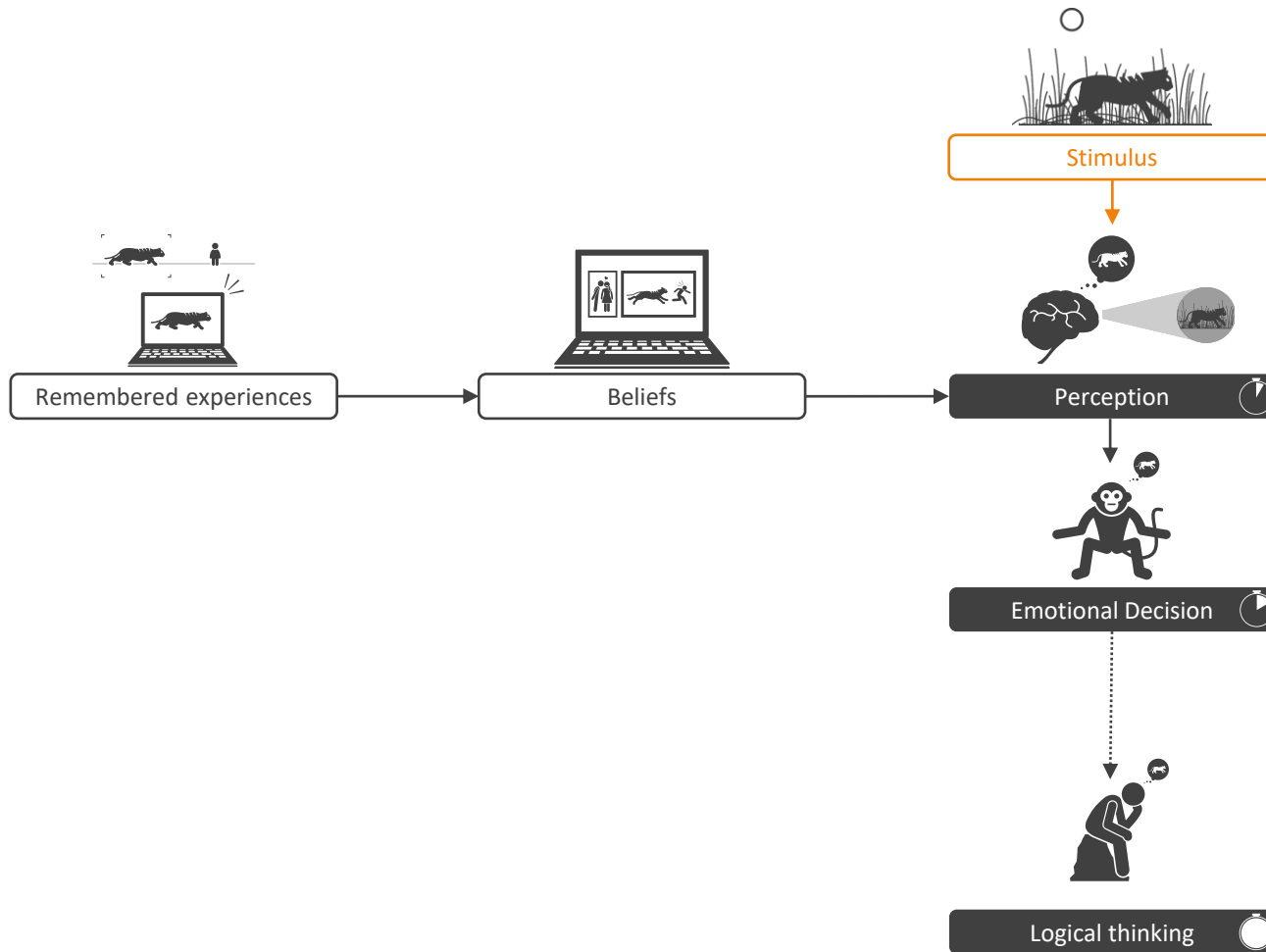
We are frequently inclined to judge any possible departure from the status quo as more risky than is objectively the case.

# How We See, Think and Act





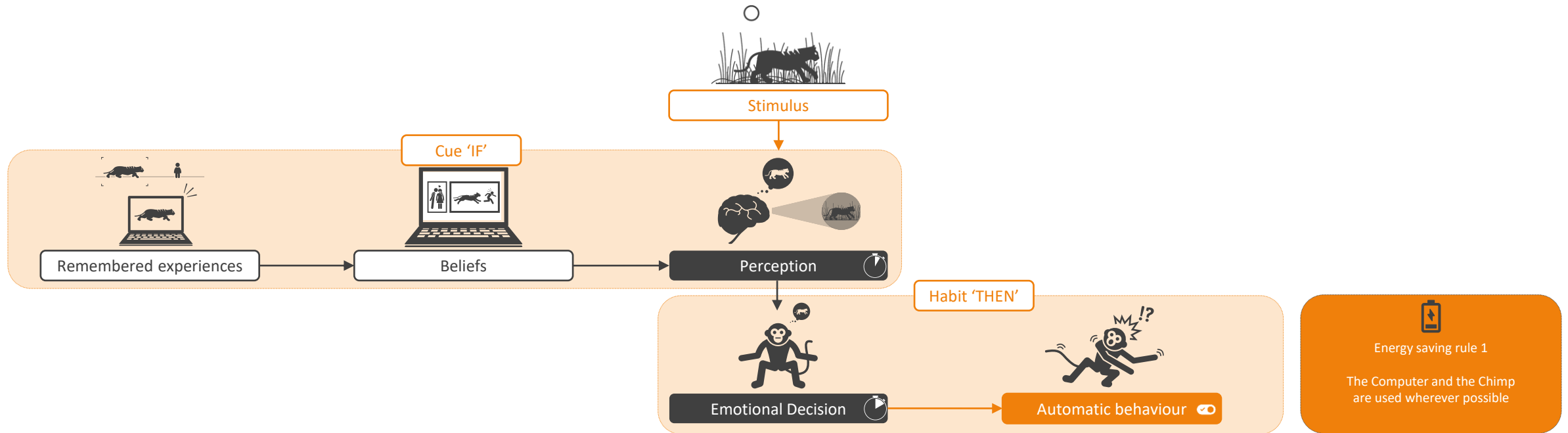
# Rule 1: Use Computer And Chimp Where Possible



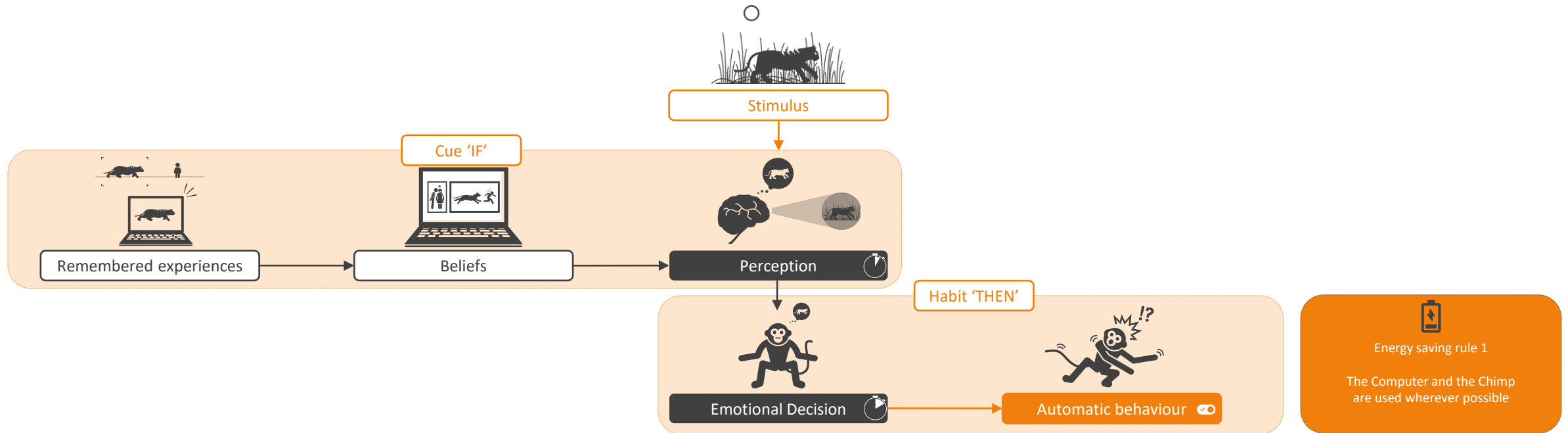
Energy saving rule 1

The Computer and the Chimp  
are used wherever possible

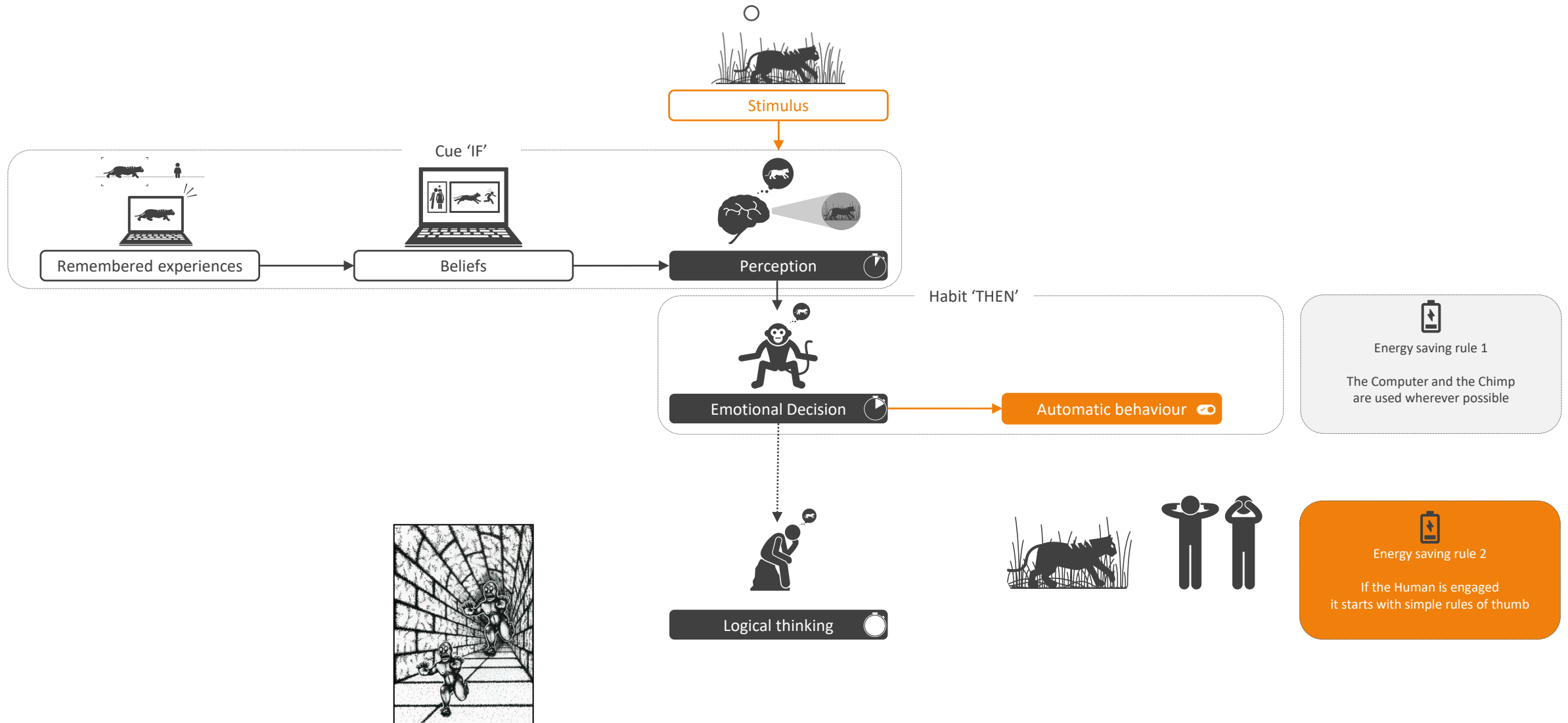
# Up to 95% of Our Actions Are Automatic



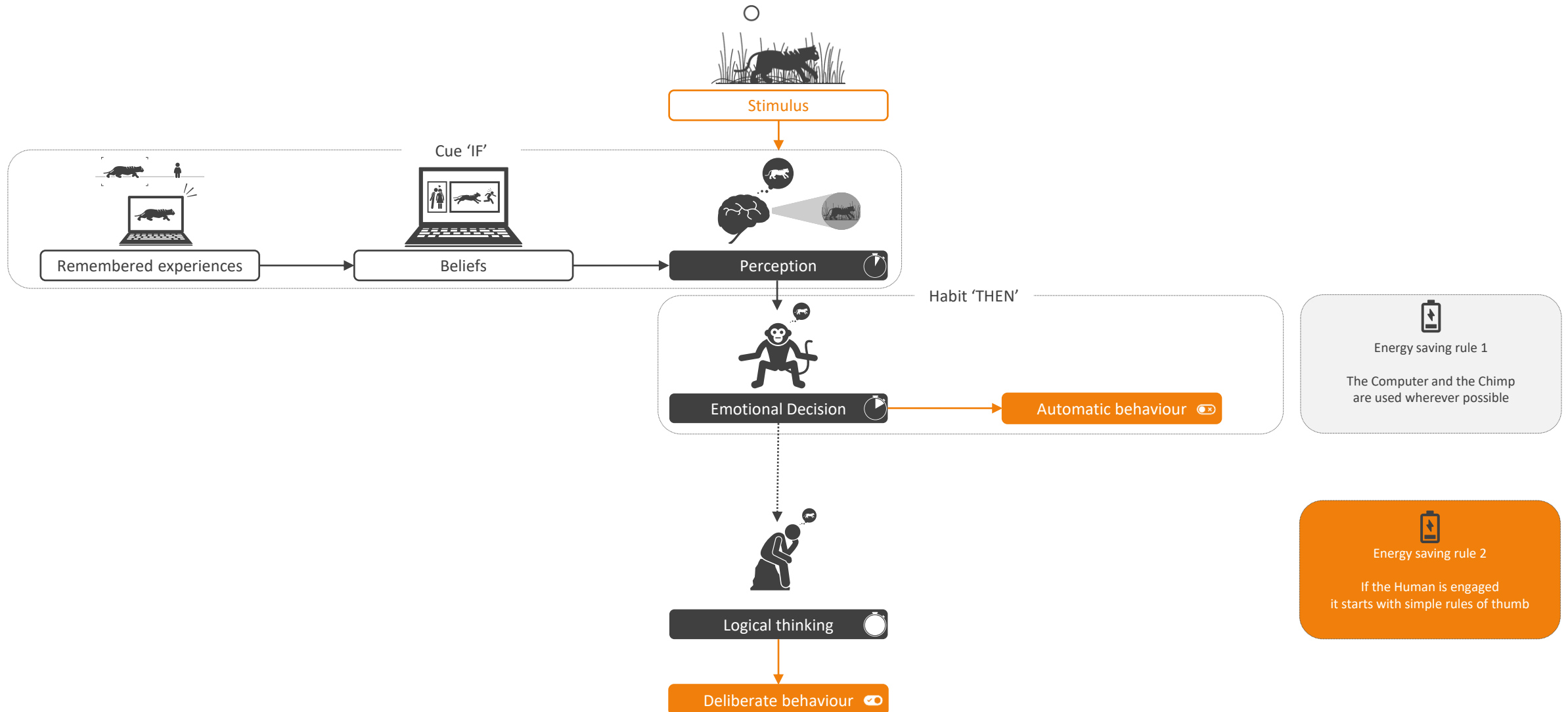
# 'If' Cues Trigger 'Then' Habits



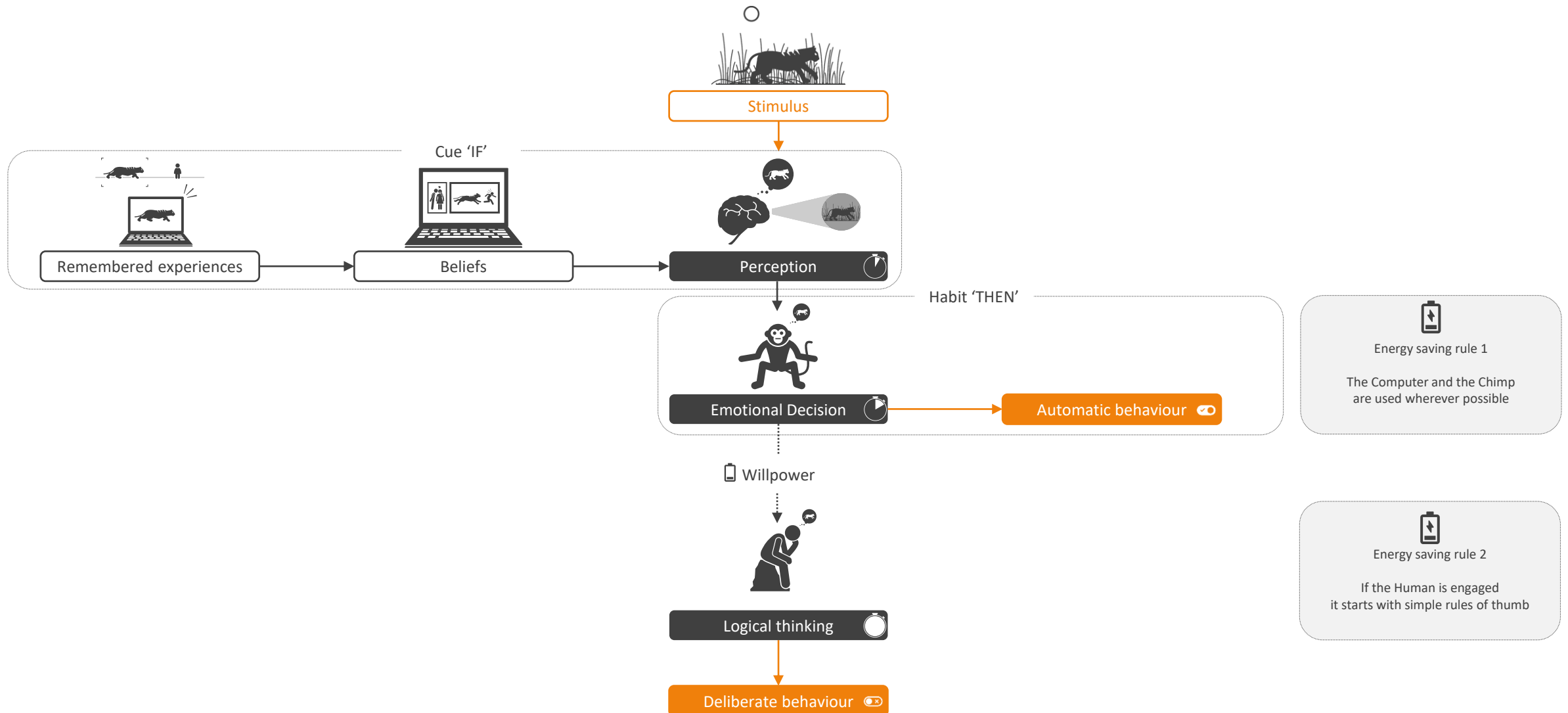
# Rule 2: The Human Uses Rules of Thumb



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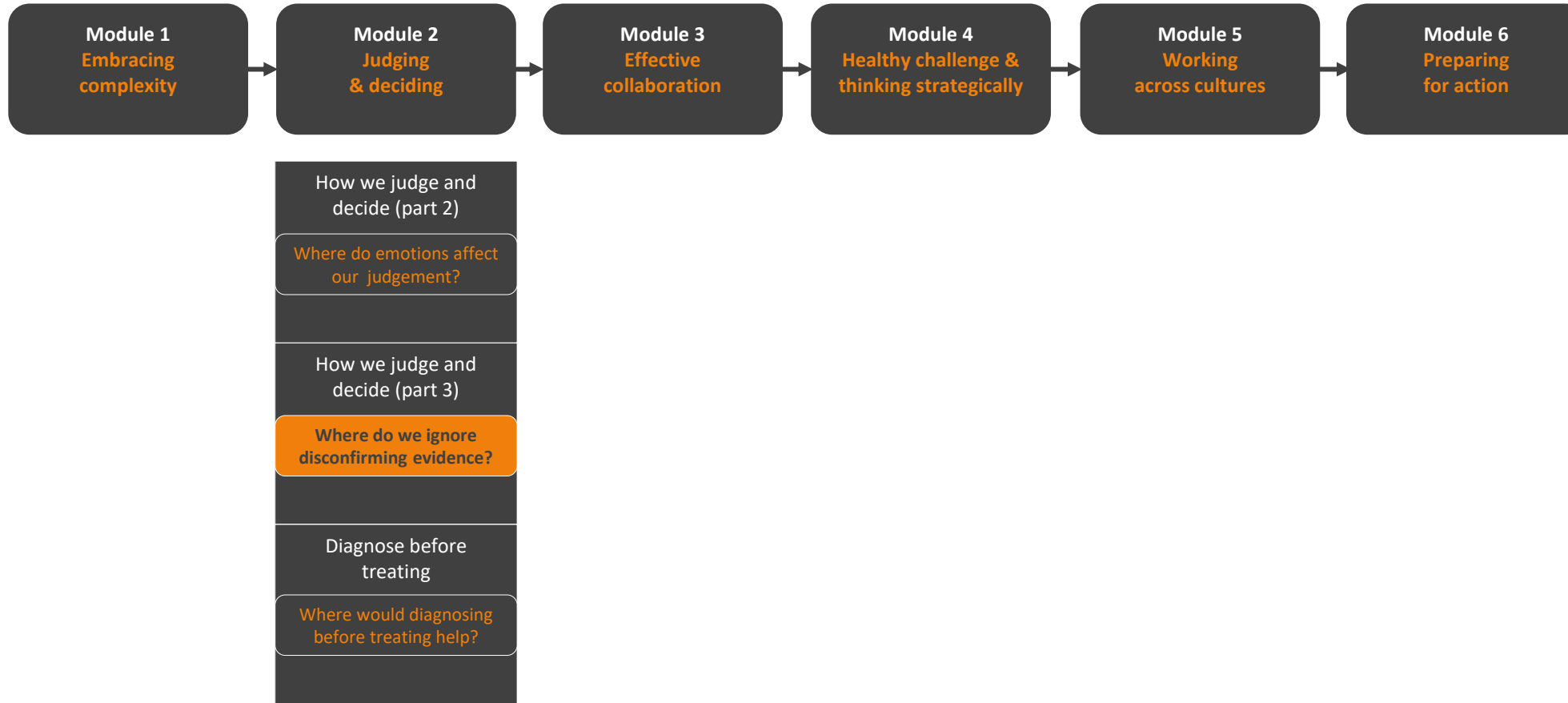


# How We See, Think and Act



# Mutual Leadership

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# We Snap - Then We Stick



Made decision

Paid for car

Took delivery of car

*"Not many Volvo 480s on the road"*





# Your Return On Investment



Snap	& Stick
We have a tendency to <b>jump</b> to very <b>quick understandings</b> of complex propositions.	We become <b>anchored</b> to our initial diagnoses by seeking out <b>data that confirms</b> them.

**In your work, where have you seen people stick with a first conclusion even in the face of conflicting evidence?**



**1. Capture** your perspective



**2. Share** your perspectives

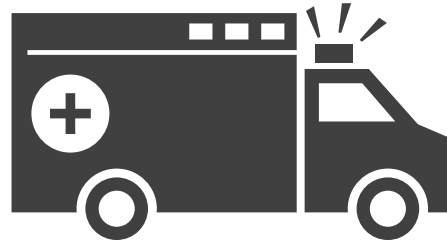


**3. Discuss** your perspectives

# “For 2 Years I Snapped and Stuck. It Nearly Killed Me... ... And I’ve Written Research Papers on Asthma”

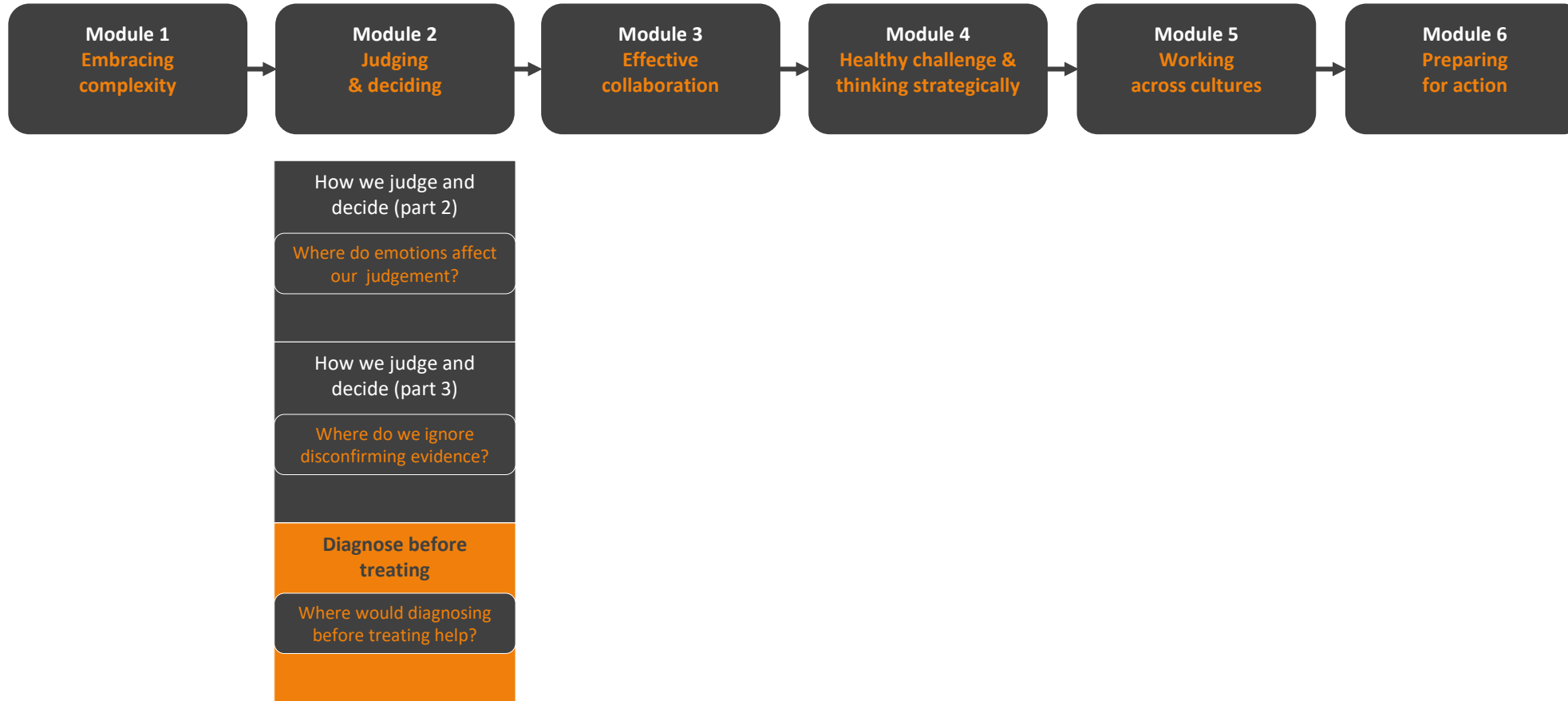


**Michelle ... MD, MSc**  
Associate Professor  
University of Toronto



# Mutual Leadership

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# Three Core Tools



## 1. Diagnose before treating

because 90% of decision errors  
are errors of perception



## 2. Harness collective intelligence

because we do not perceive reality



## 3. Challenge before acting

because we snap and stick



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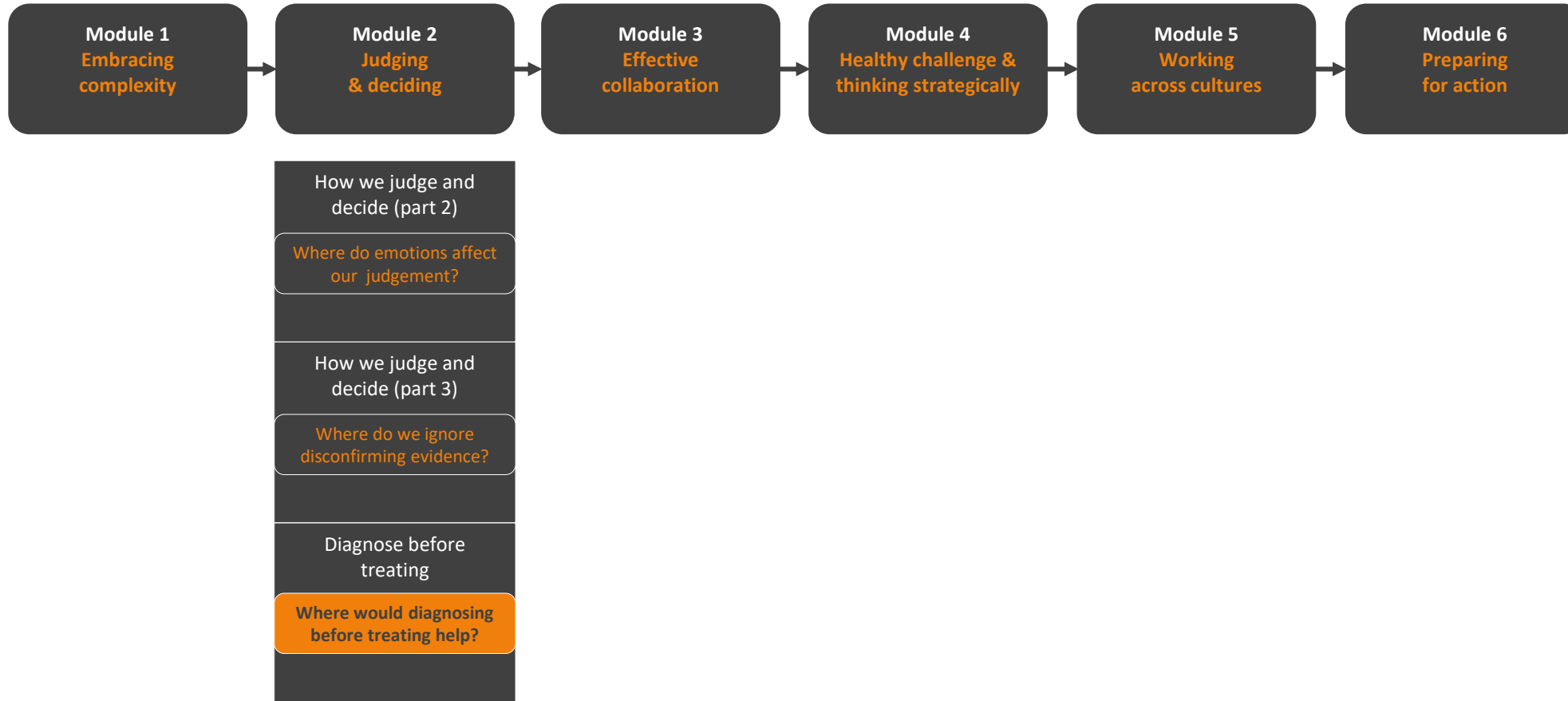


## 3. Challenge before acting

because we snap and stick

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# Your Return On Investment



In your work, where would  
deliberately **diagnosing before treating** be helpful?



**1. Capture** your perspective



**2. Share** your perspectives



**3. Discuss** your perspectives