

ICMIF Mutual Leadership Course

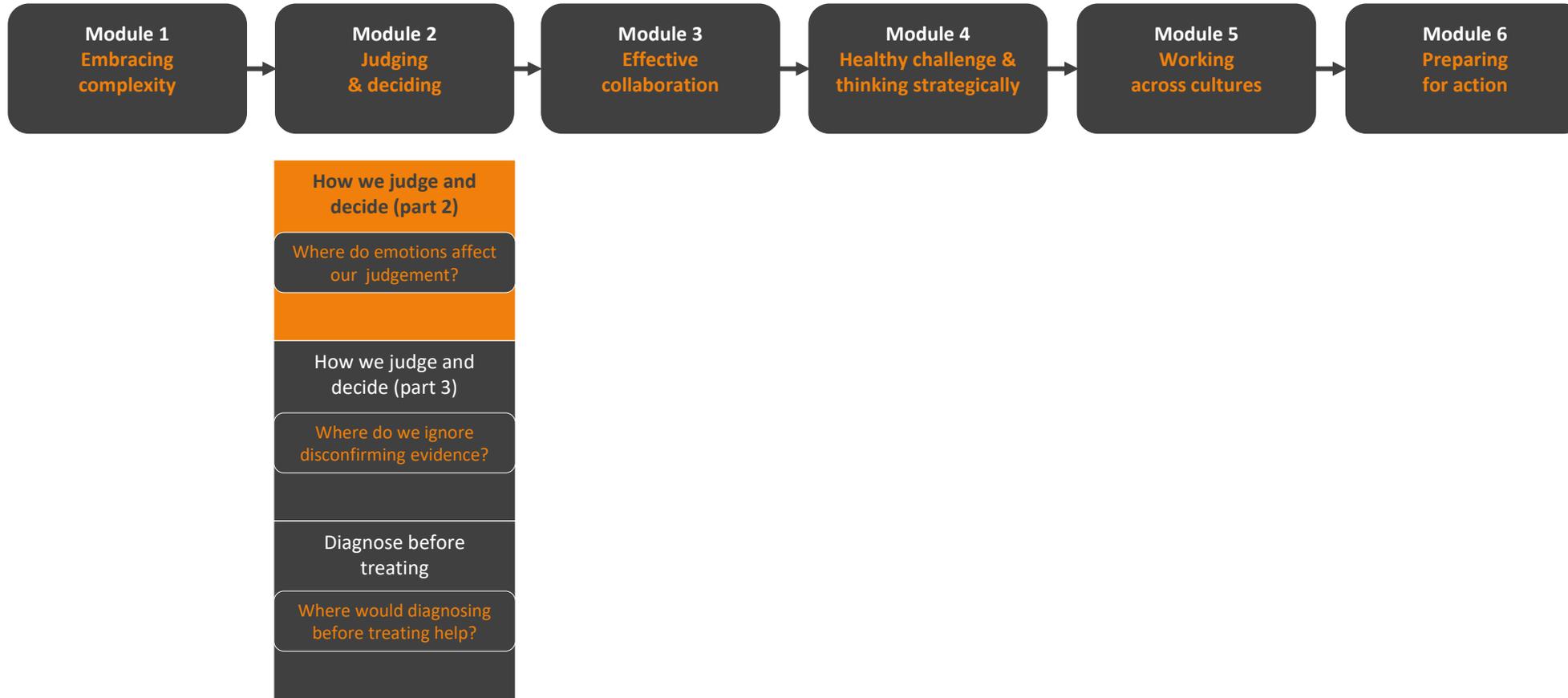
Module Summary

2. Judging & Deciding

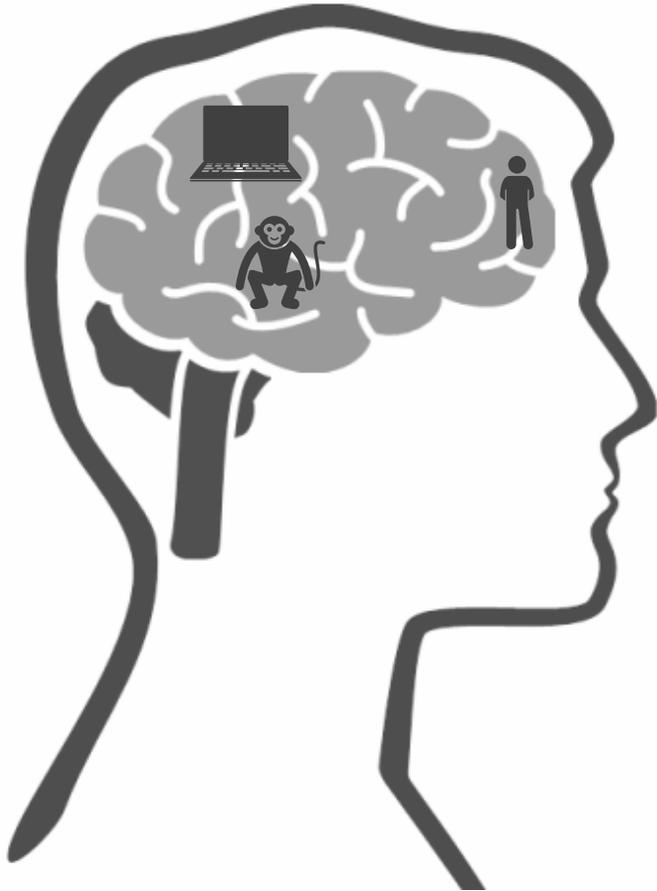


Mutual Leadership

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



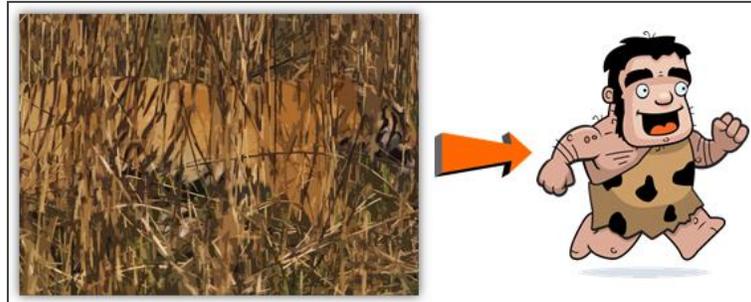
3. Thinking brain *"The Human"*

Logic and analysis
Facts

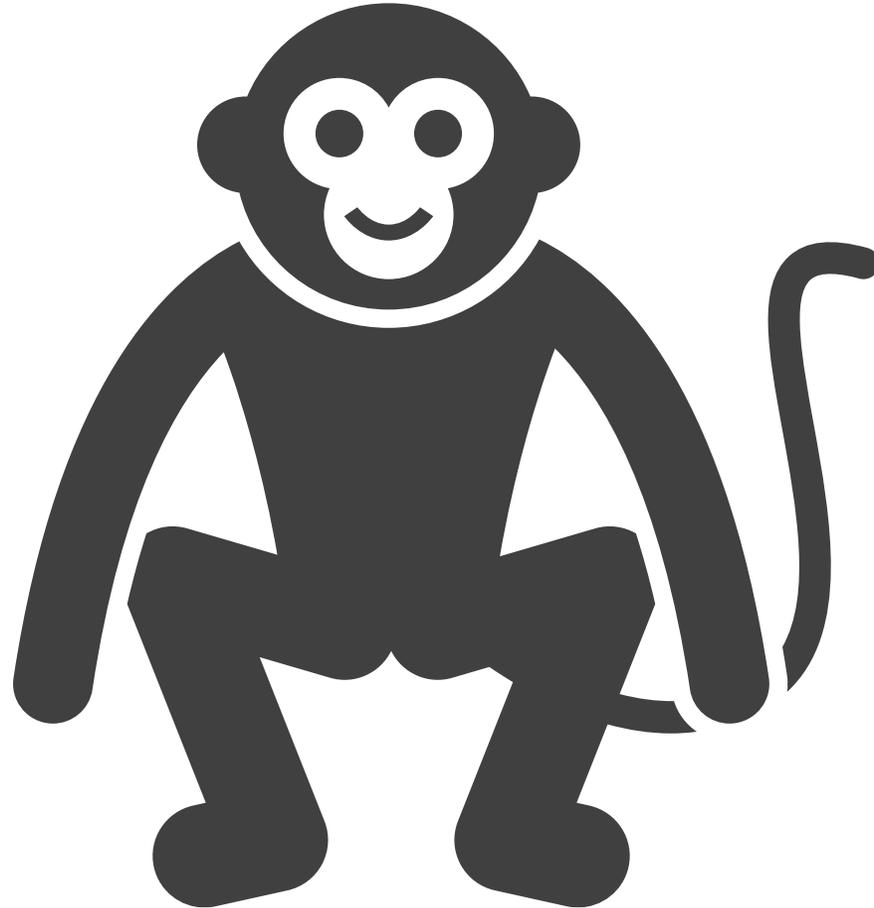
Why Emotions Are Critical



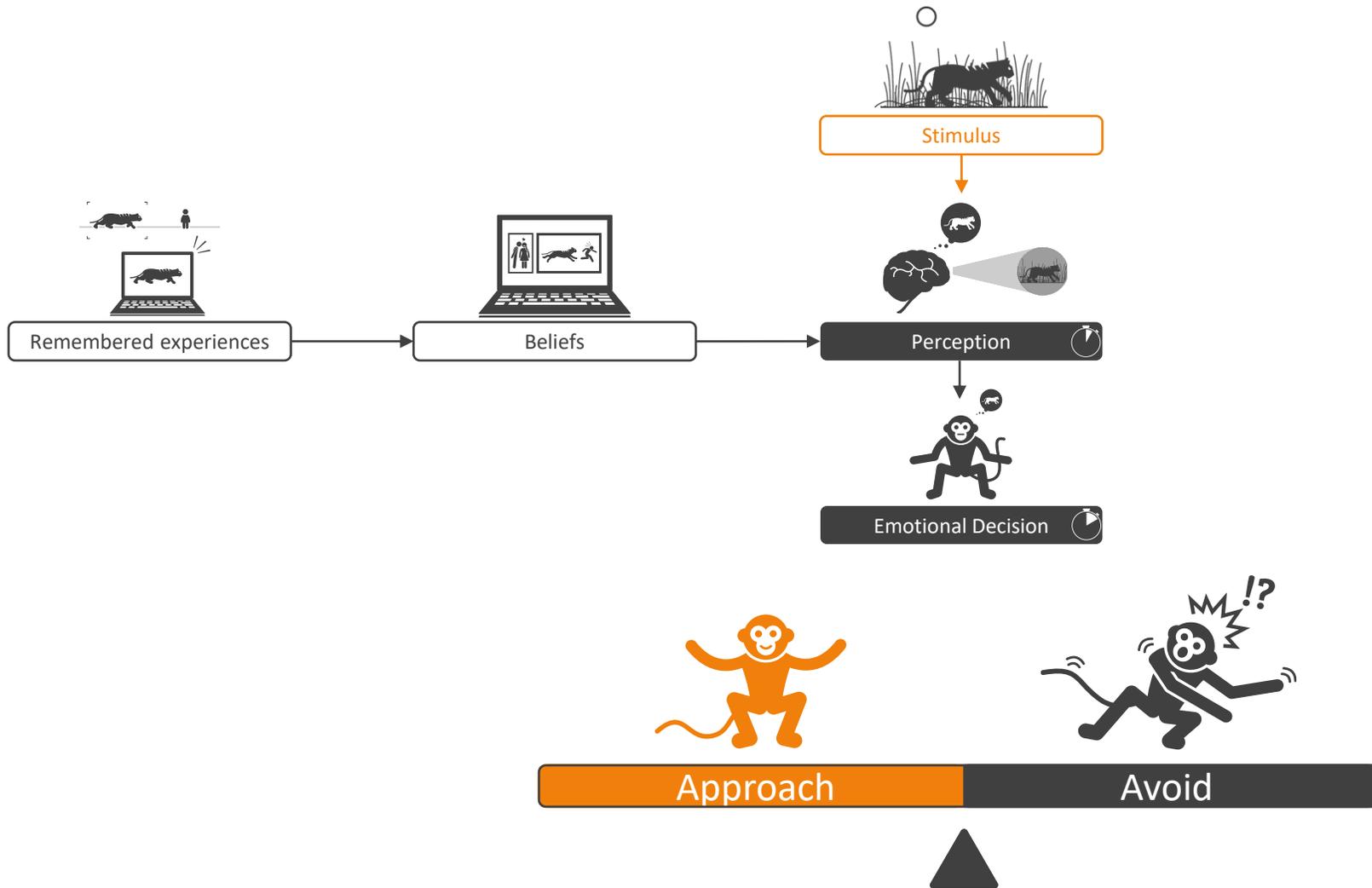
Emotions Prompt Us To Act



Our Chimps Run Most of Our Lives

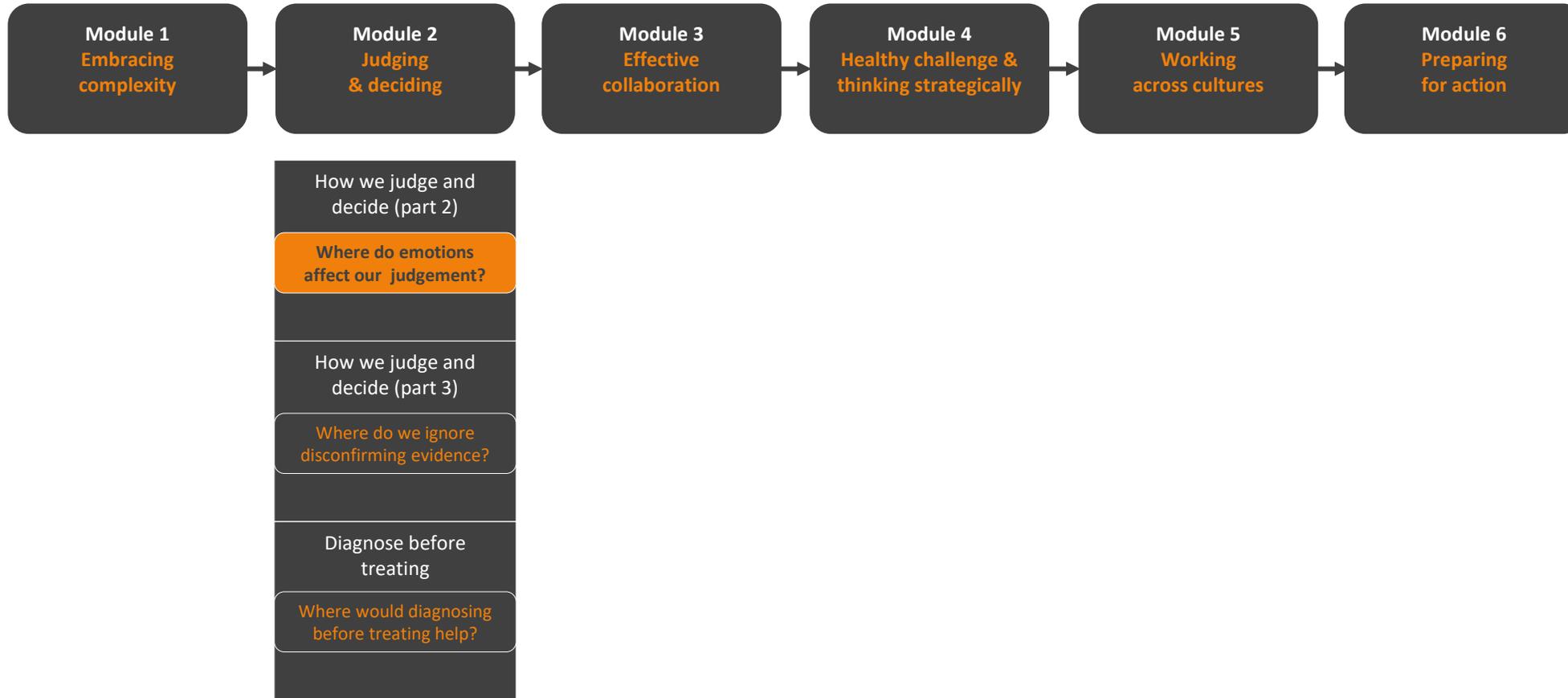


Chimps Prompt Us to Approach or Avoid



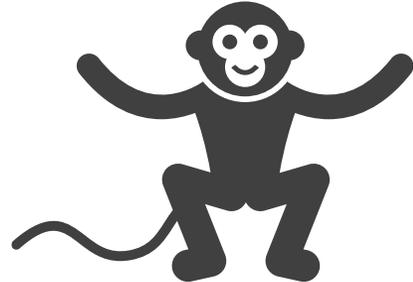
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Your Return On Investment



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



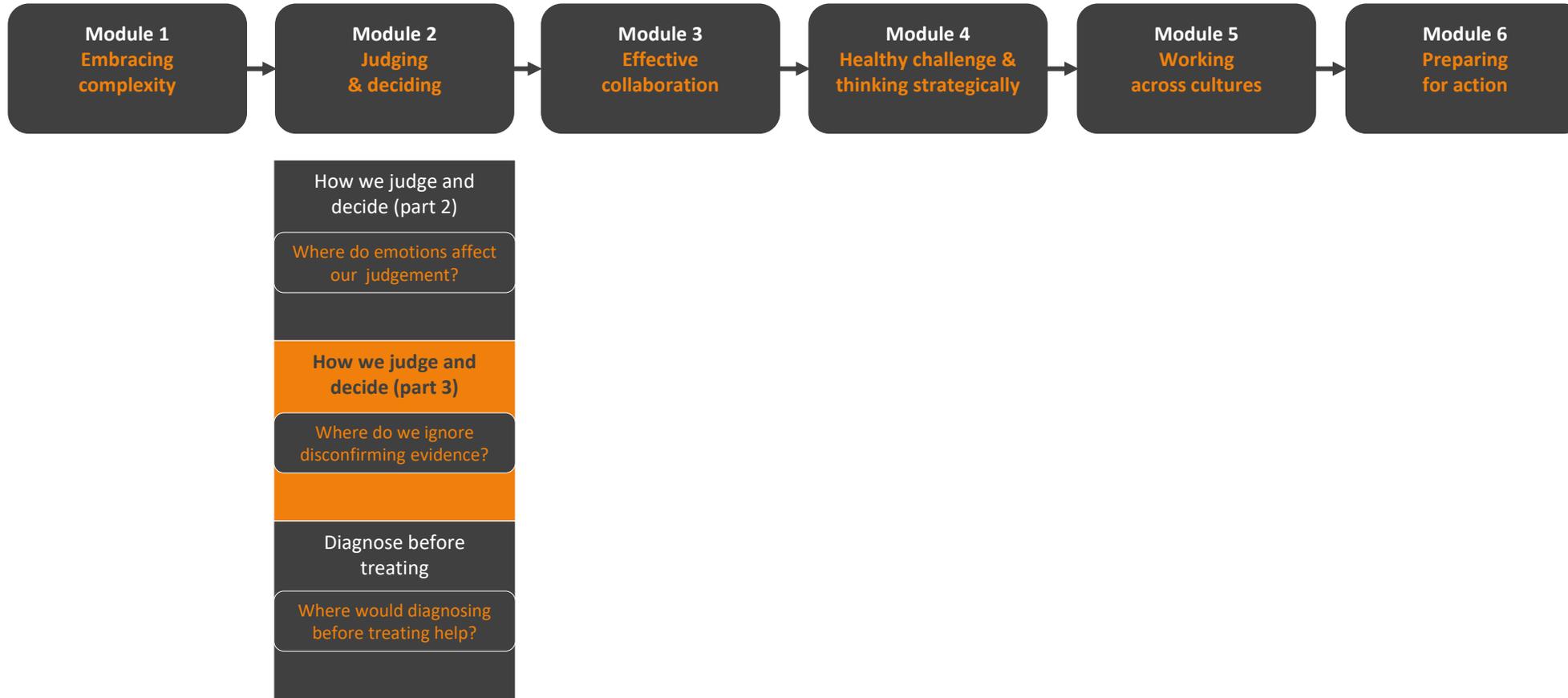
2. Share your perspectives



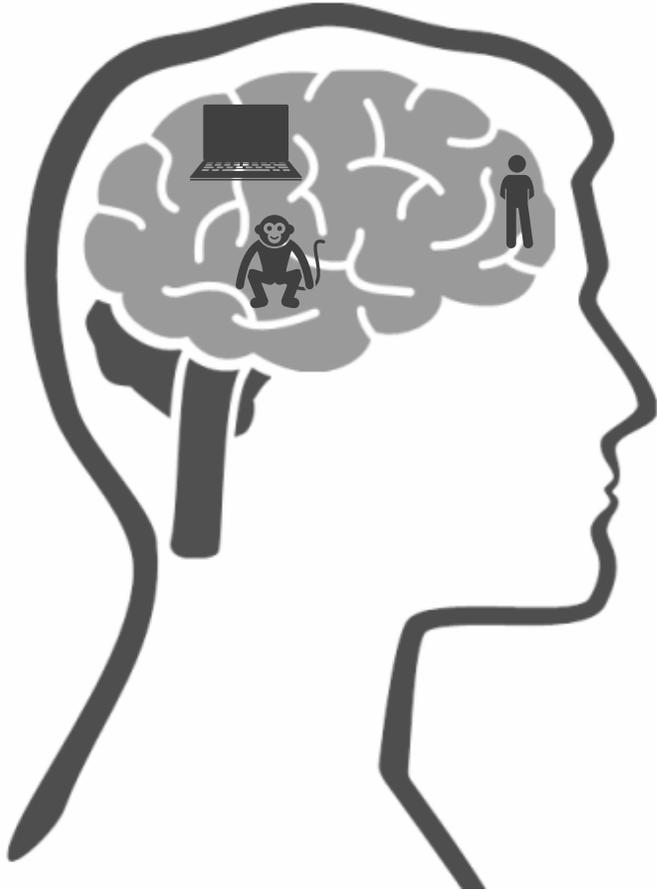
3. Discuss your perspectives

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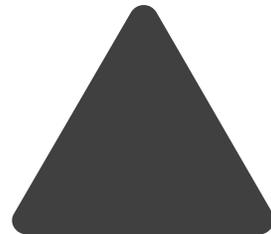
Logic and analysis
Facts

Two Principal Types of Bias



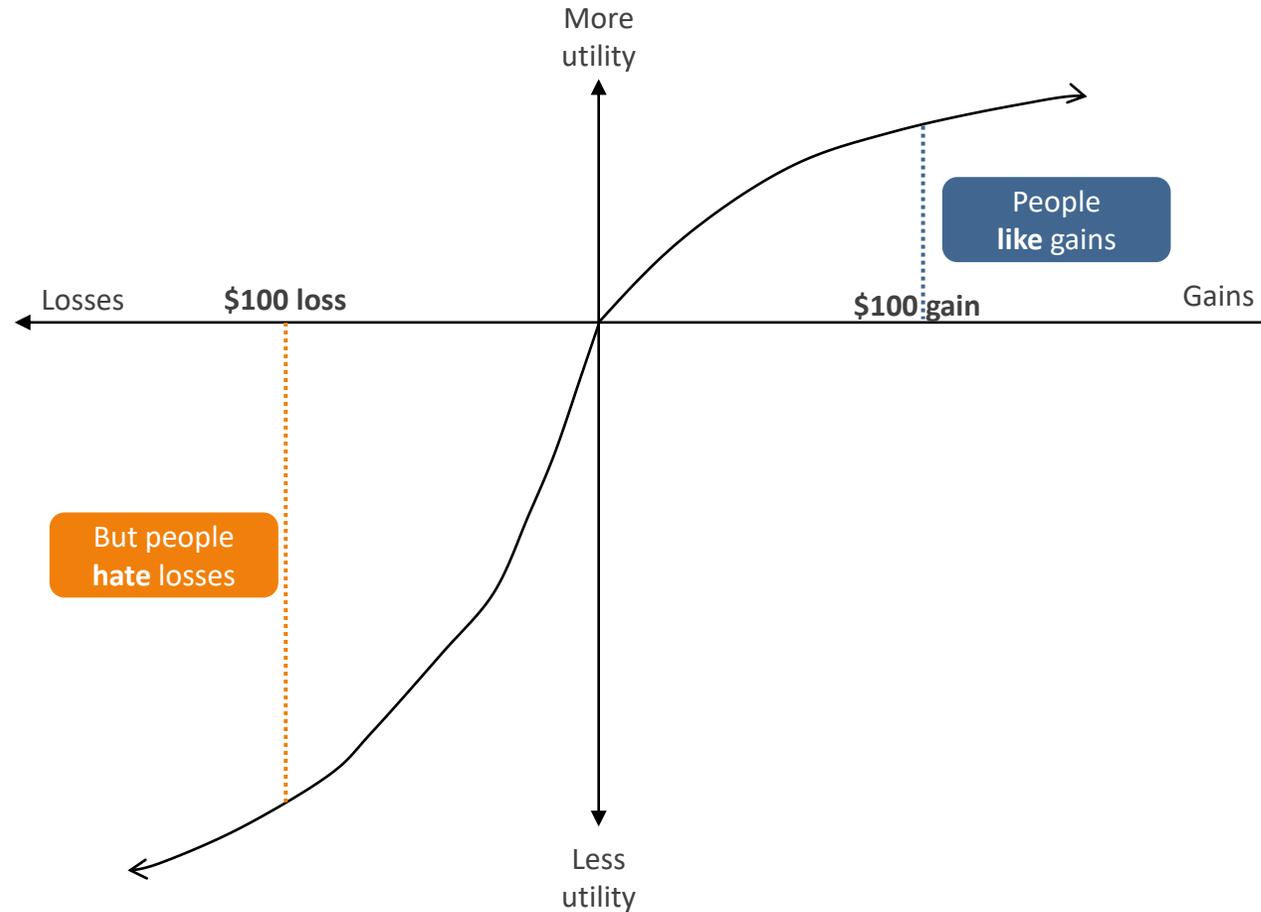
Action

Inaction



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.

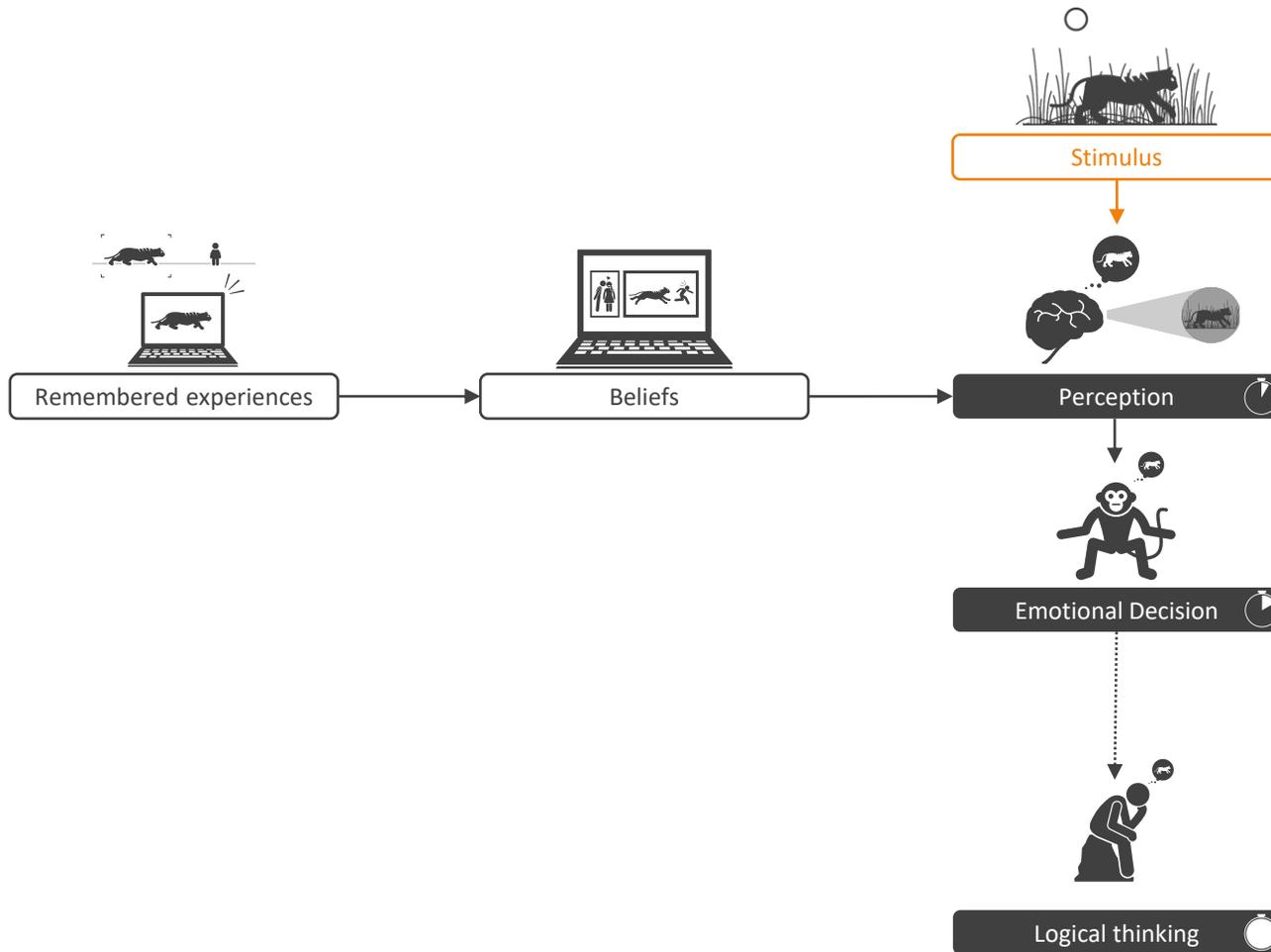
Familiarity Bias



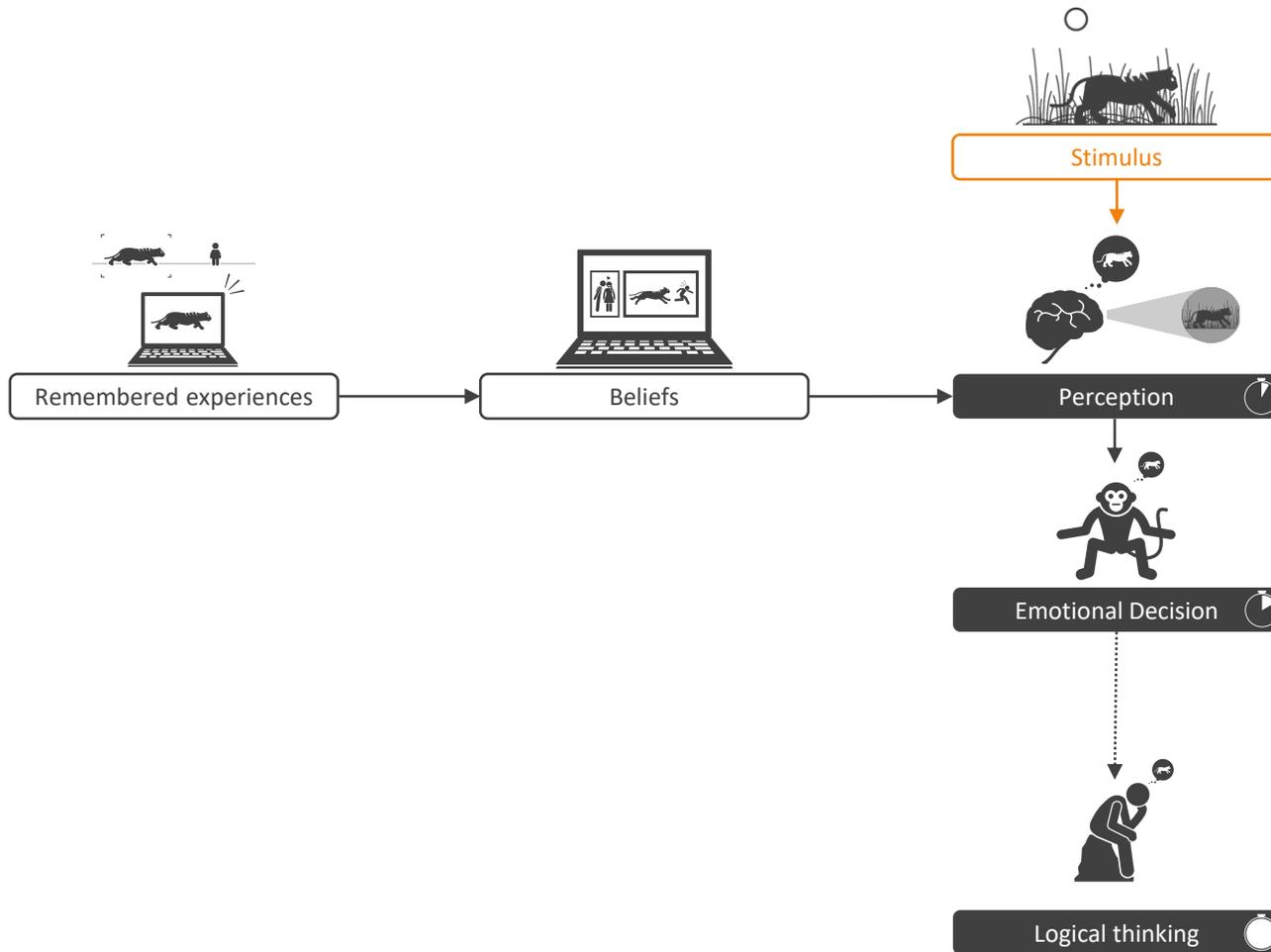
We tend to judge options and ideas that appear familiar to us as being inherently more attractive than those with which we are less familiar.

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

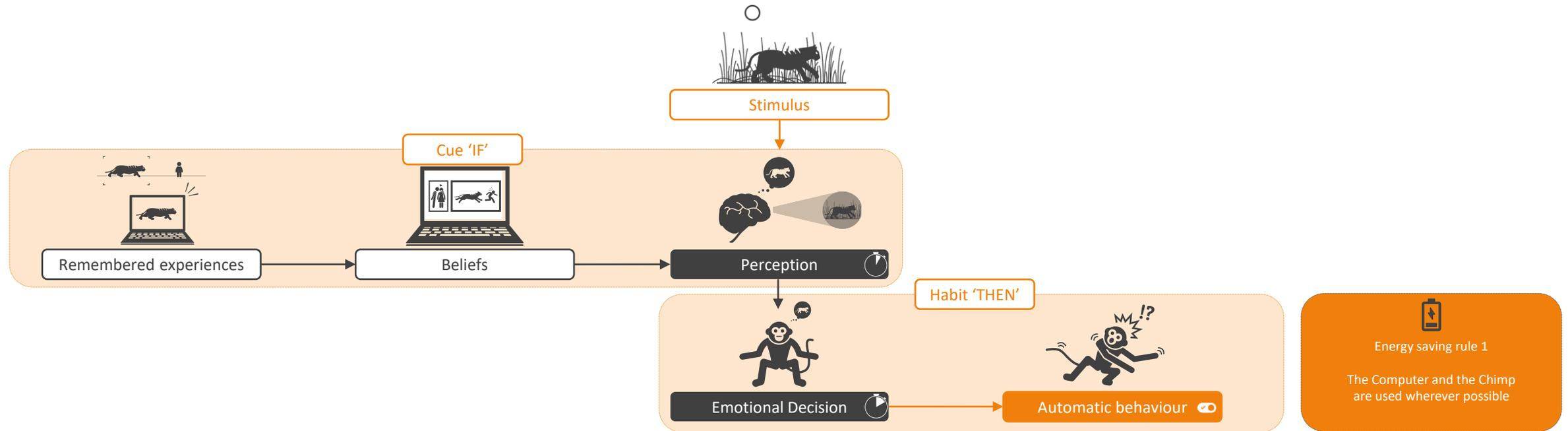


Rule 1: Use Computer And Chimp Where Possible

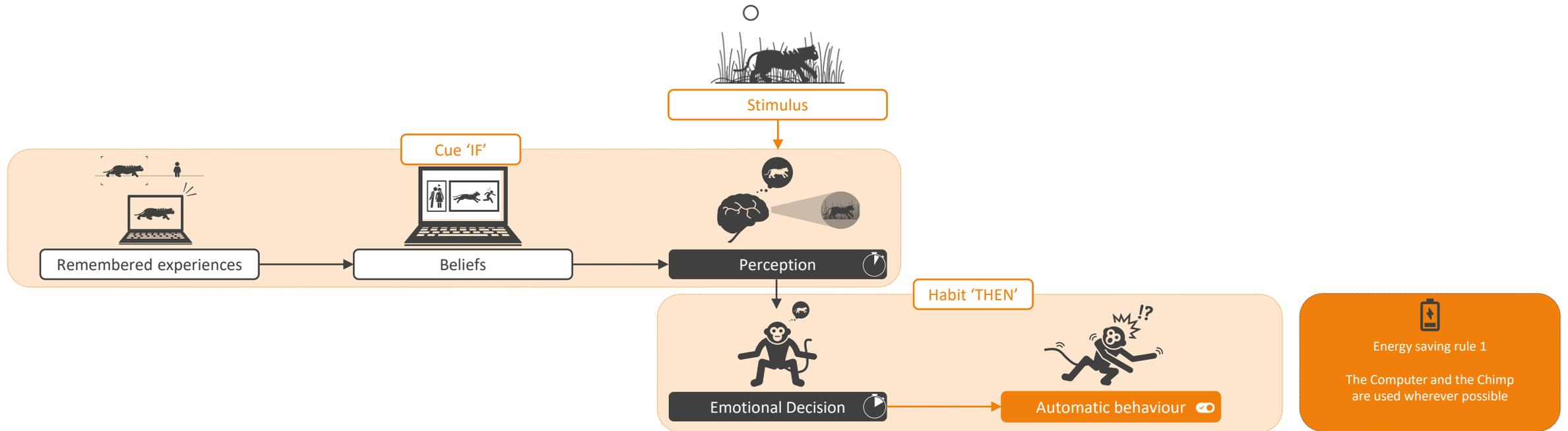



Energy saving rule 1
The Computer and the Chimp
are used wherever possible

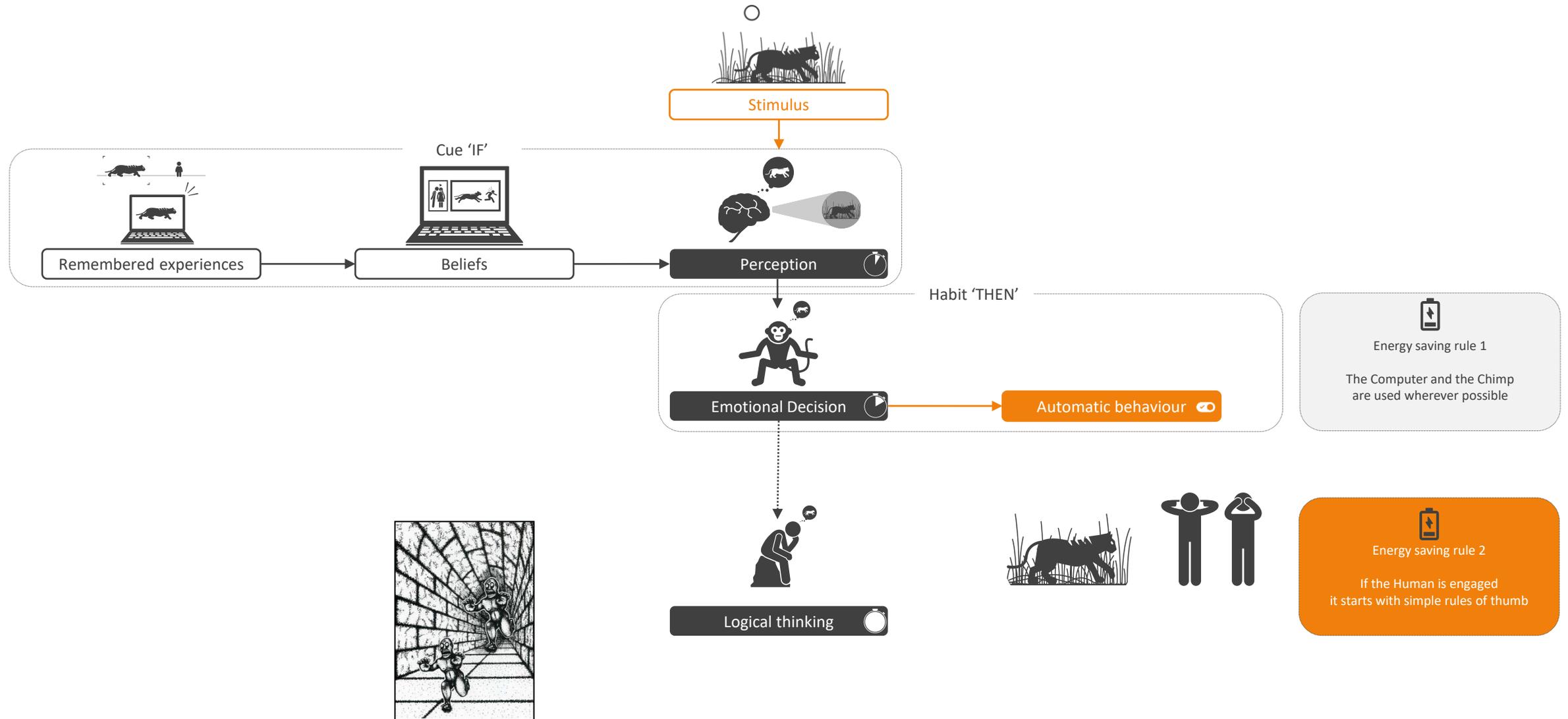
Up to 95% of Our Actions Are Automatic



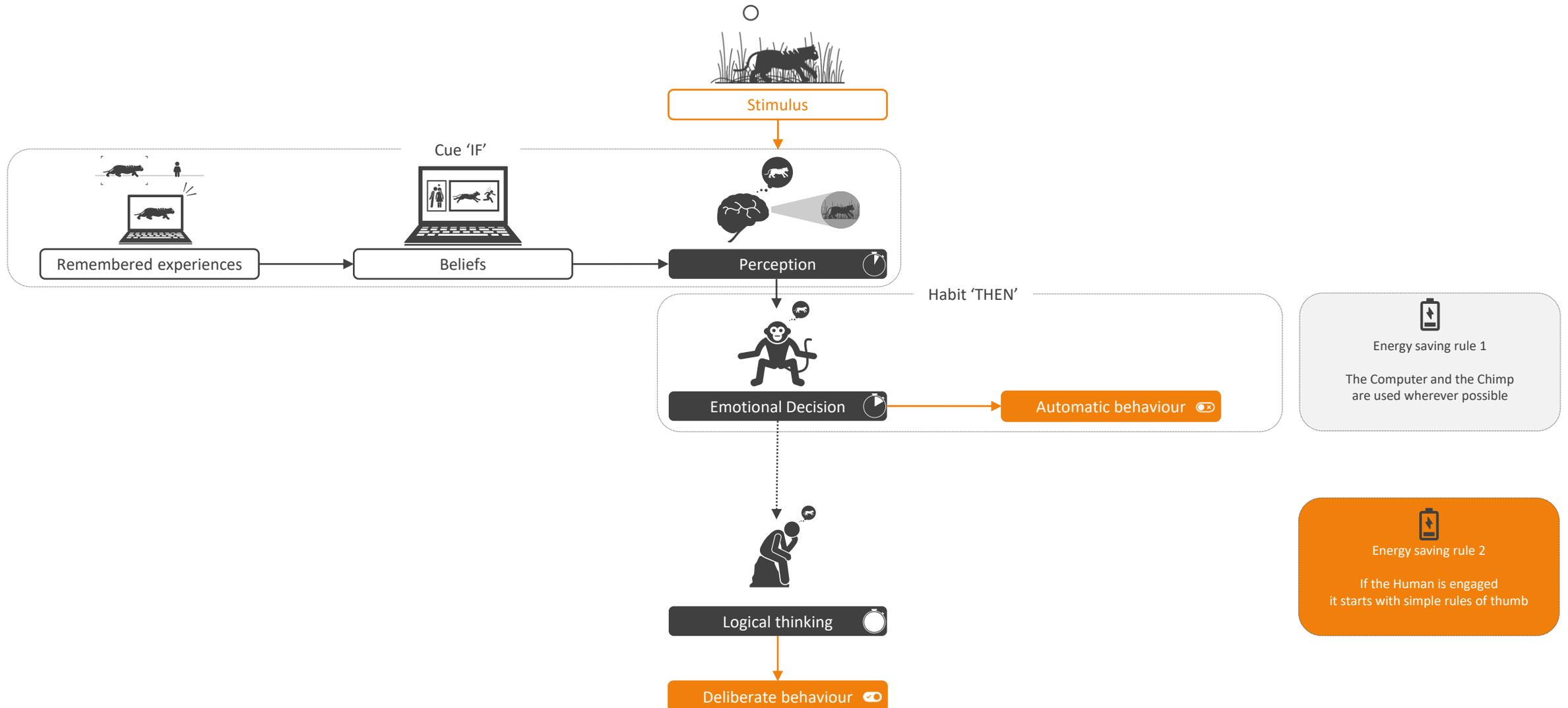
'If' Cues Trigger 'Then' Habits



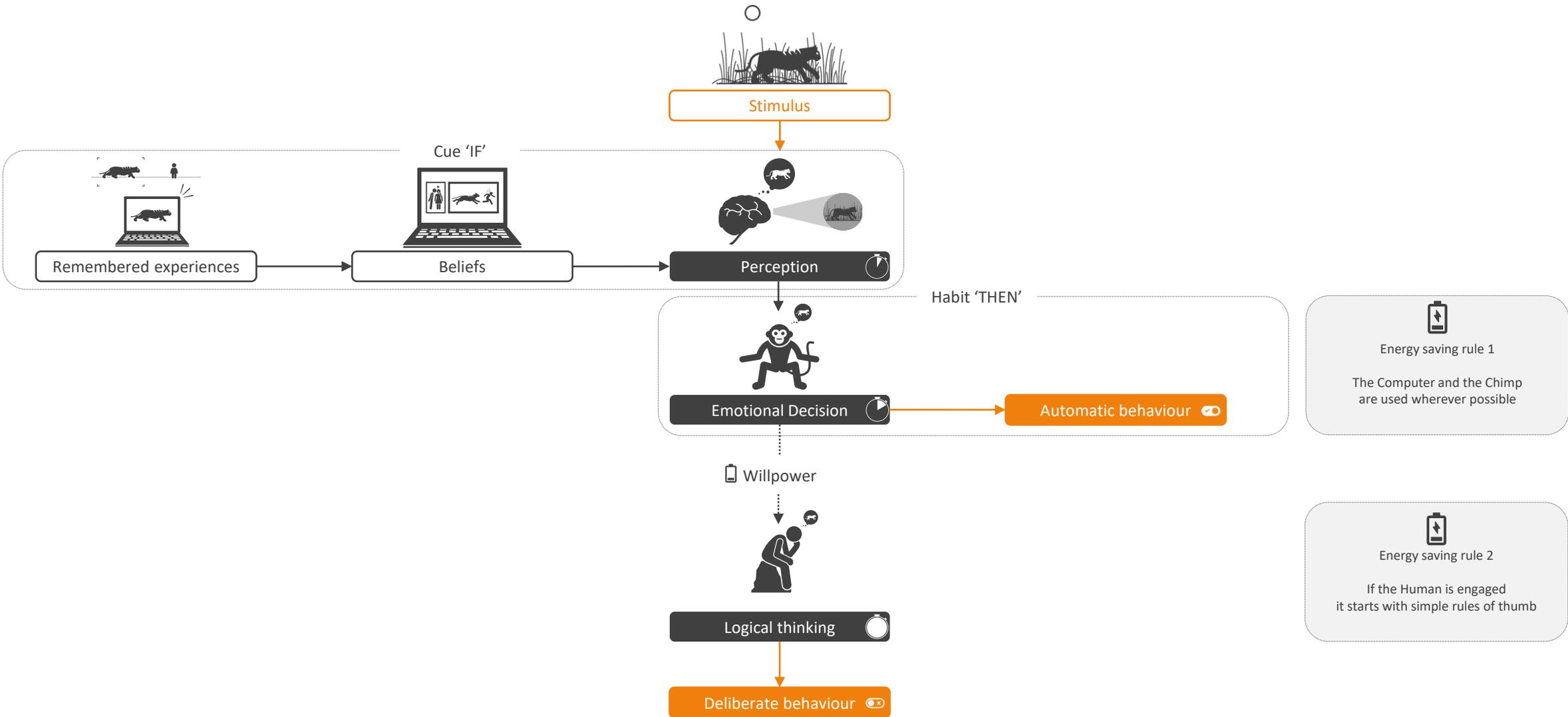
Rule 2: The Human Uses Rules of Thumb



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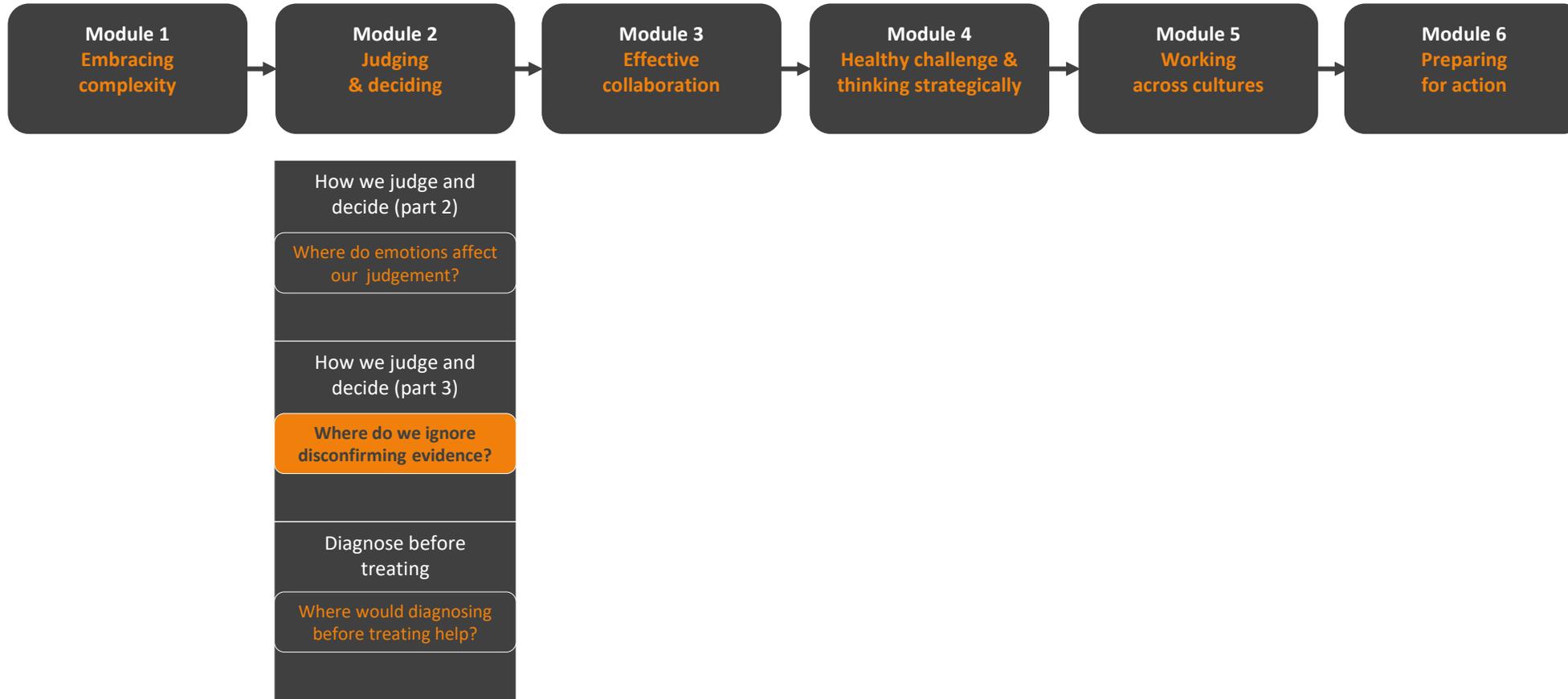


How We See, Think and Act



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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 jump to very quick understandings of complex propositions.	We become anchored to our initial diagnoses by seeking out data that confirms 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”

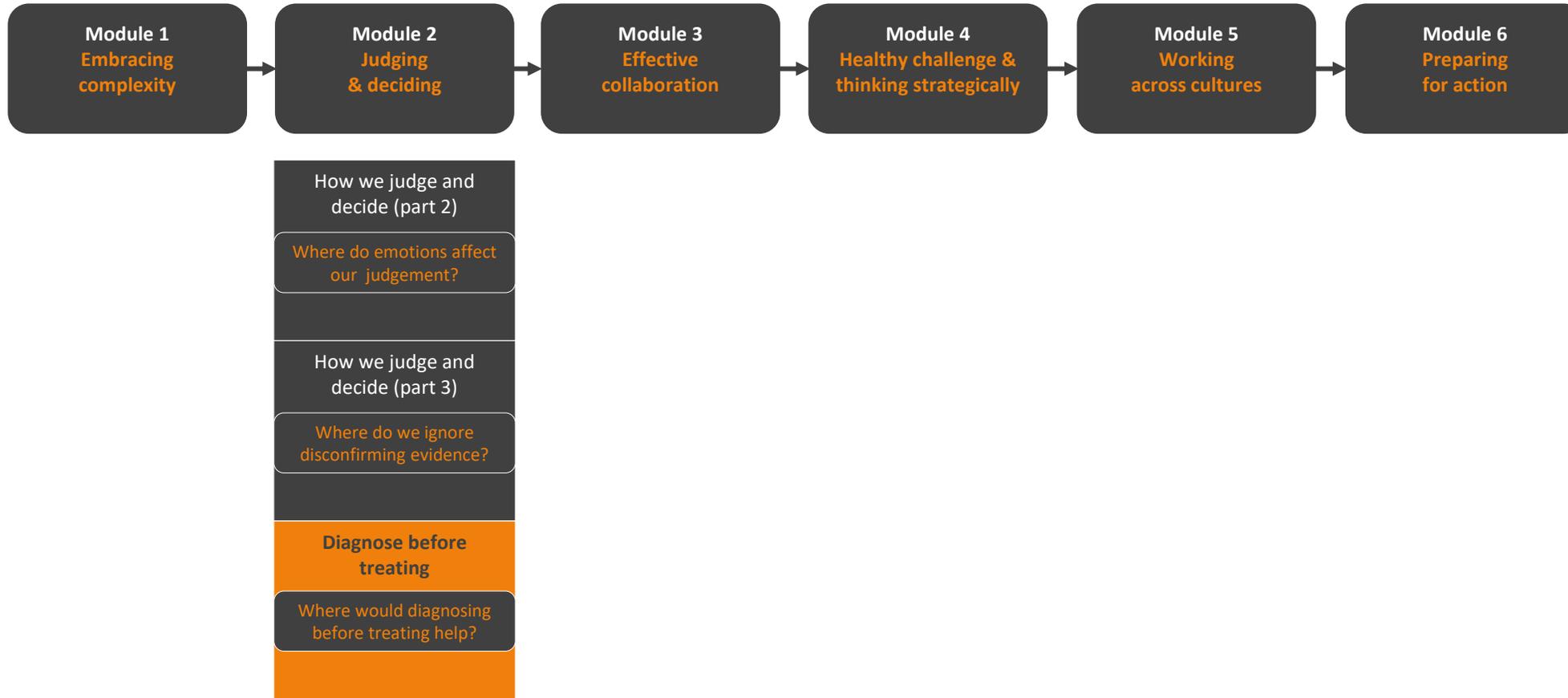


Michelle ... MD, MSc
Associate Professor
University of Toronto



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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



Three Core Tools



1. Diagnose before treating

because 90% of decision errors
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2. Harness collective intelligence

because we do not perceive reality

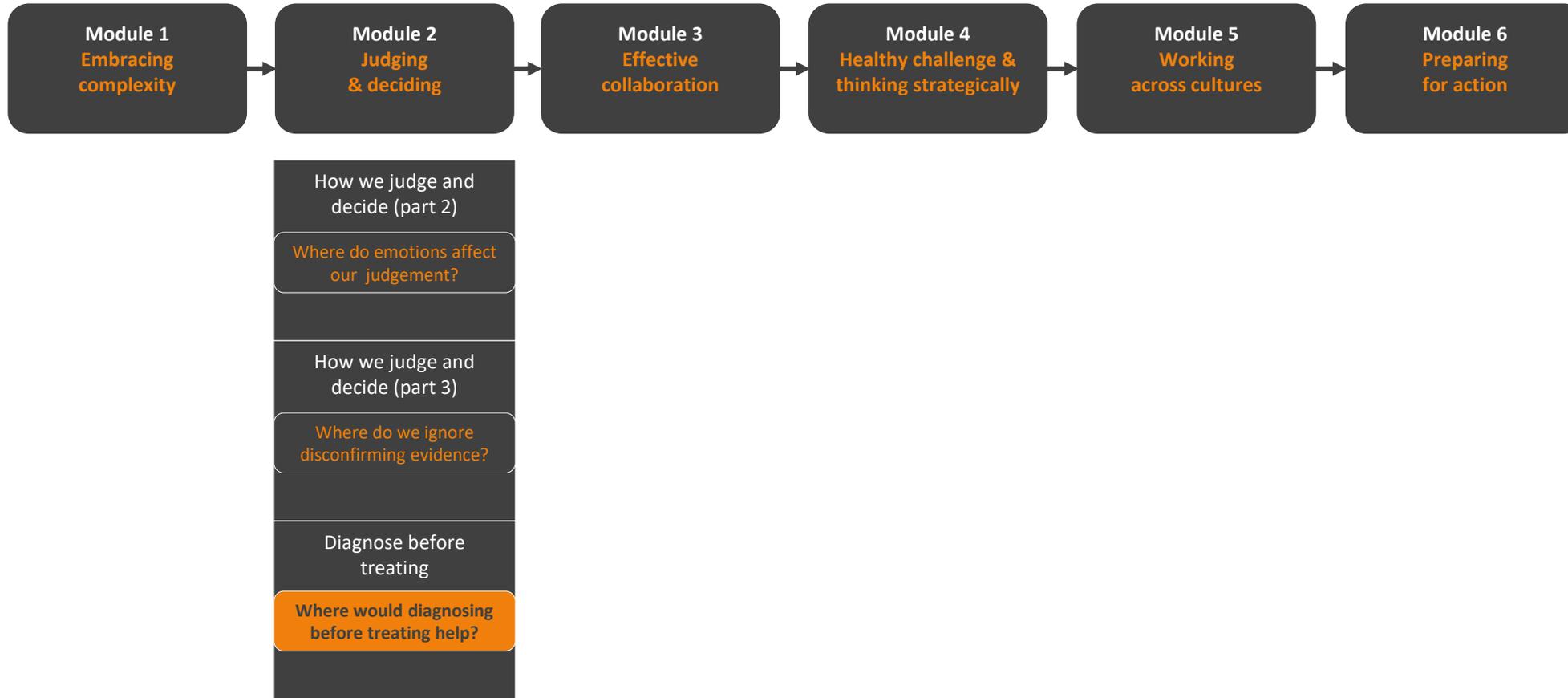


3. Challenge before acting

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