

Why a Leader's First Decision is Often Wrong

November 19, 2012

I've chosen a word at random.

Is it more likely that the word starts with a K, or that K is the third letter in the word?

If you're like most people, you'll say it's more likely the word starts with a K.

However, there are more than twice as many words that have K in the third position than those that start with it.

So why do we think there are more words starting with K?

Answer: We use the availability heuristic.

(See Tversky & Kahneman [1973]. "Availability: A heuristic for judging frequency and probability", or the abbreviated: "A heuristic for judging frequency and probability").

What's the "availability heuristic"? And what's a "heuristic"?

Essentially, a heuristic is a strategy we use to solve a problem or to figure something out.

The availability heuristic is the tendency for us to answer with whatever most readily comes to mind.

It's easier for me to think of words starting with the letter K than it is for me to think of words where K is the third letter. So I think words starting with the letter K are more common, which is incorrect.

(If you're interested in this type of human behavior or, more correctly, misbehavior, I highly recommend Nobel laureate Daniel Kahneman's latest book, "Thinking, Fast and Slow").



And to be clear, this is not some sort of trick or parlor game. This is an example of real and often significant errors of judgement we make. (See the Kahneman book for examples of other different types.)

So what does all this have to do with leaders, leadership, organizations, etc.?

Consider a leader's blind spot. Why is it so tenacious? Why do we tend to reject feedback when it contradicts our self-concept?

In part, it's due to the availability heuristic.

When I'm considering the "truth" of the feedback I've just received, what will I compare it to?

My self-concept.

So which is more available to me? This new piece of contradictory feedback that I'm seeing for the first time? Or my self-concept, which I constantly carry around with me.

My self-concept, of course.

Feedback, and corrective feedback in particular, is difficult to digest, in part, because of the availability heuristic.

So how does a leader prevent his/her judgement from being hijacked by the availability heuristic?

By being vigilant, and recognizing this faulty thinking is human nature.

The availability heuristic happens automatically. You didn't have to struggle to come up with the (incorrect) answer regarding the letter K. For most of us, the thought just comes to us: "More words start with the letter K."

This quick reaction is what Kahneman calls "thinking fast".



To prevent us from making poor decisions by thinking fast (because of the availability and other heuristics, e.g. <u>anchoring</u>, f<u>undamental attribution error</u>, <u>primacy and recency effects</u>), we must then "think slow".

That's the deliberate, focused thought process that evaluates what we just quickly thought: "Are there really more words that start with the letter K? I know those are easy to think of: kangaroo, kayak, keys. But are there more words that have K in the third position? Hmmmmmm."

The same with corrective feedback.

Thinking fast says: "Who are these numbskulls? They have no clue what they're talking about. Don't they know what I'm having to deal with around here?! That's just their perspective, which just happens to be wrong."

Thinking slow then adds: "Okay, so now that I've got that all out, what does this feedback mean? And what's the truth I can find in it? What can I learn from it? They may be numbskulls sometimes, but this time, I may be the numbskull."

It's certainly not simple or easy to do.

But then again, neither is leadership.

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What are some common errors of judgment you've seen leaders make? And why do some leaders make great decision-makers? Post your answers and your comments on our <u>blog</u>.

You can access all of our 60-Second Emails (TM), including the most recent issue, *In '08 & '09, You Were Downsized. Now, You're Being Inflated. What Should You Do?*, via this <u>link</u>.

To our American readers, have a great Thanksgiving. To them and to you all, as always, thanks for reading.

Best regards,

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