

FREE FIRST CHAPTER

MENTAL MODELS IN A NUTSHELL

How Can We Become Better Thinkers And Great Decision-Makers?

Practical Thinking Frameworks For Smarter Decisions — Chapter One. About a 25-minute read.

A young man, new to the city, was peering through the window of a restaurant when Jan, the restaurant's owner, approached him.

The stranger introduced himself as Anthony and explained that he had come to find work so that he could support his wife, two young sons, and his elderly mother. Times were hard, and he hoped to save enough to bring his family to the city to have a more stable life. He was able to find a laborer's job at a scrap metal site nearby that paid a measly wage, but it was better than nothing.

"I can only afford a few cents for one meal a day," he said. Jan brushed his apology aside and invited him in. He served the young man himself and cheerfully accepted the 50-cent coin he paid in exchange.

As the days passed, Jan grew to admire Anthony's diligence and family values. He gave him daily words of encouragement as he took his order personally and wrapped his meal for him. The two became good friends. The days turned into weeks, the weeks into months, and the months into years. Each evening, Anthony stopped at the restaurant to get his one meal of the day and chat with Jan, who always kindly asked after his family and how his work was progressing. And Jan charged him no more than the 50-cent price that Anthony paid.

Then came one happy evening when Anthony arrived with a wide grin on his face. He had bought a modest house in a good neighborhood with a good school for his boys, and he had just sent for his family to join him. Jan was genuinely thrilled as he patted his friend on the back and warmly congratulated him. Anthony then said that he was in a celebratory mood and he would be spending an entire 5 dollars on his evening meal. Jan told him it was well-deserved, wrapped up his meal, and happily waved as he set off for home.

Anthony got home and opened up his meal pack. To his shock and dismay, it was the same meal he had been having every day for the last six years. All along, Anthony had been looking forward to a feast fit for a king, worth the 5 dollars he splurged for it. Instead, he got a 50-cent meal! He was livid at Jan who dared cheat him out of his well-deserved celebration.

He immediately hurried back to the restaurant to complain, but by the time he arrived, Jan had already left. One of the staff with whom he was quite familiar greeted him instead.

"Peter, glad you're here! I think you guys gave me the wrong meal pack today. I can see how you can mistakenly give me the same 50-cent meal I have every day, but today I am celebrating and I paid five whole dollars. Help me out here, you don't want me to think that you've cheated on me, right?"

Peter looked at the meal pack. "Well, sir, this is our most expensive meal and it costs five dollars!"

It suddenly dawned on Anthony that he had not been cheated by his friend at all. Jan had been giving him their best meal, which cost five dollars, for 50 cents every day for six years! He felt utterly mortified for thinking that his good friend could short-change him.

"It's all a misunderstanding then," he murmured and quickly turned to hide the tears in his eyes. "One minute, sir," said the staff. "My boss said you were going to come back and that I was to give you this bag."

When Anthony opened the bag, he found all the 50-cent coins he had ever spent at this restaurant. Unable to hold back his tears now, he sat down on a bench and wept unashamedly¹.

Anyone reading this story cannot help but feel Anthony's profound regret for misjudging his friend and benefactor. At the same time, we tend to excuse his behavior by saying, "Well, he couldn't have known. He couldn't have acted otherwise."

Was it excusable? The answer is NO. And here is where we find out why.

First, according to the distinction between price and value, Anthony should have realized the great discrepancy between the value of a 50-cent and a five-dollar meal, even if he paid only 50 cents. Anthony lived in the city for six years and, while the actual value of things might have escaped him at the start, he would have caught on quickly after some time.

Second, a mental model called Hanlon's Razor urges us not to assume that others intended malice in their actions when no sign of malice exists. Without any justification, Anthony ascribed malice to Jan's action of giving him the same meal, not thinking that an innocent and reasonable explanation existed.

Third, another thinking aid known as Charles Munger's checklist compels us to adopt intellectual humility. Anthony's great achievement, though well deserved, got the better of him, and all humility escaped his demeanor.

Fourth, Chris Argyris' Ladder of Inference equips us with a method to avoid jumping to conclusions. Anthony should have gathered all the facts, carefully screened and weighed them, and analyzed all their implications before deciding to call his only benefactor a cheat.

Finally – well, there is no finally. We can go on indefinitely naming mental models and practical thinking frameworks that could have prevented Anthony's lapse of judgment. Unfortunately for him, Anthony did not know about them.

Luckily for us, we can learn about practical thinking frameworks and mental models in the chapters that follow. I invite you on a trek to discover what mental models are, and how they

can help us avoid judgment errors and improve our decision-making. The next pages will hopefully both enlighten and entertain us as we acquire the tools to help us lead better lives.

With high hopes, let us turn the page and begin our journey together.

— *Dianna Gene P. Aquino*

Blind Lady Justice

My father, Arnulfo, was an astute lawyer who was a stickler for the proper use of words. He also had a penchant for discussing abstract ideas in a down-to-earth manner. Once, our rambling talks led to the topic of decision-making. "Dad," I said, "are choice, decision, and judgment the same? I'm writing an essay, and I need synonyms for 'decision' so I don't keep repeating the same word." I had already consulted a thesaurus that listed the three words as synonyms, but I needed a second opinion.

"Choice, decision, and judgment. Of course, they are not the same!" he exclaimed with his usual brio. "I would say they differ with respect to degree or weight of importance." "Huh?" I thought. He went on: "Here's an example. Your mom had several suitors, and of all those suitors, she saw how handsome I was and chose me to be her steady boyfriend. That's a choice. During our courtship, she found me pleasant, charming, of superior intelligence, but most of all, someone who could get along with her parents. Then she decided to accept my proposal to marry. That's a decision."

"So? Where's the judgment?" I asked.

"That is something I am subjected to every day of our married life," my father grinned. "You see, a judgment is rendered after close scrutiny, careful consideration, and the finality of its consequences. That's why Lady Justice is blind and has a sword. So, the fact that I am still in one piece after four decades means that your mom has passed favorable judgment over me."

I asked him one more thing: "Then should Lady Justice not be blindfolded, so she can see everything?" Dad straightened up and assumed a serious demeanor. "The blindfold is not against the facts and reason. It is against emotion and prejudice. It means that Justice has no prior knowledge or opinion about the issue whose evidence, both in favor or against, is being weighed in the scales."

He added pensively, "Actually, Justice was depicted by the Ancient Greeks as a lady, the goddess Themis who was known for being clear-sighted and fair. So, she didn't even need the blindfold, and in that sense, you are right."

What Most People Tend To Do

Choice, decision, and judgment – all involve the same mental activity, which is weighing several alternatives and making a selection from among them. Based on our customary usage of these terms, their consequences may vary in degree. Choices are made more frequently and therefore are less consequential than decisions or judgments. Of the latter two, judgments are more serious, have longer-term implications, and are therefore more consequential. Decisions would be somewhere between the two. In most academic literature the three are used interchangeably.

According to Beresford and Sloper², "Choice is the outcome of a process which involves assessment and judgment, that is, the evaluation of different options and making a decision about which option to choose." In a one-sentence definition, the authors included choice, judgment, and decision, involving all three in a single process.

Different authors categorize thinking into different types, but there are two basic types commonly associated with the decision-making process: System 1, or intuitive, and System 2, or analytical, thinking processes. Intuitive (System 1) thinking is best described as an unconscious mental response that is mostly independent of language. It is decision-making that is automatic, quick, effortless, and executed with a strong feeling of certainty.

Analytical (System 2) thinking is more deliberate and time-consuming. It is a belabored and

incisive process, and a decision is only arrived at after all the issues involved are debated and examined.

Both types of thinking are useful in specific circumstances. Each has its group of advocates. Those who like System 1 thinking are more capable of responding to dynamic situations necessitating quick decisions and actions. Those who prefer System 2 thinking are more adept at resolving problems requiring depth analyses, the solutions of which are typically more costly to implement and have longer-term repercussions. Which system of thinking is better? The answer is both – depending on the time, place, and circumstances.

What Differentiates Poor Thinking From Good Thinking

Cogito, ergo sum. I think, therefore I am. René Descartes, the 17th-century French philosopher, mathematician, and scientist, argued that people who doubt their existence have, by their doubting, already resolved their doubt, because doubting is thinking, and thinking is proof that one exists. Now, before we get dizzy thinking in circles, let's get a hold of ourselves and accept that We All Think. Thinking is an activity of the free mind, something we can never be forbidden to do. Nor can the contents of our thoughts be externally controlled, because thinking is the expression of the Self. We are sovereign over our own thoughts. That is why we are each entitled to our own opinion.

It is an absolute truth that we all think because we all exist. However, it is not true that we all think alike. Like a ship in the vast ocean, the mind is free to wander. But as the safety of the ship's journey and its timely arrival at harbor depend on the skill of its captain, so, too, the quality and usefulness of our thoughts depend on our skill as thinkers.

In the following table are the attributes of good and poor thinkers identified by many anonymous teachers through the years³.

Are there qualities in these lists that you think apply to you personally? It is likely that, on most occasions, we exhibit the traits at the right, but for decisions that are of grave importance to us, we instinctively choose to follow the traits at the left. So, all of us may act either as good or poor thinkers at different times when we make decisions. The teachers

who contributed to this list did not judge their students as good or poor thinkers, but identified the habitual behavior of students who performed well and those who did not. Reliable as they are, these are merely indicators. There are no hard-and-fast rules that can fully define good thinking. In fact, we do not make most decisions logically. Cognitive researchers have established three robust facts about human reasoning⁴:

(1) All people, even those without any training in logic, can and do make logical decisions, even about abstract things not encountered in daily life. Many of our puzzles and mind games, such as crossword puzzles, Sudoku games, and scrambled letters, require abstract problem solving that has little to do with our daily tasks.

(2) Individuals strongly differ in their ability to reason, and this ability is closely related to measures of academic achievement. Therefore, they often serve as measures of intelligence.

(3) Almost all sorts of reasoning (e.g., two-dimensional spatial inferences, or more complex reasoning based on sentence connectors like *if* and *or*) are "computationally intractable," meaning that they involve problems for which no logical or mathematical rules, like algorithms, can be formulated.

The third fact has remarkable implications. The researchers found that "There is no algorithm that exists that can recover the logical form of all everyday assertions."⁵ In short, many of our thoughts exist, hazy or cloudlike, without a definite structure or form, and yet can be effective thinking tools. Isn't that proof of the astounding complexity of the human mind, and the magnificence of its Creator!

Effect Of Time And Cognitive Content On The Quality Of Thinking

"The happiness of your life depends upon the quality of your thoughts." — Marcus Aurelius

So, can a person improve the quality of their thinking? There is no rule against it. And our minds are so complex and powerful that, who knows their capability? By closely examining

the table of good and poor thinking habits, we can arrive at a generalization about how we can improve the quality of our thinking.

First, we should understand that we ought to stop equating our minds with our brains. The brain is a bodily organ; it is a physical thing. The mind exists in the realm of the metaphysical; it is abstract, of a nonphysical nature, and yet accounts for so much of our physical bodies. Many people often say, "You have a good brain!" when they meant to say, "You have a good mind!"

We regard Albert Einstein as one of the greatest thinkers not only of our time, but in the whole of history. He is so well known for his intelligence that his name has become an adage for "an extremely intelligent person." In 1955, Einstein died at the age of 76, but his story does not end there. In Princeton Hospital, where he died of a burst aorta, his brain was immediately removed – stolen, as it were – by Thomas Stoltz Harvey, the pathologist who conducted his post-mortem examination.

Harvey took the brain without permission from either Einstein or his family, and against the wishes of the deceased. In fact, Einstein left behind specific instructions for his remains to be cremated and secretly scattered to discourage those who wished to idolize him⁶. It was evident that Einstein did not want to be studied or given any special treatment. As was expected, Einstein's son Hans Albert Einstein was initially infuriated at the incident. After some time, with permission, Harvey turned the brain over to researchers, on the condition that the findings be published in highly reputable scientific journals.

And what were those findings? Well, there were several studies, each with its own findings. There appeared to be differences in the dimensions, weight, external surface characteristics, and other physical properties of Einstein's brain compared with those of other random, average adult males⁸. However, the findings were not conclusive because (1) the "normal" brains used may not have been the best for comparison with Einstein's brain; (2) Einstein's brain was only one in the "experimental group", while the control group comprised several brains, so there is an inconsistency in the groups' sizes; and (3) only a small portion of the four areas of the brain was studied, which could not be the basis for a

reliable conclusion. Einstein's brain was different; it was unique. But then, so are the brains of every individual who lived. It appears that Einstein's brain is no different from all other brains in its uniqueness.

What, then, makes one a great thinker? Apparently not the qualities of the physical brain. Therefore, it must be the way we use them. Just as bodybuilders work out at the gym to develop their muscles, we must exercise our brains by challenging ourselves to learn, observe, analyze, and examine – to think.

Let me introduce you to an excellent thinker.

*"What makes my Thinker think is that he thinks not only with his brain, with his knitted brow, his distended nostrils, and compressed lips, but with every muscle of his arms, back, and legs, with his clenched fist and gripping toes."*¹⁰ — Auguste Rodin

Famous around the world, *The Thinker* was intended as one piece of a grander sculpture, *The Gates of Hell*, a depiction of Dante's Inferno. It was originally entitled *The Poet*, in obvious reference to the famous Italian writer and philosopher, Dante Alighieri. *The Gates of Hell* was supposed to be the doorway to a museum that was never completed. Instead, the image became an independent work, showing a tortured body but a free-thinking man.

The Thinker is the embodiment of profound contemplation. As Rodin himself described it, every fiber of this man's mental and physical being portrays deep thought. Time stands still, his thoughts are intense and seminal. Quality thinking is not an idle activity. It does not allow the aimless meanderings of one's mind. It is not daydreaming, or entertaining wishful imaginings.

Learning The Basics And Sharing Our Knowledge

"Try to learn something about everything and everything about something" is a quote attributed to Thomas Huxley¹¹. A prolific scholar, writer, and teacher, Huxley dealt with divergent topics such as religion, philosophy, social issues, and numerous biological fields. He received a scholarship in medicine but failed to complete his studies because he was

deeply in debt. He also lacked a formal education; nevertheless, he taught himself the natural sciences including paleontology, zoology, geology, and botany. He also learned mathematics, physics, mechanical engineering, the German language, and drawing, among many other subjects. He wrote a series of papers collectively entitled *Evolution and Ethics* and was much involved in the debate between science and religion. Huxley was later elected President of the Royal Society, and among the many awards he received was the Darwin Medal.

Huxley was not gifted with superhuman powers, at least no more than Einstein, but one thing was common between the two – they both had a love of learning. "I have no special talents. I am only passionately curious," Einstein said of himself. They both had an intrinsic motivation to discover new things, and they were methodical and relentless in their motivation. Like Huxley, Einstein taught himself physics; he cut classes and played hooky so he could tailor his learning to his specific interest in physics. They were both methodical in their learning, and sought to understand those things they were motivated to learn about.

The knowledge one person acquires is of little use if it is not shared. There are many informal ways of sharing knowledge, the most enjoyable being simply conversing with others in casual gatherings or over cups of coffee. In more formal settings such as organizations, we can share knowledge more efficiently through several suggested approaches. Management could encourage and foster an open mindset for new insights among the staff, and create spaces for sharing within the organization. These may include team brainstorming and springboarding innovation proposals. Management may invite experts to share their knowledge at seminars. Managers and other senior staff can lead by example. More importantly, the organization may adopt effective tools to facilitate knowledge transfer¹².

Decision-Making Is A Skill

Having the right mental tools or frameworks is just one aspect of decision-making. The other necessary element is having the skills to use the right tools to arrive at the best possible decision. Having a skill is more than possessing knowledge; it includes using that

knowledge to do something exceptionally well; that is to say, something concrete and of good quality materializes out of the effort put into an activity. Honing a skill takes repeated practice, patience, critical evaluation of your work, and judicious use of the tools needed for the activity.

As a boy, John watched the handyman repair parts of their house, and was intrigued by the carpenter's methodical use of the hammer, saw, squares, measures, and levels. He marveled at the neat woodwork that came out of it, such as window frames, cabinets, and doorways. The little boy John decided he wanted to become a carpenter. Like most of us who turn out to become something other than our childhood dreams, John became an accountant. One day, thinking he would still like to become a carpenter, he went to the nearest Home Depot and got himself the latest power tools – saws, grinders, drills, routers – and the hand tools he saw the carpenters use. He even bought the wood and nails needed for his first project – a coffee table. Alas, even with the instructions downloaded from the internet, he ended up with an imbalanced table that collapsed into pieces when he placed a moderate load on top.

Developing one's skill in making decisions requires frequent practice under challenging situations. Obviously, some routine decisions do not require much effort, such as what to order from the restaurant menu, what to wear for the day, or what television show to watch. The decisions which require more careful study are the life-changing ones, such as the career to pursue, the person to marry, or the place to set up your home or business.

Decisions That Change Our Lives

When Angelica turned 13, the magic age when she officially became a "teen-ager," she took it into her mind to style her hair by herself. She hid her plan from her mother, because she knew the latter would disapprove. Anyway, she thought, Mom can't do anything about it once it's done. Bangs across the forehead was the fad then, so she took scissors and comb and began her initial foray into hair styling. How hard could it be, after all? Just cut the hair straight across the forehead.

The problem was, she cut the left side shorter than the right, so she tried catching up on the right side. Alas, that side turned out to be even shorter, so she went back and did the left side again. She ended up with – you guessed it – bangs that were much shorter than she intended. Mortified, Angelica wailed, "My classmates will laugh at me." Her mother tried not to laugh. "Don't worry. It will grow longer in a couple of months. That's what's good about hair, it eventually grows out. So, you learned something today, didn't you?" Angelica thought, "Yes, to experiment with new hairstyles during the summer break when school's out."

Angelica's mother was right. She tells herself the same thing when her stylist dyes her hair and she doesn't like the way it turned out. We make decisions every day, some good and others not. But our attitudes cannot be flippant when the decision to be made is consequential and affects our lives profoundly. For important decisions, sufficient time and careful study are needed.

Diverse Mental Tools In Good Decision-Making

My grandmother is a learned woman. She got her bachelor's degree in education, and taught English in the old country during the last great war. When she married and raised her brood of seven, she took lessons in home economics and practiced her culinary, homemaking, and child-rearing skills in a home that produced accountants, doctors, and lawyers. Grandma was a modern woman of the fifties. But before she made any important decision, she did something without fail – she consulted her fortune teller. Madame Esperanza (whose professional name coincidentally meant "hope") would search through her client's palms. She would then lay out her tarot cards, turning them over one by one and gently murmuring, "Hmmm. Hmmm." Then she would pronounce the best date for a wedding, whether a trip abroad was opportune, or if investment in a piece of property would yield gains.

Making decisions, particularly those that involve significant risk, sizable material or sentimental value, or upon which rests our future is more than just an intellectual process. It involves a degree of emotional investment, to the end that the decision-maker is assured

and at peace with the decision. If my grandmother decided to consult an expert with a "third eye" after thinking through the problem and making a studied choice from among the alternatives, she did it to build confidence in her decision. But she didn't follow the advice blindly. She explained once how the fortune-teller told her to schedule her son's wedding in the morning for good luck, but they still went with a late afternoon schedule. "Somebody else reserved the morning slot at the reception venue. I mean, be practical. Fortune tellers don't know everything."

There are, therefore, social, cultural, and religious practices that influence our decision-making, and while they are not entirely logical, they have a place in our consideration. Like my grandmother, these practices are only a small part of the larger decision-making framework. The core of decision-making remains with the essential elements, the key factors. In preparing for a wedding, the where, when, and how could be incidentals. The who and why are the essentials.

Barriers To Effective Decision-Making

Many reasons stand in the way of sound decision-making. We shall focus on five of the more salient barriers – bounded rationality, constraints in time and resources, escalation of commitment, personal biases, and conflicts¹³.

Bounded Rationality

From its very name, bounded rationality refers to the concept that "I cannot think of how to work this problem out. I am just not ready to make this decision!" We have all come up against this barrier at one point in our lives. We may have found ourselves in one of the following situations:

Faced with opposing players on all sides, a rookie basketball player in an important game panics: "Should I pass or shoot? The coach is shouting something at me. What is it?"

Distressed by her crying infant, a new mother asks: "I've fed him and changed him. Why does he keep crying?"

A fast-food crew member, flooded with customer orders on the first day on the job, ponders: "Wait, did he say small or large drink? With cheese or without? Why does she have to talk so fast?"

Whenever we encounter a problem that we have not experienced before, we may feel unprepared to make a decision. Whatever decision we make, we just don't know what the consequences will be. We feel that our brain is too small to contain all the information that is flooding in all at once, or if we are even gathering all the pertinent information. We end up making a totally irrational decision. We opt for sufficing or doing the best we can given our limitations, rather than thinking it through to arrive at the best decision.

Reportedly, the term "bounded rationality" was formulated in 1947 by Herbert A. Simon, an American political scientist and economist, and 1978 Nobel Prize awardee. Simon observed that people are only partly rational, and when they are rational, there is a limit to their rationality¹⁴. Many things can influence our ability to reason, such as heuristics and biases which kick in when we are unable to properly process the information we have.

Time, Resource, And Information Constraints

Bounded rationality occurs when we face a situation that we feel we are not competent to handle. But what if we face problems that we are used to handling, except that the time needed to decide is too short, or the available resources or information are not sufficient? Then this also constitutes a barrier to effective decision-making. Managers often find themselves in a position where they need to make an important decision under unexpected conditions.

The Sun Valley Mall¹⁵ has been in existence for thirty years and within that time has achieved the status of a first-class, ultra-modern establishment. The Mall has all the safety features required for large businesses with high customer traffic. Management has developed a protocol for all possible contingencies such as earthquake, flood, and fire. But on one occasion, when a maintenance crew was setting up the Christmas display after store hours, a short-circuit blew out a set of light bulbs situated close to the decorations of flammable material. The flames quickly spread in that area and through the ceiling that was

inaccessible to the sprinkler system. Since this occurred off-hours, all managers and staff were at home, leaving only the maintenance supervisor as the most senior staff on location.

By the time the senior manager arrived at the scene, flames had already engulfed a large portion of the structure. Much of the store's valuable inventory was damaged, if not by the fire, then the water used to douse it. The supervisor did not activate the necessary protocols which should have automatically gone into effect, and there was insufficient time, resources, and information for the senior manager to make the crucial decisions that would have prevented the fire from spreading. Had the regular managers and personnel trained in the protocols been on duty when the fire broke out, then they might have contained the damage earlier by making more timely and accurate decisions.

Escalation Of Commitment

It is not surprising that people frequently make decisions that may appear to be the best choice at the time, but later turn out to be wrong. When new or more complete information becomes available and shows a previously made decision to be wrong, then it should be rectified, even if it means admitting that it was a mistake. Escalation of commitment is the tendency of a decision-maker to remain committed to a wrong decision that they had made earlier.

A typical escalation-of-commitment situation develops when a stock investor – let's call her Penny – falls in love with a stock she chose to invest in, believing that its business will pick up in the future. Contrary to her expectations, the company whose stock Penny bought performed poorly and its stock price began to fall in the market. Pragmatic investors know that when the company's fundamental business sours, it is time to cut losses and sell the failing stock. But Penny has developed a sentimental attachment to her stock and escalates her commitment to it. Not only does she not sell her failing stock, but buys more of it as the price goes down.

Penny makes an irrational decision to lose more money on this investment rather than switch to another stock. She insists on believing that the stock's price will rise again, not accepting that the company has lost its worth. When the company finally declares

bankruptcy and its stock has become worthless, only then will Penny realize the folly of her decision.

Personal Biases

Most organizations prepare for all possible contingencies but find themselves unprepared to deal with crises that arise out of the blue. Toyota, the carmaker with one of the most popular brands globally, found itself in this predicament in 2010 when it recalled 7.5 million vehicles and suspended the sale of eight of its best-selling models due to safety design problems. The situation proved a great embarrassment because "Toyota" was practically synonymous with safety and quality. The problem began developing in 2009 when some of its cars were involved in serious road accidents that resulted in death¹⁶.

To make a long story short, the company tried to ignore the hundreds of complaints and growing statistics of fatal road mishaps involving Toyota vehicles. It operated on the biased belief that attributed no fault to flaws in its production process. Only later on did its management realize that putting off acknowledgment of an internal problem and believing that the mistake was made by external parties – suppliers, dealers, even consumers who patronized their product – compounded its problem. It was only when Toyota's CEO, Akio Toyoda, apologized before a House committee that investigated its flaws that the company admitted that its design errors had compromised the safety of its cars¹⁷.

A company's CEO is partial to their company – as is each and every manager, engineer, factory worker, and utility personnel. This is called loyalty, and it is not bad. We each have our biases towards our employer, school, country, family, friends. This partiality is tribalism, and it was needed for humans to survive in prehistoric times. Current research suggests that an evolved form of tribalism is a necessary survival strategy even at present¹⁸. As long as these biases are not challenged in the decisions we make, there is no problem.

But when our emotional attachments interfere in our objective assessment of a problematic situation, these biases may become a barrier to arriving at a good decision, let alone the best decision possible. Despite the overwhelming evidence of their culpability, Toyota could

not admit that it failed and chose to believe that its quality assurance was infallible. They refused to halt sales and recall vehicles in due time to prevent additional unnecessary deaths.

If you find yourself in this predicament (that is, being unduly partial in making a crucial decision), the best option would be to recuse yourself from the duty of making that decision. Instead, you should pass it on to the next qualified person if that is possible. If recusal is not an option, then find an objective and trustworthy adviser who will help you think the problem through.

Conflicts

Have you heard of a new phenomenon in larger business organizations called "decision spin"? It is a phrase coined by Ron Ashkenas¹⁹ for a phenomenon wherein "a company's planning and decision-making process involves a lot of meetings, discussions, committees, PowerPoint decks, emails, and announcements, but very few hard-and-fast agreements." With decision spins, the decision-making process is passed around from group to group, from one level of the hierarchy to another, and across the organizational structure. During this time the details and consequences change with each input from different stakeholders. The result? A decision that is a non-decision. The whole process simply ensured the aversion of potential conflicts.

Making the right decision can be difficult when it is likely to trigger conflicts with other people. Standing by your decision means that you will likely stand against those who are for the contrary alternatives. Therefore, people naturally tend to decide on a course of action that can accommodate, as far as possible, the concerns and interests of as many parties as possible. More often than not, to keep the peace, people with better proposals may shy away from expressing their views to the detriment of arriving at the best decision for all.

Phillip chaired the business administration department of a large university, and every year he authorized the books to be ordered for the students enrolled in his department's college programs. When he assumed his position, students complained to Phillip that they had to buy expensive books and hardly used them throughout the semester, while they could

source the substance of their lessons from the internet. They asked Phillip to revise the list of required books, eliminate those that were not needed, and opt for less costly alternatives for those required.

Immediately, Phillip conducted a review of the book list, sending it to the faculty with a request to eliminate as many as possible and reconsider lower-priced books. However, the same list returned unchanged, with a note from the faculty union leader that all the books are necessary, and a reminder that the faculty have the final say in the composition of the book list. Perturbed, Phillip conducted his own quiet investigation and discovered from the book supplier that the faculty enjoy a 20% commission on the books they ordered for their students.

Phillip sensed that if he ordered the change in the book list to align more with the students' request, he would be met by a mutiny of sorts from the faculty. It is true that the rules allow faculty members to specify the books their students need to purchase without further need for explanation. Wishing to avoid a major conflict with the faculty union, Phillip authorized the book list as it was. The students silently complied, intimidated by the prospect of a possible failing grade from the faculty.

In the end, a decision was defaulted to avoid a conflict.

The Key To Making Good Decisions

We can condense much of the discussion about good thinking and decision-making into a few key principles. First, competence in making good decisions requires us to develop decision-making as a skill, including the use of diverse mental tools. A skillful decision-maker possesses a set of powerful mental tools, the knowledge of when to use them, and how to acquire the requisite information to use them. Second, the barriers to good decision-making must be eliminated, which means we must first recognize them. This brings us to the third key: experience. Gaining enough practice in assessing information, using the proper models, recognizing and removing the barriers, and pushing through with

a decision are activities that we must perform with regularity until the skill becomes like a sixth sense to the decision-maker.

Action Steps

The table describing the characteristics of good and poor thinkers includes a list compiled by several teachers based on how they observed their students. The characteristics describe thinking habits rather than making categorical judgments on individuals.

1. Go through each item and objectively try to identify which of them is reflective of your own habits. Be honest with yourself and do not justify where you are failing. Just recognize that these habits exist.
2. For every characteristic of good thinkers that, in your assessment, describes you, remember to maintain and build on that trait. For instance, if you are already systematic in your planning, ensure that you continue to make this a habit for the larger problems you encounter.
3. On the other hand, for every characteristic of poor thinkers that you think reflects on you, take note of this trait and try to avoid future actions that manifest them. If you feel that you tend to forget information easily, develop a system such as keeping a journal or tickler at hand wherein you record important information.

Remember that nobody is an inherently good or poor thinker. We can always work to improve our habits if we are aware of them.

Moving On

The ability to think differentiates human beings from the rest of the animal kingdom. The quality of our thoughts determines how well we decide and act on the challenging situations that confront us. At times we have to decide and act quickly, particularly during crises. But more often we have the time and means to gather the necessary information and make the best decision possible. In the next chapter, we will learn how we can use mental models as our thinking tools.

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