


Slides used in “Leadership Decision Making: How We Err in the Academy,” Peter A & Noreen C Facione, are based on their book: *Thinking and Reasoning in Human Decision Making*. The California Academic Press: Millbrae CA. For book information visit <http://www.insightassessment.com/books.html>

**Leadership Decision Making:
How We Err in the Academy and
What We Can Do About It**

Drs. Peter & Noreen Facione

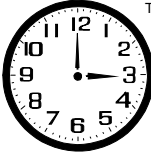
Measured Reasons & Insight Assessment



Strategy: Take time to think.

Novel Question Response Time

Time is needed for a thoughtful judgment



11 -16 seconds is needed to process a novel question

Newell, A. (1990). *Toward unified theories of cognition*. Cambridge, MA: Harvard University Press.


Two Parallel Functioning Rational Decision Systems

SYSTEM 1

Renders quicker, holistic, associational, judgments.

More automatic, reactive.

** Can block out or derive support from system 2.



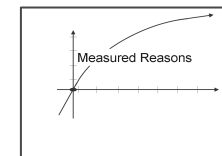
SYSTEM 2

Renders considered, rule-based, serial, judgments.

More reflective, logical.


** Can bolster or over-ride system 1.

Gilovic T, Griffin D, & Kahneman D. *Heuristics and biases: The psychology of intuitive judgment*. Cambridge, UK: Cambridge University Press, 2002.



Is this the culture of the academy?

Leadership is trained, skilled & experienced	Punishment for absence without leave
Clear lines of authority	Demotions and penalties for failures or collateral damage resulting from one's actions & decisions
Managers are responsible for product success	Disciplinary action for neglect of duty or disobedience to direct commands
High accountability for timely and correct completion of assignments	




Or is our culture more like this?

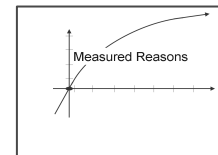
Multi-layered approval processes	High tolerance for voiced criticism and cynicism
Multi-layered appeal processes	Academic “Independent Contractors” work in time- and-space flexible mode
Powerful committees and influential individuals can cause key decisions to be delayed or derailed	Many duty assignments reflect the provider's rank, desires and privilege
Multi-year timelines for major budget and policy changes	Typically no direct penalty for failures or casualties resulting from one's actions or inactions

Surgeon General Advisory: Learn your institution's “unpublished org-chart.” You may want to modify the institutional culture, but you cannot ignore it.

Naturalistic decisions
novel, high stakes, uncertain problem situations

Logical and Heuristic thinking strategies that contribute to every decision process





How we err at the academy:

Error: Indulging personal desires

"This will be my legacy."
"I'll accept the gift and others will have to deal with the consequences of my decision."

How we err at the academy:

The Affect Heuristic : unreflective gut response
Error: Failing to think it through

"Take the money. Take the land."
"I'm afraid to cross this trustee."
"I can't work with this trustee."

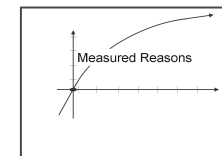
Strategy: Acknowledge the emotional response to trusted colleagues so that you can more easily override it if that is what's best for the university.

The Representativeness Heuristic
The Availability Heuristic

"The last time we took a qualified gift it was a nightmare."
"This will be great for the university! Just like when we closed the highway through campus."

Error: Over-reliance on impressions of apparent similarity with previous vivid events to estimate the benefits or losses if the gift is accepted.

Strategy: Step back ...check your impressions of similarity against the facts, note differences that could make a difference in the actual outcome.



How we err at the academy:

Dismissing a perceived problem:
 Errors: poor problem definition, unsound inferences
 underestimate the opposition (the optimistic bias heuristic)

“That’s nothing we need to worry about.”
 “Your concern is nothing new.”
 “That problem will never happen to us.”

Strategy: First, take time to analyze the problem. Then, either address it courageously, or declare it an issue that will not be addressed and live with the consequences

How we err at the academy:

Seeking ‘good enough’ but not ‘best’ answers
 (the Satisficing heuristic)
 Error: Underestimating “good enough”

“Let’s take the gift and develop the consensus vision later.”
 “We’ll talk with the trustee but wait on the campus dialogue”
 “Find me two or three science departments that I can hook into this deal.”

Strategy: The Simulation heuristic coupled with fact finding.

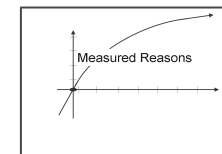
If it’s a possible ‘go’ then, map the problem with timeline and resource commitment.

How we err at the academy:

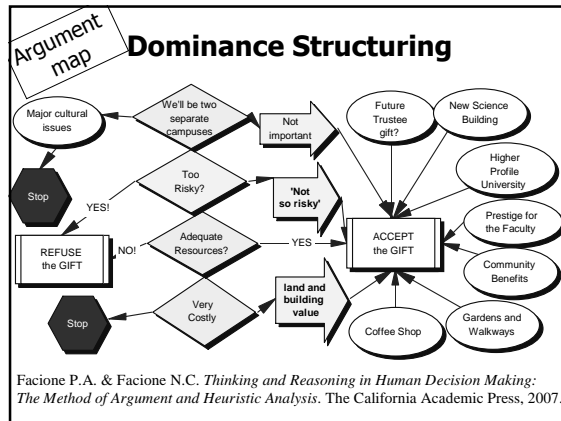
The “Illusion of Control” heuristic
 Error: Overestimating control of the outcome

“We’ll make this work even though....”
 “We can get her to accept our counter-proposal.”
 “Don’t worry, in time the faculty will come to support this.”

Strategy: Watch for this error by the thinking team.
 Stay with the evidence and the argument for success.
 Establish markers for evaluation: success and cautions.
 Change or reverse course when the evidence indicates.



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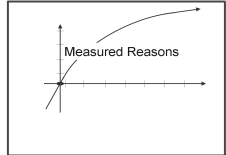


- Strategies to mitigate thinking errors in the academy**
- | Appropriate use of both heuristic reasoning and logical and reflective (critical) thinking
 - | Be on guard against premature dominance structuring around suboptimal judgments
 - | Be courageous enough to reverse judgments when valid evidence or arguments present (truth-seeking)
 - | Think out loud with your trusted advisors
 - | Adapt to the reality that everyone is using both System 1 and System 2 thinking all the time.

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“Thanks” or “No Thanks”

You are the president of a suburban independent comprehensive university with total graduate and undergraduate enrollments hovering around 8000. You and your faculty speak with pride about the liberal arts flavor of your undergraduate programs and your venerable mainstream set of masters professional programs in business, law, education, nursing, and health sciences. But with gross revenues essentially stagnant, benefits costs and tuition discount rates increasing, and an anemic endowment, it is difficult to fund a series of vital institutional needs. Your capital campaign goal, which seemed reasonable three years ago, now seems dreadfully high.

Then unexpectedly an influential trustee, who happens to be a local real estate developer, contacts you about making a major gift. She wants to donate a 18-acre parcel of land. The land she wants to give your institution is part of a 200 acre real estate project she has been developing. Her project is master planned for multi-use development including a hotel, sports arena, condos, retail, business, professional buildings and residential. This gift is worth at least \$1,500,000 given its location.

Imagining that you can sell the land and use the cash you are about to accept the gift. But before you can the trustee adds: “This gift is contingent upon your establishing a University Research Park in the heart of my 200 acre project. I see the university as a magnet tenant. Your presence will attract businesses, entrepreneurs, starts-ups, and, of course, improve the residential real estate value of the entire development. Because of this, I am prepared to pledge another \$40 million for a Technology Innovation Building to be erected on the 18 acres I’m going to give you.” You graciously thank the trustee, note that you need to check with a few people, and promise to respond to her most generous proposal as quickly as possible.

Other information: It takes at least 30 minutes to drive from campus to the place where the 18 acre plot is located. The trustee does not want any “noisy student residence halls” on that site, she wants you to locate “substantial and serious programs” there. As a trustee she has often said that for strategic reasons the university must break out of its traditional mold and develop programs that look toward the future, such as in the areas of technology and business innovation.

Your Task: As president you must (a) decide whether or not to accept this gift of 18-acres and a technology and innovation building; and, at the same time you must decide, (b) who should know about and have a voice in the decision, (c) what you will do if there is no consensus.

TABLE 9 – HEURISTIC MANEUVERS AND THEIR REASONING DISADVANTAGES

NAME	COGNITIVE MANEUVER	DISADVANTAGE / RISK
SATISFICING AND TEMPORIZING	GIVEN AN OPTION THAT IS GOOD ENOUGH, DECIDE IN FAVOR OF THAT OPTION	GOOD ENOUGH MAY NOT BE BEST
AFFECT	TAKE AN INITIAL STANCE IN SUPPORT OF OR IN OPPOSITION TO A GIVEN CHOICE CONSISTENT WITH ONE’S INITIAL AFFECTIVE RESPONSE TO THAT CHOICE	FEELINGS MAY MISLEAD
SIMULATION	ESTIMATE THE LIKELIHOOD OF A GIVEN OUTCOME BASED ON ONE’S EASE IN IMAGINING THAT OUTCOME	OVER-ESTIMATION OF ONE’S CHANCE OF SUCCESS OR LIKELIHOOD OF FAILURE
AVAILABILITY	BASE THE ESTIMATE OF THE LIKELIHOOD OF A FUTURE EVENT ON THE VIVIDNESS OR EASE OF RECALLING A SIMILAR PAST EVENT	MISTAKEN ESTIMATIONS OF THE CHANCES OF EVENTS TURNING OUT IN THE FUTURE AS THEY ARE REMEMBERED TO HAVE TURNED OUT IN THE PAST
REPRESENTATIVENESS – ANALOGICAL	INFER THAT BECAUSE THIS IS LIKE THAT IN SOME WAY OR OTHER, IT IS LIKE THAT IN RELEVANT WAYS	THE ANALOGY MAY NOT HOLD
REPRESENTATIVENESS – ASSOCIATIONAL	CONNECT IDEAS ON THE BASIS OF WORD ASSOCIATION AND THE MEMORIES, MEANINGS, OR IMPRESSIONS THEY MIGHT TRIGGER	JUMPING FROM ONE IDEA TO THE NEXT ABSENT ANY GENUINE LOGICAL CONNECTION AND DRAWING INACURATE INFERENCES FROM THE COMBINED THOUGHT PROCESS
GENERALIZING FROM ONE TO ALL	FROM A SINGLE SALIENT INSTANCE DRAW A GENERALIZATION ABOUT AN ENTIRE GROUP	THE ONE MAY NOT BE REPRESENTATIVE OF THE MANY
“US vs. THEM” DYNAMIC	REDUCE PROBLEMS TO A SIMPLE CHOICE BETWEEN TWO OPPOSING FORCES	CONFLICT WHICH EXCLUDES REASONABLE COMPROMISE
“MASTER – SLAVE” POWER DIFFERENTIAL	ACCEPT WITHOUT QUESTION A PROBLEM AS PRESENTED BY OR A SOLUTION AS PROPOSED BY A SUPERIOR AUTHORITY	WORKING ON THE WRONG PROBLEMS, APPLYING A MISTAKEN SOLUTION
ANCHORING WITH ADJUSTMENT	HAVING MADE AN EVALUATION, ADJUST AS LITTLE AS NEEDED IN LIGHT OF NEW EVIDENCE	FAILURE TO RECONSIDER THOROUGHLY
(ILLUSION OF) CONTROL	ESTIMATE THE LEVEL OF CONTROL YOU HAVE OVER THE ACTUAL OUTCOME OF EVENTS UPON THE AMOUNT OF DESIRE OR ENERGY YOU PUT INTO TRYING TO SHAPE THOSE EVENTS	OVER-ESTIMATION OF ONE’S POWER TO CONTROL EVENTS OR UNDER-ESTIMATION OF ONE’S ACTUAL RESPONSIBILITY FOR WHAT HAPPENED
ELIMINATION BY ASPECT	ELIMINATE AN OPTION OR GROUP OF OPTIONS FROM CONSIDERATION UPON THE DISCOVERY OF AN UNDESIRABLE FEATURE	FAILURE TO GIVE FULL HOLISTIC CONSIDERATION TO VIABLE OPTIONS
RISK AND LOSS AVERSION	AVOID THE FORESEEABLE RISK OF SUSTAINING A LOSS BY NOT CHANGING THE STATUS QUO.	PARALYSIS OF DECISION MAKING STUCK IN THE DETERIORATING STATUS QUO
ZERO-OUT TENDENCY	SIMPLIFY DECISION CONTEXTS BY TREATING REMOTE PROBABILITIES AS IF THEY ARE NOT EVEN POSSIBILITIES.	FAILURE TO APPRECIATE THE POSSIBILITIES THAT EVENTS COULD ACTUALLY TURN OUT DIFFERENTLY THAN EXPECTED

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