

RESEARCH FOR ACTION



GOOD LEADERS MAKING BAD DECISIONS?

Why do good leaders make bad decisions? Brain researchers exploring the errors of judgment which lead to bad decisions point to two unconscious processes the brain relies on to help leaders make decisions efficiently: (1) pattern recognition and (2) emotional tagging. The first process allows the brain to quickly assess what is going on and compare a new situation with patterns we have seen before. Drawing on patterns he or she has seen before, it takes a chess master as little as a few seconds to assess a game and choose a good move. The second process, emotional tagging of the emotional information attached to the memory of an experience or thought tells us whether or not to pay attention to something and what to do about it.

When researchers analyzed why good leaders sometimes make disastrous judgments, they found three “red flag conditions” that induced leaders to see false patterns or be led astray by dis-

torting emotional tags of their memories:

1. Inappropriate self-interest that biases us and makes us see what we want to see and ignore important disconfirming information.
2. Distorting attachments to people, things or places that cloud our judgment about a situation or appropriate action.
3. Misleading memories that seem comparable to the present situation but lead us down a wrong path.

We all have our biases. But when we allow our biases to cloud our decision making, we seriously endanger the organizations we lead. Gary Klein, a psychologist, also found that once our brain leaps to conclusions, we are reluctant to consider alternatives or revisit our initial assessment of the situation. Andrew Campbell, Jo Whitehead, and Sydney Finkelstein, the authors of *Think Again: Why Good Leaders Make Bad Decisions* (2009), feel that the way the brain works makes it difficult for leaders to spot and safeguard against their own errors in judgment. Thus, instead of relying on the wisdom of single leaders no matter how experienced, they recommend that those involved in important decisions identify possible red flag conditions and bring in appropriate safeguards to introduce more unbiased analysis, open debate and challenge, or stronger governance.

Based on Campbell, A., Whitehead, J., & Finkelstein, S. (2009). *Think again: Why good leaders make bad decisions*. Boston: Harvard Business Press.