



Decision Making

March 31, 2022

Our Touchstone team met to discuss how researched theories and best practices guide 'decision making' towards a holistic outcome that can optimize organizational behaviour and personal development. Making simple decisions using intuition and 'gut' can be reliable up to a point, often proving complicated and troublesome as decisions become complex and involve more stakeholders. Sharing our views on vital topics such as this, highlights aspects of what makes Touchstone truly 'Touchstone.' Together, we aim to strengthen our three pillars, namely, our firm culture, our team, and ourselves, by visibly prioritizing the continuum around which we relate.

As a primer, a pre-session exercise had the Touchstone team individually read and analyse a seminal business case study, *Bob's Meltdown* by Nicholas G. Carr, from the Harvard Business Review.¹ The goal was to determine how the firm in case should respond to the top manager's tantrum and how each key character could have responded both before and after the 'meltdown.' The ensuing conversations occurred on our firm retreat at the Sawai Madhopur Lodge - Ranthambore Tiger

Reserve, in Rajasthan, India. Deliberations began first in self-selected teams of three and then as a group, centring around tough decisions needed by the management and characters in question.

In answering why this case was studied, facets of complexity uncovered themes such as organizational culture, behaviour, and change. Highlighting teamwork named dynamics of collaboration, communication, as well as establishing clarity within roles and relationships within a business. While the reading served as a foundation, a step back revealed the bigger picture of how groups function through the architecture of 'decision-making.' "Information aggregation" can support group work but "groupthink" can become faulty with the tendency for groups to err. Two forces, "informational signals" and "reputational pressures" affect how group members respond, often influenced by what was said first, most known information, and the desire to silence or change views to fit in or avoid the disapproval of others, particularly from those that wield power.² Drawing on scientific evidence from the ground-breaking work of the behavioural economist and Nobel prize winner, Daniel Kahneman, snippets from his

¹ (Carr, Bob's Meltdown, 2002)

² (Hastie C. R., 2014)

best-seller, *Thinking Fast and Slow* revealed influencers such as several biases and mindsets. These factors play out first in personal viewpoints and then ‘cascade’ to affect group perspectives, often catalysing unsound judgment and leading to faulty decision making. This revelation was pointedly directed back to the group by questioning initial motivations in self-selecting clusters in this session as well as relating named biases to the case reading. The reflection supported a deeper, practical understanding of the hidden forces at play.

As corrective measures to aid sound judgment and effective decision making, we again referred to the article, *Making Dumb Groups Smarter* by Sunstein and Hastie. For a concrete solution-oriented process, we learned from the celebrated investigative journalist and teacher, Cheryl Einhorn, through her research in *Problem Solved: A Powerful System for Making Complex Decisions with Confidence and Conviction*. Einhorn asks to be mindful, by taking “cheetah pauses” as checks to our intuition, false assumptions and biases that might prove untrue or misleading. She prescribes using a research and inquiry tool devised as the ‘AREA’ method to develop skills that redirect group thinking for more balanced outcomes. By considering desired outcomes, taking perspectives with empathy, understanding others’ incentives, and expanding on knowledge within a given situation, we can improve our judgment to make complex decisions without bias and thus with precision. Einhorn convincingly claims, “With the right framework, the right approach to decision-making—the *right process*—you can turn good ideas into great thinking.”³

Critical conversations such as this emphasize our beliefs, commitment, and accountability for our roles in building an accomplished team, profound purpose at Touchstone, and the far-reaching impact we come to bear.

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³ (Einhorn, 2017)