



Making Better Decisions- Balancing Data vs Experience in your Benefit Strategy



Talent Acquisition

Talent Development

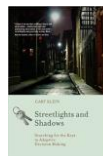
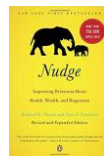
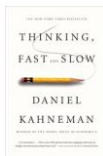
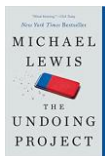
Succession Strategies



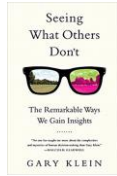
Benefit oriented decisions



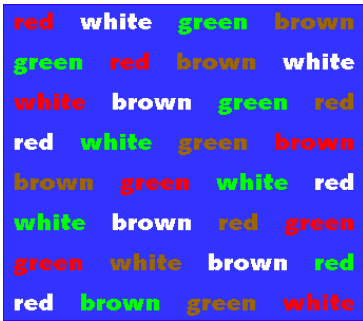
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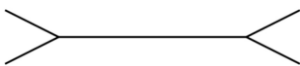
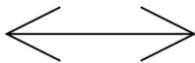
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Decisions

- How?
- Why?
- When?



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Brain teaser: Please consider Linda, a 31-year-old woman, single and bright.

When she was a student, in high school and in college too, she was deeply involved in social justice issues, and also participated in environmental protests.

Which is more probable about Linda's occupation today?

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- a) Linda works as a TV reporter;
- b) Linda is a bank teller;
- c) Linda is a bank teller, and she's very active in the environmental movement.

Quick, what's your answer? a) or b) or c)?
And, in what precise order?

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Leaders and Decision Making



- Data
- Experience
- Optimizing vs Satisficing



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Myths about Decision Making

1. Procedures Help
2. Logic vs Intuition
3. Pick the Best option
4. Gather more Information
5. Don't jump to Conclusions

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Myths about Decision Making

6. Give more Feedback
7. Draw Inferences from Data
8. Begin with the End in Mind
9. Eliminate risks
10. Assign roles-Establish ground rules

Source: Gary Klein, PhD
From "Streetlights and Shadows"

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Fill in the blank

- _AIL

—Why did you answer this way?

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Our decisions are often biased

- We have two ways of thinking
 - System one is more intuitive and quick
 - System two is deliberative and involves effort

From *"Thinking Fast and Slow"* by Daniel Kahneman

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System 1 vs. System 2

- System 1 thinking is practically effortless
- System 2 requires effort and will interfere with other processes

–Here is an example

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- What is 2 x 2?

- What is 12 x 14?

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Our decisions are influenced-Heuristics

- Priming (environmental impact)
- Cognitive ease (familiarity)
- Confirmation bias (seeing what we want)
- Halo effect (WYSIATI)
- Prospect Theory
- Loss Aversion
- Small Probabilities

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Loss aversion

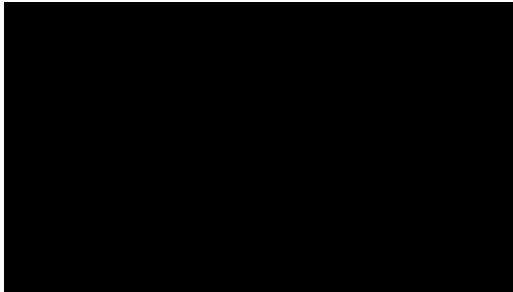
Which feels better?

1. Someone gives you \$1000
2. Someone gives you \$10,000 and then you lose \$9000

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Optimizing vs Satisficing



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Optimize or Satisfice?



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Benefit Strategy



- Data vs Experience
- Optimize vs Satisfice
 - How do you choose?



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Discussion



- Where do you optimize/satisfice in benefit choices?
- Data driven choices?
- Experience driven choices?

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The point

- Many of our decisions are biased by our brain
- Our choices are clouded
- Decisions are often flawed

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Thank you!

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