

**BOOK REVIEW
BY
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MESQUITA**



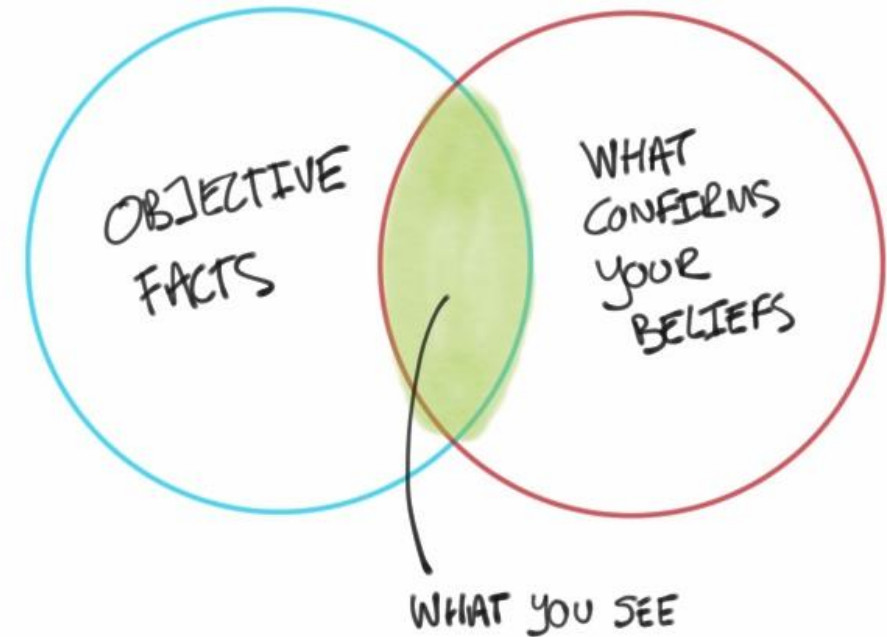
ABOUT THE AUTHOR — ROLF DOBELLI

- Born in 1966, is a **Swiss novelist**
- Founder and co-founder of several companies such as **ZURICH.MINDS** and **getAbstract** (business literature platform)



HOW DOES THIS BOOK HELP IN DECISION MAKING?

- Teaches how to make better decisions
- The author has pointed **99 thinking errors** we all tend to make! (**mind traps!**) – and how to avoid them and start thinking clearly
- Lot's of Practical & funny examples
- For many decisions, we **lack the necessary information**, so we are forced to use mental shortcuts and rules of thumb (heuristics).
- Explains **common human behaviors** which can be interpreted as illogical behaviors
- This book is a database of human biases, fallacies and illusions.



MONKEYS EXAMPLE - OUTCOME BIAS

- Experience where there were used monkeys to **predict the stock market**
 - Will the Dow Jones rise or fall?
 - Predictions were made by pushing one of 2 buttons!! Keep the ones that were right and send the other ones home.... Until we get to the **1 Monkey that was always right**
 - He becomes the **success monkey**
- We **look at the outcome**, but we don't **see the process** – But actually, this is PURE RANDOMNESS!! It's a fallacy



- *How can we avoid this bias? Never judge a decision purely by its result, especially when randomness and “external factors” play a role.*



CONFIRMATION BIAS

- Exercise:

2 4 6 ?



- **What's the rule?**

- The tendency to **interpret new info** so that it gets compatible with our theories and beliefs

Examples:

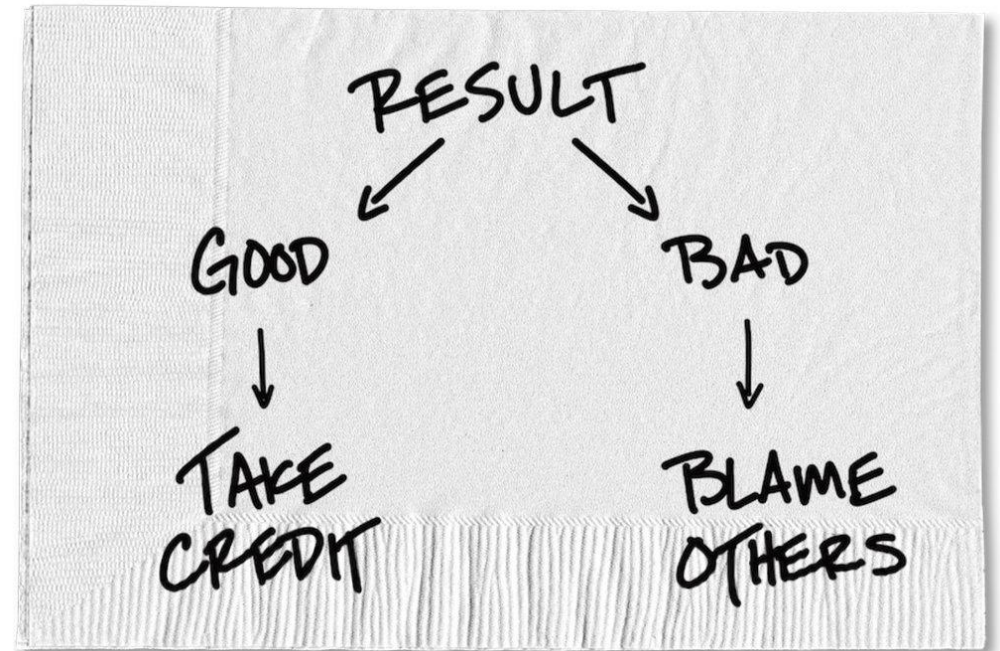
- Diets
- Lies on Facebook feed without checking for its accuracy, simply because it confirms to their beliefs.
- The vaccine conspiracy theories – we filter any info that goes against it

- ***How can we avoid this bias? Whenever observations contradict our theory, he shall look at them and explore if they can be true***



SELF-SERVING BIAS

- We attribute **success to our own abilities** and **failures to external forces**
- **Example:** When a company has great results: CEO is brilliant; if it has bad results – is due to several reasons (market, exchange rate, governmental interference, etc)
- We usually overestimate our value! Cause we all strive to be the better versions of ourselves!



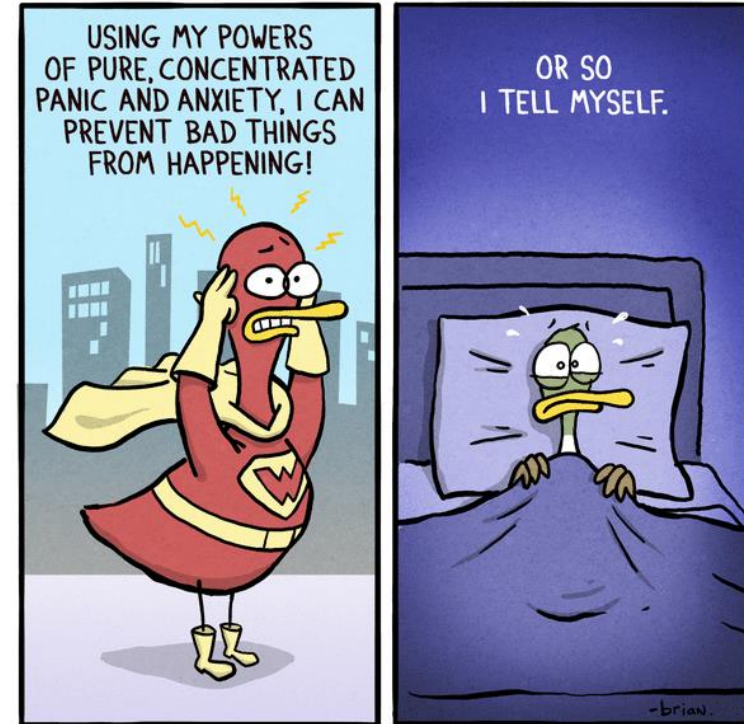
- **How can we avoid this bias? Self-assessment:** Continuous evaluation of our abilities and accept the results as they are, and learn what we shall do different



ILLUSION OF CONTROL

- “We control less than we think!”
- Tendency to believe that we can influence something over which we have absolutely no sway.
- **Example:** Assuming that our idea will succeed, without making market research
- Sometimes the results are pure luck

WORRYING IS MY SUPER POWER!



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- **How can we avoid this bias?** we have to validate our assumptions and check the data! Focus on the few things of importance that you can really influence



SOCIAL PROOF

- Lots of our decisions are influenced by other people
- **Examples:** We choose youtube videos by the number of views, or companies by the nr of likes!
Clapping in a concert!
- “If fifty million people say something foolish, it is still foolish.”



How can we avoid this bias? Analyze when our decisions are guided by social pressure.

Be skeptical whenever a company claims its product is better because it is “the most popular.”



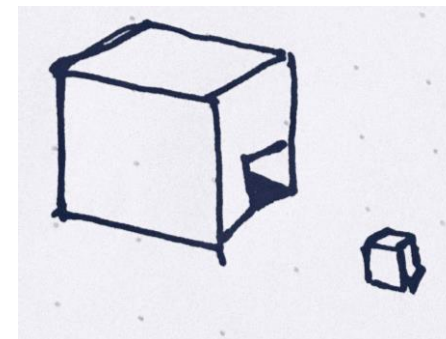
IMPORTANT TEACHINGS FROM THE BOOK

- When we take decisions - there are a **lot of internal and external factors that affect it.**
- To take better decisions, we have to **keep our mind clear**
- **Many decisions take place subconsciously.** A fraction of a second later, we construct a reason so that we feel we made a conscious choice.
- Try to make decisions when you **feel better, inspired and less tired**, eg: morning time

- **Negative knowledge** (what not to do) is much more potent than **positive knowledge** (what to do):

***Via negativa:** We cannot say what brings us success - We can pin down only what blocks or obliterates success.*

Eliminate all errors and better thinking will follow.

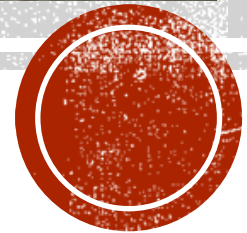


WHAT I LIKED THE MOST?

- The simple method - **small chapters** with: **real life examples**, quotes, stories and anecdotes that make us think about our behaviors and mind illusions
- Each chapter provides a brief overview of the bias, with scientific references and the author's advice
- Very useful for **key decision makers** to be aware of human cognitive biases
- Applies to all aspects of our lives
- In the epilogue, he admits that he himself doesn't follow his own advice!!!
“Thinking is too tiring to be done every time you need to make a decision!” – he recommends:
 - ✓ Situations where the **possible consequences are large** - try to be as reasonable and rational as possible when choosing. (*he takes out his list of errors and check them off one by one*)
 - ✓ In **situations where the consequences are small** - forget about rational optimization and let intuition take over.



THANK YOU!



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Course: Intercultural Negotiation and Decisions

Hayek Global College MBA