

Avoid Four Deadly Traps in Decision Making

By Sean Silverthorne

(MoneyWatch) Harvard's **Howard Raiffa** is the father of decision making science, so it was an honor for me to attend a 2006 workshop he presented on developing critical thinking skills. I thought about him this week with news that he won the [2008 Thomas C. Schelling Award](#) , presented for work that has a transformative impact on public policy.

One of the lessons I took away from Raiffa's class was that certain ingrained behavioral anomalies, which have been well documented in a half-century of research, cloud our decision making process. Just being aware of these can help you be more rational in your approach. (Raiffa and coauthors **John Hammond** and **Ralph Keeney** offered a business perspective on eight well known psychological traps in a 1998 [article](#) in Harvard Business Review.)

Here are the four traps Raiffa emphasized in his workshop.

1. **Anchoring** We over rely on first thoughts or the first information we take in. Also, we tend to grant more importance to recent, dramatic events.
2. **Status-quo** This is the "keep on keeping on" trap, where the easiest decision is often to just follow the current practice and ignore better alternatives. Related to this is the theory of sunk costs, the argument that since we have already invested money or resources in a course of action we can't afford to change now. A better way: Don't throw good money after bad.
3. **Confirming Evidence** Seeing and hearing what you want to see and hear. We tend to look for evidence to support what we already believe to be the right course of action and discount counter evidence.
4. **Framing** This is essentially posing the wrong question, which pollutes the decision making process that follows. A bad frame: To remedy the homeless situation we need to build more shelters. A better frame: To remedy the homeless situation we must identify and solve its root causes.

When I face a major decision, I like to use these four filters to question my own decision making process before I give the go-ahead.

How do you make sure you are thinking clearly to make those big decisions?

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