Twitter Thread by Shane Parrish



Shane Parrish
@ShaneAParrish



I've taught thousands of people make smart decisions without getting lucky.

Here is a thread on 5 of the biggest reasons we fail to make effective decisions.

1. We're unintentionally stupid

We like to think that we can rationally compute information like a computer, but we can't. Cognitive biases explain why we made a bad decision but rarely help us avoiding them. Better to focus on these warning signs something is about to go wrong.

Warning signs you're about to do unintentionally something stupid: You're tired. You're emotional, in a rush, distracted, operating in a group, or working with an authority figure.

The rule: Never make important decisions when you're tired, emotional, distracted, or in a rush.

2. We solve the wrong problem.

The first person to state the problem rarely has the best insight into the problem. Once a problem is thrown out on the table however, our type-a problem solving nature kicks in and forget to ask if we're solving the right problem.

Warning signs you're solving the wrong problem: You let someone else define the problem for you. You're far away from the problem. You're thinking about the problem at only one level or through narrow lenses.

The rule: Never let anyone define the problem for you.

3. We use incorrect or insufficient information

We like to believe that people tell us the truth. We like to believe the people we talk to understand what they are talking about. We like to believe that we have all the information.

Warning signs you have incorrect or insufficient information: You're speaking to someone who spoke to someone who spoke to someone. Someone will get in trouble when the truth comes out. You're reading about it in the news.

The rule: Seek out information from as close to the source as possible because they've earned the knowledge and have understanding you don't. When information is filtered, and it often is, consider the (1) incentives and (2) proximity to earned knowledge.

4. We fail to learn

You know the person that sits beside you at work that has 20 years of experience but keeps making the same mistakes over and over. They don't have 20 years of experience, but one year repeated 20 times. If you can't learn you can't get better.

How we learn: https://t.co/WPJhDDQnQB

Warning signs you're not learning: You're too busy to reflect. You don't keep track of your decisions. You can't calibrate your own decision making.

The rule: Be less busy. Keep a learning journal. Reflect every day.

> The Learning Loop
>
> To better understand learning, let's break it into four components.
>
> 1. Experience
> 2. Reflection
> 3. Abstraction/Lesson
> 4. Action
>
> This process creates a feedback loop so that you are continuously adapting and learning from your (or others) experiences.
>
> — Shane Parrish (@ShaneAParrish) August 3, 2020

5. We seek optics over outcomes.

Our evolutionary programming conditions us to do what's easy over what's right. Organizations encourage us to sound good over being good. After all it's often easier to signal being virtuous than actually being virtuous.

Warning signs you're focused on optics: You're thinking about how you'll defend your decision. You're knowingly choosing what's defendable over what's right. You'd make a different decision if you owned the company. You catch yourself saying this is what your boss would want.

This thread is just a high-level introduction to one component to effective decision making.

For more timeless wisdom on learning faster, thinking better, and making better decisions sign up: https://t.co/cTnLlM0mzT