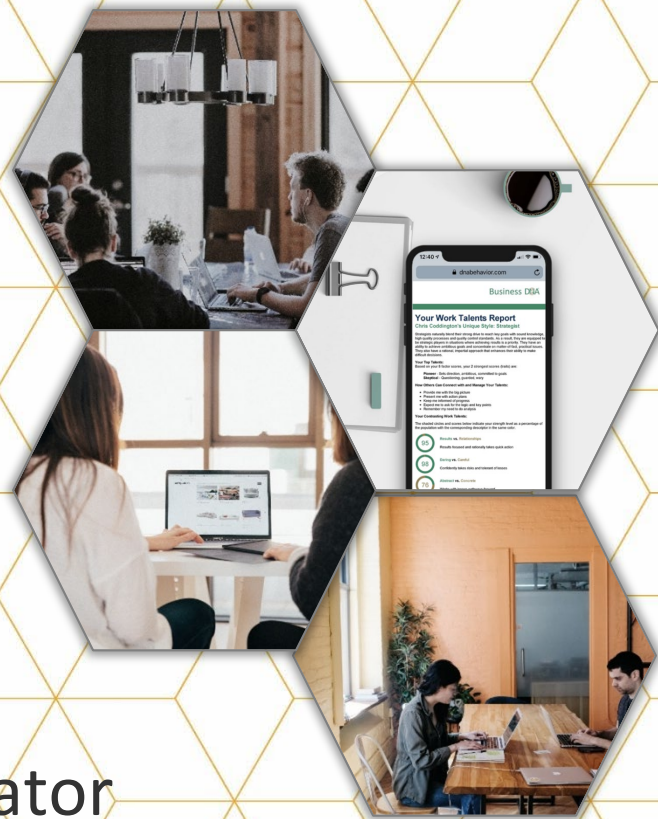


# Decision-Making Moderator Checklist



## Decision-Making Behavior Moderator Checklist

### STRUCTURED DECISION MANAGEMENT

Overall, has there been a structured approach established for the group to delay the exercise of their intuition in making a decision that allows for sufficient cognitive reflection?

Does the structured approach enable the Gene Decision Method steps of "Estimate – Profile – Review – Estimate" to be followed? Have any shortcut's been built in?

Has the meeting agenda been designed to allow each key factor influencing the decision to be independently reviewed and voted on?

1. Estimate: Has the problem being addressed been broken down into layered steps with the background information independently sent to the decision-makers before the meeting to vote on?
2. Profile: Have the decision-makers and key members of the review team completed the DNA Natural Behavior Discovery?
3. Review: Has there been a robust review discussion by the decision-making group of each key factor with the points below managed?
4. Estimate: Has the problem being addressed again been independently voted on by the decision-makers post the review discussion?

### 1. APPROACH TO JUDGMENT

#### ***1a. Substitution Bias***

Did the group's choice of evidence and the focus of their discussion indicate substitution of an easier question for the difficult one they were assigned? (Hence leading to a greater prospect of predictable errors caused by psychological biases)

Did the group neglect an important factor or appear to give weight to an irrelevant one?

#### ***1b. Outside (Statistical) View***

Did the group adopt the outside view using the statistics of similar cases for part of its deliberations and seriously attempt to apply comparative rather than absolute judgment? (Hence helping to reduce Bias in the decision)

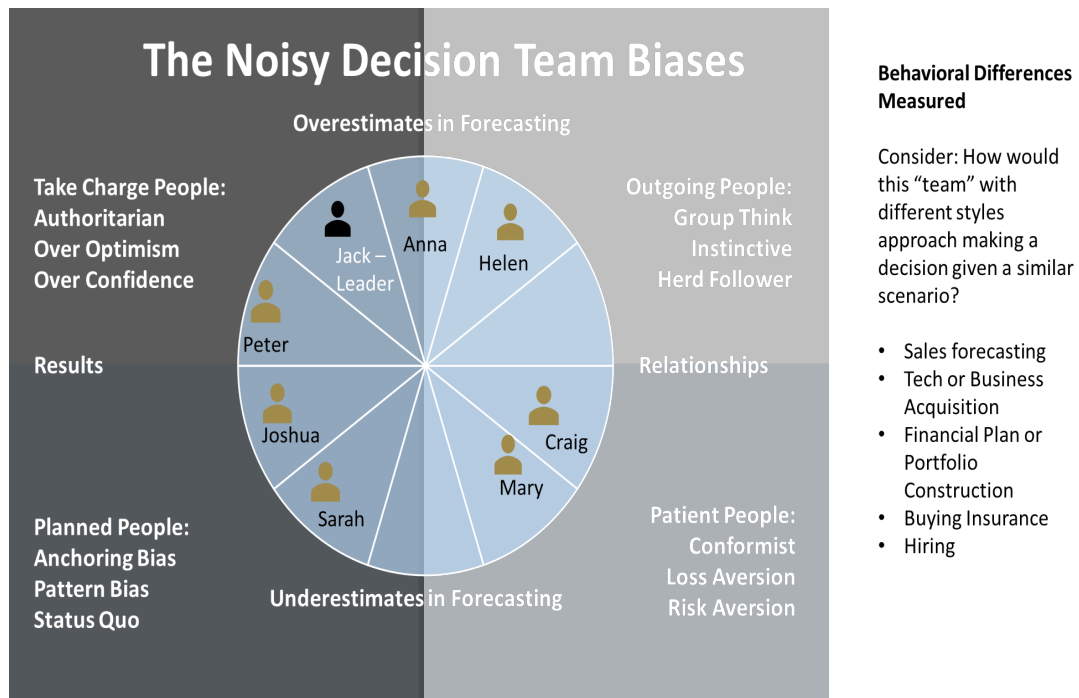
#### ***1c. Diversity of Views***

Do the DNA Natural Behavior Discovery results (Business DNA Team Report or Financial DNA Group Report) indicate that several members of the group share biases, which could lead their errors to be correlated?

Conversely, can you think of a relevant perspective based on behavioral style, point of view, or expertise not represented in this group?

The most dominant decision-making biases in individuals are:

1. Over Optimism Bias (Pioneering Trait) – pioneering individuals who may overestimate the ability to achieve certain goals or outcomes
2. Loss Aversion Bias (Patient/Cautious Trait) – patient people who will have a lower risk appetite
3. Pattern Bias (Planned Trait) – planned, structured individuals who may overly focus on the wrong data. Note, the opposite is the Instinctive Bias (Outgoing Trait).
4. Anchoring Bias (Anchored Trait) – overly relying on the first piece of information given about a topic, pre-existing information and may be unwilling to change or think out of the box.



The most dominant biases in Group settings are:

1. Authority Bias (Take- Charge Trait) – commanding needs to control
2. Group Think Bias (Outgoing Trait) – want to get the group to a consensus
3. Confirmation Bias (Patient Trait) – willing to hang back, patient, do not confront
4. Status Quo Bias (Planned/Content Trait) – content with the way things are

## 2. PREJUDGEMENTS AND PREMATURE CLOSURE

### 2a. Initial prejudgments

Are there any hidden agendas? Have all conflicts of interest been disclosed? Do (any of) the decision-makers stand to gain more from one conclusion than another?

Have there been any back-channel conversations before the meeting? Has a member of the group attempted to persuade others of their views?

Was anyone already committed to a conclusion? Is there any reason to suspect prejudice?

Did dissenters express their views?

Is there a risk of escalating commitment to a losing course of action?

## ***2b. Premature closure; contamination of views***

Was the overall judgment problem broken down into smaller tasks that could be independently addressed (by different teams) and voted on?

Was there accidental Bias in the choice of considerations that were discussed early?

Were alternatives fully considered, and was evidence that would support them actively sought?

Were uncomfortable data or opinions suppressed or neglected?

Is there any evidence that the decision-makers communicated with each other ahead of time, leading to false impressions that contaminated their views (intuition)?

## **3. QUALITY OF INFORMATION PROCESSING**

### ***3a. Exaggeration of relevance and salience of events***

Are the participants exaggerating the relevance of an event because of its recency, dramatic quality, or personal relevance, even if it is not diagnostic?

### ***3b. Inattention to quality of information***

Did the judgment rely heavily on anecdotes, stories, or analogies?

Did the data confirm them?

Or, was it just a "glossy sales job" aimed at triggering emotions to encourage judgment being exercised in a particular way?

### ***3c. Anchoring***

Did numbers of uncertain accuracy or relevance given early on play an important role in the final judgment?

Was there an authoritarian person speaking early who may sway the decision?

Are there members of the group who are already swayed by what they know or experienced in the past?

### ***3d. Non-regressive imperfect predictions***

Was there a tendency to make insufficient allowance for regression towards the mean when predicting from an imperfectly reliable predictor?

Did the participants make non-regressive extrapolations, estimates, or forecasts that are overly optimistic (based on favorable evidence) or pessimistic (based on unfavorable evidence)?

Has there been a regression to the mean calculation or adjustment?

What is the quality of the data being used to make the prediction?

## **4. DECISION**

### ***4a. Over or Underestimation bias (Planning fallacy)***

Is there a dominance of the group's decision-making style, causing errors to be potentially made in one direction or another? (for instance, will this cause a systemic overestimation or underestimation?)

When forecasts were used, did people question their sources and validity? Was the (outside statistical) view used to challenge the forecasts?

Were confidence intervals used for uncertain numbers? Are they wide enough?

### ***4b. Loss aversion bias***

Is the risk appetite of the decision-makers aligned with that of the organization? Is the decision team overly cautious?

Has the organization established risk parameters, including risk areas and materiality?

For instance, adopting the principles of Prospect Theory, has the organization set a risk-reward framework where for instance the returns must be 2x or more the risk-adjusted

loss of the investment or capital outlay. Prospect Theory demonstrates that people prefer certainty of returns and generally prefer to avoid losses to 2x to the opportunity to make a gain.

#### **4c. Present bias**

Do the calculations (including the discount rate used) reflect the organization's balance of short- and long-term priorities?

#### **4d. Purpose, Meaning and Alignment**

Have the decision-makers considered the alignment of their decision with the following:

- Organizational values, culture and purpose?
- Governance and risk management policies?
- Budgetary and capital expenditure policies?
- Diversity, equity and inclusion policies?
- Community impact?
- UN Sustainable Development Goals?

To learn more about DNA Behavior International and the solutions we offer, please visit:

[www.dnabehavior.com](http://www.dnabehavior.com)

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