

HOW EMOTIONAL AND COGNITIVE BIASES INFLUENCE CULTURAL COMPETENCE

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WHAT IS CULTURE?

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CULTURE

Generally refers to patterns of human activity and the symbolic structures that give such activities significance and importance.

Cultures can be "understood as systems of symbols and meanings that even their creators contest, that lack fixed boundaries, that are constantly in flux, and that interact and compete with one another."

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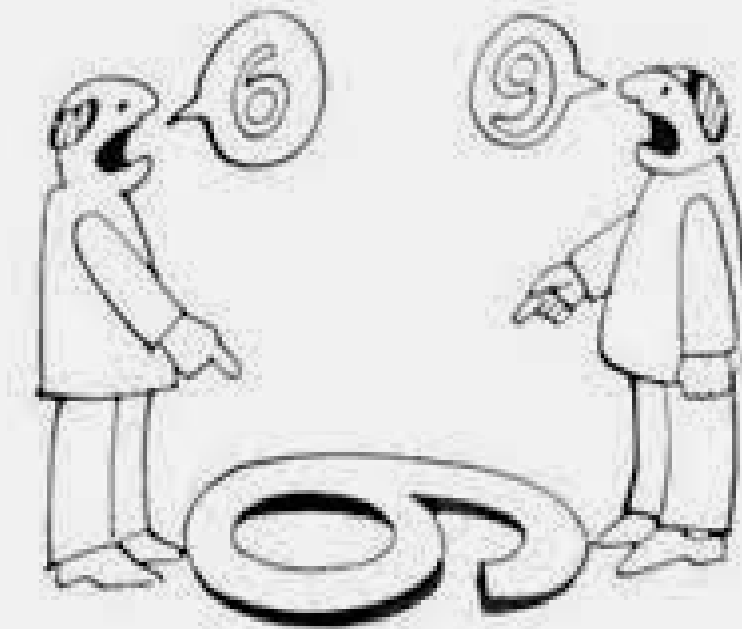
CULTURAL COMPETENCE

**“the ability to understand,
appreciate, and interact with
people from cultures or belief
systems different from one's
own.”**

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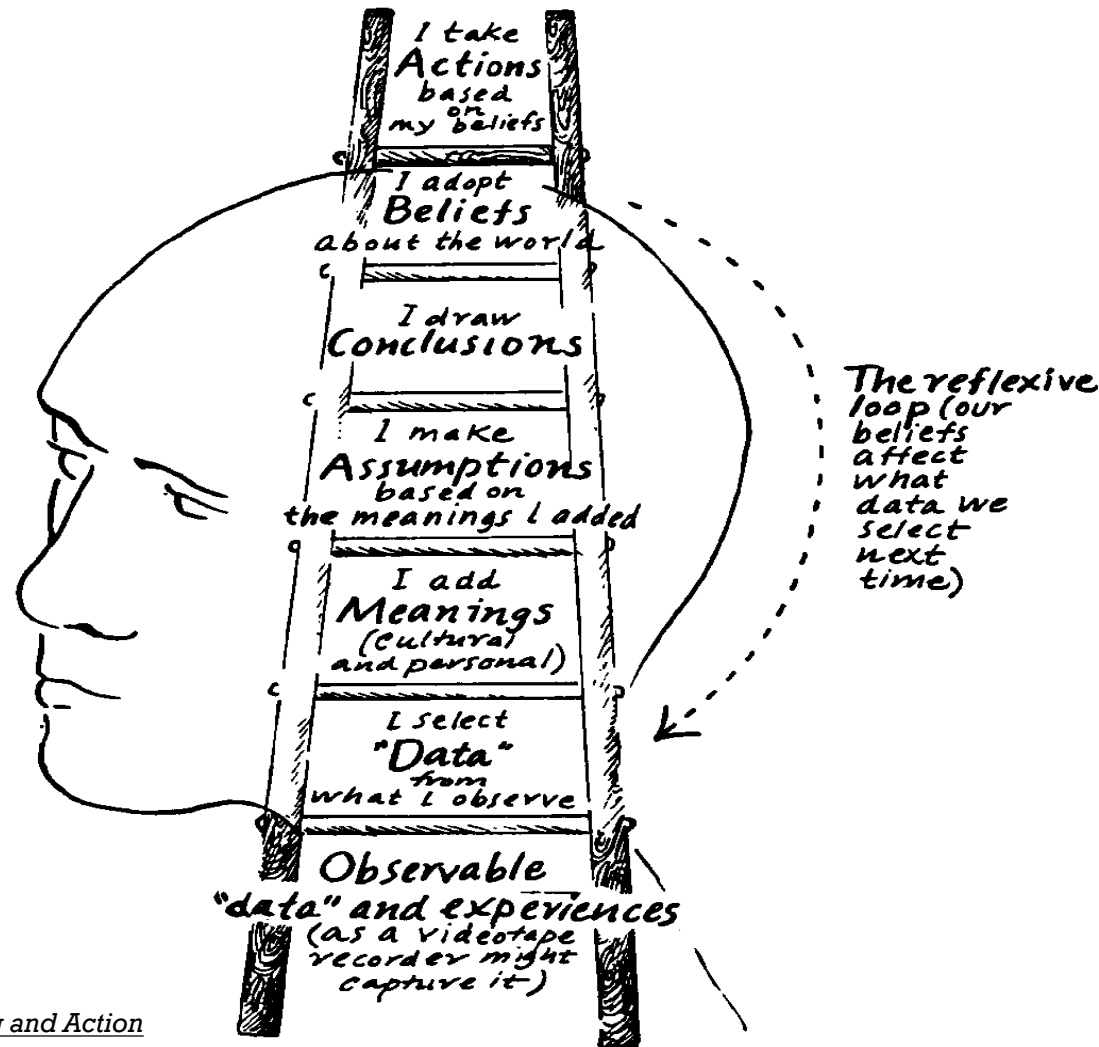
HOW ASSUMPTIONS CAN CONTRIBUTE TO MISCOMMUNICATIO N AND CONFLICT



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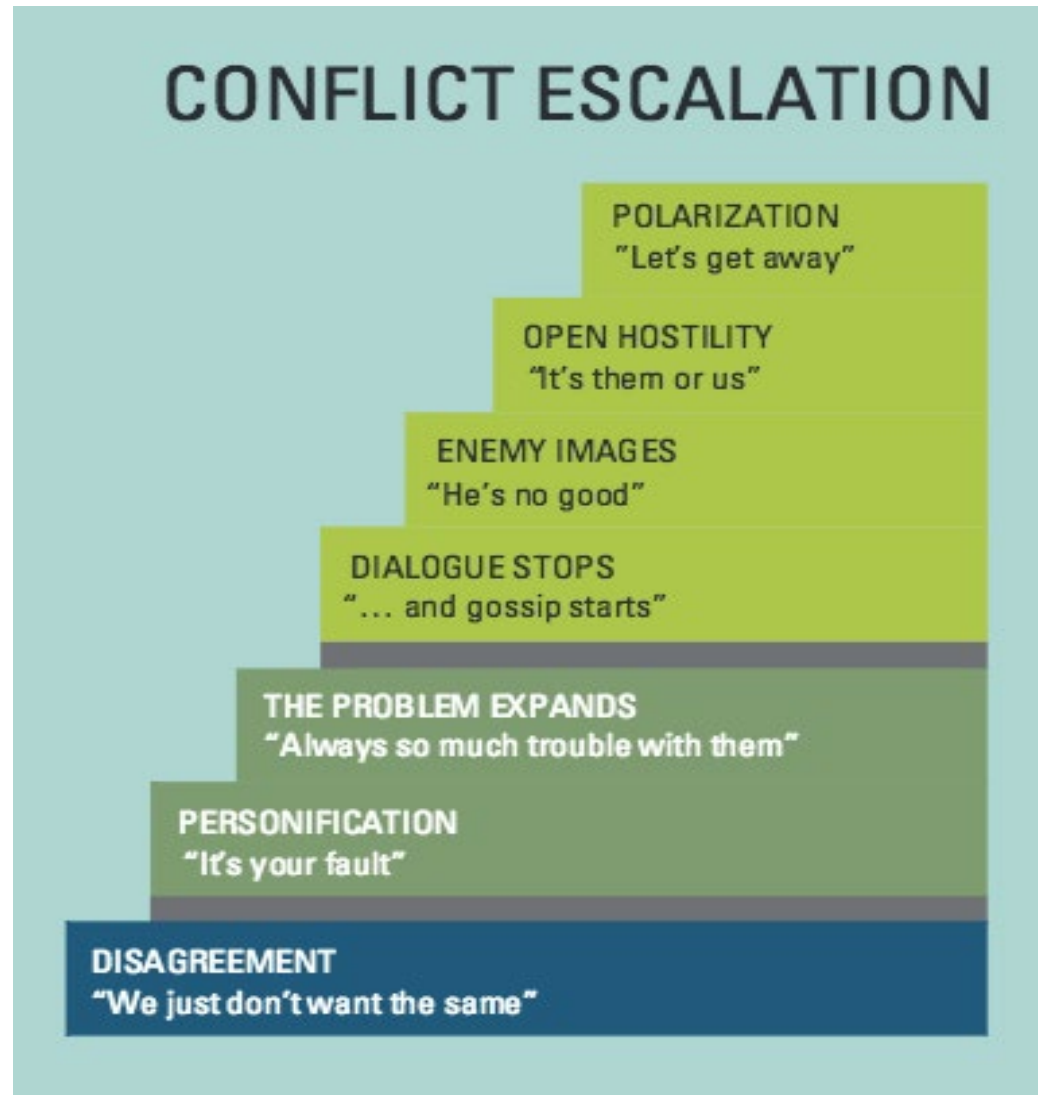


The Ladder of Inference



Chris Argyris, Reasoning, Learning and Action (1982)

**In tense
conversations,
assumptions can
interfere with
understanding**



BIASES OF THE MIND & HEART

*Exploring the
assumptions
we don't even
know we're
making*

10 WAYS WE GET IN OUR OWN WAY

We pick crazy reference points	Vividness Bias
We get stuck on them	Framing (Anchoring)
We think too highly of ourselves	Positive Illusions
We don't know what we don't know	Overconfidence
We think we can beat the odds	The Illusion of Control
We love our stuff	The Endowment Effect
We hate to lose	Irrational Escalation
We love to be right	Egocentrism
We are suckers (sometimes)	Reciprocity
We get fooled by illusions	Regret Aversion

BIASES OF THE MIND

The Fixed Pie Bias

The Vividness Bias

Non-rational Escalation of Commitment

Susceptibility to Framing

BIASES OF THE HEART

Conflicting Motivations

Egocentrism

Overconfidence (Irrational Optimism & the Illusion of Superiority)

Self Serving Attributions

Regret Aversion

BIASES OF THE MIND (WHEN REASON FAILS US)

The Fixed Pie Bias

The Vividness Bias

Non-rational Escalation of Commitment

Susceptibility to Framing

THE FIXED-PIE BIAS

What are the topics in this discussion?

Is this a true or perceived incompatibility?
(e.g. “If they get what they want do I not get what I want?”)



DEALING WITH THE FIXED PIE BIAS

- Principle #3 - *Create common ground with uncommon allies*
- Principle #4 - *Interpret demands as opportunities*

THE VIVIDNESS BIAS

Overweigh

We tend to overweigh information that is:

- easy to communicate
- related to reputation
- more familiar to us

We tend to under weigh information that is:

- harder to communicate
- difficult to measure
- related to quality of life
- less familiar to us

Under weigh



THE VIVIDNESS BIAS

- To anticipate the vividness bias:
 - Create a scoring system
 - Separate information from influence*
 - ex. “Buy this car because it’s reliable and then buy the extended warranty to protect yourself!”

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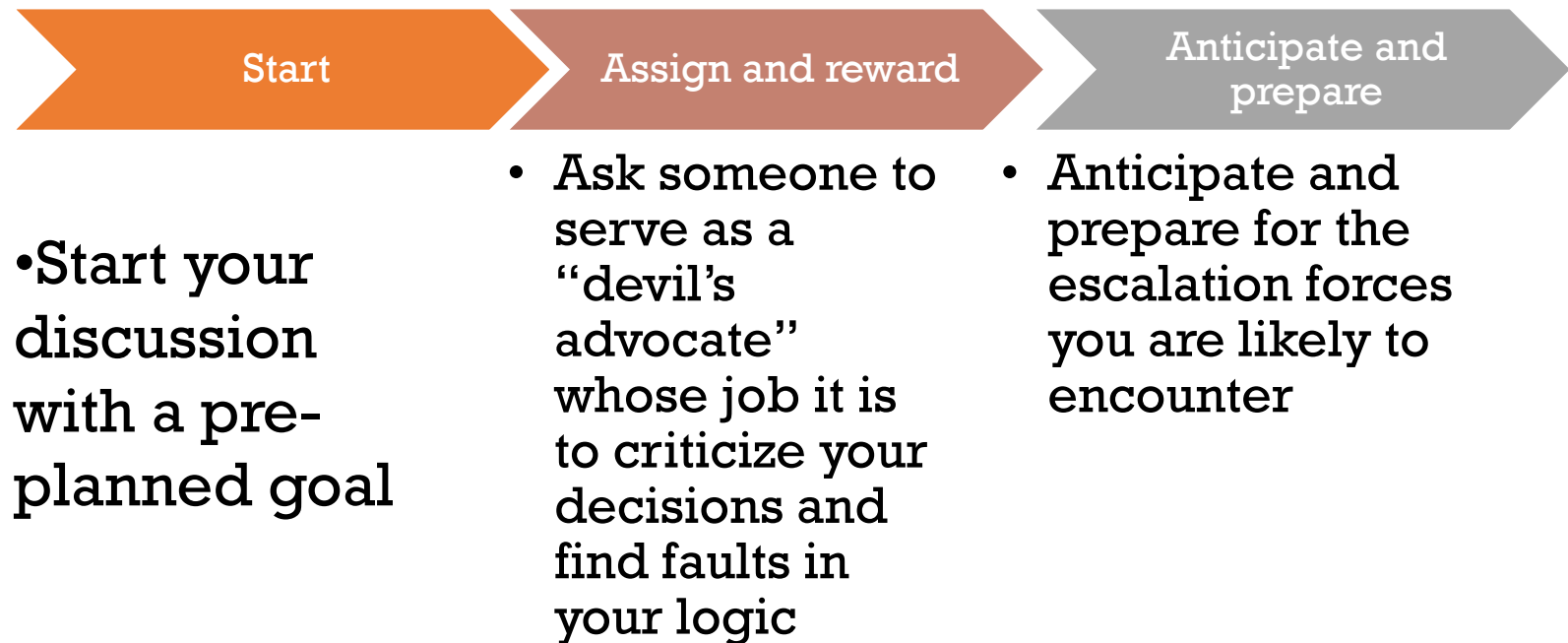
NON-RATIONAL ESCALATION OF COMMITMENT

Competitive Arousal - \$1 Auction Game



Recovering Sunk Costs - Once you sink time and money into something, you're susceptible to spending more.

AVOIDING ESCALATION



Framing effects/Risk preferences

- Reference point, risk aversion for gains, risk seeking for losses, applicable to settlement

Loss Aversion

- People find losses more aversive than they find gains of the same size attractive
- Two key implications - concession aversion & endowment effect

FRAMING AS PART OF PROSPECT THEORY

FRAMING OF GAINS V LOSSES

Imagine that you face the following pair of concurrent decisions. First examine both decisions, then indicate the options you prefer.

Decision (i). Choose between:

- A. a sure gain of \$240
- B. 25% chance to gain \$1000, and 75% chance to gain nothing

Decision (ii). Choose between:

- C. a sure loss of \$750
- D. 75% chance to lose \$1000, and 25% chance to lose nothing

FRAMING OF GAINS V LOSSES

Imagine that you face the following pair of concurrent decisions. First examine both decisions, then indicate the options you prefer.

Decision (i). Choose between:

- A. a sure gain of \$240 [84 percent]
- B. 25% chance to gain \$1000, and 75% chance to gain nothing [16 percent]

Decision (ii). Choose between:

- C. a sure loss of \$750 [13 percent]
- D. 75% chance to lose \$1000, and 25% chance to lose nothing [87 percent]

DEALING WITH FRAMING

- Consider the various reference points for evaluating (status quo, aspirations, expectations, worst-case outcome, etc.) and pick most appropriate.
- Does your strategy still make sense with a new reference point?
- Whenever making a risky move, consider if it makes sense if you change the frame.
- Is loss aversion leading you to adopt a risky behavior?

SUSCEPTIBILITY TO FRAMING

“We are much more willing to make concessions and try to compromise when we are negotiating over how to allocate gains (profits, rewards, bonuses, windfalls, etc.), but more likely to be inflexible and risk reaching an impasse when we are negotiating over how to allocate losses (costs, penalties, etc.).”

Negotiation Genius, p121

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BIASES OF THE HEART (WHEN EMOTIONS CONFUSE US)

Conflicting
Motivations

Egocentrism

Overconfidence
(Irrational Optimism
& the Illusion of
Superiority)

Self Serving
Attributions

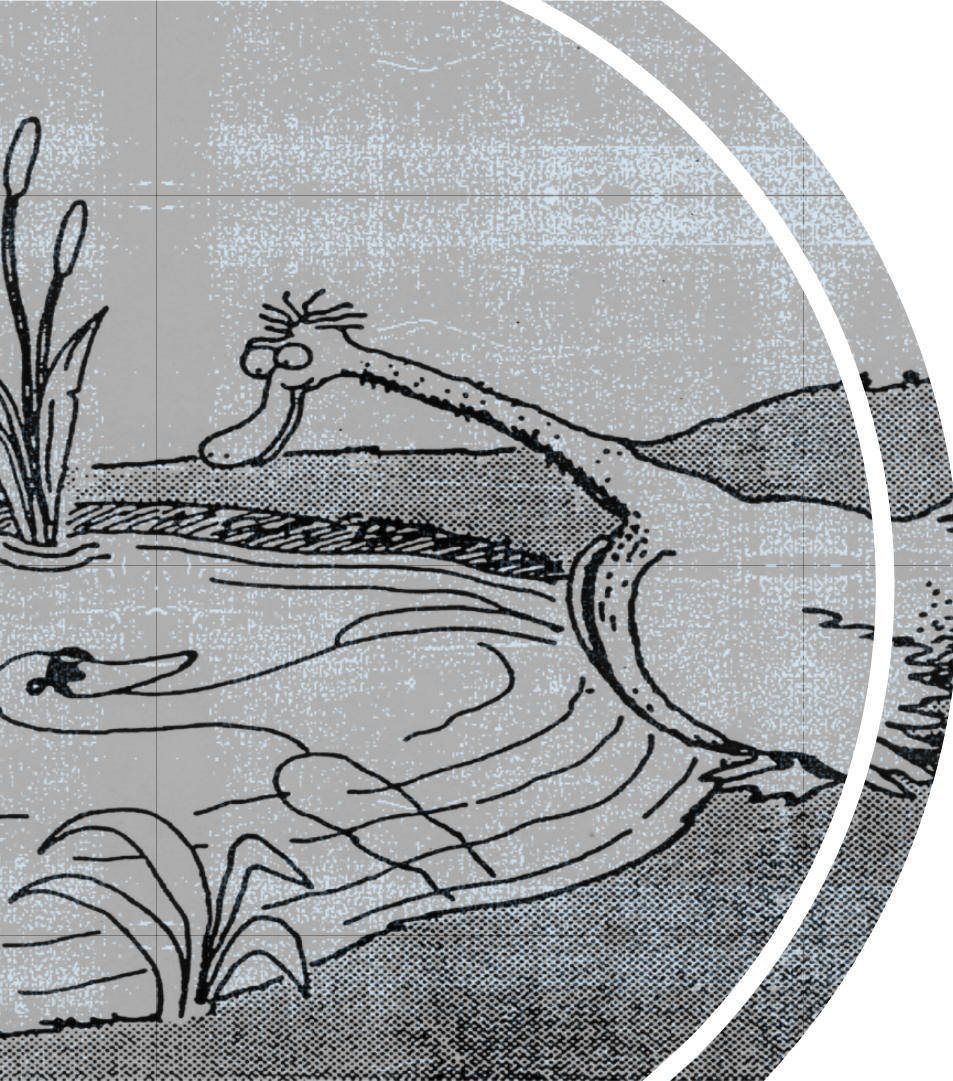
Regret Aversion



Want-self vs. Should-self

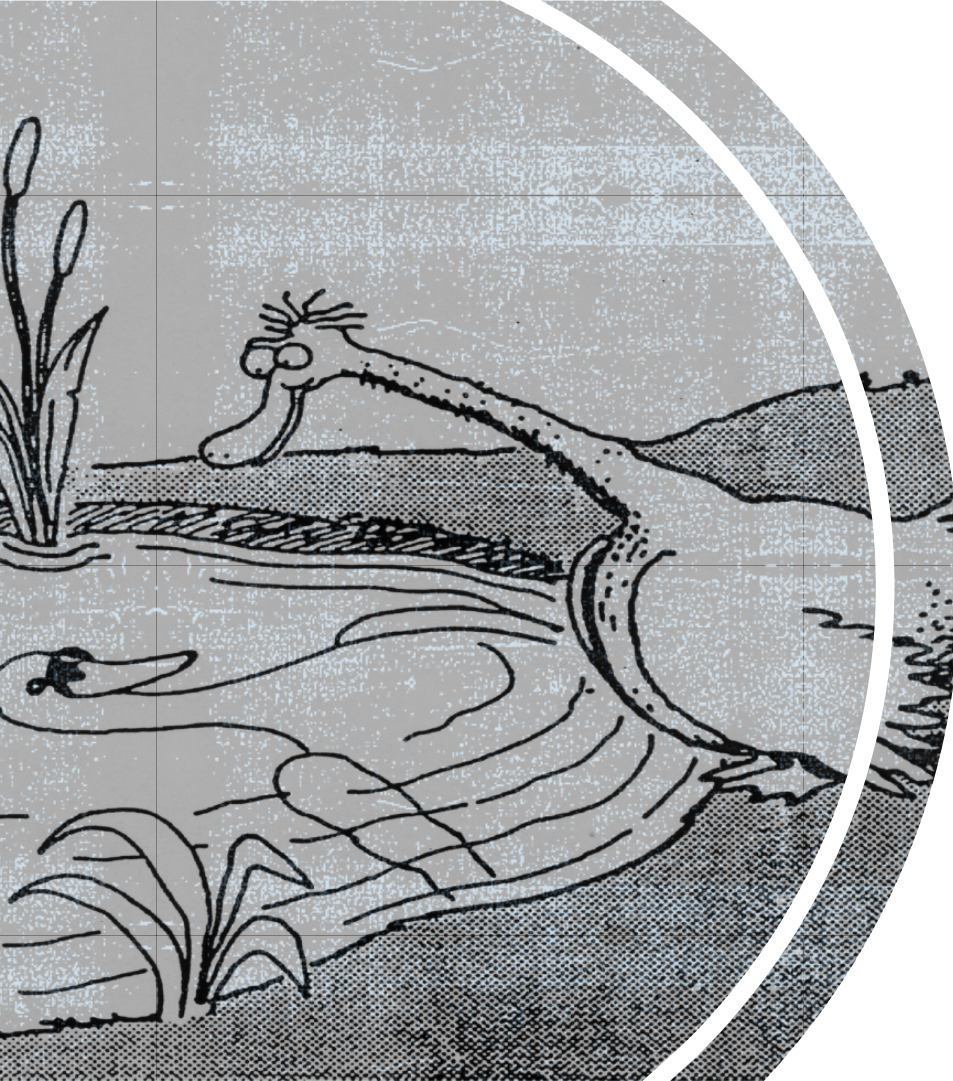
Ulysses' siren song - What's yours?

Try to predict the impulses (*get angry, accept the first offer*) and prepare to resist them



POLLING QUESTION:

Do you consider yourself
an above average
lawyer?



EGOCENTRISM

(*CONFIRMATION BIAS*)

EGOCENTRISM

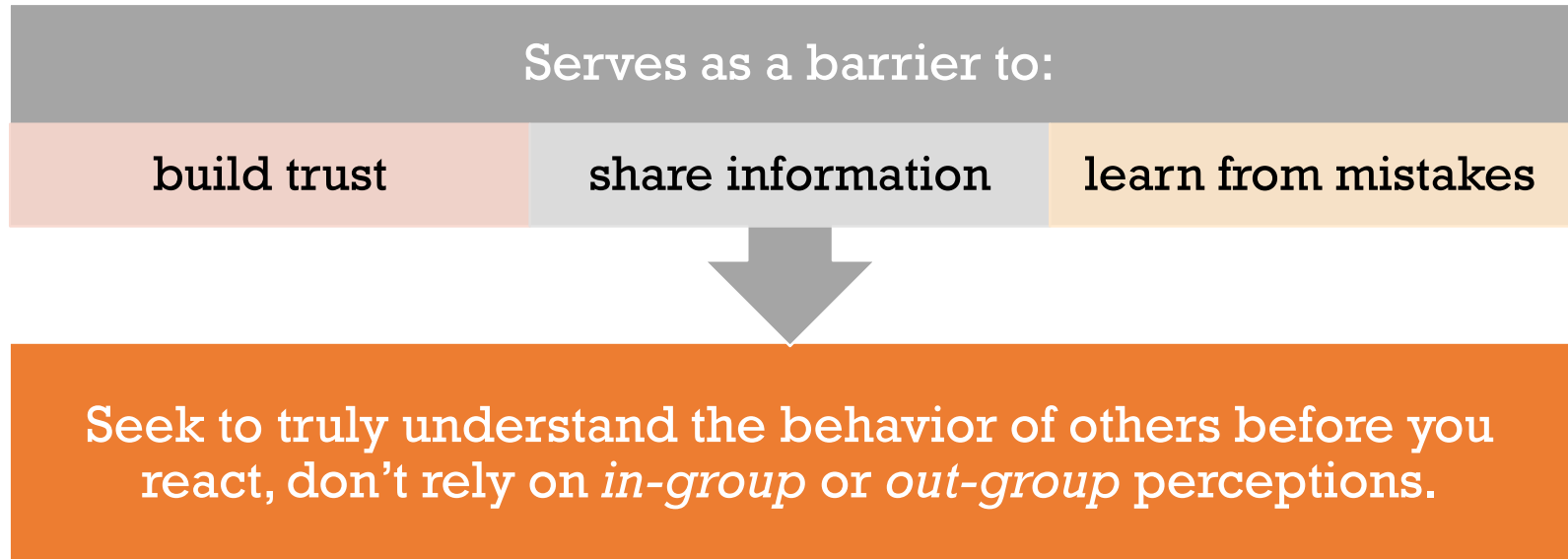
- *“The tendency for our perceptions and expectations to be biased in our favor.”*
- Exaggerated by negative emotions
- Deal with by taking the third-person perspective.

OVERCONFIDENCE

(Irrational Optimism & Illusion of Superiority)

- The “Lake Wobegon Effect”
- 70% of drivers think they are above average
- 68% of MBA students predicted that they would perform in the top 25% of the class
- Problems:
 - (1) mediocre negotiators fail to recognize the need to improve
 - (2) we think more of ourselves and less of our “opponent” and therefore we devalue or ignore their ideas. p134

SELF-SERVING ATTRIBUTIONS



“Victory has a thousand fathers, but defeat is an orphan.” -John F. Kennedy



REGRET AVERSION

POLLING QUESTION:

Do competitors feel happier receiving a silver medal over a bronze medal?

REGRET AVERSION

“[N]egotiators often contort their decisions to avoid facing any clear evidence that would cause regret.”

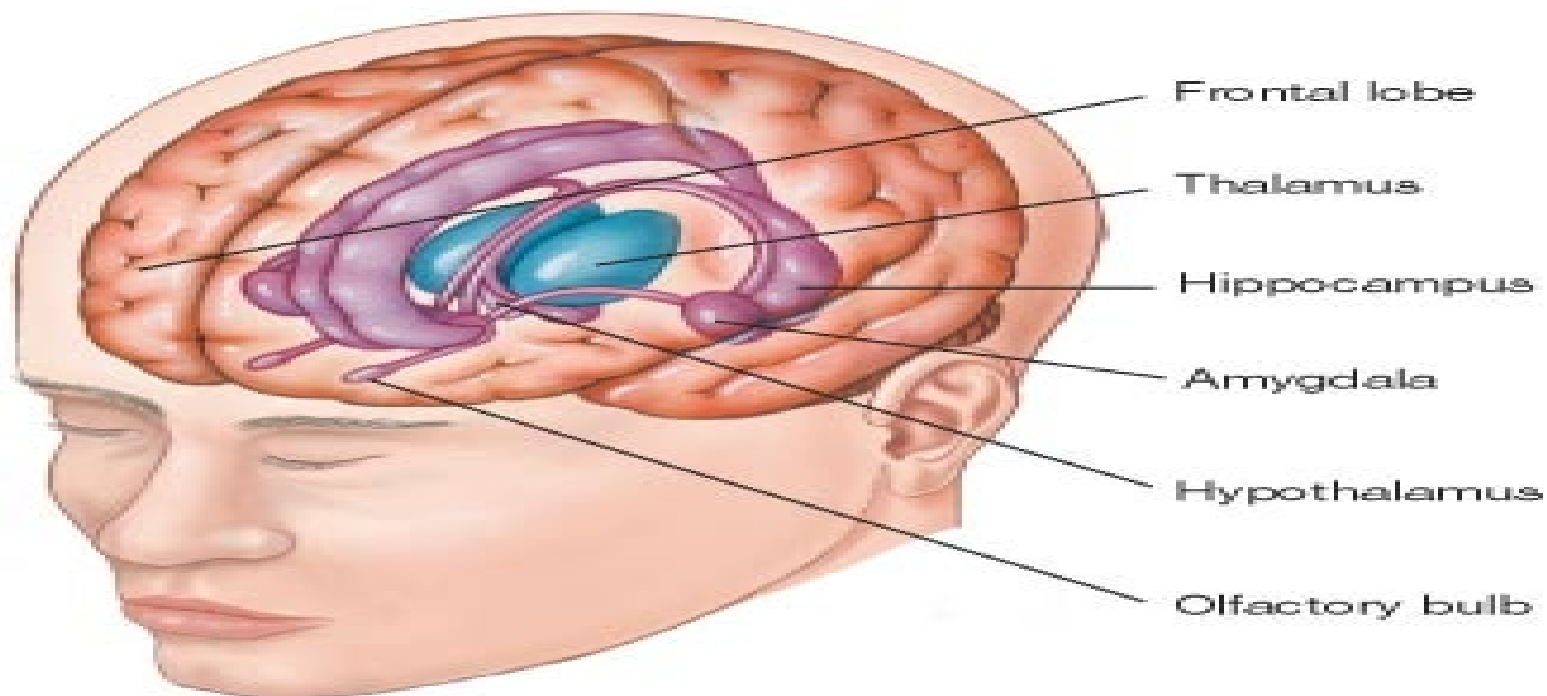
“[W]e tend to feel greater regret about acts of *commission* (what we did do) than about acts of *omission* (what we *did not* do).”

ROLE OF NEUROSCIENCE: THE BRAIN

- Reptilian Brain: Survival: Fight, Flight, Freeze
- Limbic Brain: Context, Emotion, Language
 - Amygdala: emotion
 - Hippocampus: memories
- Pre-Frontal Cortex: Rational Analysis
 - Executive Functioning
 - Regulation of other functions



REPTILIAN BRAIN



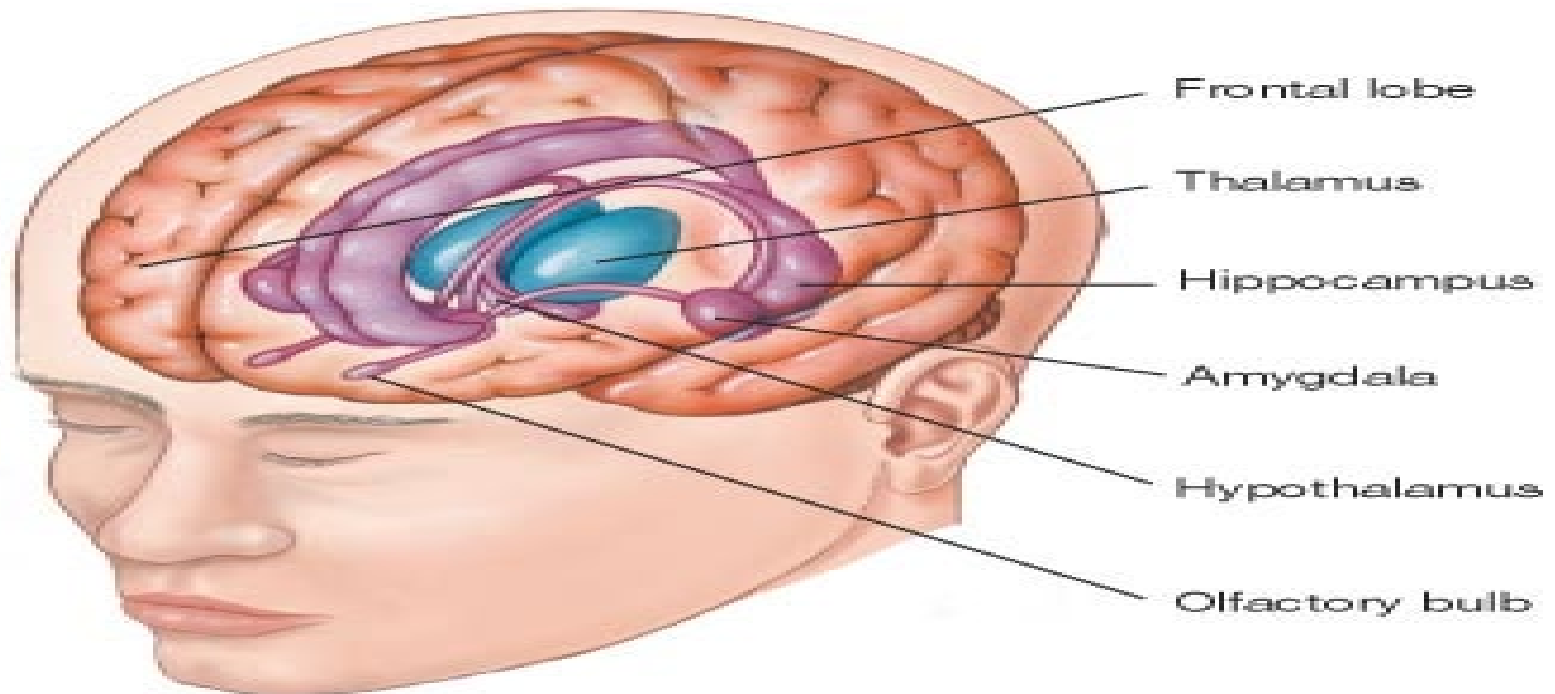
THE BRAIN – ON SURVIVAL

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PHYSICAL CONSIDERATIONS: REPTILIAN

- The brain must feel that the body is safe
 - **Take-away: make sure parties feels safe**
- The brain reacts to heat, light, thirst
 - **Take-away: pay attention to physical details**
- The reptilian brain is the gateway to other parts of the brain
 - **Take-away: satisfy the reptilian brain first**

LIMBIC BRAIN



THE BRAIN – ON CONTEXT AND EMOTION



“Monkey See, Monkey Do”



From Marco Iacoboni,
Mirroring People, the Science of Empathy and How We Connect with Others

MIRROR NEURONS

“During conversation, we imitate each others expressions, even each others’ syntactic constructions”

“Mirror Neurons help us re-enact in our brains the intentions of other people, giving us a profound understanding of their mental states”

From Marco Iacoboni,

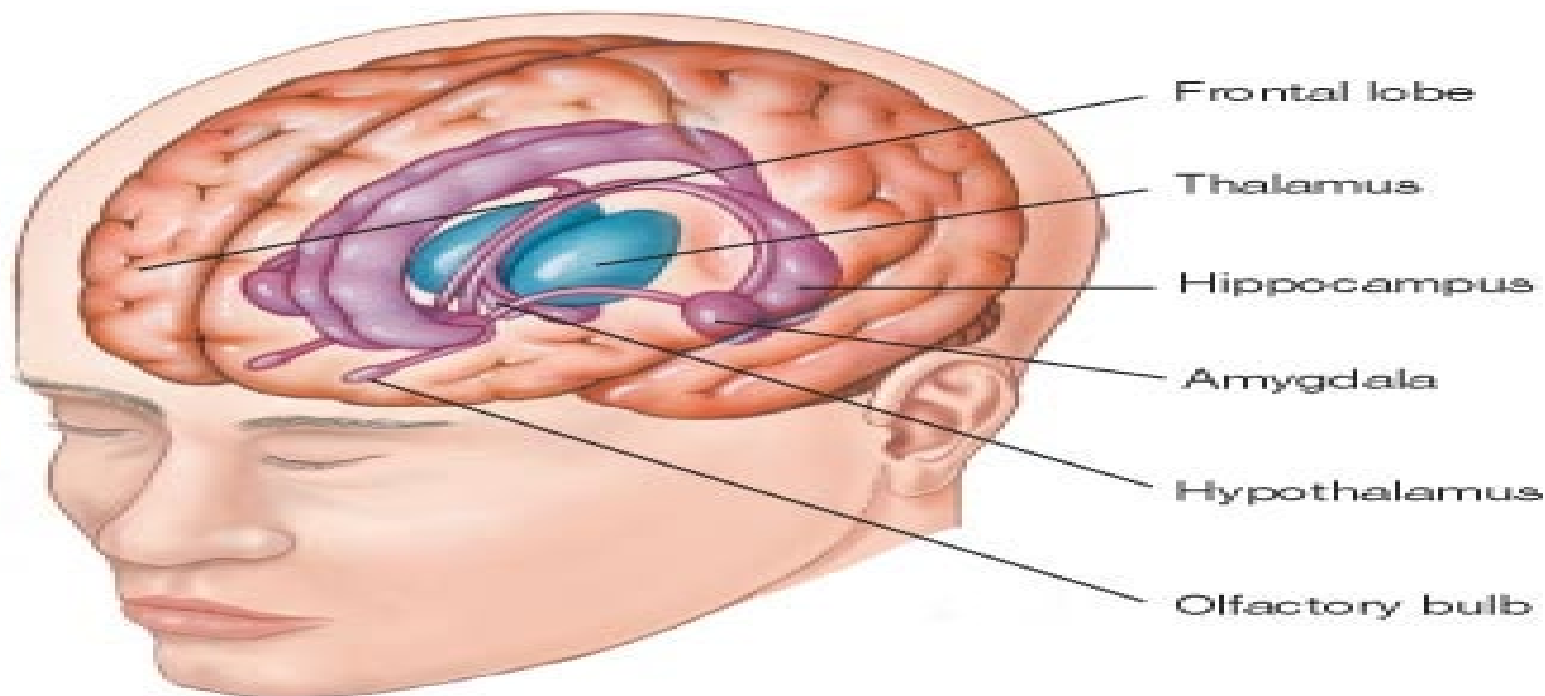
Mirroring People, the Science of Empathy and How We Connect with Others

MIRROR NEURONS

EMOTIONAL CONSIDERATIONS: LIMBIC

- Limbic brain likes context, stories, patterns
- Limbic brain processes emotions, memories, vision and language (verbal and non-verbal)
 - **Take-away: develop themes, explain why**
 - **Take-away: develop patterns and lists**
 - **Take-away: use words deliberately to frame**
 - **Take-away: couple explanations with a visual**
- Negative memories are stronger than positive memories:
 - **Take-away: check for “emotional allergies”: yours and theirs**
- Limbic must be content (not happy) for PFC to kick-in

PRE -FRONTAL CORTEX



THE BRAIN – ON CERTAINTY

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PRE-FRONTAL CORTEX

- Likes certainty, patterns and framing
- Loves efficiency
 - System One Thinking: quick
 - Systems Two Thinking: deliberate
- Engages in rational and analytical thinking
- Abhors a vacuum, likes patterns complete
- Controls executive functioning
- Serves as a gatekeeper for sequencing

System 1 = operates automatically, quickly, no effort and no voluntary control (FAST)

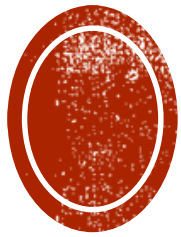
System 2 = focused effort to attention, effort, concentration, choice and computation (SLOW)

Interaction of System 1 and System 2

Conflict between System 1 and System 2

THINKING, FAST AND SLOW

Thinking Fast and Slow, Daniel Kahneman (2011)



BAT AND BALL

COGNITIVE CONSIDERATIONS: PFC

- The PFC likes organization
 - **Take-away: chunk and frame information**
- The PFC likes visuals
 - **Take-away: use charts, visual aids, hand-outs**
- The PFC likes certainty
 - **Take-away: describe options as gains, not losses**
- The PFC gets tired
 - **Take-away: be aware of ego depletion**
- The PFC likes closure
 - **Take-away: frame issues/options as past, present, future and use timelines, checklists**