

Distraction & Decision Fatigue are Brain Drain for Risk Champions



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"The actual information that reaches the brain via our senses is not the rich and detailed stream of sights, sounds and sensations that we so often take for granted; in truth, the raw data our senses provide is more like a muddy trickle, and our brain does some quite incredible work to polish it up to give us our comprehensive and lavish world view." – Dean Burnett, *Idiot Brain: What Your Head is Really Up To*

To prep for this month's Affiliate Member webinar, "If I Only Had a Brain: Neuroscience and Risk Management," I dove head first into two terrific resources: the book *Idiot Brain*, by neuroscientist Dean Burnett and a new article on "The Neuroscience of Enterprise Risk Management," (*Risk Watch*, Autumn 2017, Conference Board of Canada) by my colleague Diana Del Bel Belluz, President of the Toronto-based consultancy, Risk Wise Inc.

Distraction Drives Selective Attention

Citing research by Bob Nease from his book, *The Power of Fifty Bits*, Diana discussed the brain's distracted nature, explaining that our brains are distracted because only 50 out of the 10,000,000 bits the brain processes every second are devoted to conscious thought. Regardless of how clever you think you are, most of your brain activity is on autopilot. This means that we're wired to be inattentive and distracted.

Burnett explains it this way: "The brain has to pick and choose what gets noticed. As such, the brain is able to direct perception and conscious processing to things of potential interest. This is attention, and how we use it plays a big role in what we observe of the world around us. Or, often more importantly, what we fail to observe." Innate distraction and selective attention are likely culprits of misunderstood risks and unnoticed red flags that precede crisis events.

"The only thing that consoles us for our miseries is diversion. And yet it is the greatest of our miseries." – from *Pensées*, by Blaise Pascal, mathematician, physicist, inventor and author

Defeating Decision Fatigue on Your Risk Team

"When our physical energy slumps, so does the quality of our decisions." – Michael Hyatt, former CEO, Thomas Nelson Publishers (now Harper Collins)

During the webinar, Diana offered several practical tips for beating *decision fatigue* on a risk team. For example, during risk workshops it's common for teams to spend most of their time identifying and attempting to quantify risks. Prioritization draws the short straw, sometimes only a few rushed minutes in a brain-taxing session. Like any meeting where participants are asked to ponder difficult challenges, after an hour or two, participants understandably lack the mental energy needed to move forward. Attendees might be too fatigued to effectively evaluate which risks merit additional management attention and resources to bring them into alignment with the organization's goals, objectives and capacity to manage obstacles and detours. With little to no time left to craft and prioritize risk management strategies, the talk of doing so is deferred to a later date, sometimes when the sense of urgency has lapsed, and the rich understanding of the risk has dissipated.

To counter decision fatigue in risk workshops:

- **Go Short, Take Breaks:** Keep the overall duration of a risk workshop short, and provide brain breaks between tasks and exercises. In NRMC's experience, the return from marathon-style risk workshops is highest during the first 30-60 minutes and declines precipitously after that. A series of short meetings is more brain-friendly than a single long meeting.
- **Embrace Alone Time:** Shift initial risk evaluation work out of the group workshop setting and into "alone time." This enables participants to take their time and to do their thinking when their brains work best, it reduces the risk of groupthink, and increases the odds that initial ratings and assessments will be exactly where they should be: all over the map.
- **Give Decisions Time to Bake:** Have you ever tried to rush the baking process by turning up the oven temperature? It's a mistake made by inexperienced bakers. Cranking the heat by a hundred degrees won't get the cake finished sooner, but it will increase the odds you'll need to apologize to your carbcraving guests. Give members of your risk team adequate time before a workshop to thoughtfully consider decision options, rather than forcing them to weigh options, reflect and use logic—the things that System 2 Thinking (Daniel Kahneman, *Thinking Fast and Slow*) are made of—within the time constraints of a meeting.
- Start with the Tough Stuff: When asked how to change board meetings for the better, our #1 tip at NRMC is to put the toughest issues and decisions at the beginning of the agenda, rather than in the "new business" agenda chunk whose timing is familiar, but fatally flawed. The same tip is salient for risk workshops; always put System 2 thinking tasks and activities at the beginning of the meeting—before decision fatigue sets in.
- **Shuffle on Down:** Try shuffling the order in which risks are evaluated. This strategy is particularly useful when multiple individuals or groups are evaluating the same set of risks (e.g., a bottom-up risk identification exercise for an annual risk profile process). It is also helpful when you ask a team member to reassess a set of risks on a routine basis (e.g., required by periodic reporting). This gives each risk an opportunity to be thoroughly analyzed before decision fatigue affects the evaluator's brain.

For additional insights on how understanding brain science can help you evolve risk management practices in your nonprofit, check out another RISK eNews article, <u>How Neuroscience and Risk Management Link to Fear and Memory</u>, and order NRMC's book, <u>World-Class Risk Management for Nonprofits</u>. If you decide to dive into the book, don't forget to explore the four risk maturity models featured in Chapter 3, and start plotting your course for more effective, mission fortifying risk management!

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your thoughts about neuroscience and risk management, and hopes you'll join NRMC's <u>Affiliate Membership</u> <u>program</u> to enjoy the neuroscience webinar with guest speaker Diana Del Bel Belluz, President of Risk Wise Inc. and author of the advisory, <u>Risk Management Made Simple</u>. Contact Melanie at <u>Melanie@nonprofitrisk.org</u> or 703.777.3504.