

Moonshot - Unleash Human Capacity

Enable Communities of Passion & Capture the Advantage of Diversity

(Objective Decision Making Within Passionate Communities – Is it Possible?)

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Matthew D. Chernishov 11185266

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Dr Bernie Frey

## **Executive Summary**

Over the past decade, employee engagement has become a hot topic as businesses are forced to adapt to the changing workforce and to changing economic climates.

While employee engagement is on many levels a healthy emotional factor, emotion as an entity can also be detrimental to effective decision making processes. Without good decisions, an organisation simply can't survive. With the increased focus on employee engagement, organisations could be at risk of making less beneficial decisions. This report presents a review of the literature on how emotion can positively and negatively influence decisions.

The main findings were that emotional awareness can hugely benefit these processes. There were also several other checks and balances discovered that can help to reduce the distorting effects of emotion on decision making.

A “Hack” is appended which suggests an inventive solution in which organisations might ensure that healthy decisions are being made.

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## **1. Introduction**

By way of brief introduction for the purposes of this report, the definition of 'emotion' is regarded as “a strong feeling deriving from one's circumstances, mood, or relationships with others” (Oxford Dictionaries Online, n.d.), whereas that of 'employee engagement' is; the “emotional connection an employee feels toward his or her employment organisation, which tends to influence his or her behaviours and level of effort in work related activities.” (businessdictionary.com, n.d.)

Employee engagement in functional organisations is beneficial for many reasons, however “feelings are a source of unwanted bias” (Shiv et al, 2005; Slovic et al, 2002 as cited in Seo & Barrett, 2007) and can have adverse influences on decision making (Brotheridge & R. T. Lee, 2008). This report firstly looks at why “emotional engagement” as a vested interest is good for an organisation. Secondly this report will focus on the literature around how emotion affects decision making and how decision making can be checked for emotional bias. Lastly, a 'Hack' is appended to suggest some ways in which a passionate organisation might ensure that decisions are made that contribute to its own well-being.

Cultures and literature explore multiple facets of emotion and a raft of information exists on many aspects of emotional expression. Therefore, this report will focus only on low-intensity happy and sad, or positive and negative emotions. Throughout this report the terms ‘employee engagement’ and ‘passion’ are used interchangeably, as are the terms ‘emotion’ and ‘mood’ (Macey & Schneider, 2008, p. 4; Seo & Barrett, 2007, p. 2). Furthermore, some research on negotiations was found to be relevant and because negotiations cannot be made without decisions, the topic of negotiations was included.

After assessing research on the topic, it seems evident that many factors influence emotion and therefore decision making. The main findings and recommendations highlight possibilities for organisations to increase decision making outcomes by training their employees along lines that stimulate emotional intelligence, and include checks and balances to review decisions made.

## **2. Discussion**

### **2.1 The effects of employee engagement**

It is healthy for an organisation to foster employee engagement through passion (Mageau & Vallerand, 2007). Employee engagement induces all manner of healthy organisational liveliness including; higher team cohesion and lower staff turnover, increased employee motivation, increased organisational citizenship and organisational innovation, all of which in turn can have potential to contribute to the organisations 'bottom line' (McShane et al., 2010). In other words, engaged employees will adapt their behaviour to further the organisations interests.

“Engagement is above and beyond simple satisfaction with the employment arrangement or basic loyalty to the employer... Engagement, in contrast, is about passion and commitment-the willingness to invest oneself and expend one’s discretionary effort to help the employer succeed (Erickson, 2005, as cited by Macey and Schneider, 2008, p. 7).”

### **2.2 How emotion influences team & individual decision making & negotiation**

Positive & negative feelings can be both helpful and a hindrance in decision making. Feelings, unrelated to the task at hand, can influence decision making by being falsely attributed to the impending task (Weber & Johnson, 2009). Emotions experienced during decision making are therefore incorporated, via mood-congruence, into the decision as information (Schwarz 2002, as cited by Weber & Johnson, 2009). Forgas and George (2001, p. 17) would seem to corroborate this as supported by the statement “...mood effects on judgements are greater when the information is complex, unusual, or ambiguous and thus requires more extensive, substantive processing”.

#### **2.2.1 Team decisions**

Many organisations form teams in an attempt to eliminate any biases that may affect individual judgement. However, it is important to be aware that such groups could also share a consistent ‘group mood’, which could have an equally biased influence on a groups decisions (George 1990, 1996b, forthcoming as cited by Forgas & George, 2001).

### 2.2.2 Positive & negative emotion / mood

Interestingly, positive and negative emotion provide both distortions and benefits in decision making. While negative emotion induces avoidance of a pending issue, positive emotion results in engagement with the problem (Weber & Johnson, 2009). It also appears that positive mood is more advantageous in a negotiation setting.

Forgas and George (2001) note that positive mood induces more successful negotiation results; more cooperative behaviour, less competition and more willingness to reciprocate than a group or individual in a negative or neutral mood. Groups with positive mood set themselves higher goals, create higher expectations and come up with plans that are more cooperative and less competitive than those with a negative or neutral mood (Forgas & George, 2001). While negative emotion is not necessarily as helpful in negotiation settings, it can be helpful by facilitating a balanced processing of complex and ambiguous information (Forgas & George, 2001, p. 18). What's more, Chou et al., (2007) noted that those in a happy mood are more likely to take risks than those in a sad mood and "...good mood resulted in inferior performance and overconfidence, and bad mood resulted in more accurate decisions and more conservative trading". To summarise, negotiations and decisions are potentially more beneficial with both positive and negative mood / emotion present.

### 2.2.3 Age and emotion

Another factor to consider is that as people get older they experience fewer negative emotions (Mather et al., 2004, as cited by Webber & Johnson, 2009). "Consistent with evidence on life-span changes in emotion regulation, Carstensen & Mikels, (2005) show greater effects of negative mood on the decisions of younger adults and greater effects of positive mood on the decisions of older adults (Weber & Johnson, 2009, p. 73)." As discussed earlier, both positive and negative emotion can be helpful for making decisions, therefore, it could be suggested that groups who are assigned to make decisions should have a mixture of age groups to incorporate both positive and negative emotion.

## **2.3 Passionate communities and good decisions**

How then can passionate organisations remain effective in their decisions?

Research suggests several relevant points for consideration including; emotional awareness, diverse teams with members in different emotional states including different age groups, and other useful checks and balances.

While this section focuses only on the emotional aspects involved with decision making, it is important to understand that there are other contributing factors including; values, environment, cognitive capacity, education, experience, health, stress levels and more (Weber & Johnson, 2009).

### **2.3.1 Emotional awareness / emotional intelligence**

In order for decisions to be effectively executed, subjects need to have an awareness of their emotional state. People with a higher level of emotional intelligence are better “able to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in themselves and others”. (McShane et al., 2010, p. 459) In other words, before making a decision, consideration must be given to the influence of personal emotions on that decision (Goldstein, 2005). This emotional awareness includes an understanding of 'group mood' as mentioned earlier.

Self-awareness is a valuable skill in significantly reducing mood-congruence. “Emotional discomfort translates into larger perceptions of riskiness (Weber et al. 2005b as cited by Weber & Johnson, 2009, p. 72)”, however if a subject is aware of their mood they will be more likely to adjust their decision to compensate. In fact the more discomfort they experience, the more balanced their judgement will be, provided that they are aware of their feelings (Berkowitz et al., 2000). It is “as if aware subjects leaned over backward to avoid letting their bad feelings affect their judgements”.(Berkowitz et al., 2000) Subjects who are aware of their positive state will also try to ‘dumb down’ their positive feelings in order to prepare themselves for a potentially negative encounter (R. Erber & M. Erber, n.d.). What's more “anticipation of negative emotional reactions such as regret or negative reactions to loss... helps to motivate careful analysis of choice options and their possible outcomes”. (Connolly & Zeelenberg 2002 as cited by Weber & Johnson, 2009, p. 71) This research suggests that training in self-awareness including 'group mood' awareness could be valuable for helping to reduce mood-congruence in decision making situations.

### 2.3.2 Diverse 'group mood' meetings & discussions

A significant method to ensure that beneficial decisions are made could be by having groups which incorporate members in a range of moods. However Forgas and George (2001) discovered that team discussions reduced the effect of negative mood, and increased the effects of positive mood. "It seems that group discussion led to a more controlled, motivated processing strategy that reduced the negativity of judgements." (Forgas & George, 2001, p. 24). It is important therefore to take into account, that positive mood is more likely to be a result of group discussion, and that positive emotions can result in overconfidence in decision making.

It is also important to take into account that group discussions can cause group polarisation and groupthink. Group polarisation is where group discussions lead to decisions that are more conservative or more risky than the groups initial position (Carlson, Buskist, & Martin, 2000). Groupthink is a groups "tendency to avoid dissent in the attempt to achieve group consensus". (Janis, 1982, 1972) Perhaps a solution to reduce discussion-induced positivity, group polarisation and groupthink, could be simply to make all parties aware of those three perspective distorting elements, and incorporate a more experienced and emotionally intelligent decision maker in the process.

### 2.3.3 Other useful checks and balances

There are many other useful checks and balances which could be helpful for assessing decisions. One suggested method is to revisit judgements and decisions in different mood states to avoid the emotional distortion of the decision (Forgas & George, 2001). Things which can change a subjects emotional state include exercise (Salmon, 2001), storytelling (Parker & Wampler, 2006), subjection to images (Hermans, Spruyt, De Houwer, & Eelen, 2003), facial expressions (Pell, 2005), and the list goes on. Effectively, many techniques could be used to prime a decision maker or a group of decision makers before or after a decision is made, in order to return more beneficial responses or to re-evaluate a decision before it is made effective.

### **3. Conclusion & recommendations**

While there are many emotional factors involved in decision making, especially in a passionate environment, it is advised that individuals are aware of the different ways in which emotion can influence their decisions. It would be further advised that an organisation employs several checks and balances to ensure that they are avoiding distorted decisions through emotion. Those checks and balances include but are not limited to:

1. Training in 'emotional intelligence' including;

- awareness of 'group mood',
- awareness of how positive and negative emotion can be beneficial and detrimental &,
- the effects of age on emotion.

2. Implementing meetings which incorporate mood diversity;

3. Priming decision makers before or after a decision is made for mood alteration or effective review.

To conclude, if a passionate organisation wishes to employ successful decision making, it would be beneficial to train its employees in emotional intelligence as well as trial a range of appropriate checks and balances.

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