10.3: Involuntary Decision-Making

Think of Involuntary Decision-Making as a quick, non-thinking reaction to a situation. Suppose you want to sell your used car, and you place an ad in the newspaper, but for several weeks nothing happens. What would you do? Well, one person faced this problem. He could have lowered the price, but that might not have worked. Being a student of human nature, he hit upon a solution. He advertised his late-model car for five hundred dollars more than he had been asking, and then offered a five-hundred-dollar rebate. He sold the car within a week. The buyer responded in an involuntary fashion seeing a five-hundred-dollar rebate.

Social psychologist Robert B. Cialdini received a phone call from a confused friend. Robert’s friend owned an Indian jewelry store in Arizona. In her store, she had some turquoise jewelry that wasn’t being sold, even during the peak of the tourist season. She had done everything she could think of; including placing it in a more central display and having the sales staff make a special effort to push the jewelry. Still, the jewelry did not sell. Finally, just before leaving on a buying trip, she made one last effort. She left a note with her head saleswoman which said, “Everything in this display case, price x 1/2.” A few days later she returned to discover that all the turquoise jewelry had been sold. But the jewelry had not been sold for 1/2 price. The saleswoman misread the note and had doubled the price! The jewelry sold with no problem.¹

In both of these examples, people allowed their habitual nature to make the decisions for them instead of making a conscious decision. The people bypassed the active thinking stage and just responded to the situation. In the first situation, the key was the rebate. In the second instance, people purchased the jewelry at twice the price originally charged. Seeing the expensive price, people assumed it was valuable, because we assume that the more expensive the item, the more valuable it must be.

Involuntary decision-making is a learned pattern of acting, thinking or feeling. Involuntary decision-making is decision making made out of habit, reflex, or repetition. We are not born with these patterns; we learn them over time. Involuntary
decision making acts to conserve our higher mental functions for more challenging and demanding tasks. But then we just react to a stimulus; this is sometimes referred to as a “knee-jerk” response. Like when a doctor taps you on the knee and your leg kicks out without you making any conscious effort.

Psychologist B. F. Skinner describes the process of acquiring habits as operant conditioning. Skinner says that if our actions produce a reward, we tend to repeat those actions. If, instead, the actions produce an undesirable effect, we tend to avoid repeating them. We tell a joke and people laugh. We feel good about it, and we tell another joke. They laugh again. We now repeat the behavior because it brings us a reward. Telling jokes becomes a habit.²

All of us make involuntary decisions. We are given a situation and immediately we respond. Many times, this stimulus-response method is a very useful and important method of arriving at a conclusion. Suppose you are driving along in your car and someone in the next lane begins to move into your lane. Immediately, you react by swerving over. This immediate, non-thinking reaction, involuntary decision may have just saved your life.

Behavioral economist and Nobel Prize laureate, Herbert Simon wrote that when faced with complex decisions, people will resort to what he called **heuristics**. Heuristics is described as decision-making devices that simplify the process of arriving at a reasonable decision when the ‘perfect’ decision is unreachable or unknowable. We think of these heuristics as mental shortcuts, which allow us to make quick decisions instead of taking a long time to make a decision or even avoiding making a decision. There are a wide variety of examples of these heuristics, which are also known as cognitive biases. Often these involuntary decision-making strategies can lead to poor decisions.

Domino's Pizza Improves by Understanding Unrecognized Bias

**Harvard Business Review November 28, 2016**

Patrick Doyle became CEO of Domino's Pizza in 2016 when the stock was worth $8.76 per share. Now it is worth close to $260 per share. Doyle reveals his strategy for improvement by sharing the mindset required for organizations to do big things in tough fields. Two of the great ills of executive life are what he calls, borrowing from behavioral economics, “omission bias” and “loss aversion.” Omission bias is the tendency to worry more about doing something than not doing something, because everyone sees the results of a move gone badly, and few see the costs of moves not made. Loss aversion describes the tendency to play not to lose rather than play to win. “The pain of loss is double the pleasure of winning,” he argues, so the natural inclination is to be cautious, even in situations that demand creativity.

Leaders who want to shake things up have to be comfortable with the idea that “failure is an option,” Doyle concludes. In
a world of hyper-competition and nonstop disruption, playing it safe is the riskiest course of all. That’s a recipe for reinvention that makes for good pizza and big change.

**Anchoring Bias** We, as humans, rely on the first piece of information we hear on a given subject. If we were to buy a car, and while walking to class we heard that Hondas make poor quality cars, then we will judge the rest of the information we receive on cars based on that first bit of information. It makes no difference whether that initial information was correct or not. We “anchor” the rest of our information on that first one.

First impressions can then be very important. Make sure the first thing you do in class is your best. Your instructor’s natural tendency will then be to anchor the rest of your performances based on that initial impression. If you turn in a great assignment the first time and a poor assignment the second time, well that’s not like you, so something must have happened. But if you do poorly on the first assignment and then great on the second assignment, an instructor might think that something suspicious happened. As they say, “You never get a second chance to make a good first impression.”

**Purchase Quantity Limits – An Anchor Bias**

Another study by Wansink, Kent, and Hoch looked at how setting purchase quantity limits affect buying behavior. We’ve all seen the sign before, there’s something on sale with a sign reading “Limit 12 Per Customer.” Most people conclude this limit is there to protect the store from being wiped out of the sale item of overly eager bargain hunters. However, this limit serves a very different purpose.

Wansink, Kent, and Hoch designed a field study using end-aisle displays to advertise Campbell’s soups for $0.79 per can. A sign was then placed on the display stating “Limit of 12 per person.” The results show that purchase limits can increase sales; shoppers who bought soup from the display with no limit purchased an average of 3.3 cans of soup, whereas buyers with limits of 12 purchased an average of 7 cans of soup. The brain anchors with the number 12 and adjusts downward.3

**Loss Aversion** It has been found that people naturally want to avoid a specific loss more than receive a specific gain. This is one reason why people on trial accept a plea deal. Instead of going to trial to be proven not guilty, they select a plea deal to avoid the possibility of a longer punishment.

These are just two examples of many of these cognitive biases. Other bias’s include:

**Overconfidence** bias: when some has a false sense of confidence

**Herd mentality** bias: when someone follows along with what others are doing or saying just to be part of the "herd."

**Confirmation** bias: the seeking out of information that agrees with an existing belief.

**IKEA Effect:** where people place a higher value on products they partially create

**Dunning Kruger Effect:** where people who are ignorant or unskilled in a given, domain tend to believe they are much more competent than they are. In simple words, “people who are too stupid to know how stupid they are”.

They are all examples of involuntary decision-making. There are many more.4, 5
As critical thinkers, we have to be careful of how many decisions we make involuntarily, because even crossing the street, without thinking, can get us in trouble. When you cross the street do you look left then right, right then left, or do you take time out to think of which way you should look this time as you cross the street? Chances are, because of habit, you first look left then right, because you have learned that the cars closest to you will be coming from your left. You have learned this from life experiences and you don’t have to think about it each time you cross the street. You turn over the job of deciding which way to look before crossing the street to your unconscious mind, while your conscious mind concentrates on other applications.

When I was in my 20’s, I spent a week in Jamaica. While having a conversation with one of my traveling companions, I started to cross the street as I would if I were home in Southern California. Using the involuntary mode of decision-making, I first looked left, and then right. I was almost killed. In Jamaica, cars travel on the opposite side of the street. When I looked before crossing the street, I should have looked right. A car was there, and about to hit me. Fortunately, the sound of the oncoming car made me aware of the danger.

Helping to influence some of our involuntary decision-making are what author Vance Packard calls Hidden Persuaders. Packard writes,

“Large-scale efforts are being made, often with impressive success, to channel our unthinking habits, our purchasing decisions, and our thought processes by the use of insights gleaned from psychiatry and the social sciences. Typically, these efforts take place beneath our level of awareness; so that the appeals, which move us, are often, in a sense, ‘hidden.’ The result is that many of us are being influenced and manipulated, far more than we realize, in the patterns of our everyday lives.”⁶(Packard, 1991)

There are four distinct methods of “hidden” persuasion. One way is through the use of visual stimuli. An example would be to super impose an image into a movie by flashing a message so briefly that a person is unaware of it. A second method uses accelerated speech. This usually happens when music is played over low audible messages, such as the Muzak system. The third method involves the use of embedded images in a print advertisement. It is the hiding of images in larger images that influence the viewer to act or respond in a certain way. The fourth method involves a suggestiveness that would not normally be seen at first glance. It would imply much more than it appeared to, such as in a picture or the use of language.

Hidden messages gain influence from the fact that they circumvent the critical functions of the conscious mind, and therefore are potentially more powerful than ordinary suggestions, because the unconscious mind is incapable of critical refusal of these sub-conscious suggestions. Researcher Louis Cheskin says,

“Hidden persuaders allow us to make decisions, guided not by conscious thought, but by unconscious reaction to the images, language, and designs which, in the subconscious, are associated with the product.”

Hidden persuaders can come in several forms. A typical supermarket is purposely designed to influence the buying habits of its customers. First, the bakery is located near the entrance of the market. It is known that the aroma of freshly baked products will stimulate hunger in the customer and cause him to purchase more. The storeowner places the four most purchased item groups, dairy, meat, bread, and vegetables, as far from each other as possible. The customer must therefore pass through rows of other food items before coming to one of the four groups. The storeowner hopes that additional food products will catch the customer’s eye and that additional purchases will be made.
In the same way, fast food restaurants use seats that place undue strain on one’s spine (called the Larsen chair) if you sit in them longer than 15 minutes at a time. This encourages you to eat quickly and then leave so others can sit. Las Vegas casinos are designed without windows or clocks. They want you to lose track of time and keep gambling. Many retail stores use background music, masked with anti-shoplifting messages and/or store product advertisements called Muzak, to control theft or to influence customer purchases. Newspaper and magazine advertisements contain embedded pictures, often of a sexual nature, in order to catch your mind’s attention, so it will store the name of the product in your memory for future reference.

**Do We Make Poorer Decisions as We Age?**

*From the Los Angeles Times – October 1, 2013*

A study published recently in the journal of the Proceedings of the National Academy of Sciences suggests that our ability to make wise choices changes over time, and actually declines with old age. In fact, the study found that in certain situations, the decision-making ability of people older than 65 was worse than that of adolescents.

"We found that even the healthiest of elders show profoundly compromised decision-making," wrote senior study author Ifat Levy, an assistant professor of comparative medicine and neurobiology at Yale University in Connecticut.

Seniors "disturbingly" chose irrational wager options 25% of the time, according to the study authors. By contrast, adolescents chose irrational options 10% of the time, while young and midlife adults chose them only 5% of the time.

Seniors were far more cautious when choosing between two possible cash gains. When seniors faced a choice between two losses, they chose the riskier option with the higher potential loss.

The authors argued that the pattern of decision-making among elder participants in the study was not a function of illness or age-related dementia.

"As for the risk preferences, it may be that as they are getting closer to the end of their life, people assume that it is less likely for uncertain events to actually happen to them, which drives them to take less risks with gains, but more risks with losses," Levy said.¹

Although it is necessary and useful for us to turn over many of our minor decision functions to our subconscious mind, we may also be guilty of turning over more major decisions to this involuntary process without understanding the consequences.

**Reference**

4. [corporatefinanceinstitute.co...ognitive-bias/](http://corporatefinanceinstitute.co...ognitive-bias/) (Accessed December 12, 2019)