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## Decision Adversity: a Character Strengths Perspective on Decision Uncertainty and Error

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## **Decision Adversity: a Character Strengths Perspective on Decision Uncertainty and Error**

### **Abstract**

Adversarial growth and learning from error is an essential capability for individuals in organizations, and carries particular challenges for anyone in a leadership position. This paper focuses on a strengths based perspective to Decision Adversity (DA) in the workplace. Decision adversity encompasses the stress and consequences of making and pursuing wrong business decisions; wrong decisions that are, in hindsight, incompatible with corporate goals and deplete resources. It reviews topics and studies on the challenges of decisions, including: dealing with uncertainty, difficulties in recognizing when a decision that is no longer advantageous, the anxiety of questioning a potentially wrong path, and coping with an outcome of a decision that was, in hindsight, the wrong choice. It will propose how a focus on character strengths can influence positive responsive behaviors, emotions, and actions. Interviews with experienced professionals will explore questions of DA from the perspective of those making and implementing decisions, highlighting opportunities and use of character strengths when coping with and responding to these situations. The paper will conclude with strengths focused recommendations, and suggest opportunities for further exploration of the use of strengths in addressing decision adversity.

### **Keywords**

decision, character strengths, planning fallacy, escalation of commitment, sunk cost

### **Disciplines**

Psychology | Social and Behavioral Sciences

Decision Adversity: a character strengths perspective on decision uncertainty and error

Elena Thompson

University of Pennsylvania

A Capstone Project Submitted

In Partial Fulfillment of the Requirements for the Degree of

Master of Applied Positive Psychology

Advisor: Tayyab Rashid, Ph.D.

August 1, 2013

Decision Adversity: a character strengths perspective on decision uncertainty and error  
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## Table of Contents

Introduction.....	5
Structure of this Paper.....	6
Positive Psychology: The Strengths Perspective .....	7
Soliciting Perspectives from Experienced Professionals.....	11
The Joy of Right, the Agony of Wrong .....	12
A Mindset Approach to Decision Adversity Stress .....	14
Making the Decision.....	16
Cognitive Biases and Decision Making Errors.....	16
Attribution Error: Overconfidence bias .....	16
Planning Errors .....	17
Planning Fallacy, Illusion of Explanatory Gap & Optimistic Time Predictions. ....	18
Groupthink .....	20
Superstition .....	21
Making the Decision: A Strengths Perspective .....	21
Implementing the Decision.....	24
Certainty, Escalation of Commitment and Sunk Costs.....	24
Certainty.....	25
Are you sure? .....	25
Attitude Certainty.....	27
Self-Certainty.....	28
Confirmation bias.....	28
Escalation of Commitment and Sunk Costs.....	29

Decision Adversity	4
What helps mitigate Escalation of Commitment?.....	34
Escalation of Commitment and Sunk Costs with Groups.....	35
Implementing the Decision: A Strengths Perspective .....	36
Being Wrong - Learning lessons from Escalation of Commitment.....	38
Learning Lessons from Error: A Strengths Perspective .....	39
The Strengths Perspective: Summary .....	40
Opportunities.....	42
References.....	43
Appendix B – Participant Interview Notes Consolidated Responses.....	57
Appendix C - Interview participants – Strengths rankings.....	76
Appendix D – Future Opportunity – Hardiness in DA.....	80

## Introduction

This paper focuses on a strengths based perspective to Decision Adversity in the workplace. Decision adversity (DA) encompasses the stress and consequences of making and pursuing wrong business decisions; wrong decisions that are, in hindsight, incompatible with corporate goals and incur depletion of resources. This decision adversity surfaces frequently in the workplace for both decision makers and those who are called upon to implement these choices. It occurs when dealing with the uncertainty of making decisions, the difficulties in recognizing a decision that is no longer advantageous, the anxiety of questioning a potentially wrong path, and coping with an outcome of a decision that was, in hindsight, the wrong choice. Adversarial growth and learning from error is an essential capacity for individuals in organizations, and carries particular challenges for anyone in a leadership position. Key wrong decisions have major consequences to the organization, the employees, shareholders and potentially the larger community. Consider the aftereffects of investment decisions made by lenders and secondary mortgage market entities in the mid 2000's. Those choices contributed to economic repercussions that continue to have impact years later. On a smaller scale, decisions within organizations that commit resources, particularly human capital resources, to endeavors that will likely not succeed, yet continue in spite of negative progress data, can be a source of stress, adversity and ultimately a cause of employee attrition.

Being wrong, or making the wrong decision, in this paper centers around being factually incorrect in the context of business decision results, and pursuing a path that despite feedback that points to a negative outcome; questions of morality are beyond its scope. It will review previous and current studies on the challenges of decisions, and propose how a focus on character strengths can influence positive responsive behaviors, emotions, and actions. This can

help decision makers be better equipped to arrive at more reasoned decisions, and more readily recognize indications of when those decisions could benefit from reconsideration, and support learning from mistakes.

### **Structure of this Paper**

This paper is intended to provide a broad foundation of factors contributing to decision adversity in the workplace, use those topics as a basis for targeted discussions, and explore the use of strengths in response to that adversity. The paper begins with an introduction of positive psychology background from the strengths perspective, then presents the concept of wrong in this context. Two elements of decision adversity are explored. First, the challenges of making a major decision, and second, implementing those decisions, an element that includes opportunity for learning and growth through lessons learned. For each of these, there is an exploration of applicable studies highlighting the current difficulties, followed by a discussion of interview responses to these challenges. These interviews explore DA from a decision maker and implementer perspective, highlighting opportunities of use of character strengths in coping with and responding to this adversity. The four participants are professionals with at least fifteen years of experience in the financial services and information technology fields, holding positions that frequently expose them to decision adversity situations. The paper concludes with a summary of character strengths use and perspectives as they have been used to address DA, and a discussion of subsequent opportunities for further study and practical application.

Appendices include: a more detailed review of the particular strengths that surfaced in the discussions and their particular alignment with DA (Appendix A), the consolidated interview questions and responses from the four participants (Appendix B), and their strengths rankings (Appendix C), and finally, a summary of Maddi's (2006) construct of hardiness, though

unexplored in this paper, there may be future applicability in applying his construct of commitment, control and challenge to the decisions themselves, and using this as a tool to bypass some of the cognitive biases in an organizational context. (Appendix D).

### **Positive Psychology: The Strengths Perspective**

We make wrong decisions, and things go wrong. We experience stress and adversity, and within our responses in coping with that adversity is opportunity to use and build strengths. We react to being wrong and making mistakes in various ways, including surprise, denial, resistance, and shame. But it is how we respond, how we use the lessons from coping with this adversity that can build our resilience, our wisdom, and buffer us in dealing with inevitable future mistakes.

Positive psychology is the scientific study of what makes life most worth living (Peterson, 2006); with core areas that encompasses positive emotions, engagement, meaning and purpose, and positive relationships. It is a call for psychological science to be concerned with strengths as well as with weaknesses; as interested in building the best things in life as in repairing the worst; and as concerned with making the lives of normal people fulfilling as with healing pathology (Peterson, 2006). Seligman (2002) sees positive psychology as a shift from not just looking to fix what is wrong or broken in life, but to build on the positive. Positive psychology offers a strengths perspective to decision adversity that can go beyond recovering to where we were prior to a mistake. A response that focuses on a wide-ranging use of strengths can support an ability to overcome biases and avoid making wrong decisions, recognize and correct errors in progress, and enable growth through learning from mistakes.

Peterson and Seligman (2004) explored twenty-four character strengths across six universal virtues. These virtues, thought to be universal in humans and history grounded in

biology and evolutionary theory, embody core characteristics, “valued by moral philosophers and religious thinkers” (p. 13), and thought to be universal in humans and history. Character strengths, then, are both the components and the routes to these virtues, “the psychological ingredients - processes or mechanisms - that define virtues” (p. 13). Particular to this topic of decision adversity, strengths of curiosity, love of learning, open-mindedness, and perspective all involve the acquisition and use of knowledge, and are categorized as elements of the virtue of wisdom. Character strengths influence how we cope with adversity; they are demonstrated in our thoughts, words and actions. Strengths, however, are not applied singularly. They are shaped by the situational, are expressed in degrees, and are interdependent. It is important, then, that strengths are expressed in balance; that they are used to the right combination, degree, and situational context. Seligman, In *Authentic Happiness* (2002), illustrates with, “Choose your venue and design your mood to fit the task at hand. . .being upright, sad, or out of sorts will not impede you; it may even make your decisions more accurate” (p. 39).

A focus on strengths in leadership is not recent. Nearly half a century ago, before positive psychology emerged, Peter Drucker, often referred to as the father of modern management, focused on the use of strengths by leaders in organizational management. He noted “effective executives build on strengths – their own strengths, the strengths of their superiors, colleagues, and subordinates. They do not build on weakness. They do not start with things they cannot do” (Drucker, 1967, p. 24). He also proposed the “the first constant in the job of management is to make human strength effective and human weaknesses irrelevant” (Drucker, 1996, p. 17). A focus on strengths in the face of decision adversity is one approach to making decision weaknesses, that is, the biases and errors that are elaborated in this paper, irrelevant.

Having to make largely impactful decisions involving investments of money, time and resources are common in the workplace. These decisions are a central responsibility of those in any leadership position, and implementing decisions is expected of any contributor in terms of focus and time management. In organizational situations, errors in large investments of time and resources, both monetary and people, are rarely seen as positive, yet are not rare (Keil, Mixon, Saarinen & Tuunainen, 1994). Business history is replete with narratives of the rise and decline of organizations, and the usual cited reasons concern factors of not expanding the customer base, focusing on short-term financial performance, and not keeping current with innovations (Gino & Pisano, 2011). These reasons have their origins in decisions that likely followed a typical model of decision making: identifying the problem, gathering information, identifying alternatives, implementing the decision and evaluating the outcome. Yet decision making is not a purely objective data comparison activity, there are numerous individual behavioral and cognitive biases that complicate decisions and impact the interpretation of available information. As a consequence, we, as decision makers, are “predictably irrational” (Ariely, 2008), and consistently arrive at decisions different from those predicted by classical probability and utility theory as the optimal outcomes (Hilbert, 2012). To avoid the stigma and consequences of acknowledged failure, decision makers will employ numerous biases in making decisions to buffer against making a “wrong” one, and invoke rationales to stand by a decision in the face of negative progress feedback.

Those who have been committed to the efforts of implementing those decisions also work under the stress of adversity. Continuing on a project in the face of growing negative feedback is referred to as a “project death march” in implementation, where overly optimistic and aggressive deadlines toward a questionable outcome lead to stress, burnout, and a multitude of other

negative consequences for those working on the task (Yourdon, 2004). Not all of these projects are unsuccessful, the NASA Apollo mission to the moon initiative being a prime example of success. However, Yourdon (2004) references many other projects, particularly fast-paced web-development, and many of the Y2K conversion efforts that pushed those working on them to their health and stress limits.

Once the decision is made, a goal and outcome identified and work begun, maintaining that status quo develops a great deal of momentum. Most decisions are not made with advantage of full information and transparency of outcome, foresight is rarely 20/20, so there are a number of ways leaders and followers attempt to mitigate the uncertainty of decision outcome when arriving at a decision, each of which has opportunity to explore in terms of strengths. There is research indicating strengths based leadership in a management and corporate setting is effective, and can lead to positive outcomes in business. The Gallup organization conducted over 20,000 interviews, studied over one million work teams, considered over 50 years of data on the world's most admired leaders, and studied over 10,000 followers for insights into leaders. They found the most effective leaders are always investing in strengths, those employees who work in their strengths areas are substantially more engaged in their jobs (74% vs. only 9% for those who do not), and engagement has been proven to substantially increase productivity for the company (Rath & Conchie, 2009). However, there is room for exploration on how specific strengths are under and over used in stressful situations, particularly the decision adversity that is the focus of this capstone. There is opportunity to take a strengths based approach and be positive in the face of making cognitive errors in judgment.

### **Soliciting Perspectives from Experienced Professionals**

In my professional function I frequently interact with individuals in both a planning and decision making capacity. For this paper I held single-session one-on-one interviews with four professionals who have deep and long experience in positions where they have participated in both decision making and implementation. The participants, two male and two female, were at the same managerial level (Director), and have all led multiple large scale implementations of financial services technologies. Each of them has been involved with outcomes that have been: successful, less than successful but complete, and those that have for various reasons been cancelled without completion. The questions asked were intended to open a dialogue and elicit their perspectives on factors that impact them as they make and carry out decisions to invest time and resources in a corporate setting. As an introduction to the topic of strengths perspectives these participants all took the *Values in Action (VIA) Classification of Strengths*. The VIA Signature Strengths Inventory is an online assessment tool that measures twenty-four positive traits, noted as character strengths, organized into six virtues of wisdom and knowledge, courage, love, justice, temperance, and transcendence (Peterson & Seligman, 2004).

The interview responses are reviewed in both the context of the decision adversity topics covered in the literature review section and their strengths. The objective of these discussions was to explore the connection of DA components and the experiences of those who have been through this adversity in a number of these situations. Using these observations will provide an opening for further research, study, and dialogue about this in an organizational setting, with the aim of better understanding DA; an understand that can possibly lead to identifying ways in which character strengths can be used to reduce or avert the stress and negative outcomes of decision adversity.

### **The Joy of Right, the Agony of Wrong**

Most of us go through our days being right about most of our decisions involving tasks that assist us in getting through our usual activities. In the corporate workplace good business decisions are about being right, the right decisions lead to growth, profitability, success, and enhance our feelings of accomplishment. On the darker side, being right can mean that someone else was wrong, as in the experience of Schadenfreude, taking pleasure on another's misfortune or mistake. That experience can be especially pleasurable when we feel that we were doubted, proving detractors mistaken is an immensely satisfying feeling (Smith, Powell, Combs, & Schurtz, 2009).

But what happens when we are wrong? This is a special kind of adversity; it is about feeling our beliefs and self-efficacy collapsing around and inside of us. It is about the stress of having our stature, authority, talent and knowledge questioned. The pessimistic side of being wrong is shameful, it makes us feel stupid and cringe in self-doubt under the embarrassment of failure and guilt. We speak of being "mortified" when we are wrong, we could "die" from embarrassment. We allude to "losing face", as if in being wrong we lose our identity, we feel alone. On balance, there is another aspect. Surprise, delight, humor are all positive sides to being wrong. As William James put it, "our errors are surely not such awfully solemn things" (James, 1956, p.19).

New York Psychoanalyst Irna Gadd noted "our capacity to tolerate error depends on our capacity to tolerate emotion...our resistance to error is, in no small part, a resistance to being left alone with too few certainties and too many emotions" (as cited by Schultz, 2010, p. 199). Acknowledging our mistakes is an emotional skill, that moment when we realize we were wrong can be internally distressing and upsetting. It can bring multiple feelings, and the embarrassment

and isolation of having to admit you were not as knowledgeable as you, and perhaps those around you, thought you were. We recoil from these feelings.

It feels so bad to be wrong that we cling to decisions in the face of increasing negative feedback, and extol the virtue of persistence above others. A strengths perspective can support an ability to cope with error and the realization of wrong, and be used as a catalyst for change or growth utilizing character strengths across all of the virtues. Positive psychology, in particular emerging evidence from character strengths research, can assist in broadening that thinking, and bring focus to other strengths that are to be equally valued and used, such as humility, prudence, wisdom and perspective. Bringing the full range of strengths as part of contemplation about error offers opportunity to examine how we arrive and adapt to our decisions, and through reflection and growth enhance our well-being.

In the present, there is no specific experience of being wrong. In this context, I offer that in the moment the experience and feeling of being wrong is indistinguishable from the experience and feeling of being right. It is not customary to hear someone say “I am wrong”. They say “I might be wrong”, noting uncertainty, or “I was wrong” in hindsight. Wrong is a description of the past, and can involve examining an iceberg belief, a deeply held belief about ourselves or our world (Reivich & Shatté, 2003). There is much to overcome when acknowledging wrong, and realizing we are wrong about a belief does not bring change easily. We encounter conceptual conservatism, the tendency to maintain strongly-held beliefs even when they have been definitively challenged (Nissani, 1994). To counter this conceptual conservatism, accept wrong, begin to question and perhaps change beliefs is part of responding to decision adversity.

### **A Mindset Approach to Decision Adversity Stress**

Decision uncertainty and adversity contribute to stress, as noted in the participant discussions, and foster tendencies to both make and cling to decisions in spite of negative feedback. There are numerous approaches to dealing with this stress, and a Mindset approach is one of them. Crum, Salovey and Achor (2013) proposed rethinking stress and the role mindsets play in determining the stress response. They discuss how stress is portrayed in a negative light, but question whether this focus on the destructiveness of stress, or stressing about stress, may be contributing to its negative impact. Their research looks at improving the response to stress as a matter of shifting a mindset. They refer to this as a stress mindset, and conceptualize it as one of two views. These two are either: the belief that stress has enhancing consequences for outcomes, among them productivity, well-being, and learning and growth, or the belief that stress is debilitating. Whichever way, they propose this stress mindset is both a distinct and meaningful variable that influences outcome. Stress can generally be considered as the experience of anticipating and counting adversity in your goal related efforts, which has particular relevance to decision adversity and its focus on outcome. The stress response is a physiological. From an evolutionary standpoint stress has its benefits: it is valuable in sharpening the physiological and mental functioning to meet an immediate demand enable survival. But if this response is positive in the moment, then experiencing chronic stress is negative. Historically, this stress opposition has been resolved with the idea that the amount, frequency, duration and intensity of external stressors determined whether the stress was debilitating, with some assertions that it might be beneficial only once it hits a critical point. Crum and colleagues point out that there is sometimes the opposite response: it is possible that chronic stress leads to thriving by influencing underlying biological processes implicated in physical recovery and immunity. While overall

they are not proposing that positive outcomes always occur, they instead propose that the positive enhancing nature stress is often ignored. They offer that mindset does matter, and orients an individual for uniquely understanding, experiencing and guiding their stress response (Crum et al., 2013).

Our current approaches to stress involve either reducing the amount or finding ways to cope, yet the authors see three limitations to these. First, not everyone has the ability or luxury to be able to reduce the amount stress they face; second, coping processes are variable and can induce stress themselves; and third, these approaches perpetuate a mindset that stress is debilitating. These limitations are particularly evident in the case of workplace decision adversity: these are situations that involve limited control over options to reduce or avoid the stress. Following a pattern of looking to avoid or decrease stress as your primary motivation perpetuates the idea that all stress is debilitating. Having a stress-is-enhancing mindset influences your primary motivation toward using stress as a way to enhance an outcome. The stress-as-enhancing mindset may make you more likely to engage in actions to help meet the demand in the moment and take actionable approaches. Their studies showed people can be primed to adopt a more stress-is-enhancing mindset, which can have more positive consequences to work performance and health. This work suggests we do not need to focus single-mindedly on reducing stress (Crum et al., 2013).

This mindset approach to stress can be used in the corporate environment to reduce DA and irrational escalation. When caught in the stress of uncertainty or dealing with the stress of a possible wrong path, having a stress-as-enhancing mindset can reframe the situation as an opportunity for learning and growth. These opportunities put strengths to use for other than reducing or coping strategies, they open up a prospect to consider other strengths, those of

prudence, open-mindedness, integrity, humor, humility, and others that can play a critical part of reasoned and thoughtful decision making and implementing. This mindset can offer a way to realize Peter Drucker's call to align strengths so that weaknesses are indeed irrelevant, having and fostering a stress-as enhancing mindset can be a large part of a strengths approach to decision adversity.

## **Making the Decision**

### **Cognitive Biases and Decision Making Errors**

Cognitive biases are deviations in judgment from inferences of people or situations (Schwenk, 1988). They tend to enable faster decisions, but not always the most accurate one, and cover a range of types. The following section will explore a subset of these, chosen for their particular relevance to investment of effort business decisions and relations to strengths. Among them are the attribution error of overconfidence bias, groupthink, planning errors, and even superstition.

#### **Attribution Error: Overconfidence bias**

A major input to a decision to invest resources is evaluation of our ability to take on the task, and we often use history and past performance as a benchmark. Success increases our self-assurance, our confidence, and assessment of our self-efficacy (Maddux & Gosselin, 2002). Self-efficacy and confidence is a positive attribute for both leaders and teams, but overuse may foster a belief that reflection and change is not important. Daniel Kahneman, Nobel laureate and distinguished scholar in decision making observes: "Overconfident professionals sincerely believe they have expertise, act as experts and look like experts. You will have to struggle to remind yourself that they may be in the grip of an illusion" (Kahneman, 2011). The illusion Kahneman references relates to one of the fundamental attribution errors, an illusion of

confidence bias, where we tend to think our good performances are a result of our skills and abilities, and our poor performances are due to factors considered accidental, inadvertent, or beyond our control (Kruger & Dunning, 1999). When we succeed, we are likely to conclude it is solely due to our talents and abilities. This illusion has two distinct impacts. First, our confidence causes us to overestimate our own abilities in respect to others', and second, it causes us to interpret others' confidence as a signal of their abilities and extent of knowledge.

Confidence and ability can diverge, yet we have such overconfidence in our abilities we are individually consistently prone to be overly optimistic in estimating our abilities to accomplish tasks. Estimations made by groups are slightly more accurate, but still optimistic (Griffin & Buehler, 1999).

### **Planning Errors**

Another major input to a decision to commit resources is belief in the reliability of the plan for execution. In the past decade, as we have struggled through several wars across the globe, the saying "no plan survives contact with the enemy" has been repeated (McNeilly, 2002). This quote has been attributed to previous war generals, including Dwight D. Eisenhower, George C. Patton, and even back to Napoleon. Regardless of origin, the sentiment is the same, in that planning is only a strategy, and all plans change as they adapt to circumstance. Planning is subject to biases and errors of planning fallacy, illusion of explanatory gap, and optimistic time predictions. Most of these are grounded in the fundamental attribution error of the tendency to accept a prior success as a direct result of planning and actions and not systematically investigate other contributions or situations, and the inclination to reference only past successes as the historical basis for future estimations, not considering the failures or mistakes. There are numerous and well documented narratives of the results of planning errors, the most exemplary

may be the construction Australia's Sydney Opera House. Errors in the estimation of the time, costs, and risks, combined with an overestimate of benefits, position this project as the definitive planning disaster. According to original 1957 estimates, the construction would take six years and cost \$7 million. Actual building, however, was plagued with unforeseen problems constructing the complex and innovative design. A scaled-down version did eventually open ten years late in 1973, at a cost of \$102 million and the damaged reputations of involved architects and engineers (Hall, 1980).

### *Planning Fallacy, Illusion of Explanatory Gap & Optimistic Time Predictions*

Planning fallacy refers to the lack of an appropriate estimation for what it really takes to complete a task or project. People typically underestimate the time necessary to complete their tasks. According to Buehler, Griffin, Lam, and Deslauriers (2012), this occurs due to a focus on developing a specific and current plan and not considering the implications of past failures. Their studies reinforce and support the attribution errors mentioned earlier, attributing success to contributor efforts, with unbalanced regard for other factors, and failures to outside or environmental influences. We perceive that we, or our known resources, are less prone to failure and more highly motivated, and will perform better than all of our estimation models would lead us to rationally believe (Buehler et al., 2012). The standard recommended mitigation for this tendency is to develop the estimate envisioning independent third parties executing the task, rather than known assigned resources. Buehler and colleagues (2012) showed this not only led to more accurate, and typically longer, estimates, but also placed more emphasis on obstacles, and lessened the impact of motivational factors. Alter, Oppenheimer and Zemla (2010) refer to an illusion of explanatory gap, where people believe they understand a concept more deeply than

they actually do. Their findings suggested that this gap could contribute to a number of social cognitive shortcomings, including planning fallacy.

Yet even if we have more independent, complete, objective information, those with decision-making authority are reluctant to use it if it was derived from an environment impacted by project failures. We are averse to base our planning and our estimates on things that failed, as these are seen as inherently wrong, flawed, and not to be considered. This further underscores our tendency to be only optimistic in our predictions (Drewery-Brown, 2010). Estimates are also typically off by a larger margin when the efforts being sized are large, as we do not tend to decompose multifaceted, complex efforts into smaller, more discrete tasks, an exercise which has been shown to increase the accuracy of the estimate. More specifically, complexity moderates, as the more complex the task, the greater the estimation accuracy is achieved by breaking it down (Kruger & Evans, 2004). An additional impact for consideration on planning is a power bias influence on time estimation. Weick and Guinote (2010) explored several kinds of power, including control over outcomes, priming and individual differences, and their impact on time predictions. They found that a power bias consistently led to more optimistic, less accurate time predictions, while differences in optimism, self-efficacy and motivation did not contribute (Weick & Guinote, 2010).

A final note in this research is the influence of control over outcomes, and how that may relate to organizational hierarchy. There are no current studies that correlate the control and power that comes with a higher position in the organizational hierarchy with the power bias and optimistic estimation. There is opportunity to ask these questions when considering influences: does having greater hierarchical power and organizational influence to direct resources or time to an effort lessen the accuracy of the plan? Do those decision makers have more optimistic and

less accurate predictions than those with less power? Another question that has not been studied in depth in these situations is the influence of the status of the decision makers on each other when making decisions as a management team. Supreme court decisions follow a pattern of seniority, with the chief justice giving his opinion first, yet voting last (Danelski, 1960). This may be simulated in an informal pattern in organizational settings, with an effort to seek out the opinion of senior management first before weighing in on decisions. Holmstrom (1982) looked at corporate boards decisioning, noting that most board directors will follow the lead of the CEO. Additionally, the more a director expects to learn from his fellow board members either by observing how they vote, or through pre-vote discussion, the greater his willingness to go along with their decision and not consider alternatives.

### **Groupthink**

Groups can engage in process, task, and relationship conflict. Process conflict involves decisions and approaches of the task, task conflict centers on responsibility and assignment, and relationship conflict focuses on interpersonal relations. Of these, process conflict is beneficial in the early phase of a group project to ensure consideration of a breadth of alternative solutions and avoid groupthink (Goncalo, Polman, & Maslach, 2010). Groupthink is a tendency for groups to desire harmony and conformity, and isolate themselves from outside or alternative viewpoints. Groupthink impacts decision making by dampening process conflict. Early bonding and high trust can also dampen process conflict, and lead to a cohesiveness that crowds out other influences (Esser, 1998).

Certainty functioning in groups, either in management or project teams, impacts judgments. In the instance of management teams and decision certainty, one exploratory study suggested that beliefs about environment factors and a strong, cohesive team mindset were

critical determinants of the team's certainty. Consensus within the team and any actual environment volatility were not factors (Isabella & Waddock, 1994). In three studies that focused on group cohesion, Menon and Phillips (2011) found that for small sized groups (five or less); those with an even number of participants had less cohesion and levels of certainty than those with an odd number. Odd-numbered groups had a higher ability to provide members with certainty because they always had a perceived majority influence.

### **Superstition**

Just beginning to be noticed from a scientific inquiry perspective is superstitious business decision-making. One exploratory study of the role of superstition in Chinese business decision making confirmed the general perception that superstition with a critical part of business life in Chinese society, and helps Chinese businessmen cope with the uncertainty of decisions by alleviating some of the anxiety associated with uncertainty (Tsang, 2004). There has not been any scientific evaluation of the role of superstitious organizational decision-making in US cultures, but looking at the types of choices that some businesses make opens us some questions. Superstition plays a role in marketing and consumer purchase decisions (Kramer & Block, 2008), and historically and anecdotally sports teams have some rituals and suspicions that factor into their player selection. The recent growth and prevalence of analytic hierarchy decision support processes and software in those areas shows a growing interest in more structured decision processes (Mustajoki & Marttunen, 2013).

### **Making the Decision: A Strengths Perspective**

While having faith in ourselves and our teams is a positive outlook, it does not mean we or they are immune to obstacles, or through motivation alone can do things faster or better. All of our successes are probably not solely due to our efforts, and neither are our failures exclusively

the result of our shortcomings. Using a strengths perspective means emphasizing and mindfully using a strengths focus, with more depth and consideration of all aspects of a decision with an active search for evidence to support and a full level of awareness of capacity, capability and limitations.

Following now is a strengths based perspective of these errors, elicited from interviews with the professionals is presented. Within these discussions, questions on decision making biases, planning fallacy and groupthink highlighted a use of strengths in the context of confidence, planning, team dynamics, and personal responsibility for decision outcomes.

Confidence, for these participants, was seen as a factor in decision making three different ways: as an indicator of internal knowledge and comfort in the details of the decision (strengths of judgment, perspective), as facilitation to get to a decision quickly (as in Participant2's reference to being confident working as "greasing the wheels" in the decision making process), and seen as a result of experience and buffer against a deference to authority. Their confidence was grounded having in a level of detail knowledge, emphasizing the importance of clear, unbiased information, and came from "learning what you don't know" (P1). Confidence was the use of certainty with honesty, authenticity and integrity.

Planning was a rich topic for all participants. There was universal acknowledgment that plans vary widely in action, and are subject to large amounts of change as a task progresses, Participant2 (P2) noted it was "foolhardy to believe every plan is 100% up front, especially large efforts ". Yet presenting a solid plan is a critical part of a business case for funding, so using perspective in deciding the appropriate level, along with the social intelligence to realize what degree of planning is needed to effectively motivate and lead. Participant1 (P1) noted feeling "pressure - to get the plan right, to make commitments, to ask for the right dollar amounts vs. the

importance of getting the team going”. The ability to continually question progress against veracity of the plan referenced strengths of curiosity and openness to honest assessment and feedback, there was a voiced need for insight to warnings.

With these experienced individuals, there was recognition of the ongoing situation to make decisions with limited information. While all of them alluded to knowledge of details and data as a factor of decisions, they consistently mentioned the impossibility of knowing all of the facts, and they either had to rely upon their own or others knowledge to inform their decision making. A sense of humility and self-awareness of their own limitations, an ability to trust in others, and the capacity to assess a situation and change course (using judgment) were all recognized.

There was agreement on the importance of good interpersonal relationships within a team, but also that the team did not, and perhaps should not agree, that there should be some level of process conflict. Their comments on teams and decisions showed use of social intelligence skills, as Participant1’s “having respect for each other” (P1), and mentions of trust and inclusion of others’ input. Their responses to the avoidance of groupthink topic showed a use of leadership along with the social intelligence, encouraging and motivating appropriate completion while promoting harmony. As leaders, however, there was a sense that even though team members gave input to a decision, the lead was accountable and responsible for the direction of the outcome. This partiality for singular accountability and focus on leadership was voiced specifically by one professional who felt group decision making did “not exist – the decision is usually made by the leader. The group can influence, but there is always *one* person who decides – group decisions are not necessarily a good thing.”

All of them were vocal about a sense of personal accountability, even when it involved decisions they might not agree with, made by others in higher position of authority. In coping, Participant1 (P1) referenced the importance of using humor and empathy to keep their team members motivated, using strengths of humor and social intelligence. When making decisions none saw a role of superstition, but most revealed a personal process of vetting decisions with others, outside of the decision context, using a trusted colleague they turned to for feedback. They utilized strengths of judgment, open-mindedness and prudence in using their colleagues as advisors and as prompts to help recall past shared decision experiences and circumstances that would inform the current situation.

### **Implementing the Decision**

#### **Certainty, Escalation of Commitment and Sunk Costs**

Research on organizational decision making has shown individuals exhibit strong tendencies to be locked into losing courses of action despite negative feedback (Wong, Yik, & Kwong, 2006). Initially this research focused on the cognitive aspects, but more recently studies have delved into the emotional aspects of organizational decision making. Certainty and resolve are two of the emotional constructs that surface in studies, and present opportunities to engage a strengths based perspective.

In assessing status on a large task, when there is negative progress feedback or setbacks are encountered, doubt about the original decision and course of action can emerge. This uncertainty of the decision validity can be a source of stress and adversity, as it questions beliefs, not just of our abilities, but also of our character, our resolve. This section firsts elaborates on the impact Attitude and Self Certainty, Confirmation Bias and Collective Efficacy have on the tendency to continue with the status quo despite signs of negative progress indications of a less

than desirable outcome, and then will survey the most common and well researched adverse responses to negative progress feedback: Escalation of Commitment and Sunk Cost Theory. Coping mechanisms are explored, including problem versus emotion focused coping strategies, along with the uses of defensive pessimism in these situations. I will then look at some of the ways positive psychology is researching ways to counter these biases and responses with more balanced judgments.

### **Certainty**

#### *Are you sure?*

Being a parent is an eye-opening experience; our children can teach us many things. One of my most resonant experiences and gnawing conundrums of cognition came from my three year old daughter Lexie. We were taking care of holiday shopping at the local mall, and I was burdened with a large stroller and an outlandish amount of packages. While I thoroughly enjoy gift giving, my distain for shopping malls meant that things piled up, and when I finally succumbed to the need to get stuff it meant a large backlog. We had stopped for a little lunch at the food court, and as we were preparing to enter back into the fray, I asked my small child if she needed to “go”. As a parent out with a child you keep a mental map of all acceptable rest areas – those clean places that have enough room to accommodate a stroller, packages, and people without everything simply crashing to the floor. One of those few areas was nearby. Lexie’s little head swayed gently from side to side while she sucked the last drops of apple juice through the tiny straw in her apple juice box: “no, Mommy”. “Ok”, I responded, and as I started to pack up our spoils I asked, “Are you sure?” That same adorable head hesitated for a moment, then bobbed up and down. “Yes, Mommy”.

We started down the mall, my hand clutching hers while I pushed a stroller full of bags and boxes. She was a wonderfully tranquil child, easygoing, patient and wise beyond her miniscule amount of years. I could tell she was pondering. “Mommy”, she quietly announced, “I don’t know *sure* – what is *sure*?” I have to admit that stopped me in my tracks. What was “sure” anyway, and how in the world do I explain that to a three year old? My definition was that it was being “positive” about something, with a level of certainty that left little to no room for doubt. Not a suitable explanation for a three year old. I did finally manage to answer her question with “sure means very, very, very yes”.

Simpson and Burnard (2000) define the certainty as “a socially constructed knowing rather than a discovered truth”, and stress a leadership awareness of that fundamental difference. Yet, other people’s certainty is attractive, and other people’s certainty makes us feel certain, we are drawn to decisiveness, and more alarmed by leaders who waiver waver than those who make wrong decisions and stick to them (Schultz, 2010). Uncertainty surfaces a number of problems with making and pursuing decisions. Uncertainty involves three types of knowledge deficiency: indeterminacy, ignorance and incommensurability (Spender, 2003). This uncertainty leads to emotion. Research by Spender (2003) argues that it is important to consider the ways in which emotions shape our knowledge, and that knowledge deficiencies produce emotional responses that contribute to irrational decision-making. Tiedens and Linton (2001) considered the emotions associated with certainty and uncertainty, and how those impacted the types of processing used in judgment and decision making. Their studies opened up pertinent questions of how emotions impact our decision making process. They argued that emotions characterized by certainty (anger, disgust, happiness, and contentment) promote efficient rules type heuristic processing,

and emotions characterized by uncertainty (hope, surprise, fear, worry, and, to some extent, sadness) result in the deeper intensive reasoning of systematic processing.

### *Attitude Certainty*

Even when there is no difference between two options, we perceive a preference (Nisbett & Wilson, 1977). William James (1912) refers to our beliefs as models that help us make decisions and predictions. But these beliefs that inform our preferences also incur consequences. Attitude certainty is the subjective sense of conviction, correctness and clarity we hold about our beliefs and attitudes. The strength of our attitudes is established in different ways, and that strength makes them resistant to change. Elaborating, or expending energy and thoughts on our attitudes and beliefs contributes to certainty, and the more perceived processing energy we spent on a belief, the stronger the attitude certainty (Barden & Petty, 2008). In this context, then, the more time we spend on a decision up front, the greater our resistance to change or rethink its course.

We can achieve resistant attitude certainty quickly or slowly. Tormala, Clarkson, and Henderson (2011), found the perceived speed of an attitude evaluation can augment attitude certainty depending on specific factors. Faster evaluation of familiar situations promoted greater certainty. However, when forming evaluations of unfamiliar situations a slower, rather than fast evaluation promotes certainty (Tormala et al., 2011). Having our attitudes and beliefs challenged can also make them more resistant to change, as challenging can lead to an amplification (Clarkson, Tormala, & Rucker, 2008). Another factor that can make attitudes resistant to change is framing it the negative, as in being anti or against (Bizer, Larsen, & Petty, 2011).

Attitude certainty resistance to change can be a supportive factor of persistence and commitment to goals. However, this same certainty can work counter to open-mindedness when a decision course is met with negative feedback.

### ***Self-Certainty***

Self-certainty is a degree of conviction we have regarding our self-attributes, and is associated with positive affect about oneself (Baumgardner, 1990). It is how sure we are of who we are. Self-certainty has an impact on how we respond to feedback about ourselves and our abilities and actions. When examining emotions and motivational strivings, people who were high in self-certainty and confident about their abilities readily challenged feedback that did not match their self-perceptions. Those low in certainty, and concerned with their self-image, initially sought feedback, but if they received any negative, they did not seek any additional, as they saw negative feedback as potentially threatening (Inman, 2002). It appears self-certainty and confidence can be overused, and low self-certainty is protected.

Self-uncertainty impacts how we feel about ourselves and what we own. Experiencing self-uncertainty leads individuals to believe that their possessions are a higher expression of their self than those people who are certain (Morrison & Johnson, 2011). When we feel uncertain, our things define us, they become a greater part of how we see ourselves. While decisions are not possessions, the corporate environment promotes decision ownership in the form of accountability, and negative feedback about our decisions can lead to an uncertainty that reinforces our investment in them.

### ***Confirmation bias***

When we receive feedback, two simultaneous dynamics make up the broader phenomenon of confirmation bias. The first of these is “self-verification,” which is the tendency

to reinforce existing beliefs. The second is “self-enhancement,” where we focus in on the information that makes us feel good about ourselves. The function of these two dynamics is clear: to maintain our self-esteem and feelings of confidence (Sieck, Merkle, & Van Zandt, 2007). In general, this is a positive, after all, who doesn’t want to feel good about themselves? However, these dynamics work in overdrive in a number of instances, including when our deeply held beliefs or our self-esteem are challenged. Confirmation bias can skew our decisions as we selectively seek out, select and process information. This bias becomes problematic when it leads us to maintain the status quo in the face of conflicting information or to overlook realistic, negative feedback about ourselves. In these instances, our need to feel competent can cause us to ignore warnings (Sieck et al., 2007).

Gathering and reporting accurate project progress is important to assess progress. Reporting bad news on software projects is difficult. The reluctance to report negative feedback is heightened due to personal risks – stature, credibility, or perceptions of job performance by others may be in the balance. What does alleviate this somewhat and lead to more transparent reporting is the concept of blame shifting. Having an outside person or environmental factor to hold accountable has a face-saving effect, and when there is a third party, our willingness to report bad news goes up significantly (Keil, Im, & Mähring, 2007).

### **Escalation of Commitment and Sunk Costs**

Escalation behavior is a specific case of goal directed activity (Fox & Hoffman, 2002), with a persistence and completion influence. When faced or involved with a failing endeavor, people frequently escalate their commitment to that task. There is almost a tyranny of optimism and perseverance, an unwillingness to give up that may keep us on an unproductive path (Van Gelderen, 2012). This behavior is typically explained by loss aversion, a failure to recognize

other alternatives, and concerns with justifying prior decisions. Why do we possibly commit and make these irrational decisions? Even when a negative future outcome and alternative paths are evident people still escalate commitment knowing it may not make them any better off (Karlsson, Gärling, & Bonini, 2005). Continuing on a course showing signs of failure supports objectives of erasing losses and vindicating the original decisions (Molden & Hui, 2011). Bobocel and Meyer (1994) first examined that personal justification was a necessary part of escalation of commitment, and Gunia, Sivanathan, and Galinsky (2009), position escalation driven by self-justification as the motivational desire to justify previous decisions. We are emotionally linked to our decisions. We feel responsible for them, and justifying them preserves our positive self-image.

A substantive factor of escalation of commitment to a failing task is consideration of sunk cost. Sunk cost is the irrational tendency to persist with an initial investment despite the availability of better option (Magalhães & White, 2013). Investment of time and effort into a task impacts how much we feel committed to the effectiveness of continuing that task, in spite of data that shows differently. This tendency has not been observed in humans alone, Navarro (2005) points out research that suggests nonhuman animals, pigeons, specifically, also escalate commitment. Navarro offers it often appears that uncertainty is at the root of persistence, and that the escalation is a learning process, and we escalate in the early stages of a project and de-escalate in the latter stages when more information is available. His studies set up a relatively novel way of looking at choice in situations of diminishing returns, and bluntly illustrated that pigeons will do the same thing humans do (Navarro, 2005).

It would appear a standard and simple remedy would be to split the decisions, one individual making the initial investment decision and a different individual making a subsequent

decision to continue or change (Brockner, 1992). This would separate the initial decision maker's self-serving need to justify and increase the motivation to honor a previous investment. While this sounds practical and sound, it does at times seem to fail. An iconic instance in history is the dilemma of Lyndon Johnson. After John Kennedy was assassinated Johnson assumed the presidency and essentially inherited a previous commitment of troops to the Vietnam War. By the end of Johnson's administration that initial obligation of 16,000 troops had grown to over half a million. Gunia and colleagues (2009) explain this escalation by suggesting the success of splitting the decisions rests not just on a physical separation of decision-makers but a psychological separation as well, so that they are not connected in any way to each other, was also needed in order to de-escalate. As humans, our natural social tendency drives us to connect to each other, and that connection fosters cooperation. As shown previously in the groupthink bias, this connection can work against an outcome if it serves to perpetuate the escalation of commitment to an original decision.

Level of certainty also impacts the tendency to escalate commitment to a failing project. Higher levels of certainty, where details and factors are known and the outcome is transparent, combined with a high level of positive anticipatory emotions where the outcome has numerous benefits, raise tendency to escalate commitment. Two factors tend to predict the tendency to escalate commitment: the amount of progress made and the existence of an alternative. There seems to be a tipping point, or "point of no return" that can push projects and commitment into a firefighting mode where work, even rework overwhelms progress. At that point the commitment to the goal can be so escalated that all alternatives are then put aside (Harvey & Victoravich, 2009).

### ***Maintaining the Status Quo***

Also driving this escalation of commitment is a preference for maintenance of status quo. Decisions are difficult, and maintaining the status quo even in the presence of alternatives allows an avoidance of negative emotions, additional effort and conflict (Fox, Bizman, & Huberman, 2009). Alternatives present themselves three ways: through equivalence, where there is no clear winner, or the sheer number of options, which carries its own difficulties, and whether they are structured positively or negatively. This positive and negative structure refers to the characteristics of the options: some options are similar in their positive aspects, or their “pros”, differing on the “cons”; others converge on the “cons” and diverge on the “pros”. Decision makers are more likely to maintain the status quo in the first two scenarios, with no clear winner and too many options, but also in structure when the cons were unique. That leaves one scenario, where alternatives with unique positives are the likely way out of the status quo (Fox et al., 2009).

### ***Persistence & Goal Attainment***

Another factor in escalation of commitment is that we are tied to the concept of reaching our goals; we want to confirm we possess not just the capability to complete the task, but the strength of character to be dedicated and persevere. The success at all costs, failure is not an option mode can work against us when not tempered by wisdom and reality. Whyte, Saks and Hook (1997) offer that predictions derived self-perceptions of high efficacy would intensify irrational escalation, and self-perceptions of low efficacy diminish it (Whyte et al., 1997). A combination of being too optimistic about our capabilities (overconfidence bias) tied to perseverance can lead to our self-efficacy working against us. Would it be helpful, in these situations, to be more negative about our abilities?

### ***Self-Justification***

A tendency to escalate is determined, at least in part, by reluctance on the part of the decision maker to admit their previous decision was, in hindsight, wrong (Brockner, 1992). Brockner (1992) also notes that those high in self-monitoring or self-regulation would be more impacted by how they justify their actions in their own eyes, as opposed to those who may be more concerned with how they are perceived by others. This highlights an opportunity to focus on strengths of self-regulation and prudence for those who would not escalate on their own, yet feel pressure to escalate when in the presence of an evaluative audience.

### ***Regret***

Negative affect plays a role in the emotional aspect of escalation of commitment. We will have higher escalation of commitment if we imagine we will regret pulling out of something later. We want to avoid failure and being held accountable for a bad decision, yet we also want to avoid the uncomfortable “what if” questions of why we quit. People in these situations are influenced by both what they expect to experience in the future, anticipated regret, and what they have experienced in the past, responsibility for the decision that led to the situation (Wong & Kwong, 2007). Regardless of whether negative affect is seen as a trait that influences behaviors or a transient mood, it is negatively correlated with escalation of commitment (Wong et al., 2006). The higher the anticipated regret, the more motivated a decision maker is to avoid this situation. Regret can also serve to de-escalate, as will be discussed further on, but only in subsequent decisions.

### ***Escalation as coping***

Coping strategies comes into play with escalation. Situations that involve receiving negative feedback, especially when it reflects on the initial decision, can influence someone's

self-esteem, and perceptions of poor performance trigger feelings of stress and anxiety.

Escalating commitment can then be seen as a coping mechanism, much like optimism, to reduce the negative aspects of those situations. An alternative coping mechanism would be withdrawal, but in the case of a failing project, withdrawing usually generates more anxiety to those who made the initial decision.

### **What helps mitigate Escalation of Commitment?**

What has been shown to help de-escalate and drive down this tendency is unambiguous feedback. Part of what keeps questionable projects going is the uncertainty of whether it is truly a “failure”, and due to previously mentioned factors uncertainty tends to foster the status quo. The tendency to escalate appears to counter negativity bias when the information is ambiguous or equivocal; clear, certain information can slow down escalation. Brecher and Hantula (2005) illustrated that participants in a simulation receiving highly equivocal feedback continued to invest in greater relative amount of money, despite indications of failure, than did those who received feedback with higher clarity and certainty.

Emotional factors impact this tendency. One that has shown to promote de-escalation, although only in subsequent situations, is regret. Even priming a decision maker with an imaginary scenario reduced escalation, if it could be shown to have an impact and foster a sense of regret and personal responsibility (Ku, 2008). Those who were in general more fearful of a negative outcome were also less likely to escalate. But not all negative emotions alleviate escalation (Tsai & Young, 2010). Anger was associated with lower perception of risk, and contributed to a further investment in escalation of commitment, especially when individuals were collectively responsible for the initial decision (O’Neill, 2009). Depressive realism is

another counter to escalation of commitment, a sadder-but-wiser approach, as individuals with stronger negative affect have been shown to make less biased decisions (Wong et al., 2006).

Moon (2001) proposed two conflicting frameworks to understand escalation of commitment: sunk cost and project completion. He suggested decision-makers become psychologically “stuck” to a project or decision despite escalating negative feedback. On one hand, sunk costs pushed decision-makers forward based on an aversion to appearing wasteful. This positioned any previous investment of time and effort as lost, or wasted, if an alternative path was taken. There is also large motivation for the importance of completion (Garland & Conlon, 1998). How many of us grew up with the admonition to “finish what we started”, whether that be the dinner on our plate, a task, or homework assignment? Moon (2001) ties this completion affect to escalation of commitment, in that as the level of completion increases the decision-maker will become more willing to continue to invest in a project. So sunk cost and escalation of commitment work together: if you have a project where there are significant sunk costs compounded with high completion Moon (2001) proposed the decision-maker may feel trapped to continue despite data showing a less than optimal outcome, making it difficult to evaluate whether persisting is beneficial.

### **Escalation of Commitment and Sunk Costs with Groups**

How do groups or teams deal with this escalation of commitment? Groups with a strong sense of collective efficacy set more challenging goals, persist in the face of difficulty, and ultimately are more likely to succeed than those who do not share in this belief (Goncalo et al., 2010). But there can be a blurred line between collective efficacy and groupthink. As noted previously, in their study Goncalo and colleagues (2010) showed that if confidence emerged at a high level at the beginning of the group’s existence, in the forming stage, members may be less

likely to engage in process conflict, which fosters more open-mindedness and consideration of alternatives. Curşeu and Schrujjer (2010) explored the interrelationship between trust, task conflict and team effectiveness. They found trust emerging in the initial team interactions is a good predictor for both task conflict and relationship conflict emerging later rather than sooner. Taken together, there is a difference between high confidence and efficacy as opposed to high trust. High levels of trust foster relationships that will help avoid groupthink, and offer more objective perspectives to counter escalation of commitment, more readily than high levels of confidence.

### **Implementing the Decision: A Strengths Perspective**

In the interview sessions, certainty as a topic was something not felt, but earned by knowledge. Continuous validation of facts and progress was a contributor to certainty, but overall it was, as Participant2 (P2) put it, an “illusion...no one can take into account all of the variables”. Risk mitigation techniques were noted as ways to shore up certainty, and lessen the impacts of unexpected consequences. All of the participants felt that even when their decisions were made to the best of their ability, based upon their beliefs in the facts as they were known, and in their capacity to accomplish the task, certainty was not a given. Judgment and open-mindedness were noted as traits that were utilized when considering certainty. Certainty, as in confidence, was something that they saw as important to exhibit outwardly, while keeping doubts and questions to themselves as they looked for more data.

Relating bad news was a topic that sparked animated interest and answers, which invoked references to strengths usage of bravery, honesty, and leadership. As expected, giving bad news was not a pleasant experience for anyone, and in did incur some concern that relating it would diminish leadership stature. Yet it was also acknowledged as critical and an obligation of

leadership. It was referred to as “to see the truth of the situation objectively, articulate truthful communication and report out. Denying the situation or ignoring only makes it work in the long run” (P2). However, several mentioned concern, even slight fear, of the unknown response to bad news by senior management. “You never know how people are going to react” (P1).

Escalation of commitment and sunk costs are at the center of this topic, and this was apparent in the interviews. Each one of these experienced professionals has been in a situation where these two factors were at work, creating decision adversity situations. Each one felt responsible and committed to decision outcomes, yet had varying degrees of comfort when dealing with escalating commitment on a project that is not going well. Business training emphasizes that sunk costs should not impact a decision to continue, all participants were aware, but the awareness that they continue to impact behaviors and actions was apparent, Participant2 (P2) mentioned “the reality is sunk costs represent credibility – so I am committed to seeing it through, for at least some of the benefits that drove the decision to invest”. Participant1 (P1) voiced feelings of regret over a project that experienced escalation: “we should have known sooner, we should have spent less, we were not being fiscally responsible.”

There was recognition of a point-of-no-return, where finishing the task became overly important. This became for some a safety point, one where when there is enough progress so that the benefits outweigh stopping the project. It was also seen as a point of political fight, not a decision of objective measure. Of all the topics discussed, this one seemed to most strongly pit personal perceptions of persistence traits, such as “I like to finish what I start” (P4), with mentions of greater corporate fiduciary responsibility.

Goal orientation, accountability, trustworthiness, and credibility were all cited as valued traits that the participants would like to see in themselves and other’s perceptions of them in

relation to finishing a project and adding value to the organization. Through experience, these professionals note they have changed their approach over time, with these traits becoming more important over time than singularly being seen as some who “stayed the course” (P2).

### **Being Wrong - Learning lessons from Escalation of Commitment**

As William James notes in his “Will to Believe” essay:

Our errors are surely not such awfully solemn things. In a world where we are so certain to incur them in spite of all our caution, a certain lightness of heart seems healthier than this excessive nervousness on their behalf. At any rate, it seems the fittest thing for the empiricist philosopher. (James, 1956, p. 19)

James’ more optimistic view of understanding error moves from reactions of shame and embarrassment to an acknowledgement of their inevitability and opportunity for learning. Organizationally, a closing session of lessons-learned is frequently used as one response to decisions that have had negative outcomes, particularly those dealing with large amounts of spent resources, as one way of attempting to salvage some value from the failed effort. Beyond a wish not to appear wasteful, Bornstein and Chapman (1995) offer three additional reasons that might underlie what is an apparent irrational inclination not to waste lost resources, all having to do with learning lessons. First, those accountable for the decisions want to teach themselves the next time they should take think carefully before making an expensive purchase, much like continuing to play an instrument, even though there is little enjoyment, only because of the investment in money and time in lessons. A second offered reason is that continuing to pursue a negative path is a penance of sorts for making a bad decision, decreasing the likelihood that you would make the same bad decision in the future. Their final reason was to present the

appearance of being a person of resolve, one that does not waiver, not wishy-washy (Bornstein & Chapman, 1995).

### **Learning Lessons from Error: A Strengths Perspective**

As referenced in the beginning of this paper, the capacity for adversarial growth and learning from error is critical for individuals in organizations to progress their careers and grow the business. The participant discussions reflected this in their responses to questions about decisions that turned out to be mistakes. Regret was the prevalent response, along with some guilty feelings for being wasteful. Combining study results that showed regret as an impactful de-escalation factor (Ku, 2008), and the use of strengths of perspective highlight the lessons learned factor of investment decision adversity. Participant4's perspective was "mistakes are useful – if you go through life never making any you don't learn anything – the key is to learn. Repeating the same mistake is not useful or worthwhile" (P4). The summary position was that mistakes did not waste if lessons learned meant they were not repeated.

Each of the participants was asked about their approach to stress, in this context of decision adversity. Their responses overall saw stress, when not chronic or paralyzing, as an opportunity to learn, and grow, a challenge. In general they embraced the stress-as-enhancing mindset (Crum et al., 2013).

The final noted strength, and one that is perhaps most at odds with a popular image of the brash, confident, decisive executive, is humility. Participant2 (P2) noted the most important part of learning lessons reflection – stepping back and asking why the results were not as expected, to "take time to figure out why we got a different answer, institute this learning in the process and have better results going forward. Mistake is a single data point – can't be a truism, and not applied universally. Errors instill little more humility. Humility is important." This particular

reference to humility highlighted a central tenet of Decision Adversity. Western culture values pride, partnering it often with self-esteem as an indication of efficacy and overall benefit. While there are benefits of high self-esteem, there is a danger in an unbalanced view of our capabilities. Tempering pride with humility can foster a more accurate view of one's talents and abilities, and one that is essential for those in a leadership position. Humility enables open-mindedness, an ability to admit mistakes or acknowledge gaps in knowledge and an awareness of shortcomings. Without humility, reasoned judgment is far more difficult, if not impossible (Peterson & Seligman, 2004).

### **The Strengths Perspective: Summary**

All of this points to a maturity in the use of strengths that comes from both experience and learning. Harvesting some of these observations, raising awareness of the variety of strengths, and using them to prime or preface decision adversity can provide a different focus for those faced with these situations. I propose this be done through taking the strengths survey to raise awareness of individual strengths, then exploring strengths that surfaced as themes in these discussions with experienced professionals (as listed in Appendix A) as the focus of this raised awareness and mindfulness.

The twenty four strengths are interrelated, and all are in some way connected to how we deal with decision uncertainty and adversity. However, a subset of them repeatedly surfaced in the professional interviews in response to the decision adversity questions. In particular were strengths of wisdom and knowledge, courage, humanity and temperance.

Judgment and open-mindedness offered a way to counter the negative affect of biases and emotions associated with decision adversity. The strength of wisdom and perspective held a recognition and management of uncertainty that enabled a direct assessment of the heart of

issues, and supported an ability to be able to integrate and find meaning and purpose in stressful events.

Strengths of courage: bravery and integrity resounded frequently in the discussions in themes of accountability, responsibility and honest assessment of facts, even in the face of possible negative repercussions, as in the case of giving bad news.

Social intelligence proved a tool to handle the middle position of decision adversity, keeping aware of stakeholders for the decision outcome as well as those involved in implementing the decision. Social intelligence served to counter groupthink tendencies, and informed when strong leadership was needed to motivate actions, even utilizing humor when appropriate. A deep sense of citizenship and fairness emerged when countering escalation of commitment and sunk cost, as all of the participants felt strong responsibility to corporate fiduciary responsibilities as well as team members' welfare. Leadership was used repeatedly in resolving conflicts of facts and situations of uncertainty, and again when communicating negative progress on project tasks and in the search for appropriate levels of information needed to make and support decisions.

Strengths of temperance were possibly the most thematic of all throughout the discussions of decision adversity situations, especially humility and prudence. Repeated references to open-mindedness, a willingness to admit uncertainty, mistake, gaps in knowledge and a move away from defensiveness were mentioned as effective in addressing the various biases and errors that contribute to decision adversity.

Finally, although none of the participants mentioned this specifically, was the practice of hope. As with realistic optimism, hope has a future orientation, and the belief that desired outcomes will happen with appropriate efforts. It is an orientation toward successful outcomes,

not going into a situation, or decision, expecting it to end negatively. Each professional interviewed gave a realistic assessment of the various decision adversity situations they had faced over the years, yet none of them ever spoke of despair or losing hope.

### **Opportunities**

This paper laid a foundation for work and further study of this topic, with the specific aim of being able to approach decision adversity from a strengths perspective. Further research includes the possible applicability of the construct of hardiness as it applies to decision adversity. Other opportunities include additional discussions with those who have had experience with this, as well as my personal experience and perspective, which can be combined to discern additional paths of exploration of this topic. The first follow-on opportunity is to revisit the interview questions, moving away from open ended capture of attitudes and experience to a more concrete instrument to help individuals and teams within organizations evaluate if they are committing these errors. An additional opportunity is to use this foundation to develop a workshop outline that explores and addresses these decision adversity factors, with the aim of proactively identify and mitigate the biases, fallacies, and escalations that can occur, then work to develop specific strengths in response to particular decision adversity situations. We can, as Drucker put it, build on our strengths, and in building on those strengths render the challenges of decision adversity less relevant.

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## **Appendix A - Character Strengths Application to Decision Adversity**

### **Strengths of Wisdom and Knowledge**

#### **Open Mindedness – judgment, critical thinking**

“The willingness to search actively for evidence against one’s favored beliefs, plans, or goals, and to weigh such evidence fairly when it is available” (Peterson & Seligman, 2004, pg.144). This cornerstone of the wisdom virtues makes an examined decision possible, taking a reasonable and measured look at an issue. Judgment endorses the idea that abandoning a previously held belief is a sign of character, especially when taking in evidence that counters those beliefs, and would disagree that changing your mind is a sign of weakness. The wisdom to consider various sides of an issue can buffer against irrational decision making. Open mindedness also buffers against strong negative emotions and the impact they have to drive irrational decisions, and to respond with automatic perseverance when beliefs are questioned (Peterson & Seligman, 2004).

#### **Love of learning**

“Characterized by both a general individual difference and to a universal but individually varying predisposition to engage particular content or well-developed interest” (Peterson & Seligman, 2004, pg. 161). This strength is a cognitive, inherently fulfilling and fights intellectual resistance and inertia. It shows an affinity to learning new things as a positive experience, and contributes to an ability to persevere in that pursuit of leaning despite challenges. It carries a sense of possibility, and can withstand challenges and negative feedback (Peterson & Seligman, 2004).

### **Perspective/Wisdom**

As shown by wise people, the character strength of wisdom is different from intelligence, and “represents a superior level of knowledge, judgment, and capacity to give advice” (Peterson & Seligman, 2004, pg. 181). This strength represents an ability to take a broader view, in a way that makes sense holistically, considers what is good for all, and does not take things out of context. Wisdom involves a level of self-awareness that holds an understanding one’s limits, has an accurate view of strengths and weaknesses. In particular for critical decision making, wisdom and perspective hold a recognition and management of uncertainty that can see in to the heart of important problems, and supports an ability to be able to integrate and find meaning and purpose in stressful events (Peterson & Seligman, 2004).

### **Strengths of Courage**

#### **Bravery**

The strength of bravery involves a voluntary, valorous act which also involves judgment, an “understanding of risk and acceptance of the consequences of action (Peterson & Seligman, 2004, pg. 199). It requires the presence of risk, or a dangerous situation, and involves pro-social values, strong leadership, an emphasis on truth, expectations for behavior and accountability. It is usually considered brave to do the right thing in the face of maintaining the status quo, in service to others, and does have an aspect of being able to learn from previous mistakes (Peterson & Seligman, 2004).

#### **Integrity**

Integrity, or authenticity is the trait of accurately representing who you are in public and in private, in terms of states, intentions and commitments (Peterson & Seligman, 2004). It speaks

of taking accountability and responsibility of one's actions and feelings. It would hold to the idea that it is better to be true than popular, guided by values, with authenticity and honesty (Peterson & Seligman, 2004).

### **Strengths of Humanity**

#### **Social Intelligence**

To be expert in perceiving emotions in others, to see patterns, relations, and process all of the signals coming in from others is social intelligence. It includes understanding and recognizing the emotions and motives of others, using social information to get others to cooperate, identifying social dominance relationships, using emotional information in reasoning (Peterson & Seligman, 2004).

### **Strengths of Justice**

#### **Citizenship**

Citizenship, which includes social responsibility, loyalty, teamwork, has a sense of obligation to the common good, includes oneself, but reaches beyond, to the community and even the world. This person can be trusted to take on their share on responsibility, and are active in civic affairs. Particularly when it comes to teamwork, this strength can show in a duty to value the welfare of others in the community, which can include the work community (Peterson & Seligman, 2004).

#### **Fairness**

Fairness is a product of a moral judgment, a process by which people determine what it morally right. It is the ability to put yourself in the perspective of another, developing skill of sensing the abstract logic of equity. It would concur with the ideas that it is wrong to use people,

everyone deserves respect, and we are all responsible for our behavior in that context (Peterson & Seligman, 2004).

### **Leadership**

Leadership is a personal quality promotes an orientation for helping and influencing others, both directing and motivating them toward a collective goal. The practice or actions of leadership are separate from the personal quality of leadership, which is a transformative or charismatic force that inspires others to action. It includes the cognitive, social and technical skills, abilities and influence involved in resolving conflict, and effective management of social action. It also involves, pertinent to decision making, a motivation for information search and structuring, used in problem solving (Peterson & Seligman, 2004).

### **Strengths of Temperance**

#### **Humility and Modesty**

Pride, seen as the opposite of humility, has historically been seen as a sin, perhaps at the root of all others. The trait of humility shows itself more in a lack of negative aspects (boasting, arrogance), rather than distinct positive characteristics. It promotes a focus on accuracy, with a lack of defensiveness, but not passivity (Peterson & Seligman, 2004).

#### **Prudence**

Prudence is a form of reasoning; a practical wisdom and self-management that help achieve and focus on long term goals, resisting shorter term payoffs. It shows a moderate approach, with a foresighted approach to planning for future circumstances. It does not imply excessive thrift, nor does it only apply to thrift, or financial concerns. It involves critical

thinking and active open-mindedness, considering carefully all consequences, but is judicious analysis, not getting mired in analysis to the point of inaction (Peterson & Seligman, 2004).

### **Self Regulation**

Self-regulation exhibits how they control their responses, impulses and behaviors in pursuit of goals and compliance with standards, resisting temptation to respond to situations that may not be to the advantage of the greater good, and maintaining control over thoughts and emotions. Self-regulation aids in preventing a loss of self-control, which could be exhibited by exerting power inappropriately or losing one's temper (Peterson & Seligman, 2004).

### **Strengths of Transcendence**

#### **Hope**

Hope works with optimism, and carries a future orientation and mindedness. It is the belief that desired outcomes will happen with appropriate efforts, it serves to galvanize goal oriented actions. It is an orientation toward successful outcomes, and aligns with not going into a situation (or decision) expecting to lose. Hope looks at the opportunities ahead, and is a critical part of being able to discern lessons learned from a failure or mistake (Peterson & Seligman, 2004).

## Appendix B – Participant Interview Notes Consolidated Responses

### The Joy of Right, the Agony of Wrong

*Interview question: how does it feel to be wrong? How does it feel to be right?*

P1<sup>1</sup>: Right feels like an affirmation, it feels good, There are times when the good feeling of being right gets a life of its own, you don't intend it, but when you get pushback just for the sake of pushback, you feel challenged, you resist, when it should be about doing the right thing. Wrong - depends on how public 'wrong' is. Would love to be wrong more – I would learn more. Can learn from wrong and come up with a better decision. There is a difference between being argumentative and being constructive, there is an ugly side of right and wrong. It's very individual. Collaboration always feels right, you need everyone's input. Not just binary.

P2: Being right – is positive. I feel that my actions and analysis led to a positive contribution to the organization, strengthen or solidifies the approach, feels like I'm elevated in the eyes of my peers.

Being wrong just feels bad. Usually causes me to take intrinsic actions – analyzing all of the steps it took to determine where I took the wrong turn. Feels like I have diminished myself in eye of my peer s, I feel somewhat guilty.

P3: Being right is affirming – pretty confident generally, it affirms – less of a surprise.

Being wrong shakes my confidence. If I am wrong once, I am not very shaken, multiple times in a specific area shakes me. If I am wrong multiple times in a specific area, I assume I am missing something, I don't understand and it's my job to fix it.

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<sup>1</sup> For these notes, P1 refers to Participant1, P2 to Participant2, and so forth for all four Participants

P4: When I'm wrong – I feel terrible because of the impact of my decision on other people – because it is always about other people – not a personal impact. Did I hurt them? Did I impact them? Depends on the decision. When I'm right – I feel vindicated – no “aha” moment, I just feel I made the best decision given the context and political environment. Then you feel good about – minimizing impact on people. Feel good about acting on what was good about it.

### **Making the Decision**

#### **Attribution Error: Overconfidence bias**

*Interview question: how do you see confidence impacting decision making? Is it more important to be confident or to make the right decision?*

P1: Confidence and being right go hand in hand, if I have made the right decision. To make the right decision I have to have the right information. Confidence comes by learning from what you don't know. Confidence comes from lots of inputs.

P2: To be confident would grease the wheels on the decision making process, means I would involve fewer people and make the decision faster, all other things being equal

P3: Yes – confidence vs. certainty – need to be confident that I can make the right decision.

Need to be open, not certain that my decision is always right – be open to modify.

P4: I feel it's very important to have confidence in our decisions. Experience has a lot of bearing – you've seen it before, and learning from others – how they make decisions and what the potential outcome is, revisiting lessons learned. Never 100% sure – that's not me. Always many sides to an issue, and how much weight factors have, more some than others. I used to defer to people who project a lot confidence, thinking they must have the

background or knowledge I don't have. That might also come from my culture. Having had the experience I've had, I don't always agree with authority anymore, and will point out potential impacts to them. Observing confidence does not automatically mean the right decision anymore, as much. I need an explanation – I don't like when people say "I know better".

### **Planning Errors**

*Interview question: how important is it to that the initial plan remain stable, what amount of change are you comfortable with?*

P1: Planning is the bane of my existence – I can be bi-polar, feeling pressure to get the plan right, to make commitments, to ask for the right dollar amounts vs. the importance of getting the team going. The tighter a plan is the more brittle it is. It has to account for change without being over-governed. It is a source of stress. If we are more adaptable to changes in the plan, we would make better decisions and better adjust our decisions. Plan is there to capture the use of the money. You plan in some buffer, but tolerance should be scaled to risk and size. Currently, we adjust to use it up so that the plan matches the resources. The current system of governance and approval is necessary, but has some flaws.

P2: As I grow older I learn that plans change and you have to accommodate some level of flexibility – no decision will account for every variable or circumstance. Foolhardy to believe every plan is 100% up front, especially large efforts

P3: Comfortable with a broad amount of change, if it's in a controlled manner, if it's organized. Get concerned if I find out at the last minute that deadlines are missed with no early warning or insight. Or if though weekly meetings we decide date must change, comfortable with that.

P4: Very comfortable with change – plan is just a plan given the information you know at the time, sequence of tasks to accomplish. When new information comes, have to accommodate change. Need to be able to handle obstructions and detours.

### **Illusion of Explanatory Gap**

*Interview question: how important is it to you that you fully understand all aspects of an issue before you make a decision?*

P1: A lot – been bit too detailed – “in the weeds” many times, which many people at higher levels fail to do. But the moment you raise up the level of information nuance is lost. We should spend more time in the weeds – even though your ‘gut feel’ may be right. Of course there is usually a time constraint.

P2: Depends on the decision – for smaller ones, make them quickly then do analysis after to justify. Realistically no one can take into account every dimension – need to identify the ones that will have the most impact and understand those

P3: I’m a context person – don’t need a lot of knowledge – comfortable deciding with limited knowledge. Don’t need lots of detail - can’t process it.

P4: More and more I rely on gut, because it relies on intuition and experience – always take data into account, but balance it with gut instinct. Sometimes you don’t have all the data – hate indecisiveness, don’t want to take weeks to make a decision.

### **Planning Fallacy & Optimistic Time Predictions**

*Interview question: when making an estimate, do you think resources you know have a better understanding and ability to complete the task?*

P1: No – not from a skill set perspective. There is always some element of ramp up time, but the vision is the motivation, not an individual trait. It is the role of the leader to provide that vision and motivation. Leadership provides the purpose.

P2: Struggle using a generic quantity – have to project a known person in the role, and assume the generic could do this once they are proficient have to personify

P3: Much of my planning has been with a stable team, so with specific skills. In a new role now, so rather than being generic, I'm trying to assess these resources and their capability.

P4: Dedicated resource – but give myself some wiggle room – could not get a certain person. Balance it out. Team builds velocity and skills after awhile. Experience adds and adds speed and quality. Estimate the same, given same skills and knowledge.

*Interview question: how much do you feel in control over the outcome of your decisions?*

P1: It's a different experience from project to project. More control with smaller projects and defined constraints, less control with larger broader scope. You can influence and drive these, but need trust and faith in leadership, and they need to have this in you. I feel in control of things that I understand, but we can't control other people, and can provide needs they don't voice.

P2: Depends on the decision – the larger the decision, less control I have. Especially in a large corporate environment with a large decentralized decision making process

P3: Largely – project planning and execution. If I do my job well and manage the project appropriately I will have early warning and feel confident I can manage the exceptions and

have control over the path of the project. Seldom feel at the mercy of others I feel I have impact.

P4: Depends on the decision. Within my span of control, I feel in control. When factors are out of my control, I can only influence some things.

*Interview question: how do you feel about a decision your manager or supervisor has already made?*

P1: If I agree with the decision I am committed, otherwise try to 'keep the faith', hope for justice and meaning. Need to 'light the fire' for motivation, need to have pathway to success. I have been on the other side, and did not feel good about forcing implementation of a decision, but felt good in the end. I did not like the behavior you had to express to get it done, but it was justified in the end. A source of stress, I need to understand the reasons for the decisions.

Current situation: marketing new name for [project]. All agreed on new name, then new management comes in and doesn't like the name, wants it changed again, which seems like an unnecessary expenditure. Not going to devote a lot of energy and passion and commitment and dedication to this decision as I would to a more meaningful one.

P2: If it impacts my organization or my responsibilities, I will feel very accountable to feel that the decision is successfully executed, otherwise don't feel as accountable.

P3: I am more confident if I have a close personal relationship and have trust. Less to do with the decision and more to do with the trust in the decision maker.

P4: I have to live with it. Causes lots of stress. I'm relatively optimistic. All things happen for a reason. Try to manage it internally – keep it to myself....

**Decision Adversity in Groups**

*Interview question: how important is it to bond early within your team? How important is it to agree with your team?*

P1: Not important to agree with the team – but the group has to operate like a team, and have respect for each other. The best decision making comes out of the ‘aha’ moments - of sharing that leads to a group common understanding. Sensing conflict, deep vs. broad knowledge. I remember an example of one team member who had a deep knowledge, but sensed that I had a broader understanding of the situation. In that interaction I could feel his push back, but felt him correct his positioning. This is all a learning process, initially a team should not agree.

P2: Very important to bond with your team – means you are delegating some of the responsibility for the component of the process, to trust them becomes essential, and the manager needs to trust their subordinates.

P3: Bonded around a decision – it is important that and less about empirical data and more about inclusion. Have learned that I have to make the they don’t agree, but would rather have them make this

P4: I tend to consider the well-being of others – don’t let my self-interests outweigh others. Much easier by myself. Consensus within the team is important – having consensus does not mean its unanimous – always get input and listen to the opinions of others. If it is compelling, I take that into account. Sometimes the group runs counter to the company objectives.

**Certainty in Groups**

*Interview question: How do you feel about the certainty of decisions made by groups?*

P1: You can get that same level of certainty in a group – you have to trust the people in the room to come up with a collective input and become more certain. Need be careful of information, not all “facts” are accurate, you still need to validate, and, they are not all relevant.

P2: Group decisions benefit from multiple points of view, but also tend to take safer courses of action that an individual would make. Not necessarily superior, ultimately the downside

P3: Two polar thoughts – concerns me a lot (social) , in that I think it’s easy to fall into group think and feel good about agreement. Using a group to make a decision you can get more points of view and closer to our goal.

P4: Does not exist – the decision usually made by the leader. The group can influence, but there is always one person who decides – group decisions are not necessarily a good thing. Should be one person in the group I can go to. Relationship conflict is detrimental to productivity. Process conflict is healthy. Need to be able to voice that. Every new group will have task conflict that needs to be worked out.

*Interview question: how important is trust in teamwork? How important is conflict?*

P1: N/A

P2: All things in moderation – a group without any conflict is showing conformity or absolute obedience, otherwise a high degree of conflict stops productivity. Some is necessary to show different points of view, and need to be part of the decision making process. Need to have one way to resolve that conflict, by leadership help stepping in to make the decision.

P3: N/A

P4: N/A

### **Superstition**

*Interview question: do you have any rituals or special processes you go through in your decision making?*

P1: I consult my highly experienced friends – my advisors – my cohort. If they agree, that serves as a good barometer for how I feel about a decision. I have a ritual around planning, after the initial cut, everyone has to have a say and agree with their commitments.

Rituals during execution – lots humor and fun. With long projects people burn out. It's important to create an environment where no one feels awkward in meetings.

P2: The larger they are the less likely I am to rush them – need to sleep on it. Firm believer in subconscious – helps to understand the decision and why I arrived at the conclusion. Won't announce my initial decision, then spend time justifying that – play counterpoint in my conscious, mull over inside then announce.

Rituals – weekly staff meeting – action item list, follow processes.

P3: Seek feedback from trusted advisors, will go find two or three people who are informed enough, whose insight I trust, who will tell me points to consider.

P4: None – not a superstitious person.

### **Implementing the Decision**

#### **Attitude Certainty**

*Interview questions: Do you think certainty is an admirable trait? How do you feel certain about your decisions?*

P1: Tracking progress, looking at results, continuously validating. Certainty around facts is a stress remover. Uncertainty represents an unknown. There are risks that you can prevent and some you can guard against, but you can never be “sure”.

P2: Certainty is a bit of an illusion – because no one can take into account all of the variables. You make the decision, you execute, and then the outcome tells. Certainty is 20/20 - but you have to make a decision, otherwise analysis paralysis.

P3: The only decisions I can think of where certainty is a positive trait is when you are sending men to the moon! Otherwise not a big fan of certainty. Too much I don't know. Very willing to change a decision if I get more information, open to change.

P4: I don't feel ever certain – it is the best decision you can make at the time – don't feel 100% right – ever. Always give the reason for my decision – never tell people I'm not certain – absolutely – always doubt myself a little. But I tend to be decisive, but that does not equate to be confident or certain.

### **Confirmation bias**

*Interview question: How do you feel when reporting negative progress on a task?*

P1: Not good – you feel like you're disappointing your leadership. I feel mad, guilty ineffective and wrong. It makes a difference if the situation is within my control (time management, etc.), it is easier. I still feel bad reporting it; do not feel my leadership should have to get involved solving my problem. When it involves factors outside of my control –

still feel bad reporting it, but do. Can feel fearful – you don't know how people are going to react.

P2: No one looks forward to communicating bad news to management team or sponsors. Do believe that it is our obligation to see the truth of the situation objective, articulate truthful communication and report out. Denying the situation or ignoring only makes it work in the long run.

P3: Two aspects. Don't like it because I want people to see me as smart and want them to like me. I am comfortable taking bad news into people – rather sooner than later. Not necessarily a reflection on me – but that was a long time coming.

P4: Don't have a problem communicating bad news. One of my groups is afraid to communicate bad news; I have done this for other groups. It is part of leadership to bring this forward. Bad news early, don't wait. Some are afraid – don't understand that. There is a culture of fear here in some groups. You have to understand all the reasons and be able to communicate a plan of actions. Sometimes you are just the messenger.

### **Escalation of Commitment and Sunk Costs**

*Interview question: how committed do you feel to projects that are canceled or stopped due to negative progress, those you have already invested a great deal of time and effort into?*

P1: It impacts how you feel, you want to put blame somewhere else. We talk about salvaging some of the work. It feels like we should have known sooner, we should have spent less; we were not being fiscally responsible. We should make a shut-down decision sooner.

P2: Purely academic the answer is, don't factor these in. Reality is sunk costs represent credibility – so I am committed to seeing it through, for at least some of the benefits that drove the decision to invest

P3: Actually quite willing to walk away if it was the wrong decision.

P4: I am committed, however, if it is a bad decision, you have to be able to re-examine. You have to be able to admit you were wrong. You keep trying for awhile, but you have to face it, and correct course. Not wedded to decisions, committed, but not wedded.

*Interview question – do you believe in a “point of no return” for a project or task? Is there a point which finishing becomes paramount?*

P1: As a project manager, the goal is to get enough “meat on the bones” so it is not worth throwing away. But that's not always the right thing to do. We become emotionally invested and committed to efforts.

P2: N/A

P3: In certain circumstances, if it brings some value, it may make sense to just finish it.

P4: There's a lot of that here [at this company]. Sometimes it's better to cut your losses. Not always just about cutting losses, sometimes it's political and that you can't fight. Would always question it. Is it the best approach to keep plowing ahead and getting no value?

*Interview question: do you feel personally responsible for decisions that commit others to expend their time and efforts?*

P1: Yes – I feel accountable, and will make sure they are successful and happy. I feel responsible for people, but the right decision for the project will trump the right decision for personal only reasons.

P2: Yes – everyone’s fiduciary responsibility – have to allocate to where they will generate the greatest benefit – not achieved, them wasted

P3: Yes – and it changes how I make the decision – when it required them to put in discretionary effort, will take more time and weighting the value proposition. Will be here with them on the weekends (or will feel guilty)

P4: N/A

*Interview question: what is more important – to persist and finish what you start, or not be wasteful and “throw good money after bad”?*

P1: N/A

P2: N/A

P3: Comfortable revisiting decision if not getting result – and stopping if that makes sense.

Also open to reconfiguring the plan so that we do continue to spend money in a way that adds value.

P4: I like to finish what I start – I don’t give up - , but if it’s hopeless, then you have to cut your losses. Have to look at the total picture! Personally like to finish, but have to be realistic.

### **Maintaining the Status Quo, Persistence & Goal Attainment**

*Interview question: How important is it to reach the goal? Is failure ever an option?*

P1: Yes – it is an option we should have more projects that try to ‘fail’- more initial “proof of concept” project that don’t require a large initial investment. Failures inform you. You change your process, and it’s an opportunity to mitigate future failures.

P2: I’m a goal driven individual, so finishing is important – periodically we need to step back assess the cost versus benefit. I probably don’t do it as often or objectively as I should, but

feel it's very important to achieve the goal. Especially when they are written into performance evaluations up front, they reinforce the need to achieve.

P3: Not that goal oriented. Goals are important, and are also to be missed – for a valid reason, may not be the right goal, or unattainable. If missing the goal is failure, then failure is an option. Failure is doing the wrong thing after you know it's the wrong thing.

P4: I'm not infallible – when I fail I will admit it – don't believe in it not being an option.

Unless there are lives involved. Otherwise, no such thing as "too big to fail"

### **Self-Justification**

*Interview question: Is it important to you that you think of yourself, or people see you as someone who finishes what they started?*

P1: I don't think people see me as the one who finishes. I'm good at getting things started, but it's not satisfying when you don't get to be at the 'finish' party. Being at the visioning stage is fine, not being able to see it come to fruition is not satisfying. You can be invested in your vision, not the same if you don't get to execute. We are not good about giving credit for startup.

P2: Yes – would like to think people can depend on me, I am accountable, I tend to put my way on my commitment to earn trust and credibility of my peers and organization, which facilitates other efforts going forward (it's a two way street – others will do the same).

P3: Only in that they will like me more. Less important to be seen as a finisher – more important than my finishing things gives value (stakeholder, team, etc).

P4: N/A

### **Regret**

*Interview question: do you regret decisions you have made? Do you consider that when making subsequent decisions?*

P1: N/A

P2: Yes – many have been the wrong – some I should have known, some I didn't. Not above making mistakes. Fair amount of guilt, betting myself up and hope I learn and not make the same mistake again.

P3: N/A

P4: N/A

*Interview questions: do you feel regret when you feel you have made a wrong decision? Does the thought of being held responsible for a wrong decision make you feel fearful? Does it make you feel angry?*

P1: N/A

P2: Fear not right description – regret, not angry at the work for proving me wrong, ashamed made a mistake, feel I need to correct it. Despair is too far,

P3: Almost never in a business setting. I have an example from my personal life: we remodeled our master bath. I decided to forgo heated floors, and now I regret it. No – don't mind being held responsible. Don't want to be held responsible for being "flippant".

P4: I feel regret – I tend not feel fearful (about anything), but I do regret – regret that I could have done better, especially when it affects other people; it affects the company in terms of the investment. Depends on the impact, though, if it's minor, then just move on.

*Interview question: what kinds of lessons do you think can be learned from mistakes?*

P1: N/A

P2: Most important is that an individual must step back and ask why the result didn't equal plan. Understand the difference and take time to figure out why we got the different answer. Institute this learning in the process and have better results going forward.

Mistake is a single data point – can't be a truism, not applied universally. Errors instill little more humility. Humility is important.

P3: Two categories – was the process for making my decision ok – do I need to reexamine that? And did I involve the right people? Do I have to reevaluate my personal style of making decisions – do I have to get more data, less intuitive, more sensing. I tend to be a “gut” decision maker.

P4: Mistakes are useful – if you go through life never making any you don't learn anything – the key is to learn. Repeating the same mistake is not useful, or worthwhile.

*Interview question: what is more important – to persist and finish what you start, or not be wasteful and “throw good money after bad”?*

P1: N/A

P2: 15 years ago would have 'stayed the course 'until there is overwhelming evidence. Now you have to be ready, willing and able to make course correction throughout the journey as circumstances. Easier to make these early on, than much later as you near the destination. Closer to the end, more committed you are to the set path.

P3: Comfortable revisiting decision if not getting result – and stopping if that makes sense.

Also open to reconfiguring the plan so that we do continue to spend money in a way that adds value.

P4: I like to finish what I start – I don't give up - , but if it's hopeless, then you have to cut your losses. You have to look at the total picture! Personally like to finish, but you have to be realistic.

### **Stress as a motivating factor for growth**

*Interview question: how do you feel about stress – does it provide opportunity for growth and learning? Or does it debilitate?*

P1: Not really aware of stress, but remember a time that dealt with chronic stress, when trying to make a customer happy and that stress was motivating. But did he really need to be happy? Stress that is driven by bad behavior is not good. Being excluded from decisions, or having things out of your control not is not motivating and not an opportunity to learn. A little naïve, trusting, and believe that everyone wants to do the right things, but it can go both ways. Self- induced stress is positive; you're in control of that, and what actions you can take. Getting behind schedule from external factors – that induced stress has an impact. There is an opportunity for lessons learned.

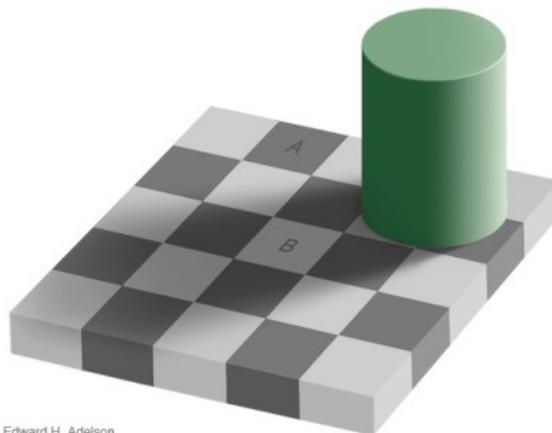
P2: Like all other things, in moderation stress is a good thing. Absence of stress is absence of motivation, or consequences, nothing gets done or moves forward. Too much stress causes emotional and physiological issues that will depilate and burn out. Some level in moderation provides groups individual incentives to move forward and try to exceed their grasp.

P3: Feeling under too much stress. Decision stress, may help speed a decision, or maybe help cut off a necessary part of decision making. Living under the stress of a decision, don't really feel it. It may be an indication that something is not working. I see challenges as opportunities. Almost never say no. May not do it completely, but I find my own way.

P4: More the latter. – some handle it better than others. I feel stress and experience it, but tend to not let it paralyze me, make the best of it – “this too shall pass” – I always think things will get better in the long run – you overcome and get over it. But it is hard in the short term. Every day brings improvement. Self-awareness is important. Talk myself into getting through it. A reasonable amount of stress is challenging.

*The final question was preceded with the following:*

*Our senses fail us, we talk of unknowing as being “in the dark”, to be right is to “see the light”. What we see and feel through our senses we perceive as truth and reality, yet there are countless times we are wrong. Magicians have created an entire genre of mistake from perception. A final note on being wrong, illustrated by Edward Adelson’s “checkershadow illusion”:*



Edward H. Adelson

*In this illustration, boxes A and B are the same color.*

[http://web.mit.edu/persci/people/adelson/checkershadow\\_illusion.html](http://web.mit.edu/persci/people/adelson/checkershadow_illusion.html)

*Interview question: How do you feel about this? And about being wrong?*

P1: I want to be the place to get the right answer, but I don't mind learning lessons. In the end, right feels better.

P2: A little shocking at first, to be deceived by your senses. Leapt to an answer that was wrong, upon further analysis they are - lesson learned, should leap to decision.

P3: Easy.

P4: I don't agree, but what am I missing. Makes me wonder what I am missing.

**Appendix C - Interview participants – Strengths rankings****Participant 1**

- 1 Honesty
- 2 Fairness
- 3 Humor
- 4 Judgment
- 5 Kindness
- 6 Teamwork
- 7 Creativity
- 8 Gratitude
- 9 Zest
- 10 Appreciation of Beauty & Excellence
- 11 Bravery
- 12 Love
- 13 Hope
- 14 Leadership
- 15 Social Intelligence
- 16 Prudence
- 17 Curiosity
- 18 Forgiveness
- 19 Perseverance
- 20 Perspective
- 21 Spirituality
- 22 Humility
- 23 Love of Learning
- 24 Self-Regulation

**Participant 2**

- 1 Judgment
- 2 Love of Learning
- 3 Zest
- 4 Honesty
- 5 Perseverance
- 6 Self-Regulation
- 7 Prudence
- 8 Curiosity
- 9 Fairness
- 10 Hope
- 11 Forgiveness
- 12 Humility
- 13 Teamwork
- 14 Humor
- 15 Leadership
- 16 Perspective
- 17 Creativity
- 18 Kindness
- 19 Bravery
- 20 Spirituality
- 21 Love
- 22 Gratitude
- 23 Social Intelligence  
Appreciation of Beauty &
- 24 Excellence

**Participant 3**

- 1 Creativity
- 2 Gratitude
- 3 Love
- 4 Spirituality
- 5 Forgiveness
- 6 Social Intelligence
- 7 Hope
- 8 Perspective
- 9 Fairness
- 10 Kindness
- 11 Appreciation of Beauty & Excellence
- 12 Honesty
- 13 Curiosity
- 14 Humor
- 15 Judgment
- 16 Zest
- 17 Bravery
- 18 Leadership
- 19 Prudence
- 20 Love of Learning
- 21 Teamwork
- 22 Perseverance
- 23 Humility
- 24 Self-Regulation

**Participant 4**

- 1 Honesty
- 2 Kindness
- 3 Zest
- 4 Curiosity
- 5 Humor
- 6 Social Intelligence
- 7 Teamwork
- 8 Fairness
- 9 Perseverance
- 10 Leadership
- 11 Love
- 12 Gratitude
- 13 Hope
- 14 Self-Regulation
- 15 Appreciation of Beauty & Excellence
- 16 Forgiveness
- 17 Judgment
- 18 Love of Learning
- 19 Humility
- 20 Perspective
- 21 Creativity
- 22 Bravery
- 23 Prudence
- 24 Spirituality

### **Appendix D – Future Opportunity – Hardiness in DA**

One future opportunity for exploration in of response to DA in organizational contexts may lie in a concept of Hardiness. Maddi (2006) has proposed the construct of hardiness as an addition to positive psychology. In two studies he found hardiness to be more powerful than either optimism or religion in coping with stressors. He defines hardiness as a combination of attitudes that provide the courage and motivation to transform stressful circumstances from potential disasters into growth opportunities, which is a major theme of decision adversity. His concept of hardiness is a combination of three attitudes: commitment, control and challenge. Commitment is holding to the belief that it is important to remain involved and engaged with the people around you no matter how stressful things are, without avoiding or withdrawing into alienation and isolation. Control is the extent you wish to have an influence on the outcome, no matter how difficult this becomes, and not falling into powerlessness and passivity. Maddi's third leg of hardiness is challenge, seeing stress as a normal part of everyday life, challenge offering the opportunity to learn, develop and grow. Being committed to challenge is believing life is not naturally full of comfort and security, nor are these things any sort of inherent right. He has conceptualized this as insufficient to have only one or even two of these components – you would need a degree of all three in order to be courageous or to be called hardy. As yet unexplored, there may be applicability in applying this construct of commitment, control and challenge to the decisions themselves, and using this as a tool to bypass some of the cognitive biases.

Maddi (2006) refers to stress as two distinct kinds, developmental and environmental. Life is full of developmental stress: from birth to death there are normal stresses that come with moving through stages, from the more sheltered, protected life of childhood into the stresses

prompted by responsibilities of growing up, becoming independent, and subsequently getting older and dealing with declining health and other such issues. Apart from these developmental stresses are particular environmental contexts. These can be social economic circumstances, as living below the poverty level, or dysfunctional family circumstances of emotional control, substance abuse, or possibly disabilities, health problems or societal conflicts.

He makes the argument that courage expressed as hardiness needs to be included if positive psychology is to become complete. His findings suggest that in terms of everyday stresses hardiness *operates* as the courage to face and cope effectively; and in comparison simple optimism may include naïve complacency. This aligns with Seligman's realistic optimism (Seligman, 2002), but does appear to have a much more active role, with its emphasis on facing stresses and identifying actionable items to cope with stress. With this focus on courage, there is an opportunity to consider this construct of hardiness as a strengths based perspective on the stress of decision adversity, whether that be uncertainty or being caught in a questionable decision.