## How Shortcuts Cut Us Short: Cognitive Traps in Philanthropic Decision Making

## Description

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Beer, Tanya, and Julia Coffman. 2014. "How Shortcuts Cut Us Short: Cognitive Traps in Philanthropic Decision Making―. Centre for Evaluation Innovation <u>Available as pdf</u>

Found courtesy of "people-centered development" blog (michaela raab)

Introduction: "Anyone who tracks the popular business literature has come across at least one article or book, if not a half dozen, that applies the insights of cognitive science and behavioral economics to individual and organizational decision making. Â Â These authors apply social science research to the question of why so many strategic decisions yield disappointing results, despite extensive research and planning and the availability of data about how strategies are (or are not) performing. The diagnosis is that many of our decisions rely on mental shortcuts or "cognitive traps,― which can lead us to make uninformed or even bad decisions. Â Â Shortcuts provide time-pressured staff with simple ways of making decisions and managing complex strategies that play out an uncertain world. These shortcuts affect how we access information, what information we pay attention to, what we learn, and whether and how we apply what we learn. Like all organizations, foundations and the people who work in them are subject to these same traps. Many foundations are attempting to make better decisions by investing in evaluation and other data collection efforts that support their strategic learning. The desire is to generate more timely and actionable data, and some foundations have even created staff positions dedicated entirely to supporting learning and the ongoing application of data for purposes of continuous improvement. While this is a useful and positive trend, decades of research have shown that despite the best of intentions, and even when actionable data is presented at the right time, people do not automatically make good and rational decisions. Instead, we are hard-wired to fall into cognitive traps that affect how we process (or ignore) information that could help us to make better judgments."

Rick Davies comment: Recommended, along with the <u>videosong by Mr Wray</u> on cognitive bias, also available via Michaela's blog **Category** 

1. Uncategorized

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