



The Trouble with Confidence in Ward Councils

By Jeff Lindsay · March 18, 2018

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Error Through Confidence in a Limited Perspective

One key to success in councils is listening to and even drawing out the views of all participants to see problems and challenges from new angles, adding vital information we may otherwise lack. For some fellow Latter-day Saints in Shanghai, I once illustrated the limitations of a single viewpoint by revealing the secret of a simple magic trick.

Holding a deck of cards in my hand with the faces of the cards toward the group, I said I would attempt to use static electricity to make a card rise. After rubbing my index finger against my jacket to allegedly create some charge, I stretched it out over the deck, pointing toward the audience, touched the deck with that finger and tried to make a card rise as I slowly raised my finger. It took a couple of tries, but suddenly a lone card started rising beneath my finger and it rose up or sank in sync with the motion of my finger. An interesting effect – until I turned sideways and revealed my extended pinky pressed against the top card of the deck, driving it up or down as my hand moved. Silly, even lame, if seen from the side, but perhaps surprising if viewed directly from the front.

Seeing the effect only from the front, it was difficult to understand what was really happening. A view from a different perspective was needed, something that magicians zealously strive to prevent when doing their many “angle sensitive” effects.

In my hobby of amateur magic, I enjoy seeing how easily people can be surprised by the gap between what they think they know and what actually is. Magic, like optical illusions, involves exploiting numerous ways in which the human mind assumes it knows or understands something based on a very small amount of information that is misleadingly incomplete. I often use both optical illusions and magic tricks (without revealing the secret) in my current and former jobs when doing training or lectures related to innovation, intellectual property, or decision making in management, for both can teach a wide variety of useful lessons. The ease with which we are fooled by our own assumptions and the mental story we create from incomplete information should do more than just enable entertainment from amateur magicians: it should cause us grave concern about our own limitations. If you don't feel a healthy sense of anxiety over that, you should spend more time with magicians – or perhaps more time examining the mysterious power of successful ward councils.

Insights from Daniel Kahneman

At a recent branch council meeting for one of the branches of foreign passport holders in Shanghai, I was asked to provide some training on the topic of branch councils. I mingled a little scripture with some of the leading philosophies of men, especially the outstanding thinking of Daniel Kahneman, winner of the Nobel Prize in economics and author of the book, *Thinking Fast and Slow* (NY: Farrar, Straus and Giroux, 2011), an international best seller. Kahneman is a renowned psychologist and winner of the Nobel Prize in Economics.

What I love about Kahneman's book is the help he gives us in recognizing that many ways individuals can be fooled by useful tools in our mental circuitry that can mislead when applied at the wrong times or for the wrong problems. Some of this can be called “cognitive illusions.”

Kahneman dissects the decision-making mechanisms our brain uses and considers two primary circuits: One, “System 1,” makes rapid decisions with little mental effort. Fast, intuitive, and emotional, it is a system that is crucial for survival and rapid decisions. It is good for recognizing and interpreting many inputs coming in at once, allowing us to identify dangers, perceive the emotions of others, identify the

source of a sound, and complete many other important tasks. But it has characteristics that need to be understood: it is risk averse, for example, especially when it comes to the risk of losing something we already have (see Chapter 26, “Prospect Theory”). It is biased to favor belief in our own views and to suppress doubt. And its results can be very sensitive to how a problem is framed. (A good list of its attributes are on p. 105.) There are times it can be trusted, but times when it can mislead.

The other system, “System 2,” employs conscious mental effort to analyze a problem or make a calculation. System 2 is (normally) accessed when we are filling out tax forms, making an itinerary for a trip, answering questions in a job interview, or attempting to repair a car. System 2 requires attention, but when that attention is distracted or grows weary, System 1 can kick in and replace difficult analysis with an easy answer to an alternative question, replacing analysis with a gut feel that might not be as wise or as inspired as we might wish. Kahneman explores the fuzzy boundaries between System 1 and System 2 thinking and the many ways in which one system when applied inappropriately can fool us.

Because System 1 operates automatically, it cannot simply be turned off. Problems can be turned over to System 2, but many times biases, emotions, and errant judgments from System 1 are passed along in the hand-off and may influence our thinking unless we are aware of what’s happening, or unless we get help from the outside to revise our perspective.

The conflict between System 1 and System 2 can often explain why humans tend to overestimate benefits and underestimate costs of programs they propose or advocate (p. 252). It can explain why we are quick to adjust the facts to fit a story that we are comfortable with, blinding us to just how little we know about a situation. It explains why we are slow to part with sunk costs when losses need to be cut and a failed project or investment needs to be jettisoned.

The “sunk cost” fallacy is a crucial one that has afflicted many individuals and companies. Kahneman explains that the main reason why corporate boards replace CEOs is not because they have found someone more talented than the old CEO, but because the old CEO is unable to let go of his emotional investment in past programs that aren’t working. “In the presence of sunk costs, the manager’s incentives are misaligned with the objectives of the firm and its shareholders....[The new CEO] does not carry the same mental accounts and is therefore better able to ignore the sunk costs of past investments in evaluating current opportunities” (p. 346). The new

leader also will not feel compelled to save face by making a failed direction appear successful at whatever cost.

Many of the mistakes in thinking that Kahneman scrutinizes can be surprising illogical and painful, especially when we realize how often they have been our mistakes. For example, Kahneman explores why individual investors generally do much worse than professional investors, who in turn tend to do worse than the market. Individual investors fail to understand the emotions that are overwhelming their analysis. When a stock is failing, the pain of loss makes it difficult to simply take a loss and sell a declining stock. What gets sold instead are the stocks that have done well, locking in profits and helping the investor to feel better about his or her performance for the year. But analytically, the stocks most likely to decline are the ones that have been steadily declining, often due to poor leadership, bad business models, misguided investments, or other looming problems.

On the other hand, the stocks most likely to do well are the ones that have been steadily rising in the past (if their fundamentals are sound), such as companies with high growth potential, good business models, and strong leadership. System 2 should determine that for a particular portfolio, stocks that have been doing well should generally be retained or perhaps added to, while failing stocks should be culled, but the individual investor tends to do the opposite, selling off the recent winners and keeping the losers or even “doubling down” on previous poor bets by buying more. It is emotion and System 1, not logic and System 2, that leads to this result. (See Chapter 20, “The Illusion of Validity,” and Chapter 19, “The Illusion of Understanding.”)

The emotion-laden fear of loss from System 1 can be a much more powerful influencer in our decision making than the possibility of a missed opportunity for gain. Based on the “gut feel” influence of System 1, we are risk averse when the risk is a loss for, but this leads to obvious cognitive illusions that should humble us when it comes to decision making.

As one example, consider this question from Chapter 34, “Frames and Reality” (p. 368):

Imagine that the United States is preparing for an outbreak of an unusual Asian disease which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimates of the consequences of the programs are as follows:

If program A is adopted, 200 people will be saved.

If program B is adopted, there is a one-third probability that 600 people will be saved and a two-thirds probability that no people will be saved.

Which do you prefer? The sure thing or the gamble? Both choices offer us the same statistical “expected outcome” that 200 will be saved (the “expected outcome” for program B is $1/3 \times 600 = 200$ saved).

Now consider this related problem:

If Program A is adopted, 400 people will die.

If Program B is adopted, there is a one-third probability that nobody will die and a two-thirds probability that 600 people will die.

How do you feel about these choices? Which would you select, the sure thing or the gamble? And how did your selection of a sure thing versus the gamble compare in these two cases? If you are like most people, there was a difference. While most people prefer the sure thing when the issue is framed in terms of people being saved, they prefer the gamble when contemplating lives lost, hoping to be lucky and avoid the loss.

When the outcomes are good, Kahneman explains, decision makers tend to prefer a sure thing rather than a gamble. Framing the choices in terms of a good thing – how many people can be saved – influence our preference for two outcomes with the same statistical expectation that 200 will be saved (the “expected outcome” for program B is $1/3 \times 600 = 200$ saved). For good things, we tend to be risk averse. But when the same alternatives are merely reframed in terms of how many will die instead of how many will live, most people take the gamble. We don't want something bad to be a sure thing and would rather take the gamble, even though there is a chance of having a worse outcome. This is, however, completely illogical. The gamble in both cases is identical, but we are strongly swayed in our preference not based on any logic, even when we are turning System 2 on to analyze numbers. The subtle, automatic, unconscious spin from System 1 overwhelms our attempt to be logical and gives an emotion-laden, illogical result that should make us worry about how often our decisions have been swayed by the way in which our choice was framed. Our we that easy to manipulate? Sadly, yes.

Such errors in our judgment, which can be demonstrated in numerous ways, should give us pause and help us shake off some of our confidence. This would be a healthy

thing. In fact, speaking of health, Kahneman points out how harmful the high confidence of medical experts can be at times. Medical doctors who were completely certain of their diagnosis were shown to be wrong 40% of the time in making diagnosis. High confidence from their expertise can be something of a barrier. This happens in numerous fields – it’s human nature. It’s why a second opinion can be vital for a patient.

The Trouble with Confidence: What You See and Know Is Not All There Is

Kahneman’s treatment of the problem of confidence doesn’t deal with the things of the soul as much as it does the world of business, but the lessons from that sector have easy application to our work in the Church.

Kahneman notes that confidence leads optimistic CEOs to take undue risks with corporate assets. In gambling, not everyone will be a loser, and those who are lucky in the corporate world will be anointed as geniuses (for a while), and will become even more dangerous to their company the following year as they siphon off newly inflated salaries and bonuses for their lucky gamble and make even bolder gambles, mistaking temporary luck for lasting genius. Yet numerous studies show that award-winning CEO’s tend to subsequently underperform both in terms of stock performance and operating performance. Meanwhile, the CEO spends more time writing books about his or her business secrets, serves on more outside boards, and is more likely to make unwise decisions to manage appearances by managing earnings and doing things like increasing corporate debt heavily to fund stock buy backs and pay dividends. (See Chapter 24, “The Engine of Capitalism.”) The debt issue is not mentioned by Kahneman, but is a widespread and crucial aspect of our current stock market bubble, in my opinion, with many companies having stock prices reaching record highs while their actual earnings have declined and their long-term financial stability is in serious question.

All humans, especially those with advanced education and expertise, are prone to relying too confidently on their judgment. We tend to trust the story we concoct to explain the few facts we see, quickly ignoring what doesn’t fit, and believing that what we see and know is all there is. Kahneman frequently speaks of the cognitive error he abbreviates as WYSIATI: “What You See Is All There Is.” It’s the error the audience makes when being intrigued by the rising card illusion or most magic tricks. It’s the error Latter-day Saint leaders make when jumping to conclusions

based on what they know without digging deeper to see if there is a different perspective that might change everything.

A great example of a WYSIATI error, a mistake of over-confidence in one's judgment, was shared above in the example from Elder W. Craig Zwick and the missionary who wanted to quit (because he couldn't read, not because he wasn't working hard and exercising faith). His immediate response looks like a classic case of relying on System 1 with the best of intentions. But making such a mistake, which can easily happen to leaders when they don't access broader information through the power of councils, may result in failure. It may allow others to fail or suffer who might have been helped.

Regardless of profession, our own confidence and even our profound knowledge of an area can be barriers to seeing things as they really are. We easily fool ourselves through the fallacy of WYSIATI and confidently rely on our own conclusions. Even if we carefully avoid the traps System 1 can bring and strive to do our mental deliberations carefully with System 2 alone, our results can be wildly incorrect because we haven't asked the right question or looked at the problem from the right angle. Excessive confidence and the WYSIATI delusion along with many other cognitive illusions can trick or blind us and hinder our work as Latter-day Saints, whether as leaders or participants in other ways of the various programs and organizations of the Church. It's a disheartening and brutal reality of mortality. What are we to do?

Enter the Revealed Principle of the Council

Overcoming our own gaps and fallacies can be difficult, but there's a powerful antidote to many of the cognitive illusions discussed by Kahneman that can be found within Latter-day Saint practices: the divinely revealed principle of the council, and particularly Ward and Branch Councils, the places where much of the work and decision making of the Church is done. But councils in general are no cure – what is needed is councils that operate as the Lord has revealed, councils that understand and follow the guidelines in the *LDS Handbook*, with leaders and participants who understand their own fallibility and the wisdom not of crowds but of councils.

The principle of the council is rooted in scripture. The Creation story has an implicit council speaking: “Let us make man in *our* own image...” (Genesis 1:26), with the account in the Book of Abraham being even more explicit: “And the Gods took counsel among themselves and said, Let us go down and form man in our image, after our likeness...” (Abraham 4:26), and is Doctrine and Covenants 121:32, which

speaks of the “Council of the Eternal God” held “before the world was.” Further, the Lord in Isaiah 1:18 encourages us to counsel with Him: “Come now, and let us reason together....” Then in the Doctrine and Covenants we have multiple references to the structure and performance of councils, including a verse emphasizing the importance of giving *all* a chance to speak and participate, while also stressing the importance of all listening to what is being said:

Appoint among yourselves a teacher, and let not all be spokesmen at once; but *let one speak at a time* and *let all listen unto his sayings*, that when all have spoken that all may be edified of all, and *that every man may have an equal privilege*. (Doctrine and Covenants 88:122)

Such teachings, including the more detailed instructions in the *LDS Handbook*, make a great deal of sense in light of research on effective decision making and the many errors that humans can make through the many cognitive illusions that beset us.

Kahneman explains that getting past our biases and cognitive illusions often requires the “outside view” from others who have different knowledge, different perspectives, and a different skill set in weighing facts and evaluating risks, costs, and probabilities of success. This “outside view” is exactly what the ward and branch council can offer, if the council is properly run. It is not properly run if a priesthood leader views himself as infallible, and views input from others as a mere formality before declaring his preconceived answer for all to sustain.

The members of a counsel need to understand what their duty is and why their unique views are needed, even though their suggestions may not be accepted. Being listened to is the key. Sharing the outside perspective is the key to giving the council the tools needed to get past biases and fallacies. It is the key to building Zion.

In my opinion, the concept of councils so engrained in the LDS religion is a powerful antidote to many of the errors in thinking that can sink even a very wise mortal leader. It’s an inspired concept that permeates the Church from the highest levels to the most local, all the way down to the individual family level, where we are encouraged to have family councils.

During the training session that I was asked to provide for ward and branch councils, I drew upon Kahneman’s Chapter 19, “The Illusion of Understanding,” and Chapter 20, “The Illusion of Validity,” which address the many ways in which we can mistake luck for wisdom and the ways in which experts can be misguided and can falsely rely

on their experience and confidence to make poor decisions, falling pray to various cognitive illusions.

I discussed why Kahneman warns against trusting our own opinions and why we need “the outside view” to guide decision making. This is one of the reasons why the Lord’s work is done through councils, not just a lone person calling all the shots.

Turning again to the issue of stocks and investment, I noted that Kahneman in “The Illusion of Validity” explains that studies show men tend to be worse investors than women (p. 214), for men tend to act more frequently on useless information they receive, resulting in more bad trades and general underperformance relative to female investors. My own experience is not highly inconsistent with that observation. Sigh. Sorry, honey!

Kahneman’s observations relate well to the council given in the *LDS Handbook* on ward councils, which tells us in Section 4.6.1, quoted above, that the voice of women needs to be heard in councils, and that women can bring perspectives that are often significantly different from those of men (this came as a complete shock to me, of course). As Kahneman explains, having access to different perspectives to help us get past our own cognitive illusions is critical for success in decision making, and this part of the inspired power of ward and branch councils.

Drawing upon Kahneman and the *LDS Handbook*, during our training session in Shanghai I told the sisters and the entire group to never be afraid to share divergent opinions. We must not let the view of the majority keep us quiet when there is something different we can share. For a council to work properly, we must feel free to share what we see, know, or feel, and leaders and others must be sensitive enough to make that possible. It may not change the decision, but it may provide the urgently needed outside view that can help the council consider the right information and make a wiser decision, or to ask a new question that can open floodgates of revelation.

Be patient and respect the results, but never hesitate to share your differing viewpoints. Meanwhile, for the rest of the council, never assume your perspective is clear and accurate. What you see is not all there is. Humbly recognize that you may be facing a cognitive illusion and are desperately in need of further information that may come from a lone source. Be open and respect the input from all and seek the input from all. That’s the secret to success, even miraculous success, in ward and branch councils.

Done right, the results can seem like magic, but it's really inspiration. Inspiration flows through ward council when Saints are united, seeking to learn from and listen to each other to come to unity in a decision. It is not the bishop who makes all the decisions with his omniscience and perfect inspiration for the ward. It is through the careful deliberations of the ward council, working things out in its own collective mind with all the information and perspectives it can gather, applying heart and mind (Doctrine and Covenants 8:2–3), that enables revelation to then come to guide the final translation of shared knowledge into action (cf. Doctrine and Covenants 9:7–9).

There should be nobody in the council who feels they have to bite their lip and say to themselves, “Must ... keep ... mouth ... shut.” Sadly, good people sometimes feel they had better just stay quiet and stay unsettled. Leaders must be alert to that risk and draw out the perspectives of all present, especially those who might be sitting on their hands trying not to be annoying when they really have something that might help.

Councils are places of inspiration, if we use them the way the Lord has directed us. May we better understand our own mortal limitations and better learn to do things the way the Lord has directed, that we might be able to better receive direction from Him.