
Why Mindful Individuals Make Better Decisions



By Natalia Karelaia , INSEAD Assistant Professor of Decision Sciences

Mindfulness is practiced in board rooms from Silicon Valley to Wall Street. But just how much does it improve the quality of your decision-making?

Five years ago when I introduced mindfulness to my MBA decision-making class it was perceived as something completely esoteric; there were maybe two or three students who could relate to the concept. Today, not only have most of them heard about it, many are practicing it. More and more corporations are offering mindfulness training to their employees. It's being incorporated into negotiation techniques and leadership manuals, in fact every area of business where strong decisions are required.

While it's generally accepted that mindfulness helps decision-makers to reach conclusions, there's growing evidence the positive influence goes much further, impacting the way decisions are identified, made, implemented and assessed.

Close analysis of the latest mindfulness research, with Jochen Reb, Associate Professor of Organisational Behaviour at Singapore Management University,

for a chapter in the upcoming book **Mindfulness in Organisations**, suggests that mindfulness techniques can have a positive effect on all our widely-recognised stages of the decision-making process.

1. Framing the decision

Mindfulness can assist in being proactive and identifying when a decision should be made: clarifying the objectives, generating options, avoiding irrational escalation of commitment to a previous bad decision (**the sunk cost bias**) as well as recognising the ethical dimension of the choice to be made. Research shows that people who are more mindful are also more aware of their ethical principles and make decisions aligned to those values. This links mindfulness with authenticity.

Before making any decision, mindful individuals take time to pause and reflect and listen to their inner selves assessing their own values and objectives. Decision-makers who fail to link decisions with their major goals may find their choice takes them somewhere they don't necessarily want to be.

In some cases, mindfulness can even help in identifying whether a decision is really necessary. Newly-hired managers, for example, are often under pressure to take action, make changes. By bending to social pressure without listening to their inner voice they may find themselves making decisions they are not comfortable with.

2. Gathering information

Once the decision is identified, the decision-maker must set about identifying information necessary to make the right choice. The two important aspects of this stage relevant to mindfulness are the quantity and quality of information being collected and processed.

It's been argued that mindfulness can narrow the decision-maker's scope of focus, limiting the amount of information under their consideration. While this could be true, and more studies have to be done in this area, we believe that given the heightened awareness of their own values and objectives, the information considered by a mindful individual is potentially more relevant to the decision at hand.

Mindful decision-makers are also more likely to recognise the limits of their knowledge and to objectively assess uncertainty. In fact, independent research taken as part of our study found people who are more mindful have a greater tolerance of uncertainty and are more decisive when faced with making a choice despite many unknowns.

3. Coming to a conclusion

When choosing a course of action, good judgment requires both intuition and systematic analysis. Sometimes these differ, and this is when many decision-makers get stuck. Mindfulness can help individuals examine and quantify these discrepancies. Their heightened understanding of their own values and priorities means they are better able to identify which of the trade-offs are more important in a given situation.

By standing on a metaphorical “balcony” – that is, by distancing themselves from their emotions and thoughts, mindfulness has the potential to help decision-makers make clearer, better quality choices. Mindful individuals have a better ability to separate relevant from irrelevant information and are likely to rely less on stereotypes when making a decision.

Importantly, coming to conclusions also includes implementing the decision. Once the choice of action has been made, studies show more mindful individuals are less likely to fall victim to the intention-behaviour gap, that is, the disconnect between knowing what you need to do and actually doing it.

4. Learning from feedback

This final stage of decision-making is arguably the most important for improving one’s decision-making prowess in the long run, but is often neglected by decision-makers. Because of heightened awareness, mindful individuals may be more likely to learn the right lessons from experience. They are more likely to recognise when feedback is missing and, importantly, they are able to disengage from ego-concerns making them more open to negative feedback.

Mindfulness helps decision-makers learn in an unbiased way. It’s a well-known phenomenon in psychology that we often attribute our past success to our own skill and our past failures to some external circumstance. This can lead to overconfidence; which can be quite disastrous in organisational or entrepreneurial situations. Accepting that you made a mistake is not easy. It

takes courage, especially in the corporate context where you are being judged by others. Mindfulness, through its demonstrated link with lower cognitive defensiveness may help to sincerely appraise the outcome of a decision, even when this outcome is less positive than expected or desired.

Proceed with caution

While mindfulness may improve many aspects of decision-making, managers should be cautious and consider its potential adverse effects. As noted, while mindfulness is likely to increase the quality of information considered for making a decision, it may also reduce the quantity of information screened, and may lead to overlooking important considerations.

Focusing on personal values rather than socially desirable objectives can be a good thing, but taken to the extreme can lead to egotistical decisions which may be particularly dangerous if the decision-maker doesn't have very ethical values.

There is also the potential danger that paying heightened attention to present long-term objectives may mean not enough weight is given to past or future factors.

Finally, making a mindful decision takes time, so if a decision has to be made quickly then the process may be less advantageous. However, evidence suggests while the decision-making process is often slower, once a choice has been made then, because of the consideration already given, the implementation will be faster.

Savouring the decision-making experience

The extra time taken can also be seen as a benefit. It ensures decision-making is a more pleasant experience. Research shows that when you pay attention to things you are more capable of savouring the experience. The more focus given to making a decision, the more facets of it are exposed and the more surprising, rich, and revealing the experience will be.

Discovering the new and amazing in ordinary things is just one of the consequences of mindfulness.



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