



## turning managers into leaders

### Merge's Monthly Mega Minute – September 2010

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*Merge Gupta-Sunderji turns managers into leaders. Through engaging keynotes and facilitated workshops, she gives people specific and practical tools to achieve leadership and communication success. Contact her at [www.mergespeaks.com](http://www.mergespeaks.com) or 403-605-4756*

### When making decisions, be aware of anchoring

How would you answer these two questions?

*Is the population of Turkey greater than 35 million?*

*What's your best estimate of Turkey's population?*

In a 1998 *Harvard Business Review* article, authors John Hammond, Ralph Keeney and Howard Raiffa reported on their extensive research conducted over several years, in which they posed these two questions to many groups of people. However, in half the cases, they used the number 100 million instead of 35 million. Without fail, the number cited in the first question influenced the answer to the second question. The answers to – what's your best estimate of Turkey's population – increased by many millions when the 100 million number was used initially. This simple experiment illustrates anchoring – a common and sometimes harmful trap in decision making. When considering a problem, the mind gives disproportionate weight to the first information it receives. Initial impressions, estimates or data **anchor** subsequent thoughts or judgments.

As a leader, you are charged with making many important evaluations and choices. Have you ever been susceptible to anchoring? Probably more than you realize. So what can you do to reduce the negative impact of anchoring on your decision making? Well, the first step is awareness. Be alert to the possibility of anchors. Think about the problem on your own before consulting with others to avoid becoming anchored by their ideas. Try to view the problem from a different perspective rather than staying with the first line of reasoning that occurs to you. Perhaps more importantly, avoid anchoring your consultants, employees and others from whom you ask for advice. Don't reveal too much about your own ideas, estimates or tentative decisions early on, otherwise your own preconceptions may simply come back to you.

By the way, in case you were wondering, a 2008 census pegged Turkey's population at almost 74 million.

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