BRANDES INSTITUTE

Information Slippage

The third article in the Brandes Institute series "Are Virtual Meetings Here To Stay?"

After a year of "living virtually", this series of articles examines where there may be benefits to staying virtual in some aspects of investment group decision-making.

BY DR. FRANK MURTHA AND BARRY GILLMAN, CFA

Frank Murtha, Ph.D., co-founder of MarketPsych, specializes in helping others apply behavioral finance to build relationships, increase assets and improve returns. He has consulted to dozens of leading financial institutions and trained thousands of professionals. Dr. Murtha is not affiliated with Brandes Investment Partners or the Brandes Institute. His views are his own and do not necessarily represent those of Brandes. Barry Gillman, CFA, is the Research Director of the Brandes Institute Advisory Board.

Information goes "missing" all the time in meetings! But this is not just about the presentation book that was left in the taxi or the data file that ended up in the spam folder. Peter Drucker famously noted, "The most important thing in communication is hearing what isn't said."[1] Body language is an essential component of the information flow in meetings and, depending on the context, may be even more influential than factual data on the eventual decision outcome.

Information slippage is insidious. Hunter S. Thompson remarked, "You can't miss what you never had."[2] Contrasting some of the technological advantages of virtual meetings with the nuances of body cues in-person, is it possible to get the best of both worlds?

In our view, in-person meetings have the edge in body language. Whether speaking yourself or observing others in the meeting, the two-dimensional "windows" of a virtual meeting offer fewer body cues than is possible in-person. That's even more true if other participants opt-out of video (with or without an excuse!).

The Brandes Institute sent an online survey to individuals around the world who participate in group decision-making meetings, to assess their opinions. The survey received 97 responses in the April/May 2021 timeframe. Respondents were split into three categories:

- Asset Managers: 37 respondents
- Asset Owners: 25 respondents
- Investment Consultants: 35 respondents

Our survey respondents agreed, with 95% of them voting that in-person meetings were better for interpreting body language. On the negative side, two-thirds thought that in-person meetings were more susceptible to going "off-topic."

Virtual meetings can offer much more information sharing, with electronic access to data and analysis. Beyond the ubiquitous screen-share, tech-savvy participants have the flexibility to access or research the information they consider important *during* a meeting. (Of course, "important" information may include their emails or the latest sports scores!). But in our survey, 35% of all respondents said it is "…easier to unobtrusively observe other group members or research helpful information online during the meeting"—one of the highest response rates for the virtual option. And that rate jumped to 44% among investment consultants and asset managers.

Given the feedback from our survey, virtual meetings offer the potential to reduce information slippage. How could meeting leaders and participants reduce that slippage further?

REDUCING INFORMATION SLIPPAGE IN VIRTUAL MEETINGS: THE MURTHA PERSPECTIVE

You're not going to remember everything you read in this article, despite how fascinating and well-written it is—and it's OK. Information slippage is an unavoidable part of the human experience. The hope is that you will extract what is of value in this piece and carry it forward. We want the same thing from our meetings: we want to get the best information and make it stick.

For the first part, we want shared information to be important, accurate and comprehensive. This requires effective communication, which could be hampered when you're interacting with people only on a computer screen instead of sitting across a table. So, in a virtual setting, some additional steps may be necessary to ensure the best information is coming to light.

Another problem is absorption and retention. Human memory doesn't have an auto-save function; it's more like a leaky pipeline. Think of memory as a three-stage process.[3] Sensory memory (Stage 1) is the registering of sights and sounds. Short-term memory (Stage 2) is a temporary holding center where we sort and process data. Long-term memory (Stage 3) is where it becomes part of our knowledge base—sometimes permanently. The whole point of meetings is to *get that information to Stage 3*, but virtual *and* in-person meetings may induce slippage all along the way.

So, how do we impart the best information (important, accurate, and comprehensive), and how do we best retain it?

THEORY TO ACTION: DR. MURTHA'S PRACTICAL TIPS TO AVOIDING INFORMATION SLIPPAGE

1. **Remove Distractions.** The biggest issue with information slippage in virtual meetings is not registering sensory information in the first place. "Cameras on" is a necessary but insufficient policy; distractions may still abound. As noted above, "multi-tasking" to bring new, relevant information to the discussion *during* the meeting may be an advantage for meeting virtually. Of course, it depends what "tasking" people are doing. Close the door and stay focused on the topic at hand. Information can't travel the memory pipeline if it doesn't enter the pipeline. Avoiding information slippage starts with paying attention.

2. **Take Notes.** Jotting down notes during meetings is a great strategy that facilitates information transfer at every stage. It guarantees sensory input (Stage 1); it helps us identify and process the most relevant information in our short-term memory (Stage 2) and it records concepts for long-term memory (Stage 3). Listen and take notes as if you had to explain the meeting and its contents to someone else. This may force you to stay focused, connect concepts and create a narrative to help others understand what was discussed.

3. **Actively Solicit Input.** Generating the best information requires optimizing input, but 93% of our survey respondents indicated that the non-verbal cues we use to communicate/share information are less effective over a computer. Without these natural facilitators, we can lose valuable feedback and contributions. To make up this deficit, actively solicit input from online participants. (Hint: Do so *individually by name*, not as a group, e.g., "Does anybody?") The phenomenon called "diffusion of responsibility" makes people less likely to step up when they know others can jump in.

4. **Prioritize, Before and After.** The vast majority of information we gather will not translate to long-term memory. Emphasizing specific informational goals before the meeting starts (whether written or orally) will draw focus to what's most important. A follow-up in the form of minutes or selected takeaways after the fact via an email may help cement that information, as well as synchronize people's understanding. (Hint: Require people to acknowledge they have read and internalized that follow up.).

[1] https://www.azquotes.com/author/4147-Peter_Drucker

[2] https://www.goodreads.com/quotes/244661-you-can-t-miss-what-you-never-had

[3] More information available here: https://healthresearchfunding.org/atkinson-shiffrin-theory-memory-explained/

THE BRANDES INSTITUTE

11988 El Camino Real, Suite 600, P.O. Box 919048 | San Diego, CA 92191-9048
858/755-0239 | 800/237-7119

GET THE LATEST RESEARCH AND IDEAS:

BRANDES.COM/INSTITUTE | BRANDESINSTITUTE@BRANDES.COM