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The Murtha Perspective

Excerpted from the Brandes Institute series, "Are Virtual Meetings Here To Stay?"

Dr. Frank Murtha's insights were featured in a series of articles examining potential benefits to staying virtual in some aspects of investment group decision-making. This article compiles his contributions to the series in the following areas: enhancing trust; reducing information loss; stoking creativity; managing power; and addressing behavioral biases.

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I. LET'S TALK ABOUT TRUST

"What's the matter? Don't you trust me?" Has someone ever said that to you? How did it make you feel? My guess is "uncomfortable." For one thing, it's pushy. But more than that, the question itself just doesn't *feel* right. Trust is not such a simple "yes" or "no" issue. It's actually a complex and multi-dimensional construct.

SSGA/Wharton found three types of trust in financial client relationships:

Type 1) Expertise trust (competence, excellence);
Type 2) Ethical trust (truthfulness, integrity); and
Type 3) Interpersonal trust (warmth, rapport).

Each type is critical to productive relationships, but on its own, insufficient. Think of trust as a three-legged stool upon which all productive relationships rest. In today's (tomorrow's?) virtual environment when building trust is especially challenging, we should take affirmative steps to cultivate all three.

THEORY TO ACTION: DR. MURTHA'S PRACTICAL TIPS TO BUILD TRUST IN VIRTUAL MEETINGS

1. **Promise and Deliver.** Trust is earned, especially in new relationships. We earn it by demonstrating consistency between what we say and what we do. Promise (or simply state) that you will take a

certain action and then be sure to take it—exactly as you said you would. The more specific, the better (i.e., "I will email you tomorrow by 9 AM" vs. "I will email you later.") Do this regularly. (*Type 2, Type 3*).

Among Dr. Murtha's practical tips:

1. To earn trust, show consistency with what is said and done. And during video meetings, keep your camera on.

2. To prevent information slippage during meetings and surface new ideas, ask people (by name) to share their perspective and emphasize the specific goals *before* the meeting starts to draw focus toward what's most important.

3. To stoke creativity, brainstorm live—whether in person or online. And alternate convergent and divergent thinking. Convergent thinking strives to find the best possible solution; divergent thinking seeks to generate broad possibilities.

4. To manage power, use anonymous voting like an online poll—whether meeting in person or virtually.

2. **Demonstrate expertise.** Your clients, colleagues, boss all *want* you to be an expert. That's why they hired you. As such, actively affirm that expertise by sharing the advanced knowledge you possess (e.g., statistics, research, historic comparisons, articles). This need not be done in a self-aggrandizing way. Simply be sure to offer your relevant insights. (*Type 1*).

3. **Be seen.** Keep the camera on. We all have reasons for wanting to turn off video. Window glare, distractions in the background, a bad hair day. Resist this urge. It diminishes the sense of connection needed to build trust and instinctively provokes trust-eroding suspicions (e.g., "Are they hiding something?" "Are they even listening to me right now?") (*Type 2, Type 3*).

AFFIRMATIVE REACTIONS. You may be paying attention during virtual meetings, but not fully reaping the benefits of trust. When others make good points, give a thumbs up, a nod, a verbal statement, (e.g., "Exactly!") It does three important things: 1) shows you care enough to listen, 2) demonstrates respect, 3) makes people feel appreciated and valued. We reap these team-building benefits naturally in person. Virtual meetings require a more concerted effort. (*Type 3*).

II. REDUCING INFORMATION SLIPPAGE IN VIRTUAL MEETINGS

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. 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. "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 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.)

III. THE CREATIVE SPARK

Humans take pride in their creations. If you've ever told someone you don't like their work product, their art… *their kid*, you have experience testing this truism. Our creations are generated out of who we are, so a little part of who we are goes into it. That sense of pride ("ego", if you will) is a natural, though unwanted byproduct of the creative process, sort of like CO2 from burning engine fuel.

Having creative people is a great advantage, but you could have the modern equivalents of Michelangelo, Benjamin Franklin and Kanye West on your team and if ego gets involved the creative machine grinds to halt. Thus, the single most important thing you can do to enhance creativity is create a culture in which ego – and the threat to ego – are minimized. This means a non-judgmental, non-competitive and respectful atmosphere.

This piece is not concerned merely with creativity, but creativity in group decision-making. Psychologist J. P. Guilford found that creative decision-making requires two distinct types of thinking – convergent and divergent.

Convergent thinking is linear, logical, and critical; it narrows the focus. When we analyze data to arrive at the "correct"- or at least, optimal – decision, we are employing convergent thinking. Financial professionals tend to be excellent convergent thinkers, their business is built upon it.

Divergent thinking is precisely the opposite, i.e., non-linear, imaginative; it generates possibilities. Financial professionals tend not to be trained in this more creative "right-brain" approach, but it can be important. Without it we limit our scope of vision. We leap to conclusions too quickly. We fail to consider both threats and opportunities. Divergent thinking is often the element that is underappreciated and left out. Below we will discuss ways to integrate these styles into meetings, both virtual and in-person, to enhance creative thought.

THEORY TO ACTION: DR. MURTHA'S PRACTICAL TIPS TO ENHANCE CREATIVITY

1. **Maintain Focus.** Have you ever been deeply focused on your work and had a person ask to "take a minute" of your time? Then you know there is no such thing. When you are "in the zone", that one minute interruption takes you right out—and finding your way back can take many minutes. When working creatively as a team, *do not* let yourself be interrupted. In virtual meetings this means *avoiding distractions*, and in in-person meetings this means avoiding *digressions and interruptions*.

2. **Alternate Your Approach.** Divergent and convergent thinking are like the steps we take toward a goal – literally. We make progress by using our left foot, and then our right, then back again. Creative decision-making works on the same principle. Use divergent thinking to generate possibilities, add perspectives, elaborate. Then follow that with the convergent approach that zeroes in on the best choice. Whether virtual or in-person, make each of these processes discrete and sequential. First one, then the other, never at the same time.

3. **Hunt for Black Swans.** Black swan events aren't usually unseeable; we just never bother to look.

Divergent thinking expands the scope of vision, sort of like moving from a regular lens to a wide-angle lens on a camera. When we take this latter approach, we expand the scope of possibility often revealing threats (and opportunities) that deserve to be factored into consideration. Ask this question: "What could go wrong that we haven't considered?" Any creative process that fails to consider atypical circumstances is incomplete.

4. **Brainstorm Live.** When possible, allocate more divergent thinking tasks to in-person meetings. The most compelling survey finding[1] on creativity is the degree to which people consider in-person to be a better choice for "brainstorming" and "creative problem-solving" – a 7-1 ratio for those with a preference.

5. **Creativity is Global.** In an increasingly global world, perspectives from different geographies/markets/cultures are of increasing importance. In-person meeting may be optimal for brainstorming, but virtual meetings play an important role in generating alternative viewpoints, missing information, and more creative solutions. Use this to your advantage in divergent thinking tasks.

IV. THE POWER GAME

Power is defined many ways, but the most basic and relevant to our discussion is this: influence over others and over the course of events. When you think of power as simply being influence, you immediately realize what a morally neutral concept it is. God has power. So does the devil. So do you.

Effectively using that personal power to generate positive outcomes is a valuable corporate skill—but it is worth looking at the issue of power as it pertains to getting the best out of meetings.

Successfully managing power dynamics in meetings entails addressing two, common, power-based objections we remember from our youth – possibly with a big brother on a long car ride. Objection 1) You're not the boss of me! Objection 2) That's not fair!

Both are complaints about power; the former on the legitimacy of its source, the latter on the legitimacy of its usage. These are effectively the same objections held by disgruntled attendees gathered around a conference table or participating in an online call (albeit, with less likelihood of being slugged in the arm when the boss looks away.)

So how do we respond? For one thing, team members are generally not so forthright in expressing their frustrations. Also, the meeting leaders generally don't feel comfortable with the traditional responses, such as "Knock it off back there," "Do I have to separate you two?" and the classic, "I will turn this sales meeting around and we will go straight home."

We still need to address those two objections; we just need other methods. Establishing an accepted understanding of where the legitimacy of power resides is a start. Is there an authority figure, person, or department that will hold greater sway? Are there quantified criteria that will dictate decisions? This should be addressed above board and agreed upon. There must also be clear ground rules for the legitimacy of that power's usage (i.e., rules of the road) and a shared understanding of tactics and language that are acceptable—or not. Failure to address the legitimacy of the power's source and usage results in not only ineffective meetings, but cultural rot. Below are some practical tips on how we can address the issue of managing power dynamics in meetings.

THEORY TO ACTION: DR. MURTHA'S PRACTICAL TIPS TO MANAGE POWER

1. **Equitably Divide Time:** One of the ways power manifests itself in meetings—virtual or not—is through participants dominating the conversation. Time is a precious resource in meetings. Apportioning it in a way that allows each participant to have his/her voice heard is therefore essential. Establishing a simple rule such as, each participant will get 5 minutes *uninterrupted* to contribute to the meeting can neutralize or mitigate the issue.

2. **Low Pressure Voting:** Power affects voting. The ability of the powerful to identify how people vote leaves them vulnerable to threats beforehand and

to retribution afterward. It can be even more intimidating when you can't exit a meeting with a click of a button and instead must deal with that person face-to-face. Using virtual meetings for votes is a tactic that can yield less-biased results—a sentiment clearly expressed in the Brandes Institute survey.[1] Anonymity is even better, however. Using polling software in meetings, virtual or not, is a reliable way to protect the privacy of voters and the integrity of the vote.

3. **Level the Geographical Playing Field:** There is a built-in power disadvantage for faraway geographical locations. Offices farther away from the organizational power centers have less opportunity to join meetings in person, rendering a prime means of influence (e.g., the ability to attend, the benefit of face-to-face interaction) less available to them. Organizations interested in reducing the power dynamics should arrange for virtual meetings to be a larger part of, if not exclusively the policy of the company.

4. **Safe Spaces:** Power intimidates. It is a tactic used to prevent opposing or alternative viewpoints. To reduce the utility of this tactic, meetings should actively seek, even reward, differing perspectives. Making a space specifically dedicated to counterarguments or different outlooks can lessen the power differential. It is also a useful exercise for anticipating problems and generating creative thinking.

V. BEHAVIORAL BIASES

One year, when I was a kid, I dressed up as a pirate for Halloween. Like all good pirates, I had an eye patch. Instead of boarding imaginary ships and swinging from ropes, my newly cycloptic self decided to engage in a very un-pirate-like activity—a baseball catch with my friend. Throwing with one eye closed was a bit more challenging than I expected. However, *catching* a baseball with one closed was *much more* challenging, as evidenced by the surprisingly loud crack of the ball striking me square in the forehead. The episode gave me a new appreciation for the importance of depth perception, as well as a hematoma.

This ocular notion of depth perception applies to group decision-making as well, and for the same reason. When

your group's view of a particular issue—e.g., manager selection, regulatory environment, risk management—is monocular in nature, you're risking a fastball to the head.

We know this. The rationale for decision-making being a group exercise is to get those different perspectives, as well as to capitalize on the diversity of thought, opinion and knowledge. The point of group decision-making is not merely to avoid bad decisions after all, it's to make optimal ones. Yet teams often fail to realize these benefits.

The problem tends not to be the people. You can assemble the best and brightest minds in the world in a room or a Zoom call and they can still come to objectively awful decisions (consider the Bay of Pigs plan or Long Term Capital Management, for example). The problem tends to be the processes, particularly biases that short circuit and subvert the collective analysis.

Researchers in the field of behavioral finance are known for identifying cognitive biases. In the case of group decision-making, most of these biases (e.g., herding, conformity bias, confirmation bias, overconfidence bias) are related to the concept of "Groupthink" (Janis, 1972), "the notion that concurrence-seeking becomes so dominant in a cohesive ingroup that it tends to override realistic appraisal of alternative courses of action… the term refers to a deterioration in mental efficiency, reality testing and moral judgments as a result of group pressures."

Here are four steps you can take to counter cognitive/behavioral biases that undermine group decision-making in virtual and in-person settings.

THEORY TO ACTION: DR. MURTHA'S PRACTICAL TIPS TO AVOID GROUP BIASES IN VIRTUAL AND IN-PERSON MEETINGS

1. **Incorporate Polling:** Interestingly, our research found that Groupthink biases (such as herding or *conformity bias*) were more likely to occur during in-person meetings. That may seem surprising until you consider how much easier it is for people to say some things over a computer than to say those same things to a person's face. One

relatively simple and inexpensive way to combat this tendency is incorporating electronic polling as part of your meetings. When doing so, it is best not to save the poll for some sort of final vote, but to incorporate a number of questions along the way that address factors such as priorities, goals, and critical factors. That will help steer a more productive conversation and take the pressure off an eventual "yea/nay" vote.

2. **In-Person First:** Our research found that people felt much more likely to misunderstand intent and motivation in a virtual setting (i.e., *attribution bias*). It's the same reason people use "emojis" in texts; a lack of physical presence makes it harder to transmit and receive non-verbal cues. For high-trust groups, this is not generally a concern. But if your group is comprised of members who are new or unfamiliar to one another (perhaps even generated out of a corporate realignment or merger), virtual meetings can contribute to misunderstanding and mistrust. It is a good practice to opt for in-person meetings for new/unfamiliar groups when possible, before integrating virtual meetings once group cohesion has had a chance to develop.

3. **Reward Disconfirmation:** One of the most consistent and predictable biases in a group setting is *confirmation bias*—i.e., the natural tendency to believe facts/ narratives that support our pre-existing beliefs while discounting those that do not. A meeting, whether online or in a room, is designed to counter that tendency by providing diversity of thought. But it takes effort, particularly when meeting participants are aligned in their belief systems and motivations. It is therefore useful to include a structured component that not only allows for disconfirmation, but *actively rewards it*. Pose questions such as, "What are we *not* thinking of?" or "What would cause this to fail?" and "What are the best arguments *against* this?" Then go so far as to offer a reward/prize of some sort for the best answers. Not only will this generate different perspectives, but makes it socially acceptable to

do so—a major obstacle with high-agreement groups.

4. **Take Turns Sharing:** Group knowledge is a bit like a Venn Diagram of circles. Each circle represents the knowledge of the participants. An effective meeting maximizes the total surface area of all the circles. But a behavioral bias called the *shared information bias* hinders this process by focusing group attention on where circles overlap (common knowledge) to the exclusion of where they do not (unique knowledge). We want to make sure that every participant is encouraged to 1) speak and 2) share areas of *unique* knowledge. Building a structure into the meeting that gives each member an allotted time of uninterrupted speech with a particular directive to share different insights, experiences or knowledge is an effective way to surface and analyze more complete information.

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