

The other angle on...Uncertainty

Speaker: Professor David Tuckett, Psychoanalyst, University College London

[Voiceover] Good decision making is inherent to our success as a species.

Today, however, many experts believe we're living through an age of radical uncertainty, where complex economic conditions, information overload, and transformative technologies are making those decisions harder than ever before.

So when faced with this uncertainty, can understanding how we make a decision allow us to make better ones in the future?

(upbeat music)

The Other Angle on Uncertainty from "The Verge" and HSBC.

[Professor David Tuckett] The trick that is played is essentially to say that how do people get over uncertainty?

Well, they become certain in an appropriate way.

[Voiceover] In order to understand what makes a good decision, let's break it down into its components.

Firstly, what method should we follow? A good place to start is with our heads.

Planning and information gathering can be powerful tools, while probabilistic modelling based on hard statistical data promises strong predictors for the future, but in unique scenarios where the probabilities and outcomes are murky, these methods might not be enough.

It becomes crucial then to expand our understanding of what constitutes strong data.

One framework advocating for this approach lies in Conviction Narrative Theory.

[Professor David Tuckett] Conviction Narrative Theory is a theory which tries to address what the issues are, and people take decisions when at the time of making the decision, they cannot know its outcome, which we can do both by using our heads and also by feeling our way into the future.

[Voiceover] So in addition to our heads, we must also use our hearts, gut instinct, personal values, and maintaining awareness about our feelings towards a decision should be considered hard data as much as facts and figures.

Leveraging these feelings allows us to build useful narratives that can help our decision-making.

[Professor David Tuckett] What narratives do, they have three functions. They allow you to make sense of the data.

Secondly, they allow you to simulate the future by thinking, "well, if we did that, and this happened," et cetera, et cetera, and you do several simulations until you feel which one you think is most likely to work.

The third aspect is that narratives are very useful for communication.

[Voiceover] Communicating how we feel about the decision with others allows us to challenge our own thoughts and ideas.

It becomes crucial then to build reliable networks of professional and interpersonal relationships in order to surround ourselves with a variety of opinions and expert voices.

Considering these three as individually important can establish a strong method for tackling tough scenarios.

But this method alone is unlikely to produce good decisions by itself.

For that, we must also establish an appropriate mindset.

[Professor David Tuckett] I think mindset is absolutely crucial.

So for example, if you have the mindset in which you've got to be right, and you mustn't make any mistakes, you're not going to fare well under uncertainty because you're either going to do things without really considering the arguments against them, or you're not going to do them.

[Voiceover] Highlighting this, Conviction Narrative Theory identifies the difference between two key mindsets known as the Integrated and Divided state.

[Professor David Tuckett] A Divided state is a state where your attitude to information is governed by looking for information that confirms your hypothesis.

An integrated state is where you're using your curiosity and your imagination to imagine, as best you can, how things are and how they will be if you do the actions you're considering.

[Voiceover] In other words, we must be willing to step out of our comfort zone and approach our decision-making with optimism about the outcome, a willingness to fail, and feel well-equipped to handle any unforeseen changes.

Put together, this approach allows us to establish well-founded confidence around the decisions we make, rather than focusing exclusively on their outcomes.

By viewing both our successes and failures as key learning experiences, we can establish a cumulative confidence loop.

[Professor David Tuckett] If we look around at decision-making at the moment, there's far too much anxiety, but uncertainty is an opportunity.

Get rid of the idea you make a correct decision once and for all, and much more move towards making little decisions, seeing how they go, modifying, changing, moving through.

[Voiceover] Good decision making is learned, not born.

While we cannot predict or control the outcomes of the decisions we make, we can try to control how we make those decisions, moving us with openness and curiosity towards a future full of opportunity.

(bright music)

[Text on screen] The Verge, HSBC. An Explainer Studio Production.