Understanding Decision Fatigue

And what to do about it
Decisions, Decisions

Do you think we make more decisions today than 100 years ago?

Why?

How many decisions do you think we make in a day?
"Decision Fatigue"

Coined by social psychologist Roy F. Baumeister in the late 1990s.

Decision fatigue is the deteriorating quality of decisions made by an individual after a long session of decision making.

Energy Model = 35,000

Every decision depletes energy & willpower
An Experiment

Radish Group avg: 8 minutes
Chocolate Group avg: 19 minutes
No-Food Control Group avg: 21 minutes

8H
8 hours a day average desiring

3-4H
3-4 hours a day average resisting

30M
1/2 hour a day average indulging
Effects on our Decisions

"Justice is what the judge ate for breakfast."
- Judge Jerome Frank
Examples
Small Group Discussion

Both in general and specifically as a credit manager, how do you see decision fatigue in your life?

Are there particular tasks that become harder?

Are there particular times of day that you feel most fatigued?
Consequences

- Poor and irrational decisions
- Lack of compromising
- Less creative solutions
- Impact on relationships

Path of least resistance
Self-Reflection

Think of the typical tasks you do in your workday.

What are some of your defaults when you get tired? Avoidance? Accommodation?
Effects of Decision Fatigue

Recall the Judges and parolees:

![Graph showing the proportion of favorable decisions over ordinal position.](image)
How Do You Know You're Fatigued?

- Reluctance to perform difficult tasks
- More reactionary
- Intensified emotions and desires
The Role of Glucose

If Justice is what a judge eats for breakfast

The credit department is what the credit professional ate for breakfast
Your New Default

Postpone difficult decisions

You
You

Are you taking enough breaks?

When should you be taking your breaks? What times of day are you most fatigued?
Strategies

- Fewer Decisions
- Timing Decisions
- Planning Tomorrow Today
Fewer Decisions

Routine and habits
Block distractions
Lists and checklists
Templates and auto text

How can you implement some of these strategies?
Timing Decisions

We are most cautious in the mornings
We make riskier decisions in the afternoon
We make least rational decisions in the evening
Schedule hard stuff first!

How can you better time your work?
Plan Tomorrow Today

Prep the night before (weather, routes, meals, people, etc.)
Make a list of the important things to do tomorrow
Clear your head

How can you implement some of these strategies?

Create policies and SOPs
Use time management grids
Action Plan

What are your top 3 ideas from today? Jot them down and commit to them!

Thank you!
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