



# POLANYI AND KAHNEMAN AND ON JUDGING AND DECIDING<sup>1</sup>



Richard W. Moodey

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## ABSTRACT

*Similarities between what Michael Polanyi and Daniel Kahneman wrote about the acts of judging and deciding are partly the result of taking seriously the findings of Gestalt psychology. Both men treat acts of judging and deciding as analogous to acts of perceiving. This similarity is the reason that the differences between Kahneman and Polanyi are mostly complementary, rather than contradictory. Among the things Polanyians can contribute to the interdisciplinary field of judgment and decision making are commitment, the from-to structure, and the image of leaping across a logical gap. Among the things Polanyians can learn from Kahneman is a pragmatic distinction between judging and deciding, a distinction between fast and slow thinking, and a heightened awareness of the many ways tacit heuristics and biases lead to mistaken judgments and bad decisions.*

In their preface to the *Blackwell Handbook of Judgment and Decision Making*, the editors Derek Koehler and Nigel Harvey (2002, xiv) say:

Understanding how people make judgments and decisions is an enterprise of such importance that its study is spread across many disciplines. The recent Nobel Prize in Economics awarded to Daniel Kahneman, for work conducted with the late Amos Tversky, is a particularly vivid indication of the increasing recognition and impact of the field.<sup>2</sup>

In this essay, by “the field” I will mean the interdisciplinary effort to understand how people judge and decide. Kahneman is a psychologist, and his work with Tversky is considered to be the psychological foundation for behavioral economics, as well as for the study of how people judge and decide in law, medicine and business. The contributors to the *Blackwell Handbook* recognize the importance to the field of texts written by Kahneman—there are 196 entries following his name in the index. Michael Polanyi is mentioned just once, briefly, as having written about the distinction between tacit and explicit knowledge (Phillips,

Klein and Sieck 2002, 301). I believe that despite the limited attention given to Polanyi in the *Blackwell Handbook*, texts by and about Polanyi have significant bearing on the field.

I *decided* to study similarities and differences between Kahneman and Polanyi after I read in Michael Lewis' *The Undoing Project: The Friendship that Changed Our Minds* (2017, 70; hereinafter *UP*) that Kahneman, like Polanyi (*PK*, vii), takes Gestalt psychology seriously. That decision was based on my tentative *judgment* that both men used Gestalt psychology's findings about acts of perception as heuristic models for thinking and writing about acts of judging and deciding. The way I just used "decided" and "judgment" hints at what I call a "pragmatic distinction" between acts of judging and acts of deciding. My decision to explore similarities and differences between the ideas of these two men resulted in two fairly firm judgments, which I express in these two assertions: (1) Polanyians have much to contribute to the field, and (2) The field, as represented by Kahneman can contribute to Polanyian studies.

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The field can benefit from more attention to the state of commitment that makes a person's judging and deciding responsible. Much of the applied work in the field focuses on improving the quality of judgments and decisions. Jonathan Baron, a contributor to the *Blackwell Handbook*, distinguishes between three distinct, but interrelated, models for thinking and writing about judgments and decisions.

One task of our field is to compare judgments to normative models. We look for systematic deviations from the models. These are called biases. If no biases are found, we may try to explain why not. If biases are found, we try to understand and explain them by making descriptive models or theories. With normative and descriptive models in hand, we can try to find ways to correct the biases, that is, to improve judgments according to the normative standards. The prescriptions for such correction are called prescriptive models (Baron 2002, 19).

This is Baron's model. I will change his language a bit, saying that models of judging and deciding have three aspects or dimensions: normative, descriptive, and prescriptive. Baron's model is partly prescriptive. He is preaching to workers in the field, telling them what they *ought* to do. What he thinks researchers ought to do is the normative dimension of his model. This, however, is related to his descriptions of the actual behavior of workers in the field. His prescription is based on the normative and descriptive dimensions of his model. In writing these lines, Baron was practicing what he was preaching. It is "performative consistency" in that what he said is consistent with what he was doing by saying that.

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### *Dual Processing*

In *Thinking, Fast and Slow*, Kahneman not only reviews his collaborative work with Tversky, but also organizes the book around the distinction between Fast, "System 1," and Slow, "System 2," thinking. This is his way of bringing in the "dual processing" tradition of research. Stanovich (2009, 215, note 3) says that the distinction between Fast and Slow thinking was only implicit in Kahneman's collaborative work with Tversky:

Evidence from cognitive neuroscience and cognitive psychology is converging on the conclusion that the functioning of the brain can be characterized by two different types of cognition having somewhat different functions and different strengths and weaknesses. That there is a wide variety of evidence converging on this conclusion is indicated by the fact that theorists in a diverse set of specialty areas (including cognitive psychology, social psychology, cognitive neuroscience and decision theory) have proposed that there are both Type 1 and Type 2 processes in the brain (Stanovich 2009, 21-22).

When I'm engaged in Fast thinking, I'm much more likely to allow biases to affect my judging and deciding, and much more likely to take the mental shortcuts Kahneman and Tversky call "heuristics." When I'm thinking more slowly, I'm more likely to be aware that there are heuristics and biases lurking in my tacit dimension, even though it's hard for me to bring them to focal awareness.

Stanovich (2009, 22) provides a useful list of contrasts between "Type 1" and "Type 2" processing. Type 1 processes

1. Are fast
2. Are mandatory when the triggering stimuli are encountered
3. Do not require conscious attention
4. Do not depend on high-level control systems
5. Can operate in parallel—more than one can be going on simultaneously

Type 1 processing is the "default" mode of cognitive processing. The characteristics of Type 2 processing are the opposites of each of the five characteristics of Type 1. Not only is it slower and dependent on conscious attention, it actually requires more physical energy (Kahneman 2011, 41-44).

Polanyi didn't distinguish between Type 1 and Type 2 processing, but, because of his emphasis on scientific thinking, he focused on what Kahneman would call "System 2" thinking. The frame of mind he described as the objective of his writing *Personal Knowledge* is a Type 2 frame of mind, and the self-accreditation by which a person achieves this frame of mind is a Type 2 process. What the experiments of Kahneman, Tversky and their successors in the field of judgment and decision making emphasize is the importance of that qualifying phrase in Polanyi's description of his idealized frame of mind: "I know that it might conceivably be false."

The distinction between Fast and Slow thinking is only analogous to the distinction between common sense and science. Much of our commonsense thinking is Fast thinking. As Kahneman says, "System 1 is indeed the origin of much that we do wrong, but it is also the origin of much that we do right—which is most of what we do." Fast thinking is necessary to our skillful navigation through the many different situations in which each of us has learned to live. System 1 draws on "the rich and detailed model of our world that is maintained in associative memory." Kahneman calls this a "marvel" of System 1 (2011, 416.)

## Conclusion

I have modified Baron's assertion that normative, descriptive, and prescriptive modes of judging and deciding are interrelated. I say that workers in the field of judgment and decision making will have a

model of judging (how people “make judgments”) and a model of deciding (how people “make decisions”), and that that these models will each? have descriptive, normative, and prescriptive dimensions. Personal commitment is the most important thing Polanyians can add to the models of judging and deciding *from* which workers in the field attend *to* the acts of judging and deciding performed by people in different social positions. Polanyi taught that acts of judging and deciding are *acts* of personal commitment that result in personal *states* of commitment. When I judge, I commit myself to either affirming or denying the truth or goodness of something. When I decide, I commit myself to either doing or not doing something. The widespread failure of workers in the field to include personal commitment in their models of judging and deciding is a serious weakness. By saying this, I am criticizing their descriptions and explanations of these acts, as well as the normative and prescriptive dimensions of their models.

I consider the distinction between Fast and Slow thinking to be the most important addition to *my* Polanyian models of judging and deciding. I emphasize that these are my models because I know that there are disagreements among Polanyians. The distinction between System 1 and System 2 has been made only after Polanyi’s death, so it can’t be incorporated into *his* models of judging and deciding. This distinction adds to the normative, descriptive, and prescriptive dimensions of my models. Descriptively, it is the case that most of a socially competent person’s behavior results from the work of System 1. But it’s also the case that most of a person’s mistaken judgments and bad decisions result from the operation of System 1. The normative dimension is embedded in those descriptive assertions. It determines what I mean by “socially competent,” “mistaken judgments,” and “bad decisions.” Another descriptive assertion in the model is that most of my definitions of how I ought to behave in different situations are tacit. I’m not consciously aware of them as objects of focal attention. As Kahneman points out, it’s impossible to discover and correct most of the heuristics and biases that result in mistaken judgments and bad decisions. What it is possible to do is to learn which kinds of situations are the ones in which I have been most likely to have made these mistakes. This, then, is the main prescriptive dimension of this addition to my model. And it clearly is a prescription to engage in System 2 thinking.

Finally, I think that Kahneman’s appreciation of Gestalt psychology made his thinking and writing about judgment and decision more like Polanyi’s than would have been the case if that, like so many scientists, he had “run away from the philosophical implications of Gestalt” (*PK*, vii). But his failure to include personal commitment in his model of judging or his model of deciding is a big difference. Kahneman, Tversky, and many of the contributors to the Blackwell Handbook have not fully rejected the normative ideal of scientific detachment that was the object of Polanyi’s “undoing project.”

## ENDNOTES

<sup>1</sup>An earlier version of this paper was presented at the Polanyi Society Meeting in Nashotah, Wisconsin, June 2018.

<sup>2</sup>Had Tversky still been alive, he surely would have shared the Nobel Prize with Kahneman, but in this essay I focus on what Kahneman wrote about judging and deciding in *Thinking, Fast and Slow* (2011), published 15 years after Tversky’s death in 1996. Hereinafter *TFS*.

<sup>3</sup>In a personal communication, Phil Mullins suggested that Polanyi might have written this as a response to accusations that the “fiduciary program” of *Personal Knowledge* was too “fideist.”

<sup>4</sup>This strikes me as similar to a rule I learned as a child in my earliest religious instruction classes: avoid the occasions of sin.

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