

Title: SWAY: The Irresistible Pull of Irrational Behavior

Authors: Ori Brafman and Rom Brafman

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Length: 206 pages

Reading time: 3-6 hours (depending on one's reading skills and reading objectives)

Reading rating: 8 (1 = very difficult; 10 = very easy)

Overall Rating: 4 (1 = average; 4 = outstanding)

Subject areas: Decision-making, perception, logic

If you've found yourself purchasing loss/damage waivers, trip insurance, unlimited calling plans, making multiple purchases of stocks each at a share price lower than the previous purchase, or simply having made some bad decisions, Brafman and Brafman offer a book that you'll find quite handy. *SWAY* is about decision-making and the biases that each of us bring to the decision-making process. Essentially, *SWAY* represents compelling evidence that the rational decision-making model, a fundamental assumption underlying many processes/disciplines, is flawed because humans are, by nature, subject to biases and hence not rational.

The decision-making biases are referred to as "sway" factors in that they sway our thinking away from rationality and these factors permeate virtually all our decisions. One sway factor is loss aversion which refers to the idea that humans disdain losses more than we love gains. The authors argue that in order to preserve our self-image, we are reluctant to assume risks that might lead to the loss of investments involving money, effort, or emotions.

The second sway factor is related to our tendency to see the value of something or someone in terms of the cost of purchase or social imagery associated with the product, person, or service. As an example, when the Nathan's Famous Hotdog stand first opened in Coney Island, the prices undercut those of nearby hotdog vendors. Customers were few and the masses that stayed away were convinced that the ingredients in Nathan's products were inferior when, in fact, they were superior to the competition. Because the hotdogs were priced inexpensively, potential customers deemed them second-rate. The converse to this effect is also true; when individuals pay more for something, they tend to report greater levels of satisfaction with a given item when purchased at a relatively high price than they do with an identical item when purchased at a lower price.

The final force that sways our ability to make rational decisions is our penchant for attributing explanatory labels to describe a condition or cluster of behaviors. The authors term that "diagnosis bias" and, once enacted, this force can blind us to new information and/or make us reluctant to change our position. Instead, we notice information that is diagnosis-consistent and ignore information that is inconsistent with our labeling of the problem thereby rendering our responses at risk of being ineffective.

Together, these three sources of influence have impacted notable decisions entailing disastrous consequences such as those associated with of the captain of KLM airlines flight #4805 whose

choice to take off at Tenerife subsequently resulted in the collision with PanAm flight 1736 and the loss of 584 people in the world's worst aeronautical accident and President Lyndon Johnson's decision to escalate our commitment in the Vietnam war resulting in the derailing of his dream of a "Great Society" and the deaths of tens of thousands. These "sway" factors also have pervasive impact on those of us who have much less notoriety in self-choices that impact our personal lives such as the friendships we develop and investments we make as well as in our professional lives such as employee selection, and decisions at the tactical and strategic levels in organizations.

For this review to highlight the authors' recommendations to minimize "sway" factors in decision-making would undoubtedly tempt some would-be readers of this fine book to skip the experience of taking fullest advantage of Brafman and Brafman's efforts. Instead, individuals would surely benefit both personally and professionally by reading SWAY which is grounded in sound principles of social psychology.

Special thanks to Dr. Beverly Little for bringing SWAY to my attention.

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