

'CliffsNotes' Book Club Recap

DO YOU LOVE BOOKS ON LEADERSHIP, NEUROSCIENCE, AND BUSINESS, BUT NOT HAVE TIME TO READ ALL THE BOOKS?

Join the '**CliffsNotes' club**—where there's no pressure to pre-read the book, no membership required, no cost, and lots of discussion in just 90 minutes. Each month, you will hear a **summary of highlights** from a recently-published business book. This discussion summary is intended to provide a recap of the conversation at Book Club, rather than serve as a thorough book summary. We'll keep you "in the know" on the latest and greatest concepts and models. **Register here** for upcoming events.



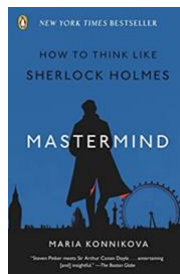
May, 2021
The Biggest Bluff

By Maria Konnikova

Discussion Highlights

Presented by Judith Dickinson

Maria Konnikova earned her Ph.D. in psychology from Columbia University under Walter Mischel (Marshmallow experiment). She has written two other books:



2013



2017

The Biggest Bluff is like peeling an onion – there are multiple layers:

- It's a book about poker, yet readers will not learn much about playing the game.
- It's a book about psychology. The author used herself as test subject on decision-making under time pressure and intimidation with real money at stake.
- It is a memoir and a hero's journey of self-discovery and transformation.
- It is a philosophy book.

What led to this book?

"In 2015, my life was thrown off-kilter. The year opened with my getting sick: an autoimmune condition that nobody could properly diagnose, which pushed my hormones into overdrive and rendered me unable to leave the apartment for weeklong stretches. My skin reacted to seemingly everything with a loud eruption of hives that covered my face, neck and body in a painful mosaic that made the thought of wearing clothes unbearable.

As I pondered my new immobility, my husband lost his job and with it, our health insurance. And just as I thought we'd figured out a way to get it all under control, my independent, healthy grandmother slipped in the middle of the night, hit her head and never woke up."

This led Konnikova to question: What do we control and what don't we control? And how can we make the most of the former while making peace with the latter?

Why Poker?

John von Neumann, the founder of game theory, was inspired by a single game – poker.

Poker, unlike any other game, mirrors life. It sits in a Goldilocks zone between the perfect information of a chess board (best player always wins) or the pure chance of a roulette game. With poker, there is the balance of enough luck and just enough skill to resemble reality. Like real life, decisions have to be made from incomplete information including what is on other people's minds. The only hand you know for certain is your own.

How does a novice train for the World Series of Poker?

'I'd never been a card player. I'd never played poker in my life. I'd never even seen a real game. Poker was a nonentity in my mind.'

Maria Konnikova convinced Erik Seidel (the 'poker Yoda') to be her mentor. Seidel is an eight-time *World Series of Poker* (WSOP) champion and winner of tens of millions of dollars. What followed was months of immersing herself in learning the basics of poker to gradually becoming competitive.

Ideas from 'The Biggest Bluff'

1. Pick Your Spots

Each decision throws off signals and the good player must learn to read them. It's a constant back-and-forth interpretive dance: How do I react to you? How do you react to me? More often than not, it's not the best hand that wins. It is the best player.

Good decisions – at the poker table or in real life - come down to information. A useful model is 'OODA' (Observe, Orient, Decide, and Act). A good way to outmaneuver your opponent is to get inside their OODA loop. You need to figure out what they are observing, how they are orienting, deciding, and will then act. You need to be strategic to figure out when and how to be aggressive.

2. Playing it Safe

There is a false sense of security in passivity. Every passive decision leads to a slow but steady loss of chips.

Konnikova: Who knows how many proverbial chips a default passivity has cost me throughout my life. How many times I've passively stayed in a situation, eventually letting it get the better of me, instead of actively taking control and turning things around. Hanging back only seems like an easy solution. In truth, it can be the seed of far bigger problems.

3. The Danger of Going with Your Gut

People overestimate the degree of control they have over outcomes. The more they overestimate their own skill relative to luck, the less they learn what the environment is trying to tell them.

Due to our neural wiring, we can find statistical probabilities to be counterintuitive. We lean too heavily on gut feeling and first-hand experience, a tendency called the **description-experience gap**. Some people imbue probability with emotion; it then becomes luck or chance.

Questioning gut feelings, and a willingness to take many different events into accounts will help disentangle key information from distracting noise.

4. Bad Beats

In poker, a **bad beat** is when you lose despite being the overwhelming statistical favorite to win. Bad beats are like a bad mental habit. It does not help you become a better player. Instead of dwelling on the bad beat, bring your focus to the present and on good decision making.

When you lose because of the run of the cards, it's not a big deal. It is more painful if you lose because you made a bad decision or a mistake.

"Where observation is concerned, chance favors only the prepared mind." – Louis Pasteur

"Don't dump your garbage on someone else's front yard" – Erik Seidel

5. Don't Tilt

Tilt means that you are letting emotions – incidental ones not integral to your decision – affect your decision making. For powerful feelings or triggers, it is useful to have a plan and be proactive, rather than reactive.

6. Process and Outcome

"The wins really go to people's heads. And the losses – they can't deal. It's so easy to be delusional in this game."

*If you can meet with Triumph and Disaster
And treat those two impostors just the same
-Rudyard Kipling*

When winning we rarely stop to think critically about our success. It is 'Disaster' that brings objectivity and the antidote to overconfidence. Separate process from outcome. Focus on the things that are actually controllable. If your decisions are informed and strategy is sound, the focus on process will lead, in time, to good outcomes.

"Less certainty, more inquiry" – Erik Seidel

"Presence is far more difficult than the path of least resistance" – Erik Seidel

7. Art of the Tell

Paul Ekman found that most people are unable to know whether someone is lying or telling the truth. Michael Slepian studies secrets. In his study of poker players, he found that by studying the hands (versus the face), you have a better chance of knowing if someone is bluffing.

In 34 milliseconds, less than the time it takes to blink, we form judgments on traits like trustworthiness and aggression. Psychologist Nalini Ambady calls these **thin-slice judgements**; they are frequently mistaken.

Try to notice your quick predictions and catch yourself. By watching others behavior over time, your judgements will gradually become more accurate.

8. Biases

Biases are points of weakness for people. While playing poker, Konnikova had to deal with sexism and gender-related aggression. She also confronted how she had been socialized as a woman to be more passive and referred to research by Hannah Reilly Bowles at Harvard.

9. Mastering Oneself

Jared Tendler a psychologist and mental game coach helped Maria identify the fears she brought to the game. He coached her through what he called the beaten dog syndrome. Maria mapped her emotional processes in a spreadsheet. The spreadsheet detailed what happened, the situation or trigger, emotional reactions, and logic statements she could use to inject rationality into the issue.

I've proven something that with the right mindset, the right tools, you can conquer, excel, emerge triumphant-even through the setbacks, even when the original road map proves faulty and needs to be replaced.

What is the Biggest Bluff?

The biggest bluff is that skill is enough. Bad cards will come our way but keeping our focus on how we play them and not on the outcome will keep us moving through many a dark patch, until the luck once again breaks our way.

The Biggest Bluff

A few facts and statistics

- **Poker really is a game of skill.** Economist Ingo Fiedler found, after analyzing hundreds of thousands of hands played in online poker, that the actual best hand won, only 12 percent of the time.
- **Poker tables are male (mostly).** In fact, only 3 percent of elite poker players are women.
- **Sexist biases emerge at the table.** In a study of online poker, men bluffed 6 percent more often against a female avatar than a male or neutral one – yet, when confronted with that possibility, they refused to believe it.
- **The most successful hunter in the animal kingdom is not what you may think.** Cheetahs kill about 58 percent of the animals they hunt, lions land 25 percent of their intended kills, and wolves take down 14 percent of their quarries. The deadliest killer is the dragonfly which captures 95 percent of its targeted prey. *Maria Konnikova called Erik Seidel the Dragonfly.*
- **Brain power uses up energy.** A study showed that elite chess players could burn up to six thousand calories a day during tournaments. They exhibited similar metabolic patterns to elite athletes.
- **The heart of the gambling world list is not in Las Vegas but in Macau.** The Venetian resort in Macau is the single largest casino property in the world. Its annual profits exceed many countries' GDPs.
- **Gamblers in Macau often grow out long pinky nails.** This is their way to signal wealth and status – you cannot grow out a long pinky nail if you're doing manual labor.

About the Book Club In this monthly club, a presenter shares highlights from a book related to leadership, business, neuroscience, or coaching. Membership is not required, and there's no obligation to pre-read the book. This discussion summary is intended to provide a recap of the conversation at Book Club, rather than serve as a thorough book summary. [Register here](#) for upcoming events. For the full set of discussion summaries, [click here](#).