

Cognitive Bias

Our rational brains have limited attentional resources for problem solving decision making and planning. They develop cognitive 'shortcuts' to reduce the loads created by complex information. These Cognitive Biases have a necessary function to help us cope with complex environments but also lead us to make irrational decisions. Cognitive biases are systematic patterns of deviation from rationality in our judgments. Inferences about other people and situations are often drawn in an illogical way. We create our own "*subjective social reality*" from our perception of the information about people and the situation.

There is a growing list of cognitive biases which have been identified over the last fifty years of research on human judgment and decision-making. Kahneman and Tversky (1996) suggest cognitive biases have practical implications for work areas including clinical judgment, entrepreneurship, finance, and management.

In this document we cannot hope to describe the 140+ specific cognitive biases which have been identified in research. What follows are some of the more evident cognitive biases which affect us in meetings, people management and decision-making.

(Kahneman, D. & Tversky, A. (1996). "On the reality of cognitive illusions". *Psychological Review*. 103 (3): 582–591.)

Anchoring	We rely too heavily, or "anchor", on one piece of information or a personality trait when making decisions. For example, a job applicant with a degree from a particular high quality institution, where the qualification becomes the entire or main focus of the employment decision.
Bandwagon Effect	We do or believe things because many other people do or believe the same. For example, our support, objections or reservations to an action are diminished simply because of the weight of support or resistance amongst others such as our colleagues.
Choice-supportive Bias	We remember our choices as better than they actually were, despite evidence to the contrary, or we explain away failure through external attributions, such as being 'unlucky'. This can lead us to repeat mistakes because we do not see the defects in our original decision making.
Congruence Bias	We only test out only one dominant theory or idea, ignoring other potential different ideas, explanations or outcomes. For example, we try just one idea (of two or more) and don't develop a Plan B in case of failure.
False Consensus Bias	We overestimate the extent to which our opinions, beliefs, preferences, values, and habits are typical of those held by others (i.e. others think the same way as we do). This makes it difficult to understand the motivations and behaviour of people who are less like us. We continue in the false belief that others will agree with our position, and are then surprised or defensive when they have a different view.
Framing Effect	Drawing different conclusions from the same information, depending on how that information is presented (for example, as a 'loss' or as a 'gain'). People tend to avoid risk when a positive frame is presented but seek risks when a negative frame is presented. Choices can be worded in a way that highlights the positive or negative aspects of the same decision, leading to changes in their relative attractiveness.



Interloper Effect	We value third party views as objective and valuable, and/or that solutions proposed by existing personnel are less likely (than external views) to receive wide support. For example, we place great weight on the views of a consultant believing their ideas will be positive and get support.
Irrational Escalation	We justify increased investment in a decision, based on the prior investment, despite new evidence suggesting that the original decision was probably wrong. For example, we make a decision to invest in a system, product or staff member's promotion, and we are then less likely to withdraw our support because of our personal, financial or reputational investment.
Moral Credential Effect	A track record of non- prejudice initiatives lead to an increase in subsequent prejudice, possibly because we lose vigilance in the area. For example, organisations which adopt diversity and inclusion initiatives (such as staff networks) without continued support and progression, are then overly optimistic about their fairness and tend to again fall victim to prejudicial attitudes.
Negativity Bias	Thoughts and events of a more negative nature (e.g. unpleasant thoughts, emotions, or social interactions; harmful/traumatic events) have a greater effect on one's psychological state and processes than neutral or positive things.
Omission Bias	The tendency to judge harmful actions as worse, or less moral, than equally harmful omissions (inactions). We are likely to condemn more those who do something wrong than those who fail to do something, even though the consequence is the same. For example we impose harsher discipline penalties for negative staff action than inaction.
Optimism Bias	The tendency to be overly optimistic about the likely outcome on an idea or strategy. This causes us to believe that such ideas are less at risk of failures. We may launch initiatives without full regard for the possible negative outcomes.
Reactance	The urge to do the opposite of what someone wants you to do out of a desire to retain your freedom, or to resist constraints on your freedom. For example, objecting to a policy constraining the capacity of a manager/leader to appoint the staff they want without more objective evidence.
Self Investment	A reluctance to abandon support for an individual or project despite evidence of failure, because of the previous personal investment (e.g. time, reputation, opinion) in the person/project.
Semmelweis Reflex & Confirmation Bias	The tendency to reject new evidence that contradicts an established paradigm. Similar to confirmation bias (also called confirmatory bias, myside bias or verification bias) is a tendency for people to favour information that confirms their existing beliefs or ideas. For example, much of the debate on both sides in the 2016 UK referendum to leave the EU excluded evidence which did not fit with the existing opinion of those holding a particular view.
Social Comparison Bias	The tendency, particularly when making hiring decisions, to favour potential candidates who don't compete with one's own strengths.