



## RECOGNIZING BIAS

Change Yourself to Improve the World

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**MAKING GOOD THINKERS SMARTER** – Every mind has biases that undermine judgments and decisions. Rarely are we aware of them. You will choose better, when you can identify these 17 Biases below. Your business will be better when every employee knows them. It will be best when the 10 BIAS BLOCKERS (on back) are standard operating procedure.

### ALTERNATIVE BIASES

- 1-CONFIRMATION BIAS** Preferring data that confirms your beliefs.
- 2-ANCHORING BIAS** Keeps your thinking close to your original idea.
- 3-GROUPTHINK BIAS** Leads people to go along to get along.
- 4-SUNK COST BIAS** Over values of unrecoverable, past costs versus future costs.
- 5-AVAILABILITY BIAS** Seizes what first comes to mind or what is near at hand.
- 6-FRAMING BIAS** Tells us a 90% survival rate is better than a 10% death rate.
- 7-CASCADE BIAS** Piles on a small idea until it becomes a cascade.

### EGO BIASES

**These account for many business failures.**

- 8-EGOCENTRIC BIAS** Belief that our perspective is their perspective. Features vs. benefits failures.
- 9-COMFORT BIAS** Avoids solving problems that bring discomfort.
- 10-EXCESS OPTIMISM BIAS** Valuing proposed, positive outcomes over negative ones-risk diminishing.
- 11-OVERCONFIDENCE BIAS** Unrealistic assessment of your skill level.
- 12-CONTROL BIAS** Unrealistic assumption on the level of control you have.
- 13-PLANNING BIAS** Assuming plans take less time and resources than reality.

### STABILITY BIASES

- 14-STATUS QUO BIAS** Prefer what we have; not considering alternatives.
- 15-FUTURE DISCOUNT BIAS** Values immediate rewards over long-term gains.

**16-COMMITMENT BIAS** Escalates investment in a losing proposition.

**17-RULE MAKING BIAS** Creates permanent solutions to temporary problems.

## **BIAS BLOCKERS**

**Reduce the impact of all we above 17 biases.**

**1-BLINDING** improves judgment by eliminating bias, stereotypes, idiosyncrasies and irrelevant factors.

**2-CHECKLISTS** reduce errors due to forgetfulness and shortcutting.

**3-ALGORITHMS** predetermine the weighting of relevant factors.

**4-STUDY FAILURE** by debriefing, and learning from near misses.

**5-FINDING OPTIONS** Seek disconfirming data. Build multiple scenarios then choose the best. Avoid yes or no choices.

**6-BUILD SAFE TEAMS**-When conflict is comfortable, most biases are reduced.

**7-LEADERS SPEAK LAST** Fosters fresh and contrary perspectives.

**8 ACCOMMODATION** Use a Devil's Advocate. Create a Red Team to challenge decisions or create better ones. Solicit questions and disagreement.

**9-NURTURE INDIVIDUAL THINKING** Everyone writes down their responses before everyone shares theirs.

**10 DOUBLE LOOP LEARNING** After solving the initial problem (symptom), dig for the underlying cause in your systems, policies and procedures.

## **REFERENCES**

Predictably Irrational: The Hidden Forces That Shape Our Decisions: Dan Ariely.

Making Dumb Groups Smarter: Cass Sunstein & Reid Hastie- HBR-Dec 2014.