



Cognitive Biases

Affecting Decision Making

Confirmation bias

This type of bias refers to the tendency to seek out information that supports something you already believe, and is a particularly pernicious subset of cognitive bias—you remember the hits and forget the misses, which is a flaw in human reasoning.



People will cue into things that matter to them, and dismiss the things that don't, often leading to the "ostrich effect," where a subject buries their head in the sand to avoid information that may disprove their original point.

The Dunning-Kruger Effect.

This particular bias refers to how people perceive a concept or event to be simplistic just because their knowledge about it may be simple or lacking—the less you know about something, the less complicated it may appear.

However, this form of bias limits curiosity—people don't feel the need to further explore a concept, because it seems simplistic to them. This bias can also lead people to think they are smarter than they actually are, because they have reduced a complex idea to a simplistic understanding.



In-group bias

This type of bias refers to how people are more likely to support or believe someone within their own social group than an outsider. This bias tends to remove objectivity from any sort of selection or hiring process, as we tend to favor those we personally know and want to help.



Self-serving bias.

A self-serving bias is an assumption that good things happen to us when we've done all the right things, but bad things happen to us because of circumstances outside our control or things other people purport. This bias results in a tendency to blame outside circumstances for bad situations rather than taking personal responsibility.

Availability bias

Also known as the availability heuristic, this bias refers to the tendency to use the information we can quickly recall when evaluating a topic or idea—even if this information is not the best representation of the topic or idea.



Using this mental shortcut, we deem the information we can most easily recall as valid, and ignore alternative solutions or opinions.

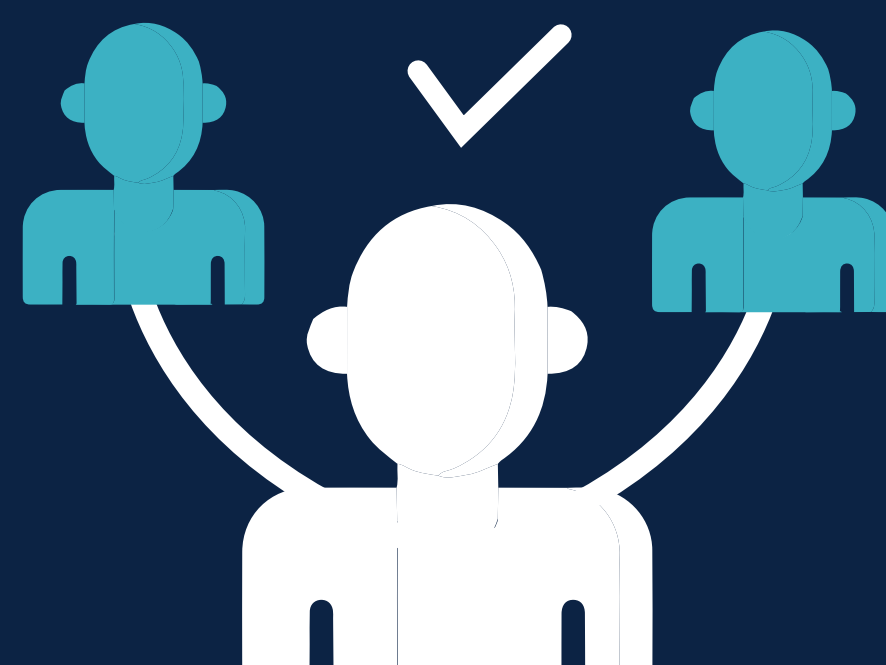
Fundamental attribution error

This bias refers to the tendency to attribute someone's particular behaviors to existing, unfounded stereotypes while attributing our own similar behavior to external factors. For instance, when someone on your team is late to an important meeting, you may assume that they are lazy or lacking motivation without considering internal and external factors like an illness or traffic accident that led to the tardiness. However, when you are running late because of a flat tire, you expect others to attribute the error to the external factor (flat tire) rather than your personal behavior.



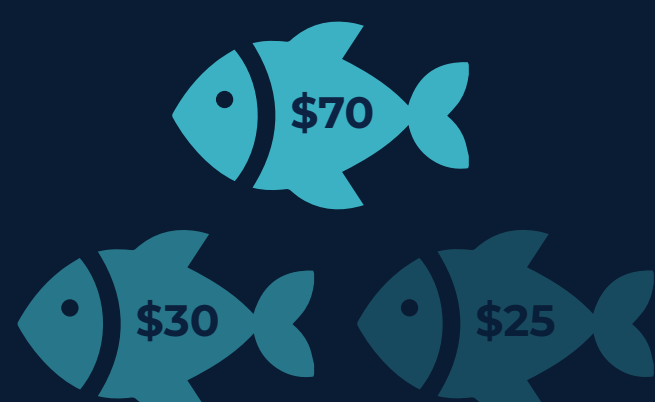
Hindsight bias

Hindsight bias, also known as the knew-it-all-along effect, is when people perceive events to be more predictable after they happen. With this bias, people overestimate their ability to predict an outcome beforehand, even though the information they had at the time would not have led them to the correct outcome. This type of bias happens often in sports and world affairs. Hindsight bias can lead to overconfidence in one's ability to predict future outcomes.



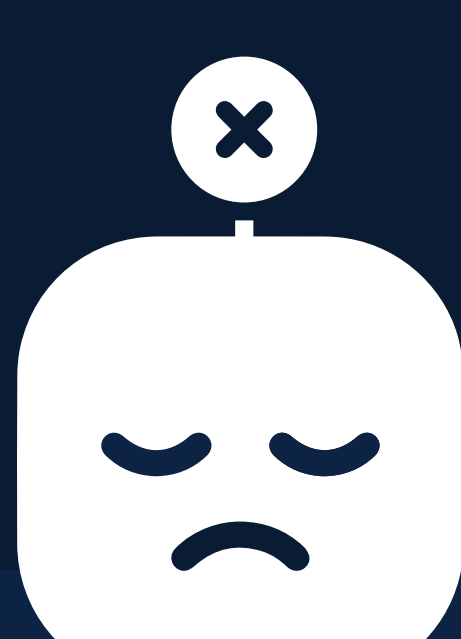
Anchoring bias

The anchoring bias, also known as focalism or the anchoring effect, pertains to those who rely too heavily on the first piece of information they receive—an "anchoring" fact—and base all subsequent judgments or opinions on this fact.



Optimism bias

This bias refers to how we as humans are more likely to estimate a positive outcome if we are in a good mood.



Pessimism bias

This bias refers to how we as humans are more likely to estimate a negative outcome if we are in a bad mood.

The halo effect

This bias refers to the tendency to allow our impression of a person, company, or business in one domain influence our overall impression of the person or entity. For instance, a consumer who enjoys the performance of a microwave that they bought from a specific brand is more likely to buy other products from that brand because of their positive experience with the microwave.



Status quo bias.

The status quo bias refers to the preference to keep things in their current state, while regarding any type of change as a loss. This bias results in the difficulty to process or accept change.

