

Similarity Bias Research Summary

"People like me are better than others"



Similarity biases arise from our hard-wired motivation to feel good about ourselves and the groups to which we belong.

Examples of Similarity biases include:



In-Group Bias

Seeing people who are similar to you, or who are part of your in-group, more positively simply because they are like you.



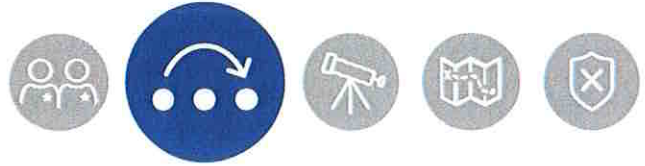
Out-Group Bias

Seeing people who are different than you, or who belong to groups other than your own, more negatively (and, often, more stereotypically).

There are significant behavioral and neural differences associated with processing information about in-group and out-group members that routinely impact "people decisions" (Banaji & Greenwald, 2013). Similarity biases might occur in hiring decisions, in how teams are formed, in who is selected to be promoted, and in deciding what kind of clients to work with. For instance, a leader may hire a person because he or she resembles others who have succeeded previously, without paying enough attention to that individual's history or skill set.

Expedience Bias Research Summary

"If it feels right, it must be true."



Expedience biases are mental shortcuts or rules-of-thumb that help us make quick and efficient decisions, using the brain's System 1 - a fast, intuitive system that makes decisions based on what information is easily accessible and feels right.

Examples of Expedience biases include:



Confirmation Bias

Looking only for evidence that confirms your hunch, rather than gathering all the relevant evidence.



Availability Bias

Relying only on information that comes to mind easily and quickly.



Representativeness Bias

Assuming that someone who "looks the part" has all the skills or qualities of character you associate with that occupation or role.

When making important, complex decisions, these System 1 shortcuts can often steer us in the wrong direction. We need the brain's System 2 - the slower, more effortful and deliberate overseer of the fast, more intuitive System 1. But System 2 can be difficult to engage in a workplace culture of urgency that puts a premium on a fast turnaround, expecting decisions to be made and answers to be given very quickly. Speed increases the influence of cognitive bias, sacrificing the quality of a decision in favor of quantity.

If we make judgments based on our quick intuitions about what is right or what we want to be right instead of taking more time to deliberate, gather relevant information, question our initial assumptions, and make objective decisions, then we are likely to let irrelevant, incomplete, or flat-out wrong information guide our choices.

Experience Bias Research Summary

"My perceptions are accurate"



Experience biases are a result of your brain being built to experience the world as a direct and objective representation of what is really out there in the world. The (unconscious) assumption that our experience corresponds to reality is referred to as "naïve realism."

Examples of Experience biases include:



False Consensus Effect

Overestimating the extent to which others agree with you; the tendency to assume that your beliefs, habits, and opinions are "normal" and that most people think the same way.



Bias Blind Spot

Believing that you are less likely to be affected by unconscious bias than others.



Illusion of Transparency

Overestimating the degree to which your thoughts and intentions are clear and obvious to others.

Experience biases can happen anytime that you fail to appreciate that the way you see things may not be the way they actually are, or that you ignore other people's perspectives. In the workplace, they might commonly occur in any process where you are looking to solve a problem, influence others or sell an idea.

A salesperson can easily gloss over that people are not as excited by a product as he is. A presenter to an audience can easily forget that others do not know what the presenter knows (often referred to as "curse of knowledge" bias). An executive can easily miss the fact that not everyone is as on board with a big organizational change as she is. And we all seem to believe that we have made ourselves clear to our colleagues, when often we have not.

Distance Bias Research Summary

"Close is better than far"



Distance biases are a result of the brain's recently discovered "proximity network," which is sensitive to how far away something is in distance, time, or ownership. Things that are further away are unconsciously valued less, and assigned less importance.

Examples of Distance Bias include:



Temporal Discounting

The tendency to devalue rewards as they move farther into the future. For example, given a choice between \$5 now and \$10 tomorrow, people choose \$10 tomorrow. But, given a choice between \$5 now and \$10 in six months, people choose \$5 now.



Endowment Effect

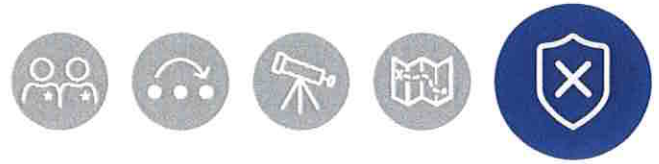
The tendency to value something more once you are in possession of it, simply because it belongs to you.

Distance biases can negatively impact people decisions – like hiring, assigning, and promoting. In global companies, it is increasingly common for managers to be responsible for the performance and development of employees in remote locations. A manager may unconsciously value and develop an employee "down the hall" more than one half way around the world.

Business decisions are also routinely impacted by distance bias. The tendency to value short-term outcomes over potentially greater long-term outcomes can lead to failures in both innovation and sustainability.

Safety Bias Research Summary

"Bad is stronger than good"



Safety biases are a consequence of the fact that the brain's threat-detecting network, which is sensitive to danger and loss, is many times larger than the brain's reward-detecting network. As a result, we assign greater weight or value to potential losses than we do potential gains.

Examples of Safety Bias include:



Loss Aversion

Making the safer choice if the expected outcome is positive, but taking risks in order to avoid negative outcomes. For example, if you are going to win money, you are more likely to take a less-risky bet to minimize your chances of losing; but if you might lose money, you are more likely to take a risk to avoid the loss.



Sunk Costs

Having a hard time giving up on something (e.g., a strategy, an employee, a process) after investing in it (e.g., time, money, training), even though the investment has already been made and can't be recovered.

Safety biases can happen any time you are making decisions about the probability of risk or return, where to allocate money, or how to allocate resources including time, people, and other assets. These might occur in financial decisions, investment decisions, resource allocation, strategy development, or planning for strategy execution. Examples include a manager not being able to change course because of resources already invested in a project, or a CEO who is not willing to innovate in a new direction because it would compete with the company's existing business.

