Biases in Decision-Making
Sample Course Syllabus

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In this course, we introduce an organizing framework for understanding the biases and behavioral distortions in decision making, and explore their implications. For each topic, we explore specific effects that are produced in our natural decision behavior. Through a mixture of classroom discussions and breakout activities, participants identify the effects and develop tactics to prevent or address these effects when they arise.

Leaders and decision makers will find this course useful as an overview of the many pitfalls in human decision making, and also as an introduction to techniques for avoiding these pitfalls.

Decision Quality, How to Achieve It, and the DQ Opportunity Gap
Decision quality (DQ) doesn't come naturally. On its own, human nature gets us to decisions that are "good enough," but not to decisions that are actually good. When we understand the concepts of DQ, we can see what is possible beyond good enough, but we need more. In this session, we review the key elements of DQ and how to achieve DQ, and discuss the "DQ opportunity gap."

Framework for Behavioral Challenges
We introduce six categories of behavioral mechanisms that produce mistakes in decision making. The mechanisms are based on what's in our minds and how our minds work, combined with our desires for the world to make sense and to feel good about ourselves in the world.

Protection of Mindset
Even when we are not aware of it, our mind is full of our beliefs, memories, and preferences. Given this content of mind, or mindset, we seek assurance that this mindset makes sense and that we can feel good about it. Thus, we seek confirming evidence to support what we already believe rather than seeking information that might enrich our understanding. We exhibit overconfidence in our capabilities rather than making realistic judgments. And we fall prey to hindsight that makes everything seem obvious while preventing us from learning. In this session, we describe overconfidence, confirmation bias, and hindsight bias.

Habits and Personality Traits
Each of us has our own preferences for how we obtain and process information, and how we reach conclusions. Also, we each favor a preferred approach for building energy, and for approaching life in general. Given our preferences, we tend to drag any problem into our own comfort zone, without regard for what is truly needed. Without help from others, we can remain focused on our own preferences and limited in what we can achieve. In this session, we illustrate the effects of these habits and personality traits on decision-making.
**Association**
Our minds work by making associations. These associations can be meaningful, but they can also be misleading. Without awareness of these associations, we respond more strongly to ideas that are presented vividly or with much detail, or that are easy to recall. We make judgments about things that are consistent with the associations we have made previously, or based on ideas we believe to be consistent, even if that consistency is meaningless. And we give too much weight to the first number we hear, anchoring on that information and failing to adjust for other information. In this session, we discuss and illustrate five types of associations: vivid, detailed, easily-recalled, anchored, and consistent.

**Relative Comparisons**
Everything in our minds is relative. Even without thinking about it, we respond to a situation relative to our first understanding of it, exhibiting problematic framing effects. Because it is so familiar to us, we place undue value on our current situation, leading to status quo effects that cloud our judgment. And we find it extremely difficult to let go of the sunk costs that are behind us. In this session, we describe and illustrate the effects of these relative comparisons on decision-making.

**Simplification Due to Capacity**
Despite how amazing they are, our brains are limited. Our abilities to perceive can become overwhelmed, and our perceptions can be altered by different frames of reference. Our attention is also limited, and where we put our attention can affect what we see. Our memories can be influenced by the order in which things are presented. And our reasoning is often faulty when we are presented with more information that we know how to handle. In this session, we describe the effect of simplification due to capacity on perception, attention, memory, reasoning, and choice.

**Simplification of Uncertainty**
Particularly when it comes to dealing with uncertainty, our natural abilities are limited. We confuse correlation with causation. We don’t have innate abilities to manipulate information about probabilities in our heads. We use shortcuts and associative reasoning when in fact we need deliberate and formal methods to gain clarity. In this session, we illustrate the effects of these simplifications on decision-making.

**Social Influences**
When individuals get together in groups, we can be unduly influenced by the group. We exhibit obedience, suggestibility, and conformity, falling even into the trap of groupthink. Yet, we can also find strength in the independent views and diversity in a group. If we can effectively balance conflict and cooperation, we can minimize the negative effects and increase the positive influences of groups. In this session, we describe how we can benefit from groups without becoming victims to their negative impacts.

**Synthesis and Action Planning**
We conclude the course with an integrative framework that helps participants examine the decision-making processes currently being used in their organizations and their lives. Participants develop a personal action plan for counteracting these natural decision problems. They also consider the negative decision behaviors that occur in their workplace and identify steps that can help reduce the impact of these behaviors on their organization.