

COMMON COGNITIVE TRAPS

Bounded Awareness

Bounded awareness occurs when people fail to see, seek, use or share highly relevant and readily perceivable information during the decision-making process. One cause, which is particularly an issue for foundations practicing strategic philanthropy, is a tendency to become overly focused on the specific problem or task at hand. Focus limits awareness, and important information outside the range of focus can be missed.

Confirmation Bias

Confirmation bias is the tendency for people to seek out information that confirms their existing opinion or beliefs. The effect is stronger for emotionally charged issues and for deeply entrenched beliefs. For example, in reading about current political issues, people usually prefer sources that affirm their existing attitudes. They also tend to interpret ambiguous evidence as supporting their existing position.

Escalation of commitment

Escalation of commitment makes it difficult to revisit past choices. People justify increased investment in a decision based on the how much time or money they have already invested in it, despite evidence suggesting that the cost of continuing the decision outweighs the expected benefit.

Framing Effect

The framing effect causes people react differently to a particular choice depending on whether it is presented as a loss or as a gain. They tend to avoid risk when the data or the choice is presented positively frame is presented but seek risks when data or choices are presented negatively.

Groupthink

Groupthink happens when the desire for harmony in a decision-making group overrides a realistic appraisal of alternatives. Small groups who have worked together for years are particularly susceptible. Members start to see the world the same way and do not allow innovations or contrary evidence to really enter their consciousness. They tend to devalue the opinions of people who are different from themselves. Groups with strong directive leadership, time pressure, and important and complex decisions are particularly susceptible to groupthink.

Normalization of Deviance

Normalization of deviance happens when bad practices, risky shortcuts or questionable decisions become normal practice over time, without triggering any alarm bells. Each time a poor or risky decision--or a deviation from a standard of quality---does **not** lead to a catastrophic result, we grow more tolerant of that decision or deviation from standards, and thus more likely to do it again and to take shortcuts on other kinds of decisions or standards.

Survivorship bias

Survivorship bias is the tendency to concentrate on the people or things that "survived" some process and ignoring those that didn't, or arguing that a strategy is effective given the winners, while ignoring the large amount of "losers."