


WHAT'S GOING ON IN YOUR HEAD?

HOW A TRICKY LITTLE THING CALLED 'CONFIRMATION BIAS' MIGHT NOT ONLY AFFECT THE DECISIONS YOU MAKE IN YOUR DAILY LIFE, BUT THOSE YOU MAKE AT WORK AS WELL, OFTEN AT A SERIOUS COST



THE HUMAN BRAIN is a clever beast. For one thing, it knows the value of not working too hard – it has a knack of unconsciously making certain decisions to save energy and time in its processing. Instead of embarking on a convoluted process of weighing up every facet of every decision, we often go in with an idea already in our head of what we reckon the right answer will be.

But this has an unfortunate side-effect – confirmation bias, a common tendency to seek or interpret information in a way that confirms those preconceptions, and ignore anything that doesn't tally with them. ▶

Words:
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It's a common problem that crops up in more aspects of our daily lives than we might realise.

Andy Prosser in Brooks Macdonald's Investment Office sees it in investment decisions all the time. An investor will often anchor themselves to an initial view and make the wrong choice – and afterwards, confirmation bias makes it likely they'll stick with that choice, setting off what he calls a “vicious cycle of over-confidence”.

“One academic experiment used a popular investing message board to test how the community influenced investors' trading decisions and performance,” Prosser explains. “Researchers found that investors who were most likely to seek out supporting opinions and ignore contradictory evidence were also the most likely to make mistakes that ultimately led to lower returns on their investments.

“It's also been shown that the stronger the initial opinion, the stronger the tendency to seek out confirmation and ignore disconfirming evidence.”

And consider the debate over gun control in the US. Let's imagine someone called Steve who's totally against gun control and believes in the right to bear arms. He will seek out news stories and opinion pieces that reaffirm the need for gun ownership. When he hears stories about shootings in the media, he interprets them in a way that supports his existing beliefs. Fighting mass shootings by selling more guns may seem like insanity to certain parts of society, but for Steve it makes perfect sense.

Aside from investment decisions and personal viewpoints, confirmation bias can also be found in the professional world. Stephen Alexander is a Partner in Mourant Ozannes' Jersey litigation practice. While he sees confirmation bias at play in legal cases all the time, he's seen its impact in business too, with “the risk that inferior business decisions are being made, and opportunities missed”.

He cites an example a few years ago in the City, where a client was developing a new product. “The CEO of the company had this idea for the next big thing and he directed his team to conduct market research to explore feasibility,” he says.

“Of course, the market research was tainted from the beginning and just confirmed the preconceived belief that the CEO had about the idea. Data wasn't allowed to be objectively reviewed, everything was construed to fit his idea, and the whole product development process was launched regardless.

“It was interesting to see the effect of confirmation bias in practice – people were directed as to what they should be doing, and this led to something inferior being brought to the market.”

BUSINESS MATTERS

The majority of confirmation biases will crop up in small day-to-day decisions. Ernest Capbert, a business coach at Oxford Innovation, describes himself as “generally an open and very curious person who's aware he doesn't have all the answers”. But get him thinking about confirmation bias and it doesn't take him long to spot it creeping into his work.

He describes a two-day workshop he ran recently with 30 start-ups. “I've almost been obsessed with how to succeed as an early-stage business,” he says. “And my bias is that if you don't get through that phase, where you're a one-man band with no time or money and an unproven concept, you can't actually create a business.

“I wanted to prove this point and went trawling through global stats of early-stage start-up success. I discovered the failure rate was 60 per cent, but I found myself wanting it to be higher, just to really hammer the point home.”

He jokes about how disappointed he was in his discovery, and how he almost said the rate was 80 per cent anyway.

But confirmation bias can often be no laughing matter. Laura Haycock is a business psychologist at Pearn Kandola, working with large corporations and government departments on a range of people issues. A specialist in diversity, she's seen first-hand how our confirmation biases can adversely affect people's careers.

"When interviewing someone for a role, or evaluating performance for a promotion, we get a gut feeling of how likely that person is to succeed, whether that's a man, woman, someone older or from an ethnic minority," she says. "Without consciously going through any thought process, we look for evidence that confirms our gut. And we may miss or ignore evidence there that contradicts that initial belief. Talented people may get left behind or excluded, while the wrong people manage to get higher up within organisations. Even to the top, potentially."

Haycock cites one experiment in which a law firm asked people to evaluate job applications from hundreds of different candidates. They used the same CV and simply changed the photo – sometimes a black person, sometimes white. "It found a

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far smaller proportion of black candidates were invited to interview," she says. "When reviewing black candidates' applications, people were spotting more errors because they were looking to confirm the idea that this wasn't the right person.

"Someone from an ethnic minority might be subtly subject to that same bias day after day and get left behind as a result, not given the same opportunities, the benefit of the doubt or the chance to prove themselves. The added effect is that such people become disadvantaged and don't progress. And as they'll have fewer positive feelings about the organisation, they may get fed up and leave. Business then has the cost of higher turnover."

This problem may only be getting stronger. These days we're bombarded by news and information 24/7. We like reading people whose opinions we agree with and are likely to attribute more weight to them than to those we don't like. To that mix you can add social media.

One toxic side-effect of our need for feeds is that they encourage people to congregate in silos that all think the same, further bolstering the habit of reinforcing our pre-held opinions, rather than challenging them – it's the 'echo chamber' we often hear about. People feel increasingly right in how they see the world, and more isolated from contradictory views, because their friends, and the social algorithms, constantly throw up nuggets that fit their own perspective.

In this environment, spotting your own confirmation bias can be incredibly hard to do. The worst thing for people is to maintain that they're not biased. Because of how our brains work, we can't be 100 per cent objective. "The more we deny our bias, the more likely it is to filter in and affect our decisions," says Haycock.

Instead, recognise that there's a risk of confirmation bias, and introduce steps to minimise it. "A good decision-making process requires good supporting evidence," says Andy Prosser. "But the presence of evidence that conflicts with your opinions is no bad thing either." ■

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HOW TO AVOID CONFIRMATION BIAS

- Tune in to any uncomfortable feelings and dig into what's driving the emotion.
- Be scientific. Look at the evidence – not just the information that confirms your gut feeling, but the aspects that contradict it too.
- Encourage debate. Gather alternative views around you and invite people to play devil's advocate.
- Have empathy. Your biases may well affect other people's lives, so put that person first, and see how that shapes your decision.
- Don't start with loaded questions. When gathering data, remember that the questions you ask, and the method of getting answers, will have a big impact on your results. Approach it in an unbiased way.
- Have a team of people working on any big decisions, rather than keeping them all to yourself.