

Human Factor: Confirmation Bias

We tend to look for, remember, and over-value information that re-affirms what we already know or believe.

How Does Confirmation Bias Work?

It is reassuring to feel “in the know.” Therefore, when presented with new information, we over-attend to data which tells us we’re right, while ignoring or under-valuing important disconfirming information.

Why does Confirmation Bias happen?

We as people strive to be competent and correct. When we are put in a decision-making position, we are drawn towards information that reaffirms what we already believe, which in turn strengthens the belief. Confirmation Bias satisfies the need to “right” that exists to varying degrees in all of us.

When is Confirmation Bias Problematic?

- Reinforces “business as usual” practices without reexamination
- Stifles the propagation of new ideas
- Distorts business decisions in favor of what has already been done
- Results in over-attending to stereotype confirming information, strengthening preconceived biases

Example of Confirmation Bias in Action:

- Clients who love a particular investment instrument are deaf to negative reviews on the product.
- Fans of both teams will watch the same game and feel victimized by poor officiating.
- *After* an election, almost everyone will tell you they “knew” such and such a candidate would win.



Using Confirmation Bias to Help Clients

- Engage with Clients to understand their values, beliefs, and biases.
- Ask questions that help Clients have the idea.
- Help Clients gather their own data and do their own math.
- Avoid telling Clients things they could tell themselves.
- Withhold unpopular advice until Clients are most receptive or least defensive.
- Anchor Clients to elements of your advice that agree with their positions.
- Ask Clients for a real reaction to your advice. Don’t assume agreement equals buyin.