

Cognitive Bias



Katja.Rieger@
rippleeffect.ch
+41 79 207 3117



Risk and Opportunities – it is first about People

Our decisions are formed by our perceptions of risks and opportunities

BUT: We are not always rational

When the decision matters, be aware of BIAS

**Changing Context, Changing Minds:
Creating Nudges to Foster Right Behavior**

5 common types of Bias

Confirmation Bias

We love to agree with people who agree with us. And we look for information, that confirms, what we want to be true, while we often ignore or dismiss, what threatens our opinion.

What can you do?

Appoint a devil's advocate

In-group Bias

This effect may have to do with oxytocin. This neurotransmitter makes us prefer to agree with the majority. And at the same time it makes us dismiss or be suspicious of others, not in the in-group. Ultimately it may cause us to overestimate the abilities and value of our immediate group at the expense of people's opinions we don't really know.

What can you do?

Bring in outsiders for their opinion

Post-Decision Rationalization

Often, we form opinions very quickly. To explain and justify, we often rationalize the decision to convince ourselves it was the right idea all along. It is a built-in mechanism that makes us feel better after we make sometimes wrong decisions.

What can you do?

Build in a structured lessons-learned process

Normalcy Bias

The refusal to plan for, or react to, a disaster which has never happened before.

What can you do?

Create scenarios and simulations for extreme events and play them through

Anchoring Effect

We tend to fixate on a value or number that in turn gets compared to everything else. The classic example is an item at the store that's on sale; we tend to see (and value) the difference in price, but not the overall price itself.

What can you do?

4 eye principle in pricing decisions. Waiting/changing context before making a snap decision

Katja Rieger Ripple Effect GmbH

Internationally Experienced

Having worked across 4 continents (Europe, Asia, US and Africa) mostly in financial services at GE, Swiss Re and now with my own company Ripple Effect, I am amazed and impressed by the knowledge, experience and rationality of my colleagues in this

field. But sometimes this rationality can be a stumbling block in giving due credit to what makes people tick and to the powerful impact of purpose and culture.



Result Driven

I am immensely curious of new concepts and love learning, but my goal is to create real and meaningful change. Finding pragmatic and simple solutions for individuals and organizations to achieve, what they need, is what drives me.

Passionate

Profit with Purpose, starting with the WHY and supporting change for meaningful causes, make me love my work. Striving towards an environment, where our strengths make us successful together, is my vision.

As a consultant, lecturer & speaker at international conferences or at company events, my goal is to make people reflect and open their minds to a new way of looking at things.

Behavioral Science and Cognitive Bias give an insight into how we take decisions and what motivates our choices. It can be used for good: “helping people make better choices” and taking quick, decisive actions, but just as often influences us to not take the best decision, but those shaped by our unconscious mind. Gerd Gigerenzer, Director of the Max Planck Institut, differentiates very clearly, when to go with the “gut” and when not to.

While we intellectually already know, that we are all prone to bias, we do not realize the extent of its impact and the areas, where we may fall prey to it. Not just in the hiring and promotion process, but as well in every day underwriting decisions.