

THE ROLE OF HUMAN BIAS IN OUR ANALYSIS AND DECISION-MAKING ACCURACY

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A cognitive bias is what our minds commonly and defensively do to distort our own view of reality. We often choose not to see those details that are difficult to accept about ourselves and others. It's a coping mechanism, it is human, we all do it. These biases can carry over to the workplace and hinder our ability to do analysis. Two common and damaging ones include:

- Group-think
- Blindspots (with deference to Ben Gilad)

CULPRIT # 1: GROUP THINK

According to Wikipedia, group-think is a type of thought exhibited by group members who want to minimize conflict and reach consensus without critically testing, analyzing, and evaluating ideas. In a group-think dynamic, the teams' desire to seek concurrence eliminates extreme possibilities and they become close-minded. Some of the causes of group think include:

- A desire to avoid being seen as foolish.
- A desire to avoid embarrassing or angering other members of the group, particularly those in more senior positions.
- A culture that mutes risk-taking.

CAUSES OF GROUPTHINK

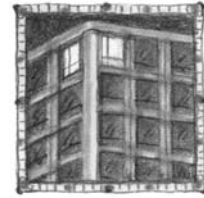
The military and government provide ample examples of group-think particularly since these entities historically value duty and traditions. The space shuttle Challenger launch (Mission STS-51L) is a prominent

example of the group-think phenomena with tragic results. This unique mission was the first flight of the Teacher in Space Program. (It strikes close to home for me because the teacher on Board, Christa McAuliffe, was a native of my Massachusetts hometown and we eagerly watched the live space launch.)

From the beginning, weather and equipment problems created repeated delays of Mission STS-51L. To our nation's horror, a little over a minute after launch, the Challenger space shuttle exploded, killing all seven crew members. A day before the launch an engineer voiced concern about the safety of the solid booster rocket 'O-rings.' Reports later revealed that engineers and scientists at NASA downplayed the rockets' faulty design before the launch. Frustrated by delays, President Reagan and other politicians had made it clear they wanted a successful launch to promote funding for NASA, the space program, and the Teacher in Space Program.

Group-think played a significant role in the Challenger disaster. According to the case analysis conducted by Jeff Forrest, the Chair of the Aviation & Aerospace Science Department at Metropolitan State College, these characteristics were in play:

- Group member suggestions that ultimately supported a launch on schedule were met with positive support by the group. Warnings were ignored. Any suggestion that would lead to a delay was rejected.
- All members responsible for the launch decisions felt obligated to live up to the group "norms."
- The key subcontractor's employees conducted private conversations



under high stress and were concerned about losing future revenue should they disagree with NASA.

The engineers' and subcontractors' decisions satisfied the goals of the launch, not the best interests of the crew and their safety.

The hallmark of a great organization is how quickly bad news travels upward.
Jay Forrester

CULPRIT #2: BLINDSPOTS

Blindspots are another common cognitive bias likely to taint the analysis of intelligence practitioners. The medical definition of a blindspot is an "obscuration of the visual field." In a more general sense, the term refers to people's inability to see all of a subject's elements when they are prejudiced or ignorant about it. As analysts, we can easily fall into the blindspot trap for many reasons. First, we may be attempting to shield senior

SIDEBAR 1: QUESTIONS TO IDENTIFY POTENTIAL CORPORATE BLINDSPOTS

- What emotional or historical identification does our firm have with its products?
- How do cultural and regional differences affect and change our assumptions?
- What products or services have we had success with that we are likely to repeat?

SIDEBAR 2: STEPS TO MITIGATE BLINDSPOTS AND GROUP THINK

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| <ol style="list-style-type: none"> 1. Call in external resources or outside experts to review your work whenever possible. If conducting a scenario planning or strategic gaming exercise, invite outside consultants, clients, or retired employees who have more distance from your company than you do. 2. Have someone you trust review your work. Choose someone outside your department or even your company who is not exposed to the same biases and influences you might have. 3. Keep an open mind. Question everything. 4. Think objectively by placing yourself in the position of an outsider. Tackle an intelligence request or opinion from the competitor's, customer's or supplier's perspective. 5. Get in the habit of questioning all assumptions. This is a good validation exercise and can prompt some interesting | <ol style="list-style-type: none"> 6. Play devil's advocate when necessary, and encourage healthy debate. 7. When possible, have two teams work on the same request to see what differences emerge in their conclusions. 8. Do not hold a personal attachment or assign over-importance to your own recommendations. The key to intelligence is supporting sound decision-making, whether it's your own or someone else's. 9. Rotate roles and responsibilities within your competitive intelligence team so that a new set of fresh eyes can help to uncover unknown bias. 10. As a manager, try and hold your opinions to yourself. Allow your team to come up with their own recommendations and solutions first, so that you do not bias their thinking. |
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management from issues or corporate weaknesses that might cause them embarrassment. Second, we may be retaining assumptions that may have been true in the past but are no longer valid.

These incorrect assumptions can apply to one's own firm, its competition, and the industry at large. Holding onto blindspots can wreak havoc in a company by misdirecting strategy activities and decisions, thus creating lost opportunities and resources.

TYPES OF BLINDSPOTS

Some of the more common analytical blindspots include:

- Unchallenged assumptions. (Companies believe that consumers

will remain loyal no matter how low the competition prices their products.)

- Corporate myths. (Firms believe that no one can outsmart them from a technology or innovation standpoint.)
- Corporate taboos. (The president of a telecommunications firm refuses to address or even acknowledge a high customer churn problem.)

Digital Corporation is a classic example of a firm with blindspots that eventually caused the CEO to lose his job and ultimately contributed to the company's downfall. The CEO and founder, Ken Olsen, had strong opinions about personal computers in the home that were known throughout the company. His published quote,

"There is no reason for any individual to have a computer in his home," became infamous (Gatlin 1999).

Olsen's opinion embodied the existing corporate myth that a home was no place for personal computers. Any thinking counter to his own on this topic was taboo and his senior leadership team did not appear to challenge him on his incorrect assumption. By being so forthcoming with his opinions, it was difficult for subordinates to question the direction Olsen was taking the company. This mistaken judgment caused DEC to be slow about recognizing personal computers as the wave of the future. It resulted in DEC making an ultimately unsuccessful massive catch-up attempt, and led to Olsen's ouster from the company.

WHAT CAN WE DO ABOUT THESE COGNITIVE BIASES?

The challenge for competitive intelligence practitioners is to recognize the existence of these biases in your thinking and analysis, and to take actions that lessen their influence. See sidebar 2 for suggestions to mitigate the tendency for bias.

While this is difficult to do, be vigilant in recognizing bias in your workplace. Take precautions to minimize its impact on your judgment and analysis of intelligence issues.

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