Common Biases And Errors In Decision Making

I have chosen the topic ‘Common biases and errors in decision making’. Research has shown that decision makers let preset bias and errors into decisions to reduce effort of brain, conserve time and avoid any trade off. I remember one clear incidence from my job, where my decision was driven by a bias.

I worked as an offshore technical recruiter for Bank Of America. The bank hires over 3000 resources every year. The resource manager at bank used to send us vacancies for which we had to assign suitable candidates. The requirements were purely technical, e.g. Hadoop developer, DeVops Engineer etc. From late July 2017, the flow of requirements started to slow down. As a result, we were getting repeated requirements. Plus, the bank had certain restrictions. They accepted candidates with limited work authorizations namely H4 EAD and L2 EAD (work permit dependent on spouse’s VISA). And they preferred local candidates because it was full time onsite job.

With the repeated requirements and restrictions, the candidate pool began to dry up because hardly 10 new candidates signed up for the job on a daily basis and there were thousands of recruiters aiming for those 10 candidates, other than the existing ones. My team lead always advised us to create a personal database of the candidates I speak to, so that whenever a requirement comes up, I can look into my database first(as it was exclusive to me). Around September, I got the requirement for Python Developer and it instantly clicked my mind that I had spoken to a Python Developer in the past. I looked into my Database, got her details and contacted her. After two months of toil, I had got a suitable candidate. Luckily, she was looking for a job change, but passively. I talked to her about the job description, pay, background check and other routine information. I was confident that this candidate will get through and focusing on all positives. I was under pressure to submit a good profile to client, so I overlooked one small detail which she mentioned in one of her conversations: She had a small son, and she used carpool to commute to office.

I submitted her profile after she agreed on the pay rate. The client set up an interview for her. I checked her availability and confirmed. She diligently attended three rounds of interviews and finally got selected. I was elated. I had got a candidate after almost 7 months. But to my surprise, she rejected the offer. I was disappointed. The onus of cancelled deal was on me. The reason she cited was that she doesn’t own a car and the bank location a little too far for her. She can’t spend too much money on private cab, and can’t spend too much time in carpool because she needs to give maximum time to her son. Whatever was her side of the story, in the end, it was because of my irresponsibility that my company lost that placement opportunity.

I can relate this to Anchoring bias. When people are trying to make a decision, they use an anchor or a focal point as a reference or outset quite often. They have a tendency to rely heavily on the very first piece of information they learn, which may have unwanted implications on the decision they end up making. For example, a person looking to buy a used car may focus excessively on the odometer reading and purchase year of the car, and use those criteria as a basis for evaluating the value of the car, rather than considering how well the engine is maintained.

My decision to submit the candidate profile without paying attention to subsequent or underlying information was influenced by anchoring bias. My focus was mainly on the initial information that she provided and I missed the nuances.

I believe the main reason that I took these decisions is that there was a lot of self inculcated pressure on me. I had to place six candidates in a year but in 7 months I was able to place only one. Under stress and urge to get quick results, I took decisions without due consideration, to conserve time and effort. I should have given attention to all details of the candidate before deciding to submit her profile. I should have realized that the responsibility of a failed deal would be heavier than the prize of confirmed deal.

The incidence now seems significantly related to what I learnt about anchoring bias. If I was aware about the flaws which biases could create, I would have been more careful. I could have applied the concept of rational decision making in practice. Anchoring bias can be brought under check by learning to check all information and details, and when one is more informed, he/she doesn't jump to conclusions easily. I could have done the following:

- Create a set of questions(checklist) while talking to her.
- Keep note of red flags separately, and cross question the candidate more on those(small son and car issue in this case)

My key learning from this analysis is that the concepts of organisational behaviour are not just theoretical. They have frequent applications in our work system, sometimes even without us realising it. Keeping my focus to decision making, I have learned that decisions should not be taken in haste, because haste transfers control from conscious mind towards some bias. People who have knowledge about them can prevent them from driving their decisions. Even if someone is not aware, he/she should consider few approaches before deciding for final

- Weigh pros and cons of the decision
- Dig deeper into information before deciding
- Analyze how past decisions impacted work.
- Be receptive to feedbacks and advices.
- Check feasibility of alternatives
- Check credibility from others' point of view

We humans are bound to make mistakes and not all our decisions or activities are perfect. But we can certainly keep them under check to make them as constructive and effective as possible.