

How Clear Are Your Decisions?

I have tried many times to write a blog on bias in the [decision making process](#), but other current events pushed the issue to the back burner. How we see the world is crucial to how and why we make decisions. Ultimately, our success in business and in everyday life is guided by how we perceive the world and how that affects our decisions.



Back in my investment days, I discovered a CIA report called the “[Psychology of Intelligence Analysis.](#)” This held vast information on gaining an understanding on our world view and how we make judgments on incomplete and ambiguous data. This often occurs when we are analyzing stocks and making decisions without all the data and with the biases built into our thinking.

Published in 1999 from a series of internal CIA writings from the '70's & '80's, this article by Richards Heuer Jr popped into the public spotlight after 9/11 in the discussions of what went wrong within the CIA causing them to be unaware of and unable to prevent the attacks. This reveals how we, and even the CIA, are biased in our thinking and how these biases can affect our business and personal decisions.

Key aspects of the writings emphasize the observer in determining what is being observed and how it is interpreted. Education, culture, experience, and position influence a person's perception. Complex mental processes filter my version of "reality" determining which information is utilized, how it is organized, and what it means.

This creates the mental models or mindsets and all we think we know about a particular subject. Keeping the mind open to different interpretations in a changing world is the best prevention. We think we record what we perceive, but Heuer says we actively construct reality. We tend to perceive what we expect to perceive. In a classic card experiment, you have various cards with some designed with red spades and black hearts. When you flash the cards before subjects, the normal cards are quickly and accurately identified. However, the cards that fail to meet our expectations are missed, even if the subjects were told the changes in advance.

The next part of the article discusses how much information is enough. Do we really do better with more information? The studies show that while we feel better when we have more information, we don't necessarily make better decisions.

In the next blog, I will further evaluate the biases we create for ourselves when we confront an issue and the ability of these biases to impact our view or blind us altogether.

Since we all have them and before I discuss next week, what do you think the biases are in your decision making? Are you

ready to look within and examine your own biases? I am trying and it is not easy.