## Cognitive biases

Business, Human Resources



Cognitive Biases In organization, people tend to depend on their common sense. While the common sense does help a lot in rational analysis and decision making, there is also a dark side to the excessive reliance on common sense which organizational personnel need to be wary of; their instincts are capable of steering them in the wrong way. This is termed by the behavioral psychologists as " cognitive bias".

Cognitive bias " are the instinctive leaps our minds make—our gut reactions and things we " know", though we're not sure how we know them. Scientists believe they are a relic of evolution: little shortcuts programmed into our minds to help us process faster" (Jacobsen, 2012). Cognitive bias affects objectivity, perceptions, relationships, and organizational learning in a multitude of positive and negative ways. Cognitive biases affect the quality of decision making by making the decisions compliant to the biases and instincts which may or may not be true. " The way an organization chooses and obtains from its environment the inputs it needs to produce goods and services determines how much value the organization creates at the input stage" (Jones, 2008, p. 3).

The negative effect of cognitive biases can be removed by constantly reminding and discussing the mission and vision of the organization with the organizational personnel. Open dialogue, easy and effective channels of communication, and more interaction is the solution of any misperceptions and the cognitive biases that can develop in an organizational set up. The responsibility of keeping everybody on the same board rests primarily with the top management and leadership of an organization.

## References:

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