

REWARD & PUNISHMENT SUPER-RESPONSE TENDENCY

Never underestimate the power incentives and disincentives have on motivating people to complete a task

If you find the right incentive you can motivate people to act a certain way, enhance performance or be more productive. If people aren't doing what you want them to do, your incentive or disincentive is wrong.

When sales of a new superior technology where low, Will discovered that the commission for the old system was higher than the new. A quick change in the commission structure quickly increased sales for the new system.

LIKING/LOVING TENDENCY

People ignore the faults of other people, products or companies that they love, like or admire

Humans ignore the faults of, comply with the wishes of and favor people or products associated with the object of their affection. They will even distort facts to facilitate their love.

Colin loves his new Smartphone, even though it was discovered the company that makes it uses sweatshops, child labor and has been accused of many human rights violations.

DISLIKE/ HATING TENDENCY

Humans ignore the virtues and views put forth by those things or persons they dislike.

People will often distort facts to justify the hatred towards people, products or companies while putting on a blinder to other options or opinions. We even dislike products or views associated with what we hate.

Edward refuses to buy product, from a company if he knows it supports or promotes conservative policies and values. He says "I don't care how good the product is, I don't want to support their agenda."

DOUBT – AVOIDANCE TENDENCY

If unsure about a decision humans will try to remove any doubt by making an ill-informed, quick decision.

The combination of uncertainty, confusion and stress can lead a person to making a quick irrational decision. This is an effort to remove doubt from the decision making process.

Under pressure to make a car buying decision, Ralph quickly pick one, because it looked the fastest, even though he had no idea if it actually was. To justify his decision he said "this car has everything I need."

INCONSISTENCY – AVOIDANCE TENDENCY

The human brain conserves energy by being reluctant to change, which is a way of avoiding inconsistency.

Eliminating a bad habit is a rare trait. Since it takes a lot of energy for the brain to change habits, it is easy to avoid change. The saying "you can't teach an old dog new tricks" is a result of this tendency.

Despite the evidence that smoking is bad for your health, Grace says "I've been smoking my whole life" and asks "why should I stop now?" She continues to smoke to this day.

CURIOSITY TENDENCY

Curiosity has been one of the main drivers in human progress throughout history.

Curiosity has driven innovation, exploration and technology. It has driven people to the bottom of the ocean, into space and across the Earth even risking life to satisfy their curiosity.

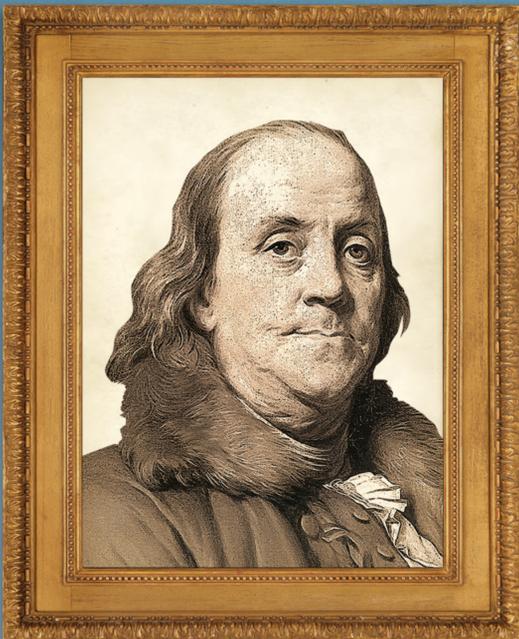
When asked why he wanted to be a computer engineer, Roger replied "I have always been curious as to what makes a computer work and if I could make them better". It was curiosity that drove his career decision.

KANTIAN FAIRNESS TENDENCY

People expect a certain level of fairness and will act irrationally to punish those who are not fair

Life is not fair, but many people can't accept this. People have a tendency to reject an offer if they think it's unfair. Tolerating a little fairness should be okay if it means greater fairness for all.

"I always let drivers merge on the freeway" said Susan "I know that they'll return the favor when I need to do the same." She continued "If you treat drivers fairly they will treat you in kind."



RECIPROCATION TENDENCY

In reciprocation tendency, we tend to want to return the favor when someone helps us.

The desire to return favors can be a good thing, but it can lead to making poor decisions if you make a purchase or reciprocate in kind out of a feeling of obligation based on these minor favors.

While walking through the grocery store Jill said "I try to avoid free samples, because I feel obligated to buy the product even if I don't like it." She went on "I only take a sample if I know I'm going to buy it."

ENVY/ JEALOUSY TENDENCY

Envy/jealousy comes from the desire to have a quality, possession or attribute belonging to someone else.

Envy or jealousy occurs often when the object of your desire is seen in possession of another person. Warren Buffet has been quoted as saying "it is not greed that drives the world, but envy"

After seeing his neighbor drive up in a brand new luxury car, Tim said to his wife "I work just as hard if not harder than he does, I deserve a car like that or better. I'm tired of everyone else having nicer things."

INFLUENCE-FROM-MERE ASSOCIATION TENDENCY

People can easily be manipulated by mere association through advertising, quality perception, celebrity, etc.

Associations, whether positive or negative, can influence what people buy, how they think or how they perceive a situation. Media, advertising, political groups etc. use association to influence people's perception.

"I always thought that the highest price product was the best quality" said Fred. "Until I discovered some companies raise their price to make people believe their product is the best" he continued.

SIMPLE, PAIN – AVOIDING PSYCHOLOGICAL DENIAL

Humans have a habit of distorting facts, until they become bearable for our own views. Facing the truth can be too hard to bare. In the most extreme cases such as death, love and chemical dependency, it is easy to distort the facts when the pain of reality is too hard to face.

Even after a year of being lost at sea, Alice refused to believe her husband of 20 years was dead. "I won't believe he's gone until I see the body" she said "it's just too painful to think about."

EXCESSIVE SELF-REGARD TENDENCY

People have a tendency to believe they are above average. This is where overconfidence comes from.

Obsessive high regard for our abilities, possessions and even children is common. Munger says "the greatest type of pride should be taking pride in being trustworthy to avoid developing an ego."

"I don't care what the test says" Jim cried "I have a above average intelligence compared to the average person" he continued, even after he got a low IQ test score for the second time.

OVER-OPTIMISM TENDENCY

Over-optimism bias usually shows that excess of optimism is the normal human condition.

Humans have habit of being over-optimistic about their situation whether good or bad. The lottery is an example of this tendency, people are over-optimistic even though the odds of winning are ridiculously small.

Even though times were tough, Jim and Sally decided to buy a bigger home. They said "we're optimistic that we'll be making more money in the near future, enough to cover our increase in expenses with a new home."

DEPRIVAL-SUPERREACTION TENDENCY

Deprivation-Superreaction refers to people's tendency to strongly prefer avoiding losses to acquiring gains.

Humans tend to over reacts irrationally even to a small loss, or threatened loss, of property, love, friendship, opportunity, status or anything of value. Losses are twice as powerful, psychologically, as gain.

Even though he didn't like his 15 year old car and wanted to sell it, Jack was ready to risk his life in order to prevent it from being stolen. "I got so mad when I saw someone trying to steal my car" he said.

SOCIAL-PROOF TENDENCY

Social-Proof Tendency is an automatic tendency to think and act as others around think and act.

If humans are unsure of what to do, or are looking for acceptance, they will simply follow the crowd and do what everyone else is doing. This can influence people to make huge mistakes and poor judgments.

When all of his friends bought a fake ID, Jake wanted one too even though it was illegal to have one. He said "I don't want to be left outside while my friends have fun at the club."

CONTRAST- MISREACTION TENDENCY

Humans tend to make judgments based on comparison instead of evaluating each situation on its own.

People tend to misjudge or make a bad decision in regards to objects, people and situations based on comparison. It is better to evaluate people and objects by themselves and not by their contrast.

"We make up a high price for our new TV sets" said Hal "then we put the regular price as a sale price to sell more TV's". He continued "even though the regular price is fake, by comparison it looks like a better deal."

STRESS- INFLUENCE TENDENCY

When stress and adrenaline levels are high humans tend to produce faster and more extreme reactions.

Small amounts of stress can slightly improve performance, however heavy stress and high adrenaline can often leads to dysfunction, over-reacting and making otherwise irrational decisions.

"As I was driving" Brandon said "a deer suddenly jumped on the road, causing me to swerve off the road and hit a tree." "Looking back, I could have missed the deer and the tree, but under stress I over-reacted."

AVAILABILITY- MISWEIGHING TENDENCY

The human brain tends to overweigh the value of a fact, idea or object when it is easily available.

The song lyric "When I'm not near the girl I love, I love the girl I'm near" is an example of the Availability-Misweighing Tendency since the brain gives more value to something that is available.

At the grocery store Jill said "when I see a big display of an item that is on sale I feel compelled to buy some." She continued "If I just made a list and stuck to it, I probably wouldn't buy as much."

USE-IT-OR-LOSE IT TENDENCY

Your skills over time weaken with disuse. Simply put, if you don't use them, you lose them.

People tend to cram for a test or presentation instead of trying to master the information. Advanced skills can only be maintained with daily practice. A skill mastered can be retained longer and remastered quicker.

"I practiced the violin everyday for 10 years, then quit for awhile" said Sue. "But, it only took me a few months of daily practice to get back to the skill level I was at."

DRUG-MISINFLUENCE TENDENCY

Humans have a tendency to be strongly influenced by drugs which can lead to moral breakdown and massive denial.

People are influenced by drugs and the effects of drug abuse can be extreme. A person may sacrifice a lot as a result of his or her addiction. It can be from legal drug like alcohol or illegal drugs like cocaine.

"Poor Phil" Sarah said at Phil's funeral "he lost his job, house, and his life as a result of his drug addiction." She continued "Yet he refused to ever admit he had a problem, how unfortunate."

SENESCENCE-MISINFLUENCE TENDENCY

Certain skills and abilities diminish with age. Continuous thinking and learning helps to slow the decay.

As Humans age their mental and physical capabilities reduce. It's rare for someone to learn a new skill at an advanced age, but some people are good at retaining their skills as they age.

On his 78th birthday, Jerry said "I don't think as fast or as clearly as I used to". However, I do crossword puzzles and word searches to help keep my mind sharp, it seems to help."

AUTHORITY-MISINFLUENCE TENDENCY

People have the tendency to follow orders, especially when given by an authority figure.

Man was born mostly to follow leaders, and there are only a few people leading. As a result, society is organized into dominance hierarchies and people have the tendency to follow orders because someone said so.

"Why do you take those pills every morning?" A friend asked Bill. "Just following doctor's orders" he replied. "I don't question what the doctor says, he's the expert on the matter" he continued.

TWADDLE TENDENCY

People have the tendency to twaddle or spend too much time on things that don't matter or aren't important.

A lot of time is wasted on twaddle. From instant messages to social media distractions twaddle can fill up your day. Even your own thoughts can be twaddle, filled with repetitious thought of little importance.

"I try to avoid Janice at the office" said Phil "she has a tendency to go on-and-on about her petty problems and complaints, when I have a big stack of work that needs to be done."

REASON – RESPECTING TENDENCY

It is possible to get people to act against their best interest if they are given a reason even if it's silly.

You can increase compliance to a request, favor or command if you give a reason why. The reason doesn't have to be logical, true or credible, it will still be more effective than if you don't use a reason why.

"If I want to get to the front of the line to the library printer" said Carrie "all I have to do is give a reason why I'm in a hurry like, I'm late for class and they usually let me cut to the front."

LOLLAPALOOZA TENDENCY

All the previous tendencies interact with each other and when combined have an exponential effect.

All 24 tendencies interact with each other and people will merge multiple tendencies in favor of a particular outcome. The Lollapalooza tendency can be used for positive or negative purposes.

A public auction is an example of multiple tendencies at work. You have social proof, reciprocation and deprivation super-reaction tendency and can manipulate people into acting irrational and over spending.

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