

REDUCING WORKPLACE BIAS: HINDSIGHT BIAS

SHORT DESCRIPTION

WHAT:

The hindsight bias confirms the unhelpful view that we knew what was going to happen all along.

PROBLEM:

The hindsight distortion gives us a false sense of our predictive powers, potentially influencing future decision-making and blinding us to the problems of prediction and our abilities.

SOLUTION:

The lesson and meditation will help you have a more realistic view about your predictive capabilities which will significantly enhance your thinking and decision-making.



The Hindsight Bias is the tendency to convince yourself and others that you are a predictive genius because you “knew this was going to happen all along”.

Of course, everyone knows the outcome of an event once it has happened and some people either believe or try to convince others that they predicted the outcome.

Unless you have a written or public statement prior to the outcome of the event showing your prediction, just saying you knew it all along doesn't count. (And neither does having written or public statements that covered all the possibilities!)

The fact is that via many influences but especially the hindsight bias, it's easy to convince yourself that you at the very least had a sneaking suspicion that the outcome that occurred was going to happen. The issue here isn't really bragging rights, it's more about the perception of your predictive powers.

Let's face it, even if you did predict the event, it could have happened by chance. And sometimes the odds of any one outcome aren't terribly small.

For example, the results of change in a workplace procedure, are either some gain, some loss, or no change, which all other things being equal are all a 33% chance. So, there are times when you do get it right which aren't much of an accomplishment. The importance of looking at subsequent results is that it can really highlight your decision-making and implementation processes. You don't want to confuse these biased perceptions of your predictive abilities.

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HERE ARE SOME WAYS TO COUNTER THE HINDSIGHT BIAS TENDENCY

1.

If you are making predictions, write them down before the outcome is revealed. Try to be specific about outcome metrics. So, if a plan was devised to reduce overtime, what will the per cent reduction be over different time periods. These are often expressed as goals, but there's a difference between goals and outcomes. What do you specifically think is going to happen?

2.

Specifically track your predictive accuracy over time. Its very easy for perception to be distorted with a couple of accurate predictions, but if your record of accurate prediction is 2 out of 25, that's not terribly good and you're misleading yourself. This is one of the reasons to be wary of advertising claims touting someone's expertise on the grounds that he accurately predicted the financial crisis, or whatever. It might be the only prediction he has ever got right!

3.

The hindsight bias also clouds the reality that there is often more than one outcome to an event. Using the overtime reduction as an example, overtime might have been reduced but staff morale also went down, or there were more sick days recorded. Here you are facing the essence of a cognitive bias – simplicity. Life is often more complicated than a single outcome.

4.

Meditation and mindfulness exercises will help expand your consciousness and sensitivity to subtlety that often goes missing when the hindsight bias comes into effect.

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Everything was such a damned nice idea when it was an idea.

– Tim O'Brien

Have you ever experienced an event, typically one with a negative outcome, and said to yourself or another person, “I knew that was going to happen!” Of course, you typically don't go looking for your notes made a few weeks/month/years earlier that prove you predicted the whole thing because, well,... they don't exist. It's easier to be right when you already know the answer. The problem is that as soon as the answer is revealed, it distorts your memory and perception of your past judgments.

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For example, you might have had a concern about a future outcome of a decision but this might well be distorted as you look back, and be turned from a minor concern into a major probability, if not an outright prediction. Knowing the outcome will likely turn you into a predictive genius, or seem like that.

Okay, so most of us like to be right, and we will take advantage of any opportunity to prove it to be the case. However, that can be dangerous because it can lead to very distorted views of your prediction abilities. You are likely to overvalue you and/or your team's prediction accuracy if you are constantly telling yourself, you knew what was going to happen all along. We program our brains all the time, so we need to be mindful about what we are telling them.

If you did accurately predict an outcome, how certain were you of the outcome before it actually manifested itself?

Did you think it might be a possibility?

Did you think other outcomes were also possible?



Before, you are wise; after, you are wise. In between you are otherwise.

– David Zindell

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How, if at all, did you weight the various possibilities?

This is not just about ego. This about the specific and important skill of the ability to accurately predict outcomes.

When you are involved in group decision-making exercise, do you or anyone in the group, make an attempt to get the group members to predict what will actually happen?

Does anyone instigate the action of having all group members writing down their predicted outcomes?

Ideally such an exercise should not just be about various predictions but each of those forecasts should be given a probability. So, for example, group members might predict the outcomes of the decision expressed as a probability.

For example, one member might predict that there's a 55% chance that revenues will increase within 1 year of implementation, a 30% chance that they will stay the same and a 10% chance that they will fall.

Of course, one could also add layers of specificity and probability to the predictions.

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Not only would this minimize the chance that bias would subsequently distort the narrative about predictive accuracy, it would actually be a good measure of the accuracy of judgments which might then inform better decision-making in the first place. Or it might reveal that some people are very good at predictions, or there are factors that need to be given more consideration in the decision-making process.

The hindsight bias might also lead you to the false assumption that everything is predictable. Sometimes, there are surprises that no-one saw coming. Of course, we would like to think that we can minimize these mysteries but it would better off if we realized sometimes the unpredictable happens.

And remember that the future is always unknown until it is revealed. But then it isn't the future any more.

As with other biases, the hindsight bias as well as being a function of distorted perception has the power to distort perception and in this case, that might give you and your team unrealistic perceptions of your predictive, and decision-making, abilities.

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We go through the present blindfolded... Only later, when the blindfold is removed and we examine the past, do we realize what we've been through and understand what it means.

– Milan Kundera

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The Hindsight bias makes surprises vanish.

– Daniel Kahneman

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MEDITATION

The hindsight bias can blur the distinction between the present and the future and can foster the idea that we can, or should be able to predict the future. Even when one has accurately predicted the future in the past, that doesn't mean that the future is predictable. The present is the present and the future is the future. There's an idea, a prediction and an outcome, which are all independent events.

Everything was such a damned nice idea when it was an idea. A decision is made at a certain point of time. Many variables, both known and unknown, influence the outcome of that decision.

We go through the present blindfolded. Only later, when the blindfold is removed and we examine the past, do we realize what we've been through and understand what it means. We can try to predict the future, and sometimes we might get it right, but there are many unknowns between the present and the future.

You didn't know it all along. You guessed it all along. You can only know it once it has been revealed. And remember that the future is always unknown until it is revealed. But then it isn't the future any more. We go through the present blindfolded. Only later, when the blindfold is removed and we examine the past, do we realize what we've been through and understand what it means.

The Hindsight bias makes surprises vanish. The hindsight bias can give you a very false sense of your talents. The future is always unknown until it is revealed. But then it isn't the future any more.

We go through the present blindfolded. Only later, when the blindfold is removed and we examine the past, do we realize what we've been through and understand what it means. Before, you are wise; after, you are wise. In between you are otherwise.