MSIS 638

Case 1.3a

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Biases in Decision-Making

a)

Consider at least three important decisions you have made in the past. (e.g., choosing your major)

1. Choosing what graduate school to study and where.

2. Decide to go on a work and travel program in USA.

3. Came to Dorchester, MA during the COVID-19 pandemic outbreaks.

b)

For each of these decisions, list at least three potential biases that may have influence your decisions. (in what way those biases may influence your decisions)

1. a. Placebo bias:

Before choosing whether study aboard or domestic, Placebo bias really affected my sense of making decision. Providing me more motivation to give myself challenges and finally I chose to study abroad.

b. Overconfidence bias:

There is an important decision including in choosing which school to go, is having a GMAT exam. The better score you get, the better school you may enroll. In this situation, my decision has been influenced by overconfidence bias, so I got an unsatisfactory result.

c. Confirmation bias:

Since last time traveled in Boston shortly, I have been shocked by the beauty of this city. Thus, the Confirmation bias occurred when I start applying for my graduate school. The influence of my decision for not thinking the entire view of which school suitable to me but focusing on the school in Boston.

1. a. Bandwagon effect:

Herd mentality influenced my decision to fill the form of work and travel program. Before I evaluate the whole program, my friend asked me to join them even I know there are many advantages later.

b. Ostrich bias:

This bias caused me ignored the negative information (e.g., the housing problem, we have 50 people in one house) and only consider the positive aspect of attending work and travel.

c. Outcome bias:

Outcome bias occurred when another friend of mine who had already attended this program came in. After his consultation, I only evaluated the outcome good or not. It would be better to examine more detailed and different conditions that existed at that time.

1. a. Selective Perception:

When I decided to come to USA this semester, the COVID-19 is one of the troublesome issues. I tried to obtain more information I can help me making a better decision. Selective Perception is that the information I got were all based on my classmates and Internet. In this way, I made the decision too soon based on limited frame of reference.

b. Ostrich bias:

The Ostrich bias caused me ignored the negative information (e.g., The cold weather, and serve condition of the pandemic.) and consider the positive aspects (e.g., solve the problem of jetlag and living by myself.)

c. Blind spot bias:

At that time, I thought I was less bias than my parents and friends because I could find more information on my own. Yet, their suggestions also have high reference value and reflection to me.

c)

If you could go back in time, would you make the same decision? Why?

Yes, if I can go back in time, I would still make the same the decisions, for two reasons. First, through there are many dimensions can be improved, however, I will not regret want I have decided. Because of these decisions, that why I am here, they have led me so far to explore the journey with my own style. Second, changing may benefit that moment but there will still be new challenges even I made the optimal decision. All in all, the reason I will not change my decisions is that all these decisions have made me become who I am.

d)

How would you make similar decisions in the future to avoid such biases?

To avoid making similar decisions based on those bias in the future, in my point of view, there are two ways to do so.

First, collecting more information about different perspectives can have an entire view of the events. With better understanding of both negative and positive aspects, we can make our decisions with less bias.

Second, always remind us to be modest and take those suggestions as a consideration, not fully apply them but take them as a sub solution. So, we may avoid overconfidence and blind spots bias. (e.g., the suggestions from your family and your friends)