

The Challenge of Objectivity



Eric Spivak - October 19, 2023
Oregon Audit Summit

Dictionary Definitions of Objectivity

- ▶ The quality of being able to make a decision or judgment in a fair way that is not influenced by personal feelings or beliefs

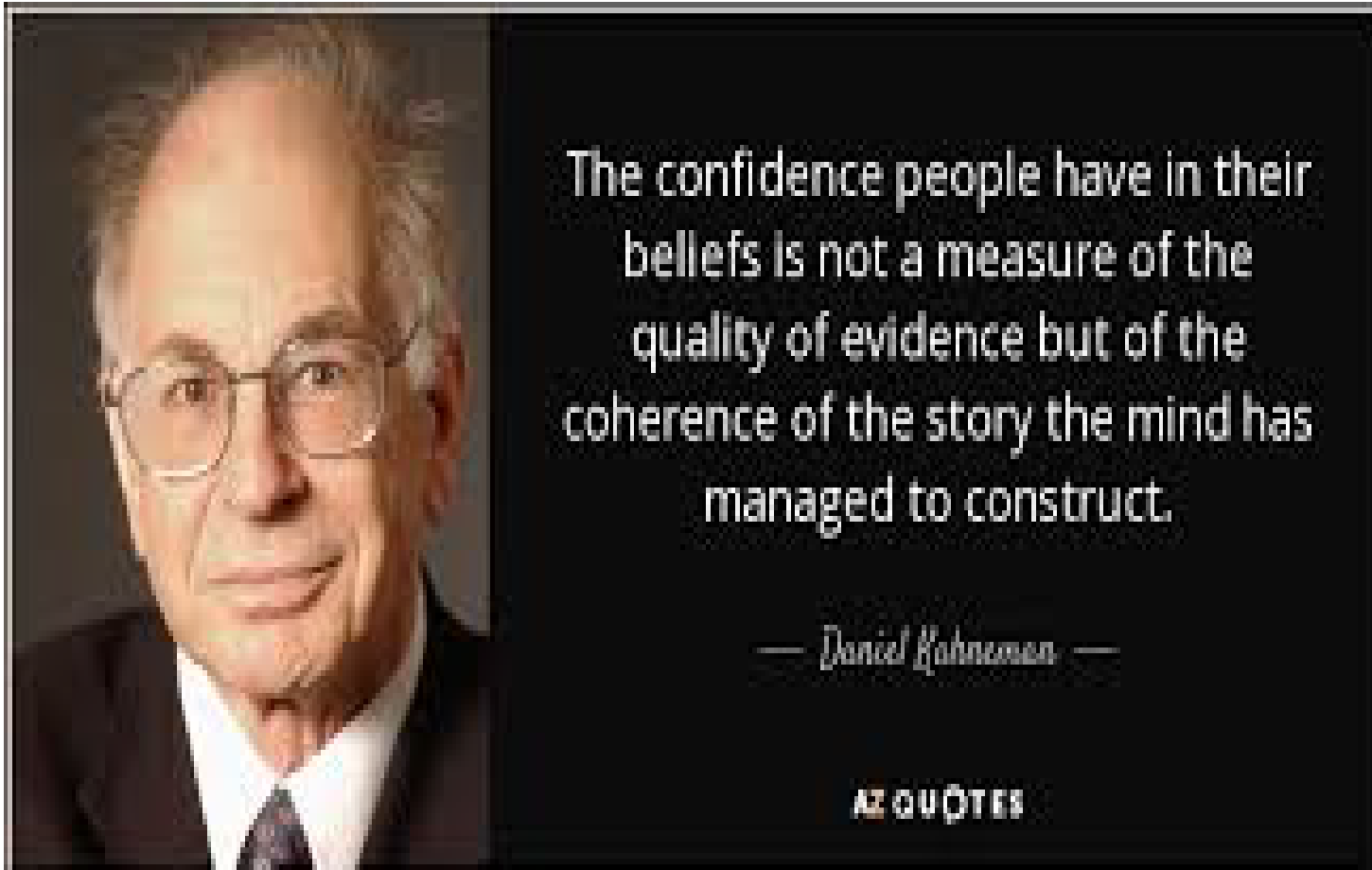
Cambridge Dictionary online

- ▶ Expressing or dealing with facts or conditions as perceived without distortion by personal feelings, prejudices, or interpretations.

Merriam-Webster Online Dictionary

Cognitive Bias

A systematic pattern of thinking that is rooted in a logical flaw



The confidence people have in their beliefs is not a measure of the quality of evidence but of the coherence of the story the mind has managed to construct.

— Daniel Kahneman —

AZ QUOTES

Objective

Increase our awareness of 15 cognitive biases that can influence belief formation, reasoning processes, decision making, and behavior in general - both ours and that of our auditees.

1. Actor-Observer Bias

The tendency to attribute our own behavior to situational influences but to attribute the behavior of others to internal causes.

PEANUTS



United Features Syndicate, Inc.

2. Anchoring


The tendency to be overly influenced by the first piece of information we receive in a decision-making context.

Anchoring Example

Which price feels like a **better deal**?

Price A

Price B



The image illustrates the concept of anchoring with two price tags. Price A is a simple tag with '\$500' written on it. Price B is a tag with '\$1,000' crossed out and '\$500' written below it. A blue circle highlights 'Price B' and a yellow thumbs-up emoji is next to it, indicating that Price B is perceived as a better deal.

3. Automation Bias

The tendency to be overly trusting of information from automated systems



AUTOMATION BIAS

4. Availability Bias -

The tendency to estimate or forecast the likelihood of an event based upon how readily they recall an example or instance of that event

“It’s ok.
I do it all the time”



5. Blind Spot Bias

The tendency to see oneself as less biased than other people.

We are able to recognize that others are influenced by various biases, but we think of ourselves as objective and able to make fact-based decisions without being influenced by biases.

6. Choice supportive bias

The tendency to defend a choice even if it is clear you've made a bad decision.

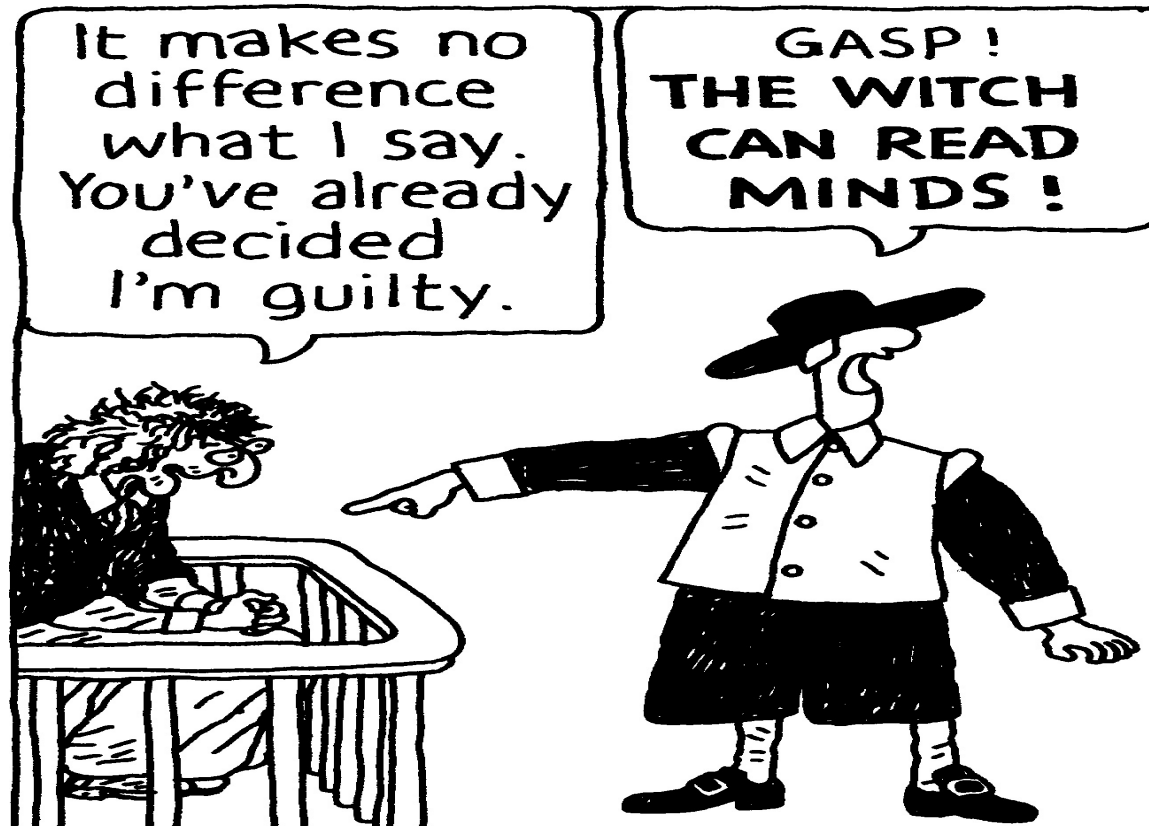
"Don't confuse me with the facts. I've got a closed mind. I will not vote for impeachment..."

Congressman Landgrebe



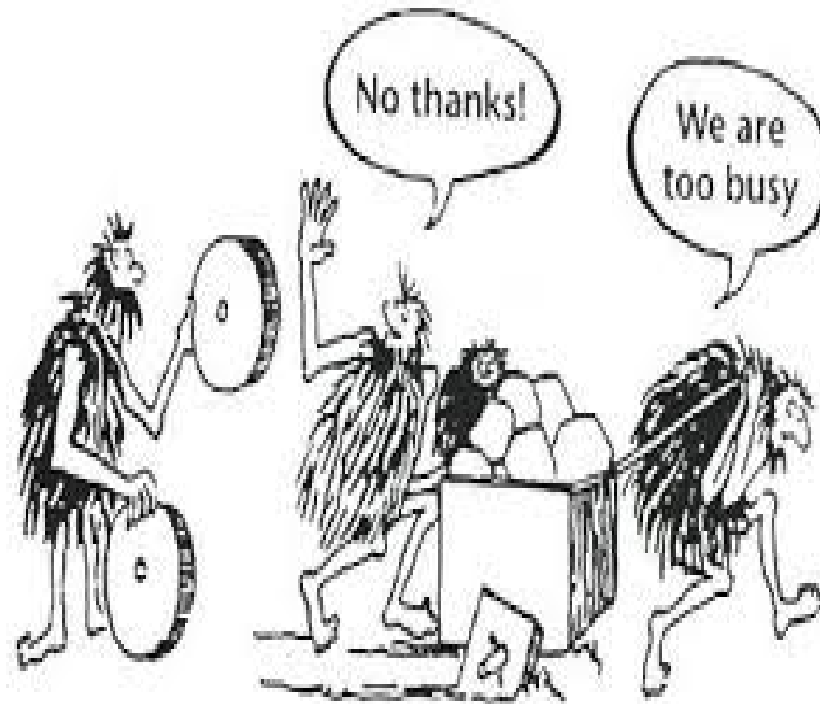
7. Confirmation bias

Looking for, searching, and/or focusing on info that confirms your pre-existing beliefs.



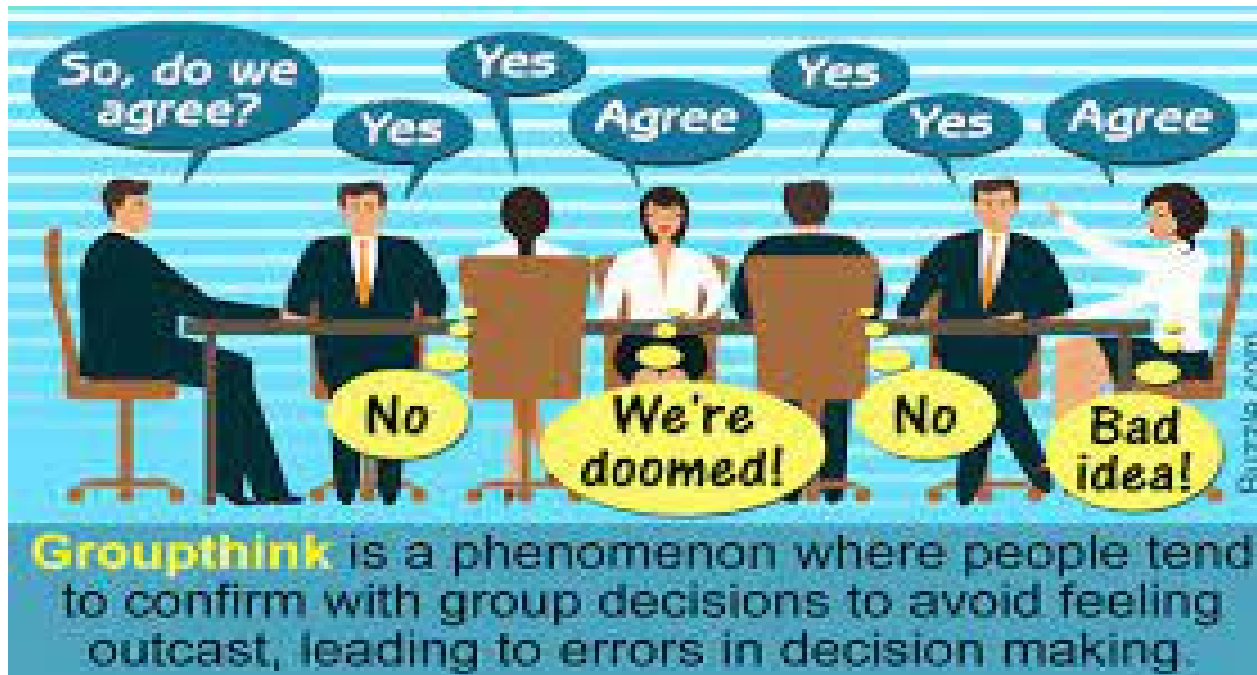
8. Familiarity Bias

The tendency to choose the same decision alternative for a new situation that is similar to a situation that occurred in the past



9. Groupthink

The tendency to set aside one's own beliefs and adopt the opinion of the rest of the group in order to avoid conflict and preserve harmony.



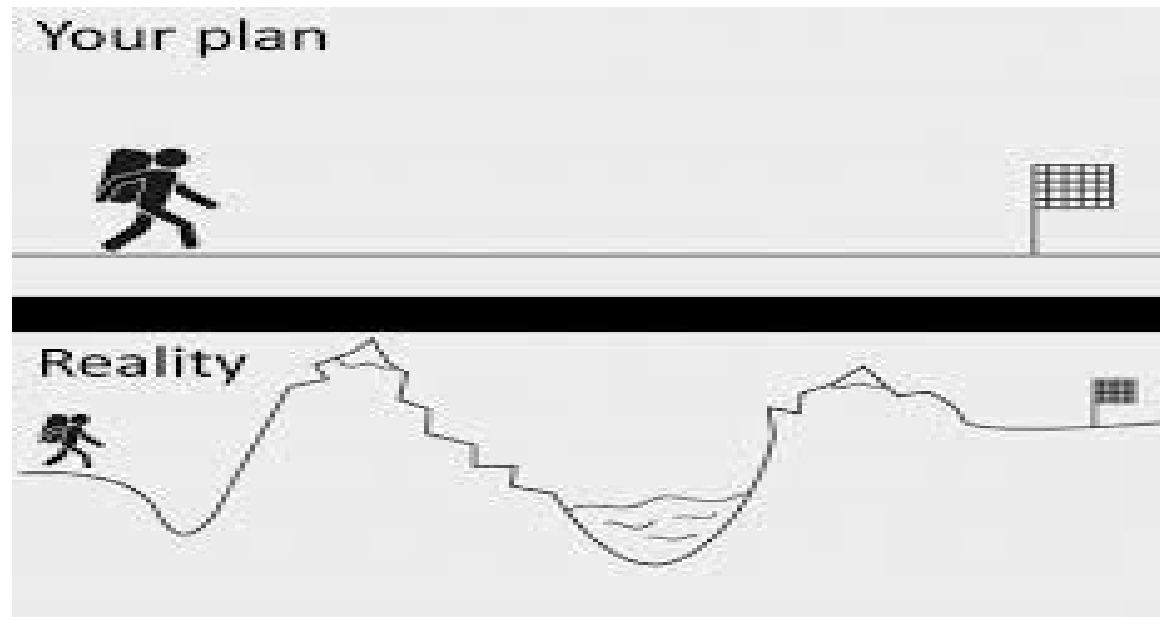
10. Halo Bias

The tendency for our perception to be influenced (either positively or negatively) by our observed or known traits of a person or object.



11. Optimism Bias

The tendency to be over-optimistic, underestimating the probability of negative outcomes and overestimating favorable and pleasing outcomes.



12. Overconfidence bias

Placing too much faith in your belief/opinions



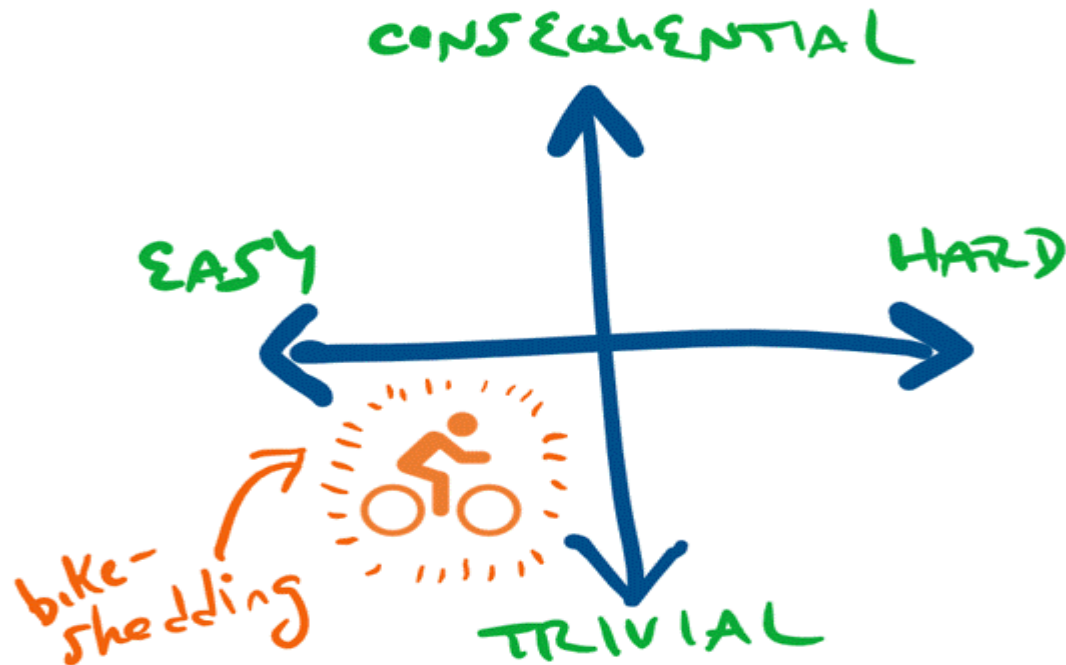
13. Outcome Bias

Evaluating the quality of a decision by its outcome



14. Parkinson's Law of Triviality

The tendency to give disproportionate weight to trivial issues because they are easier to understand than more important, complex issues.



15. Sunk Cost

The tendency to let past investments influence us to continue on same path



**Thanks -
I hope you enjoyed my
presentation**

Feel free to contact me with any questions:

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