

BAD BITS

#1

THE BETTER THAN AVERAGE EFFECT (BTAE)

The tendency to overestimate our abilities compared to others.¹

What is BTAE?

We often believe that we are performing better than most other people in many areas of life...



Academic skills



Leadership skills



Social skills



Originality



Sporting skills

BTAE was famously shown in a study looking at people's self-rated driving ability.²

88%



of American drivers rated themselves as safer than the median driver...

...a statistical impossibility!

(By definition, half are below the median and half are above!)



The problem

If we think we're performing better than we are, we may overlook the need to improve our skills. This can lead to complacency.

3 WAYS TO OVERCOME BTAE IN THE WORKPLACE

1 Feedback on performance may not be enough on its own, so create a culture of learning

Those who perform poorest often do not respond adequately to feedback. Focus on training to enhance skills, as people are less prone to overconfidence when they are more skilled.³

2 Give the right kind of feedback 🍌 sandwich.

Forget generic praise and the 🍌 sandwich. Effective feedback is frequent, individualised and contains concrete actions for improvement.⁴

3 Use social comparison

Communicate how other people are doing so that somebody can tell if they're falling short. For example, showing people that they use more energy than their neighbours significantly reduces their energy usage.⁵

BAD

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There are lots of cognitive biases that influence people's behaviour in predictable ways. We design digital experiences that work with these biases, rather than against them, to change people's behaviour for the better.

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BAD BITS

#2

THE PLANNING FALLACY

The tendency to underestimate the time or resources needed to complete a task.¹

What is the planning fallacy?

We are often confident that our projects will run as planned, despite knowing that similar past projects did not.¹

We underestimate pitfalls and delays, as well as 'anchor' on our initial estimates (even if they are wildly inaccurate!).²



From the smallest of projects, like student assignments...



...to the biggest, like large-scale industrial projects

Sydney Opera House was planned to take **6 years** and cost **\$7m** to build.

It actually took **16 years** and cost **\$102m...**

3 x longer & 15 x more!³

3 STEPS TO STOP THE PLANNING FALLACY FROM SABOTAGING YOUR GOALS

1 'Unpack' the task into smaller sub-tasks
Plan your time and resource allocation for the sub-tasks, instead of the project as a whole. The more specific the sub-tasks are, the more accurate your planning will likely be³. Taking the time to do this thoroughly will pay off!

2 Set implementation intentions
For each sub-task, create an implementation intention that sets out who will do the task, when and where. This not only increases planning accuracy, but also helps people to finish tasks faster.⁴ Setting implementation intentions can also help you to anticipate obstacles and plan a response in advance. Make plans in the form: IF (obstacle arises), I / THEY (respond with this action).⁵

3 Get a second opinion
People are more likely to underestimate time for their own projects than for others'.³ Mitigate this by asking someone else to assess the time and resources required for the project (but don't show them your estimates beforehand, otherwise they may anchor to those values!).²

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BAD BITS

#3

HYPERBOLIC DISCOUNTING

The tendency to prefer smaller, immediate rewards than larger, later rewards.¹

What is hyperbolic discounting?

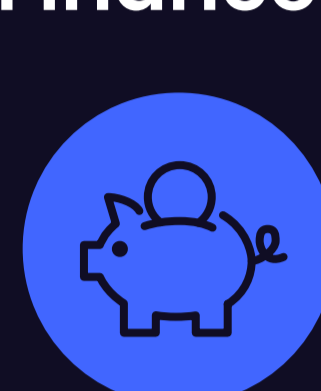
In many parts of life, we need to trade instant gratification for some future reward:

Health



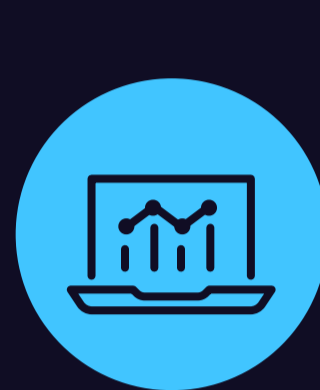
Eat the cake now...
...or be healthier later?

Finances



Go on holiday...
...or save for the future?

Productivity



Procrastinate now...
...or get things done?

Environmental responsibility



Be warm now...
...save the planet later?

The problem is that we often favour smaller, immediate payoffs over waiting for future, larger rewards.¹

This can lead us to opt for immediate gratification and to behave in ways that are inconsistent with our long-term goals.²

We see this in sayings like...

A BIRD IN THE HAND IS WORTH TWO IN THE BUSH

We like certainty and future payoffs run the risk of disappearing!¹



3 STEPS TO ACHIEVING YOUR LONG-TERM GOALS

1 Surf the motivation wave
Motivation fluctuates – prepare for it! When motivation is high, you have the energy and desire to do harder things (e.g. spend time cooking healthy meals, or start a new project). When motivation is low, dial down the task difficulty so that you're still doing something in service of your goals, but a task that's much easier (e.g. adding one more vegetable to your meal, or scheduling a meeting).³ When at the peak of motivation, do things that will structure your future behaviour in the right way. The following two steps are ways to help you achieve this.

2 Change your environment so the right decision is easiest
Our environment shapes our decisions and behaviour.⁴ The less you are exposed to temptation, the easier it is to stick to your goals.⁵ Where possible, remove cues to temptations or arrange your environment to make the desired behaviour easy. For example, don't bring tempting foods into the house and make healthy options the most visible in your fridge.

3 Make a commitment
Make the desirable outcome the default by locking yourself into a course of action in advance. This can help you to see through periods of low motivation.⁶ For example, setting up a direct debit for a savings account, or disabling apps from your phone.

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BAD BITS

#4

CHOICE OVERLOAD

The feeling of being overwhelmed or paralysed when given a large number of options to choose from.¹

WHAT IS CHOICE OVERLOAD?

When given many options to choose from, people often find it harder to make a decision, are less satisfied with their choice and more likely to regret it, compared to when there are fewer options.¹

Advances in technology mean that we are presented with more choice than ever...

NETFLIX HAS AROUND

3000

TITLES TO CHOOSE FROM

TINDER HAS OVER


50M

ACTIVE USERS


SEARCHING 'PEN' ON AMAZON YIELDS

20K

RESULTS



Choice overload can make us procrastinate over important decisions, like deciding which retirement option to select...



...and it can lead us to be dissatisfied and wonder what might have been.

HOW TO STOP CHOICE OVERLOAD

If you're creating choice for others...

1

Partition and sort

People want choice.² Providing options, but guiding choice, preserves autonomy while helping people to navigate their decision making. To do this, partition the options into two sets, one with the most attractive options and a second with those remaining. Then sort the options in each set according to your audience's preferences.³

2

Consider your audience's expertise

Satisfaction with a choice depends in part on how much knowledge the person thinks they have about the topic in question. Paradoxically, people who believe they have greater knowledge prefer fewer options, whereas people who believe they have less knowledge prefer more. This is because larger sets contain more information, which is excessive to knowledgeable people, but helpful to less knowledgeable people.⁴

If you're a chooser...

1

Practice gratitude

When we are given many options, we tend to mull over what could have been if we'd chosen differently. This can stop us from appreciating the good that comes from the decision we have made. Taking the time to reflect on the good that comes from our decisions can help us to feel more satisfied with our choices.⁵

2

Create choice closure

Use physical acts of closure to signal that your decision is complete and shouldn't be revisited. Actively remove rejected options from sight, e.g. close a menu after deciding what to eat. Such physical acts stop us from comparing our chosen option with others that could have been.⁶

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BAD BITS

#5

COGNITIVE OVERLOAD

Happens when you have too much information to process at once.¹

WHAT IS COGNITIVE OVERLOAD?

Humans have a limited mental processing capacity. When we are exposed to more information than our cognitive system can process, we experience cognitive overload.¹

With so much information at our fingertips and such great demand on our attention, it's easy to feel overwhelmed.



the average phone screen time per day



of video are uploaded to YouTube every minute



the average time it takes to get back into a task after being interrupted

Cognitive overload can happen when our work environments are hyper-stimulating and force us to multitask. This has been linked to:

- More errors
- Poorer decisions
- Slower task completion
- Constant low level of guilt and panic⁵

3 TIPS TO PREVENT COGNITIVE OVERLOAD

1 Take breaks and allow your mind to wander
It's easy to feel that time spent doing nothing is wasted. In fact, our brains need time to absorb and consolidate new information. Taking breaks is therefore especially important if you're learning new information or a new skill.⁶ Letting your mind wander occasionally can give you a much-needed cognitive break, as well as get your creative juices flowing – research shows that mindwandering can help people with creative problem solving.⁷

2 Avoid multi-tasking
Take some time to map out your tasks for the day so that you can focus on one thing at a time. Wherever possible, ringfence your time to focus on tasks that need your full attention by disabling notifications and leaving your phone in another room so you're not tempted to check it.

3 Use cognitive offloading
Offload information from memory wherever possible by writing things down or setting reminders. This can reduce our cognitive processing demands.⁸ If a new task comes in or an idea occurs to you while you're working on something else, have a space where you can immediately offload it by writing it down.

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