

THE IMPACT OF COGNITIVE BIASES ON SB BSU STUDENTS' JUDGEMENTS AND DECISIONS

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The relevance of our research work lies in the fact that Human thinking is imperfect. Cognitive biases cannot be completely eliminated, but being able to recognize them will help you to have more control and make more rational decisions. According to the results of our survey, only 25 % of respondents were aware of the existence of such a concept as cognitive biases. Therefore, studying this issue will help to draw more attention to this phenomenon and, hopefully, become an impetus for positive changes in the way of one's thinking. The aim of this survey is to determine whether students of SB BSU fall under the influence of cognitive biases, whether they notice signs of irrational thinking, and subsequently, based on the results obtained, give advice that will help to identify these biases and take control over their thinking trends and decision-making process.

Key words: cognitive biases; decision making; irrational thinking; incoming information; rational decisions.

Decision making is an integral part of our lives. We are overwhelmed with information and in these attempts to simplify decision making, important factors can be left out, or so-called cognitive biases can be stumbled. Cognitive bias is a systematic thinking error that occurs when people process and interpret information about the world around them, and affects the decisions and judgments they make [1].

The following tasks have been done to achieve the aim of this research: students of SB BSU were interviewed, practical advice will be presented at the end of the article.

We conducted a survey in which students of different courses of our School of Business took part. 80 people took part in the survey.

Next, 2 hypotheses will be given that we put forward based on a subjective assessment of the current state, and an analysis of the survey, according to the results of which the hypotheses will be refuted or confirmed.

The Hypotheses are the following:

1. The decision-making process of the majority of students is irrational.
2. Most students make decisions under the influence of cognitive biases without even knowing it.

To test this hypothesis, the following questions were formulated:

1. How fast do you make decisions?
2. Do you analyze incoming information?
3. Can you always argue your point of view?

To our surprise, on the first question, 51 people or 63.7 % of the respondents answered that they need time to think about their decision and only 36.3 % of students found that the decision-making process does not take much time. According to the results of the second question, it was found that 61.3 % of students often analyze incoming information, 30 % of students always do this, and only 8.8 % rarely analyze incoming information.

A similar situation with the question «can you always argue your point of view». 73.8 % of respondents can do it often, 17.5 % always and only 8.8 % rarely. The «never» answer option was not selected by any of the participants in either this or the previous question.

A rational decision is a thoughtful, balanced decision made on the basis of a choice, comparison of options and consideration of many factors; in other words, a profitable expedient solution. Therefore, based on the results of the 3 previous questions, we refute our first hypothesis, since the vast majority of respondents is engaged in the analysis of incoming information, takes time to compare various alternatives, supporting their point of view with arguments. Thus it cannot be said that the decision-making process of students is ALWAYS irrational.

2. Most students make decisions under the influence of cognitive biases without even knowing it

We all think we are rational and believe that all our decisions are the result of our conscious choices. In fact, most of the decisions and judgments we make are based on prejudices, stereotypes, and biases, or, in other words, cognitive distortions [2].

As mentioned above, only 25 % of students are aware of such a concept as cognitive biases, the remaining 75 % hear about it for the first time. However, as one well-known rule says: «ignorance of the law excuses no one», so now we will dwell on cognitive biases in more detail.

Having compiled case questions that helped identify the presence of these biases in student's decision-making, the following results were obtained [3].

- Confirmation bias;

Confirmation bias is a person's tendency to seek and interpret such information, or prefer information that is consistent with their point of view, belief, or hypothesis [2].

This cognitive bias occupies the top position in our ranking, as 65 % percent of respondents agreed with the statement «I give preference to such information, which is consistent with my point of view, belief or hypothesis», thereby confirming the presence of this bias.

- Halo effect;

When your overall impression of a person influences how you feel and think about their character. This is especially true for physical attractiveness, which influences how you rate their other qualities [2].

43.8 % of respondents noted the existence of such a trend, agreeing with the statement that “My assessment of actions/opinions depends on my attitude towards them”.

- Groupthink;

Groupthink is a psychological phenomenon that occurs in a group of people within which conformism or a desire for social harmony leads to incorrect or irrational decision making [2].

The subconscious desire to agree with the rest of the group replaces rational thinking. 20 % of students notice this trend in themselves and claim to make decisions based on the majority

- Overgeneralization.

With this cognitive distortion, we come to a conclusion based on a single aspect, a «piece» of what happened. If something bad happens once, we convince ourselves that it will happen again and again. We begin to see a single unpleasant event as part of an endless chain of defeats [2].

17.5 % of students agreed that If something bad happens once, they convince themselves that it will happen again and again.

- The Dunning-Kruger effect;

This is when people believe that they are smarter and more capable than they really are. For example, when they cannot admit their own incompetence [2].

6.3 % of students identified such a distortion in themselves, confirming that they often give advice about things they do not understand. 12.5 % of students noted that they do not notice any of the above distortions at all.

The survey results show that almost 90% of those who voted noticed cognitive distortions in themselves, without even realizing it. Therefore, the second hypothesis turned out to be correct.

In the survey, we considered only 5 cognitive biases, and there are actually a lot of them. It is difficult to be able to recognize everything and be able to abstract from them, but one can and should try. Forewarned is forearmed, as they say.

Here are some tips that will help you recognize the trap of thinking in time and not fall into it.

1. Think about the little things.

Before you make a decision, be sure to ask yourself a simple question. For example, when considering moving to another city, ask yourself, «What am I going to do there this weekend?». The brain will switch from a large-scale

task to a smaller one, and you will discover additional pros or cons of moving that might have eluded you before [3].

2. Don't think positively.

Other things being equal, we tend to overestimate our strength and ignore possible threats from outside. Our brains often prefer to ignore warning signals and pretend that danger does not exist, rather than suggest possible escape routes and fallbacks. When you once again think that the task is simple and you will certainly cope with it, just ask yourself what could go wrong [3].

3. Get enough sleep.

Another reason for making bad decisions is lack of sleep. People who don't get enough sleep often make mistakes, and yet a staggering number of people are sleep deprived today. As fatigue accumulates, people pay less attention to analysis, become distracted, and therefore tend to make decisions based on stereotypes [3].

References

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