

Blinded by Bias

Navigating Cognitive Pitfalls in Project Management

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What is Mustafa more likely to be doing for a living?

A civil servant?

A film-maker?

A DJ?

Framing

**our choices are influenced by the way they
are framed through different wordings,
settings, and situations**

What is a bias?

a systematic error in thinking that occurs when people are processing and interpreting information in the world around them and affects the decisions and judgments that they make

1970s

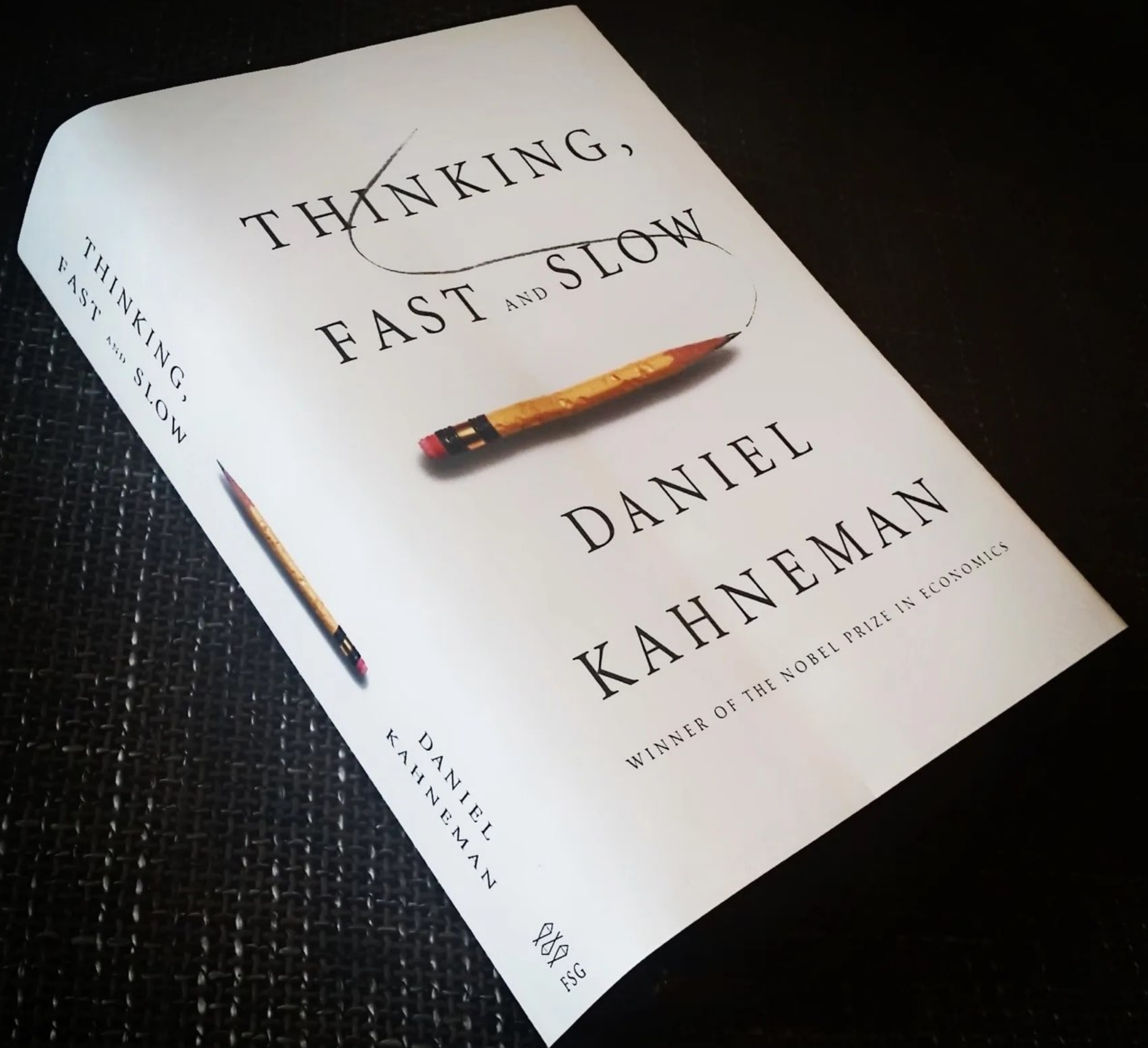
First introduced

Daniel Kahneman & Amos Tversky



2002

**Nobel Memorial Prize in
Economics**



1 000 000

How many biases have we defined?

Correct answer

200

Why are we biased?

Evolution takes time

50 000

years



We process too much data

human brain

11 000 000

Bits of information every second

Conscious
mind

40 - 50

Bits of information every second

**How much information does our
brain process unconsciously?**

11 0000 0000

Bits of information every second

Your brain has different goals

What is your goal?

What is more important?

Project Deadline vs Your Survival

Let's talk Project Management

Let's flip a coin



Heads or Tails?

5 times in a row

5 tails in a row



What's next?

**What's the probability that you
get tails next time?**

50%

**Coin has no memory.
And no obligations.**

Let's talk Project Management

90%

Project completed

Let's get more specific

90%

Tasks completed

We can do better than this

Earned Value Management

Have you read it?



GLOBAL STANDARD

THE STANDARD FOR
**EARNED VALUE
MANAGEMENT**



What is earned value?

**the measure of work performed expressed
in terms of the budget authorised for this
work.**

EVM Standard

At a point in time it is the total budget allocated to the amount of work that was performed.

EVM Standard

**How much work has been
accomplished?**

You assigned a task to a team member

A team member started the task

**A team member completed the
task**

Fixed Formula

50/50, 25/75, 0/40/60, etc.—Using this method, work is credited for EV as soon as it starts with a specific percent. (25/75 starts with 25% being taken in the first period in which the method is used with 75% taken when work is completed). Note that the real progress is invisible, and this method can give a false sense of accomplishment. This measurement method should only be used for work that spans two or three reporting periods.

0/100—The 0/100 method does not incrementally credit EV for partial work; therefore, the start of the work is not explicitly reported. This measurement method should only be used for work that is scheduled to start and complete within one reporting period.

**Do not rely on patterns.
Rely on data.**

Next one

**How many projects do you feel
you have failed at?**

**How many failed projects have
you participated in?**

Self-serving bias

any cognitive or perceptual process that is distorted by the need to maintain and enhance self-esteem

Is it bad?

You sure it is good?

We have to be responsible

Do not be too hard on yourself

Initiating the project ...



Sydney Opera House

1957

5 000 000

Australian dollars

6 years

To complete

70 000 000

Australian dollars

14 years

To complete

Scottish Parliament

40 000 000 pounds



Scottish Parliament

440 000 000 pounds



Sagrada Familia

1882 —



Planning fallacy

“a cognitive bias that describes people’s tendency to underestimate the amount of time, costs, and risks of future actions while overestimating the benefits of those actions”

Peer review your projects



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clubhouse



4 000 000 000

Valuation (2022)

Founders' email to Clubhouse employees

Earlier today, Clubhouse founders Paul Davison and Rohan Seth sent the following note to Clubhouse employees.

Team,

Today we announced that we're scaling back our org by over 50% and saying goodbye to many talented, dedicated teammates in the process. We're deeply sorry to be doing this, and we would not be making this change if we didn't feel it was absolutely necessary.

If you are among those impacted, you will receive a calendar invite to a 1:1 meeting with a manager in your department within the next 10 minutes. In the meantime we wanted to provide everyone with more context around why we made this decision and how we will be supporting the individuals who are departing.

CNBC DISRUPTOR 50

The pandemic drove Clubhouse to a \$4 billion valuation that never looked sustainable

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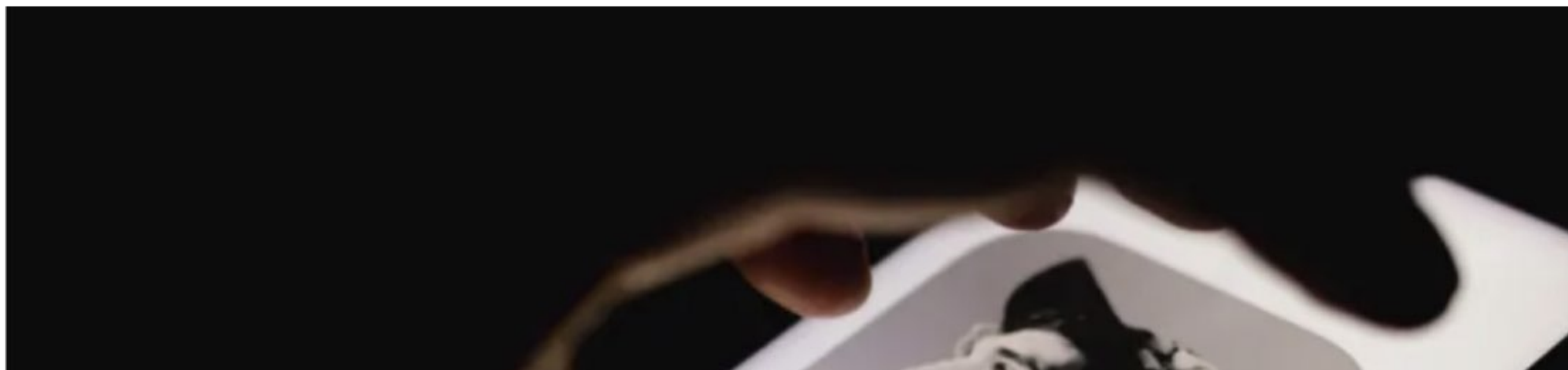


Ari Levy
@LEVYNEWS

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KEY POINTS

- Clubhouse said on Thursday that it's cutting half its staff.
- Two years ago investors valued the startup at \$4 billion following a meteoric rise during the pandemic.
- As of late 2021, the founders were already acknowledging that the company had grown too fast.



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CAPTAIN HINDSIGHT!



THE HERO OF THE MODERN AGE

Hindsight bias

**understanding of a situation or event only
after it has happened or developed.**

Oxford Dictionary

Do you have post-mortems?

Go for pre-mortems!

GOOGLE GRAVEYARD



Google
Answers

Google
Video

Google
Wave

Google
411

Google
Desktop
Search

Google
Gears

Google
Buzz

Google
Health

Your
Privacy

Google
Notebook

Older
Browser
Support

Google
Pack

Google
Labs

**Do you know how many projects
has Google killed?**

292

**How many projects have you
cancelled?**

How do you feel about it?

Sunk cost fallacy

Continuous business justification

PRINCE2

Go/No Go decision every cycle

P3.express

How to live with biases

Three pillars

Sleep well

Promote diversity

Be aware of biases

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