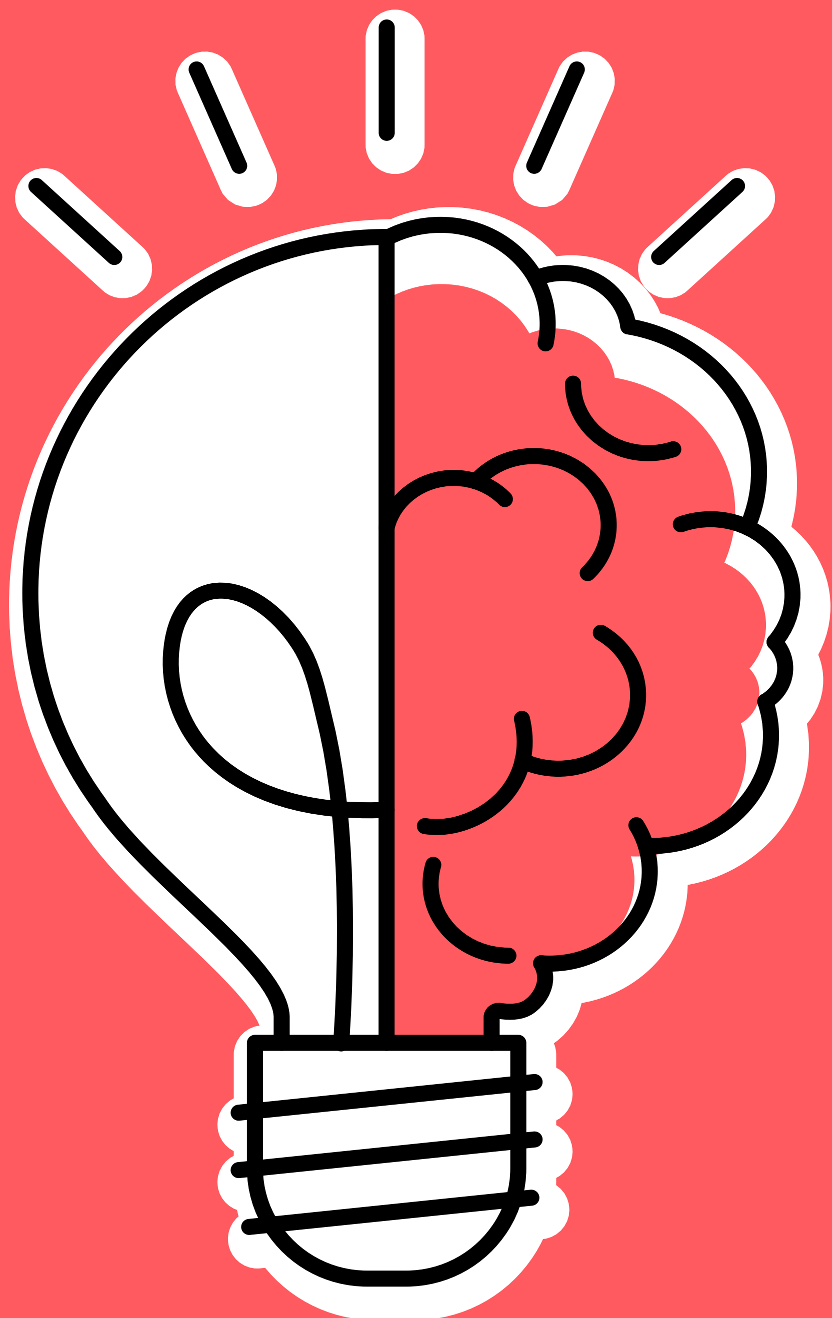
SUE | Behavioural Design Academy

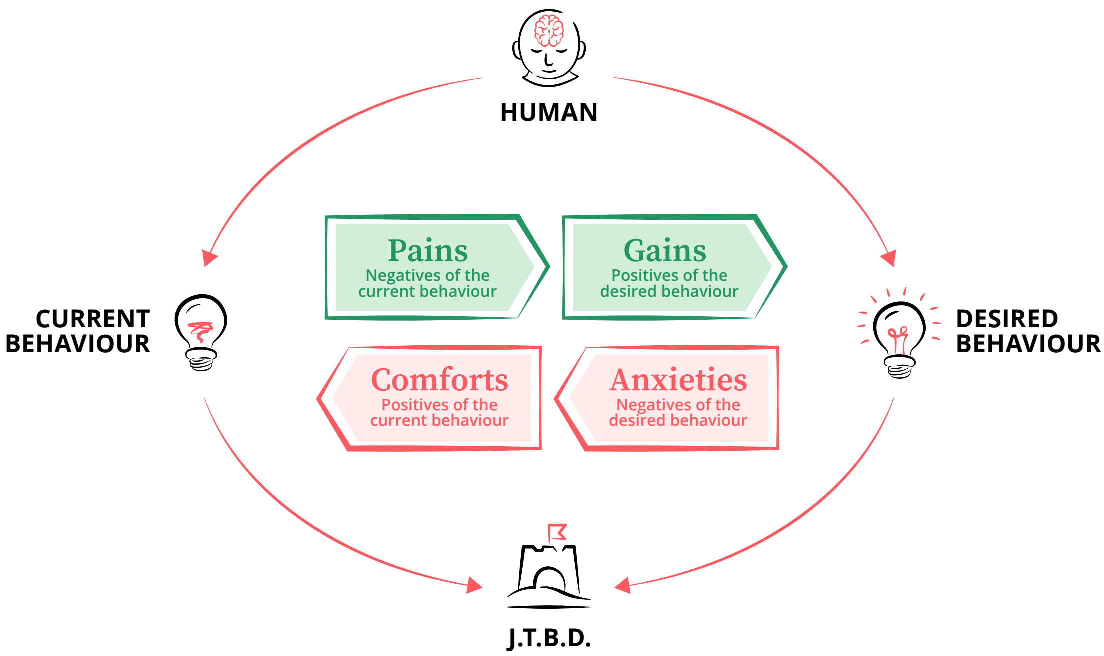
Boardroom Biases

A mini masterclass on how to avoid these – so you can make better decisions.



What you will learn

- The 13 most common unconscious thinking errors (cognitive biases).
- 13 real-world examples.
- The impact of these biases on decision-making within leadership teams.
- 10 smart ways to tackle unconscious biases.
- How having several unconscious biases at play can make decision-making more difficult.
- Deepen your own understanding.



Introduction

In boardrooms and leadership teams, the big decisions are made. Strategic choices that shape the direction an organisation takes. But no matter how rational we believe we are, even the most experienced leaders are prone to thinking errors – often without realising it.

These thinking errors, or cognitive biases, are mental shortcuts our brains use to make quick judgments in complex situations. Useful, yes – but in a governance context, they can cloud your judgement, lead you to underestimate risks, or unintentionally block innovation.

In this mini masterclass, I'll walk you through 13 of the most common biases that show up in boardroom decision-making. Not to point fingers, but to sharpen your awareness.

Because once you know how to spot them, you can challenge them – and make decisions that are clearer, stronger, and better suited for the future.

Astrid Groenewegen

FOUNDER SUE | BEHAVIOURAL DESIGN

1. Confirmation Bias

— We tend to find exactly what we expected to see.

Confirmation bias is our tendency to search for, interpret and remember information in a way that confirms what we already believe.
It’s not something we do on purpose – our brain simply craves consistency. When information clashes with what we already think, we’re more likely to overlook it or see it as less reliable. Especially in fast-paced environments – like boardrooms – we often fall back on what we already know.

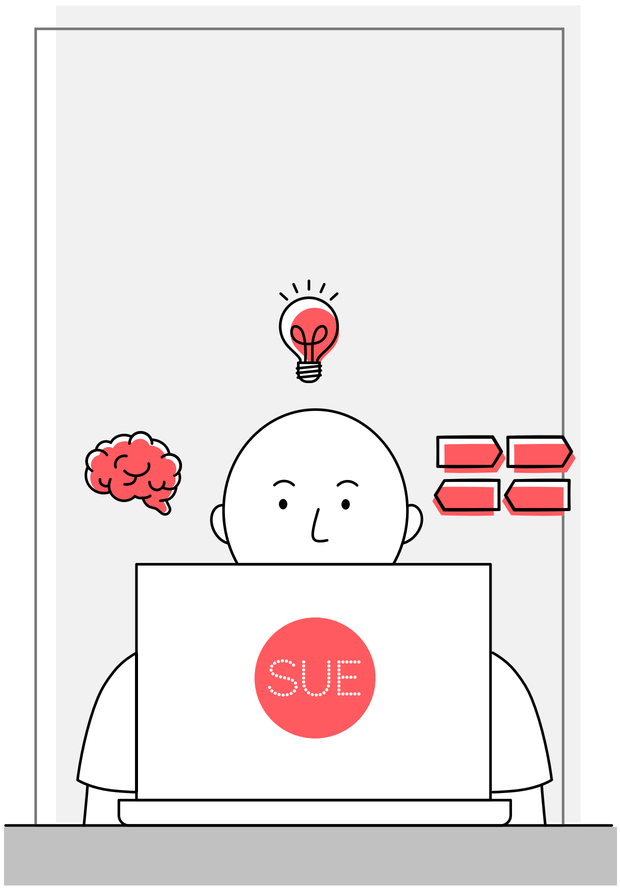
Here’s how it tends to play out in the boardroom:

A management team is discussing the possibility of entering a new market. Most members are enthusiastic.
In the weeks that follow, they mainly highlight evidence that supports the idea: success stories from similar companies, positive pilot results, and previous growth achievements.

Critical signals – such as market risks or disappointing figures – are seen as exceptions, or not mentioned at all. Those who do raise concerns often find there's little room for their voice in the discussion.

What happens as a result?

You increase the risk of tunnel vision. Because you're mainly looking for confirmation of what you already believed, you explore too few alternatives or potential risks. This creates a sense of certainty that isn’t grounded in the full picture – and that can come at a cost.



2. Status Quo Bias

— Better the known than the better.

We're naturally inclined to stick with what we know. Even when change makes rational sense, it often feels uncomfortable. This preference for the status quo is rooted in loss aversion: the risk of losing what we already have tends to feel heavier than the promise of potential gains. Cognitive laziness plays a part too – familiar choices demand less mental effort. And the higher the pressure, the more likely our brain will opt for the path of least resistance.

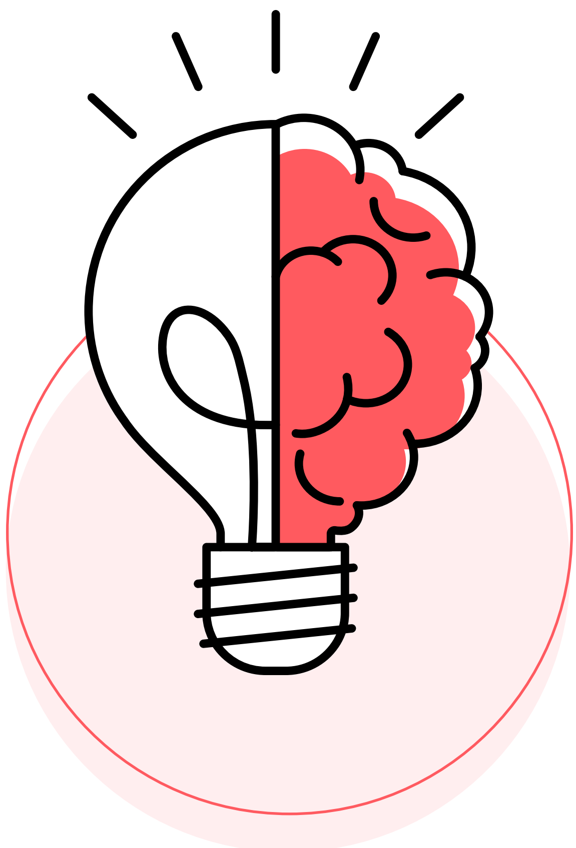
Here's how it tends to play out in the boardroom:

A new board member suggests exploring alternative suppliers. It sounds like a sensible idea. But because the current supplier has 'always done a decent job', others are hesitant to make a change. They point to years of working together, established relationships, and the potential risk that switching could disrupt existing processes.

Even when new suppliers offer better terms, that still carries less weight than the discomfort of making a change.

What happens as a result?

You miss out on opportunities for innovation or savings. Not because better options don't exist, but because change takes effort – and familiarity feels safe. That's how you end up stuck in habits that no longer serve you.



3. Anchoring Bias

— The first number shapes how we see everything that follows.

The anchoring effect is one of the most powerful biases in decision-making. Once we've heard a starting point – a number, a scenario or an expectation – we use it as a reference, even if it's completely arbitrary. Our brains latch onto that first known point and only adjust from there in a limited way.

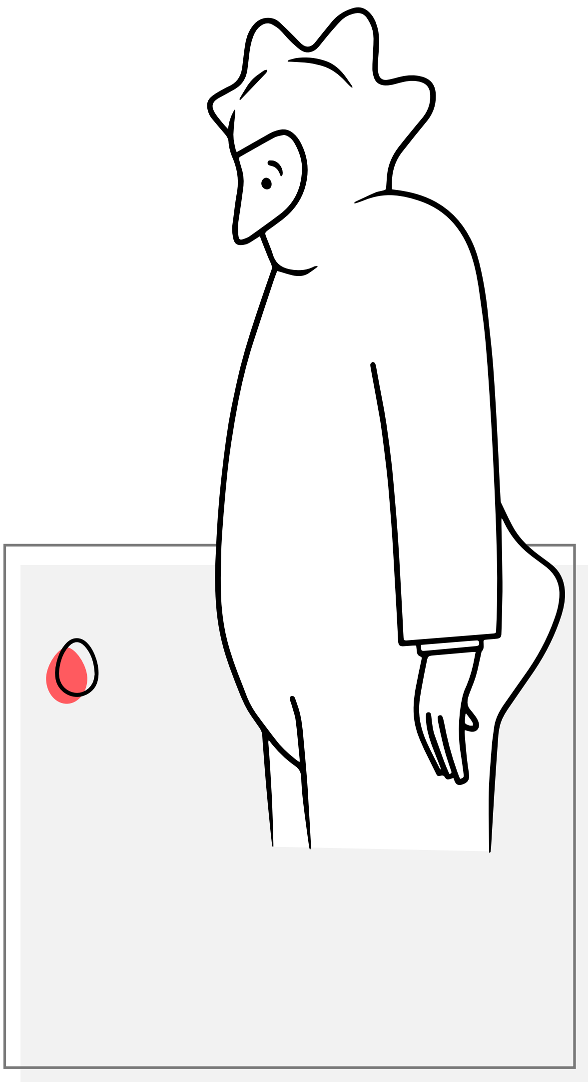
Here's how it tends to play out in the boardroom:

During a budget discussion, someone makes an initial estimate: "I think we'll probably need around 8 million next year."

No one is quite sure whether that number is realistic, but it sticks in everyone's mind. All further adjustments start to revolve around it. Even if it later turns out that 6.5 or even 9 million would make more sense, the conversation continues to circle that first figure.

What happens as a result?

The initial suggestion ends up carrying more weight than it should. As a result, you risk landing on a budget or plan that's not based on reality – but on an unintended reference point.



4. Availability Bias

What's in your head feels more important.

Our brain loves shortcuts. That's why we tend to rely on whatever is most obvious – or freshest in our memory – as a benchmark for how likely or important something is. This can lead us to overestimate rare events, simply because they were recent or attention-grabbing.

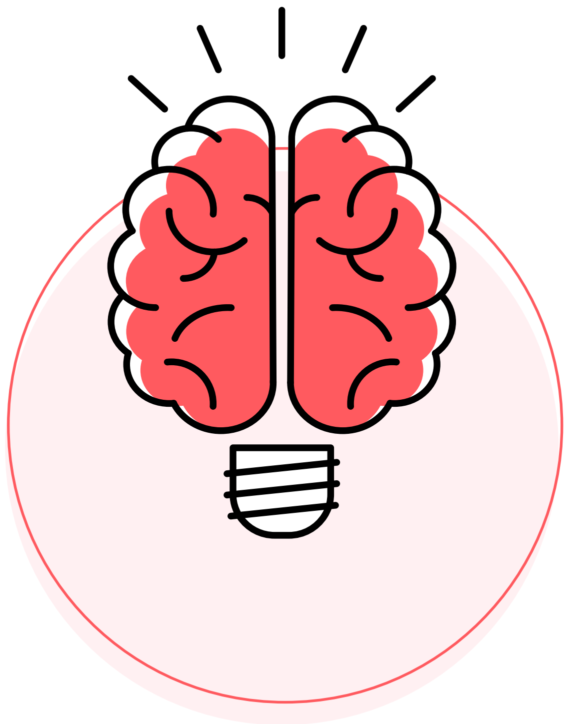
Here's how it tends to play out in the boardroom:

An incident at a competitor – such as a data breach that made headlines – lingers in everyone's mind. It comes up several times during the board meeting, creating momentum to invest heavily in cybersecurity.

Meanwhile, other topics like innovation or customer satisfaction get less attention – simply because they're not as top of mind.

What happens as a result?

Strategies are shaped by what's available in our memory – not necessarily by what's most relevant or urgent. As a result, it's easy to set the wrong priorities.



5. Overconfidence Bias

Thinking you know more than you actually do.

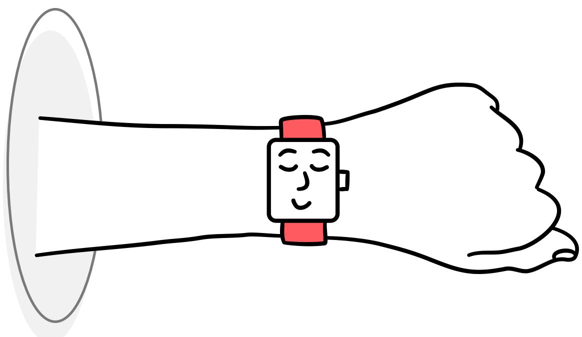
When people have experienced success, they tend to overestimate their own abilities. They take risks more readily and place too much trust in their own judgement. This can be dangerous in complex situations – where humility and careful analysis are exactly what's needed.

Here's how it tends to play out in the boardroom:

A board member presents an expansion plan for Southeast Asia with great confidence. His optimism is based on previous successes in other markets. But he overlooks key local differences – in regulation, culture and consumer behaviour. Still, the plan gains broad support, simply because his certainty comes across as convincing.

What happens as a result?

Confidence is mistaken for vision, while warning signs are brushed aside. As a result, decisions are often based on optimism rather than a clear-eyed assessment of reality.



6. Recency Bias

The most recent event tends to feel the most true.

We tend to see the most recent information as more important or more representative than older data. This bias stems from how our memory works – recent experiences are more readily accessible in our minds.

Here's how it tends to play out in the boardroom:

After a sudden spike in product sales, the team is eager to invest heavily in the strategy they believe caused the success. But the surge may have been temporary – or influenced by external factors, such as seasonal trends or a competitor being briefly out of the market.

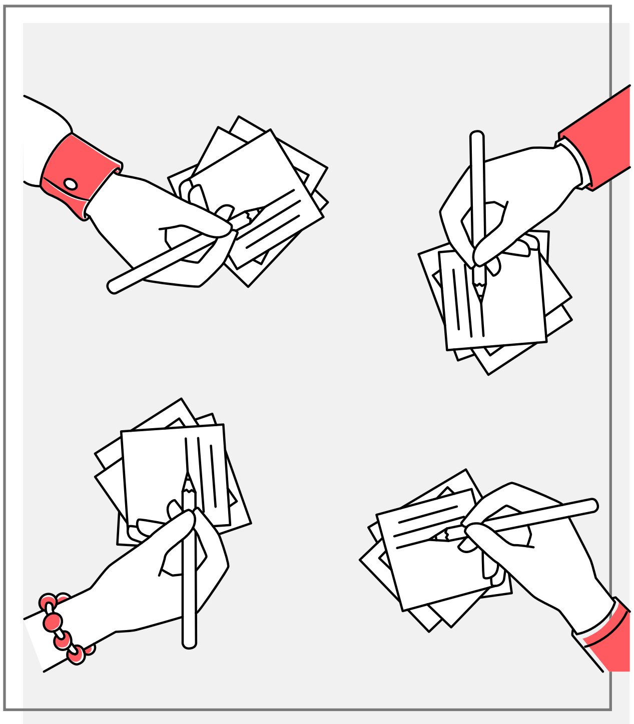
What happens as a result?

You're guided by the latest event, not the bigger picture. Strategic decisions end up being built on snapshots rather than long-term patterns.

7. Groupthink

— Nobody wants to spoil the atmosphere.

Groupthink arises when the desire for harmony and consensus outweighs the need for critical thinking. Instead of voicing different opinions, people conform – often out of social pressure or a sense of loyalty.



Here's how it tends to play out in the boardroom:

The CEO is enthusiastic about an acquisition. During the meeting, most board members nod in agreement. One person has doubts but raises their concern cautiously.

The response is lukewarm: "We need to keep the momentum going."
The hesitation fades. Underlying concerns are left unspoken.

What happens as a result?

The group reaches an apparently unanimous decision – without any critical questions being asked. As a result, weaknesses in the proposal go undetected until it's too late.

8. Sunk Cost Fallacy

— Because we've already put so much into it.

This bias stems from our difficulty in accepting loss. The more time, money or effort we've invested, the harder it becomes to walk away – even when that would be the more rational choice.

Here's how it tends to play out in the boardroom:

An IT project has already cost millions and is running far behind schedule. New forecasts suggest the end result will likely fall short. Still, the board decides to press on: "We've come this far – it would be a shame to stop now."

What happens as a result?

You keep investing in something that's already not paying off – just to justify what you've already spent. Instead of cutting your losses, you make them bigger.

9. Halo Effect

Success casts a glow – sometimes too much.

> The halo effect causes one positive trait to colour all our other impressions. We judge people or ideas more favourably than we should – simply because one aspect stands out.

Here's how it tends to play out in the boardroom:

A candidate for the board previously led an impressive turnaround. During the interview, he's praised for his leadership, strategic thinking and people skills–without much critical questioning or any independent references being checked.

What happens as a result?

A strong image can blind us to shortcomings. Decisions are made based on reputation, rather than a clear-eyed assessment of the facts.

10. Herd Behaviour

If everyone's doing it, it must be right.

We're social creatures, and we often mirror our behaviour to those around us. Especially in uncertain situations, following the crowd feels safer. And most of the time, we do this without even realising it.

Here's how it tends to play out in the boardroom:

The entire industry is shifting to a new technology. Within the board, a proposal is made to 'do something with AI too'. The plan gains support – not because it's well thought through, but because no one wants to be left behind.

What happens as a result?

You choose social reassurance over solid reasoning. That leaves you vulnerable to hypes and outside pressure.

11. Loss Aversion

The fear of loss outweighs the hope of gain.

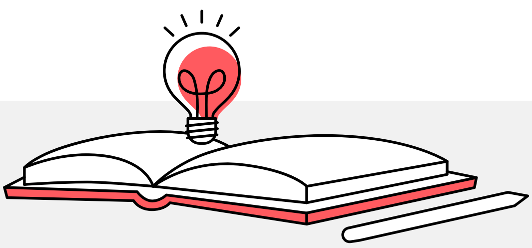
Research shows that losses weigh on us psychologically about twice as much as comparable gains. This makes us more likely to pass up opportunities – simply because there's even a small risk of loss.

Here's how it tends to play out in the boardroom:

An innovative partnership offers the prospect of faster product development. But the board rejects the proposal out of fear of failure – even though an external analysis shows the expected return more than outweighs the risk.

What happens as a result?

Caution takes over from vision. You avoid small losses – but miss out on big opportunities.



12. Gambler's Fallacy

It's got to turn around eventually – hasn't it?

This thinking error comes from the belief that chance somehow corrects itself. We tend to assume that bad luck and good luck take turns – even though, statistically, there's no link between independent events.

Here's how it tends to play out in the boardroom:

Revenue has declined for five consecutive quarters. At the next forecasting meeting, someone says: *"We've had our dip – things are bound to pick up soon."*

An optimistic scenario is adopted, even though the underlying causes of the decline haven't been addressed.

What happens as a result?

You make decisions based on a false sense of fairness or luck – even when the facts point elsewhere.

13. Dunning-Kruger Effect

Those who know little often think they know a lot.

This bias describes a paradox: people with limited knowledge tend to overestimate themselves, while true experts often underestimate what they know. The effect is especially risky in complex domains, where confidence and competence are hard to tell apart.

Here's how it tends to play out in the boardroom:

A board member with no experience in international expansion is convinced that entering a new market will be 'simple'.

His reasoning sounds logical: *"We have the product, the website is in multiple languages – what could possibly go wrong?"*
Meanwhile, the experts remain silent – partly out of modesty, and partly because they assume the risks are obvious.

What happens as a result?

The conviction of the least informed voice carries too much weight.
Valuable nuance and realism go unheard – increasing the risk of oversimplifying the challenge and underestimating the risks.

10 Ways to Outsmart Bias in the Boardroom

1 **Appoint a devil's advocate**

Assign one or more board members to deliberately argue against the prevailing view. This helps prevent tunnel vision and encourages sharper reasoning.

2 **Create space for dissenting views**

Make it socially safe to disagree. Unpopular opinions can lead to better decisions – but only if people feel free to voice them.

3 **Split decision-making groups**

Discuss major decisions first in smaller subgroups. This reduces the pressure to conform and opens up space for fresh insights.

4 **Take a long-term view**

Don't rely solely on recent figures. Look at trends over time to avoid letting short-term spikes or dips dictate your strategy.

5 **Practise humility**

Remind yourself that no one knows everything. A little doubt can be powerful – it helps you ask better questions and stay open to different perspectives.

6

Learn from the past

Don't let recent events dominate your decision-making. Our brains give too much weight to the latest data point. Take a step back, look at long-term trends, and avoid building strategy on coincidence or short-term fluctuations.

7

Encourage independent thinking

Ask each board member to form their own view before the group discussion begins. This helps prevent premature alignment with dominant voices and encourages a broader range of perspectives.

8

Ensure psychological safety

Make it safe to challenge ideas, ask difficult questions and voice doubts – without fear of judgement or exclusion. Psychological safety is the foundation of better thinking. Test assumptions, not just arguments. Major decisions often rest on unspoken assumptions. By asking, "What's the underlying belief here?", you reduce the risk of basing decisions on untested or faulty foundations.

9

Build in feedback rounds

Slow down at key decision points. Take a deliberate pause between analysis and action. By avoiding same-day decisions – especially on complex or high-stakes issues – you create space for reflection, new input and spotting blind spots.

10

Keep curiosity alive

Don't rush to 'knowing'. Encourage open questions and acknowledge that even seasoned board members have blind spots. Curiosity shifts the brain into exploration mode instead of defence mode – exactly what complex challenges require.

How hidden thinking traps quietly undermine sound decision-making.

The situation: a product launch full of pitfalls

A tech company has invested three years – and several million – into developing a promising new software product.

The question on the table:

Do we launch now – or wait another six months to improve the product?

Status Quo Bias	The CEO prefers to wait a little longer. Improving existing products feels like the safer option.
Confirmation Bias	The CTO mainly highlights the positive feedback from beta testing. Critical remarks fade into the background.
Anchoring Bias	The original cost estimate of € 5 million remains the unconscious reference point – even though costs have since tripled.
Availability Bias	Recent news stories about failed tech launches are making the board extra cautious.
Overconfidence Bias	The Sales Director is highly confident about success, relying on personal judgement rather than solid market research.

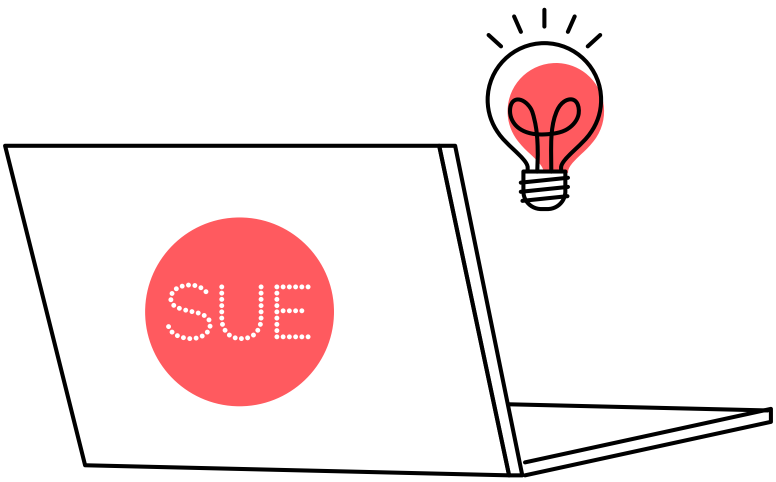
Recency Bias	The recent rise in the share price is wrongly linked to the upcoming launch.
Groupthink	Doubts go unspoken. No one wants to spoil the mood or break the momentum.
Halo Effect	The project lead successfully delivered a previous launch. Everyone trusts he'll pull it off again.
Loss Aversion	Stopping feels like failure – even though continuing might be the real loss.
Herd Behaviour	Competitors are launching too. So surely we have to, right?
Sunk Cost Fallacy	"We can't just throw € 15 million down the drain, can we?" Carrying on feels safer than pulling the plug.

The result?

The launch goes ahead – but the product isn't ready. Customers drop off, bugs cause frustration, and the company's reputation takes a hit.

What this teaches us:

Unconscious psychological biases rarely operate in isolation.
They reinforce one another – often without us noticing.
That's precisely why it's so important to build structures and a culture that allow space for doubt, dissent and reflection.



Learning to apply the power of Behavioural Design yourself.

Would you like to apply the principles of behavioural psychology in your daily work? The Behavioural Design Fundamentals Course by SUE provides leaders and professionals in management roles with a practical method to turn behavioural science into action.

You'll learn to recognise cognitive biases, improve the effectiveness of your communication, and support better decision-making — for both your customers and your own organisation.

The Fundamentals Course can be followed in three ways:

Live at our academy in Amsterdam

Self-paced online

As a team training

What will you learn in our training?

- How the brain actually works when it comes to decision-making.
- How to use Behavioural Design to strengthen your leadership and decision-making with principles from behavioural science.
- Practical methods and tools to help you design better choices and behaviour.
- The **SUE | Influence Framework®**
  A practical method to systematically uncover the psychological forces that stand between current and desired behaviour.
- How to quickly learn what works — and what doesn't.

SUE Behavioural Design Academy

Who is this training for?

This training is designed for leaders, managers, and team leads who want to increase their influence. You'll learn how to apply behavioural insights to support better decision-making, guide behaviour within teams or with clients, and communicate more effectively.

- Strategic decision-makers who want to better understand risks and choices.
- Team leaders looking to drive behavioural change within their teams.
- Operational managers who want to consciously factor behaviour into processes and decision-making.
- HR managers who want to influence workplace behaviour with more than just policies and rules.
- Marketing or communication managers who want to guide decisions without pushing or pressuring.
- Innovation managers looking to apply behavioural insights to customer or employee journeys.

What makes SUE the right choice?

- Accredited by the Education Quality Assessment Committee (EQAC).
- Average rating of 9.7 from over 5,000 participants across 45+ countries.
- Practical templates and tools you can apply straight away.
- Small group setting to maximise interaction and individual support.
- Expert trainers with deep knowledge of Behavioural Design.

What do past participants say?

"A truly human-centred approach, backed by a solid method. The training combines insights from multiple disciplines into a practical and scalable process."

- CPO - Allianz-Tiriac Asigurari SA

"This training is incredibly valuable for understanding people better and designing solutions to the complex problems they face. I can't wait to start influencing behaviour in a positive way!"

- Customer Experience Consultant ABN AMRO

Ready to dive deeper?

The Behavioural Design Fundamentals Course is an investment in skills you can apply throughout your entire career.
The training includes:

- **Two intensive training days**
- **Practical tools and templates you can start using straight away**
- **Certificate of participation**
- **Access to an exclusive alumni community**
- **Six months of online follow-up training included**

Reviews:

9,7
Springest

★★★★★
Google 4,8 out of 5

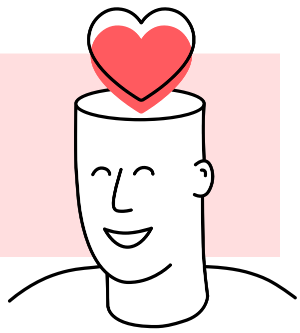
bloomville
★★★★★

Want to know more or ready to sign up?

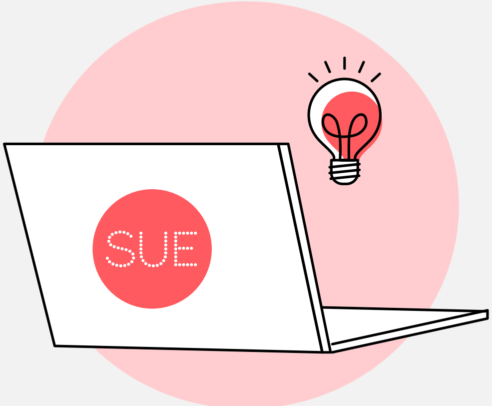
Click here to download the brochure for detailed information.

Get in touch via academy@sueamsterdam.com of +31 20 223 46 26

Visit our website: www.suebehaviouraldesign.com



We are officially accredited by the:



EQAC

Education Quality
Accreditation Commission

We train both individual professionals through our open programmes and teams within organisations. Ask us about the options for a customised training tailored to your team or organisation.

Invest in skills that make a real difference — because influencing people isn't an art, it's a science you can learn to master.

SUE | Behavioural Design Academy

www.suebehaviouraldesign.com | 's-Gravenhekje 1a, 1011 KW Amsterdam

+31 (20) 2234626 | academy@sueamsterdam.com