Faliure To Appreciate Regression To The Mean Extreme performances tend to be followed by average performances. The tendency to overlook regression can lead to critical errors in judgment.



1985) – 85% of people say they will reinvest another 10% of their funds to complete a business plan that is already doomed to fail. Theatre patrons that unintentionally bought a full price ticket rather than a discounted season theatre ticket attended more shows.

Kahneman & Tversky (1973) discussed a case in which flight instructors were praised for well executed flight manoeuvres but subsequently declined in performance. Does this mean that good performance should not be rewarded? No. This is because outstanding performances tend (according to regression) to be followed by performances that are closer to the average.

Superstitious Behaviour will arise from failure to appreciate regression to the mean. Plous attributed publicity jinxes such as "The Sports Illustrated JInx" according to this.

In the seminal paper by **Loftus and Palmer** (1974) participants speed judgments of a car crash were modulated by the verb used in the sentence (e.g. smashed), with the more severe the connotation the faster the estimate. A week later participants given more severe verbs were more likely to recall seeing broken glass in the film, even though there wasn't any.

Fischoff and Beyth (1975) found the participants remembered assigning higher probabilities to events that had occurred when Nixon visted China and recalled assigning lower probabilities to events that they predicted but didn't happen when Nixon went on his state visit. The bias grew

The same experimenters found that it was possible to reduce hindsight bias if you **consider reasons** why results might turn out differently. They found this by asking participants to consider all possible outcomes of an experiment and then testing their degree of hindsight. Fischoff (1977) also found that simply knowing about the bias was not enough to elicit less of a hindsight bias.