The Framing Effect

Confidence, Creative, and Causal Thinking

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Scenario planning is a tool used by organisations to facilitate strategic thinking, novel problem solving, creativity, and causal thinking. In a series of experiments, I divided the scenario planning process into stages and am measuring the effects of different cognitive biases within the process. The first round of experiments looks at the impact of the *framing effect*.

The first stage requires identifying factors that will impact the organisation. The literature states that the more factors that are identified, the better chance of accurately capturing the organisation's future. This stage requires practitioners to think creatively.

The second stage requires making causal links between factors to show the expected order of cause/effect if those factors occur. As with the first stage, the more that can be identified, the better chance of capturing an accurate selection of plausible futures. This stage requires thinking causally.

The third stage requires participants to construct initial story lines from the results of the first two stages, then select those that are deemed most impactful--least predictable. The literature reports confidence as one of the prominent motivators at this stage.

In each stage, participants read a business synopsis with future goals and projected timeline to achieve the goals. Half were given a high--risk framed synopsis, and the other half were given a low--risk framed synopsis. From the data gathered to date, there appears to be a significant framing effect of high- vs low-risk environment on creative and causal thinking, yet in opposite directions. Confidence appears to be affected as well.