System 1 and System 2 Thinking

Every day, we make a great many judgements, most of them without noticing. The psychologist Daniel Kahneman, who won the Nobel Prize in economics in 2002, explained how this works in his book Thinking, Fast and Slow, published in 2011. He describes two ways of thinking, which the psychologists Keith Stanovich and Richard West had named System 1 and System 2. System 1 is fast and automatic, while System 2 is slow and careful. Knowing how they work helps us decide when to trust a quick feeling and when to stop and think.

1. System 1: Fast Thinking

System 1 works automatically and quickly, with little or no effort. It reads faces, understands simple sentences, and answers easy questions such as two plus two. It is always on, and it uses patterns and past experience to make sense of the world in a moment. Most of the time it is right, and it saves a lot of energy.

Example: On an empty, familiar road, a driver chats with a friend while System 1 handles the driving. The car stays safely in its lane without any effort.

At work: Bassem, a hiring manager, sees in one second that a candidate is nervous. His System 1 reads the face automatically, so he offers a glass of water, and the interview starts more calmly.

2. System 2: Slow Thinking

System 2 is the careful, conscious part of our thinking. It needs attention and effort, for example to solve a hard calculation, compare several options, or fill in a complicated form. It is also limited, because it gets tired and cannot do two hard tasks at the same time. When System 2 is busy, we may even miss things that happen right in front of us.

Example: Multiplying seventeen by twenty-four in our heads needs System 2. Many people even stop walking while they work on it.

At work: Bassem uses System 2 to compare the written test results of three candidates against the job criteria. It takes an hour of full focus, and he cannot answer emails at the same time.

3. How the Two Work Together

System 1 constantly offers impressions, feelings and quick answers. System 2 usually accepts them without checking, because checking takes effort. It steps in when something is surprising, difficult or important. Kahneman calls System 2 lazy, because it often follows the easiest path.

Example: A bat and a ball cost one dollar and ten cents together, and the bat costs one dollar more than the ball. System 1 quickly suggests that the ball costs ten cents. When System 2 checks the sum, the correct answer turns out to be five cents.

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At work: Bassem's System 1 suggests that a candidate from a famous company must be strong. His System 2 then checks this impression against the test results, which are only average.

4. When System 1 Misleads Us

The shortcuts of System 1 are useful, but they also create predictable errors, called biases. System 1 jumps to conclusions from very little information, as if what we see were all there is. It is also influenced by the first number it hears, which is called anchoring. A feeling of confidence does not prove that a quick judgement is correct.

Example: A shop shows a high original price, crossed out, next to the sale price. System 1 is anchored by the first number, so the sale price feels like a bargain, even when it is not.

At work: A candidate smiles and speaks with great confidence. Bassem's System 1 creates a halo effect, and he starts to believe that the candidate is good at everything. The test later shows that the candidate's number skills are weak.

5. Slowing Down When It Matters

We cannot switch System 1 off, and we should not try, because it handles most of daily life well. The skill is to recognise situations where mistakes are likely and the stakes are high. In these moments, we slow down and let System 2 do its job. Simple tools help, such as checklists, criteria agreed in advance, and asking others to review our thinking.

Example: Before signing a long phone contract, a customer slows down and reads the small print with System 2. A hidden fee appears, and the customer chooses a better offer.

At work: Bassem slows down for hiring decisions by using the same questions for every candidate and scoring the answers before any discussion. The team now chooses the candidate with the best evidence, not the best first impression.

Conclusion

In summary, System 1 is fast, automatic and usually helpful, while System 2 is slow, careful and limited. System 1 suggests, and System 2 should check when it matters. Biases appear when quick impressions go unchecked in important decisions. Good decision makers trust their first feeling for small things, and slow down for the big ones.

Sources

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