

Decision Processes Colloquia

Monday, November 3, 2014

Where: 265 JMHH

When: 12:00 – 1:15 pm

Don Moore

Associate Professor, Haas School of Business, University of California Berkeley

Motivation and Overconfidence

ABSTRACT: Is overconfidence a motivated bias? There is a conspicuous shortage of experimental evidence showing that manipulations of motivation affect overconfidence. A series of experiments provides a possible explanation for this shortage: motivation manipulations appear to only have weak effects on overconfidence, and only under particular circumstances. Nevertheless, people profess a belief that it is better to be optimistically biased because it leads to better outcomes. We test this hypothesis in a series of studies and find that believing in yourself helps less than people think it will. In sum, overconfident beliefs do not appear to be either a reliable cause of high performance or a consequence of the desire to achieve.

