

Decision Processes Colloquium

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“Confidence and Overconfidence”

In this talk I will examine the three main approaches to the study of overconfidence: (1) overestimates of one’s actual ability, performance, or level of control; (2) the belief that one is better than others (overplacement); and (3) excessive confidence in the accuracy of our beliefs (overprecision). I will first examine inconsistencies between the first two and question the commonly held assumption that they are driven by self-serving motivation. I will offer a simple theory that can account for some of these complex and inconsistent results. I will argue, with evidence, that the conclusion from research on the illusion of control does not support the notion that people systematically overestimate how much control they have. And I will critically assess the adaptive value of overconfidence and ask whether believing in one’s own superiority really is self-serving in the sense that it is self-interested.