## *In It to Win: Jack & Overconfidence Bias*

This video introduces the concept of overconfidence bias in the context of the story of former lobbyist and convicted felon Jack Abramoff. During the Bush Administration, Abramoff was the most influential lobbyist in Washington, D.C. He was also at the center of one of the most significant political scandals since Watergate.

The overconfidence bias is our tendency to be more confident in our ability to act ethically than is objectively justified by our abilities and moral character. For more details and examples of this concept, watch *Overconfidence Bias*. To understand how overconfidence bias affects the actions of leaders, watch *Ethical Leadership, Part 1: Perilous at the Top*. To learn how overconfidence bias may affect our ability to make the right decision, watch *Being Your Best Self, Part 2: Moral Decision Making*.

The kinds of decision-making errors that are the subject of *Jack & Overconfidence Bias* and the other five shorts in this video case are the focus of a field of study known as behavioral ethics, which draws upon psychology, cognitive science, evolutionary biology, and related disciplines to determine how and why people make the ethical and unethical decisions that they do.

This video draws from footage shot at The University of Texas at Austin when Abramoff visited campus to talk about his life and corrupt lobbying in Washington, D.C. It is part of a video case that includes a 25-minute documentary, *In It to Win: The Jack Abramoff Story*, six short videos that focus on specific behavioral ethics biases illustrated by Abramoff's story, and a written case study. The documentary exposes personal and systemic ethical concerns in government and illustrates how well intentioned people can make serious ethical errors—and even commit crimes.

To learn more about the scandal that ended Abramoff's lobbying career, read the case study on this page. For a case study on overconfidence bias, read "Approaching the Presidency: Roosevelt & Taft," which explores how this bias may have affected Roosevelt and Taft and their opposing views of their roles as President of the United States.

Terms related to this short video and defined in our ethics glossary include: behavioral ethics, fundamental attribution error, moral reasoning, moral psychology, and overconfidence bias.

<ins>Discussion Questions for Jack & Overconfidence Bias</ins>


1) Can you explain overconfidence bias in your own words? How does it affect moral decision-making?

2) How does overconfidence bias apply to Jack Abramoff? What examples from his story can you cite to support your argument?

3) Can you think of an example from your own life where you or someone else fell victim to overconfidence bias?

4) How might you anticipate and/or mitigate the effects of overconfidence bias in your own life or decision-making

Additional Resources

Books about the lobbying scandal include Jack Abramoff's own account, "Capitol Punishment: The Hard Truth About Washington Corruption from America's Most Notorious Lobbyist" (WND Books, 2011) and an exposé from journalist Peter H. Stone, "Heist: Superlobbyist Jack Abramoff, His Republican Allies, and the Buying of Washington" (Farrar, Straus and Giroux, 2006).

Movies about the scandal include a documentary, *Casino Jack and the United States of Money* (Dir. Alex Gibney, 2010), and a dramatization starring Kevin Spacey, *Casino Jack* (Dir. George Hickenlooper, 2010).

For more resources on teaching behavioral ethics, an article written by Ethics Unwrapped authors Minette Drumwright, Robert Prentice, and Cara Biasucci introduces key concepts in behavioral ethics and approaches to effective ethics instruction—including sample classroom assignments. The article, published in the *Decision Sciences Journal of Innovative Education,* may be downloaded here: "Behavioral Ethics and Teaching Ethical Decision Making."

A detailed article by Robert Prentice with extensive resources for teaching behavioral ethics, published in *Journal of Legal Studies Education,* may be downloaded here: "Teaching Behavioral Ethics."

Another article by Robert Prentice discussing how behavioral ethics can improve the ethicality of human decision-making, published in the *Notre Dame Journal of Law, Ethics & Public Policy*, may be downloaded here: "Behavioral Ethics: Can It Help Lawyers (And Others) Be their Best Selves?"

A dated but still serviceable introductory article about teaching behavioral ethics can be accessed through Google Scholar by searching: Prentice, Robert A. 2004. "Teaching Ethics, Heuristics, and Biases." *Journal of Business Ethics Education* 1 (1): 57-74.

**Transcript of Narration - *Overconfidence Bias* (From the Concepts Unwrapped Series)**

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“Good character can be undermined by overconfidence. David Brooks wrote in his book *The Social Animal* that human minds are “overconfidence machines,” and the psychological literature bears that out. A substantial majority of people believe erroneously that they are better than average drivers, more likely to be able to afford to own a house than their peers, and more accurate eyewitnesses than most other people.

Entrepreneurs like Bernie Ebbers of WorldCom and Richard Scrushy of Health South, who built small, obscure companies into economic powerhouses, may gain a sense of invulnerability through a series of successes. Their minds underplay any role that luck had in their success. Indeed, a 2012 Empirical study indicated that overconfident executives with unrealistic beliefs about their future performance are more likely to commit financial reporting fraud than other executives. Essentially, they are more likely to get themselves into predicaments where committing fraud seems the only way to deliver on their promises.

People’s irrational overconfidence also applies to the ethical correctness of their acts and judgments. In one survey, more people thought that they would go to heaven than that Mother Teresa would! Other individuals surveyed reported that they were twice as likely to follow the Ten Commandments as other people. In fact, 92% of Americans report that they are satisfied with their own character.

This same overconfidence manifests itself in the work place where impossibly high percentages of people believe they are more ethical than their competitors and coworkers. In one study, 61% of doctors believed that the “freebies” given out by pharmaceutical companies affected the judgment of other physicians, but only 16% believed that their own judgment was similarly affected.

Most of us simply assume that we are good people and therefore we will make sound ethical decisions. This overconfidence in one’s own moral compass can lead us to make decisions without any serious ethical reflection. When hints of the Enron scandal first began to appear in the press, Enron employees’ overweening confidence in the competence and strategies of their company, often named the “most innovative” in America, caused them to express surprise and indignation that anyone would question the ethicality of many of the firm’s actions. Any outsider who questioned Enron’s tactics or numbers was told that they “just didn’t get it.” That’s ethical overconfidence in action, and it’s part of the reason that Enron no longer exists.”