

McCOMBS SCHOOL OF BUSINESS

The University of Texas at Austin

# Overconfidence Bias: Sports Edition

This video introduces the behavioral ethics bias known as overconfidence bias. 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. Overconfidence bias may affect our ability to make the most ethical decision. Awareness of the overconfidence bias is especially important for people in leadership positions.



To learn about related behavioral ethics concepts,
watch <u>Ethical Leadership</u>, <u>Part 1: Perilous at the Top</u> and <u>Being Your Best Self</u>, <u>Part 2: Moral Decision</u>
<u>Making</u>. For a closer look at how overconfidence bias affected the behavior of former lobbyist Jack
Abramoff, watch <u>In It to Win: Jack & Overconfidence Bias</u>.

Terms defined in our ethics glossary that are related to the video and case studies include: overconfidence bias, moral reasoning, and moral psychology.

Behavioral ethics draws upon behavioral psychology, cognitive science, evolutionary biology, and related disciplines to determine how and why people make the ethical and unethical decisions that they do. Much behavioral ethics research addresses the question of why good people do bad things. Many behavioral ethics concepts are explored in detail in *Concepts Unwrapped*, as well as in the video case study *In It to Win: The Jack Abramoff Story*. Anyone who watches all (or even a good part) of these videos will have a solid introduction to behavioral ethics.

### **Discussion Questions**

- 1. Are you a better-than-average driver?
- 2. Are you more ethical than your fellow students or coworkers?
- 3. Are you satisfied with your moral character?
- 4. Have you known people who were unjustifiably satisfied with their moral character?
- 5. Do you think that strong character is necessary for ethical action? Is it sufficient? Explain.
- 6. What can you do to safeguard against being too confident in your own morality?



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#### **Transcript of Narration**

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Good character can be undermined by overconfidence. The human mind is an "overconfidence machine," as columnist David Brooks wrote, and the science bears that out. Research shows that an impossibly high percentage of people -- well over 50% -- tend to believe that they are better than average in looks, intelligence, friendliness, athletic ability, and so on. We all tend to dismiss the role that luck plays in our success.

Often, athletes – like everyone else – are overconfident. Research shows that golfers tend to be overconfident regarding their chipping ability, free divers overconfident regarding their prospects in a competition, and student-athletes overconfident in their own financial expertise. As coaches know, upsets often happen due to overconfidence when a favored athlete or team fails to take their opponent seriously. Tennis great Andy Murray — who was once ranked number one in the world in men's singles — admitted that overconfidence led to his first-round loss in a major tennis tournament.

This irrational overconfidence in our own abilities also applies to ethics and to the moral correctness of our judgments and actions. Research shows that in the workplace an unrealistically high percentage of people say that they are more ethical than their coworkers and competitors. And in one survey, for example, 92% of Americans said that they were satisfied with their own moral character.

Of course, athletes are also susceptible to moral overconfidence, which can lead them to fudge a rule here or there and still conclude that they are good people — rationalizing to themselves that breaking a rule is just a "technicality." For example, in one study golfers said that "other golfers" cheated 25% of the time, but that they cheated only 8% of the time.

But scholars Anne Tenbrunsel and Max Bazerman write: "It's likely that most of us overestimate our ethicality at one point or another. In effect, we are unaware of the gap between how ethical we <a href="think">think</a> we are and how ethical we truly are."

If we do not take moral issues seriously, we may make ethical missteps without meaning to. It can be counterproductive to be overconfident regarding our athletic ability, but it can be disastrous to be overconfident regarding our morality. Overconfidence in our own moral compass can cause us to completely overlook moral issues, and to make important decisions without any serious ethical reflection.



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So, to excel – in life and in sports – we'd be wise to guard against assuming that just because we think we're good people, we'll naturally do the right thing.

## **Bibliography**

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#### **Additional Resources**

The latest resource from Ethics Unwrapped is a book, <u>Behavioral Ethics in Practice: Why We Sometimes</u> <u>Make the Wrong Decisions</u>, written by Cara Biasucci and Robert Prentice. This accessible book is amply footnoted with behavioral ethics studies and associated research. It also includes suggestions at the end of each chapter for related Ethics Unwrapped videos and case studies. Some instructors use this resource to educate themselves, while others use it in lieu of (or in addition to) a textbook.

Cara Biasucci also recently wrote a chapter on integrating Ethics Unwrapped in higher education, which can be found in the latest edition of <u>Teaching Ethics: Instructional Models, Methods and Modalities for University Studies</u>. The chapter includes examples of how Ethics Unwrapped is used at various universities.



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The most recent article written by Cara Biasucci and Robert Prentice describes the basics of behavioral ethics and introduces Ethics Unwrapped videos and supporting materials along with teaching examples. It also includes data on the efficacy of Ethics Unwrapped for improving ethics pedagogy across disciplines. Published in *Journal of Business Law and Ethics Pedagogy* (Vol. 1, August 2018), it can be downloaded here: "Teaching Behavioral Ethics (Using "Ethics Unwrapped" Videos and Educational Materials)."

An article written by Ethics Unwrapped authors Minette Drumwright, Robert Prentice, and Cara Biasucci introduce key concepts in behavioral ethics and approaches to effective ethics instruction—including sample classroom assignments. Published in the *Decision Sciences Journal of Innovative Education*, it can be downloaded here: "Behavioral Ethics and Teaching Ethical Decision Making."

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

Another article by Robert Prentice, discussing how behavioral ethics can improve the ethicality of human decision-making, was published in the *Notre Dame Journal of Law, Ethics & Public Policy*. It can 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. "<u>Teaching Ethics, Heuristics, and Biases</u>." *Journal of Business Ethics Education* 1 (1): 57-74.