

A status-enhancement account of overconfidence

Cameron Anderson

University of California, Berkeley

Sebastien Brion

University of Navarra

Don A. Moore and Jessica A. Kennedy

University of California, Berkeley

**IN PRESS, *JOURNAL OF PERSONALITY AND SOCIAL PSYCHOLOGY***

Author Note

Cameron Anderson, Haas School of Business, University of California, Berkeley;  
Sebastien Brion, IESE Business School, University of Navarra; Don A. Moore, Haas School of  
Business, University of California, Berkeley; Jessica A. Kennedy, Haas School of Business,  
University of California, Berkeley.

Correspondence should be sent to Cameron Anderson, Haas School of Business,  
University of California, Berkeley, 545 Student Services Building #1900, Berkeley, CA  
94720-1900. Email: anderson@haas.berkeley.edu

**Abstract**

In explaining the prevalence of the overconfident belief that one is better than others, prior work has focused on the motive to maintain high self-esteem, abetted by biases in attention, memory, and cognition. An additional possibility is that overconfidence enhances the person's social status. We tested this status-enhancing account of overconfidence in six studies. Studies 1 through 3 found overconfidence leads to higher social status in both short and longer-term groups, using naturalistic and experimental designs. Study 4 applied a Brunswikian (1956) lens analysis and found that overconfidence leads to a behavioral signature that makes the individual appear competent to others. Studies 5 and 6 measured and experimentally manipulated the desire for status and found that the status motive promotes overconfidence. Together, these studies suggest that people might so often believe they are better than others because it helps them achieve higher social status.

**Keywords:** overconfidence, self-perception, status, power, groups, person-perception

### A Status-Enhancement Account of Overconfidence

The pervasiveness of overconfidence is somewhat puzzling. Individuals not only tend to have positive self-perceptions, they often believe they are more talented and competent than others, even when they are not (for reviews, see Alicke & Govorun, 2005; Dunning, Heath, & Suls, 2004). To mention just a few examples, individuals tend to overplace their occupational abilities (Haun, Zeringue, Leach, & Foley, 2000), social skills (Swann & Gill, 1997), and physical talents relative to those of others (Dunning, Meyerowitz, & Holzberg, 1989; for exceptions, see Kruger & Burrus, 2004; Moore & Small, 2007). The propensity for overconfidence is puzzling because being able to accurately place one's abilities relative to those of others is clearly useful (e.g., Alicke, 1985; Dunning et al., 2004; Larrick, Burson, & Soll, 2007). Recognizing one's limitations would help people set more realistic goals (Ehrlinger & Dunning, 2003), avoid contests one will lose (Camerer & Lovallo, 1999), and select strategies that facilitate success (Neale & Bazerman, 1985), for example.

So why would individuals form overly positive judgments of their abilities? Scholars have mostly offered two explanations. The first explanation posits a motivated bias: Individuals are driven to be confident because it provides them with psychological benefits (Dunning, Leuenberger, & Sherman, 1995; Kunda, 1987). For example, self-confidence can improve self-esteem (Alicke, 1985), mental health (Taylor & Brown, 1988), and task motivation and persistence (Pajares, 1996). The second explanation highlights the cognitive processes that may sometimes produce directional biases. People might simply be unable to accurately assess their own competence and arrive at biased self-views from fairly mundane judgment

processes. For example, biased self-views can arise simply because people are more likely to attend to success than failure (Miller & Ross, 1975), because they may lack the competence to understand their own incompetence (Kruger & Dunning, 1999), and because they may hold idiosyncratic definitions of success or ability (Dunning et al., 1989; Santos-Pinto & Sobel, 2005).

A third possibility, which has received little empirical attention, is that overconfidence provides the individual with *social* benefits. A number of scholars have theorized that biased self-perceptions may help the individual succeed socially (Alexander, 1987; Krebs & Denton, 1997; Leary, 2007; Trivers, 1985; von Hippel & Trivers, 2011; Waldman, 1994). More specifically, these theories propose that overly positive self-views help individuals convince others that they are more capable than they actually are. Therefore, this account posits overconfidence to be a motivated bias. However, unlike previous theories, it proposes that overconfidence is motivated by the desire for social success in addition to the desire for psychological benefits such as higher self-esteem.

Consistent with this account, we offer and test a series of hypotheses regarding overconfidence and the attainment of *social status*. Specifically, we propose that overconfidence pervades human self-judgment because it helps individuals attain higher social status. Social status is the respect, prominence, and influence individuals enjoy in the eyes of others (Anderson, John, Keltner, & Kring, 2001; Berger, Cohen, & Zelditch, 1972; Goldhamer & Shils, 1939). Higher social status comes with a host of benefits including control over group decisions, access to scarce resources, and reproductive success (Berger et al., 1972; Blau, 1964; Ellis,

1994; Griskevicius, Tybur, & Van den Bergh, 2010; Keltner, Gruenfeld, & Anderson, 2003; Savin-Williams, 1979). The desire for high status is widely considered a universal human motive (Buss, 1999; Maslow, 1943; Tay & Diener, 2011).

We conducted six studies that tested three main hypotheses. The first hypothesis is that overconfidence helps individuals achieve higher status in social groups. The second hypothesis is that overconfidence leads to status because it makes individuals appear competent to others, even when they lack competence. Studies 1 through 3 tested these two hypotheses by examining task dyads and groups, using both naturalistic and experimental designs. Study 4 used a Brunswikian (1956) lens analysis to examine video recordings of overconfident individuals' behavior. The third hypothesis is that the drive for social status promotes overconfidence. Studies 5 and 6 tested this hypothesis by measuring and experimentally manipulating the desire for status and observing its effect on overconfidence.

### **Defining and Conceptualizing Overconfidence**

Generally, overconfidence is defined as inaccurate, overly positive perceptions of one's abilities or knowledge (for a review, see Moore & Healy, 2008). Individuals can be overconfident in a number of ways. For instance, people can overestimate their abilities or performance relative to objective, operational criteria (e.g., Buehler, Griffin, & Ross, 1994; Krueger & Wright, 2011;). Alternatively, people can be overconfident by overplacing themselves relative to others – that is, when they believe they are better than others, even when they are not (e.g., Krueger & Mueller, 2002; Kruger & Dunning, 1999; Larrick et al., 2007). Individuals are

overconfident when they believe they are more competent than objective measures indicate, or when they think they are better than others to a greater extent than they actually are.

Overconfidence is therefore different from self-presentation and impression management, which involve deliberate attempts to present oneself in a positive light (Baumeister, 1982; Goffman, 1959; Leary & Kowalski, 1990; Paulhus, 1984). Self-presentation and impression management involve modifying one's overt social behaviors, often consciously and deliberately. Individuals who manage their impressions might or might not believe the impression they are trying to convey to others. In contrast, overconfidence is a genuine yet flawed perception of one's own abilities (see von Hippel & Trivers, 2011). Overconfidence can persist even when the stakes are high and aligned to reward accuracy (Ehrlinger, Johnson, Banner, Dunning, & Kruger, 2008; Hoelzl & Rustichini, 2005; Williams & Gilovich, 2008).

### **The Effects of Overconfidence on Status**

**Prior research.** To test the argument that overconfidence pervades self-judgment because it helps individuals attain status, it was critical to first examine whether overconfidence indeed helps individuals attain social status. Though an abundance of research has examined overly positive self-perceptions, studies have not adequately tested whether overconfidence leads to higher peer-perceived competence and status (von Hippel & Trivers, 2011). Moreover, the evidence relevant to this question has provided highly mixed results.

In the overconfidence literature, scholars have focused largely on mistakes in decision-making and their implications for performance or economic outcomes

(Barber & Odean, 2000; Cheng, 2007; Camerer & Lovallo, 1999; Koellinger, Minniti, & Schade, 2007; Malmendier & Tate, 2005; Odean, 1998; Odean, 1999). Little work has addressed the interpersonal consequences of overconfidence, such as the impact of overconfidence on peer-rated competence or status (von Hippel & Trivers, 2011).

Other work has examined overly positive perceptions using what Kwan and colleagues called a *social comparison* approach, which compares individuals' self-perceptions to their perceptions of others (cf. Bonanno, Field, Kovacevic, Kaltman, 2002; Kwan, John, Kenny, Bond, & Robbins, 2004;; Taylor & Brown, 1988; Taylor, Lerner, Sherman, Sage, & McDowell, 2003). According to this approach, individuals possess overly positive views if they believe they are better than others. However, those studies have not often distinguished inaccurate, overly positive self-perceptions from those that are justifiably positive (cf. Kwan et al., 2004; Taylor et al., 2003). Therefore, people in those studies who believed they were better than others might have in fact been better than others. It is critical to assess whether *inaccurate* self-perceptions *per se* lead to those benefits.

Still other scholars have examined overly positive self-perceptions using what Kwan and colleagues called a *self-insight* approach, which compares individuals' self-perceptions to others' perceptions of them (Anderson, Srivastava, Beer, Spataro, & Chatman, 2006; Colvin, Block, & Funder, 1995; John & Robins, 1994; Paulhus, 1998; Robins & Beer, 2001). In this approach, individuals whose self-perceptions are loftier than others' perceptions of them are considered to possess overly positive self-views. Yet those studies addressed a different phenomenon than

the one in which we are interested. Namely, they focused on the consequences of possessing self-perceptions that are more positive than *others' impressions*. In contrast, we are interested in inaccurate, overly positive self-perceptions of ability and how they impact others' impressions.

To test our hypotheses, overconfidence would ideally be measured by comparing self-perceptions to operational criteria – that is, unambiguous, concrete indices of ability. For example, an ideal measure of task ability would involve test scores, and a measure of scholastic ability would involve grades (cf. Paulhus, Harms, Bruce, & Lysy, 2003). The use of operational criteria directly assesses the accuracy of self-perceptions of competence and thus is standard practice in the overconfidence literature (e.g., Krueger & Mueller, 2002; Kruger & Dunning, 1999; Larrick et al., 2007; Moore & Healy, 2008). Operational indices also help avoid some of the complications of using peer-ratings as both a benchmark of reality and as a dependent variable, such as the possibility of spurious correlations driven by common method variance (see Zuckerman & Knee, 1996).

**Overconfidence, peer-rated competence, and social status.** We hypothesized that overconfidence helps individuals attain higher social status because it helps them appear more competent in the eyes of others, even when they lack competence. How might this effect occur? Individuals' competence resides within them and is hidden from others. People are thus often forced to judge others' abilities based on superficial cues such as nonverbal behavior, appearance, or style of speaking. For example, individuals are perceived as more competent when they express their ideas more, appear more confident in their answers, and exhibit a



calmer and more relaxed demeanor (Anderson & Kilduff, 2009; Carli, LaFleur, & Loeber, 1995; Driskell, Olmstead, & Salas, 1993; Imada & Hakel, 1977; Radzevick & Moore, 2011; Reynolds & Gifford, 2001; Ridgeway, 1987; Tiedens & Fragale, 2003).

Prior work suggests individuals with higher self-perceptions of competence should display more of these “competence cues” in their interactions with others (Baumeister, Campbell, Krueger, & Vohs, 2003). Self-perceptions are a powerful driver of social behavior (e.g., Swann, 2005) and individuals who believe they are competent should exhibit more competence cues.

Moreover, even *overly* positive self-perceptions of ability, or *overconfidence*, should lead individuals to display more competence cues. Self-perceived abilities can determine one’s behavior above and beyond one’s actual abilities (Bugental & Lewis, 1999; Campbell, Goodie, & Foster, 2004; McNulty & Swann, 1994; von Hippel & Trivers, 2011). This suggests that when individuals perceive themselves as highly competent – even if they lack competence – they are likely to exhibit more competence cues when interacting with others. Therefore, in situations where there is ambiguity about the individual’s competence (which are typical; Moore & Healy, 2008), holding actual competence constant, overconfident individuals should be perceived as more competent by others, compared to individuals with more accurate self-perceptions of competence.

To be clear, we do not argue that there is anything unique about *overconfidence* per se that leads individuals to be perceived as more competent by others. A high level of unjustified confidence (i.e., *overconfidence*) should lead the individual to exhibit more competence cues, just as a high level of justified

confidence does. In the eyes of the observer, it is difficult to differentiate justified from unjustified confidence.

In turn, once individuals are perceived to possess higher competence, they are likely to be afforded higher status. Although the characteristics that can lead to higher status are multifaceted, a primary and consistent predictor of status in groups is perceived competence (e.g., Berger et al., 1972; Driskell & Mullen, 1990; Lord, De Vader, & Alliger, 1986). In general, groups give higher status to individuals who exhibit abilities that will help the group succeed (Berger et al., 1972; Eibl-Eibesfeldt, 1989; Emerson, 1962; Goldhamer & Shils, 1939). Because competent individuals can provide important contributions to the group's success, they are given higher status.

In sum, we hypothesize that overconfident individuals will be perceived by others as more competent, and in turn will achieve higher status in groups, than individuals with accurate self-perceptions of ability. Stated differently, if Persons A and B have equal levels of actual ability, but Person A has higher confidence than Person B, Person A will be seen as more competent and will attain higher status than Person B, even if Person A's confidence is unjustified.

### **The Desire for Status as a Predictor of Overconfidence**

The argument that overconfidence biases self-judgment because it helps the individual attain social status implies that the human drive for status promotes overconfidence. To test this idea, we examined whether the desire for status leads to higher levels of overconfidence.

As mentioned earlier, status comes with a host of social benefits, including respect, influence, and social support (Berger et al., 1972; Blau, 1964; Ellis, 1994; Griskevicius et al., 2011; Gruenfeld & Tiedens, 2010). Correspondingly, many theorists have argued that the desire for higher status is a fundamental driver of human behavior (Barkow, 1975; Buss, 1999; Hogan, 1983; Maslow, 1943). However, even if the desire for status is pervasive, there are also differences across individuals in the degree to which they want higher status (Jackson, 1999; Josephs, Sellers, Newman, & Mehta, 2006; Schmid Mast, Hall, & Schmid, 2010; Smith, Wigboldus, & Dijksterhuis, 2008). Some individuals desire status more than others. This inter-individual variation allows for testing the association between the desire for status and overconfidence. Accordingly, we tested whether individual differences in the desire for status predict differences in overconfidence.

Prior work has not yet tested the association between the desire for status and overconfidence. Indeed, research that has examined links between overconfidence and dispositional variables, such as personality traits, has yielded mixed results. Some studies have found positive relationships between personality and overconfidence (e.g., Schaefer, Williams, Goodie, & Campbell, 2004), while others have found null effects (e.g., Stankov & Crawford, 1997; Wright & Phillips, 1979). Moreover, to our knowledge, no one has yet manipulated the desire for status and observed its effects on overconfidence. Thus, we examined the relation between desire for status and overconfidence using both naturalistic and experimental designs.

### **Study 1**

Study 1 addressed whether overconfident individuals are perceived to be more competent by others and whether they attain higher status. To test these hypotheses, we examined dyads that worked together on a laboratory task. We measured the three constructs of interest – overconfidence, peer-perceived competence, and status – using established methods from the literature.

Based on previous research on overconfidence, we used a geography knowledge task (Ehrlinger & Dunning, 2003). We first measured participants' overconfidence by having them complete the geography task individually and compared their self-perceived performance to their actual performance (e.g., Ackerman, Beier, & Bowen, 2002; Ames & Kammrath, 2004; Jones, Panda, & Desbiens, 2008; Krueger & Mueller, 2002; Kruger & Dunning, 1999; Larrick et al., 2007; Moore & Small, 2007). We then paired participants in dyads, wherein they worked on the same geography task together. Based on the status literature, we collected peer-assessments of competence and status after the dyadic interaction (e.g., Anderson & Kilduff, 2009; Bales, Strodtbeck, Mills, & Roseborough, 1951; Berger et al., 1972; Driskell & Mullen, 1990; Ridgeway, 1987).

## **Method**

**Participants.** Participants were 76 undergraduate students at a West Coast university who were divided into 38 dyads. They received \$15 for their participation.

**Procedure.** In the first phase of the session, participants were presented with a blank map of North America. This map contained a small amount of topographical information (e.g., rivers and lakes), but contained no information

about state or national borders. Participants were given a list of 15 U.S. cities and asked to indicate the location of each city by placing a dot on the map. Participants were told that a dot that lies within 150 miles (2.1 cm to scale) of the actual location of a city would be considered correct. After completing the test, participants rated their own performance on the task and U.S. geographic knowledge more generally. Participants were never told their actual performance on the test. In the second phase of the study, participants worked in dyads. They were randomly paired and asked to complete the same task as a dyad. More than two participants were scheduled for each laboratory session, allowing us to pair unacquainted participants together. After completing the dyadic task, participants privately rated their partner's competence and status in the dyad.

**Overconfidence.** We measured *overplacement*, the overestimation of one's ability relative to that of others.<sup>1</sup> In the individual task, participants were asked (a) how they compared to the other participants in the study on their general knowledge of U.S. geography, and (b) how their task scores compared to those of other participants. Both questions were rated on a scale from 1 (I'm at the very bottom; worse than 99% of the people in this study) to 100 (I'm at the very top; better than 99% of the people in this study)." These two items correlated,  $r(74) = .92, p < .01$ , and were combined to measure self-perceived percentile rank.

We scored actual performance as described above. This data for one participant were lost, leaving 75 participants' data for the analyses. Participants showed reliability in their performance across the cities,  $\alpha = .66$  ( $M = 6.84, SD = 2.85$ ). We transformed their scores into percentile rankings to compare their self-

perceived ranks to their actual ranks (which correlated with each other,  $r [73] = .56$ ,  $p < .001$ ).

As many scholars recommend, we measured overconfidence by regressing participants' actual performance onto their self-evaluations and retaining the residuals of the self-evaluations (Cohen et al., 2003; Cronbach & Furby, 1970; DuBois, 1957; John & Robins, 1994).<sup>2</sup> The residual score captures the variability in self-perceived rank after the variance predicted by actual rank has been removed.

**Partner-rated competence.** After participants worked in dyads, they ranked their partner's U.S. geographic knowledge relative to other participants' (using the same percentile rank scale). Participants also rated the accuracy of their partner's knowledge of U.S. Geography on a Likert-style item, on a scale from 1 (*Not at all accurate*) to 7 (*Very accurate*). These two items correlated with each other  $r (74) = .52$ ,  $p < .001$ ,  $\alpha = .69$ , and were standardized and combined to form a measure of partner-rated task competence.

**Status.** Previous theoretical conceptions of status in groups have identified status as involving respect, influence, leadership, and perceived contributions to the group's decisions (e.g., Anderson et al., 2006; Bales et al., 1951; Berger et al., 1972; Cohen & Zhou, 1991). While these components can be conceptually distinguished from each other (e.g., Goldhamer & Shils, 1939; Magee & Galinsky, 2008), they tend to correlate so highly in groups that they are best understood as comprising one overarching status construct (e.g., Anderson et al., 2001; Anderson & Kilduff, 2009; Bales et al., 1951; Berger, Rosenholtz, & Zelditch, 1980; Blau, 1964; Ridgeway, 1987). Therefore, in this study, each participant rated the degree to which his or her

partner deserved respect and admiration, had influence over the decisions, led the decision-making process, and contributed to the decisions. Each of these four items was rated on a scale from 1 (*Disagree strongly*) to 7 (*Agree strongly*). These four items correlated together ( $\alpha = .87$ ) so we combined them into one measure of status,  $M = 4.88$ ,  $SD = 1.36$ .

## Results and Discussion

Because data collected in dyads can violate assumptions of independence, we tested our hypotheses with a statistical technique outlined by Gonzalez and Griffin (1997). This involves calculating the correlation between the variables and translating the correlation into a z-score that accounts for dependence in the data (also see Griffin & Gonzalez, 1995).

**Partner-rated competence.** As expected, overconfidence predicted partner-rated competence,  $r(73) = .36$  ( $z = 3.07$ ,  $p < .01$ ). This suggests that more overconfident individuals were perceived as more competent by their partners, as compared to individuals with more accurate self-perceptions. In fact, overconfidence had as strong a relationship with partner-rated competence as did actual ability,  $r(73) = .39$  ( $z = 3.44$ ,  $p < .01$ ). It is important to note that the index of overconfidence we employed reflects bias in self-perceptions. Consequently, the observed correlation reflects the relationship between positive bias in self-perception and others' ratings of one's abilities.

**Status.** Overconfidence also predicted status in the dyad,  $r(73) = .26$  ( $z = 2.10$ ,  $p < .05$ ), suggesting that overconfident individuals achieved higher status than individuals with more accurate self-perceptions. Again, the relationship between

overconfidence and status was almost as strong as that between actual ability and status,  $r(73) = .33$  ( $z = 2.71, p < .05$ ).

We thus examined whether the relation between overconfidence and status was mediated by partners' ratings of competence. This mediation analysis is illustrated in Figure 1. We used Preacher and Hayes' (2008) bootstrapping procedure. We used 1000 resamples with replacement to derive a 95% confidence bias-corrected confidence interval for the indirect effect of overconfidence on status as transmitted via partner-rated competence. This analysis revealed an indirect effect of .018 with a 95% confidence interval ranging from .007 – .032. Because the interval excludes zero, this indicated a statistically significant indirect effect (Preacher & Hayes, 2008). Further, the relation between overconfidence and status was reduced to zero ( $b^* = .00, t = .025, ns$ ) after controlling for partner-rated competence. This suggests that the relation between overconfidence and status in the dyad was fully mediated by partner-ratings of competence.

**Summary.** Consistent with our hypotheses, overconfident individuals were perceived as more competent by their partners. Moreover, this higher peer-rated competence led overconfident individuals to attain higher status in the dyadic task.

## Study 2

Study 2 extended the findings from Study 1 in several ways. First, some theorists have suggested that the interpersonal benefits of overly positive self-perceptions are limited to short-term interactions and that they disappear over time, as individuals get to know each other and obtain enough evidence to assess whether each person's confidence is justified (Colvin et al., 1995; Tenney, Spellman,



& MacCoun, 2008). However, prior evidence in support of this argument used personality traits and *self-insight* measures described in the introduction (Paulhus, 1998). We expected the status-related benefits of overconfidence to endure over time. Otherwise, the status-related benefits of overconfidence would be somewhat limited, given the large proportion of time individuals spend interacting with friends, colleagues, and coworkers (i.e., individuals with whom one is familiar). In Study 2, we assessed project teams that worked closely together over 7 weeks.

Second, to further test the robustness of our finding, we used a different measure of overconfidence – Paulhus and colleagues' well-validated and widely used *Over-Claiming Questionnaire* (OCQ; Paulhus et al., 2003). The OCQ is a clever way to measure overconfidence in one's body of knowledge. It asks respondents to rate their familiarity with a list of items such as famous names, events, or clothing brands. Some of the items are *foils*, in that they do not actually exist. The measure gauges the extent to which individuals *over-claim*, or claim knowledge about non-existent items, and thus exhibit overconfidence in their knowledge (Paulhus et al., 2003). The OCQ was ideal for our purposes because it assesses overconfidence using operational criteria. Individuals who claim familiarity with nonexistent items are exhibiting a departure from reality, and overconfidence. Indeed, the OCQ correlates with overplacement (Paulhus et al., 2003).

Third, we wanted to rule out the possibility that individual differences acted as third variables. In particular, confidence has been associated with higher levels of optimism (Wolfe & Grosch, 1990), trait dominance (Gough, McClosky, & Meehl, 1951), and extraversion (Schaefer et al., 2004), and lower levels of neuroticism

(Costa & McCrae, 1992). Each of these four individual differences has also been linked to the attainment of status (Anderson et al., 2001; Lord et al., 1986; Stogdill, 1948). Therefore, we measured each of these individual differences.

Fourth, we wanted to demonstrate that granting status to overconfident individuals is a “real” effect, in that group members truly believed them to be worthy. We thus utilized “life-outcome” data in Study 2 in addition to peer-rated status. In these student teams, part of their final grade in the class was determined by the grade given to them by their teammates. We tested whether overconfidence would help individuals achieve higher peer-assigned grades as well as higher status.

## **Method**

**Participants.** The study’s participants were the 243 members of the first-year Masters of Business Administration (MBA) class at a West Coast business school (69% men). Participants in the sample had been assigned to one of 48 groups of five or six people by the school at the beginning of the year, with the goal of maximizing the diversity of each group in terms of gender, race, culture, disciplinary training, and work experience.

**Procedure.** Prior to the first day of class, participants were asked via email to complete an online survey with individual difference measures. Over the course of the seven-week class, students worked intensely together in their groups to complete a course project that was submitted on the final day of class. The final project was a paper on which the group collaborated. Students worked in these same groups for all four of the classes they were taking at that same time. Two days after the final class session, participants received a link to an online survey that

asked them to rate each group member. We were unable to measure peer-rated competence and thus focused on status in the team.

**Overconfidence.** Prior to the first day of class, participants completed a 60-item version of the Over-Claiming Questionnaire (OCQ; Paulhus et al., 2003), which asked them to rate their familiarity with 60 items in four different domains on a scale ranging from 0 (*never heard of it*) to 4 (*know it very well*). One out of every five items was a foil, in that it was bogus. We used Paulhus and colleagues' (2003) recommended strategy of scoring *over-claiming* with signal detection analysis. The scoring roughly translates to the mean of the hit rate (i.e., the proportion of times the person correctly identified an item that actually exists) and the false-alarm rate (i.e., the proportion of times the person incorrectly identified a nonexistent item as real), thus capturing the tendency to say "Yes, I recognize that item" versus "No, I don't recognize that item." The over-claiming index was reliable ( $\alpha = .70$ ).<sup>4</sup>

To examine the effect of actual knowledge, we also scored participants' accuracy on the OCQ using Paulhus et al.'s (2003) recommended strategy that also involves signal detection analysis. *Accuracy* is indexed by the number of hits relative to the number of false alarms; individuals receive points for accurate hits and penalties for false alarms. An accurate individual, then, is not the one scoring the most hits but the one showing the best ability to discriminate between existent and nonexistent items. The OCQ *accuracy* index was also reliable ( $\alpha = .60$ ).

**Optimism.** We measured optimism with Scheier, Carver, and Bridges's (1994) six-item Life Orientation Test - Revised ( $\alpha = .78$ ).

**Dominance.** Participants rated their trait dominance with the 16 items from the dominance and submissiveness scales from the Revised Interpersonal Adjective Scales (IAS-R; Wiggins, Trapnell, & Phillips, 1988),  $\alpha = .80$ .

**Big Five personality dimensions.** Extraversion involves traits such as sociability, activity, and positive emotionality (John & Srivastava, 1999). Neuroticism reflects individual differences in negative emotionality (Costa & McCrae, 1992). To measure these dimensions, we used the Big Five Inventory (BFI; John & Srivastava, 1999). The reliabilities were satisfactory for extraversion ( $\alpha = .85$ ) and neuroticism ( $\alpha = .73$ ).

**Status.** Due to space limitations, we asked one status question at the end of the seven weeks: "Please indicate how much each group member influenced the group's decisions" on a 1 (*very little*) to 7 (*a great deal*) scale. Influence is a core component of status hierarchies or "power-prestige" orders in groups; further, individuals must achieve respect and admiration in the eyes of others, or they will not be granted influence (Blau, 1964; Homans, 1950; Ridgeway & Diekema, 1989).

The group members' ratings of each other constituted a *round-robin* design, so we used the software program SOREMO (Kenny, 1994) to implement the Social Relations Model (SRM) analyses of these peer ratings (Kenny & La Voie, 1984). We found significant peer agreement in these judgments (relative target variance = .74). SOREMO calculates a *target score* for each participant on each peer-rated dimension. This target score is essentially the average of the ratings given to the person on that dimension, but SOREMO removes group differences from target scores, making them statistically independent of group membership. In addition, we

centered all other individual difference variables around their group mean to control for group effects. (We also ran the analyses with non-centered variables; no finding changed from statistically significant to non-significant or vice-versa).

**Peer-assigned grade.** Each individual assigned a grade (A through F) to each other group member. Grades were then coded using grade points (0-4).

### **Results and Discussion**

As shown in Table 1, overconfidence (i.e., over-claiming) predicted influence in the group, supporting our hypothesis that overconfident individuals would have higher status, even after the group had worked together for seven weeks. Table 1 presents coefficients from a multiple regression analysis in which we predicted status with overconfidence and accuracy on the OCQ as well as the aforementioned four individual difference variables. This finding lends some reassurance that the relation between overconfidence and status was not driven by any of these other variables. We also tested for a possible curvilinear effect, but the quadratic term in a multiple regression was again not significant,  $B = -.04$  ( $SE = .03$ ,  $n.s.$ ). As shown in Table 1, overconfidence also predicted the grade that teammates assigned to the individual, suggesting that overconfident individuals not only attained higher status but were also assigned higher grades by peers. These results also help further establish that overconfidence has consequences for outcomes for which individuals care a great deal.

### **Study 3**

Although Study 2 addressed a number of possible third-variable explanations, in Study 3, we took the additional step of using an experimental design

that manipulated overconfidence. One obvious way to manipulate overconfidence would be to present participants with vignettes of individuals who exhibit overconfidence (e.g., Jones & Shrauger, 1970; Powers & Zuroff, 1986). However, this method might suffer from lower external validity, as studies suggest that confident individuals rarely directly boast about themselves (Anderson & Kilduff, 2009). We thus aimed to manipulate overconfidence more realistically, in actual individuals who then worked with others on joint tasks.

Previous research has used false feedback manipulations to shape the positivity of participants' self-concept (e.g., Harmon-Jones et al., 1997). Though much of that work provided focused on self-esteem, we thus provided more specific feedback about abilities on a specific task to influence overconfidence only.

To manipulate overconfidence, we needed to focus on self-perceptions of ability that would be possible to manipulate in the laboratory. One such ability is person perception. Prior research suggests that individuals tend to be largely unaware of their person perception accuracy (e.g., Ames & Kammrath, 2004; DePaulo, Charlton, Cooper, Lindsay, & Muhlenbruck, 1997; Swann & Gill, 1997). We exploited this by giving randomly selected participants overly positive feedback about their person perception skills. Others received accurate feedback.

## **Method**

**Participants.** Participants were undergraduate students ( $N = 80$ , 53% women) at a West Coast university who received course credit. The participants were on average 21 years old ( $SD = 1.0$ ). The sample was 70% Asian-American, 20% Caucasian, and 10% who reported other their ethnicities.

**Procedure and design.** The laboratory session had three phases. In the first phase, participants privately viewed still images of 10 individuals via computer and judged each individual's personality on 10 items (Gosling, Rentfrow, & Swann, 2003).<sup>3</sup> After judging each target, participants estimated their own performance.

To manipulate self-perceived ability, after participants judged the first five targets, those randomly assigned to the *overconfident* condition received overly positive feedback about their performance up to that point, whereas those randomly assigned to the *accurate* condition received accurate performance feedback. (We administered this feedback halfway through the individual task so we could check its effectiveness in the remainder of the individual task.)

In the second phase of the session, participants in the *overconfident* condition were randomly paired in dyads with participants in the *accurate* condition and they completed a similar person perception task together. Finally, dyad partners were separated and privately provided various peer-ratings.

**Overconfidence manipulation.** Following Swann and Gill (1997), participants were told that each answer was considered correct if it was within 0.5 above or below the target's true score. Participants in the *overconfident* condition were told that they answered 37 out of 50 responses correctly on the first five targets.<sup>5</sup> In the *accurate* condition, participants were told the actual number of items they answered correctly for the first five targets, which on average was 8.8 out of 50 ( $SD = 3.03$ ). A suspicion check at the end of the study showed that no participant in either condition suspected the performance feedback to be false.

To ensure that participants in both conditions interpreted their scores using the same metric, we also told them that attaining 8 correct answers was performing “as well as chance (the same as guessing randomly),” and that attaining 32 correct answers was performing “extremely well.” To avoid the possibility that dyad partners would simply exchange their feedback scores, participants were instructed not to share their scores with their partner. An experimenter was present while dyads worked together to ensure no partners exchanged this information.

**Self-perceived competence.** As in Study 1, in the individual task, participants estimated their percentile rank relative to other students at their university. Before participants were given performance feedback, their estimates of their own abilities were reliable across the first five targets ( $\alpha = .93$ ), and thus combined. After they received the feedback, participants’ estimates of their own abilities were again reliable across the second set of five targets ( $\alpha = .96$ ), and thus combined.

**Actual performance.** We scored participants’ actual performance on the task using the method described to them. Participants showed reliability in their actual accuracy across targets,  $\alpha = .71$ . We thus combined their scores across the targets to form an overall index of actual ability, and then transformed their performance scores into percentile rankings to allow us to score *overplacement*.

**Partner-rated competence.** In the peer-ratings phase, participants estimated their partner’s competence on the task with four items. First, they used the same percentile-rank item on which they assessed their own ability. To increase the reliability of this peer-rating, they also rated their partner using three items



from the Mind-Reading Belief Scale (Realo et al., 2003): “A stranger’s character is revealed to my partner at first sight,” “It is hard for my partner to tell a person’s thoughts by their looks,” and “I do not think my partner is good at knowing human nature / judging people.” These three items were rated on a scale from 1 (*Disagree strongly*) to 7 (*Agree strongly*). After standardizing all items and reverse-scoring the latter two, they correlated together ( $\alpha = .63$ ) and thus combined.

**Status in the dyad.** Participants rated their partner’s status in the dyad with the same four items as in Study 1. The item measuring respect and admiration had a low item-total correlation (.13) and was excluded from the measure. The remaining three items showed sufficient reliability ( $\alpha = .62$ ) and thus combined.

**State self-esteem.** Providing individuals with positive feedback about the self can boost self-esteem (e.g., Harmon-Jones et al., 1997). To alleviate the concern that any effects of the manipulation might be due to self-esteem rather than to overconfidence, we measured state self-esteem in the peer-ratings phase using Heatherton and Polivy’s (1991) 20-item measure ( $\alpha = .87$ ).

## Results and Discussion

**Manipulation check.** As expected, a repeated-measures ANOVA showed that before the performance feedback was administered, self-perceived rankings in competence did not differ between participants in the *overconfident* condition ( $M = 61.61, SD = 14.84$ ) and in the *accurate* condition ( $M = 61.23, SD = 14.76$ ),  $F(1, 39) = .02, ns$ . Thus participants in the two conditions did not differ in overconfidence before the feedback was administered.

However, after the feedback was administered, a repeated-measures ANOVA showed that participants in the *overconfident* condition had higher self-perceptions of their competence relative to others' ( $M = 62.82, SD = 15.82$ ) than did participants in the *accurate* condition ( $M = 57.14, SD = 15.25$ ),  $F(1, 39) = 3.92, p = .05$ . Further, a within-subjects ANOVA showed that participants in the *overconfident* condition overestimated their ranks,  $F(1, 39) = 17.37, p < .01$ , whereas participants in the *accurate* condition did not,  $F(1, 39) = 1.70, ns$ . Therefore, the feedback manipulation was effective. It is interesting to note, however, that the overconfidence condition did not boost participants' overconfidence, but rather, allowed them to remain overconfident. The accuracy condition reduced participants' overconfidence to make them more accurate.

Finally, a between-subjects ANOVA showed that participants in the *overconfident* condition ( $M = 3.76, SD = 0.58$ ) reported the same level of state self-esteem as participants in the *accurate* condition ( $M = 3.76, SD = .49$ ),  $F(1, 39) = .00, ns$ . Thus, the manipulation had the targeted effect on overconfidence but did not affect state self-esteem.

**Partner-rated competence.** A repeated-measures ANOVA showed that participants in the *overconfident* condition were perceived by their partners as more competent at the task ( $M = .23, SD = 0.63$ ) than participants in the *accurate* condition ( $M = -.25, SD = 0.68$ ),  $F(1,39) = 13.20, p < .01$ . This provides some causal evidence that overconfidence led to being perceived as more task competent. To illustrate this effect in a more intuitive way, we focused on one of the items of the partner-rated competence index—the partner's rating of the participant's percentile

rank. We present the comparison across condition on this item in Figure 2. This difference was significant,  $F(1, 39) = 4.85, p < .05$ , even though participants in the two conditions did not differ in actual abilities,  $F(1, 39) = .48, ns$ .

**Status.** A repeated-measures ANOVA showed that participants in the *overconfident* condition ( $M = 4.74, SD = 0.85$ ) also attained higher status in the dyad than participants in the *accurate* condition ( $M = 4.10, SD = 0.88$ ),  $F(1, 39) = 7.80, p < .01$ . Therefore, this provides evidence that overconfidence led to achieving higher status.

We next examined whether partner-rated ability mediated the effect of overconfidence on status using a method suggested by Judd, Kenny, and McClelland (2001). The regression coefficient of the difference score for the mediator was significant ( $b = .44, SE = .26, b^* = .26, p = .05$ ), which indicates partner-rated competence mediated the effect of overconfidence on status. The intercept was also significant ( $b = .43, SE = .26, p = .05$ ), indicating the effect of overconfidence on status was still significant, controlling for the mediating effect of partner-rated competence (Judd et al., 2001). Therefore, this suggests overconfidence led to status in part because it led to being perceived as more competent.

**Summary.** The partners of individuals induced to be overconfident perceived them as more task competent and accorded them higher status than individuals in the *accurate* condition, who were more accurate in their self-perceptions of ability. Study 3 used an experimental design and thus provided more direct evidence that overconfidence led to higher peer-perceptions of competence,

and in turn, higher status. A mediation analysis confirmed that the effect of overconfidence on status was partially explained by peer-perceptions of ability.

#### Study 4

Studies 1 through 3 found that overconfident individuals attained higher status because they were perceived by others to be competent, even when the impression was artifice. But what exactly do overconfident individuals do that makes them appear competent? Study 4 examined the behavioral displays of overconfident individuals.

In this analysis, we utilized Brunswik's (1956) lens model of human perception. According to Brunswik's model, behavioral cues displayed by a target can serve as a kind of lens through which observers indirectly perceive the target's inner characteristics (see Figure 3). For example, someone's smile could serve as the lens through which an observer infers a target's high level of agreeableness. In Brunswik's model, *cue utilization* refers to the link between the observable cue (e.g., smile) and an observer's judgment (e.g., of agreeableness). On the left side of the lens, we will use the term *cue display* to refer to the link between the target's inner characteristic and the behavioral cue. A correlation between an inner characteristic (e.g., agreeableness) and the display of a cue (e.g., smile) indicates that the inner characteristic predicts the display of that cue (e.g., that higher levels of agreeableness predict more smiles).

We hypothesized that the behavioral cues displayed by overconfident individuals would match the behavioral cues observers use to infer competence. Therefore, we were primarily interested in two questions—which behavioral cues

are used by observers to infer competence in others, and which behavioral cues *overconfident* people display. Along an exploratory vein, we were also interested in the behavioral cues displayed by individuals who are actually competent. Previous research has shown that observers are not highly accurate in perceiving others' competence (e.g., Minson, Liberman, & Ross, 2011). One possibility is that such low accuracy is due to low cue-display correlations for actual competence; in other words, individuals who are actually competent might not display the cues that others utilize to infer competence.

Based on a survey of relevant research (e.g., Anderson & Kilduff, 2009; Carli et al., 1995; DePaulo et al., 2003; Driskell et al., 1993; Imada & Hakel, 1977; Ridgeway, 1987; Scherer, London, & Wolf, 1973; Tracy & Robins, 2004), we hypothesized that observers would utilize the degree to which individuals contributed to the group discussion (e.g., the amount they spoke, provided answers and opinions) and their nonverbal demeanor (e.g., confident and factual vocal tone, relaxed demeanor) to infer competence, and that overconfident individuals would display these behavioral cues.

As an open research question, we also examined explicit statements of confidence (e.g., "I am really good at this"). Previous research has shown that such explicit statements lead the individual to be perceived as more competent by others (Jones & Shrauger, 1970; Powers & Zuroff, 1988). Therefore, we expected explicit statements of confidence to be utilized by observers to infer competence. However, explicit statements of confidence also make a person seem unlikeable (Jones & Shrauger, 1970; Powers & Zuroff, 1988). Moreover, to attain status, one cannot be

disliked (Homans, 1950; Roethlisberger & Dickson, 1938; Whyte, 1943). Therefore, it was possible that overconfident individuals would not display those behaviors, as they would be best served avoiding such explicit statements.

Finally, we wanted to rule out a possible alternative explanation for our findings. If we were to find that groups perceived overconfident individuals as more competent, it is possible that these perceptions might reflect motivated perceptual biases. For example, prior theorists have suggested that within groups, members tend to defer to more assertive individuals, and then construct overly positive perceptions of those individuals' competence to rationalize their own passivity (Lee & Ofshe, 1981). Inasmuch as overconfidence relates to assertiveness (Gough et al., 1951), we thought it important to address this alternative explanation. We thus asked independent, outside observers to rate participants' competence as well, to help establish that overconfident individuals actually appeared competent to others. Outside observers should feel no need to rationalize any of the group members' passivity, and thus their perceptions should not suffer from any related biases. Therefore, we expected overconfident individuals to be perceived as more competent by outside observers in addition to group members.

## **Methods**

**Participants.** Participants were 120 students and staff (56% women) at a West Coast university that participated as part of a broader study of small groups (see Kennedy, Anderson, & Moore, 2011). The mean age was 20 years ( $SD = 4.1$ ). The sample was approximately 60% Asian, 28% Caucasian, 5% Hispanic, 1% African American, and 6% other racial backgrounds.

**Procedure.** Upon arrival at the laboratory, participants were assigned to groups of four. In the first phase of the study, groups were presented with ten full-body photographs of individuals and asked to estimate each individual's weight separately, using their own answer sheet. This task has been used in previous research on overconfidence (Moore & Klein, 2008). During this first phase, participants were instructed not to speak to each other until everyone had finished with their 10 estimates. The presence of an experimenter ensured compliance with this instruction. In the second phase of the study, group members worked together, while being videotaped, to estimate the weights of the individuals in the photographs. In the third phase of the study, after completing all 10 estimates as a group, participants privately rated each other's relative competence at the task.

**Overconfidence.** So far we have measured overconfidence – specifically overplacement – by focusing on individuals' self-perceived rank relative to all other participants in the study. Yet individuals attain higher status in a group when they are perceived as more competent than other *group members* (Berger et al., 1972). For example, a relatively incompetent person is likely to attain high status in a group of individuals who are even less competent than him. We thus measured overplacement by assessing self-perceived performance relative to other group members. Participants privately reported their perceptions of their own abilities at the task by answering the item, "Please rank the four members of your group with respect to their ability to correctly estimate people's weights." Following Moore and Klein (2008), we measured participants' actual performance in the individual task by calculating how close their weight estimates were to the correct weight for each

photograph. The participant with the highest accuracy in estimates received the rank of “1,” the next smallest, “2,” etc. Only two groups had members who tied, and both were tied for 3<sup>rd</sup> rank. As in Study 1, we regressed participants’ self-perceived rank on their actual rank and retained the residual.

**Peer-ranked competence.** Participants privately ranked each group member’s competence. As in Study 3, we conducted a social relations model analysis of these round-robin peer-perceptions. Group members agreed about one another’s task ability, in that the variance attributable to the person rated was significant (the relative target variance was .42; Kenny & La Voie, 1984). SOREMO also calculated a *target score* for each participant, which was essentially his or her average peer-perceived competence. We then reverse-scored these ranking measures so that higher rankings indicated higher peer-perceived competence.

**Ratings of competence made by outside judges.** In selecting outside observers who would rate the group members, we wanted to avoid confounding group membership (i.e., being a group member vs. an outside observer) with the judges’ characteristics. For example, if outside observers were older or more educated than group members, they might perceive group members differently than group members perceive each other. To avoid this potential confound, outside observers were selected who were as similar to the group members as possible. Specifically, 120 undergraduate students, recruited from the same subject pool as the target participants, were used as independent peer judges of competence. Four separate independent peer judges were assigned to each videotape. Each judge watched a single group’s interaction in its entirety and rated all four group members



in their assigned group on the same peer-ranked competence measure on which group members ranked each other.

Recruiting outside observers from a subject pool generated an additional concern, however – namely, that these judges might still be motivated to rationalize the hierarchies they observed in the groups. That is, if group members might be motivated to rationalize their own passivity (Lee & Ofshe, 1981), then subject pool judges might also be similarly motivated, because they might identify with the participants in the videotape. To address this concern, we recruited a second set of judges using Amazon.com’s Mechanical Turk (MTurk), an online service that matches “workers” with “requesters” who post jobs to be completed. We uploaded the video recordings to allow online viewing and recruited 300 MTurk judges in total, or 10 separate independent judges per videotape. Each judge watched a single group’s interaction in its entirety and ranked each of the four group members in their assigned group on the same competence measure.

The competence rankings made by both sets of outside judges correlated highly with those made by the group members,  $\alpha = .71$ , indicating that group members’ perceptions of each other’s competence corresponded to outside judges’ perceptions of their competence. This cross-judge consensus helps address the concern that group member’s judgments were biased. In light of this agreement across the three sets of judges, we averaged them to form an aggregate measure of *observer-perceived competence*.

**Codes of behavioral cues.** Research assistants who were blind to the research questions coded participants’ behavioral cues. We focused on 10 separate

behavioral cues (with inter-rater reliability in parentheses). Coders rated the percentage of time participants spoke in the group discussion ( $\alpha = .89$ ,  $M = 24.98$ ,  $SD = 6.63$ ), counted the number of times participants offered an answer before anyone else ( $\alpha = .91$ ,  $M = 2.87$ ,  $SD = 2.47$ ) and after at least one answer had already been provided ( $\alpha = .84$ ,  $M = 10.84$ ,  $SD = 5.18$ ), and provided information relevant to the problem ( $\alpha = .92$ ,  $M = 9.12$ ,  $SD = 6.33$ ). Coders also rated whether the participant had a confident and factual vocal tone (vs. uncertain and wavering vocal tone;  $\alpha = .60$ ,  $M = 4.48$ ,  $SD = 1.52$ ), seemed calm and relaxed or nervous and anxious ( $\alpha = .60$ ,  $M = 1.88$ ,  $SD = 1.16$ ), and whether the person showed constricted posture and took up little space or showed expanded posture and took up a lot of space ( $\alpha = .67$ ,  $M = 4.08$ ,  $SD = 1.26$ ). In addition, coders counted the number of times the participant made an explicit statement about his or her ability ( $\alpha = .81$ ,  $M = .33$ ,  $SD = .65$ ), the ease or difficulty of the task ( $\alpha = .92$ ,  $M = .48$ ,  $SD = 1.05$ ), and his or her certainty in his or her estimate ( $\alpha = .83$ ,  $M = 1.58$ ,  $SD = 2.19$ ).

## Results

Consistent with the findings from Studies 1 through 3, overconfident individuals were perceived by others as more competent,  $r(118) = .29$ ,  $p = .002$ . Again, it is worth noting that this index of overconfidence reflects bias in self-perceptions. Consequently, the correlation reflects the relationship between positive bias in self-perception and others' ratings of one's abilities. Drawing on the logic of Brunswik's (1956) lens model, we next examined which behavioral cues observers utilized to make inferences about participants' competence and the degree to which overconfident individuals displayed those cues.

**Cue utilization.** The cue-utilization correlations in the rightmost side of Table 2 reflect the relationships between the observers' perceptions of competence and the behavioral cues participants displayed. The behavioral cues are presented in descending order of the magnitude of their cue-utilization correlation.

Consistent with expectations, observers perceived participants to be more competent when participants spoke more, used a more confident and factual vocal tone, and provided more information relevant to the group's problems. In fact, these three cue-utilization correlations were quite high, all above  $r = .50$ , suggesting observers utilize these cues a great deal when inferring others' competence. In addition, observers perceived participants to be competent when participants exhibited an expanded posture, showed a calm and relaxed demeanor, offered more answers (either first or after another group member had already done so), and made more statements about the certainty of their answers. It is interesting to note that observers did not utilize a target's direct statements of his or her own ability or of the ease of the task. It seems that observers relied more heavily on indirect signals of confidence, such as more contributions and a confident nonverbal demeanor, than on explicit statements of confidence.

**Cue display.** The correlations in the left-hand section of Table 2 reflect the relationships between participants' inner characteristics – both their overconfidence and actual competence – and the behavioral cues they displayed. Consistent with our expectations, overconfident individuals tended to display most of the behavioral cues utilized by observers to infer competence: They spoke more, used a confident and factual vocal tone, provided more information relevant to the

problem, exhibited a calm and relaxed demeanor, and offered answers first. Although overconfident individuals did not offer answers after another group member had already done so, this was likely because they provided answers first; those two behavioral cues correlated negatively,  $r(128) = -.33, p < .001$ . The only surprising null cue-display correlation was thus for expanded posture.

Along an exploratory vein, we next examined explicit statements of confidence. Overconfident individuals did not make explicit statements about their own abilities, the ease of the task, or their certainty in their answers. These non-significant findings are interesting, given previous findings that suggest such explicit statements can lead to lower levels of liking (Jones & Shrauger, 1970).

Finally, it is interesting to note that none of the cue-display correlations were significant for actual competence. This suggests competent individuals did not display the behavioral cues that signal competence to others and might help shed light on why competence is so difficult to detect in others (e.g., Ames & Kammrath, 2004; Minson et al., 2011). If individuals who are actually competent do not display the behaviors that signal competence to others, then observers will have difficulty recognizing their competence. In fact, our overconfidence index predicted the behavioral cues more strongly than did the index of actual competence. Overconfident individuals behaved in ways that conveyed competence more convincingly than did individuals who are *actually* competent.

**Summary.** Using a Brunswik (1956) lens model analysis, we found that overconfident individuals have a behavioral signature that, to observers, looks like actual competence. This helps explain why overconfident individuals are seen by

others as competent, even when they lack competence. In fact, overconfident individuals more convincingly displayed competence cues than did individuals who were actually competent.

### Study 5

Thus far, we have provided evidence that overconfident individuals appear more competent to others and attain higher status. However, to support the argument that overconfidence pervades self-perception *because* of its status benefits, it is also necessary to show that the drive for status actually promotes overconfidence. Study 5 thus tested whether individual differences in the desire for status predict individual differences in overconfidence. If such an association exists, it would suggest that not only does overconfidence lead to social benefits, but also that the desire for those benefits promotes overconfidence.

Fortunately, there exists a well-established and widely used self-report measure that is appropriate for our needs: Jackson's need for dominance measure from the Personality Research Form (PRF; 1999). The need for dominance refers to individual differences in the desire to occupy roles of prestige, influence, and authority (Murray, 1938); items on the measure ask individuals how much they desire to be in positions of high status, and wish to have control and influence in social situations. We hypothesized the need for dominance predicts overconfidence.

We also wanted to rule out an alternative explanation. If we were to find an association between the need for dominance and overconfidence, it is possible that there is nothing special about the need for dominance or status per se; individuals who are more motivated to succeed in general might tend to be more overconfident.

To rule out this possibility, we tested whether the need for dominance uniquely predicts overconfidence, among other potentially relevant psychological needs.

Specifically, we focused on two other measures from the PRF: the need for affiliation and the need for achievement (Jackson, 1999). The need for affiliation assesses the degree to which individuals desire to engage in social activities such as parties or collaborative hobbies, have friends, and meet new people. The need for achievement focuses on how much individuals aspire to achieve in their field and work hard toward accomplishing difficult goals. We did not expect that the need for affiliation would predict overconfidence because, according to circumplex models of human behavior, status and affiliation concerns are orthogonal (e.g., Wiggins, 1979). The desire to connect with others should thus be uncorrelated with self-perceptions of expertise or task competence. We also did not expect that the need for achievement would predict overconfidence. Prior research suggests that overly positive self-perceptions might not facilitate achievement (e.g., Robins & Beer, 2001). Therefore, those who seek to achieve might not be motivated to engage in overconfidence; such a practice would not further their goals.

## **Method**

**Participants.** Our sample included 77 individuals from around the United States (60% male). The data were collected online, using MTurk. The average age was 36 years ( $SD = 11.39$ ). Participants were asked to select all categories that comprised their ethnic background; 81.8% selected White, 6.5% selected African-American, 3.9% selected Latino, 6.5% selected Asian-American, and 1.3% selected “other.”

**Procedure.** Participants first completed measures of demographic and individual difference variables. They were then told they would be working with three other people, via an on-line chat room, who were also currently participating in the study. Before participants were to join this ostensible group, however, they completed a version of the task individually. The individual task involved 10 trials. For each trial, they estimated the average of the seven two-digit numbers simultaneously displayed for two seconds. After completing all ten trials, they estimated their abilities on the task. Finally, participants were told there would actually be no group task, thanked, and debriefed.

**The needs for dominance, affiliation, and achievement.** Jackson's Personal Research Form (PRF; Jackson, 1999) includes a variety of needs scales, each containing 20 statements that are rated as either "true" or "false." We coded answers indicating weaker or stronger desire as 1 and 2, respectively. The need for dominance scale showed high internal reliability ( $\alpha = .90$ ,  $M = 1.52$ ,  $SD = 0.31$ ), as did the need for affiliation ( $\alpha = .86$ ,  $M = 1.41$ ,  $SD = 0.28$ ) and need for achievement ( $\alpha = .76$ ,  $M = 1.63$ ,  $SD = 0.22$ ) measures.

**Big Five personality dimensions.** As in Study 2, we controlled for extraversion and neuroticism because these variables have both been linked to overconfidence (Schaefer et al., 2004) and to the attainment of status (Anderson et al., 2001). We again used the 44-item Big Five Inventory (BFI; Benet-Martinez & John, 1998; John & Srivastava, 1999). All five BFI scales showed internal consistency, including extraversion ( $\alpha = .88$ ,  $M = 2.83$ ,  $SD = 0.85$ ), agreeableness ( $\alpha = .85$ ,  $M = 3.77$ ,  $SD = 0.64$ ), conscientiousness ( $\alpha = .88$ ,  $M = 3.70$ ,  $SD = 0.72$ ),

neuroticism ( $\alpha = .87, M = 2.85, SD = 0.80$ ), and openness ( $\alpha = .80, M = 3.70, SD = 0.60$ ).

**Overconfidence.** After participants completed 10 trials of the numbers task, they learned that an answer would count as correct if it fell within five points of the actual answer. They were asked to estimate their percentile rank relative to the other participants in the study, using the same scale from Studies 1 and 2 ( $M = 54.18, SD = 25.02$ ). We also asked them where they thought they would rank (in terms of how many questions they answered correctly) among the four-person group in which they were about to work. They answered using a scale of 1 (*the best in my group*) to 4 (*the worst in my group*),  $M = 2.56, SD = 0.79$ . We then reverse-scored this measure such that higher scores indicated better relative performance. As expected, these two self-perceptions of relative ability correlated highly with each other,  $r(75) = .70, p < .001$ .

We scored participants' actual performance on the task using the method described to them ( $M = 4.79, SD = 2.10$ ). We then transformed their performance scores into percentile rankings to allow us to score *overplacement*. In addition, although we did not actually assign participants to groups, we wanted to estimate what participants' rank would have been if they had been assigned to groups. We thus broke all participants up into groups of four, according to the time in which they participated, and ranked them within each group. The two measures of actual rank in relative performance correlated highly with each other,  $r(75) = .77, p < .001$ .

As in Studies 1 and 2, we regressed participants' self-perceived rank on their actual rank, and then retained the residual – for both their self-perceived percentile



rank relative to all other participants, and their self-perceived rank relative to participants with whom they would have been assigned to a group. These two measures of overconfidence correlated highly with each other,  $\alpha = .81$ ,  $r(75) = .68$ ,  $p < .001$ , and thus we combined them.

## **Results and Discussion**

A simultaneous regression equation with the eight predictors, including the three need measures and all Big Five dimensions, appears in Table 3. As shown, out of all the independent variables, the need for dominance was the only significant predictor of overconfidence and the link between the need for dominance and overconfidence was substantial, with a standardized beta of .42. This suggests that individuals who more strongly desired positions of higher status and influence tended to be more overconfident in their task abilities.

In contrast, the need for affiliation did not predict overconfidence. Therefore, desiring stronger connections with others did not lead to a stronger tendency to engage in overconfidence. Perhaps more noteworthy, the motivation to achieve also did not predict overconfidence in one's task abilities. It seems that the desire for social success, but not necessarily the desire for task success per se, predicted overconfidence. Finally, it is also important to note that the relation between the need for dominance and overconfidence remained significant after controlling for all other dimensions, including personality dimensions.

## **Study 6**

Study 6 further tested the idea that the desire for status drives overconfidence, and makes two key contributions over and above the other five

studies we report. First, Study 6 employed an experimental design and manipulated the desire for status. It used an established procedure that asks participants to imagine working for a prestigious company and aspiring to move up the hierarchy (Griskevicius et al., 2009). We then asked participants their self-perceived percentile ranking on a host of dimensions related to attaining status in a business context. We reasoned that through random assignment, participants in each experimental condition would not differ from each other in actual skills and abilities relevant to business contexts. Therefore, any differences in self-perceived abilities would be due to the status manipulation, rather than differences in actual abilities.

Second, although there is consistency across contexts in the personal characteristics that lead to higher status (Lord et al., 1986), those characteristics can vary markedly from one group to another (Anderson, Spataro, & Flynn, 2008). For example, quantitative skills will likely be more important to attaining status in a group of engineers than in a fraternity. This suggests that being overconfident on dimensions that lead to status in one context will not necessarily help individuals attain status in another context (e.g., Anderson et al., 2008). Being overconfident in one's quantitative skills would not help one attain status in a fraternity (and in fact might hurt one's status). Therefore, a persuasive demonstration would show that the desire for status in a given context leads to overconfidence primarily on dimensions that facilitate status attainment in that context, but *not* on dimensions that do not lead to status attainment in that context.

## Method

**Participants.** Our sample included 68 individuals from around the United States (59% male). We recruited these participants online via MTurk. The average age was 33 years ( $SD = 10.16$ ). Participants were asked to select all categories that comprised their ethnic background; 82.4% selected White, 4.4% selected African-American, 2.9% selected Latino, 8.8% selected Asian-American, and 1.5% selected “other.”

**Design and procedure.** The study had two between-participant conditions, a status-motive induction and a control condition, which were based on previous research (Griskevicius et al., 2009; Griskevicius et al., 2010), and two within-participant conditions, *business-relevant* and *irrelevant* personal characteristics. All participants first completed measures of demographic variables. They were then asked to read a story and imagine themselves in the scenario and feel the emotions and feelings that the person is experiencing. Participants in the *status* condition read a story in which they were motivated to attain status in a work context. Participants in the *control* condition read a story in which they lost and then found their wallet. Finally, participants reported their percentile ranking on a host of ability dimensions, some of which were relevant to attaining status in the work context described in the status prime, and some of which were irrelevant. A check at the end of the study showed that no participant correctly guessed the nature of the study or its hypotheses.

**Status and control primes.** In the *status* prime, participants read a short story of about 400 words that was adapted from an established status motive

manipulation (Griskevicius et al., 2009; Griskevicius et al., 2010). In the story, participants imagine that they recently graduated from college and decided to work for a prestigious company. The job pays well and offers them the chance to ascend the hierarchy. On their first day at work, their boss says that if they do well, they will be put on the “fast track” to the top.<sup>6</sup> The *control* prime was also based on Griskevicius et al. (2009), and asked participants to imagine being at home and realizing that their wallet is missing. They search for the wallet and the story ends as the person finds it.

To ensure the adapted status prime elicited the desire for status, we pilot-tested both primes on a separate group of participants. Forty-four participants read either the *status* or the *control* prime and then rated the extent to which they desired higher social status, regard, prestige, and respect from others ( $\alpha = .87$ ). To ensure the status prime elicited a desire for status specifically, but not a desire for better social standing in general, participants also rated the extent to which they desired to belong: to be liked by others, accepted by others, and included in social groups ( $\alpha = .87$ ). Relative to the control story, the status story elicited a stronger desire for status on a 1–7 scale (5.85 vs. 5.12;  $p = .033$ ) but not a stronger desire to belong (5.79 vs. 5.39,  $p = .200$ ).

**Self-perceived competence.** We asked participants to rate their percentile ranking on 15 skills and abilities that seemed relevant to attaining higher status in work contexts. We focused on task-related skills (intelligence, analytical abilities, critical thinking skills, problem solving skills, innovativeness, general mental abilities, ability to focus, multi-tasking skills, creativity), as well as social-emotional

skills (social skills, ability to work in teams, managing conflict, handling stress, masking emotions). We also asked participants to rank their percentile on six skills and abilities that seemed irrelevant to attaining status in work contexts (driving ability, athletics, general hand-eye coordination, general physical reflexes, musical ability, artistic skills). The 15 business-relevant skills correlated with each other ( $\alpha = .85$ ) as did the six irrelevant skills ( $\alpha = .70$ ).

To establish that the business-relevant skills would be deemed more relevant to attaining status in that context than the irrelevant skills, we pilot tested all dimensions on a separate sample of 44 participants. (This sample was distinct from the other pilot-test sample described above.) These participants read the status prime story and were asked to rate each of the skills and abilities on a scale from 1 (*unimportant to performing in the work context described above*) to 7 (*extremely important to performing in the work context described above*). A factor analysis showed that the business-relevant skills all loaded onto the first factor, and the irrelevant skills all loaded onto other factors. We thus combined all 15 business-relevant skills ( $\alpha = .97$ ) and then combined all irrelevant skills ( $\alpha = .72$ ). As expected, the business-relevant skills ( $M = 5.99$ ) were seen as more relevant to attaining status than the irrelevant skills ( $M = 2.80, p < .001$ ).

## **Results and Discussion**

We submitted the self-perceived competence aggregates to a 2 x 2 mixed-model ANOVA in which prime (*desire for status vs. control*) served as the between-participants factor and skill relevance (*relevant vs. irrelevant to the prime context*) served as the within-participants factor. There was no main effect for prime

condition,  $F(1, 66) = 0.23, p = .636$ , but there was a main effect for skill relevance  $F(1, 66) = 89.78$ , with individuals perceiving themselves to have superior work-relevant skills ( $M = 70.47, SD = 10.95$ ) than irrelevant skills ( $M = 54.63, SD = 17.14$ ).

More germane to our hypotheses, however, was the emergence of a significant interaction between prime condition and skill relevance,  $F(1, 66) = 5.03, p = .028$ . Specifically, individuals induced to *desire status* perceived themselves to possess higher business-relevant skills ( $M = 72.89, SD = 12.24$ ) than individuals in the *control* condition ( $M = 67.73, SD = 8.67$ ),  $t(66) = 2.02, p = .047$ , but not to have higher skills irrelevant to the business context ( $M = 53.57, SD = 18.75$ ) than those in the *control* condition ( $M = 55.80, SD = 15.34$ ),  $t(66) = .53, p = .595, ns$ . Therefore, the effect of the status prime was stronger on only those skills and abilities relevant to attain status in the business context. Inducing the desire for status using a business-related prime did not make participants more confident on skills and abilities that were irrelevant to the business context.

## General Discussion

### Summary of Findings

In six studies we tested a status-enhancement account of overconfidence, which proposes that overconfidence biases self-judgment because it helps individuals attain higher status. In support, we found that (a) overconfident individuals were perceived by others as more competent and, in turn, afforded higher status, (b) overconfident individuals displayed the behaviors that are used by others to infer competence, and (c) the desire for status – both naturally occurring and experimentally induced – lead to higher levels of overconfidence.

The current studies had a number of strengths. First, the data were extensive, involving 1172 individuals total: 664 participants, 519 of whom interacted in dyads or groups, in addition to 420 independent judges and 88 pilot test participants. The studies also used a wide array of data sources, including self-report, operational indices, peer-ratings, independent judgments by outside judges, and behavioral codes by trained coders. Finally, the studies used diverse designs, including dyadic, group, laboratory, field, short-term and longer-term, correlational and experimental.

There were also limitations to the studies. First, we cannot know with certainty whether overconfident individuals truly believed that they were highly competent, or whether they were merely reporting what they wished to believe. However, von Hippel and Trivers (2011) reviewed findings suggesting that overconfidence emerges unconsciously, without intent or awareness. Second, our studies were conducted primarily in the laboratory, which might limit their ecological validity. It is possible that the same findings might not emerge in “real world” contexts where the stakes are higher. Therefore, future research should explore this issue by examining naturally occurring contexts.

### **Theoretical Contributions**

The current findings make two primary contributions to the literature on overconfidence. First, they speak to the origins of overconfidence. More specifically, humans might have the tendency to form false self-beliefs because doing so helps convince others of their positive value. Some intriguing recent theories speculate about the evolutionary origins of cognitive biases (Haselton & Nettle, 2006) and social role of overconfidence (Johnson & Fowler, 2011); our studies provide some of

the first empirical investigations of the possible social bases of overconfidence. In addition, overconfidence has been widely considered an impediment to individual success (Dunning et al., 2004). The current findings suggest that the effects of overconfidence are likely more nuanced and can have benefits as well as costs.

Our findings also have a number of important theoretical implications for the status literature. For example, one commonly asked question about those who possess status is, does their behavior reflect their positions or their preexisting personalities? For example, in the case of narcissistic CEOs (Chatterjee & Hambrick, 2007), did their status make them more narcissistic or did their narcissism help them rise in the hierarchy? With regard to overconfidence, our findings suggest that the answer might be “both.” Higher rank might lead to inflated self-perceptions (e.g., Pfeffer, Cialdini, Hanna, & Knopoff, 1998; Sachdev & Bourhis, 1987), but overconfident individuals are also more likely to attain status in the first place.

### **Future Directions**

The current findings generate a number of questions for future research. First, a critical issue for future research is to understand the boundary conditions for the effects we observed here. When will overconfidence lead to social benefits such as the ones we observed and when will it not? Also, in Studies 1, 2, and 3, we did not find any evidence for a curvilinear relation between overconfidence and status attainment. However, curvilinear effects are notoriously difficult to obtain, due to lack of statistical power (McClelland & Judd, 1993). It is thus important that future research examine this issue further. Finally, it is important to test these



hypotheses in other cultures, where the effects of overconfidence might differ (Heine, Lehman, Markus, & Kitayama, 1999).

We conclude by noting the importance of examining how social status is afforded. Those individuals among us who are elevated to positions of status wield undue influence, have access to more resources, get better information, and enjoy a variety of benefits. One of the most basic questions for students of human social groups, organizations, and societies, is the question of how we select individuals for positions of status. Although we may seek to choose wisely, we are often forced to rely on proxies for ability, such as individuals' confidence. In so doing, we, as a society, create incentives for those who would seek status to display more confidence than their actual ability merits. The idea that overconfidence might pervade human self-perception because of its social benefits generates new hypotheses and directions for future research.

### References

- Ackerman, P. L., Beier, M. E., & Bowen, K. R. (2002). What we really know about our abilities and our knowledge. *Personality and Individual Differences, 33*, 587-605.
- Alexander, R. D. (1987). *The biology of moral systems*. Hawthorne, NY: Aldine de Gruyter.
- Alicke, M. D. (1985). Global self-evaluation as determined by the desirability and controllability of trait adjectives. *Journal of Personality and Social Psychology, 49*, 1621-1630.
- Alicke, M. D., & Govorun, O. (2005). The better-than-average effect. In M. D. Alicke, D. Dunning & J. Krueger (Eds.), *The self in social judgment* (pp. 85-106). New York, NY: Psychology Press.
- Ames, D. R., & Kammrath, L. K. (2004). Mind-reading and metacognition: Narcissism, not actual competence, predicts self-estimated ability. *Journal of Nonverbal Behavior, 28*, 187-209.
- Anderson, C., & Galinsky, A. D. (2006). Power, optimism, and risk-taking. *European Journal of Social Psychology, 36*, 511-536.
- Anderson, C., John, O. P., Keltner, D., & Kring, A. M. (2001). Who attains social status? Effects of personality and physical attractiveness in social groups. *Journal of Personality and Social Psychology, 81*, 116-132.
- Anderson, C., & Kilduff, G. J. (2009). Why do dominant personalities attain influence in face-to-face groups? The competence-signaling effects of trait dominance. *Journal of Personality and Social Psychology, 96*, 491-503.

- Anderson, C., Srivastava, S., Beer, J., Spataro, S. E., & Chatman, J. A. (2006). Knowing your place: Self-perceptions of status in social groups. *Journal of Personality and Social Psychology, 91*, 1094-1110.
- Bales, R. F., Strodtbeck, F. L., Mills, T. M., & Roseborough, M. E. (1951). Channels of communication in small groups. *American Sociological Review, 16*, 461-468
- Barber, B. M., & Odean, T. (2000). Trading is hazardous to your wealth: The common stock investment performance of individual investors. *Journal of Finance, 55*, 773-806.
- Barkow, J. H. (1975). Prestige and culture: A biosocial interpretation. *Current Anthropology, 16*, 553-562.
- Baumeister, R. F. (1982). Self-esteem, self-presentation, and future interaction: A dilemma of reputation. *Journal of Personality, 50*, 29-45.
- Baumeister, R. F. (1989). The optimal margin of illusion. *Journal of Social and Clinical Psychology, 8*, 176-189.
- Baumeister, R. F., Campbell, J. D., Krueger, J. I., & Vohs, K. D. (2003). Does high self-esteem cause better performance, interpersonal success, happiness, or healthier lifestyles? *Psychological Science in the Public Interest, 4*, 1-44.
- Benet-Martínez, V., & John, O.P. (1998). Los cinco grandes across cultures and ethnic groups: Multitrait method analyses of the Big Five in Spanish and English. *Journal of Personality and Social Psychology, 75*, 729-750.
- Berger, J., Cohen, B. P., & Zelditch, M. (1972). Status characteristics and social interaction. *American Sociological Review, 37*, 241-255.

- Berger, J., Rosenholtz, S. J., & Zelditch, Jr., M. (1980). Status organizing processes. *Annual Review of Sociology*, 6, 479-508.
- Blau, P. M. (1964). *Exchange and power in social life*. New York, NY: John Wiley and Sons.
- Bonanno, G. A., Field, N. P., Kovacevic, A., & Kaltman, S. (2002). Self-enhancement as a buffer against extreme adversity: Civil war in Bosnia and traumatic loss in the United States. *Personality and Social Psychology Bulletin*, 28, 184-196.
- Brunswik, E. (1956). *Perception and the representative design of psychological experiments*. Berkeley: University of California Press.
- Buehler, R., Griffin, D., & Ross, M. (1994). Exploring the "planning fallacy": Why people underestimate their task completion times. *Journal of Personality and Social Psychology*, 67, 366-381.
- Bugental, D. B., & Lewis, J. C. (1999). The paradoxical misuse of power by those who see themselves as powerless: How does it happen? *Journal of Social Issues*, 55, 51-64.
- Buss, D. M. (1999). Human nature and individual differences: The evolution of human personality. In L. A. Pervin & O. P. John (Eds.), *Handbook of personality: Theory and research* (2nd ed., pp. 31-56). New York, NY: Guilford Press.
- Camerer, C. F., & Lovallo, D. (1999). Overconfidence and excess entry: An experimental approach. *The American Economic Review*, 89, 306-318.
- Campbell, W. K., Goodie, A. S., & Foster, J. D. (2004). Narcissism, confidence, and risk attitude. *Journal of Behavioral Decision Making*, 17, 297-311.

- Carli, L. L., LaFleur, S. J., & Loeber, C. C. (1995). Nonverbal behavior, gender, and influence. *Journal of Personality and Social Psychology, 68*, 1030-1041.
- Chatterjee, A., & Hambrick, D. C. (2007). It's all about me: Narcissistic chief executive officers and their effects on company strategy and performance. *Administrative Science Quarterly, 52*, 351-386.
- Cheng, P. Y. K. (2007). The trader interaction effect on the impact of overconfidence on trading performance: An empirical study. *Journal of Behavioral Finance, 8*, 59 - 69.
- Cohen, B.P., & Zhou X. (1991). Status Processes in Enduring Work Groups. *American Sociological Review, 56*, 179 – 188.
- Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. (2003). *Applied multiple regression/correlation analysis for the behavioral sciences* (3rd ed.). Hillsdale, NJ: Erlbaum.
- Colvin, C. R., Block, J. & Funder, D. C. (1995). Overly positive self-evaluations and personality: Negative implications for mental health. *Journal of Personality and Social Psychology, 68*, 1152-1162.
- Costa, P. T., & McCrae, R. R. (1992). Multiple uses for longitudinal personality data. *European Journal of Personality, 6*, 85–102.
- Cronbach, L. J., & Furby, L. (1970). How should we measure "change" - or should we? *Psychological Bulletin, 74*, 68-80.
- DePaulo, B. M., Charlton, K., Cooper, H., Lindsay, J.J., & Muhlenbruck, L. (1997). The accuracy-confidence correlation in the detection of deception. *Personality and Social Psychology Review, 1*, 346-357.

- DePaulo, B. M., Lindsay, J. J., Malone, B. E., Muhlenbruch, L., Charlton, K., & Cooper, H. (2003). Cues to deception. *Psychological Bulletin, 129*, 74-118.
- Driskell, J. E., & Mullen, B. (1990). Status, expectations, and behavior: A meta-analytic review and test of the theory. *Personality and Social Psychology Bulletin, 16*, 541-553.
- Driskell, J. E., Olmstead, B., & Salas, E. (1993). Task cues, dominance cues, and influence in task groups. *Journal of Applied Psychology, 78*, 51-60.
- DuBois, P. H. (1957). *Multivariate correlational analysis*. New York, NY: Harper.
- Dunning, D., Heath, C., & Suls, J. M. (2004). Flawed self-assessment: Implications for health, education, and the workplace. *Psychological Science in the Public Interest, 5*, 69-106.
- Dunning, D., Leuenberger, A., & Sherman, D. A. (1995). A new look at motivated inference: Are self-serving theories of success a product of motivational forces? *Journal of Personality & Social Psychology, 69*, 58-68.
- Dunning, D., Meyerowitz, J. A., & Holzberg, A. D. (1989). Ambiguity and self-evaluation: The role of idiosyncratic trait definitions in self-serving assessments of ability. *Journal of Personality and Social Psychology, 57*, 1082-1090.
- Edwards, J. R. (1994). The study of congruence in organizational behavior research: Critique and a proposed alternative. *Organizational Behavior and Human Decision Processes, 58*, 51-100.

- Ehrlinger, J., & Dunning, D. (2003). How chronic self-views influence (and potentially mislead) estimates of performance. *Journal of Personality and Social Psychology, 84*, 5-17.
- Ehrlinger, J., Johnson, K., Banner, M., Dunning, D., & Kruger, J. (2008). Why the unskilled are unaware: Further explorations of (absent) self-insight among the incompetent. *Organizational Behavior and Human Decision Processes, 105*, 98-121.
- Eibl-Eibesfeldt, I. (1989). *Human ethology*. New York, NY: Aldine de Gruyter Press.
- Ellis, L. (1994). Social stratification and socioeconomic inequality (Vol. 2). Westport, CT: Praeger.
- Emerson, R. M. (1962). Power dependence relations. *American Sociological Review, 27*, 30-41.
- Gigerenzer, G., & Hoffrage, U. (1995). How to improve Bayesian reasoning without instruction: Frequency formats. *Psychological Review, 102*, 684-704.
- Goffman, E. (1959). *The presentation of self in everyday life*. Garden City, NY: Doubleday.
- Goldhamer, H., & Shils, E. A. (1939). Types of power and status. *American Journal of Sociology, 45*, 171-182.
- Gonzalez, R., & Griffin, D. (1997). On the statistics of interdependence: Treating dyadic data with respect. In S. Duck (Ed.), *Handbook of personal relationships* (pp. 271-302). New York, NY: Wiley.
- Gosling, S. D., Rentfrow, P. J., & Swann, W. B. (2003). A very brief measure of the big five personality domains. *Journal of Research in Personality, 37*, 504-528.

- Gough, H. G., McClosky, H., & Meehl, P. E. (1951). A personality scale for dominance. *Journal of Abnormal and Social Psychology, 46*, 360-366.
- Griffin, D., & Gonzalez, R. (1995). Correlational analysis of dyad-level data in the exchangeable case. *Psychological Bulletin, 118*, 430-439.
- Griskevicius, V., Tybur, J. M., Gangestad, S. W., Perea, E. F., Shapiro, J. R., & Kenrick, D. T. (2009). Aggress to impress: Hostility as an evolved context-dependent strategy. *Journal of Personality and Social Psychology, 96*, 980-994.
- Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of Personality and Social Psychology, 98*, 392-404.
- Gruenfeld, D.H., & Tiedens, L. (2010). Organizational preferences and their consequences. In S.T. Fiske, D.T. Gilbert, & G. Lindzey (Eds.), *Handbook of social psychology* (5th ed., Vol. 2, pp. 1252- 1287). Hoboken, NJ: John Wiley & Sons.
- Harmon-Jones, E., Simon, L., Greenberg, J., Pyszczynski, T., Solomon, S., & McGregor, H. (1997). Terror management theory and self-esteem: Evidence that increased self-esteem reduces mortality salience effects. *Journal of Personality and Social Psychology, 72*, 24-36.
- Haselton, M. G., & Nettle, D. (2006). The paranoid optimist: An integrative evolutionary model of cognitive biases. *Personality and Social Psychology Review, 10*, 47-66.
- Harvey, N. (1997). Confidence in judgment. *Trends in cognitive sciences, 1*, 78-82.



- Haun, D. E., Zeringue, A., Leach, A., & Foley, A. (2000). Assessing the competence of specimen-processing personnel. *Laboratory Medicine, 31*, 633-637.
- Heatherton, T. F., & Polivy, J. (1991). Development and validation of a scale for measuring state self-esteem. *Journal of Personality and Social Psychology, 60*, 895-910.
- Heine, S. J., Lehman, D. R., Markus, H. R., & Kitayama, S. (1999). Is there a universal need for positive self-regard? *Psychological Review, 106*, 766-794.
- Hoelzl, E., & Rustichini, A. (2005). Overconfident: Do you put your money on it?. *The Economic Journal, 115*, 305-318.
- Hoffrage, U. (2004). Overconfidence. In R. F. Pohl (Ed.), *Cognitive illusions: Fallacies and biases in thinking, judgment, and memory* (pp. 235-254). Hove, England: Psychology Press.
- Hogan, R. (1983). A socioanalytic theory of personality. In M. Page (Ed.), *Nebraska symposium on motivation: Personality—Current theory and research* (Vol. 30, pp. 55-89). Lincoln, NE: University of Nebraska Press.
- Homans, G. C. (1950). *The human group*. New York, NY: Harcourt Brace.
- Hoorens, V. (1995). Self-favoring biases, self-presentation and the self-other asymmetry in social comparison. *Journal of Personality, 63*, 793-817.
- Imada, A. S., & Hakel, M. D. (1977). Influence of nonverbal-communication and rater proximity on impressions and decisions in simulated employment interviews. *Journal of Applied Psychology, 62*, 295-300.
- Jackson, D. N. (1999) *Personality Research Form Manual* (3rd. ed). Port Huron, MI: Sigma Assessment Systems.

- John, O. P., & Robins, R. W. (1994). Accuracy and bias in self-perception: Individual differences in self-enhancement and the role of narcissism. *Journal of Personality and Social Psychology, 66*, 206-219.
- John, O. P., & Srivastava, S. (1999). The Big Five trait taxonomy: History, measurement, and theoretical perspectives. In L. A. Pervin & O. P. John (Eds.), *Handbook of personality: Theory and research* (2nd ed., pp. 102-138). New York, NY: Guilford.
- Johnson, D. D. P., & Fowler, J. H. (2011). The evolution of overconfidence. *Nature, 477*(7364), 317-320
- Jones, R., Panda, M., & Desbiens, N. (2008). Internal medicine residents do not accurately assess their medical knowledge. *Advances in Health Sciences Education, 13*, 463-468.
- Jones, S. C., & Shrauger, J. S. (1970). Reputation and self-evaluation as determinants of attractiveness. *Sociometry, 33*, 276-286.
- Josephs, R. A., Sellers, J. G., Newman, M. L., & Mehta, P. H. (2006). The Mismatch Effect: When testosterone and status are at odds. *Journal of Personality and Social Psychology, 90*, 999-1013.
- Judd, C. M., Kenny, D. A., & McClelland, G. H. (2001). Estimating and testing mediation and moderation in within-participant designs. *Psychological Methods, 6*, 115-134.
- Keltner, D., Gruenfeld, D. H., & Anderson, C. (2003). Power, approach, and inhibition. *Psychological Review, 110*, 265-284.

- Kennedy, J. A., Anderson, C., & Moore, D. A. (2011). *Social reactions to overconfidence: Do the costs of overconfidence outweigh the benefits?* Manuscript submitted for publication.
- Kenny, D. A. (1994). *Interpersonal perception: A social relations analysis*. New York, NY: Guilford Press.
- Kenny, D. A., & La Voie, L. (1984). The social relations model. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (Vol. 18, pp. 142-182). Orlando, FL: Academic.
- Koellinger, P., Minniti, M., & Schade, C. (2007). "I think I can, I think I can": Overconfidence and entrepreneurial behavior. *Journal of Economic Psychology, 28*, 502-527.
- Krebs, D. L., & Denton, K. (1997). Social illusions and self-deception: The evolution of biases in person perception. In J. A. Simpson, & D. T. Kenrick (Eds.) *Evolutionary social psychology*. Mahwah, NJ: Lawrence Erlbaum.
- Krueger, J., & Mueller, R. A. (2002). Unskilled, unaware, or both? The better-than-average heuristic and statistical regression predict errors in estimates of own performance. *Journal of Personality and Social Psychology, 82*, 180-188.
- Krueger, J. I., & Wright, J. C. (2011). Measurement of self-enhancement (and self-protection). In M. D. Alicke, & C. Sedikides (Eds.), *Handbook of self-enhancement and self-protection* (pp. 472-494). New York, NY: Guilford.
- Kruger, J., & Burrus, J. (2004). Egocentrism and focalism in unrealistic optimism (and pessimism). *Journal of Experimental Social Psychology, 40*, 332-340.

- Kruger, J., & Dunning, D. (1999). Unskilled and unaware of it: How difficulties in recognizing one's own incompetence lead to inflated self-assessments. *Journal of Personality and Social Psychology, 77*, 1121-1134.
- Kunda, Z. (1987). Motivated inference: Self-serving generation and evaluation of causal theories. *Journal of Personality and Social Psychology, 53*, 636-647.
- Kwan, V. S., John, O. P., Kenny, D. A., Bond, M. H., & Robins, R. W. (2004). Reconceptualizing individual differences in self-enhancement bias: An interpersonal approach. *Psychological Review, 111*, 94-110.
- Kwang, T., & Swann, W. B. (2010). Do people embrace praise even when they feel unworthy? A review of critical tests of self-enhancement versus self-verification. *Personality and Social Psychology Review, 14*, 263-280.
- Larrick, R. P., Burson, K. A., & Soll, J. B. (2007). Social comparison and confidence: When thinking you're better than average predicts overconfidence (and when it does not). *Organizational Behavior and Human Decision Processes, 102*, 76-94.
- Leary, M. R. (2007). Motivational and emotional aspects of the self. *Annual Review of Psychology, 58*, 317-344.
- Leary, M. R., & Kowalski, R. M. (1990). Impression management - a literature-review and 2-component model. *Psychological Bulletin, 107*, 34-47.
- Lee, M. T., & Ofshe, R. (1981). The impact of behavioral style and status characteristics on social influence: A test of two competing theories. *Social Psychology Quarterly, 44*, 73-82.

- Lord, R. G. (1985). An information processing approach to social perceptions, leadership and behavioral measurement in organizations. In L. L. Cummings, & B. M. Staw (Eds). *Research in organizational behavior* (Vol. 7). Greenwich, CT: JAI Press.
- Lord, R. G., De Vader, C. L., & Alliger, G. M. (1986). A meta-analysis of the relation between personality traits and leadership perceptions: An application of validity generalization procedures. *Journal of Applied Psychology, 71*, 402–410.
- Magee, J.C., & Galinsky, A.D. (2008). Social hierarchy: The self-reinforcing nature of power and status. In J. P. Walsh, & A. P. Brief (Eds.), *Academy of Management Annals* (Vol. 2, pp. 351-398).
- Malmendier, U., & Tate, G. (2005). CEO overconfidence and corporate investment. *Journal of Finance, 60*, 2661-2700.
- Maslow, A. H. (1943). A theory of human motivation. *Psychological Review, 50*, 370-396.
- McClelland, G. H., & Judd, C. M. (1993). Statistical difficulties of detecting interactions and moderator effects. *Psychological Bulletin, 114*, 376-390.
- McNulty, S. E., & Swann, W. B. (1994). Identity negotiation in roommate relationships - The self as architect and consequence of social-reality. *Journal of Personality and Social Psychology, 67*, 1012-1023.
- Miller, D. T., & Ross, M. (1975). Self-serving biases in the attribution of causality: Fact or fiction? *Psychological Bulletin, 82*, 213-225.

- Minson, J. A., Liberman, V., & Ross, L. (2011). Two to tango: The effect of collaborative experience and disagreement on dyadic judgment. *Personality and Social Psychology Bulletin, 37*, 1325-1338.
- Moore, D. A. (2007). Not so above average after all: When people believe they are worse than average and its implications for theories of bias in social comparison. *Organizational Behavior and Human Decision Processes, 102*, 42-58.
- Moore, D. A., & Healy, P. J. (2008). The trouble with overconfidence. *Psychological Review, 115*, 502-517.
- Moore, D. A., & Klein, W. M. P. (2008). Use of absolute and comparative performance feedback in absolute and comparative judgments and decisions. *Organizational Behavior and Human Decision Processes, 107*, 60-74.
- Moore, D. A., & Small, D. A. (2007). Error and bias in comparative judgment: On being both better and worse than we think we are. *Journal of Personality and Social Psychology, 92*, 972-989.
- Murray, H. A. (1938). *Explorations in personality*. New York, NY: Oxford University Press
- Neale, M. A., & Bazerman, M. H. (1985). The effect of framing of conflict and negotiator overconfidence on bargaining behavior and outcome. *Academy of Management Journal, 28*, 34-49.
- Odean, T. (1998). Volume, volatility, price, and profit when all traders are above average. *Journal of Finance, 53*, 1887-1934.

- Odean, T. (1999). Do investors trade too much? *American Economic Review*, *89*, 1279-1298.
- Pajares, F. (1996). Self-efficacy beliefs in academic settings. *Review of Educational Research*, *66*, 543-578.
- Paulhus, D. L. (1984). Two-component models of socially desirable responding. *Journal of Personality and Social Psychology*, *46*, 598-609.
- Paulhus, D. L. (1998). Interpersonal and intrapsychic adaptiveness of trait self-enhancement: A mixed blessing? *Journal of Personality and Social Psychology*, *74*, 1197-1208.
- Paulhus, D. L., & Harms, P. D. (2004). Measuring cognitive ability with the overclaiming technique. *Intelligence*, *32*, 297-314.
- Paulhus, D. L., & John, O. P. (1998). Egoistic and moralistic bias in self-perceptions: The interplay of self-deceptive mechanisms with basic traits and motives. *Journal of Personality*, *66*, 1025-1060.
- Paulhus, D. L., Harms, P. D., Bruce, M. N., & Lysy, D. C. (2003). The over-claiming technique: Measuring self-enhancement independent of accuracy. *Journal of Personality and Social Psychology*, *84*, 681-693.
- Pfeffer, J., Cialdini, R. B., Hanna, B., & Knopoff, K. (1998). Faith in supervision and the self-enhancement bias: Two psychological reasons why managers don't empower workers. *Basic and Applied Social Psychology*, *20*, 313-321.
- Powers, T. A., & Zuroff, D. C. (1988). Interpersonal consequences of overt self-criticism - A comparison with neutral and self-enhancing presentations of self. *Journal of Personality and Social Psychology*, *54*, 1054-1062.

- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods, 40*, 879-891.
- Radzevick, J. R., & Moore, D. A. (2011). Competing to be certain (but wrong): Market dynamics and excessive confidence in judgment. *Management Science, 57*, 93-106.
- Realo, A., Allik, J., Nolvak, A., Valk, R., Ruus, T., Schmidt, M., & Eilola, T. (2003). Mind-reading ability: Beliefs and performance. *Journal of Research in Personality, 37*, 420-445.
- Reynolds, D.J., & Gifford, R. (2001). The sounds and sights of intelligence: A lens model channel analysis. *Personality and Social Psychology Bulletin, 27*, 187-200.
- Ridgeway, C. L. (1984). Dominance, performance, and status in groups. A theoretical analysis. In E. Lawler (Ed.). *Advances in group processes: Theory and research* (Vol. 1, pp. 59-93). Greenwich, CT: JAI Press.
- Ridgeway, C. L. (1987). Nonverbal behavior, dominance, and the basis of status in task groups. *American Sociological Review, 52*, 683-694.
- Ridgeway, C., & Diekema, D. (1989). Dominance and collective hierarchy formation in male and female task groups. *American Sociological Review, 54*, 79-93.
- Robins, R. W., & Beer, J. S. (2001). Positive illusions about the self: Short-term benefits and long-term costs. *Journal of Personality and Social Psychology, 80*, 340-352.



- Sachdev, I., & Bourhis, R. Y. (1987). Power and status differentials in minority and majority group relations. *European Journal of Social Psychology, 21*, 1-24.
- Santos-Pinto, L., & Sobel, J. (2005). A model of positive self-image in subjective assessments. *American Economic Review, 95*, 1386-1402.
- Savin-Williams, R. C. (1979). Dominance hierarchies in groups of early adolescents. *Child Development, 50*, 923-935.
- Schaefer, P. S., Williams, C. C., Goodie, A. S., & Campbell, W. K. (2004). Overconfidence and the Big Five. *Journal of Research in Personality, 38*, 473-480.
- Scheier, M. F., Carver, C. S., & Bridges, M. W. (1994). Distinguishing optimism from neuroticism (and trait anxiety, self-mastery, and self-esteem): A re-evaluation of the life orientation test. *Journal of Personality and Social Psychology, 67*, 1063-1078.
- Scherer, K. R., London, H., & Wolf, J. J. (1973). The voice of confidence: Paralinguistic cues and audience evaluation. *Journal of Research in Personality, 7*, 31-44.
- Schmid Mast, M., Hall, J. A., & Schmid, P. C. (2010). Wanting to be boss and wanting to be subordinate: Effects on performance motivation. *Journal of Applied Social Psychology, 40*, 458-472.
- Smith, P. K., Wigboldus, D. H. J., & Dijksterhuis, A. (2008). Abstract thinking increases one's sense of power. *Journal of Experimental Social Psychology, 44*, 378-385.
- Stankov, L., & Crawford, J. D. (1997). Self-confidence and performance on tests of cognitive abilities. *Intelligence, 25*(2), 93-109.

- Stogdill, R. M. (1948). Personal factors associated with leadership: A survey of the literature. *Journal of Psychology, 25*, 35-71.
- Swann, W. B. (2005). The self and identity negotiation. *Interaction Studies, 6*, 69-83.
- Swann, W. B., & Ely, R. J. (1984). A battle of wills - Self-verification versus behavioral confirmation. *Journal of Personality and Social Psychology, 46*, 1287-1302.
- Swann, W. B., & Gill, M. J. (1997). Confidence and accuracy in person perception: Do we know what we think we know about our relationship partners? *Journal of Personality and Social Psychology, 73*, 747-757.
- Tay, L., & Diener, E. Needs and subjective well-being around the world. *Journal of Personality and Social Psychology, 101*, 354-365.
- Taylor, S. E., & Brown, J. D. (1988). Illusion and well-being: A social psychological perspective on mental health. *Psychological Bulletin, 103*, 193-210
- Taylor, S. E., Lerner, J. S., Sherman, D. K., Sage, R. M., & McDowell, N. K. (2003). Portrait of the self-enhancer: Well adjusted and well liked or maladjusted and friendless? *Journal of Personality and Social Psychology, 84*, 165-176.
- Tenney, E. R., MacCoun, R. J., Spellman, B. A., & Hastie, R. (2007). Calibration trumps confidence as a basis for witness credibility. *Psychological Science, 18*, 46-50.
- Tenney, E. R., Spellman, B. A., & MacCoun, R. J. (2008). The benefits of knowing what you know (and what you don't): How calibration affects credibility. *Journal of Experimental Social Psychology, 44*, 1368-1375.
- Tiedens, L. Z. & Fragale, A. R. (2003). Power moves: Complementarity in submissive and dominant nonverbal behavior. *Journal of Personality and Social Psychology, 84*, 558-568.

- Tracy, J. L., & Robins, R. W. (2004). Show your pride: Evidence for a discrete emotion expression. *Psychological Science, 15*, 194-197.
- Trivers, R. (1985). *Social evolution*. Menlo Park, CA: Benjamin/Cummins.
- von Hippel, W., & Trivers, R. (2011). The evolution and psychology of self-deception. *Behavioral and Brain Sciences, 34*(01), 1-16.
- Waldman, M. (1994). Systematic errors and the theory of natural selection. *The American Economic Review, 84*, 482-497.
- Whyte, W. F. (1943). *Street corner society*. Chicago, IL: University of Chicago Press.
- Wiggins, J. S. (1979). A psychological taxonomy of trait-descriptive terms: The interpersonal domain. *Journal of Personality and Social Psychology, 37*, 395-412.
- Wiggins, J. S., Trapnell, P., & Phillips, N. (1988). Psychometric and geometric characteristics of the revised interpersonal adjective scales (ias-r). *Multivariate Behavioral Research, 23*, 517-530.
- Williams, E. F., & Gilovich, T. (2008). Do people really believe they are above average? *Journal of Experimental Social Psychology, 44*, 1121-1128.
- Wolfe, R. N., & Grosch, J. W. (1990). Personality correlates of confidence in one's decisions. *Journal of Personality, 58*, 515-534.
- Wright, G. N., & Phillips, L. D. (1979). Personality and probabilistic thinking: An exploratory study. *British Journal of Psychology, 70*, 295-303.
- Zuckerman, M., & Knee, C. R. (1996). The relation between overly positive self-evaluation and adjustment: A comment on Colvin, Block, and Funder (1995). *Journal of Personality and Social Psychology, 70*, 1250-1251.

### Footnotes

1. Prior research has distinguished various forms of overconfidence (Moore & Healy, 2008). We focused on *overplacement*, which involves overestimating one's rank in ability relative to others, because individuals' status is based on perceived abilities relative to others (Berger et al., 1972; Ridgeway, 1984).
2. The use of difference scores has been widely criticized because difference scores are unreliable and tend to be confounded with variables that comprise the index (e.g., Cohen, Cohen, West, & Aiken, 2003; Cronbach & Furby, 1970). Scholars suggest regressing participants' actual performance onto their self-evaluations and retaining the residuals of the self-evaluations (e.g., John & Robins, 1994).
3. The photographed targets and the data for each target's "true" personality were obtained from Daniel Ames. Each target's "true score" was the average rating made by the self and eight knowledgeable informants.
4. The accuracy and over-claiming indexes were calculated using standard signal detection formulas (Macmillan & Creelman, 1991). We first calculated the "hit" rate as the proportion of the 48 real items on which the respondent claimed familiarity (a response above 0 on the familiarity scale). Similarly, we calculated the "false-alarm" rate as the corresponding proportion of the 12 foils on which the respondent claimed familiarity. From these hit and false-alarm rates, two indexes were calculated for each respondent: The accuracy index was  $d'$  prime (the z-transformed hit rate minus the z-transformed false alarm rate), and the over-claiming index was the criterion location (the average of the z-transformed hit and false alarm rates).

5. Providing feedback about percentile rank would have meant providing some in the *overconfident* condition overly negative feedback (e.g., telling people who scored above the 98<sup>th</sup> percentile that they scored in the 95<sup>th</sup> percentile). Pilot tests showed that feedback about absolute performance effectively manipulated overplacement.

6. We modified the original story to avoid two potential confounds. First, to avoid inducing competitive feelings more generally, we deleted a part that spoke of a competition for promotion with other newly hired employees. Second, to avoid directly priming higher levels of confidence, we deleted a part that spoke about the protagonist trying to boost his or her confidence.

Table 1.

*Study 2. Coefficients for Regression Models Corresponding to Effect of Overconfidence on Peer-Rated Status and Peer-Assigned Grade.*

	Status		Grade	
	<i>B</i>	<i>SE B</i>	<i>B</i>	<i>SE B</i>
Overconfidence	.32*	.07	.08*	.03
Accuracy	.27*	.05	.06*	.02
Optimism	-.01	.03	-.01	.01
Trait Dominance	-.02	.03	-.02	.01
Extraversion	.04	.06	.01	.02
Neuroticism	-.01	.06	-.02	.02

\*  $p < .01$