Introduction

- How do we respond to miscalibration in others?
- Revealed overconfidence can be punished (Sah et al., 2013), but can also be rewarded (Kennedy et al., 2013).
- Being underconfident can be interpreted as lacking self-confidence, but also as humility/modesty.
- Do social responses to revealed underconfidence and overconfidence systematically differ?
- Misestimation: Miscalibration in one's own ability.
- Misplacement: Miscalibration in how well one did relative to others.
- Do social responses to miscalibration differ across forms?

References

Kennedy, J. A., Anderson, C., & Moore, D. A. (2013). When overconfidence is revealed to others: Testing the status-enhancement theory of overconfidence. Organizational Behavior and Human Decision Processes, 122(2), 266–279. https://doi.org/10.1016/j.obhdp.2013.08.005

Sah, S., Moore, D. A., & MacCoun, R. J. (2013). Cheap talk and credibility: The consequences of confidence and accuracy on advisor credibility and persuasiveness. Organizational Behavior and Human Decision Processes, 121(2), 246–255. https://doi.org/10.1016/j.obhdp.2013.02.001

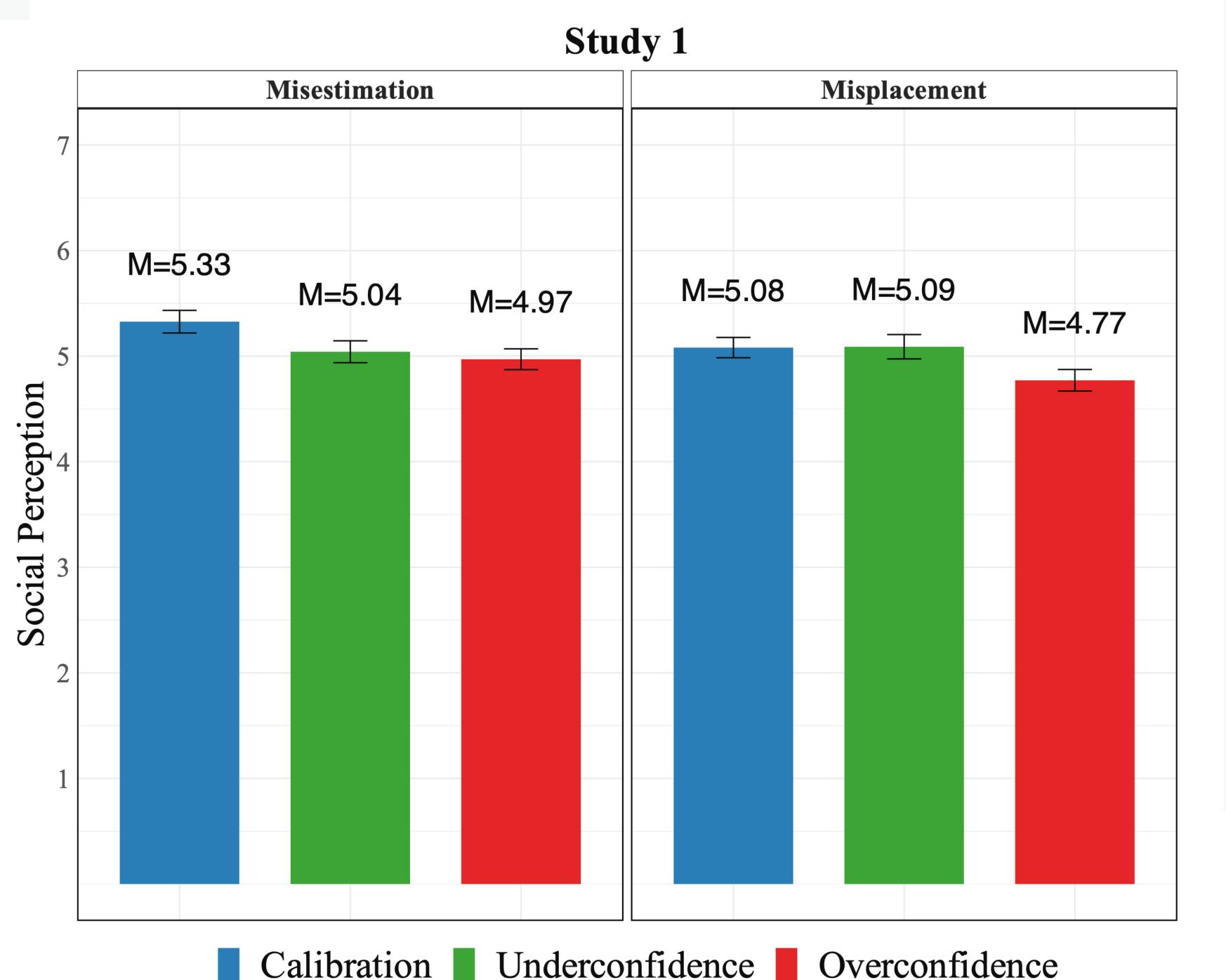
Social Responses to Miscalibration

Wallmueller Peter, M. Asher Lawson INSEAD

Methods

Study 1- Miscalibration across two forms (Misestimation, Misplacement) N=1798:

- 1798 Participants observe partner who is shown to be 20% underconfident, calibrated, or 20% overconfident.
- Partner answers 10 questions: e.g. Does Qatar have a larger population than Argentina?
- Misestimation: Partner predicts getting 4, 6, or 8 questions out of 10 correct, while they actually get 6 questions correct.
- **Misplacement:** Partner predicts they will achieve the 40th, 60th, or 80th percentile, while they actually achieve the 60th percentile.
- Rate partner in terms of trust and competence (1-7 Likert scale items).
- Averaged to create DV of social perception.





INSEAD

- Misestimation:
- Overconfidence is punished relative to calibration ($\beta = -0.36$, p < 0.001)
- Underconfidence is punished relative to calibration
- $(\beta = -0.29, p < 0.001)$
- Misplacement:
- Overconfidence is punished relative to calibration ($\beta = -0.31$, p < 0.001)
- Underconfidence is not punished relative to calibration ($\beta = 0.01$, p = 0.914)

Discussion

- Social responses vary by form and direction of miscalibration.
- Misestimation: Symmetrical Punishment of Overconfidence and Underconfidence.
- Misplacement: Overconfidence is punished, while underconfidence is not.
- Next steps:
- Why do people punish underestimation but not underplacement? (e.g. lacking self-knowledge vs. humility)
- Generally: Why is miscalibration punished? Do perceptions of insincerity drive punishments?