

Analysis on the Contributing Factors to Individuals' Tendency of Overconfidence

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Abstract. Accordingly, more than 50% of the US citizens consider themselves more attractive than average, which reveals a tendency in modern society of people feeling overconfidence. In this essay, I will investigate the 4 factors contributing to the overconfidence prevailing the modern society in an psychological aspect.

Keywords: overconfidence, self-serving bias, positive illusion, group polarization, Dunning Kruger Effect.

1. Introduction

Do you often witness health care frauds targeting specifically toward senior people? Do you know anyone who has been defrauded in such cases? If we really look closer, it is not hard to determine that these “theories” of the health care products they are selling are full of loopholes. Then, why are there still so many people being cheated on in frauds. The answer will leads us to the topic of this essay——overconfidence.

2. Contributing Factors to Overco

2.1. Contributing Factor One

2.1.1. BTAE Effect

Researchers observed a psychological tendency named positive illusion among people which makes them think over-confidently. The positive illusion was first proposed to be an individual's distorted perception of himself or herself and the outside world (Taylor and Brown, 1988). However, it can also make people over-confident. In the late 20th century, psychologists found out that individuals exhibit an effect called better-than-average effect (BTAE). The BTAE means that individuals tends to overestimate themselves in many aspects, generating an unrealistically optimistic self-portrait (Zell et al, 2020). The BTAE can be explained by a psychological mechanism called the self-serving bias.

2.1.2. Self-serving Bias

Self-serving bias means that people tend to attribute success more to personal effort and failures more to situational factors. By contrast, individuals unconsciously do the opposite when it comes to other people's triumph and defeat (Wang Rui, 2021). The occurrence of this psychological tendency can be seen to due to the positive correlation between the optimistic self-image and psychological resilience.Chenyi(2022) argued that individuals' positive image of themselves has beneficial effects on their performances when facing obstacles and difficulties, and is conducive to maintaining mental health of individual(Chenyi, 2022).

Therefore, to ensure the maintenance of health mindset and high self-esteem, people naturally attempt to attribute success to internal factors, and blame failure on external ones.

In other words," self-serving bias refers to judging objective things in a way that is favorable to themselves. One research has studied on how the self-serving bias influence the annual report in tourism companies by studying 33 listed companies in Shanghai and Shenzhen (Yang Xinghai, 2018). It is observed that the blue chip companies all tends to emphasize on the adverse factors in the business environment responsible for subtle changes and on the detailed financial status to demonstrate how well-organized and professional this company is (Yang Xinghai, 2018). Therefore,

the paper proves that there is presence of self-serving bias in these companies' annual reports, through content analysis, statistical analysis and group comparison. Above on, The mental state of positive illusion makes people overconfident.

2.2. Contributing Factor Two

2.2.1. Group Polarization

The second major contention is about confirmation bias and group polarization. These two phenomenon both contributed to the generation of over confidence of individuals. Cass R. Sunstein (2006) initially proposed the concept of social media polarization in Information Utopia which generated from the concept of group polarization, which means that the public will always selectively shackles themselves in the fields they are interested in, shield the information they oppose, and get lost in the homogenized information world, over time, they will be trapped in something like a information "cocoon" (Cass.R.Sunstein, 1999).

Basically, the information cacoon is a process of the stiffening individuals' original opinion and belief. According to the confirmation bias which means people tend to corroborate rather than falsify, and when facing an uncertain idea, they tend to assume the validity and look for evidence to support it (Wason, 1960). Specifically, individuals always pay attention to the information that is consistent with their existing attitudes, while ignoring the information that is inconsistent. This psychological tendency traps them in the information cacoon by isolating them from other opinions.

2.2.2. Confirmation Bias

This is where the confirmation bias comes in, after people post their views on the internet, only viewpoints similar as theirs caught their attention, and those who are opposite are unintentionally ignored. In this process their original beliefs get reinforced, and they will generate over confidence due to the sense of achievement of being agreed on. This phenomenon in all is the social media polarization.

2.2.3. Case Study of “Wang Fengya Event”

Taking an example of “Wang Fengya Event”: Wang is a cancer patient who cannot afford the expenses of curing cancer. Therefore, her parents tried to ask for help on online fundraising platforms and successfully received donation. However, some anonymous people claimed online that the donation did not go to Wang's treatment, and the whole event is a charity frauds. Though with barely any evidence, most of the netizens took believe in it and felt furious for her behaviors. The comments keeps on spreading, so does criticizement and hatred, until later, found out by the police, that there is no charity frauds at all. (Qiao Shengchen, 2018)

The researchers specifically studied on how the people's attitudes about the Wang Fengya Event changed as more details being exposed online. In the first report on Wang's case on Sina Weibo's News, 70 of the first 100 netizens commented negatively on the incident, compared with 13 who were neutral and four who were positive. However, as the disclosed details of the incident increased, the number of favorable to themselves. One research has studied on how the self-serving bias influence the annual report in tourism companies by studying 33 listed companies in Shanghai and Shenzhen (Yang Xinghai, 2018). It is observed that the blue chip companies all tends to emphasize on the adverse factors in the business environment responsible for subtle changes and on the detailed financial status to demonstrate how well-organized and professional this company is (Yang Xinghai, 2018). Therefore, the paper proves that there is presence of self-serving bias in these companies' annual reports, through content analysis, statistical analysis and group comparison. Above on, The mental state of positive illusion makes people overconfident.

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2.3. Contributing Factor Three

2.3.1. Social Culture and Values

Another contributing factor of the overconfidence of people is the influence of social culture and values. According to Bronfen Brenner ecosystem theory, the societal factors are categorized in the macro-system, which includes cultural issues such as value, customs and development status (Du Ningjuan and Fan Anping, 2013). One of the dominant culture in the US society is the individualistic heroism which define the key to solving any problems as the courage, wisdom and strength of a specific person (Sun Yike, 2022). The popularity of Marvel and DC comics can be explained as a representative of the rise of individualistic heroism in America. Another example is Schindler's List, in which the main character fought against the Nazi and saved thousands of people's life by his own effort (Sun Yike, 2022). This cultural trend can easily make younger people who are yet forming their fundamental values feel like also having extraordinary capability, and at last forming over-confident personalities (Sun Yike, 2022). This can also explain why a country which joined so many people all over the world still shows a general trend of over confidence.

2.4. Contributing Factor Four

2.4.1. Ego-Centrism

Another psychological cause of overconfidence is ego-centrism which means taking the needs and feelings of "self" as the measure of value, judging and measuring the value goal. Some may argue that most people think themselves to be more attractive than the average could be the consequence of people's different standards to attractiveness. However, only ignoring the existence of multiple aesthetic standards and judging the world only based on their perspective is a symbol of ego-centrism (Yan Chao and Zhou Jun, 2011). Beside that, the behavior of judging the world using personal viewpoint could also be explained by over-confidence according to the Dunning-Kruger Effect (D-K effect). The D-K Effect refers to the drawn of biased conclusions on the basis of their ill-considered judgement (Pan Kaiwen and Feng Yue, 2022). Individuals experiencing D-K Effect are generally unable to correctly recognize their own shortcomings. In another word, these people incapacitated in

viewing the world objectively bask in the illusion of self-created superiority (Pan Kaiwen and Feng Yue, 2022). The Dunning Kruger Effect categorized the learning process into 4 stages: Peak of Mt.Stupid refers to generate illusion that the thing they are learning is very easy; Valley of Despair means that as difficulties add up, confidence is losing, the sense of despair comes in; Slope of Enlightenment refers to that after overcoming the confidence break down, now the individual has stepped into the process of learning and making progress constantly; and Plateau of Sustainability means that the individuals has reached the peak in this subject(Pan Kaiwen and Feng Yue, 2022). The Peak of Mt.Stupid is the stage where over-confidence occur most commonly, this is a stage where people don't know that they don't know there are different ways of being attractive in the world, which may lead them to be egocentric by only being able the see the world in their perspective. Therefore, the explanation of multiple aesthetic standard can also be explained as over-confident.

3. Summary

In conclusion, the result that significantly over 50% of people reported to have a self evaluation of more attractive than average is mainly due to the over confidence generated by individuals under the influence of both internal (the positive illusion and confirmation bias) and external factors (the cultural influence of the macro-system). With this conclusion, we can how overconfidence blinded people from the fact that they are defrauded. Indeed, high confidence level improves individual's self-esteem and gives individual a positive mindset facing difficulties, it still makes people make biased decision. Therefore, though difficult, it will be better for individuals to keep in mind the existence of their overconfidence nature and try not to be influenced.

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