

Rules of Irrationality

People sometimes act or think in ways which seem neither kind, nor true, nor in their own self-interest. This can be puzzling and we will call this irrational behavior or thoughts.

Irrationality is an important topic in many different domains, from marketing, to finance, to addiction, gambling, discipline, economics and – of course – psychology. When combining the findings from these domains one can make a list of over 200 ways in which people exhibit structural, reoccurring irrational behavior (starting at [‘Action Bias’](#)¹ and moving all the way to [‘WYSIATI’](#)).

Such a list is impractical when one aims to understand human behavior and thoughts. In this article we’ll look 5 simple rules which allow accurate prediction of the results of the experiments of approximately 110 of these irrational behaviors, and offers no guidance on the others.

This might seem like a bold claim, but the reason these 110 irrational behaviors can be summarized in 5 rules is because of a change of perspective. Commonly scientists assume that people optimize for happiness, truth, survival or material goods. From this perspective a lot of behavior doesn’t make any sense and thus requires over 100 different explanations which usually involve limitations of our brain.

However, humans are fundamentally social creatures, having lived in groups for [around 50 million years](#), and having faced reduced challenges in survival for the last 100.000 years. It is therefore conceivable that a lot of our behaviors stem not from a survival perspective, but actually have evolved to secure our position in the group – a social perspective.

From this perspective a lot of things which seemed irrational suddenly make a lot sense, and what is currently being perceived as a flaw of the brain might actually be a smart social strategy.

In this article we’ll support this claim by looking at 76 of the 110 behaviors and show how they are more easily explained by these 5 rules which stem from a social perspective. We’ll start with an overview of this article followed by an overview of theories which are currently in use.

This is actually the second article in a series, the first article provided a theoretical, evolutionary foundation for this social perspective. Together these articles indicate that our beliefs feelings and behavior have a huge social component. This will be the foundation which will help us understand happiness in the final article of this series.

1 OVERVIEW OF THIS ARTICLE

1.1 DEFINITIONS

Concept: A phenomenon which is observed in scientific studies. Encompasses: biases (e.g. confirmation bias), fallacies (e.g. narrative fallacy), effects (e.g. endowment effect), tendencies (e.g. twaddle tendency) and errors (e.g. fundamental attribution error).

General theory: a theory which explains at least 5 different concepts; a theory of theories.

1.2 GOAL

The goal of this article is to demonstrate that the theory of status & self-deception, which follows from the social perspective, is the most useful general theory to understand human thoughts, beliefs and behavior. The theory of status & self-deception is explained in section 3.5.

1.3 RELEVANCE

General theories are essential to see the bigger picture and without a general theory experiments become isolated pieces of knowledge which are hard to apply in practice. A general theory is a foundation upon which further research, both applied and theoretical can be build.

After reading this document, this general theory will allow you to:

- better understand the behavior and thoughts of people around you
- predict 110 concepts in psychology without the need to remember them all, instead you have to remember 5 implications (rules) of the general theory
- better understand your own behavior and motives and learn some practical tips on how to use this to your advantage
- better understand the upcoming articles on confidence and happiness

1.4 METHOD

The evidence supporting the theory of status & self-deception is pyramid shaped: at the bottom we have a lot of experiments (1000+), several experiments usually support a single concept (around 210). These 210 concepts in turn are aggregated to support 5 rules of irrationality. These rules of irrationality do not explain all 210 concepts, but do explain around 110 and offer no guidance on the other concepts.

But, just showing a lot of support for the theory of status & self-deception is not enough; for it to be the most useful general theory there are [other requirements](#), we also need to show:

1. Absence of other theories which provide an alternate but also plausible explanation (to avoid confirmation bias)
2. Absence of evidence to the contrary (to avoid cherry-picking)
3. Show that the total number of observations explained is non-negligible (to avoid ending up with something similar to a 'significant' theory with an effect size which is too small to make the theory usable).

Proving the absence of something is hard, especially when the number of theories and experiments is unbounded. Therefore, the scope will be limited to eight books, and all claims relating to the absence of evidence should be considered to mean an absence of evidence in these sources.

1.5 SCOPE

Since an exhaustive list of all behavior or all literature is unfeasible, we will instead rely on 8 core books and assume these offer a fair representation of the literature on behavior. These books have been chosen because:

- i. they are among the most well known in their field,
- ii. they offer an overview of their field,

- iii. they represent a specific field which isn't covered in the other books (i.e., marketing, finance, change theory, prediction, cognitive psychology, social psychology).

Primary sources:

1. [Predictably Irrational](#), Dan Ariely, ISBN: 0062018205,
2. [Social Psychology](#), Sharon Brehm, Saul Kassin & Steven Fein, ISBN: 0618129642
3. [Influence: The Psychology of Persuasion](#), Robert Cialdini, ISBN: 006124189X
4. [The Art of Thinking Clearly](#), Rolf Dobelli, ISBN: 0062219685
5. [Switch: How to Change Things When Change Is Hard](#), Chip Heath & Dan Heath, ISBN: 0385528752
6. [Thinking, Fast and Slow](#), Daniel Kahneman, ISBN: 0374275637
7. [The Black Swan: The impact of the highly improbably](#), Nassim Nicholas Taleb, ISBN: 1400063515
8. [Superforecasting: The Art and Science of Prediction](#), Philip Tetlock & Dan Gardner, ISBN: 0804136696

Combining these sources yields a list of 210 concepts (which is very similar to the list which can be found [here](#)). Furthermore these books yield 6 general theories which will be the topic for section 3.1 to 3.6.

1.6 STRUCTURE

In chapter 3 we'll see an overview of the general theories which exist in literature. Chapter 4 to 8 will each feature one rule of irrationality. We end by concluding that only the theory of status & self-deception accurately matches the 5 rules and is the most useful of general theory when trying to understand human psychology.

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3 GENERAL THEORIES

In the primary sources we encounter 6 general theories which explain human behavior and thoughts.

3.1 THEORY OF RATIONALITY

The theory of rationality assumes that people maximize: i. truth, ii. their own resources¹ or iii. their own happiness. Furthermore people are assumed to be perfect in these pursuits.

The theory of rationality follows from natural selection; truth, resources and happiness usually help an individual to survive.

The main advantage of this theory is that it is easy enough to allow for modelling and making predictions while still being fairly accurate. Thus, it has found great use in economics and game theory.

The main disadvantage is that it is only fairly accurate, scientists having uncovered over 200 ways in which it fails to make accurate predictions.

Some well-known authors working with the theory of rationality include: [John Nash](#) (economics), [John von Neumann](#) (game theory), [Richard Posner](#) (law)

3.2 THEORY OF LIMITED CAPACITY

The theory of rationality assumes that people are perfectly capable of maximizing truth, their resources or their happiness. In practice this is obviously not the case and people are bounded by their intelligence. The theory of limited capacity applies when behavior or thoughts arise from a bounded intelligence.

For example, when someone doesn't get a perfect score on a test after having read everything just once, this can be best explained by the theory of limited capacity.

Behavior which is neither rational nor a consequence of limited capacity is called irrational behavior. Distinguishing limited capacity behavior from irrational behavior isn't always easy. Let us for example briefly consider the following excerpt, which supposedly describes a research supporting the [confirmation bias](#):

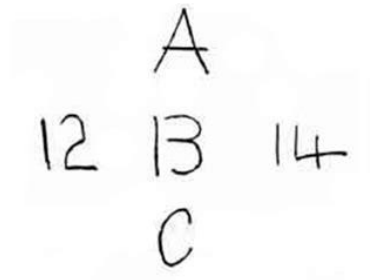
"People often select nondiagnostic over diagnostic information in Bayesian decision situations. Suppose that one must attempt to decide which of two diseases, A or B, a patient with Symptoms X and Y has. One is informed of the relative frequency of Symptom X among people who have Disease A and is then given the choice of obtaining either of the following items of information: the relative frequency of people with A who have Symptom Y or the relative frequency of people with B who have symptom X. Most people who have been given choices of this sort opt for the first; they continue to focus on the hypothesis that the patient has A, even though learning the relative frequency of Y given A does not inform the diagnosis, whereas learning the relative frequency of X given does." [1]

¹ For the mathematically inclined: frequently it is assumed that people maximize expected utility where utility is a concave function of resources. See [utility theory](#) for more information.

In this case, the failure of participants to properly respond to the question is assumed by the authors to indicate irrational behavior. Another interpretation of this experiment is that the question is simply too complex and only shows limited capacity of humans (instead of irrationality).

3.3 THEORY OF ASSOCIATION

The theory of association states that our brains work using associations: our brain is a large network of interconnected neurons where one active part of the brain activates another and another. A famous example of this is the following:



When reading left to right we read 12 13 14, and when reading top to bottom we automatically read A B C. When reading an A this automatically activates the part of our brain which deals with letters, when reading “12” this automatically activates the part of our brain which deals with numbers. And depending on the part of the brain which is active, this results in a “B” or a “13”.

Another famous example is: “do *not* think of the pink elephant!” Which is almost guaranteed to make you see a pink elephant because just reading about a pink elephant will automatically start your brain associating and interpreting the “pink elephant”.

3.4 THEORY OF COGNITIVE EASE

The theory of Cognitive Ease states that humans have evolved to behave well in surroundings with limited time and resources. In order to do well, humans sometimes sacrifice accuracy for speed, or sacrifice accuracy in order to reduce the effort required.

The classical example is a human who faces a tiger and has little time to decide what to do. Rather than coming up with the perfect answer, it is much more important to have a decent answer quickly.

A big advantage of this theory is its solid evolutionary foundation. A disadvantage is that in practice many types of irrational behavior persist even when a participant has plenty of time and does put in effort. This doesn't directly follow from the evolutionary explanation.

To explain this, it is sometimes assumed that irrational behavior under perfect circumstances is a by-product of having evolved in less than perfect circumstances.

The main advantage of this theory is that it can explain over 50 different types of irrationality [1].

There are however a couple of disadvantages:

1. There [seems to be no evidence](#) that a busy brain uses significantly more energy than a non-busy brain. This makes it less likely that irrational behavior has evolved for the sake of reducing effort.

2. It is likely that for the past million years almost all of our important decisions *weren't* made under time pressure: “do we attack the other village?”, “can I eat this berry?”, “what is the best way to hunt this elephant?”, “where do we spend the winter?”, “how do I make this tool?”, “can I climb this cliff?”. The number and importance of these cases when time *isn't* limited makes it questionable if irrational behavior is truly just a by-product of having evolved for the situations where time *is* limited.

Most significant contributions to this theory have been made by [Daniel Kahneman & Amos Tversky](#).

3.5 THEORY OF RESEARCH ERRORS

Early in the 2010s it [became clear](#) that many studies, especially in psychology, failed to replicate. At first this was met with criticism, but in the years which followed the true extent of this [replication crisis](#) became known.

Many large replication studies have been undertaken [\[1\]\[2\]\[3\]](#) and consensus seems to be that around 60% of psychological research fails to replicate. And even if it does replicate the effect size was usually much smaller. These results appear to hold even for more prestigious journals ([around 50% replication failure](#)), and hold [for a variety of topics](#). These replication studies are usually large, often across multiple countries, while contacting the original author for the experiment setup, and have around [60 times](#) the number of participants compared to the original study.

There is a variety of possible causes for a failure to replicate, bad luck, publication bias, [questionable research practices](#) and incorrect interpretation of the results all seem to have contributed. These aren't heartening findings and therefore it is sensible to not put too much stock into a single experiment, interpretation or finding.

The theory of research errors [has been argued](#) to explain, for example, the concepts of [self-perception theory](#), [sublime priming](#) and [ego depletion](#). In some way it is rather ironic, that research on human irrationality might have been confounded by irrational behavior (see rule 1: “it ain't about the truth”)

3.6 THEORY OF STATUS & SELF-DECEPTION

This theory states that status (position in the group) is the primary motive of humans, and humans have developed self-deception mechanisms to hide this fact.

The idea is that humans have been living in groups for as much as [50 million years](#) and have a complex social structure. Remaining in the good graces of others in the group is essential for both survival and reproduction. This leads to an evolutionary pressure towards being trustworthy, generous, loyal, competent but also affluent, beautiful and popular.

But actually, the ideal situation for an individual is to *seem* all these things, while *being* more egoistic. In order to do this humans brag, exaggerate, deceive and lie. This leads to a sort of social arms race where evolution favors both the ability to deceive and the ability to detect deception; increase in one ability requires an increase in the other to keep up.

Robert Trivers [argues](#) that –in a final bid for deception– people have evolved the ability to self-deceive. Since the best lies are the lies believed by those telling it, evolution has skewed our world-view away from truth and towards a world-view which helps us tell better lies. This means that we cannot always trust our instincts to tell the truth, rather they might be telling us what we need to believe.

Self-deception also explains why status can be the primary human motive without people being aware. Since being status-hungry is a trait which is generally not well liked, this trait leads to a decrease of status. This creates an evolutionary pressure towards limited self-knowledge regarding our true motives.

Advantages of this theory are:

- i. it has a solid theoretical foundation (elaborated in the first article of this series: "A framework for Evolutionary Psychology"),
- ii. it explains over 110 types of irrationality, some of which have no feasible other explanation (elaborated in this article)

A disadvantage is that it is a rather niche theory without popular scientific support. As such it hasn't been subject to a rigorous scientific process. Furthermore, the theory fails to fully explain people's irrationality concerning statistics & logic and concerning association and priming.

The most significant contributor is [Robert Trivers](#), later contributions have been made by [Kevin Simler & Robin Hanson](#). The field of evolutionary psychology frequently acknowledges the importance of status but doesn't mention self-deception, for example [Robert Frank](#) and [Jerome Barkow](#) and [David Buss](#).

4 RULE 1: IT AIN'T ABOUT THE TRUTH

The theory of rationality indicates that people maximize truth, as this supposedly boosts survival in the battle of men vs nature.

But let us look at Galileo, [arguably](#) the founder of the modern scientific method because of his structured way of finding the truth about the universe. What happened? He ran into big trouble when the church condemned him for heresy because of his heliocentric worldview. And although the church did not kill Galileo, history is full of examples where people were killed for not believing a specific falsehood. For example, the crusades in the middle ages [killed millions of people](#) for not believing the 'right' thing. Even in modern times wars are frequently fought over beliefs and truth.

In fact, it can be argued that more people died of having believed an unpopular truth than the reverse, believing a popular lie. Although this is hard to quantify, one thing is clear: truth is subject to some serious social selection pressures. It matters less if your beliefs match the truth, and more what other people think of your beliefs.

This works both ways, on one hand there is a pressure to conform to the opinion of others, but on the other hand, having no personal opinion might come across as spineless, stupid or thoughtless. Convincing others of your opinion might make you look strong, smart and thoughtful. And once again, convincing others doesn't require truth, a convincing story will do.

The social perspective on truth is also supported by evidence which is hard to explain otherwise, as we'll see now.

4.1 PREDICTION FAILURES

Philip Tetlock is a scientist who dedicated his career to studying the accuracy of people's predictions about the future. It turns out that most people beat random predictions only by a small margin, especially when it comes to predicting the distant future (>12 months) [\[1\]](#)[\[2\]](#). Most notably, he finds that [pundits](#) are the least accurate.

This is an interesting finding as it contradicts what one would expect: a positive correlation between someone's audience size and his accuracy.

From a social perspective this is to be expected, likely the pundit sacrifices accuracy in favor of a prediction which gains him an audience, or alternatively media channels select pundits based on something other than accuracy. Both explanations support the idea that people make and like predictions for other reasons than its likelihood of being true.

4.2 CONFIRMATION BIAS

"Confirmation bias is the tendency to search for, interpret, favor, and recall information in a way that confirms or supports one's prior beliefs or values. People tend to unconsciously select information that supports their views, but ignore non-supportive information. People also tend to interpret ambiguous evidence as supporting their existing position. The effect is strongest for desired outcomes, for emotionally charged issues, and for deeply entrenched beliefs." [\[1\]](#)

Confirmation bias supports the idea that evolutionary pressures have favored *seeming* right over *being* right. Because in order to seem right, it is important to look for evidence supporting one's existing beliefs whereas being right requires one to look at both sides equally.

There is a wide variety of possible explanations (for an overview see [2]), but most alternate explanations have trouble explaining one the following,

- i. The long-lasting effect; confirmation bias can hold for years.
- ii. Confirmation bias holds even when (especially when) other people disagree and polarization occurs. This makes it unlikely that confirmation bias is rooted in our inability to think off arguments against our hypothesis as these arguments are sometimes literally screamed in someone's face.
- iii. Confirmation bias also holds for things which aren't related to survival.

4.3 SUBSTITUTION & THE TWADDLE TENDENCY

When facing hard questions, people frequently give wrong answers. [Kahneman](#) has noted that these wrong answers are actually frequently corrects answers to a different, related and easier question. He calls this 'substitution'.

For example, participants are given a description of a fictitious person called Tom and asked to estimate the probability that Tom studies humanities. The answers aren't too good as people fail to take into account the base rate (many people study humanities). Instead, people seem to be answering the question "to what extent does the description of Tom match my stereotypical image of someone who studies humanities".

Kahneman argues that substitution is a consequence of cognitive ease: substituting usually gives fairly accurate answers, but requires only a fraction of the resources and time.

However, in section 4.1 we've seen that people are very often wrong and so the idea that substitution gives fairly accurate answers seems wrong in itself. Although one could make the claim that substitution doesn't make things much worse.

Furthermore, if it truly was about cognitive ease there is a cognitive strategy which is both faster easier and more accurate than substitution... just saying: "I don't know". From a rational perspective this would be the best answer, it doesn't require much effort, doesn't lead to pursuing any wrong avenues and leaves the opportunity to explore the topic more in depth lateron.

However, people seem to have a very hard time saying: "I don't know" and the obvious reason is that it makes them seem less smart (more stupid). Entering a business meeting as a chief financial officer and giving the honest answer: "I don't know, the numbers are inconclusive and my prediction is that with 95% certainty our annual growth will be between -40% and +60%", will not get you great admiration. Instead humans seem to have evolved the ability to just start talking, create stories ([narrative fallacy](#)) and make things sound good.

There seems to be no better illustration of this than the video of [Miss Teen USA 2007 – south Carolina](#), in this she is asked "Recent polls have shown a fifth of Americans can't locate the U.S. on a world map. Why do you think this is?". This is pretty hard question and a good answer would have been: "Geeh gosh, that is a hard question! This is not really my area of expertise; I really would need to study the data." Instead, her answer was:

"I personally believe that U.S. Americans are unable to do so because, uh, some, uh, people out there in our nation don't have maps and, uh, I believe that our education like such as in South Africa and, uh, the Iraq, everywhere like such as, and, I believe that they should, our education over here in the U.S. should help the U.S., uh, or, uh, should help South Africa and should help the Iraq and the Asian countries, so we will be able to build up our future. For our children."

This phenomenon where people talk even when they have no clue what they are doing is called the [twaddle tendency](#).

The twaddle tendency seems a better reason for why substitution occurs, people don't engage in substitution because it saves them time and resources, but because they need to come up with some answer to not make them look foolish. It is isn't about the truth, it is about seeming smart.

4.4 OTHER CONCEPTS SUPPORTING RULE #1

- [Story bias](#), the tendency of people to turn a series of (unrelated) events into a (frequently incorrect) story. Also known as [narrative fallacy](#) and is related to [error of causation](#).
- [Hindsight bias](#), the common tendency of people to perceive past events as more predictable than they actually were. Also known as the knew-it-all-along phenomenon or creeping determinism. Hindsight bias is a safe way to seem smart, because since it already happened it is hard to be wrong.
- [Fallacy of a single cause](#), the tendency of people to overly focus on only a single simple cause for an outcome, whereas in reality it can be a complex combination of causes. Could be explained by the idea that a single cause is enough to seem smart.
- [Superstition](#), the tendency for people to see patterns or causations even when they do not exist. Multiple explanations are possible, and it also fits the idea that it ain't about the truth.
- [Motivated reasoning](#), the tendency for people to already have their conclusion set and start reasoning backwards to find support for their conclusion ("if this conclusion is true, than it must be true that...")
- [Outcome fallacy](#), the tendency to judge past events overly strong by their outcome. For example, a bad outcome resulting from good decisions and bad luck, would be condemned.

4.5 OTHER GENERAL THEORIES AND THEIR EXPLANATION OF RULE #1

Of all general theories, only the theory of association also neatly explains many of the concepts which fall under rule #1. Let's look at an example from confirmation bias where participants are asked to consider the statement: "Peter is a friendly guy". The theory of association states that this will automatically have people look for associations with "Peter" and "Friendly" and will tend to come up with instances where Peter was indeed friendly instead of instances where peter was unfriendly.

Other general theories do not fare as well. The theory of cognitive ease doesn't explain why people do not answer "I don't know" more frequently. And prediction failures (4.1) and confirmation bias (4.2) are too well studied for rule #1 to be entirely due to research errors and some of the experiments conducted are simple enough to discount the theory of limited capacity.

4.6 SUMMARY

There is a wide variety of concepts which support the idea that people haven't primarily evolved to *be* right, but instead have primarily evolved to *seem* right: it ain't about the truth. We've seen examples in which *seeming* right determined status, and we've seen that especially in these cases people tend to exhibit behavior which is more in line with the idea that people are motived by status, rather than by truth.

4.7 IN PRACTICE

In practice rule #1 doesn't matter all that much; which Pokémon card is *actually* the best will not change your life.

However, for some bigger decisions in life it actually is useful to have world-view which isn't distorted by self-deception concerning status. Furthermore, when conducting science truth is – obviously – important. In these cases there exist a couple of tricks:

1. Consider disadvantages and alternatives

To avoid confirmation bias, it can be useful to check if you've considered all disadvantages and alternatives. Disadvantages are pretty obvious, but especially alternatives can be easily forgotten.

For example, imagine you're considering moving to California and you've made a list of all advantages and disadvantages (e.g. good weather and living far from friends and family respectively), it is still good to also make a list of the advantages and disadvantages of where you are living now (the alternative) as this might make it more complete. For example it might make you remember that you really enjoy the sports club you attend weakly. Finally, it would be good to also consider for a brief moment that there are more alternatives than just moving or staying, for example, moving to the Netherlands (which is obviously the best option).

In science, 'alternatives' mean alternative theories which might also explain the data, this is important because sometimes multiple theories explain the data.

2. It is better to excellently execute a simple strategy than to poorly execute an advanced strategy

When making decisions or building simulation models people sometimes tend to want the most accurate reflection of reality which including the most nuances and capturing all complexities. This makes sense, in personal life this might make you feel like you've considered everything and in science having such a really fancy model will give you more status when explaining it to others. However this leaves a lot of room for errors (e.g. overfitting), biases and self-deception.

Instead, it usually is a better idea to: i. find out what the most important aspects are, ii. make a really simple model capturing these aspects, iii. done. For example, when moving to California you might ask yourself what really makes you happy (family and friends?) and what doesn't (the size of the house) and score only based on the important aspects.

The benefits of simple models is especially visible in job interviews, in which a method known as structured job interview exists which follows the following procedure: i. determining a couple of key questions, ii. asking *all* participants exactly these same questions, iii. scoring the answers, iv. choosing the participant with the highest score. It turns out that – despite the lack of nuance – this method significantly outperforms conventional (more nuanced, complex) job interviews [1][2].

Another example where simple strategies frequently beat more complex strategies is forecasting and planning. A typical strategy in these situations is to decompose a bigger question into smaller questions, then answer the smaller questions to find an answer to the bigger question.

For example when planning your homework you might think that paragraph 1 might take you x minutes, paragraph 2 might take you y minutes. And we all know that we tend to end up with a planning which underestimates the duration ([Hofstadters Law](#)).

Instead there is a strategy called [reference class forecasting](#) which ask: i. what is the most similar thing you did and ii. how long did that take you? iii. take the answer to question ii as your forecast.

Although these simple methods disregard a great number of details, it turns out to leave less room for self-deception and therefore usually outperform much more detailed methods.

3. Decouple status

A final strategy in case truth is required, is not to reduce the amount of status and self-deception involved, but to make it work in your favor instead.

One way to do this is by reframing the situation by taking another perspective where truth aligns with status. For example reminding yourself of the following might help: “I prefer to be honest, even if it makes me unpopular” or “I care about my own happiness and therefore I want the best decision even though living in a beach house in California has more status”.

Finally, a way to decouple status is recommended by the Centre for Applied Rationality ([CFAR](#)), they call it Murphyjitsy: “imagine a day when your project has already started or has finished, and on that day someone comes walking in and on his face you see that he has really bad news about the project, what is the news?”.

Although CFAR doesn't mention why this works, it makes sense to assume that this is a way to trick the subconscious. Before the start of a project (especially if it still has to be accepted) it yields status to be optimistic about a project. However, once it has started and once you know something serious has gone wrong, it yields status to actually know where it went wrong. By imagining yourself in the second situation you make status work in your favor.

5 RULE 2: PEOPLE ARE DESIGNED TO HAVE FLAWED SELF-KNOWLEDGE

Or a more accurate but less catchy title: “*People have not evolved better self-knowledge at least partially because this has disadvantages in a social setting.*”

The theory of rationality predicts that self-knowledge is always a good thing; being more self-aware allows you to make better decisions. It predicts that evolution has tried to make self-knowledge as accurate as possible, because there are no disadvantages of having accurate self-knowledge.

However, when looking at the evidence uncovered by psychologists, we see that inaccurate self-knowledge follows a pattern, a pattern which closely follows prediction from the theory of status & self-deception.

5.1 ILLUSORY SUPERIORITY

“In the field of social psychology, illusory superiority is a condition of cognitive bias wherein a person overestimates their own qualities and abilities, in relation to the same qualities and abilities of other people. Illusory superiority is one of many positive illusions, relating to the self, that are evident in the study of intelligence, the effective performance of tasks and tests, and the possession of desirable personal characteristics and personality traits.” [1]

For example, when [Svenson \(1981\)](#) surveyed 161 students in Sweden and the United States, asking them to compare their driving skills and safety to that of others, 93% of the U.S. sample and 69% of the Swedish sample put themselves in the top 50%. For driving safety, 88% of the U.S. and 77% of the Swedish put themselves in the top 50% [2].

There are a lot of these interesting studies (here’s another one: 94% of the teacher in a US university rate themselves as ‘above average’ [3]), and all show a tendency for people to overestimate themselves.

This follows the idea that people: i. subconsciously aim to improve their status, ii. that people do so partly by *seeming* competent, affluent, social etc., iii. that seeming competent is easier if one believes the lie themselves (self-deception and limited self-knowledge).

Illusory superiority is also sometimes referred to as the [above-average-effect](#), [the overconfidence effect](#), or the [illusion of skill](#). It is related to the [Dunning-Kruger effect](#) (the tendency for people with low ability to overestimate their ability) and many [positive illusions](#) and [optimism biases](#).

5.2 FUNDAMENTAL ATTRIBUTION ERROR

“The tendency to focus on the role of personal causes and underestimate the impact of situations on other people’s behavior.” [1]

For example, if *someone else* gets a bad mark on a test, people are overly likely to blame the person (“they probably deserved it”) whereas if people get a bad mark on a test *themselves*, they are more likely to blame the circumstances (“the test didn’t match the study material”, “someone was making a ticking noise all the time so I couldn’t concentrate” or “my neighbors made so much noise last night that I didn’t sleep well”).

A [2006 meta-analysis](#) showed that the fundamental attribution error was most prominent in cases where negative things (e.g. failing a test) were concerned, but actually reversed when positive things are concerned.

So, for example, if *someone else* gets a *good* mark on a test, people are overly likely to attribute this to circumstances (“the test was probably easy”, “they just got lucky”) whereas if they themselves get a good mark they attribute it to themselves (“I studied hard”, “I’m really good at this topic”).

This attribution of good and bad things to circumstances or to a person follows exactly what one would expect from a status & self-deception perspective: people tend to look for and choose the explanation which paints themselves in the best picture. It is therefore [sometimes argued](#) that the fundamental attribution error follows from the [self-serving bias](#).

More information on the fundamental attribution error can be found [here](#). The fundamental attribution error is also known as the [actor-observer asymmetry](#) or the [correspondence bias](#). Definitions of the fundamental attribution error vary slightly from one source to the next.

5.3 BIRGING/CORFING

“Individuals manage their public images indirectly by announcing their (sometimes trivial) connections with successful rather than unsuccessful others, thereby basking in the reflected glory (BIRG) of another’s success and avoiding the shadow of another’s failure (Cut Off Reflected Failure, CORF).” [\[1\]](#)

Let us look at an example of this, after the Kentucky Wildcats beat the Kansas Jayhawks [\[1\]](#).

In the context of the basketball championship, I have seen plenty of BIRGING from Kentucky fans this week as their tweets, Facebook posts, and water cooler conversations include some reference of “we” in relation to the Wildcats’ win. “We won!” “We played so well!” “We kicked KU’s butts!” We are also more likely to see them sporting their Kentucky apparel. These fans are aligning themselves with Kentucky in order to bask in the reflective glory of being national champions, despite the fact that they did not spend a single minute on the hardcourt defending shooters or sinking three-pointers.

Many of the Kansas fans, on the other hand, have been CORFING, wherein we attempt to distance or separate ourselves from some failure that may have a negative impact on our self esteem, reputation, or self image. Whether intentional or not, we likely hear many Jayhawk fans using the pronoun “they” instead of “we” when referring to the Kansas basketball team. “They couldn’t finish.” “They let Kentucky get too far ahead early on.” “They weren’t strong enough.” Many of those same fans who were likely declaring “We are the best” (BIRGING) after each of the great comebacks KU enjoyed leading up to the final have now turned to CORFING by a simple change in pronoun.” [\[1\]](#)

BIRGING and CORFING show that even concerning ‘membership of a group’ our self-knowledge is rather fluid and self-serving. If someone else wins people consider them be part of their in-group, and if they lose they are part of the out-group. This is exactly what status & self-deception predicts.

More information on BIRGING and CORFING can be found [here](#) (comprehensive) or [here](#) (easy).

5.4 OTHER CONCEPTS SUPPORTING RULE #2

- [Illusion of control](#), people tend to overestimate the amount of control they have.
- [Backwards rationalization](#) states that people sometimes behave a certain way, and only after the fact look for justifications for their behavior and present this justification as if this was their reason all along.
- [Planning fallacy](#), the tendency for people to be overly optimistic in their planning.

- [A list of memory biases](#) indicates that our memory isn't exempt from self-deception and that we frequently misremember things to improve our self-image. For example,
- [Choice-supporting bias](#) makes people remember the options they've chosen to be better than the alternative option.
- [Grade inflation](#) (also known as [egocentric bias](#)) shows that people on average remember getting higher grades than they actually did
- [False consensus effect](#), the tendency for people to overestimate the extent to which other people share their opinions. This could be a consequence of people basing their opinion on what they consider the most popular opinion, or they might overestimate the popularity of their own opinions in order to seem popular. Either way this can be explained by status & self-deception.

5.5 OTHER GENERAL THEORIES AND THEIR EXPLANATION OF RULE #2

None of the other general theories adequately explain rule #2. Illusory superiority is too well studied to have been due to research errors and illusory superiority isn't predicted by any of the other theories.

5.6 SUMMARY

We've seen 11 concepts which support the idea that our self-knowledge is flawed by design. First we've seen how people their self-image is flawed to paint themselves in an overly favorable light. Second we've seen how people their perception of situational factors is skewed such that it paints them in a favorable light. Third we've seen that even people their idea of belonging to a group is skewed to paint themselves in a favorable light. Finally we've seen how our limited self-knowledge even influences our memory.

5.7 IN PRACTICE

Self-knowledge is an extensive topic which deserves more than a section in this article. Still, we will look at a couple of reoccurring themes which you might recognize and how these can be understood and solved by understanding rule #2.

First is the idea that people frequently prefer the pleasant lie over the unpleasant truth:

- Homework: "Yeah, I'll do it this afternoon" (yeah right)
- Smoking: "I can smoke another one today, I'll smoke one less tomorrow"
- Dieting: "This cake doesn't count; it is someone's birthday!" ([highly recommended short video](#) which highlights the moments when it is OK to make an exception to rules)
- Sports: "Okay, I didn't do sports today, you know what, I'll do sports tomorrow and even make add 30 minutes!"
- Gambling: "You know, if I borrow some money, and then I follow my new strategy than I'll win a lot and can repay all my debts!".

These pleasant lies unfortunately also provide pleasant excuses for today, and too high goals for tomorrow, which basically sets oneself up for failure the next day. In her book on [self-control](#), Kelly McGonigal describes experiments involving people who have trouble with quitting smoking. To study this self-deception one group was asked to reduce smoking as much as possible, and another group was asked to aim for smoking 1 cigarette less than the day before (note that his is a reference class!)

The second group did a lot better, presumably because they set more realistic goals and they knew that smoking an additional cigarette today would mean smoking an additional cigarette tomorrow.

Another, much more serious, consequence of preferring pleasant lies, occurs when the lies and the truth are starting to diverge significantly and people “solve” this issue with even more elaborate pleasant lies. This might lead to someone being cynical and alone because being alone makes self-deception easier, and being cynical justifies being alone. It might also lead to ending up with a very specific social circle of other people who enable the self-deception. Finally, it might lead people towards cults, conspiracy theories and extremism because these provide a safe haven and a pleasant lie concerning the social isolation of the group.

There are many excellent documentaries which show this process and these are highly recommended to contextualize and complement the scientific nature of this article. A selection follows, this selection aims to show you as much first-hand character studies where escapism, self-deception, the search for identity and the search for status can lead people to do weird things. Although these documentaries usually follow more extreme cases the principles are the same. Understanding these principles will help you to avoid too much self-deception and will help you to better understand people around you.

It is hard to imagine any reader who made it this far in this document and will not highly enjoy most of the documentaries.

- [Catfish](#): Some documentaries truly are stranger than fiction. A bizarre story which gradually reveals itself and sheds light on escapism and self-deception. Avoid any spoilers and watch it for a fun and interesting evening.
- [White Right: Meeting the Enemy](#): Deeyah Khan visits neo-Nazis and fascists. Her ability to listen, the private settings she chooses for the interviews and her genuine questions make people like her, even though it is against their beliefs. Combined with her persistent nature this makes for highly uncomfortable scenes and incredible character studies. Highly recommended
- [Point and Shoot](#): Someone takes a gap-year, he films himself every day, he ends up fighting in Syria. Incredible first-hand footage of someone’s change into a freedom fighter.
- [College behind bars](#), What happens when you provide first class university education to murderers in prison? It turns out they find a new identity and that you’ll actually like them. In four episodes it blurs the strict divide between “murderers” and “non-murderers”, a very healthy and weird experience.
- [Behind the Curve](#): Some people believe the earth is flat, and the idea that the earth is round is a conspiracy! This inside look into the “flat-earthers” gives a good understanding of how people come to believe in conspiracies. Spoiler: flat-earthers are friendly people and the only thing you have to do to be welcomed with open arms is to somewhat agree with the idea that the earth is flat, easy choice.
- [My descent into America's neo-Nazi movement & how I got out](#). The title says it all. An excellent 20 minute TED-talk.

There are also a couple of good documentaries which are slightly less unique than the documentaries above, but still interesting.

- [Louis Theroux: The most hated family](#): Louis Theroux visits the Phelps family who think it is a good idea to protest at funerals of fallen soldiers holding signs: “Pray for more dead soldiers”, and bring their kids along. This documentary is extra interesting because there is a

[2011 follow-up](#), a [2019 follow-up](#) and [some talks](#) of people who left the Phelps family. This allows for a longitudinal view of the rise (and fall) of cults.

- [Charlottesville: Race and Terror](#): Charlottesville was the location of a blacklivesmatter rally which turned violent. This reporter follows the whitelivesmatter side and really tries to show their perspective. A lot of status-seeking in this one.
- [r/raisedbynarcissists](#): A reddit community devoted to people telling stories of living with narcissistic parents. First-hand accounts which tell oppressive stories of parents in full thrall of self-deception and usually a partner which enables/allows this.
- [A black man undercover in the alt-right](#): A ted talk where Theo Wilson makes an online account and infiltrates the alt-right. Funny.

All these stories show the importance of offering people an alternative means of obtaining status, a chance for redemption. Furthermore they explain why interventions based on the theory of rationality show poor results. For example, the idea that prison scares people away from crime [does not seem to hold](#).

Now, let us get back to practical tips. So far we've seen two caveats resulting from people preferring pleasant lies over the truth. This might lead to aim for a really accurate self-knowledge; however this would be also be a caveat. Too much of accurate self-reflection might lead to perfectionism, being overly self-critical and even depression. There is even a concept which indicates a high positive correlation between depression people and accurate self-knowledge ([depressive realism](#)). So, too little self-deception is also a problem.

So far we've seen only caveats and problems with both self-deception and self-knowledge, and indeed finding a good balance can be hard. However, there is one trick which we can borrow from Buddhism which might greatly reduce this difficulty: instead of trying to find the correct stories to tell about yourself, try to reduce the number of stories you tell about yourself. Generally the best form of confidence isn't "I'm amazing!" but "huh, sorry? Yeah, I was playing guitar, I didn't pay attention", instead of telling pleasant stories about oneself, stop telling stories.

6 RULE 3: PEOPLE INVENT REASONS FOR WHAT THEY LIKE; THE TRUTH: THEY LIKE STATUS

[Various experiments](#) show that people (even experts) have serious trouble distinguishing different wines in blind-taste tests. Similarly, experiments show that nearly all people [cannot distinguish Pepsi from Coca Cola](#). Still Coca Cola has many fans who only drink Coca Cola, and are convinced that Coca Cola is the best. And for wines, there are many people who really prefer Oak-ripened wines from southern France even though they cannot taste the difference.

In other experiments they let people choose between different charities and ask them to state their reason for supporting one charity over another. People frequently mention that they rather help many people than give the same help to fewer people. However when actually observing the choices of people, we see that this is not/hardly the case, this is called [scope neglect](#).

Similarly there are studies which show [duration neglect](#), which results in people saying they rather have fun for a longer time than for a shorter time without this showing in their decisions. There is also [neglect of probability](#) which states that people say they rather have a high probability of winning a price than a low probability, but this doesn't show in their decisions either.

Basically, people think they know the reasons for what they choose, while in reality studies indicate that people neglect a lot of the information given to them. But what *do* they base their decisions on?

In this chapter we will see that there are many studies which indicate that people make decisions based on status. [For example](#), in a blind tasting test on wine they put different price tags on the same wine (expensive wine = more status) and people actually liked the more expensively marketed wine better (even though it was the same wine). When asked to support their decision, participants gave a lot of reasons relating to the taste of the wine (which was identical), and didn't mention the true reason: the price tag.

To test what was going on, they put people in a brain scan and this showed activation in the pleasure centers of the brain when they thought they were tasting the more expensive wine. So, the evidence suggests that people do not like oak-barreled wine, but actually do like the *idea* of oak-barreled wine; people like status.

This doesn't just apply to objects and tastes. The [halo effect](#) (and [horn effect](#)) state that people who are good (or bad) at one thing are more likely to be judged favorably (or unfavorably) on completely unrelated skills. So someone who is pretty (pretty = status) is assumed to be better at anything and everything.

There are many well-documented concepts which support the idea that people choose based on status and we will now look into the most important ones.

6.1 SOCIAL PROOF

Social proof is one of the most prominent concepts in marketing. The idea is to not tell how amazing a product is, but to tell how many other people really like it, for example "1 million copies sold" on the cover of a book.

If you think about it, commercials often are pretty weird. From a theory of rationality, one would expect specifications, links to independent test, doctors recommending medication etc. Instead,

professional athletes tell you to buy certain tooth paste, and car commercials are usually filled with randomly inserted glamorous models and beautiful sunsets (which are not included).

It makes sense from a perspective of status & self-deception; marketers aren't trying to sell you a car, they are trying to sell you a lifestyle. They basically aim to convince you that their product will increase your status, and the best way is for them to do this is to associate it with high status people or things ([association bias](#)), hence the models selling perfume.

An excellent book for more information on social proof is [influence](#) by Cialdini. It also describes the related effect, "the likability effect" (people prefer to buy from someone they like). A final concept which is related to social proof is the [contagion bias](#) (the opposite of association bias).

6.2 HARD-TO-GET EFFECT

The phenomenon that when things are harder to obtain, they become more desirable [1].

Many concepts support the hard-to-get effect. Dan Ariely mentions [expensive = good](#), where he shows that raising the price can actually boost sales (in complete contradiction of standard economic theory and the theory of rationality). Cialdini shows that [scarcity](#) makes things more desirable ("last seat available for this price!"). Interestingly enough, Frans de Waal mentions that even chimpanzees prefer food which is expensive in the supermarket, which doesn't make sense until you realize that more expensive food in the supermarket probably means the chimps will more rarely get the food.

These findings all point to the idea that if things are harder to obtain, they become more desirable. This makes sense from a perspective of status & self-deception, if something is easy to obtain everyone could get it and it wouldn't show status. However gold, an expensive car, an expensive wine, a house in the old city center, the corner office are things are hard to get and therefore are able to convey status.

This might also apply to sports and culture. In sports, winning is hard, losing is easy, therefore winning conveys the most status, and therefore people want to win. In fact, if losing was easier than winning, losing would be the new winning.

Another example might be fashion and looks. [There was a time](#) where being pale, full-figured and plump was considered beautiful, whereas nowadays people in the Netherlands prefer to look tanned, thin and/or muscular. This is what is predicted by the theory of status and self-deception. Back when people were working outdoors a lot and when food was scarce, it was hard to be pale and full-figured. Nowadays it is very easy to be overweight and pale, so it makes sense that being thin and tanned is the current beauty standard. If the hard-to-get effect is indeed the underlying principle of modern beauty-standards this would suggest that current approaches to changing the beauty standards might not be the most effective.

Finally, fashion seems to be cyclic and changing. This could be explained by the fact that wearing something which was in fashion 10 years ago is easier (and cheaper) than something which has just hit the runways and will be out of fashion in a month.

There are many sources on the hard-to-get effect, any mentioned in the second paragraph of this section are well worth it.

6.3 THE STORIES WE TELL

In [his research about happiness and choices](#) Kahneman has found that people really value memories: when given the choice between an amazing holiday which they will not remember and a pretty good holiday which they will remember people frequently choose the latter. In his book [stumbling upon happiness](#) Daniel Gilbert explores this idea and concludes that people are terrible at predicting their future happiness.

The theory of status and self-deception would indicate that people do not always choose what makes them most happy, they choose what gives them the most status. In other words, people choose what gives them the best stories to tell afterwards, in order to reap the status benefits. For example, when choosing holidays, people do not choose “what will make me the happiest on the holiday” but rather “what gives me the best story to tell when I return”.

Another example is what Dan Ariely calls [the cost of free](#): people prefer an offer much more when it is free compared to when it costs 1 cent. He shows that people prefer to pay more in total for an offer which has free shipping, than pay less in total for an offer doesn't have free shipping. This doesn't make sense from a rational perspective, but when looking at the status of the story it does make a difference (e.g. wife to husband: “yeah, and it was free shipping! I just couldn't let it pass!).

This also works with charity: people prefer a personal story of an individual, over statistics, and prefer to donate to a high-press disaster rather than to silent suffering. Again, people prefer the story over the result.

A final concept is the [volunteers folly](#): the idea that people are more likely to do something for free rather than for a really low wage (story: “Yeah, I volunteer in my spare time!”)

6.4 OTHER CONCEPTS

- [Framing](#): the phenomenon in social sciences that people respond more to the context of an object/activity than to the actual object/activity.
- [Consequence vs Identity model of decisions](#), the idea that people do not choose based on consequences but based on what first their identity, for example in Texas they had a problem with roadside littering. They tried many ideas from a consequence perspective (i.e. fines) but they didn't really reduce littering. The campaign which worked was the one which played to the identity of the people. They hired famous Texans and put them on a billboard with the slogans like [True Texans don't litter](#), and “Don't mess with Texas”:



6.5 OTHER GENERAL THEORIES

The theory of rationality fares really poorly.

The theory of association does fairly well: we don't buy something because it is objectively the best, but because it is most strongly associated with happy parts of the brain.

The theories of limited capacity and cognitive ease can explain rule #4 fairly well as follows: they assume that people spend little time on making decisions and then turn to heuristics such as: "what does everyone buy?" or "if it is scarce it is probably popular and therefore probably good" and "if it is expensive it is probably high quality" make sense.

The theory of research errors doesn't explain rule #4, this is a highly studied subject in various domains.

However, none of these theories can explain why people invent untrue reasons, and therefore status & self-deception is the bit for this rule.

6.6 SUMMARY

There is a large body of evidence indicating that people do not make rational choices, even though they offer a lot of rational seeming reasons. Instead of rational decisions, the concepts mentioned here indicate that people choose based on status. These concepts are hard to explain from another perspective than status & self-deception.

6.7 IN PRACTICE

After reading this chapter one might be tempted to disregard all status seeking. In some cases this might work: you'll get used to a smaller house, cheaper bread and not wearing perfume. However, this doesn't necessarily make one happy. In fact a healthy social life is one of the best predictors of happiness, and a healthy social life requires some status. So in the end it seems worthwhile to be pragmatic about status: do care about status, but do not get carried away.

7 RULE 4: PEOPLE DON'T JUST GET WHAT THEY LIKE, THEY LIKE WHAT THEY GOT

Rule #3 indicates that people's status depends on the objects they own and the stories they can tell. The most common route to status is for people to obtain these objects and stories. However, there is an alternative, instead of obtaining things of high status, people can also try to change the status of the objects and stories they already own (called "determining the agenda" in the previous article).

So, when people tell you in (too) great length about their amazing holiday, wedding or new object etc. they might be sharing their excitement, or, they might (subconsciously) try to increase the status of what they already own.

This behavior is actually well supported by concepts and can be observed regarding a variety of topics.

7.1 ENDOWMENT EFFECT

The endowment effect is the finding that people are more likely to retain an object they own than acquire that same object when they do not own it [1].

For example, when randomly giving half of participants a mug as a reward for participating and the other half a pen and then directly offer them to trade a mug for a pen or vice-versa, less than half were willing to trade [2]. This shows that people value objects more once they have acquired the object.

This follows the theory of status and self-deception, where people tend to favor things, they have in order to convince others of the value of the things they have

The endowment effect is pretty well studied and more information and examples can be found in the book [predictably irrational](#) (p. 173). The endowment effect is known as [divestiture aversion](#) in finance and the [mere ownership effect](#) in social psychology.

7.2 THE SNOWBALL EFFECT

The snowball effect is the idea that small acts of willpower will reduce the willpower required for subsequent larger acts of willpower [1].

For example, when helping people who are in financial trouble, a common approach (grounded in the theory of rationality) is to recommend them to pay off the debts with the highest interest rate first; however, this can be discouraging. [An alternate approach](#) is to instead start with the smallest debt first. This will quickly get rid of a couple of debts and build momentum which makes it easier to persist and finally pay off all debts.

Another interesting example concerns weight loss for people who worked as cleaners. All cleaners were told the recommended daily amount of exercise, but only half of them were told that their job already contributed towards this goal. After a couple of weeks, it turned out that people who were told that their job counted as exercise had lost more weight than the other group [2]. A similar thing has been done in marketing, where certain loyalty cards require you to collect stamps and they already give you the first 2 for free.

The endowment effect shows that we tend to value *objects* more if we own them. The snowball effect is an example showing that it also relates to *achievements* and *behavior*. Meaning that, we don't just do the things we like, we like the things we do.

Other examples can be found which indicate that rule #3 also applies to *virtues* and *activities*. More information is [switch](#), a book on the science of how to change people their behavior and [the willpower instinct](#) a self-help book on science behind discipline and willpower.

Other concepts relating to the snowball effect are '[looking for the bright spots](#)' (finding things people excel in and improving these) and [micro-avoidance](#) (the opposite of the snowball effect, when you avoid small things, it will be harder to do the bigger things).

7.3 THE IKEA EFFECT

The IKEA effect is a cognitive bias in which consumers place a disproportionately high value on products they helped create [1].

For example, Dan Ariely conducted an experiment where people were asked to judge the quality of certain solutions to a world problem. Half of the participants were given the solutions, and the other half was allowed to come up with their own ideas and judge them afterwards. However, they weren't completely free to come up with their own solution, they were given many words and were asked to make a sentence describing their solution. The experiment was rigged in such a way that – unbeknownst to the participants – the words could only be used to fit one specific solution. The result? People who have gone through the effort of constructing their “own” solution rated it as higher quality [2].

The effect is named after a finding that people prefer a closet after they just had to put it together themselves rather than being given the closet.

So, where the endowment effect shows we prefer *objects* we have, the snowball effect indicates we prefer *skills* we have and *behavior* we exhibit, the IKEA effect shows this also holds for *effort* we put in.

There aren't many studies on the IKEA effect, but the best source seems to be [2].

7.4 OTHER CONCEPTS

- [Proximity effect](#), the tendency to prefer things near to us as opposed to more distant things.
- [Mere-exposure effect](#), the tendency to like things more if we have been exposed to it more often
- In the field of industrial and organizational psychology there is the finding that a very good predictor of job satisfaction is the level of competence of the employee. In others words, people like the things they are good at. More interesting findings like these can be found in the book [So Good They Can't Ignore You: Why Skills Trump Passion in the Quest for Work You Love](#).

7.5 OTHER GENERAL THEORIES

The most likely other general theory which could be the true source of rule number 3 is the theory of research errors because all concepts mentioned in this chapter are based on very few studies. The most well studied is the endowment effect.

Other general theories (except for status & self-deception) are unable to adequately explain this rule.

7.6 SUMMARY

In the previous sections we've seen concepts from a variety of different fields: finance, willpower research, social psychology, organizational psychology and marketing. Together these concepts paint a picture which we call "determining the agenda", people value skills, virtues, objects, activities etc. more if it is more closely associated with them.

This rule has an excellent explanation from the point of view of status & self-deception, but is hard to explain from other perspectives.

7.7 IN PRACTICE

In practice this rule shouldn't affect your life too much, because liking things is usually a good thing. However, the reversal of this rule is more important: you might dislike things just because you don't have them.

For me this is always clear when I'm buying new clothes (especially shoes), I never really like them as much as the pair I already own, which makes for hard choosing.

The good news is, once you're aware of this rule you might be able to counteract its effect. For example by just being skeptical of your own intentions when you dislike or disdain things.

Another way to use the knowledge of rule #4 comes from [an interesting experiment](#) where 22500 people who really could not decide on an important life event (e.g. breakup, changing jobs) were asked to toss a coin and let fate decide. Six months later it turned out that people who ended up changing the status quo reported to be happier. So, we see that determining the agenda might make you overly resistant to change, so when you really cannot decide: choose change.

A final simple use of this rule is to reduce the need for willpower by making a tiny first step [1]. For example, when you want to go running you might just focus on putting on your shoes and it should make going running easier. Or, when you come back home from school, first do 5 minutes of homework before you do anything else, it should make it easier to do your homework later that day.

8 RULE 5: PEOPLE ARE VERY SENSITIVE TO THE RISK OF LOSING THEIR POSITION IN THE GROUP

So far, we've seen four rules which help explain irrationality and were neatly explained by the theory of status & self-deception. However, these four rules frequently don't involve others directly. For rule #5 we will look at situations which involve other people more directly. One would expect irrational behavior to become more extreme as other people are more directly involved and this indeed seems to be the case. In this chapter we'll discuss a lot of well-studied concepts which show that people are very sensitive to their position in the group. Furthermore people seem to care more for not losing their position in the group than improving their position.

8.1 AUTHORITY

People tend to frequently mindlessly obey authority figures.

Arguably one of the scariest experiments in psychology is [Milgram's experiment](#). Participants were told they were involved in testing the effect of punishment on memory. They worked in pairs under the head of the experiment and were randomly assigned to be either the teacher or the learner. The teacher sat in a different room and was told to ask questions of the learner by intercom. If the learner got a question wrong, they were to give the learner a small electric shock, state the correct answer and move to the next question. The shocks they were supposed to give became increasingly strong.

After some time, as the shocks continued to increase, it became clear that learner was serious hurting. At a certain point the learner told the teacher he wanted to stop the experiment. At this point the teacher would often turn to the head of the experiment who told him to continue. If the teacher continued, shocks would become more powerful and the machine would even warn the teacher that the shocks were lethal. The learner become increasingly agitated until at a certain point they would refuse to answer any more questions and would just yell out in pain at every shock. The head of the experiment would tell the teacher to treat silence as an incorrect answer and proceed. If the teacher continued, at a certain point even the cries of pain would fail and there would just be silence on the other side.

What was happening? First off, the experiment was rigged, there was only one participant and the other was an actor and the participant would always end up to become the Finally, the experiment was really about obedience, to see to what extend the teacher would obey the authority figure: the head of the experiment.

Public Announcement

**WE WILL PAY YOU \$4.00 FOR
ONE HOUR OF YOUR TIME**

Persons Needed for a Study of Memory

*We will pay five hundred New Haven men to help us complete a scientific study of memory and learning. The study is being done at Yale University.

*Each person who participates will be paid \$4.00 (plus 50c carfare) for approximately 1 hour's time. We need you for only one hour: there are no further obligations. You may choose the time you would like to come (evenings, weekdays, or weekends).

***No special training, education, or experience is needed. We want:**

- | | | |
|------------------------|----------------------------|-----------------------------|
| Factory workers | Businessmen | Construction workers |
| City employees | Clerks | Salespeople |
| Laborers | Professional people | White-collar workers |
| Barbers | Telephone workers | Others |

All persons must be between the ages of 20 and 50. High school and college students cannot be used.

*If you meet these qualifications, fill out the coupon below and mail it now to Professor Stanley Milgram, Department of Psychology, Yale University, New Haven. You will be notified later of the specific time and place of the study. We reserve the right to decline any application.

*You will be paid \$4.00 (plus 50c carfare) as soon as you arrive at the laboratory.

TO:
 PROF. STANLEY MILGRAM, DEPARTMENT OF PSYCHOLOGY,
 YALE UNIVERSITY, NEW HAVEN, CONN. I want to take part in
 this study of memory and learning. I am between the ages of 20 and
 50. I will be paid \$4.00 (plus 50c carfare) if I participate.

NAME (Please Print)

ADDRESS

TELEPHONE NO. Best time to call you

AGE OCCUPATION..... SEX

CAN YOU COME:

WEEKDAYS EVENINGS WEEKENDS.....

The results were shocking, about 65% of participants would continue all the way to administer the 450-volt shock, which was about 150 volts above the one which was labeled 'lethal' and about 80 volts after the learner stopped responding.

So basically, people administer deadly shocks just because some experimenter told them to. This might seem far-fetched, but this experiment has been conducted under a great variety of circumstances, different target groups, different rewards for participating, the (actor) learning telling the participant beforehand that he had heart problems, different distances between the teacher and the head of the experiment, different looks of the experimenter. None of these circumstances give any reason to doubt the main conclusion: people go to extreme lengths to obey an authority.

This finding is exactly in line with the theory of social selection (dominance hierarchy) and status, perhaps it is even a little more extreme than the theory would suggest.

There is a great variety of sources on Milgram's experiment and these are very easy to find (YouTube, Wikipedia), they are well worth a watch (for example: [44-minute documentary](#), [source footage](#)).

8.2 ALTRUISM

The act of helping others at the (seeming) expense of oneself.

The evolutionary origin of altruism is a hotly debated topic in science as it seems to contradict 'survival of the fittest'. There are a great variety of theories with different merits. Some of the most popular include

- [Inclusive fitness](#) states that the primary mode of evolution isn't the individual but an individual gene meaning that if a gene helps other copies of that gene (for example a mother helping her baby) it can still arise from evolution (even if there is a disadvantage to the mother).
- [Reciprocal altruism](#) states that animals help other animals because they will be returned the favor in the future.

Both theories have supporting evidence which makes it likely that they contribute at least to some extent.

However, all theories have trouble explaining three specific findings:

- i. People also help other people/animals who they are definitely *not* related to and who *aren't* in a position to ever return the favor, for example, people being vegan, and people donating money to other people on the other side of the world.
- ii. Studies consistently find that the amount of money donated highly depends on what participants think other people are donating [1].
- iii. People donate more when their donations are made public than when they are kept private [2].

These findings can be easily explained by the theory of status and self-deception: we help others to be seen as friendly, warm and perhaps affluent, which improves our status. We need to know how much others donate in order to not be seen as greedy or selfish.

More information on altruism in general:

- [The selfish gene](#), Richard Dawkins, ISBN: 9780199291151: a very complete book on the evolution of altruism with many examples and a very thorough look at the emergence of reciprocity.
- [The evolution of trust](#) An absolutely amazing 30-minute online educational game which explains reciprocal altruism by letting you experiment with this. Highly recommended, even if you're already familiar with game theory and repeated prisoner's dilemmas.
- [Primates and philosophers: How morality evolved](#), Frans de Waal, ISBN: 9780691124476: An empirical, biological view on ethics among animals.

More information on altruism and how this relates to status & self-deception can be found in:

- [An funny ted talk](#) containing a lot of experiments on altruism.
- [Research](#) by Claire van Teunenbroek who did her PhD on the influence of social information on altruism at the Centre for Altruism at the University of Amsterdam.

8.3 LOSS AVERSION

In literature [loss aversion](#) relates to the human tendency to prefer avoiding losses to acquiring equivalent gains.

[For example](#), imagine Anthony and Betty both face a choice. Anthony's current wealth is 1 million, Betty's current wealth is 4 million. They are both offered a choice between a gamble and a sure thing. The gamble: equal chances to end up owning 1 million or 4 million, the sure thing: own 2 million for sure. When looking at this from a standard economic perspective people should choose the gamble as its expected value is greater. Incorporating the idea that people are risk-averse might allow for the prediction that both Anthony and Betty will actually go for the sure thing. In either case Anthony and Betty should make the same decision. However, in practice loss aversion frequently leads Anthony to choose the sure thing and Betty to choose the gamble.

There are many experiments and theories relating to loss aversion (e.g. [risk aversion](#), [prospect theory](#), [utility theory](#)), however status & self-deception is the easiest and exactly matches the data.

Let us consider the option Anthony faces, if he chooses to gamble, he faces 50% chance for a high increase in status and 50% chance of no increase in status, if he chooses the sure thing, he faces a 100% chance of a high increase in status. On the other hand, if Betty chooses to gamble, she faces a 50% change of a strong decrease in status and a 50% chance of no decrease in status, if she chooses the sure thing, she faces a 100% change of a strong drop in status. Looking at it from the status & self-deception perspective immediately explains why Betty will gamble and Anthony will choose the sure thing.

The idea that people are very averse to losing and to, losing face, can be found in many concepts beyond just financial domain.

For example, the concept of [self-handicapping](#) states that people (especially men) purposefully increase the difficulty (or perceived difficulty) of a task such that failure becomes very likely in order to reduce the status drop when one fails.

Another example is the [sunk-cost fallacy](#), the idea that once people have put effort into something they are more likely to continue even if the expected results are negative. This can be seen in poker where people who have put a lot of money are unable to fold a hand. The sunk-cost fallacy can be explained in many ways (for example rule 2 or rule 3 might be responsible), however it also neatly fits the idea that once people start a certain project they are (subconsciously) unwilling to give it up and 'admit a loss'.

There are also many more concepts which can be explained by the idea that people are very busy not getting blamed for failure, we'll briefly mention some:

- [Omission bias](#), the concept that people tend to try and avoid being seen to participate in things gone wrong. For example, in the [trolley problem](#) people sometimes tend to favor 10 people losing their life than taking action, pulling a lever and have someone else die (with their involvement).
- [Hawthorne effect](#), one study examined the effect of increased amounts of light at an office increases productivity, and it found that it did. A subsequent study examined what happened if you reduce the amount of light in the workplace, they found that this also increased productivity! The final result: measuring people's behavior increases productivity – the Hawthorne effect. Apparently, when people are being watched they make sure they seem productive. Similar concepts are of [social loafing](#) and the [incentive super-responsibility tendency](#).
- [The information bias](#) states that people sometimes seek information even when it does not affect any actions. A common example is doctors ordering more tests even if these will not affect the diagnosis. Status & self-deception suggests this concept can be explained by

people (subconsciously) trying to avoid being blamed afterwards if things go wrong (the defense: “I did everything I could!”)

- [The action bias](#) states that when there are benefits to a situation or a situation is net neutral people prefer to take action over inaction. Rolf Dobelli [mentions](#) a research where goalkeepers tend to dive into a corner even though statistically just standing still is just as good. Although the supporting evidence seems shaky, status and self-deception does predict the action bias to exist; people want to avoid being seen as doing nothing when they were supposed to be doing something.
- [Status-quo bias](#), the idea that people overly favor the default option, the safe choice.

The most interesting topics for more information are [prospect theory](#) (the most advanced theory of loss aversion) and the [sunk-cost fallacy](#) (because it is well studied).

8.4 OTHER CONCEPTS

- [Conformity](#) the strong human tendency to match behavior to others in the group. Has multiple explanations, but one explanation is to avoid being seen in a negative light. It is easy to find many interesting or funny videos when this is being exploited (e.g. [scientific](#), [balanced](#), [funny](#)).
- [Reciprocity](#), the human tendency to return favors. This is why you might get a ‘free’ newspaper and afterwards they try to sell you the newspaper for a whole year. An explanation for this is that people try to avoid the situation where they can be described as selfish.
- [Consistency](#), the human tendency to act in a consistent way. This can be explained by the idea that people like to come across as reliable, honest and perhaps would like to save face (“I’m always doing it this way, why are you telling me only now?”).
- [Cognitive dissonance](#). When people hold contradictory beliefs, values or ideas about themselves this creates psychological stress. This often leads to people changing their beliefs, values or ideas such that there no longer is a contradiction. [For example in teaching](#), some books state that if a teacher asks a student to help and the student complies, the student will start liking the teacher better in order to justify to themselves why they are helping the teacher.

8.5 OTHER GENERAL THEORIES

Milgram’s experiment (section 7.1) can be very poorly explained by any of the other general theories.

The theory of association is very unlikely because the “learner” screaming and the signs “warning, deathly shocks!” carry very strong negative associations. This also makes the theory of cognitive ease unlikely; it should be too hard to find the proper response. Also Milgram’s experiment is well studied and the results are unlikely to be due to research errors.

There seems to be no other theory which explains rule #5 other than the theory of status & self-deception.

8.6 SUMMARY

Some of the strongest evidence in favor of status & self-deception can be found when people are part of a group. Over 15 concepts support the idea that people are very busy with not losing status.

They obey authority to avoid problems, they conform to groups, and people behave very different when being observed. Also a lot of these concepts seem to be aimed to “cover one’s back” so as not to be blamed when things go wrong.

None of the other general theories provide an explanation for these concepts.

8.7 IN PRACTICE

Being cautious about one’s position in the group is a useful skill. However there is a large difference between the surroundings we live in today and the one we’ve evolved for. Doing poorly in a group could be deadly or have serious consequences 30.000 years ago. Nowadays we no longer live in small groups, violence is less common and we are generally much safer. Therefore, it is likely that we are much more risk-averse and subservient than is optimal for our own happiness. Remembering this might allow us to make slightly riskier choices and hopefully improve our happiness.

Another use for understanding rule #5 is that it might help explain why people sometimes have a hard time saying “no” or standing up for themselves. Knowing this is a consequence of social selection might make it easier to find ways to stand up for oneself (an approach taken in [this book](#)).

9 CONCLUSION

Understanding human behavior and thoughts is useful in a variety of different domains, perhaps most important: your own daily life. This article is based on a collection of 210 different ways in which people exhibit irrational behavior (called concepts). There are many different explanations for these concepts and we've looked at all six general theories which claim to explain at least five of these concepts.

This article claims that the most unrenowned of these general theories is actually the most useful: the theory of status and self-deception. It states that our primary motive is status, but that in order to come across as not-status-seeking, humans have developed the ability of self-deception which allows us to follow our status motive, without us ourselves being aware.

The previous article ("a framework for evolutionary psychology") supported this theory from a theoretical perspective, in this article we showed that this theory also excellently fits empirical data. In fact, by understanding the theory of status & self-deception we can deduce 5 rules of irrationality which together can explain around 110 concepts. This makes the theory of status & self-deception easy to use in practice, accurate, and therefore a worthy tool in understanding human behavior.

This theory is far from finished as little research has been done on this theory. Furthermore there are many implications for our daily life which haven't been explored. For example, it would be interesting to look at a variety of psychological disorders from a status & self-deception perspective, hopefully allowing for new ideas and perhaps even better treatment.

To end on a more formal note, this article makes 6 claims:

1. The five rules presented here are true
2. Status & self-deception is the only general theory which predicts all 5 rules, others predict on average only 1.
3. Together these 5 rules capture about 50% of all concepts on behavior described in literature (see section 1.5 scope for more info on this claim)
4. Status & self-deception does not mispredict the other 50% of concepts, rather it offers no prediction in these cases. The number of inaccurate predictions is very limited (<10), an example is the planning fallacy as this fallacy also seems to hold in a non-social context, which isn't predicted.
5. Combining 1 to 4: therefore status & self-deception should be considered the most useful general theory from an empirical point of view.
6. Since status & self-deception can predict a large portion of all behavior, more non-general theories (theories which explain fewer than 5 concepts) should be treated with caution ([more info](#) on selecting between general and specific theories).

In the next articles of this series claim 5 and 6 will be turn out to be vital in understanding confidence and happiness.