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I'm O.K., You're Biased

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VERIZON had a pretty bad year in 2005, but its chief executive did fine. Although Verizon's earnings dropped by more than 5 percent and its stock fell by more than a quarter, he received a 48 percent increase in salary and compensation. This handsome payout was based on the recommendation of an independent consulting firm that relied on Verizon (and the chief executive's good will) for much of its revenue. When asked about this conflict of interest, the consulting firm explained that it had "strict policies in place to ensure the independence and objectivity of all our consultants."

Please stop laughing.

The person who made this statement was almost certainly sincere. Consultants believe they can make objective decisions about the companies that indirectly employ them, just as legislators believe that campaign contributions don't influence their votes.

Doctors scoff at the notion that gifts from a pharmaceutical company could motivate them to prescribe that company's drugs, and Supreme Court justices are confident that their legal opinions are not influenced by their financial stake in a defendant's business, or by their child's employment at a petitioner's firm. Vice President Dick Cheney is famously contemptuous of those who suggest that his former company received special consideration for government contracts.

Voters, citizens, patients and taxpayers can barely keep a straight face. They know that consultants and judges are human beings who are pulled by loyalties and pushed by animosities, and that drug reps and lobbyists are human beings who wouldn't be generous if generosity didn't pay dividends. Most people have been around people long enough to have a pretty good idea of what drives their decisions, and when decision-makers deny what seems obvious to the rest of us, the rest of us get miffed. Sell our democracy to the highest bidder, but don't insult our intelligence.

So who's right - the decision-makers who claim objectivity or the citizens who roll their eyes? Research suggests that decision-makers don't realize just how easily and often their objectivity is compromised. The human brain knows many tricks that allow it to consider evidence, weigh facts and still reach precisely the conclusion it favors. When our bathroom scale delivers bad news, we hop off and then on again, just to make sure we didn't misread the display or put too much pressure on one foot. When our scale delivers good news, we smile and head for the shower. By uncritically accepting evidence when it pleases us, and insisting on more when it doesn't, we subtly tip the scales in our favor.

Research suggests that the way we weigh ourselves in the bathroom is the way we weigh evidence outside it. Two psychologists, Peter Ditto and David Lopez, told subjects that they were being tested for a dangerous enzyme deficiency. Subjects placed a drop of saliva on a test strip and waited to see if it turned green. Some subjects were told that the strip would turn green if they had the deficiency, and others were told that the strip would turn green if they did not. In fact, the strip was just an ordinary piece of paper that never changed color.

So how long did subjects stare at the strip before accepting its conclusion? Those who were hoping to see the strip turn green waited a lot longer than those who were hoping not to. Good news may travel slowly, but people are willing to wait for it to arrive.

The same researchers asked subjects to evaluate a student's intelligence by examining information about him one piece at a time. The information was quite damning, and subjects were told they could stop examining it as soon as they'd reached a firm conclusion. Results showed that when subjects liked the student they were evaluating, they turned over one card after another, searching for the one piece of information that might allow them to say something nice about him. But when they disliked the student, they turned over a few cards, shrugged and called it a day.

Much of what happens in the brain is not evident to the brain itself, and thus people are better at playing these sorts of tricks on themselves than at catching themselves in the act. People realize that humans deceive themselves, of course, but they don't seem to realize that they too are human.

A Princeton University research team asked people to estimate how susceptible they and "the average person" were to a long list of judgmental biases; the majority of people claimed to be less biased than the majority of people. A 2001 study of medical residents found that 84 percent thought that their colleagues were influenced by gifts from pharmaceutical companies, but only 16 percent thought that they were similarly influenced. Dozens of studies have shown that when people try to overcome their judgmental biases - for example, when they are given information and told not to let it influence their judgment - they simply can't comply, even when money is at stake.

And yet, if decision-makers are more biased than they realize, they are less biased than the rest of us suspect. Research shows that while people underestimate the influence of self-interest on their own judgments and decisions, they overestimate its influence on others.

For instance, two psychologists, Dale Miller and Rebecca Ratner, asked people to predict how many others would agree to give blood for free or for \$15, and people predicted that the monetary incentive would double the rate of blood donation. But when the researchers actually asked people to give blood, they found they were just as willing to do it for nothing as they were for a \$15 reward.

The same researchers measured people's attitudes toward smoking bans and asked them to guess the attitudes of others. They found that smokers vastly overestimated the support of nonsmokers for the bans, as did nonsmokers the opposition of smokers to the bans - in other words, neither group was quite as self-interested as the other group believed.

Behavioral economics bolsters psychology's case. When subjects play laboratory games that allow them to walk away with cash, self-interest dictates that they should get all the cash they can carry. But scores of experiments show that subjects are willing to forgo cash in order to play nice.

For instance, when subjects are given a sum of money and told that they can split it with an unseen stranger in any proportion they like, they typically give the stranger a third or more, even though they could just as easily have given him nothing. When subjects play the opposite role and are made the recipients of such splits, they typically refuse any split they consider grossly unfair, preferring to walk away with nothing than to accept an unjust distribution.

In a recent study, the economists Ernst Fehr and Simon Gächter had subjects play a game in which members of a team could earn money when everyone pitched in. They found that subjects were willing to spend their money just to make sure freeloaders on the team didn't earn any. Studies such as these suggest that people act in their own interests, but that their interests include ideals of fairness, prudence and generosity.

In short, doctors, judges, consultants and vice presidents strive for truth more often than we realize, and miss that mark more often than they realize. Because the brain cannot see itself fooling itself, the only reliable method for avoiding bias is to avoid the situations that produce it.

When doctors refuse to accept gifts from those who supply drugs to their patients, when justices refuse to hear cases involving those with whom they share familial ties and when chief executives refuse to let their compensation be determined by those beholden to them, then everyone sleeps well.

Until then, behavioral scientists have plenty to study.

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