

MORE PRAISE FOR *THE WISEST ONE IN THE ROOM*

‘A compelling guide to developing real wisdom, as opposed to mere cleverness, in decision-making, relationships, and elsewhere. More than simply a tour of intriguing research, it’s a deeply practical—and, yes, wise—account of the hidden influences on our thinking, by two of the most interesting researchers in the field.’

Oliver Burkeman, author of *The Antidote: Happiness for People Who Can’t Stand Positive Thinking*

‘A deep examination of how we all misperceive the people around us. This is a fun book—you’ll recognize your own blunders, and those of friends, on almost every page... Anyone who aspires to be “the Wisest One in the Room” needs this book.’

William Poundstone, author of *How to Predict the Unpredictable* and *Are You Smart Enough to Work at Google?*

‘Essential reading for politicians and leaders of all kinds. Gilovich and Ross explain how your opponents are rarely as mad or bad as you think; just subject to the same biases and thinking traps that you are.’

Dr Ben Ambridge, Institute of Psychology, Health and Society, University of Liverpool, and author of *Psy-Q*

‘Gilovich and Ross convincingly argue that social psychology has reached the stage where it can help people meet the most important challenges of daily living. Their book provides a comprehensive guide to attaining wisdom that is based on the most powerful insights from the field. Anyone who is dissatisfied with how they deal with ordinary and not so ordinary challenges should read this book.’

Paul Dolan, professor of behavioural science, London School of Economics, and author of *Happiness by Design*

‘Two of the world’s most brilliant social psychologists have distilled the field’s wisdom into a few essential lessons for understanding the fabric of our everyday lives. This is the essential lecture that you never heard in college. Don’t miss it a second time.’

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and Robert Wilson)

THE
WISEST
ONE
IN THE
ROOM

Think Clearly.
Make Better Decisions.
Influence People.

Thomas Gilovich and Lee Ross



A Oneworld Book

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For Richard Nisbett

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The WISEST ONE in the ROOM

PREFACE

In late spring 1944, Allied forces were making final preparations for the momentous events of D-Day, the landing of troops on the five beaches of Normandy, code-named Utah, Omaha, Gold, Juno, and Sword. The invasion would take place in two phases: an assault by twenty-four thousand British, American, and Canadian airmen shortly after midnight and a massive amphibious landing of Allied infantry and armored divisions at 6:30 a.m. The British commander, General Bernard Montgomery, gave the officers who would lead the assault their final briefing—a tour de force performance, thorough in its content and impeccable in its delivery.

The Supreme Allied commander, General Dwight D. Eisenhower, known to all as “Ike,” had assigned this task to “Monty” and did not do much talking himself in the final hours before the invasion. He did not reiterate details about the operation. Nor did he offer his own perspective on the larger significance of the operation or of the long struggle ahead—a struggle that would culminate in the defeat of the Third Reich. He simply walked around the room shaking hands with each and every man who would lead the assault, mindful, as they were, that many would not survive.

He recognized that their thoughts would be focused on the challenge that each of them would face in the next twenty-four hours, on the fates of their comrades-in-arms, and on the well-being of their families. He gave no hint that he was contemplating his own fate or future reputation. His wordless handshakes communicated to each

officer that he understood what *they* were thinking and feeling, and that he honored them for what they were about to risk and what they were about to experience. He was the wisest one in the room.¹

Words of wisdom are easy to find. They are offered in books of quotations, desktop calendars, daily planners, and even bumper stickers. Advice is given to us, often unsolicited, by friends, relatives, and colleagues. We can look to sages for counsel about how to manage our personal finances (*Neither a borrower nor a lender be.* —William Shakespeare) or how to proceed in our careers (*Be nice to those on the way up; they're the same folks you'll meet on the way down.* —Walter Winchell). People who aspire to power can seek guidance from a Renaissance Italian diplomat (*It is wise to flatter important people.* —Niccolò Machiavelli), and those who have the more modest goal of “winning friends and influencing people” can find similar advice from a bestselling twentieth-century author (*Be lavish in praise.* —Dale Carnegie) or a U.S. National Medal of Freedom winner (*People will forget what you said, people will forget what you did, but people will never forget how you made them feel.* —Maya Angelou).

We're given guidance about how to achieve our goals (*The best way to get what you want is to deserve what you want.* —Charles Munger) and, from the Sufi poets of old, advice about how to deal with difficult times (*This too shall pass*). We can even find all-encompassing prescriptions for the meaning of life and the path to personal fulfillment (*The meaning of life is to find your gift; the purpose of life is to give it away*) from sages whose names have been lost to us.

Insight and skill in dealing with human conflict have long been seen as particularly important elements of wisdom. We see this in the Old Testament tale of King Solomon resolving a custody battle and in the success of Nelson Mandela, two and a half millennia later, in achieving a bloodless end to apartheid.

There are many different kinds of wisdom, as these quotations attest. Some people are Buddha wise, others Bubba wise, and still oth-

ers Buffett wise. It is telling that Webster's dictionary distinguishes three types of wisdom: (1) *knowledge*, or accumulated philosophic or scientific learning; (2) *insight*, or the ability to discern inner qualities and relationships; and (3) *judgement*, or good sense.

This emphasis on discernment and good sense highlights the fact that being wise is not the same thing as being smart. By "the wisest one in the room" we do not mean the person with the highest IQ or the greatest command of facts and figures. The smartest one in the room may lack insight about human affairs and display poor judgement in both day-to-day interactions and the larger pursuit of a rewarding and meaningful life. Indeed, *The Smartest Guys in the Room** is an account of the people at the top of Enron, the failed energy corporation, who by all accounts were extremely smart and very sophisticated in their financial manipulations. But their arrogance, greed, and shortsightedness got the better of them (as well as their company's employees and shareholders), making it clear that they were anything but wise. What they lacked was not just a moral compass, but wisdom about what goals are truly worth pursuing and the means by which they are best pursued.

A critical difference between wisdom and intelligence is that wisdom demands some insight and effectiveness around people. Intelligence does not. A person can be "smart" without being smart about people, but it makes no sense to say someone is wise if the person has no feel for people or no understanding of their hopes, fears, passions, and drives. You can be a savvy investor or an accurate weather forecaster even if you aren't particularly savvy about people, but you can't be a wise *person* if you aren't wise about people. Montgomery's preinvasion briefing may have been more intelligently crafted and more skillfully delivered than any that Eisenhower ever gave. But it was Ike's understanding of the needs of his officers, and his deftness in attending to those needs, that testify to his wisdom.

* McLean, Bethany, and Elkind, Peter. (2003). *The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron*. New York: Penguin.

Any analysis of wisdom must reflect the fact that the most important things in life involve other people. That is true for the executive trying to run a Fortune 500 company, the candidate seeking public office, the artist trying to create work that will speak to the ages, or the single mother trying to get her child through the tumultuous adolescent years. It's true even for the software engineer who merely wants to be left alone to write code for most of the day or the poker player who just wants to feel the rush that comes from using her wits with money on the line. Our exploration of what makes someone the wisest one in the room therefore focuses on human psychology—on *social* psychology in particular. Wisdom requires understanding the most common and most powerful influences on people's behavior. It also requires knowing when and why people get off track and end up making faulty judgements, erroneous predictions, and poor decisions. To be wise, one must be *psych-wise*.

Wisdom also requires perspective, something that runs through all three components of Webster's definition: knowledge, insight, and judgement. A wise person is able to put individual events in perspective and take a broader view of the issue at hand. Eisenhower was able to get beyond his concern with the overall scope and success of the mission and connect with his men on what was at the forefront of their minds—their safety, their families, and what the first hours of the invasion might be like.

In this respect as well, the difference between wisdom and intelligence is noteworthy. Intelligence involves taking the information available and processing it effectively—thinking about it logically and drawing sound conclusions. That is certainly an important component of wisdom. But a wise person does something else—a wise person goes *beyond* the information that is immediately available. Wisdom involves knowing when the information available is insufficient for the problem at hand. It involves the recognition that how things are right now might seem very different down the road.

We became convinced that this is the right time for a book like this because of the tremendous progress that's been made in two fields

that deal with these two critically important components of wisdom—the field of social psychology and that of judgement and decision making. It has been our privilege to have worked in these two fields for a combined eighty years, and an honor to have contributed to them along the way. Of all the scientific disciplines, it is social psychology that focuses most directly on understanding the thoughts, feelings, choices, and actions of the average person. Important findings have poured out of social psychologists' research labs over the past forty years, providing insights into human behavior that anyone seeking to become wiser should know.

The field of judgement and decision making, meanwhile, has illuminated how and why people are quick to draw conclusions when they would be better served by stepping back and looking at things from a broader perspective. This field has undergone a revolution over the past forty years, a revolution that has made it clear that judgement and decision making have a lot in common with perception. Like perception, they are subject to illusions. Anyone aspiring to greater wisdom needs to know when to be on the lookout for these illusions and how to steer clear of them.

The aim of this book is to help you be wiser so that you can deal more effectively with your employees and coworkers, have an easier time getting your children to realize their potential, or resist the temptations crafted by slick advertisements and clever marketers.

But the book has a higher aim as well. Aristotle maintained that wisdom entails an understanding of causes, of why things are the way they are. To him, a knowledgeable person knows a lot about *what* and *how*, but a wise person understands *why*. Although we trust that you will gain a great deal of practical wisdom from reading this book, we also hope to give you a deeper appreciation of the broader principles that provide the foundation for that practical advice. In so doing, we hope you will gain a better appreciation of why people act the way they do and why we all have such a hard time getting beyond our narrow perspectives. In the end, you should have a better sense of which pithy quotations

are worth attending to and which are best ignored, and a deeper understanding of the advice offered by the sages and leaders we most revere.

The Wisest One in the Room is not a textbook. Many excellent textbooks in psychology are available for anyone who wants to explore the breadth and depth of psychological science. If you've read one of those textbooks or taken a course in psychology, you will recognize how much we omit or mention only briefly here. We have chosen instead to discuss a small number of specific insights that we believe are especially important components of wisdom. They are the ones that should give you the deepest understanding of *why* the things happening around you unfold the way they do. They are also the insights that should be the most useful in understanding and influencing the people in your life, dealing with the conflicts that inevitably come with living and working with other people, and making better decisions about your time, money, health, and relationships.

Our promise to explore important insights about why people behave as they do raises an obvious question: Haven't human beings evolved over countless millennia to deal effectively with each other? Don't people therefore already know most of what there is to be known about people's motives and inclinations, and about what can be done to channel behavior in the most productive direction? Haven't wise observers of the human condition already passed down the insights about human frailties that we most need to know?

To be sure, human beings, like all other animals, already know a great deal about human behavior—their own and that of those around them. We all know that behavior is purposeful and goal driven and that people generally try to maximize pleasure and minimize pain. We also know a lot about the effects of specific drives and emotions such as hunger, thirst, sex, and fear, as well as subtler ones such as the need to feel good about ourselves and the desire to be liked and respected.

Indeed, we all know quite a bit of lay social psychology. We know

about the discomfort people feel when their opinions and tastes deviate from the norms of their group. We know about the importance of good parenting and good role models and the advantages of good education. We are aware of some of the ways in which judgements and decisions (at least the judgements and decisions of other people) can be distorted by self-interest, previous experience and expectations, and religious teachings and ideological indoctrination. Without such knowledge, social life would be chaotic and unmanageable.

Our own immersion in both academic and applied psychology, and our continuing reflections on our own misjudgements and unwise decisions over the years, have convinced us that some of the most important insights about human behavior are by no means obvious. This conviction stems from provocative research findings that contradict our everyday assumptions—findings that force us to recalibrate our impressions about what is likely to matter a lot or only a little in determining how people behave, and what is likely to be effective or ineffective in trying to solve particular types of problems.

Other insights that we will discuss are not exactly new. They involve things that we recognize in some particular contexts, without fully appreciating the breadth of their applicability. Still others involve patterns that we recognize in others, but not in ourselves or those who share our views. Ultimately you will have to judge the usefulness of the insights and research that we'll describe. But to give you a sense of what's to come, we preview a few examples of the kinds of phenomena and research findings that can make anyone who knows about them—and the psychological principles underlying them—notably wiser.

Do you believe that we, the authors of this book, can discern your political views?

We begin chapter 1 with just such a demonstration, one that we think you will find convincing. When you understand the psychology behind our accomplishment, you will have a better understand-

ing of interpersonal and intergroup conflict, a topic we pick up again in chapter 7.

In Denmark (as in the United States), motorists can make their organs available for transplantation in the event of premature death by signing the back of their driver's licence. Only about 4 percent of Danes do so. In Sweden, drivers are told that their organs will be made available for donation unless they indicate on the back of their licence that they do not want to do so. What percentage of Swedes would you estimate make their organs available for medical use by not putting their signature on that line?

If your estimate was somewhere in the neighborhood of 4 percent or even 40 percent, you are way off. You will find the answer in chapter 2, where we discuss the impact of default options. Then, in chapter 3, you will learn more about why this and other seemingly small differences in the way choices are offered can have such big effects.

Everyone knows that rewards and punishments “work.” But do big rewards and punishments work better than small ones? The answer—if your goal is to change not just immediate overt behavior but sustained motivation and underlying feelings about the activities in question—is no. When it comes to rewards and punishments, often less is more.

In chapter 4, you will read about the classic studies that elaborate on this important insight and learn more about the primacy of behavior—and why attitude change frequently follows behavior change rather than vice versa.

Research participants were given data about the number of times tennis players worked out strenuously the day before a match and then won their subsequent matches, the number of times they did so and lost, the number of times they did not work out strenuously and nonetheless won, and the number of times they failed to work out strenuously and lost. One group

was asked to determine on the basis of that information whether working out strenuously made players more likely to win; another group was asked whether working out strenuously made them more likely to lose. Both groups, strangely, said yes.

Understanding this paradoxical result involves an appreciation of what one psychologist called the “mother of all biases.” Chapter 5 gives you some insight into the ways this and other biases can narrow the way you evaluate information, distort your judgement, and undermine your decisions.

If given a choice, should you add a brief, somewhat unpleasant experience to a very unpleasant one? How much would doubling the length of a pleasant vacation add to your long-term feelings about how enjoyable it was?

The answers to these questions in chapter 6 (yes to the first; virtually nothing to the second), will give you some useful pointers about steps you can take to maximize your own happiness.

Jewish Israeli students took part in a negotiation exercise with an Israeli Arab about the disbursement of funds for a project that would benefit both sides of the ongoing Israeli-Palestinian conflict. After some time, they received a final offer from their negotiation counterpart who, unbeknownst to them, was an experimental confederate who made the same offer in each negotiation. A statement that the researchers sometimes added and sometimes omitted at the outset of the negotiation raised the likelihood that the offer would be accepted from 35 to 85 percent. What statement, which did not involve any change in the terms being proposed or the costs of not reaching an agreement, had that much impact?

The answer to this question is provided in chapter 7, where we focus on the problem of intractable conflict. What psychological processes create barriers to mutually beneficial agreements, and what can be done to overcome them?

Several recent studies show that the academic performance of black and Hispanic students (and female students in science and engineering programs) can be improved through simple and inexpensive psych-wise interventions involving mere words. What are those interventions, what barriers do they address, and why do they have so much impact?

You will find the surprising answers to these questions in chapter 8. There we discuss the tough problem of reducing academic underachievement—and then move on in chapter 9 to the even tougher global problem of dealing with global climate change.

Our book is organized in two parts. Each of the first five chapters deals with a general principle of human behavior that can add to your understanding of a wide range of events and make you more psych-wise in dealing with ordinary and not-so-ordinary challenges. They are followed by four chapters that use these principles to shed light on particularly important concerns we face as individuals and as a society: the pursuit of happiness, overcoming barriers to intractable conflict, the challenge of educating disadvantaged and underperforming students, and the even greater challenges posed by the threat of catastrophic climate change. We are convinced that reading about the research and insights contained in these nine chapters will help you to be wiser in the way you understand the people and events you encounter, and wiser in the way you deal with the challenges that are sure to come your way—perhaps even help you to become the wisest in the room.

—Thomas Gilovich and Lee Ross

Part 1

PILLARS OF WISDOM

1

The Objectivity Illusion

In the early decades of the twentieth century, Albert Einstein dramatically challenged our understanding of the world in which we live. His revolutionary theories of special and general relativity suggested that time and space are linked in a manner best comprehended not through our subjective experience but through mathematical formulas and imaginative thought experiments. He tried to imagine, for example, what would happen if we were in a vehicle that was moving at nearly the speed of light. His famous $E = mc^2$ formula alerted us to the amount of energy that could be produced from the conversion of matter; but the same formula, when rearranged, suggested that matter itself could be seen as condensed energy. Indeed, in one of his many frequently quoted statements, Einstein went as far as to maintain that “reality is an illusion.”

Scholars have debated exactly what he meant by that assertion. Most agree that he was alerting us to the ways in which experience is dictated by the perspective and circumstances of the perceiver. But for our purposes, the quotation serves as a reminder that what we experience in our everyday perceptions is not just a simple registering

of what is “out there.” Rather, it is the product of an interaction between the strange and complex stuff that resulted from the “big bang” (the latest theory being that the stuff in question consists of vibrating strings of unimaginably tiny particles that somehow acquire mass as they interact with fields of energy) and the same stuff of which we ourselves are made. It is that interaction that produces our subjective experience of a world containing the solid three-dimensional objects we touch, the sounds we hear, the wide palette of colors we see, and the broad range of odors we detect.

Another twentieth-century genius, the comedian George Carlin, once asked his audience: “Have you ever noticed that anybody driving slower than you is an idiot, and anyone going faster than you is a maniac?” About two decades ago, the two of us began to consider the connection between Einstein’s message about reality and Carlin’s wry question. That connection, we believe, takes us to the very heart of human psychology and much of human folly. We human beings not only reflexively assume that our perceptions bear a one-to-one correspondence to reality; we often go a step further and presume that our own personal perceptions are especially accurate and objective.

To help you appreciate the nature of this objectivity illusion, let us engage in some political mind reading.

Specifically, let us show you that we can discern your political views from the mere fact that you are reading this book. We can confidently predict that:

You see yourself as being about as politically liberal as it is reasonable to be. On most issues, you see people who are to the left of you as a bit naïve, as more idealistic than realistic, and overly inclined to political correctness. At the same time, you see those who are to the right of you as rather selfish and uncaring, as somewhat narrow-minded and not fully in touch with the lives that many people live and the problems they face in today’s world.

Does this description capture the way you see yourself politically? We are confident that it does. The trick is that the political portrait we painted *must* apply not only to you and other readers of this book but to virtually anyone else. For if you felt that the people to the left of you were more attuned to reality than you are, you would have already moved in their direction. The same is true about people on your right.

In short, you (and everyone else) see your own political beliefs and leanings as the most *realistic* response to the specific times in which we live and the particular problems we face. You also see your views and positions as attuned to the realities of human nature. What's more, given that you believe your political views are the ones most grounded in reality, it follows that those who do not share your views—especially those far removed from you on the political spectrum—are necessarily less realistic than you are. They lack your objectivity. They are more prone to seeing political matters through the prism of their ideology, self-interest, upbringing, or some other distorting influence.

Remember Carlin's observation about your views of your fellow motorists. Your first response was likely to be, "As a matter of fact, I *have* noticed that about other drivers." But after a moment's reflection, you grasp Carlin's point: Since you adjust your speed to what you consider appropriate to the prevailing road conditions, anyone driving more slowly *must* be driving *too* slowly, and anyone driving faster *must* be driving *too* quickly. The conviction that you see things as they truly are and those who see things differently are therefore getting something wrong is inevitable—at least as an initial reflexive response.

Everyday experience offers many examples of the same basic phenomenon. When your spouse says, "It's freezing in here," and turns up the thermostat, even though you feel quite comfortable, you wonder what is making your spouse feel so cold when the temperature is just fine. Conversely, when you are freezing and your spouse or someone else says the temperature is just fine, you wonder why they are so oblivious to the *actual* temperature. You don't immediately consider the