

TrustTalk interview David Dunning

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Voice-Over: Welcome to TrustTalk. Today's guest is David Dunning, professor of psychology at the University of Michigan, where he focuses on the psychology underlying human misbelief. In the interview, we talk about what is going on in the human psyche that's allowing people to trust, about why people trust other people when, according to the economics of rational analysis, they shouldn't. Trust often turns out to be not really an economic decision. When you go to a doctor, there's a norm that if your doctor says X, unless you have really good reasons to ignore him, you should go with the doctor's advice. Trust is crucial not just for established relationships, it's also especially vital between strangers with no responsibility toward each other outside of a single interaction. Psychologists found excessive trust rates rising much higher than anticipated, given people's aversion to risk and rather cynical expectations of their peers' trustworthiness. Many trust, even though they expect their trust not to be honored. David is most well-known for the Dunning-Kruger effect: when a person's lack of knowledge and skills in a certain area causes him to overestimate his own competence. We talk about the 1986 negotiations between Reagan and Gorbachev. Both walked away from a potentially historic agreement that would have eliminated nuclear threats. They famously walked away from a deal because they couldn't get themselves to trust one another. Your host today, Severin de Wit.

Podcast Host: David, welcome to TrustTalk. Thank you for being our guest today.

David Dunning: My pleasure.

Podcast Host: Before we go into the main subject of this podcast, trust, I would like to know a bit about your role as director of the Self and Social Insight Lab. Can you tell us a bit more about that lab?

David Dunning: Yes, that's my lab that conducts research on the topics that I'm interested in or have fallen into. And the basic question we ask is people's beliefs about the world, how well do

they really match up with the world? Do people have an adequate conception of human nature? And more often than not, do people have an adequate conception of their own nature? Are people good psychologists when it comes to understanding themselves and understanding other people? Those are the types of topics we tend to work on.

Podcast Host: You're a psychologist. Trust has been over the last few years the source of extensive research among others sociologists, philosophers and political scientists, but remarkably much less among psychologists. That's strange as you would expect this to be the natural home for trust.

David Dunning: Well, I think the home for trust is everywhere because it infuses every single aspect of life that we live in, both as individuals and as a society. So it has a home in political science, has a home in economics, and it certainly should have more of a home in psychology. It's rather odd that it isn't more of a focus in psychology, given that if you go to other fields like economics, trust doesn't work the way it should. And some fields from their equations would say that trust shouldn't work at all. Yet it does. And that seems to be more properly, the home of psychology, where we try to figure out, okay, if it's not, what's going on over there, what is it going on in the human psyche that's allowing people to trust.

Podcast Host: Numerous times per day we are trusting lots of people. If I grab a taxi, I trust that the driver will bring me to the desired location and does so in a safe way, if I buy food, I trust the supermarkets that the content is what description says. However, there are also a lot of misperceptions, we make a lot of miscalculations about the trustworthiness of a person or a situation.

David Dunning: That's right. That is a trust is the oxygen that allows human interaction to flourish. That is, imagine trying to run a civilization without trust. Trust though is a risky business, you might make a mistake and have your trust violated and suffer because of it. There are also more hidden mistakes where we don't trust people, we decide not to, and we forgo an opportunity that would have been just wonderful, they would have been a terrific friend, they would have been a terrific business partner, but we made an error and didn't interact with them the way that we could have. And there's some misconceptions people have, which the main one we found in our lab is that people turn out to be more trustworthy in situations than

we would imagine. You can make an error either way, but in our lab we tend to find people are mistrustful more than they should.

Podcast Host: Well, sometimes trust is described as a fool's errand because trust is often based on false information or misguided assumptions. This seems especially true in the context of economics, which would suggest no trust at all. This runs counter to the traditional view of trust as being a rational, calculated choice that is based on an assessment of the likelihood that the trusted party will behave in a trustworthy manner, right?

David Dunning: That's right, though it is a little bit of a paradox, which is trust is the rational decision if the world is irrational. And what do I mean by that? In economics, if you're a complete rational actor interested in your own self-interest, you should never be trusted. Because as soon as someone trusts you, you have often no reason to honor their trust. So you can basically act in your own self-interest and punish them, take the money, take the time, take whatever that you want to take. So in a rational world, trust would be irrational, but it does turn out, luckily for us, that people are irrational. People trust other people when really, according to the economics of the rational analysis, they shouldn't. And more confounding people prove to be trustworthy, even though they have no reason to honor our trust, really. And it's this irrational, people trusting and people honoring trust that allows trust to be the rational decision.

Podcast Host: How does the concept of trust play a role in decision-making, and how do psychological factors such as social norms and emotions influence trust in economic exchange?

David Dunning: Well, it's an interesting question because often things look economic and a decision will look like it should be an economic analysis, but actually, there are norms involved, rules about how we behave with one another. And their emotions involved that go far beyond what the rational economic analysis would be. That is what we found in our own work, is that trust is not really an economic decision. It's not based on do I think this person is trustworthy and will they reward me enough for me to take the risk because I can't be sure about them? There's that aspect of it as well, but there are a lot of other aspects. If you go to the doctor, for example, and they give you a drug or they give you a diagnosis, well, the norm is to trust them. You presume that they're doing honest work. You presume that they have more training than

you do, so you really should trust them, even though you don't have any data about how accurate they tend to be, do they make errors? But there's a norm that your doctor says X, unless you have really, really good reason to disobey his or her orders, you should go with the doctor. So there are norms involved and going to a doctor, getting a diagnosis, maybe the doctor tells you have to have surgery. It's nerve-wracking to decide to say yes to that, but in many ways it's also nerve-wracking to say no to a doctor because you may still face whatever health risk you had before, and you've just shown that you're distrustful of the doctor, maybe even disrespectful of the doctor. So there's a lot of emotion involved because there's a lot of social interaction, a lot of emotion-producing circumstances that are surrounding decisions to trust.

Podcast Host: David, can you describe the laboratory game that you conducted to capture the trust-building process where there is little scope for social relations and network, the one where a key player received \$5 to be told that he could keep it or give it to a person he didn't know?

David Dunning: Yes, it's a form of a classic trust game or investment game that's often used in economics and psychology and sociology and elsewhere. And it's an attempt to create as pure a situation as possible, a situation of trust, where you're in a room and you're given in the United States, you're given \$5. When we do this work in Europe, you're given €5 and you're given a choice: you can either keep the €5 or you can give it to some stranger that you'll never know, they'll never know you, this is completely anonymous. And you may ask, why would you do that? Well, what the experimenter will do is if you give the \$5 and by the way, we can arrange it so the experimenter never really knows what you're doing, this is completely anonymous, if you give the \$5, to this complete stranger, the experimenter will inflate it to \$20. I give the second person their own choice and that own choice is they can keep the 20, thank you very much, or they can give you \$10 back. So if you trust the other person, you have a chance to double your money, get it going from \$5 to \$10, but if the other person decides to keep the money, you're out, so to speak, you're betrayed. And the question we ask is how much do people expect their trust to be honored? And also, do they ultimately make the decision to give up the \$5 to trust the other person? And by the way, you're absolutely right, this is a situation where we've completely removed all sorts of social incidentals, social interaction that's going on. It's pure, it's just you, the \$5 and this anonymous person who you'll never know and they'll never know

you. Now, people who are listening can ask themselves two questions, the first question is, what percentage of people in the second position would give you the \$10 back, what do you think your chances are? And then the question is, will you give up the five? And what we find and this is something that led to almost 20 years of research because it didn't make any sense, it didn't make any sense if you're an economist. Which is that when you ask people what percentage of other people give you money back, on average, they'd say maybe it'd be a 45% chance. I'm just slightly more likely to be screwed than rewarded, if you will. That's what they thought, I'll reveal the real percentage in a second, but the confounding thing is that when we ask people, okay, will you give the \$5, the vast majority of people handed over the \$5 up to 70-75% of people in the experiment decide to give the \$5, even though they thought the chances were they weren't going to get money back on average. Okay, if you're an economist, that doesn't make sense, if you're a psychologist, that doesn't make sense because it's well-known in psychology that people are risk averse, no one's going to give up \$5 to gamble on a lottery wheel where they have a 45% chance of getting money back. That's just a no. In fact, I have subjects tell me I'll give this money to the other person. By the way, let's say there's a 50/50 chance that you could win the same amount of money on a spin of a lottery wheel, would you do it? No way. That is, people are more likely to risk on the behavior of another person than a risk on some random event like a lottery wheel. Now, it actually turns out that this really in some sense is rational in the sense that it benefits people, because even though people think there is less than half a chance on average that they're going to get money back, the real percentage of people who give money back is 80% or higher, which once again is confounding because they're under no compunction to give the money back, yet 80% of them do. Now, mind you, another way to think about that is that about one in every five people are jerks and don't give any money back. But people anticipate the jerks, but they assume that that's going to be most of the people that they're going to be paired up with. And that's not the case. So what we've been trying to figure out is what is going on first in the myths people have and guessing just how generous their fellow peers are, but also that they decide to give up money in a situation that if we're just pure gambling, they would never have given up that money. They're going to take a chance on another person.

Podcast Host: So following up on that question, can you guide us on the role emotions play in these trust-related decisions and the interplay between emotional and cognitive processes in shaping trust judgments?

David Dunning: Oh, that's right, because as I mentioned before, your expectations about this other person, if you're really optimistic about human nature, are more likely to give up the \$5 in this setting that we put people in. But that's not really what's going on, the major thing that's going on is people aren't really worried about, okay, what's the money I'm going to get or not coming back. What people seem to be much more concerned about is what message is my behavior sending? And so even though you know the other person, they won't know you, it's completely anonymous, we can remove the experimenter from the situation, people get emotional about this situation and one of the reasons I know this, after the years we've done this research, is I've just described a very spare artificial situation, a very unusual situation. But in all my years of doing research, this is the one where subjects at the end of the session want to stay and talk about it. They're really into this. This is a major thing. This is emotionally involving. The specific emotions that are involved is that they feel an obligation to give up the \$5 or something they should do. And what seems to be at the heart of it is that people are worried about disrespecting the other person. If you don't send the money, even though you never know them, they'll never know you, you've just basically labeled them a disrespectful person., that's the statement you've made. And people don't want to go there. That makes them anxious, that makes them nervous, that makes them tense. But giving up the money also makes them nervous and tense, but not as much. So based on the emotional reactions they're having to the situation, they're just prompted, if you will, to give money to the other person because they don't want to disrespect that other person. Now, if it's a lottery wheel, the thing that makes you tense is betting on the wheel. It gives some people a thrill, but it makes a lot of other people nervous, that's why they don't do it. In the situation involving another person, keeping the money is the thing that makes people feel nervous. That's a decision they don't want to go to.

Podcast Host: I want to go in history. In '86, President Ronald Reagan of the United States and Soviet General Secretary Mikhail Gorbachev walked away from a potentially historic agreement that would have eliminated nuclear threats. They did so largely as a result of mutual trust and researched it as a case of psychology of trust. Was it purely rational what these leaders did, an analytical calculation of the odds and the payoffs present in the political situation the two countries were in? Or was there more?

David Dunning: Well, I think there's more, because what's interesting about that famous negotiation is there's a lot of technical material and content that you have to be concerned about, Like how many missiles do each side have? What could they destroy? How reliable was monitoring systems? There was a lot of data that people could have analyzed, but that wasn't really it. Gorbachev and Reagan famously walked away because they couldn't get themselves to trust one another. It was an interpersonal decision. It wasn't a technical decision. It wasn't, in some sense a foreign policy decision. It was very, very personal at that point. Now, you could say that irrational, but that's also the calculation that we're doing every day in life is do I trust this person or not? That's the thing that we're most concerned with, because whether or not good things happen to us or bad things happen to us really depends on the character or the nature of the other person. As a social psychologist, it's fairly obvious, I mean that's the type of decisions we study all the time. I think what the negotiation in Reykjavik in 1986 showed that even the most technical, even the most national, if you will, of decisions still rests on this logic and these questions that people ask each other about other individuals all the time. And to know if it's a purely rational decision that caused both parties to walk away from that situation, we'd have to know more of the details and unfortunately, a lot of them are top secret are gone since we're talking about the eighties. But it's not a surprise that ultimately the negotiations broke down because of a personal judgment as opposed to a foreign policy judgment.

Podcast Host: There can't be any interview with you, David, without mentioning where you have become known for, the *Dunning-Kruger effect*. People who are incompetent or unskilled or not experts in the field, don't have the expertise to recognize that they lack the expertise. So they come to conclusions, decisions and opinions that they think are just fine when there are, well, wrong. Can you give us some examples of the implications of this effect for individuals and groups in various settings, as well as the role of trust in the decision-making and how psychological factors such as social norms and emotions influence it?

Speaker3: You find the Dunning-Kruger effect everywhere and I think we see people who are doing things that they really shouldn't be doing, but they're being really confident about it. And the laboratory in the real world that we've all been in and still it still lingers, hopefully we're on our way out of it, was COVID and the pandemic. Because that was a situation where not only were we biologically naive to this virus, we didn't have physiological defences, we were intellectually naive, we really didn't know what was going on. And there are a lot of ways in

which the Dunning-Kruger effect played in. For example, if you talk to doctors and public health officials on what missteps were made early on, the missteps they made is that they didn't recognize just how different this virus is going to be in their head, it was, oh, this is the flu, it'll act like the flu, it'll go away when the weather is warm, we've got to make sure surfaces are clean, we have to protect the children. That's what you know, if you know the flu. None of those things were true about COVID, so there were a lot of missteps or delays along the way and a lot of efforts that were done that really didn't help simply because we were naive and had to learn, a science learned really quickly.

I'm very impressed with the year 2020, it's amazing how much understanding of the disease that we acquired. Now that was universal, because the other thing that we observed from our research vantage point was during the pandemic, a lot of people decided to become expert in X when they aren't experts in X, there are experts in X, but they're not. So you had a well-respected lawyer, for example, come out with a mathematical analysis that suggested 500, maybe 5000 people, max, will die of COVID and we don't really don't have anything to worry about. That is he is playing amateur epidemiologist, not recognizing that there's a field called epidemiology that knows a lot more. That is, if you take a look at COVID, what you found were a lot of people doing what we call "epistemic trespassing", that is, there's an expert field, it's going to get things wrong, but it has the best chance of getting things right. But these people didn't know what they didn't know, and they knew something like math or a little evolutionary biology and they thought, well, I can dream up an answer to what's going to happen with COVI, and they went and publicly made that available to everybody, even though they were not the experts, they were trespassing into the field that they really didn't have any expertise in and misled a lot of people along the way.

So you could see that as well. In talking about the intersection between, let's say, the Dunning-Kruger effect, which is not knowing what you don't know, and trust, what it highlights to me is a person that we actually have to be more wary of than we typically might be. There's a person who are most likely to be gullible to more than any other person in the world, and that person is ourselves. That is, we come to a decision, we come to a judgment, we come with a plan, we come with a strategy and often, you know, we're gullible to the brilliance of the plan. The plan really isn't all that brilliant. I wrote a chapter on this about being gullible to ourselves. We're the person we have to watch out. We're the one most likely to persuade ourselves of things that

aren't true. And that means checking in with other people, checking with experts, trying to figure out where we may be wrong because we're the Svengali who may misguide us the most in our lives. So we're the one we should be the most cautious about.

Podcast Host: I read about the alleged history of how you came to describe the Dunning-Kruger effect with, I believe at the time your graduate student, Justin Kruger, the story of the bank robber MacArthur Wheeler, who did not wear a mask while robbing a bank but covered his face with lemon juice and thought he was invisible for surveillance cameras because he thought that lemon juice is used as invisible ink. True?

David Dunning: That is that's the original story, I mean, there's more to the story. He actually did test out his ideas, so he covered his face with lemon juice at home and took a Polaroid off his face, and it wasn't there, just a blank wall. He didn't realize he had misaimed the camera, for example. I have to admit, I feel like I owe an apology simply because the story has lasted. And we told the story of MacArthur Wheeler in this obscure journal article we thought very few people would read, but it continues to be repeated and though I have to admit, if you take a look at crime stories, there are many, many more crime stories that people could talk about. So please give this Pittsburgh guy a break, talk about the other criminals who've done stupid things. My favorite is the guy who stole GPS units off planes and drove away, but he forgot to turn the GPS units off, which meant he was trackable and he was easily arrested within a few miles, if you will, or a person who was a fugitive, but who kept posting Instagram pictures of himself, whatever location he was. So once again, he was easily trackable. That isn't to say criminals are foolish, it is to say that we're all foolish and we have to watch out for those times when we are making mistakes but not realizing we're making mistakes.

Podcast Host: How can individuals and organizations become more aware of their own biases and misbeliefs and what steps can they take to improve their decision-making abilities?

David Dunning: I think there are a couple of things you can do internally and externally. That is, even though it's unpleasant, one thing that really sharpens decision-making and potentially prevents errors is to designate a person as a devil's advocate who's going to pick holes in whatever strategy an organization is looking at or whatever decision an organization might be leaning toward, for example, or everybody in the room can do something simply asking, okay,

we have this project, we have the strategy, we have this plan, what could go wrong? Well, let's imagine ourselves in the future, where it did all go disastrously wrong. Projecting ourselves into the future, then looking back at a disaster. How did it get that way? That really helps organizations anticipate difficulties they may not necessarily think of before. The final thing organizations can do is try to benchmark what they're doing relative to other organizations. There are some specialties in medicine where some units do better than other units. Some hospitals have a lower mortality rate than other hospitals. And what they make sure is everybody knows everybody else's mortality rate, and that's all you need to know. So if you're a hospital, you can identify situations where you're not doing well, other hospitals seem to be doing better in terms of getting patients out in healthy, quicker, making sure they don't get out quick because they died. And that gives you a reason to sound the alarm that maybe we should review our own practices. So just benchmarking performance across organizations is also very, very key.

Podcast Host: David, a question I ask all my interviewees at the end of the interview is what challenges do you see as the main trust challenges in psychology research for the foreseeable future?

David Dunning: I think there are sort of two levels of that. One is what can we do to make psychological research more trusted? And the field is actually doing a lot of things right now to heighten and tighten standards to make sure that what we say is more trusting or trustable than it would have been otherwise. So people are open with their data, they're open with their hypotheses before they actually go and do a study, so internally, there's a lot of things are going on right now. In terms of researching trust, I think psychology should come to the party because it turns out that trust is a situation that infuses psychological life, much more in the field is letting on and if you take a look at some of the stories already coming up with the field, you begin to recognize not only how much trust is becoming an issue, but how much it's driving people's behaviors. So, for example, there is work showing that if your financial advisor discloses that he or she has a conflict of interest and they want you to know to weigh in your decisions about whether accept my advice, it has a paradoxical effect, which is once the person's been open about their conflict, the same dynamic happens that happens in our little laboratory game, which is now people feel nervous about going against the advice they've been given because now they've just been told, if I go against your advice, I'm telling you that you

have a conflict of interest that you can't handle. It's also the case that in organizations you want employees to be giving and helpful to each other, you want them to be trusting with one another, and you can try to incentivize that, but really what works better is setting up norms where no one would think otherwise than being helpful, being trusting in an organization. No one would think about violating another person's trust, so how do you set up the norms, for example? So there are just a lot of different areas where trust matters at the individual level, the organizational level and the societal level. And psychology just has so many questions it could be addressing that it isn't addressing yet.

Podcast Host: Wonderful to end with that, David, thank you very much for being available to TrustTalk, I wish you a lot of success with your lab and the research you do, and hopefully in the future we have an opportunity to speak again.

David Dunning: I would look forward to it. Thank you for the session today and I wish you well and getting the message out to people through your podcast.

Podcast Host: Thank you.

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