Managing overconfidence

The paper " Managing Overconfidence" is a great example of a management article review.

Overconfidence is a major influence in decision-making; thus, there is a need to correct its influence. This paper seeks to explain suggestions by Russo and Shoemaker on how to overcome overconfidence.

To overcome overconfidence, Russo and Shoemaker have suggested a number of ways. Confidence exudes from the meta-knowledge that we have, therefore, all forms of metaknowledge in us are vital to the way we make decisions. Therefore increasing our metaknowledge is the best way to overcome overconfidence as it creates a range within which we can draw our knowledge and use it in decision making (Russo & Shoemaker, 1992, p. 8). metaknowledge can be developed by having a feedback mechanism that is accurate and timely in informing us of how much our estimates are off from the actual. There is also the need to have motivation in order to translate the information given into better metaknowledge. In addition, there is the need to take into account information that is available to us so as to envision that which s out of mind and come up with predictions that are more accurate. This is because more information is considered when predicting the future.

Improving precision

To improve precision, there is a need to focus on multiple values so as to avoid bias (Borchardt, 2010, p. 58). By steering away, sufficiently, of this single idea and focusing on others of equal importance, efficiency is maintained; and accuracy is improved. In addition, one can make use of counterargument to evaluate why the belief that one holds is wrong. Doing this measures all aspects of making a decision that improving accuracy

considerably.

The Russo and Shoemaker ideology on overconfidence is far from being false. This is because; it pays attention to details and seeks to improve how we make decisions. Decision making is mainly biased by what we think we know, and not on that which we do not know that we lack knowledge in.