Chapter 7
Escalation of Commitment
Main Topics

I. Unilateral Escalation
II. Competitive Escalation
III. Reasons for Destructive Escalation
I. Unilateral Escalation

• “Ignore Sunk Costs” vs. “too Invested to Quit”
I. Unilateral Escalation

• Examples from Business, Politics, Life
II. Competitive Escalation

• Dollar Auction Game
II. Competitive Escalation

• Wars of Attrition
III. Reasons for Destructive Escalation

• Confirmation Bias
III. Reasons for Destructive Escalation

• Confirmation Bias
• Self Justification
III. Reasons for Destructive Escalation

• Confirmation Bias
• Self Justification
• Impression Management
III. Reasons for Destructive Escalation

- Confirmation Bias
- Self Justification
- Impression Management
- Status Competition
III. Reasons for Destructive Escalation

- Confirmation Bias
- Self Justification
- Impression Management
- Competitive Irrationality
- Time Horizons