

Decisions, Decisions: How to make good decisions

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How Do You Know a Decision is “Good”?

“...options grow out of values, in the light of situational constraints and opportunities.”
Ward Edwards (1999)

Decision Analysis

Purpose:

- evaluate programs
- allocate resources to conflicting interests
- provide guidance for on-going programs

Tool: Multi-attribute Utility Technology (MAUT)

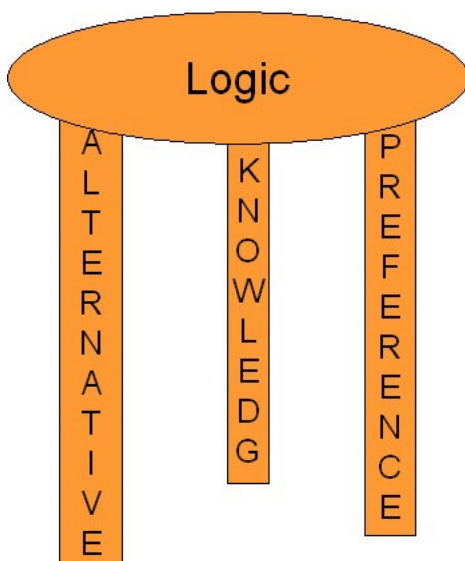
Decisions Under Uncertainty

- The probability of x reflects only how much one knows about x
- Whether a decision is good or not is about process, not outcome
- If the outcome is certain, there is no decision to be made

MAUT is based on 6 Principles

1. Compare alternatives
2. Ensure all stakeholders are represented
3. Expect multiple conflicting goals
4. There will always be a subjective component
5. When judging magnitude, use numerical statements
6. Stay on task

Essential Elements of Decision Analysis



Howard, 2007

How To Make a Rational Decision

Specify the Problem

- Describe the problem
- What is the goal of the decision?
- Identify stakeholders
- Identify values of stakeholders
- Identify options

Select a Way to Analyse the Problem

- Is uncertainty the key?
- Is conflicting values between different stakeholders key?
- What kind of analysis best captures and structures the issues?

Develop a Detailed Structure for Analysis

Multi-Attribute Utility
Analysis

OPTIONS ACROSS TOP

PRIORITIZED VALUES
DOWN LEFT SIDE

	A	B	C	D
1	X		X	
2	X	X		
3		X	X	X
4			X	X

Summary

- Most of the up front work is in defining the problem and setting goal
- Ensure that you have clear idea of who is making the final decision (and why)
- Ensure all stakeholders are involved in the process
- Values and their prioritization involves discussion by all stakeholders
- From that discussion, keeping original goal in mind: select options from which to choose
- Finally, rate options on the prioritized values
- Decision Making carries no guarantee of ideal results
- Study the problem *together* to structure it in such a way that you make the best decision with the *knowledge* you have at the time under the *constraints* that exist