Week 3 – Reflection

**What have I learnt this week?**

Upon reflecting on this workshop, there were several interesting topics and discussions that were brought forward. Continuing on from the previous week’s introduction to modelling, I learnt the methods to which modelling can be used to determine how people behave. Three methods were introduced; rational, behavioural and rule-based. The rational model was based on the mere assumption that people behave in a way to optimise their goal. It was interesting to note how different people optimise certain things, such as being willing to share money they may have found or consuming goods rather than having the option to donate. This rational behaviour is typical in our day to day lives, and is utilised by many when stakes are high or there are repeated decisions.

The opposite of this model was behavioural models which work on the basis of closely relating to peoples’ actual behaviours, including any biases and heuristics they may pose. This model taught me that while rational thinking may have systematic errors, behavioural models provide an opportunity to make decisions under objective functions.

Rule models proved to be the most basic and simplistic, as they relied on only four variations’ – rules being either fixed or adaptive, and the choice being decision-based or a game.

**What do I ‘now know’ that I did not before?**

Previously I was unaware of the complexity that exists when analysing how individuals solve problems. This workshop provided step by step in depth analysis on the structure that we often take to tackle problems we encounter. The idea of applying heuristics a key component to solve an issue was a technique I wasn’t familiar with prior. Although it is central to investors and professionals the benefits of using this method was something I was unfamiliar with. The idea that heuristics are mental rules of thumb which enable us to jump past all the hard thinking, was intriguing and common examples of this were familiar with me once discussed, such as assuming that things that worked in the past will work in the future. Learning about the advantages of heuristics such as the ability to reduce mental effort needed to make decisions or simplifying complex and difficult questions all aided in arriving at a clear conclusion.

**What insights have I gained?**

A key insight obtained from this workshop was understanding when people decide to conceal or reveal information. Through signalling models, it was fascinating to learn how people have a tendency to reveal hidden attributes to others through simple means such as undergoing actions to signal our wealth, fitness or intelligence. For example, the costly signalling theory was explained using real life examples such as asking out a person sober compared to messaging them privately. This theory reinforced the issue where the meaning and significance we attach to something is felt directly to the experience being communicated. Essentially, it was insightful in knowing that costliness carries meaning, in which obtaining a certificate of completion from an online university rather than going to a renowned university will carry more value.

**What are (my/the) perceived strengths and weaknesses that I have observed?**

During this workshop, I realised a key strength of mine which was being able to think about real life situations where the signalling models could be applied. This made me realise how well I have retained the information and how clearly I have understood the content which was being explained. By thinking about these models and understanding how they affect our day to day actions, I believe having this strength to understand quickly will be useful in future workshops. The weaknesses I observed continued to be my lack of focus during the workshop, especially towards the end.

**What were the challenged I have encountered/observed and how well (did I/my team) handle them?**

Similar to last week’s workshop, my lack of focus was distorted. I was unable to focus throughout the whole workshop completely which I believe is necessary for the future as workshops may become more complex and content heavy.

**What would I do better next time and with what anticipated results?**

In future, I believe it will be useful to make short notes during the workshop after each section is covered. This will ensure that I am occupying myself with appropriate learning, rather than becoming distracted and doing unrelated things. I could also try and form weekly discussions with my assignment group to go through the content of each weeks workshop.

**What theory proved to be useful and why? What have I learnt from this?**

The process on how people solve problems in a group proved to be useful when applying them to real life situations. While group work is common throughout university and jobs, the elements of perspective, heuristics, team diversity and recombination were highlighted as significant aspects in order to achieve ultimate innovation. The diversity of a team enables the creation of more perspectives, where the Savant Existence Theorem held an interesting take. This theory outlined that for any problem, there exist many perspectives that create Mount Fuji landscapes. By obtaining numerous perspectives it aids in arranging each perspective from best to worst, narrowing it down to a few top options. This theory could be applied in real life where the perspectives can pose as peaks within a mountain, however in order to obtain a mount Fuji like peak it is necessary to lay out all the perspectives and select those with the greatest value.