

# Overall

- Decision Making and ways to make it better

A fundamental aspect of our lives across diverse domains but with a focus on practical use-based approach.

- While we will cover some foundational ideas, the course would discuss how to make (better) decisions in a work-book based way with hands-on dialogue that enables one to think, learn, and use in one's own lives.
- Such an exposure would underscore the multitude of ways in which decision making is part of our lives as individuals, within organisations, and in society-at-large.

# A decision

- Some more clarity

A decision is a response to a situation in which

- (a) there is more than one possible course of action;
- (b) the decision-maker can form expectations about the outcomes following each possible course of action; and
- (c) each outcome has an associated consequence that can be evaluated.

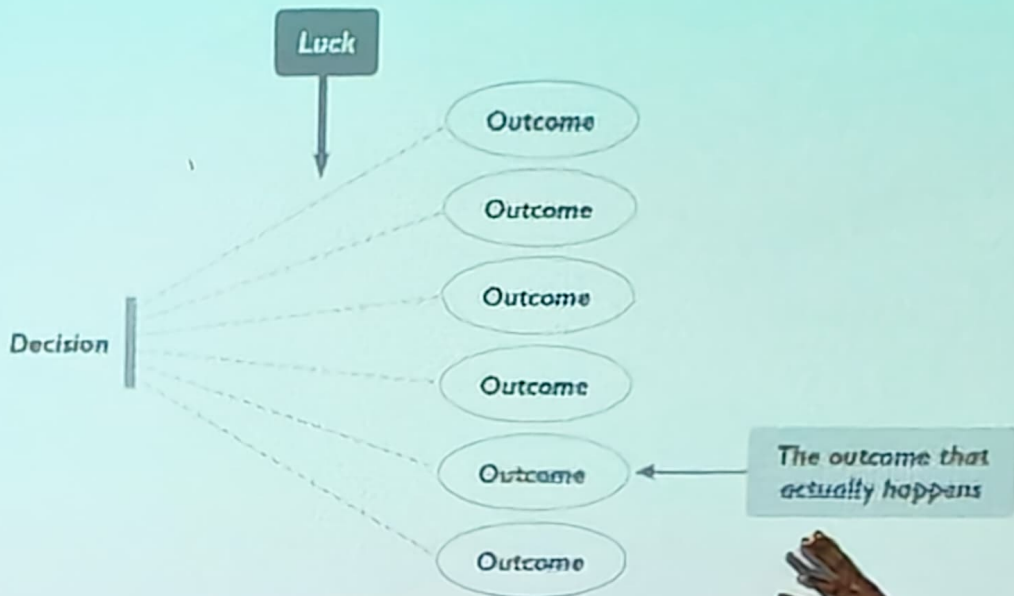
(Hammond, pp. 25-26)

# Overall ~ till mid-term: PAST

- Thinking about decisions guided by our past experiences
  - Thinking about good vs bad outcomes of prior decisions
    - mixup with decision quality
  - How could things have turned out?
  - Experience-based decisions

✓ • **Outcome Bias**

✓ • **Hindsight bias**







		<u>Outcome Quality</u>	
		Good	Bad
<u>Decision Quality</u>	Good	EARNED REWARD	BAD LUCK
	Bad	DUMB LUCK	JUST DESERTS

OUTCOME BIAS

★ This is for outcome bias to see how much it is clouding the judgement of the decision

## RESULTING CHECKLIST

- ☒ How much is the outcome clouding your judgment (or someone's judgment you've observed) about the quality of the decision?
- ☒ Even if bad decisions preceded a bad outcome, can you identify some good decisions made along the way? Can you identify some ways in which the process of coming to the decision was good?
- ☒ Even if good decisions preceded a good outcome, can you identify some ways the decision could have been better? Can you identify some ways in which the process of coming to the decision could be improved?
- ☐ What are the factors outside the control of the decision-maker (who might be you), including the actions of other people?
- ☐ What are the other ways things could have turned out?

## Hindsight

Think of a ***Knew It All Along*** example, a time when you said to someone or to yourself something like, "I knew that would turn out that way!" Or a time when someone said that to you.

### KNOWLEDGE TRACKER

<u>Stuff you knew before the decision</u>	<u>Decision</u>	<u>Outcome</u>	<u>Stuff you know after the outcome</u>
1.	→	→	1.
2.			2.
3.			3.

A This is for hindsight bias, if you're using the information you knew after the outcome then it is hindsight bias.

Address the bias.

☒ (1) Was there any information that was revealed after the fact?

☒ (2) Was that information *reasonably* knowable at the time of the decision? If you have a journal record of what you knew at the time of the decision, refer back to it.

☒ (3) Was the conclusion about the predictability of the result based on information that was unknowable at the time of the decision?

☐ (4) After addressing the first three questions, reassess how predictable the outcome was.



## THE DECISION MULTIVERSE CHECKLIST

When evaluating whether the outcome provides a lesson about decision quality, create a simplified decision tree, starting with the following:

- ☐ Identify the decision.
- ☐ Identify the actual outcome.
- ☒ Along with the actual outcome, create a tree with other reasonable outcomes that were possible at the time of the decision.
- ☐ Explore the other possible outcomes to understand better what is to be learned from the actual outcome you got.

# Overall – till mid-term: PRESENT, for self

- Making new decisions which are of good quality for high impact aspects
  - Preferences, Payoffs and steps to better decisions
  - Precision and imprecision and why it matters
  - Probabilistic thinking
  -
- Two key aspects:
  - Values and Outcomes
  - Risks & Uncertainty

↳ Probability

# Thinking about the present and future decisions:

The Three Ps: Preferences, Payoffs, and Probabilities

*Preferences: Step 1: List out the preference list*

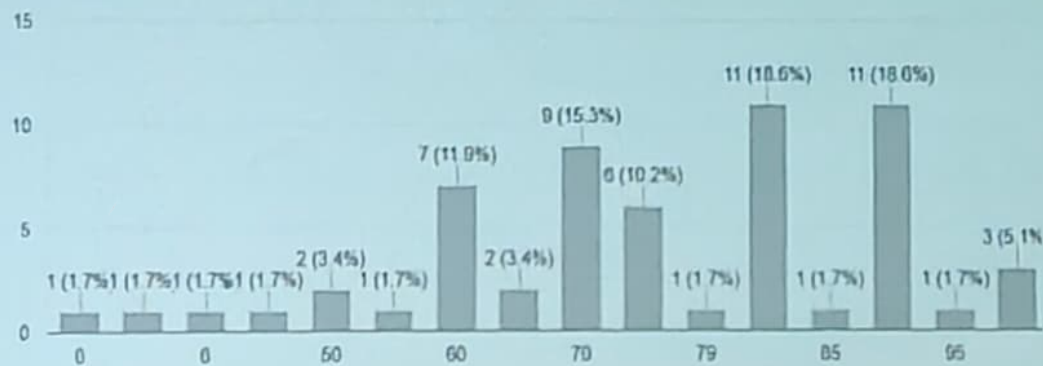
*Payoffs: Step 2—Identify your preference using the payoff for each outcome—to what degree do you like or dislike each outcome, given your values?*

*Probabilities: Step 3: Find (linguistically) the likelihood of each payoff from each outcome*

# Frequently

 Copy chart

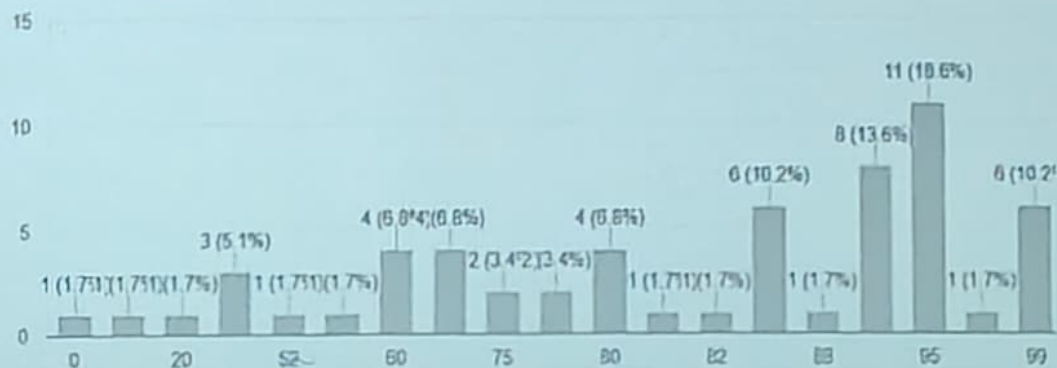
59 responses



# Almost certainly

 Copy chart

59 responses





## THE THREE PS CHECKLIST

When evaluating a past decision or making a new decision, refer to the Six Steps to Better Decision-Making:

- ☒ Step 1—Identify the reasonable set of possible outcomes. These outcomes can be general scenarios or be focused on particular aspects of the outcomes that you especially care about.
- ☒ Step 2—Identify your preference for each outcome—to what degree do you like or dislike each outcome, given your values? These preferences will be driven by the payoffs associated with each outcome. Gains comprise the upside and losses comprise the downside. Include this information in your decision trees.
- ☒ Step 3—Estimate the likelihood of each outcome unfolding. As a start, use common terms that express probabilities. Don't be afraid to guess.
- ☒ Step 4—Assess the relative likelihood of outcomes you like and dislike for the option under consideration.
- ☒ Step 5—Repeat Steps 1–4 for other options under consideration.
- ☒ Step 6—Compare the options to one another.

Overall – till mid-term: PRESENT,  
with others

Being aware of Social influences (on others and by others)

- Decision making in teams - group settings and things to look out for

★ When you're in a team what are the things you should be taking care of so that the decision making is good (avoiding group think)

# Types of decision making

- ✓ Strategic : Decisions that have a significant or long-term impact on the organization. Be transparent about bigger-picture decisions - shows your team they have a say in the company's future.
- ✓ Tactical: immediate steps needed to achieve long-term goals, like hiring a new team member. Inevitable input required.
- ✓ Operational: Decisions that involve the team's high-volume, daily operational tasks. Team involvement is crucial because it encourages valuable ideas and possible solutions to make systems or processes run smoothly.

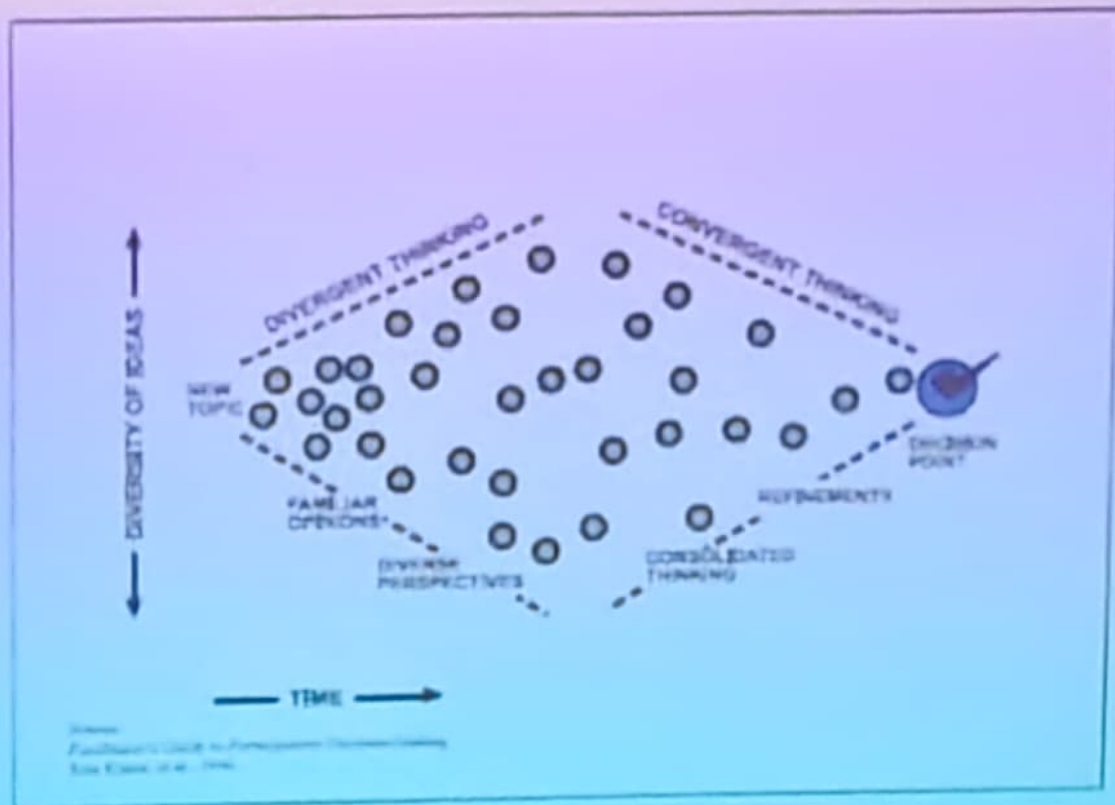


## Team Decision Making

- Team decision-making refers to the collaborative process by which critical team members utilize data and specified programs to address student needs, ensuring that interventions and support are appropriately matched to different tiers within a framework.
- A decision-making model describes the method a team will use to make decisions.
- The most important factor in successful decision-making is that every team member is clear about how a particular decision will be made.
  - Who will be making the decision?
  - How will team members be involved?
- Knowing these things allows team members to be fully informed participants in discussions - "Will we be giving input to the team leader so he can make the decision?" or "Will we need to discuss this topic and come to agreement during this meeting?"



# Collaborative decision making



<https://www.pmi.org/learning/library/collaborative-decision-making-group-7667>

# ✓ Things to watch out

- Defective group decision process

- (1) failure to create contingency plans,
- (2) lack of information search,
- (3) biased assessment of costs and benefits, and
- (4) incomplete consideration of all decision options

→ भविष्य Future में खराब  
Situation हो गई तो  
क्या करोगे

(Baron, 2005)

→ unanimity  
(complete agreement among  
the group)

Group deliberation is often a result of GroupThink : a  
phenomenon that occurs when members of a group prioritize  
unanimity over a realistic appraisal of the situation at hand.

# How to Prevent Groupthink: Strategies for Teams

Proven strategies to encourage independent thinking and prevent harmful consensus:

- 1 Promote psychological safety - Create an environment where team members feel safe to voice concerns without fear of judgment
- 2 Appoint a devil's advocate - Designate someone to challenge ideas and present alternative viewpoints
- 3 Encourage independent research - Have team members develop ideas before group discussions to prevent immediate conformity
- 4 Seek external perspectives - Invite outside experts or stakeholders to provide fresh insights
- 5 Use structured decision-making - Implement frameworks like Six Thinking Hats or brainwriting exercises



"Everyone in favor raise your hand!"

Diverse teams naturally resist groupthink through varied perspectives

	$w(a_1)$	$w(a_2)$	$w(a_3)$
$O_1 \times P_1$			
$O_2 \times P_2$			
$O_3 \times P_3$			

$\Sigma$

Heuristics vs

Deliberate



Heuristic means taking decisions very immediately (maybe considering just one aspect) and ignoring most of the other things which could've been considered.

e.g.: Just considering the Pay of a Job as a factor to consider for the decision making.