

Aligning Decisions with our Values

A preamble to Decision Analysis

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Fellow Value Seeker

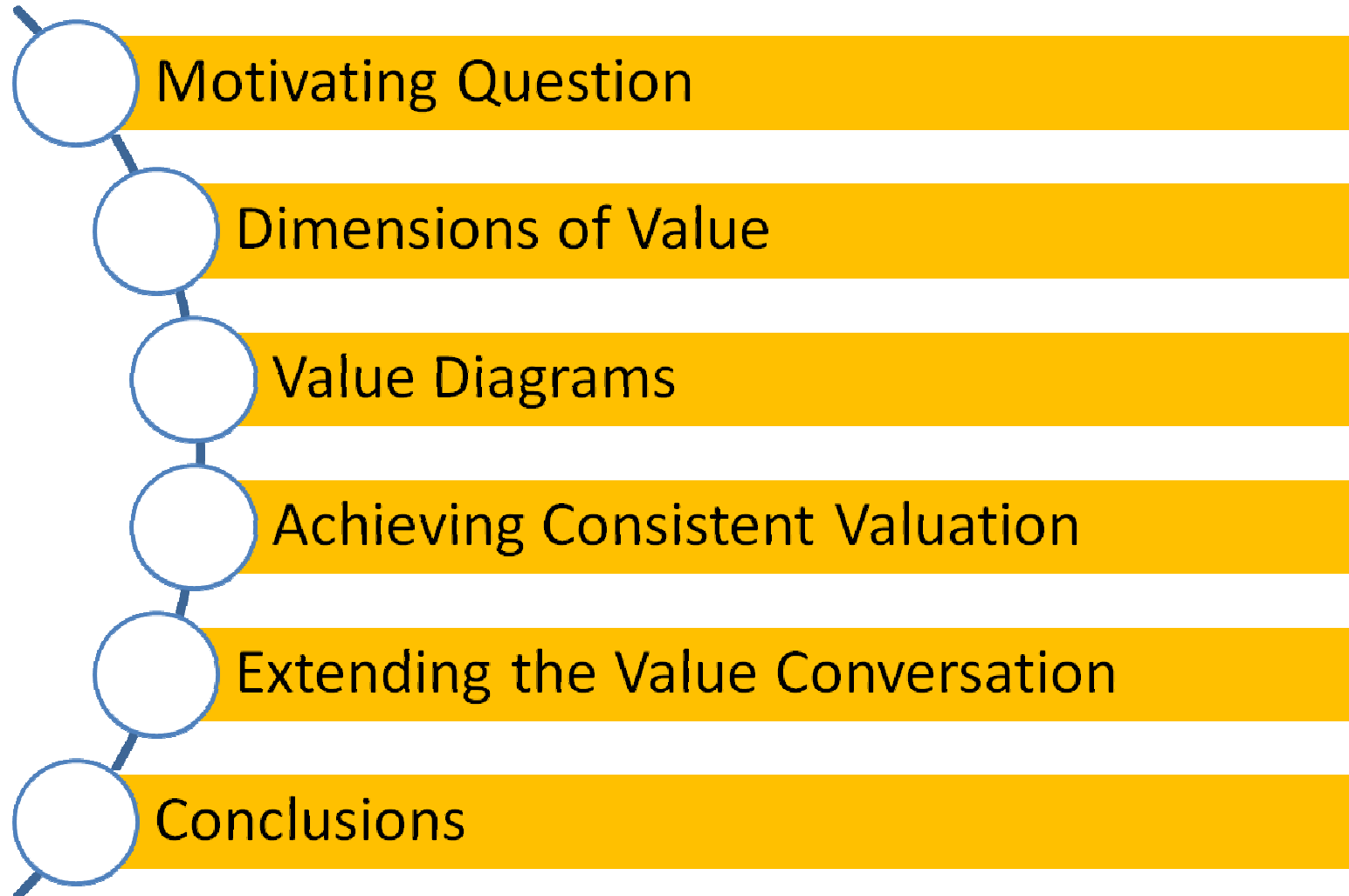
somik@valuefound.org

<http://valuefound.org>

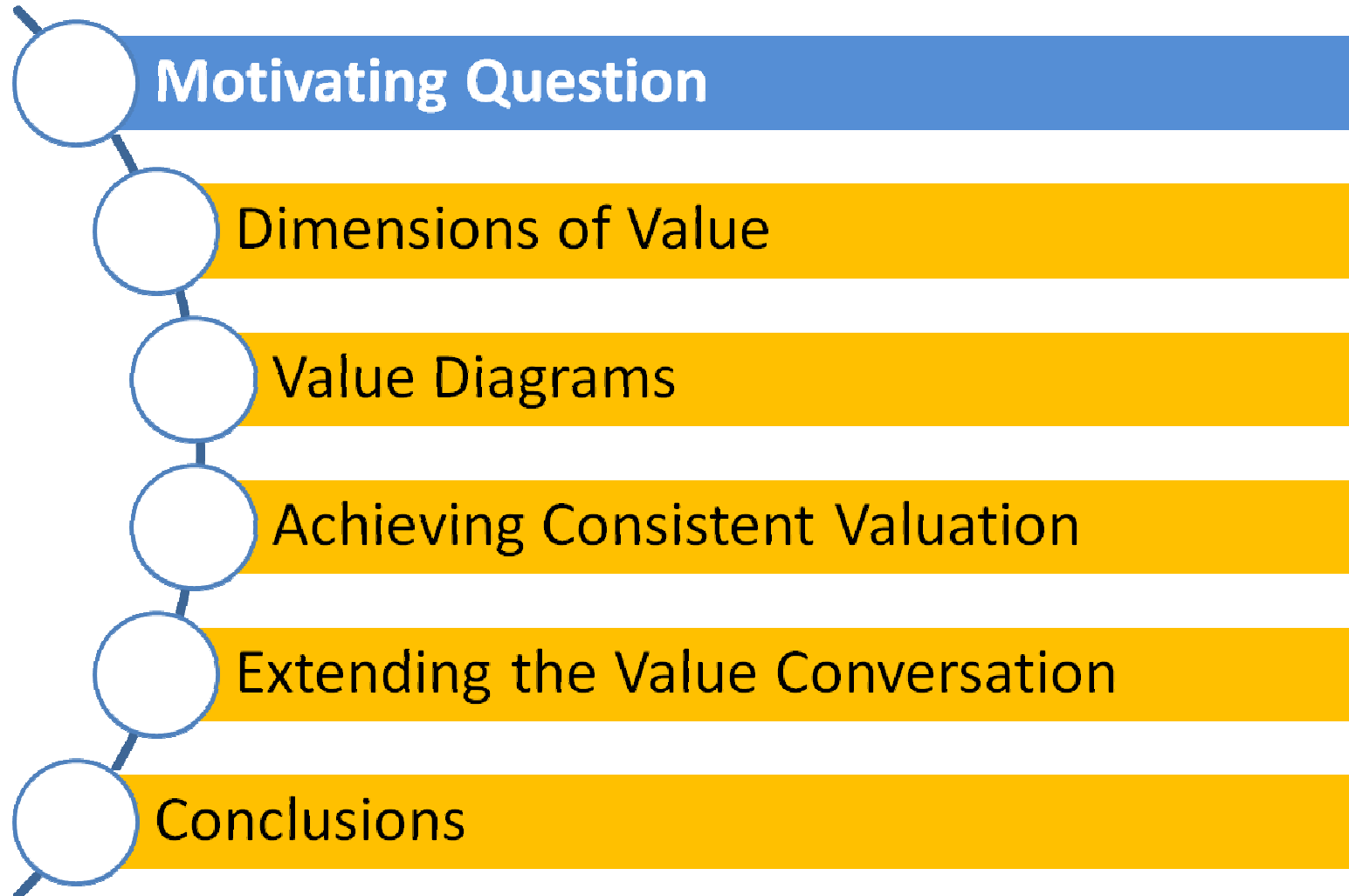


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AGENDA



AGENDA

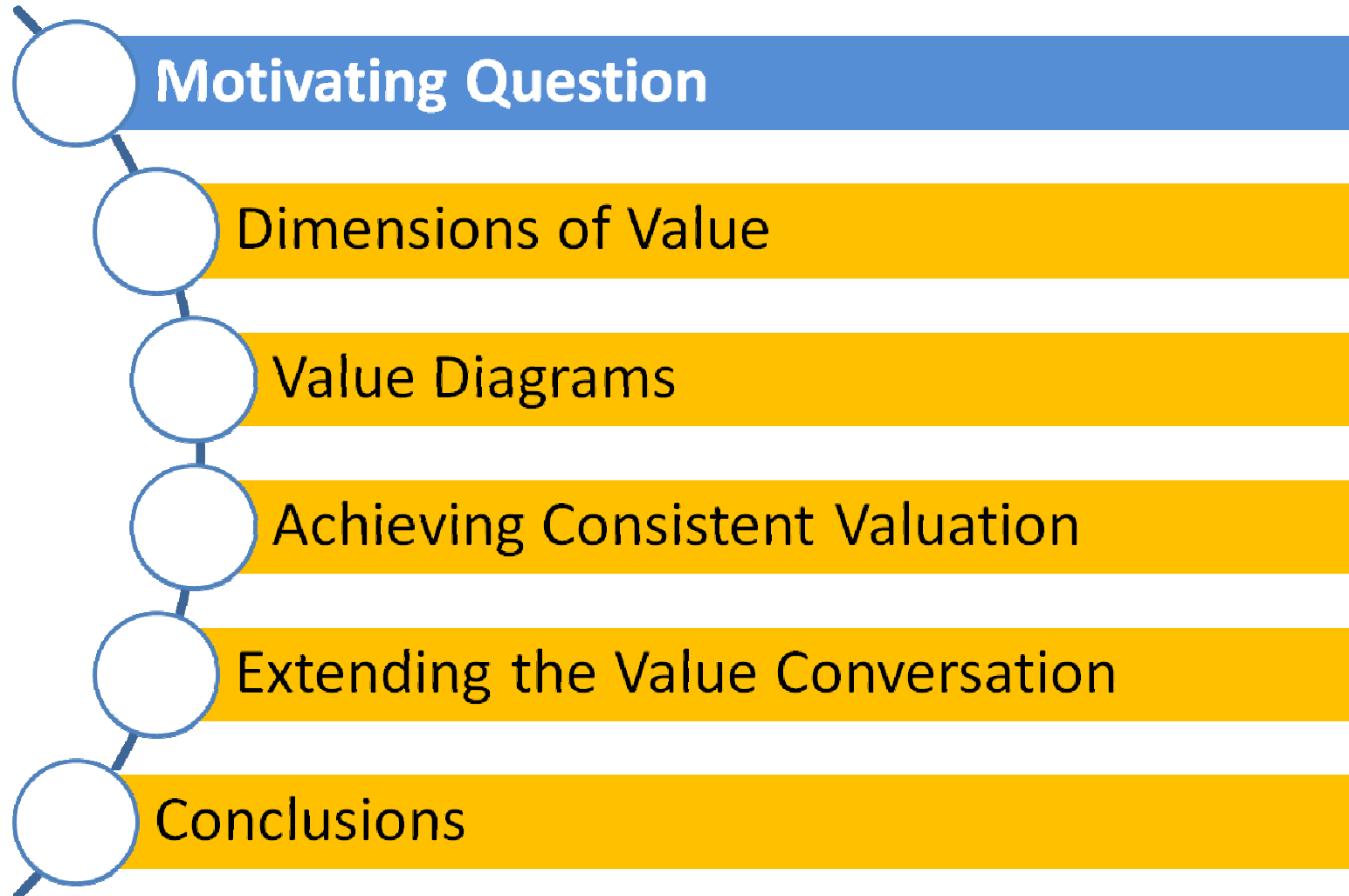


Motivating Question

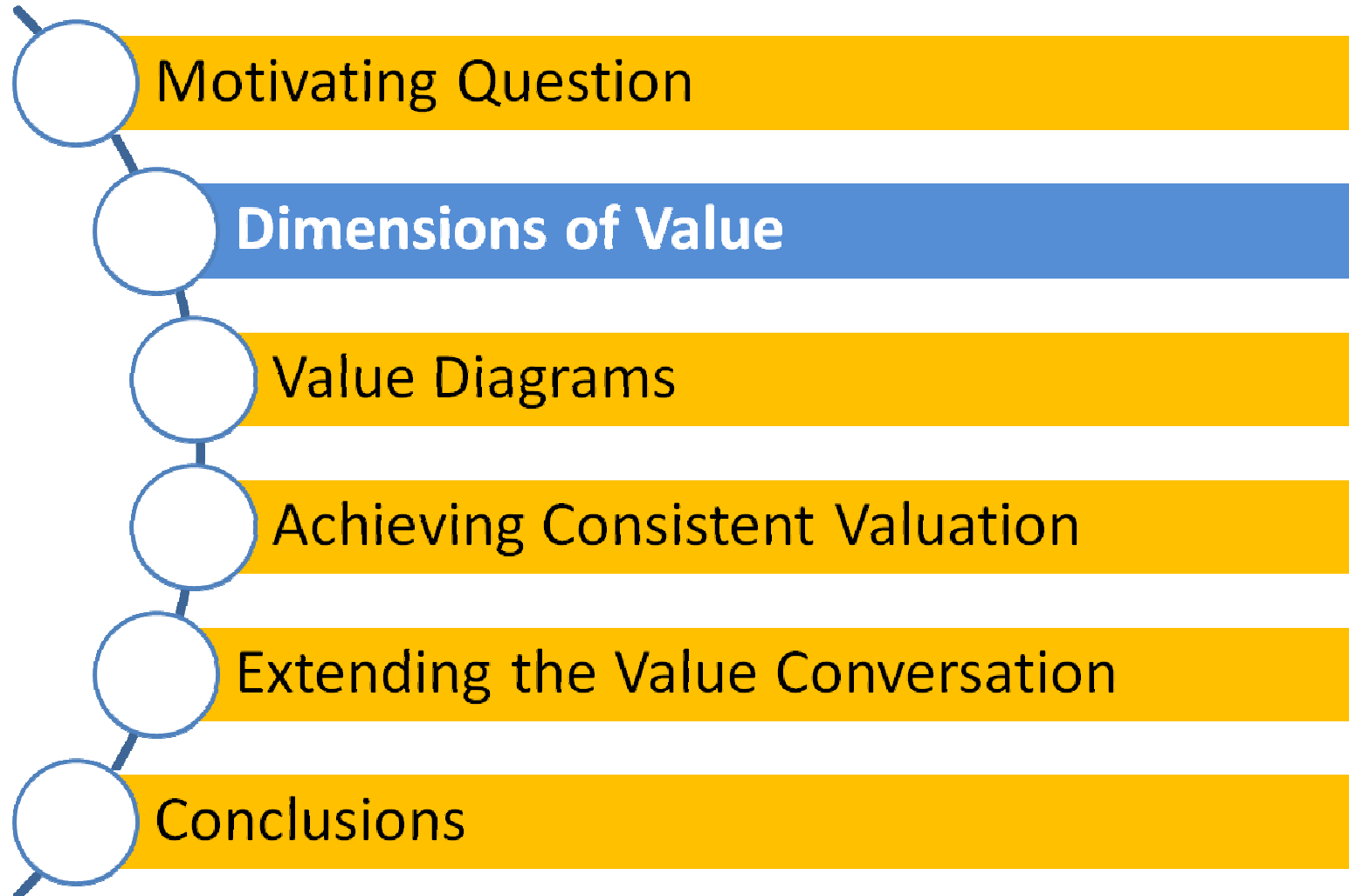
How can we make sure that our decisions are consistent with our core values?

Achieving Clarity on Value is a
necessary first step

AGENDA



AGENDA



Dimensions of Value

INTRINSIC

Valuable in-and-of itself

PRUDENTIAL

Instrumental, means-to-an-end

SYSTEMIC

Concepts, constructs, rules, laws, ideologies

Dimensions of Value

INTRINSIC

Relates to
Deeply affects who we are

PRUDENTIAL

Relates to
Is good for us because...

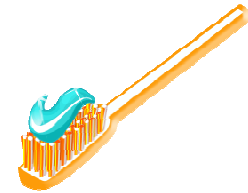
SYSTEMIC

Relates to
Systematized thought for manageability

IDENTITY

PRUDENCE

SYSTEMS



Brushing teeth
is prudential



Brushing in
morning and
night is a
system

Valuing Life of Soldier Killed in Afghanistan

*Commanding Officer of
deceased soldier*

**Lost a friend/ colleague
who cannot be replaced**

INTRINSIC

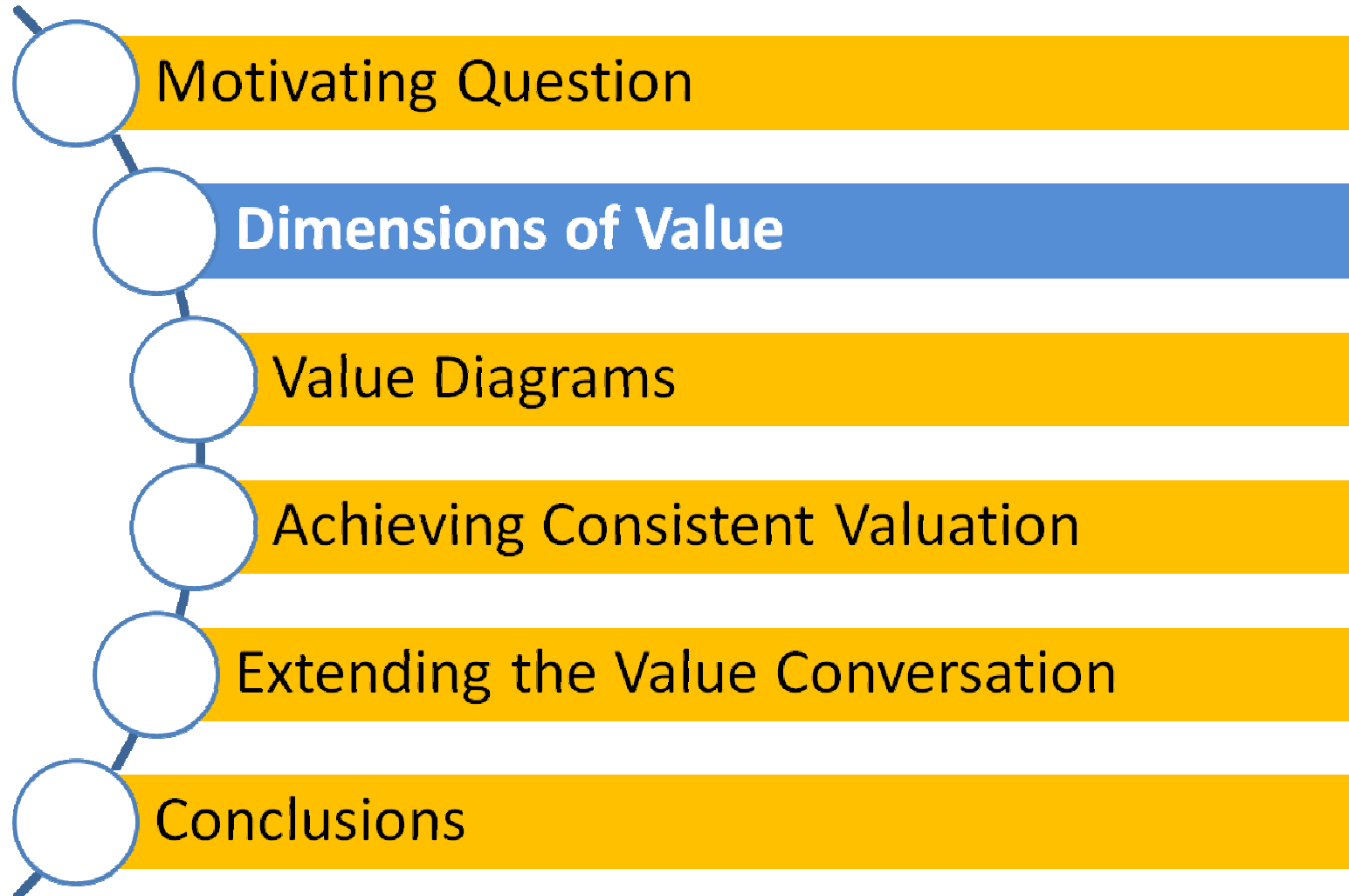
**Deal with bad press,
morale, inform family,
send replacement,
recruit more troops**

PRUDENCE

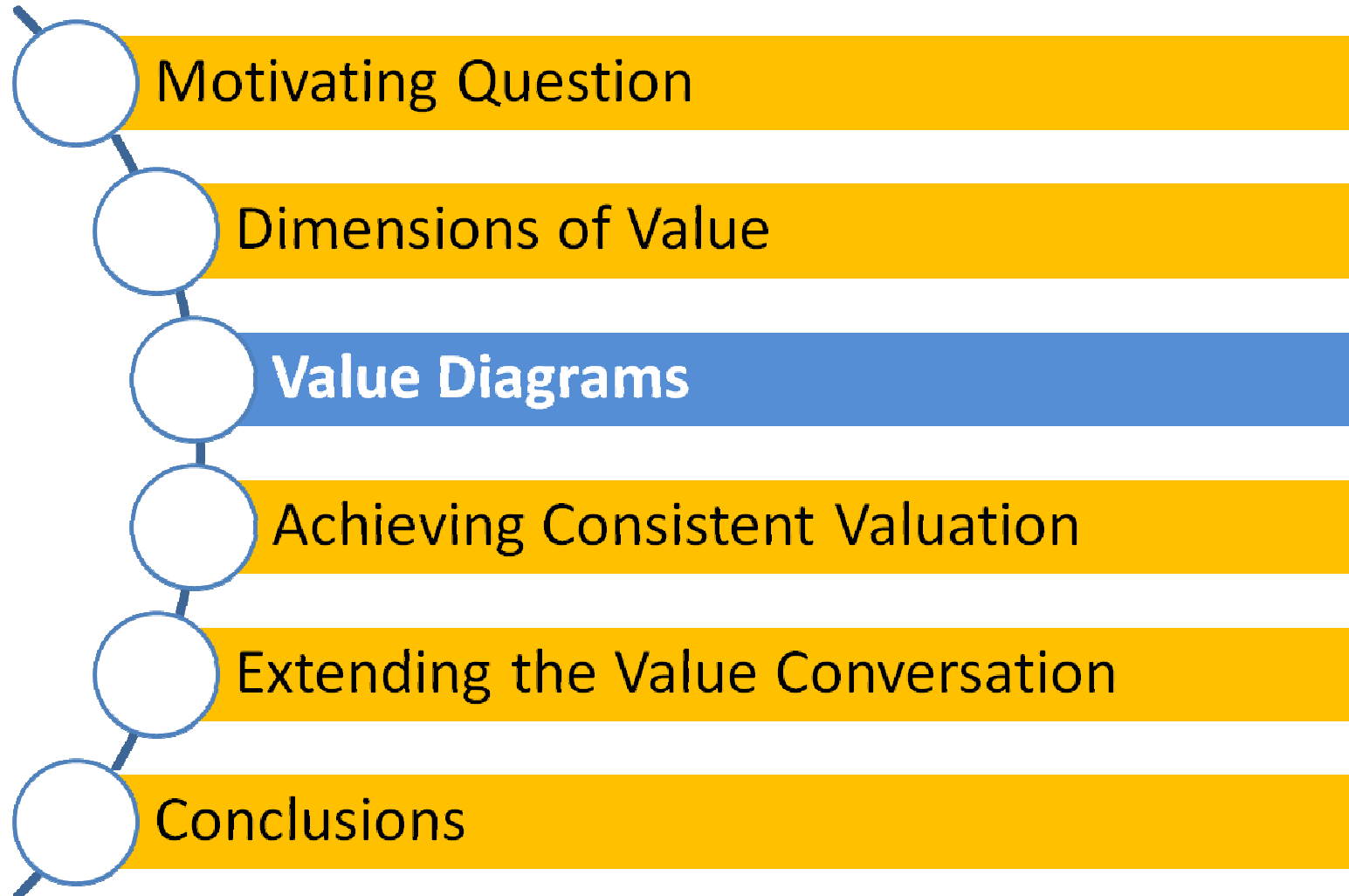
**Statistic of troop deaths
goes up by 1**

SYSTEMS

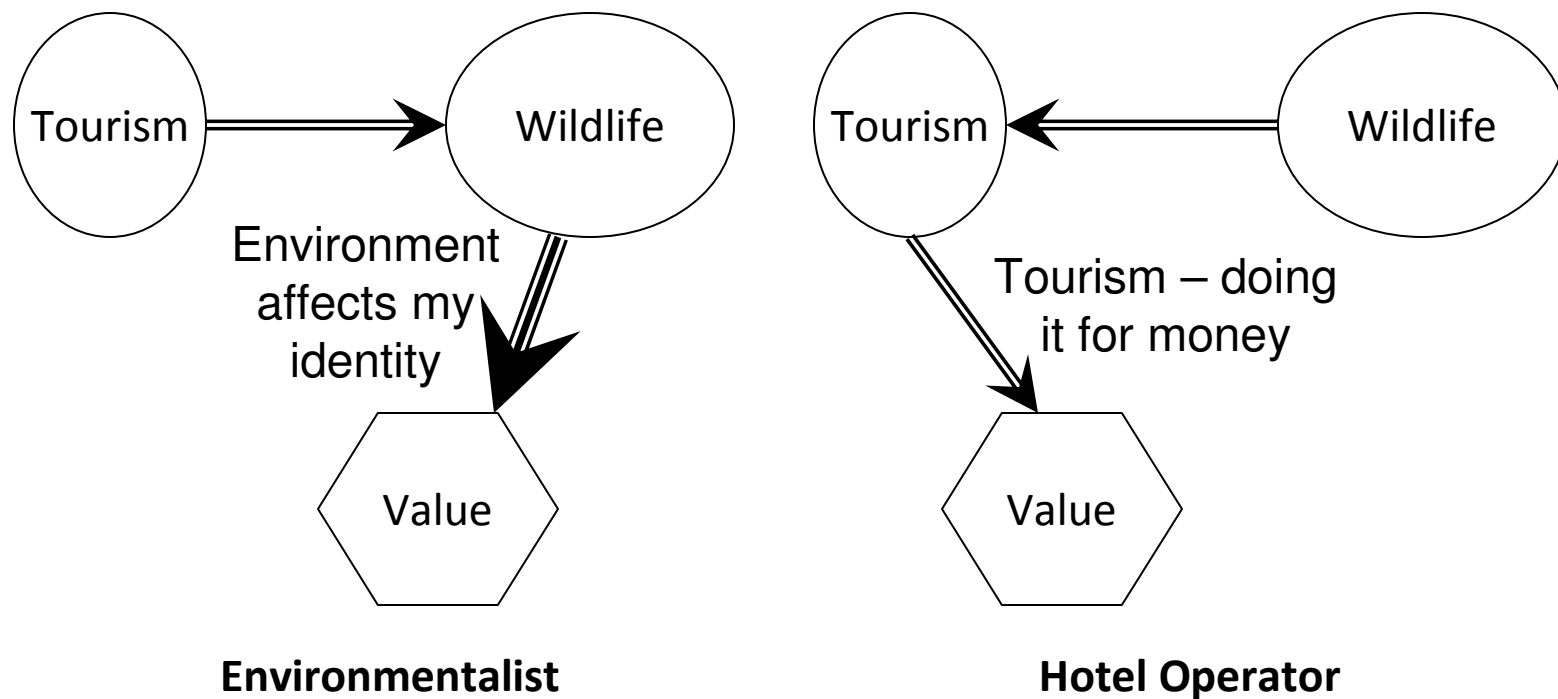
AGENDA



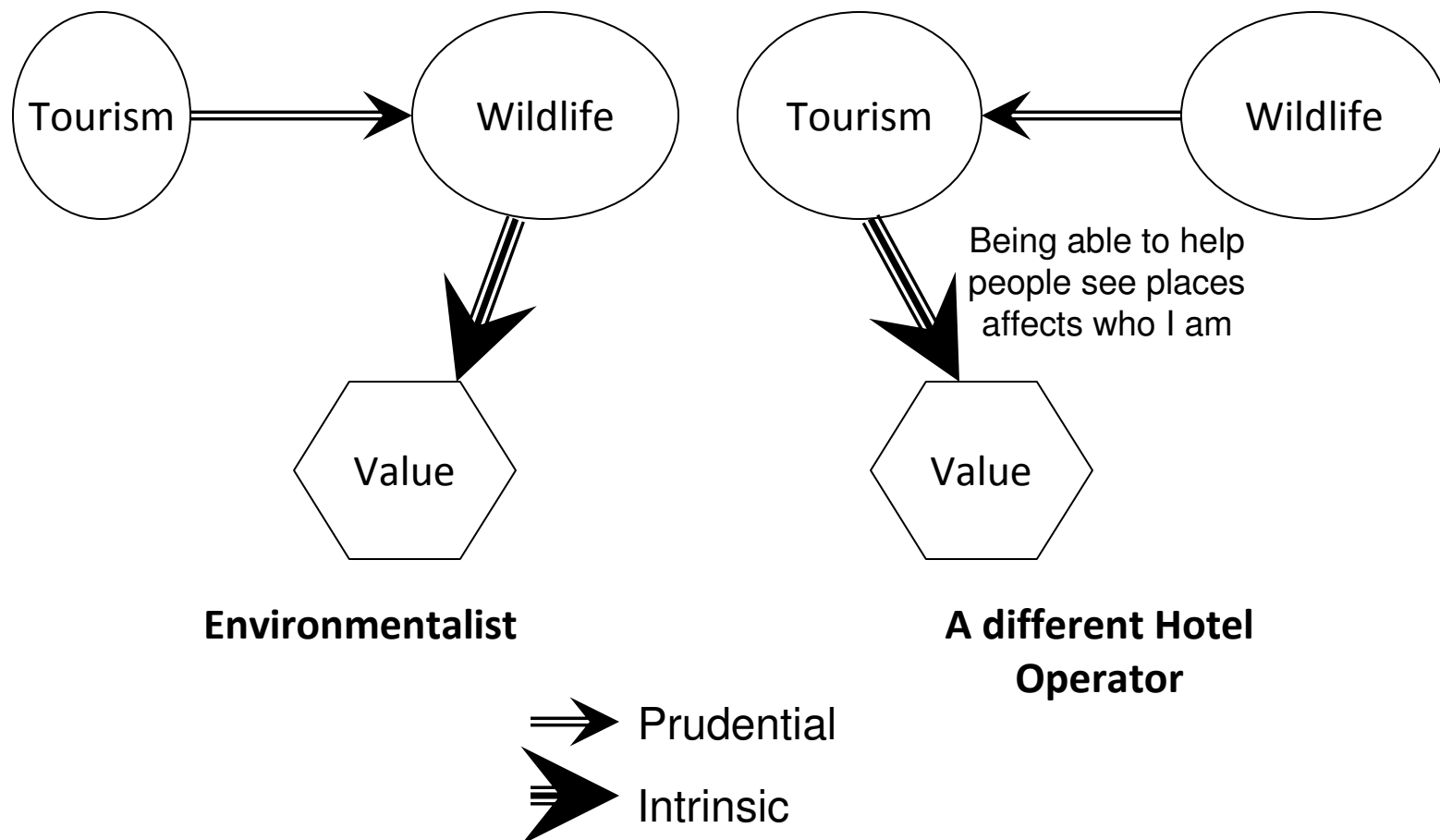
AGENDA



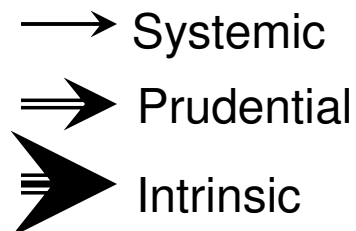
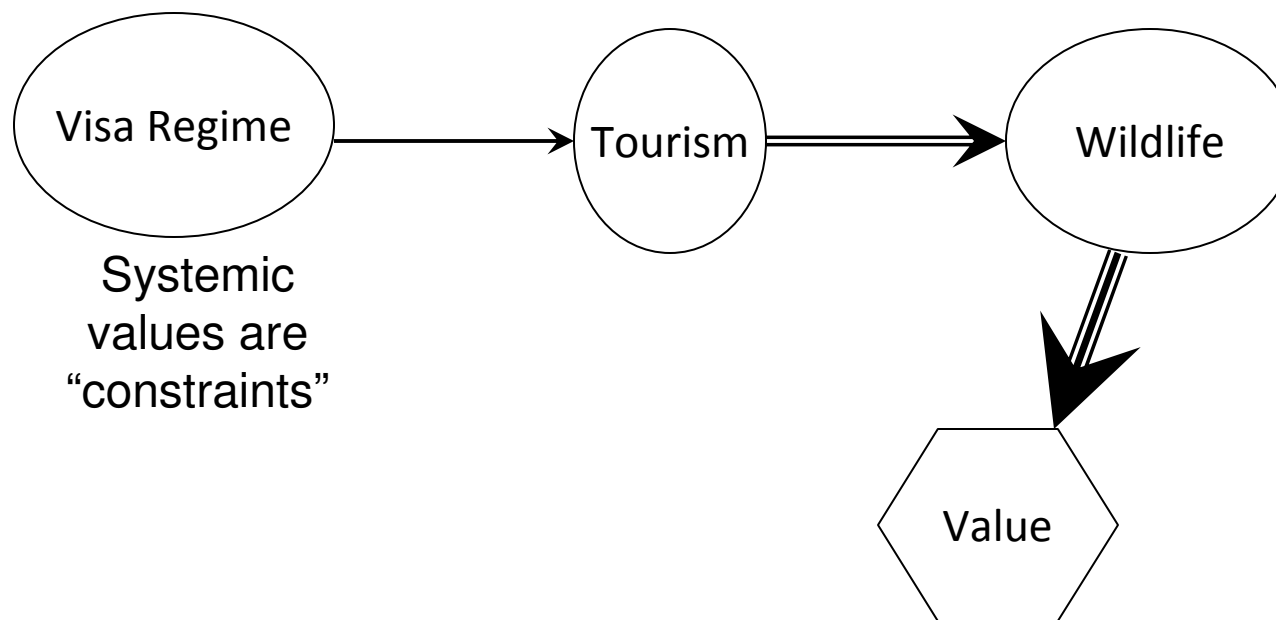
Value Diagrams



Value Diagrams



Constrained Value Diagrams



Other common constraints:
"budget," "FDA Approval"

Canonical Value Diagrams

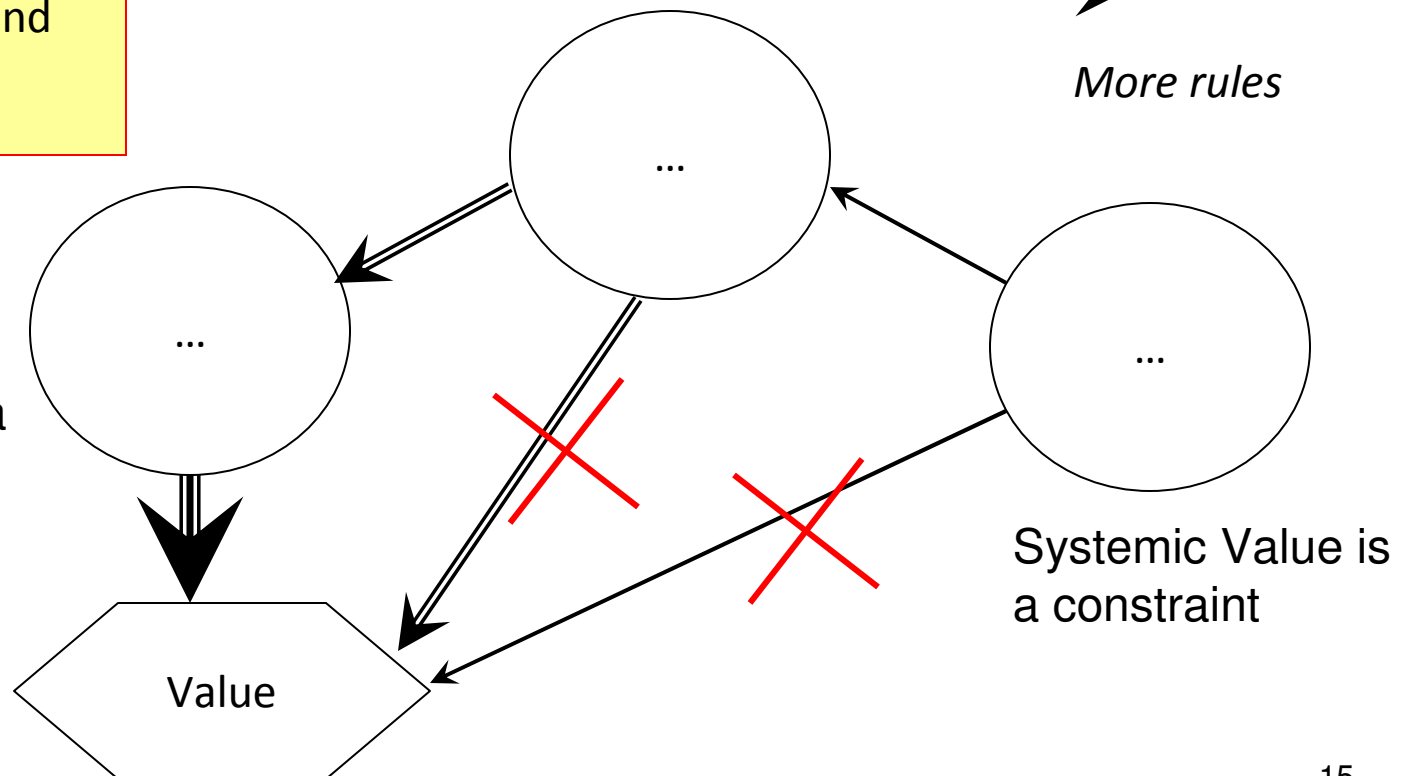
Intent: Force discovery of underlying values behind Prudential and Systemic values.

Prudential Value is an assertion

→ Systemic
⇒ Prudential
≡ Intrinsic

More rules

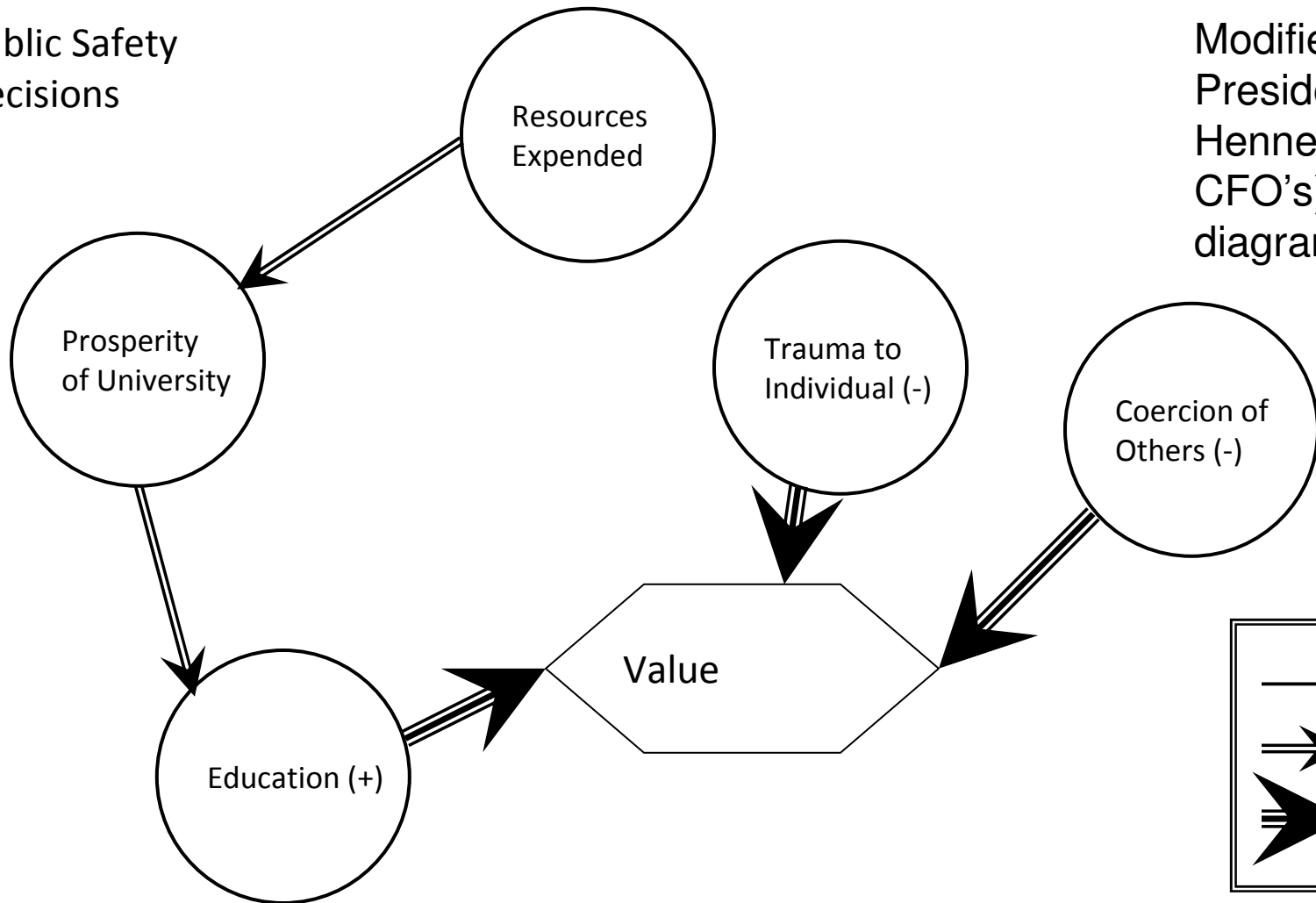
Intrinsic Value is a declaration. No proof needed.
(you can't answer why)



Systemic Value is a constraint

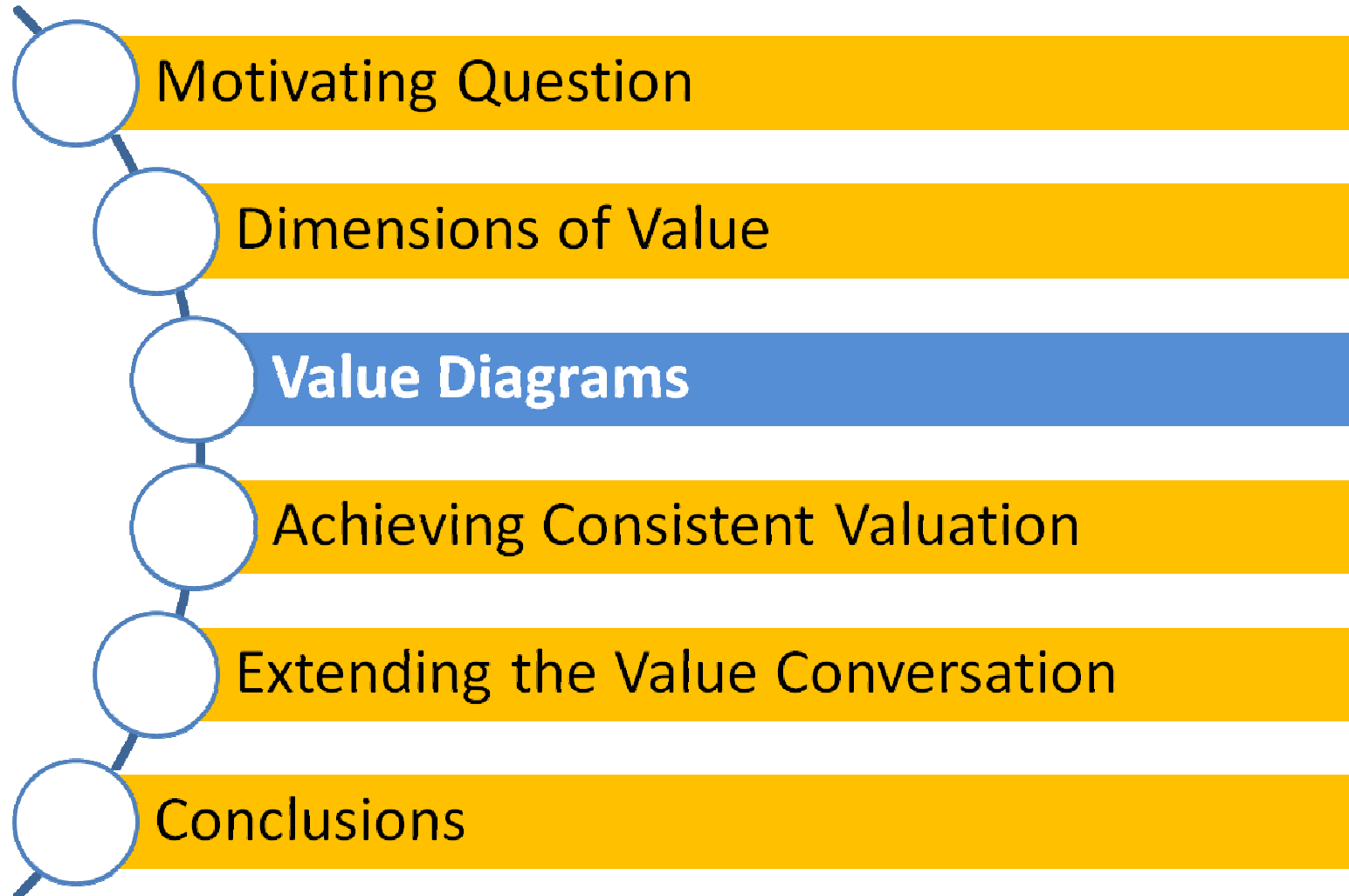
Value Diagram of President

Public Safety
Decisions

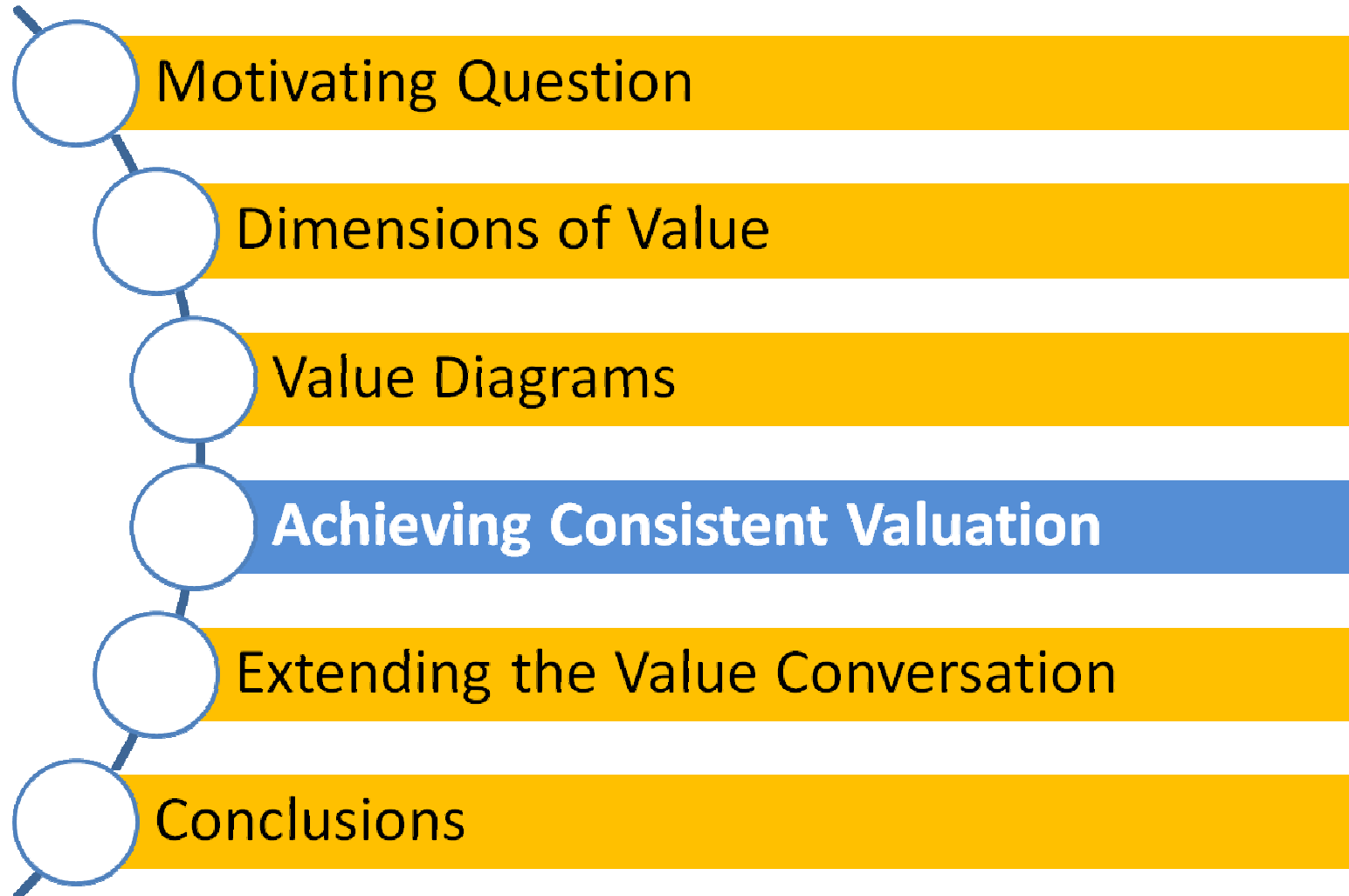


Modified from
President
Hennessy's (and
CFO's) value
diagram

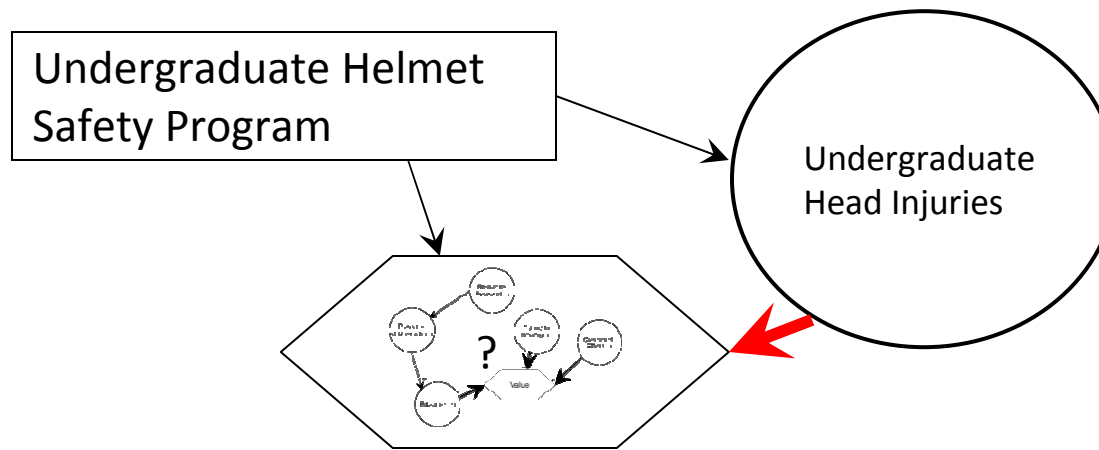
AGENDA



AGENDA

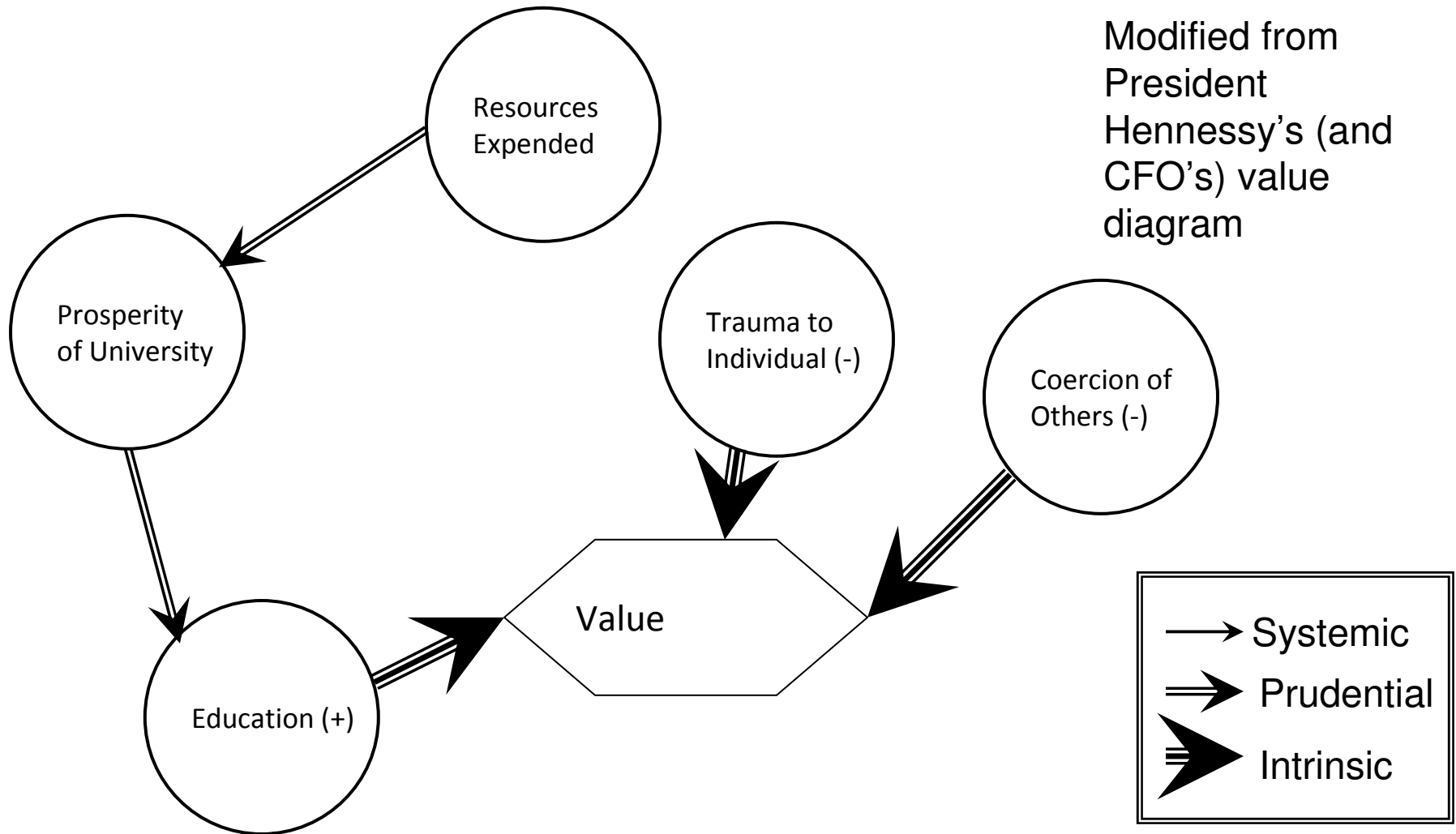


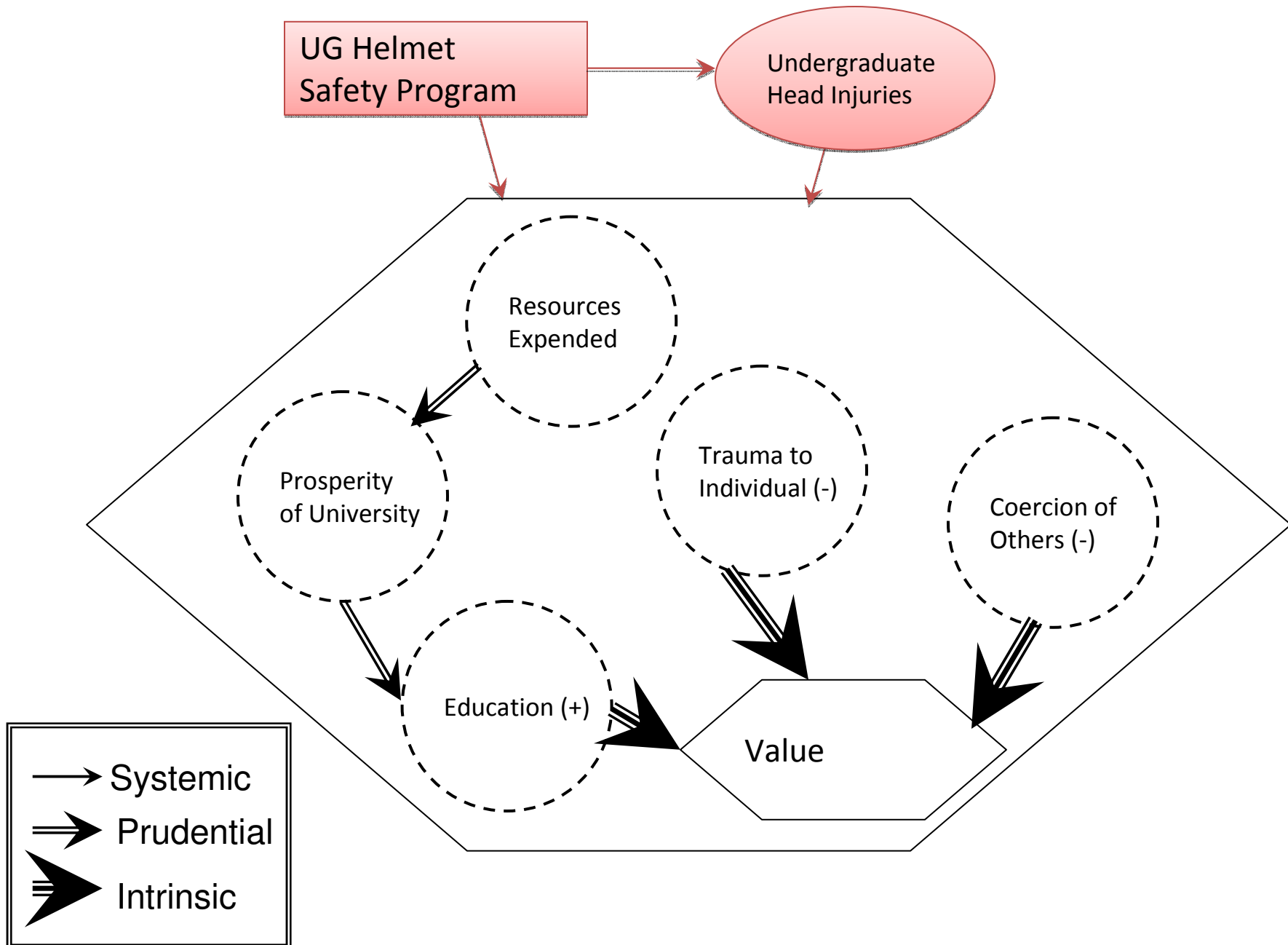
Achieving Consistent Valuation

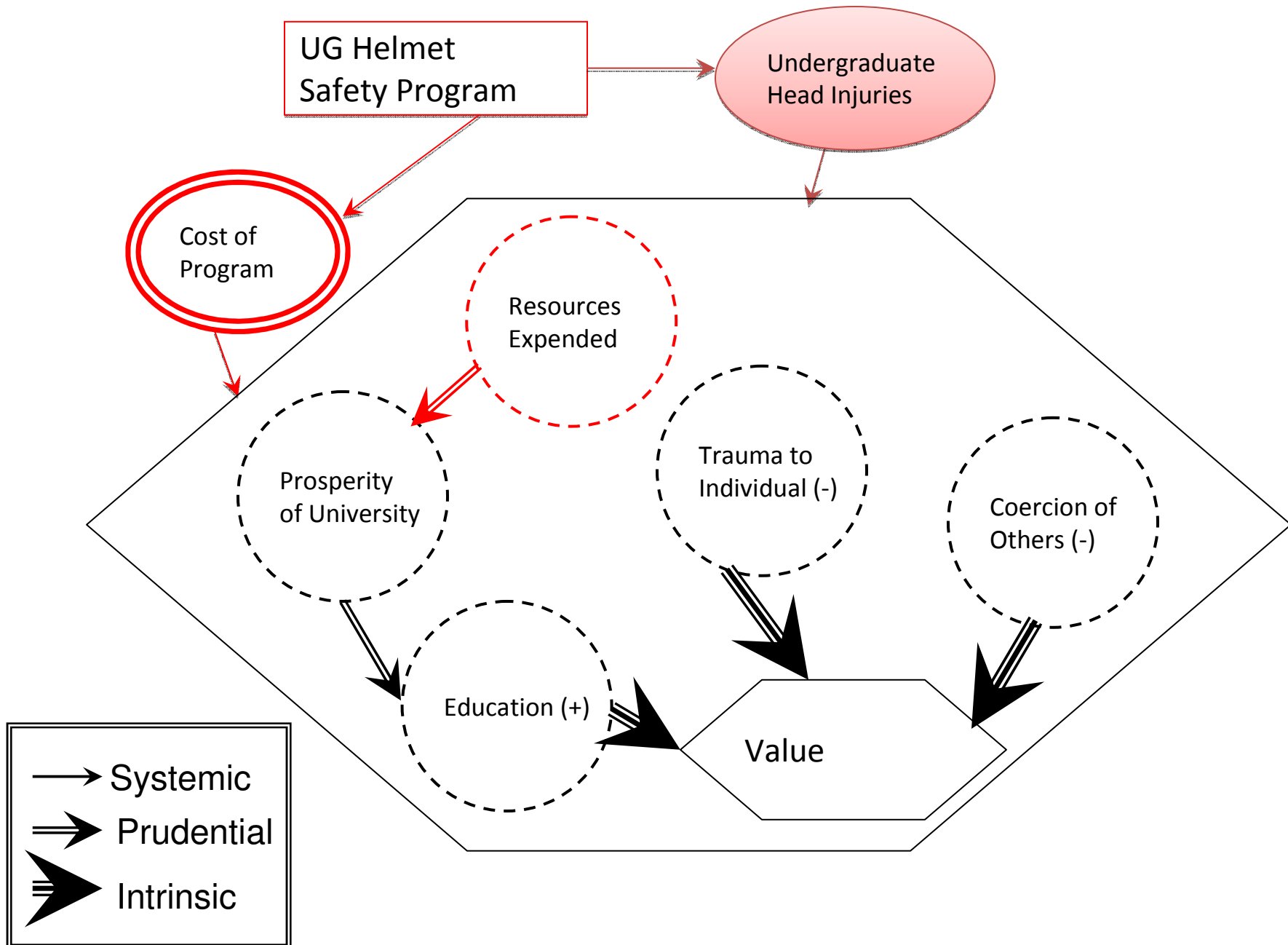


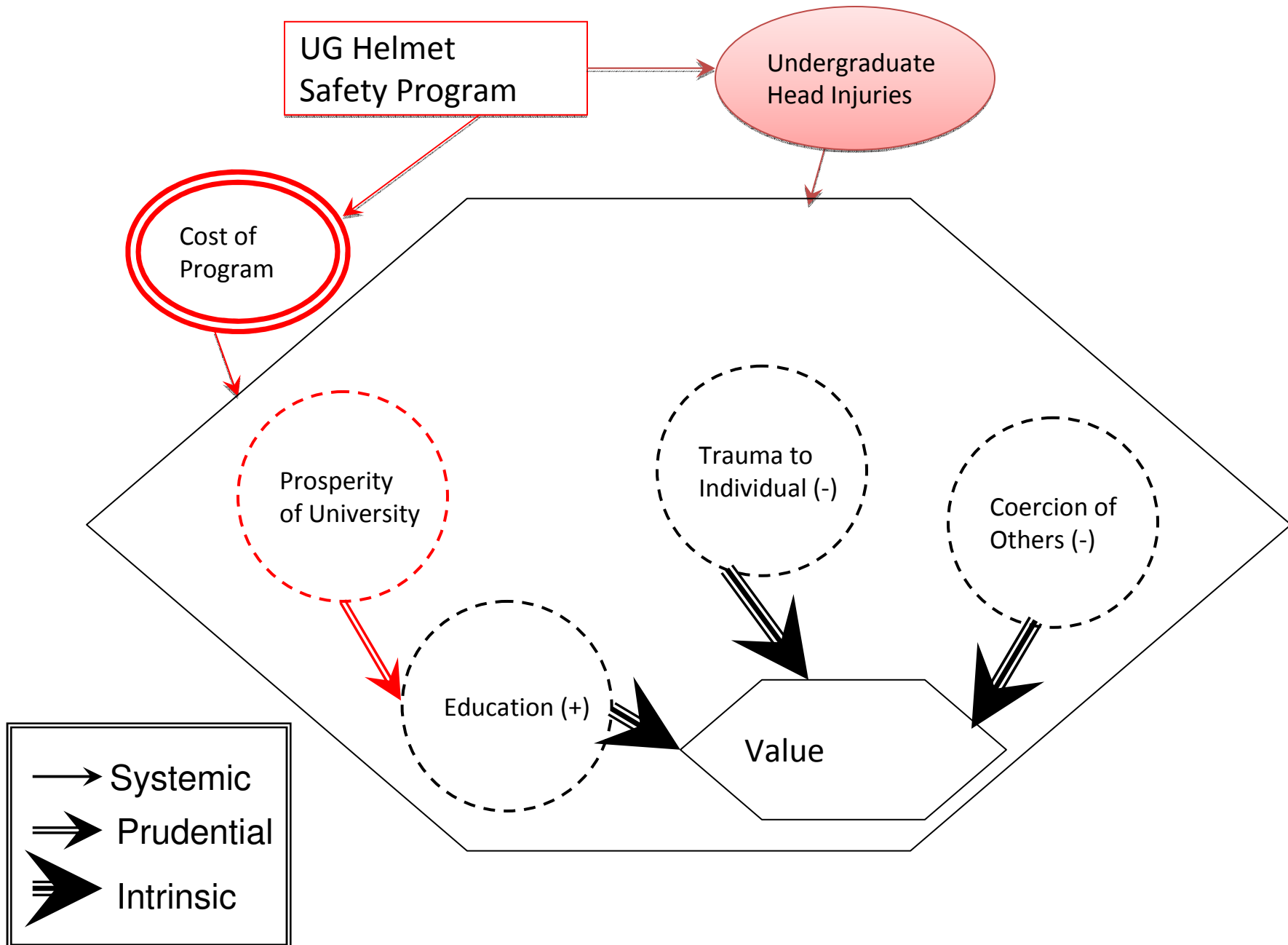
How might we draw a decision diagram to be consistent with our value diagram?

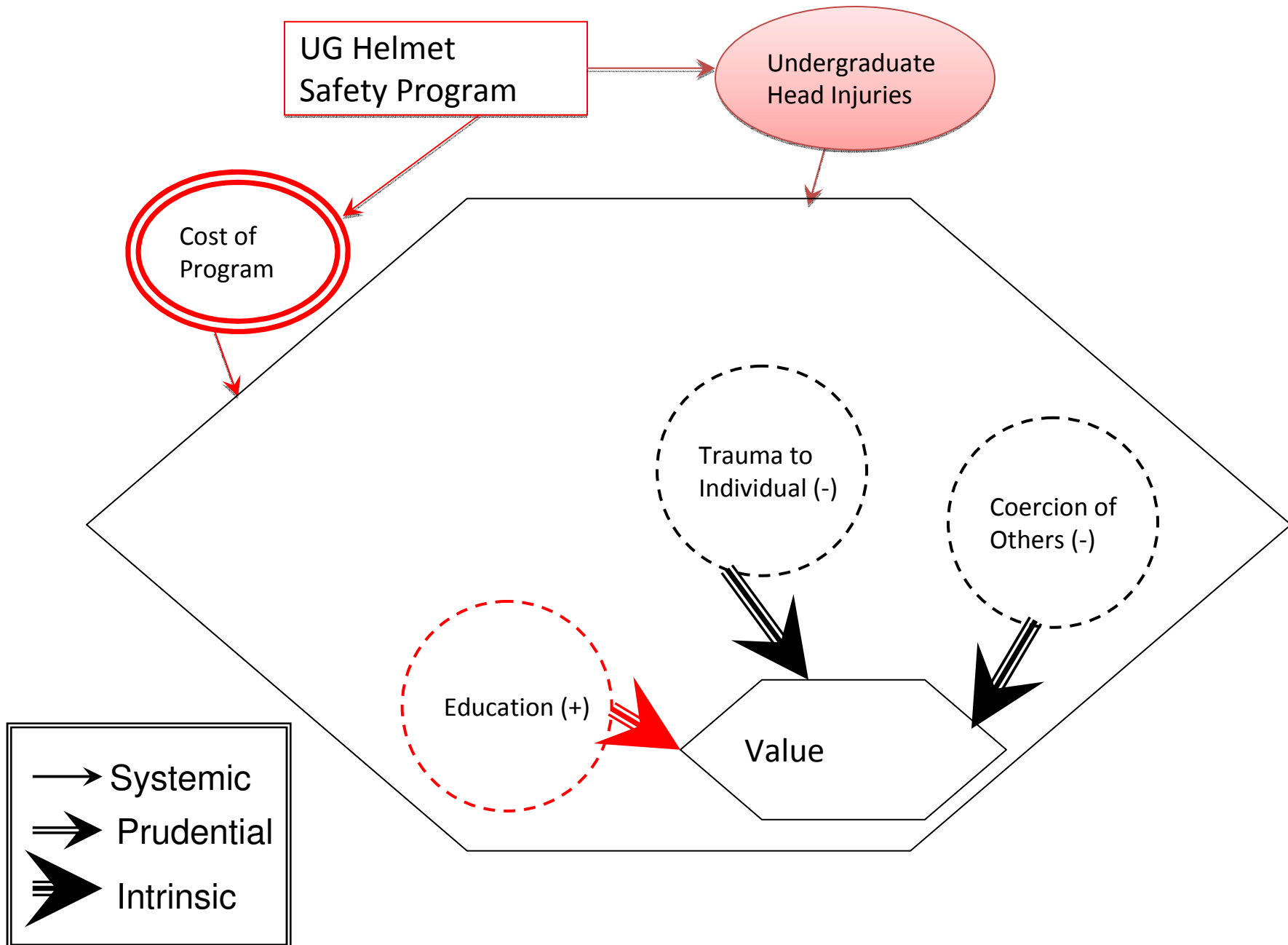
Value Diagram of President

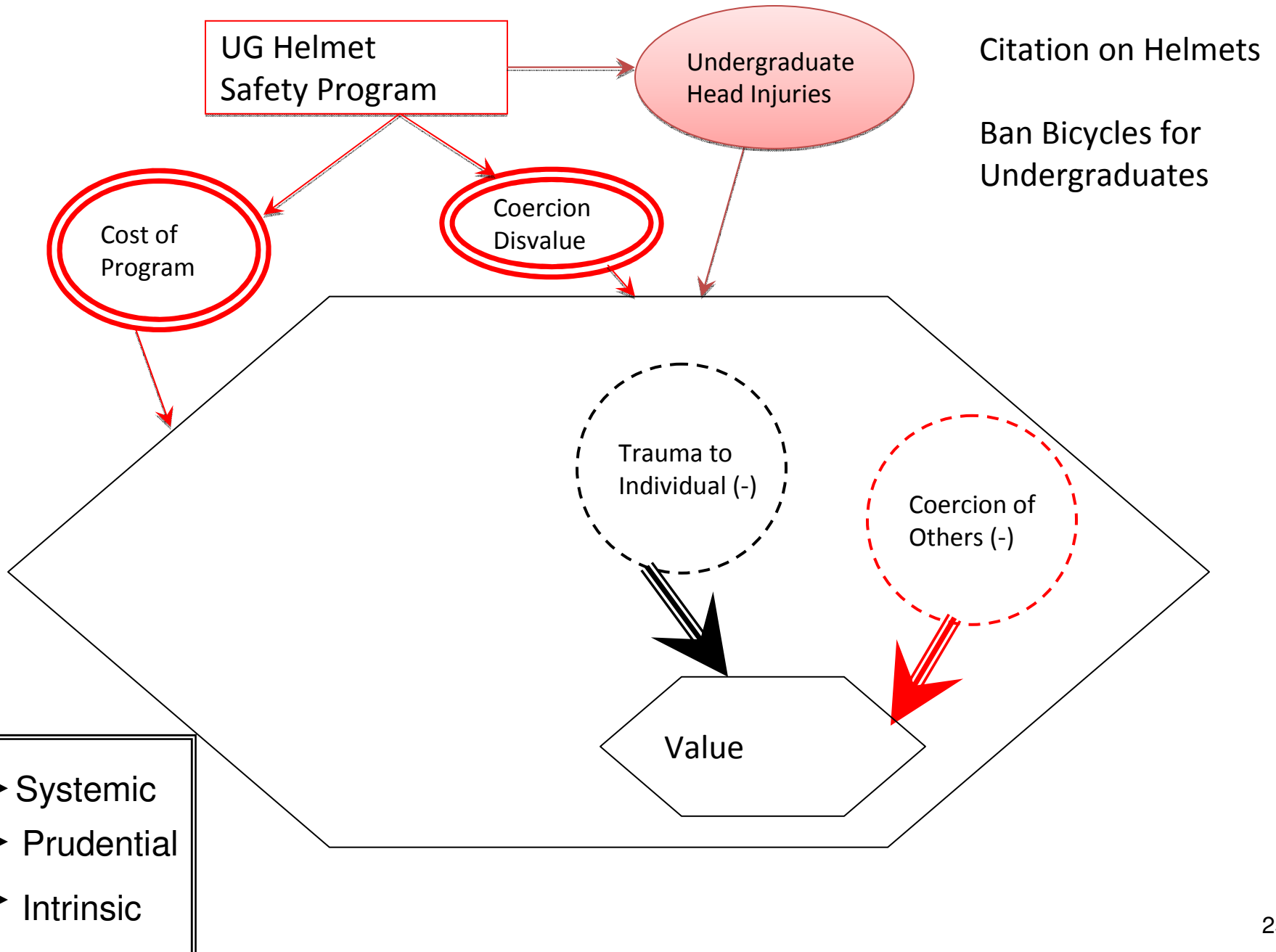












UG Helmet
Safety Program

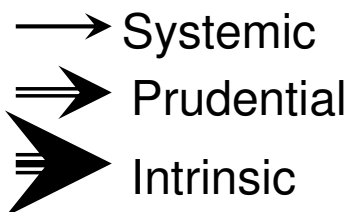
Undergraduate
Head Injuries

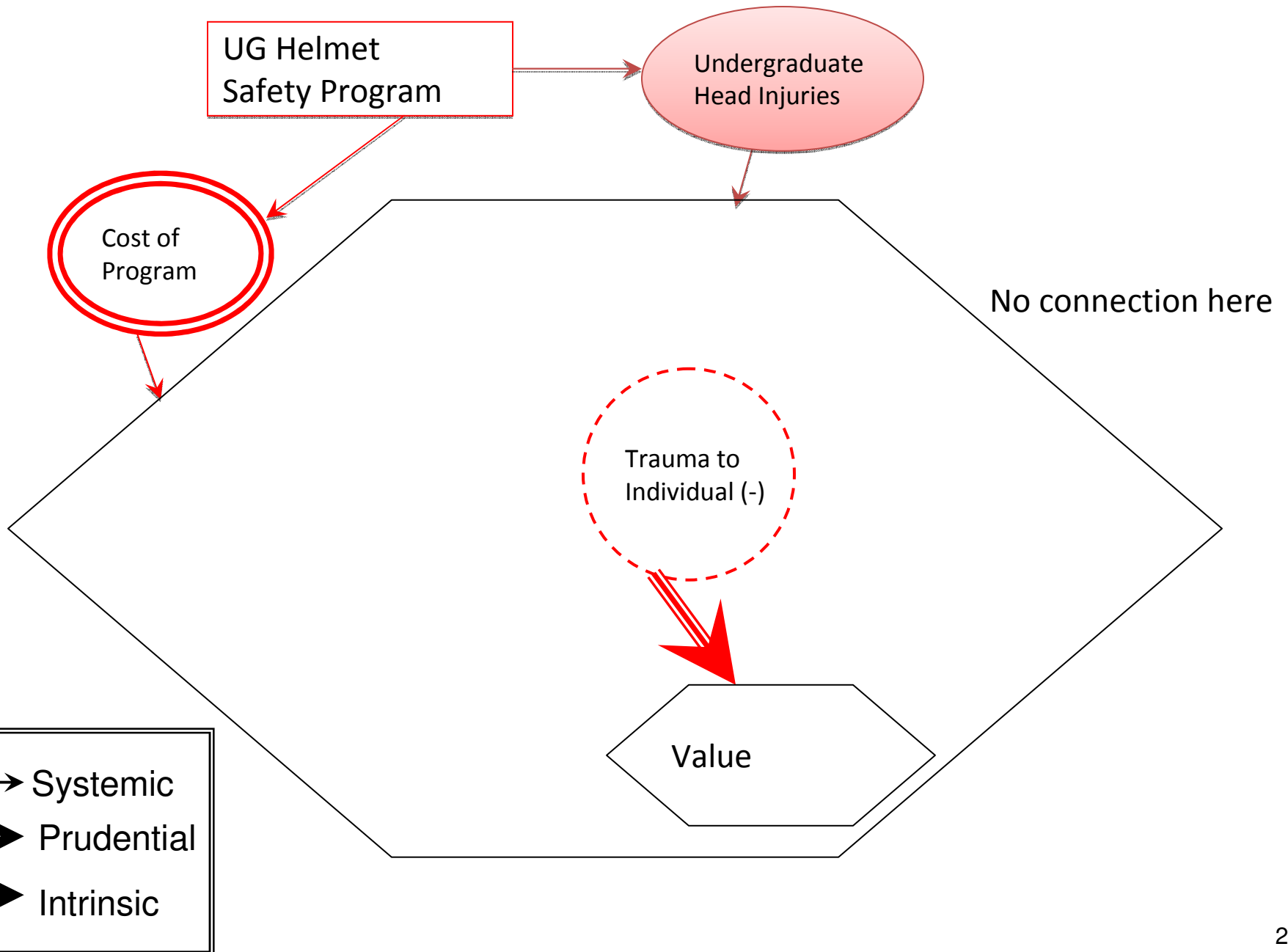
Voluntary

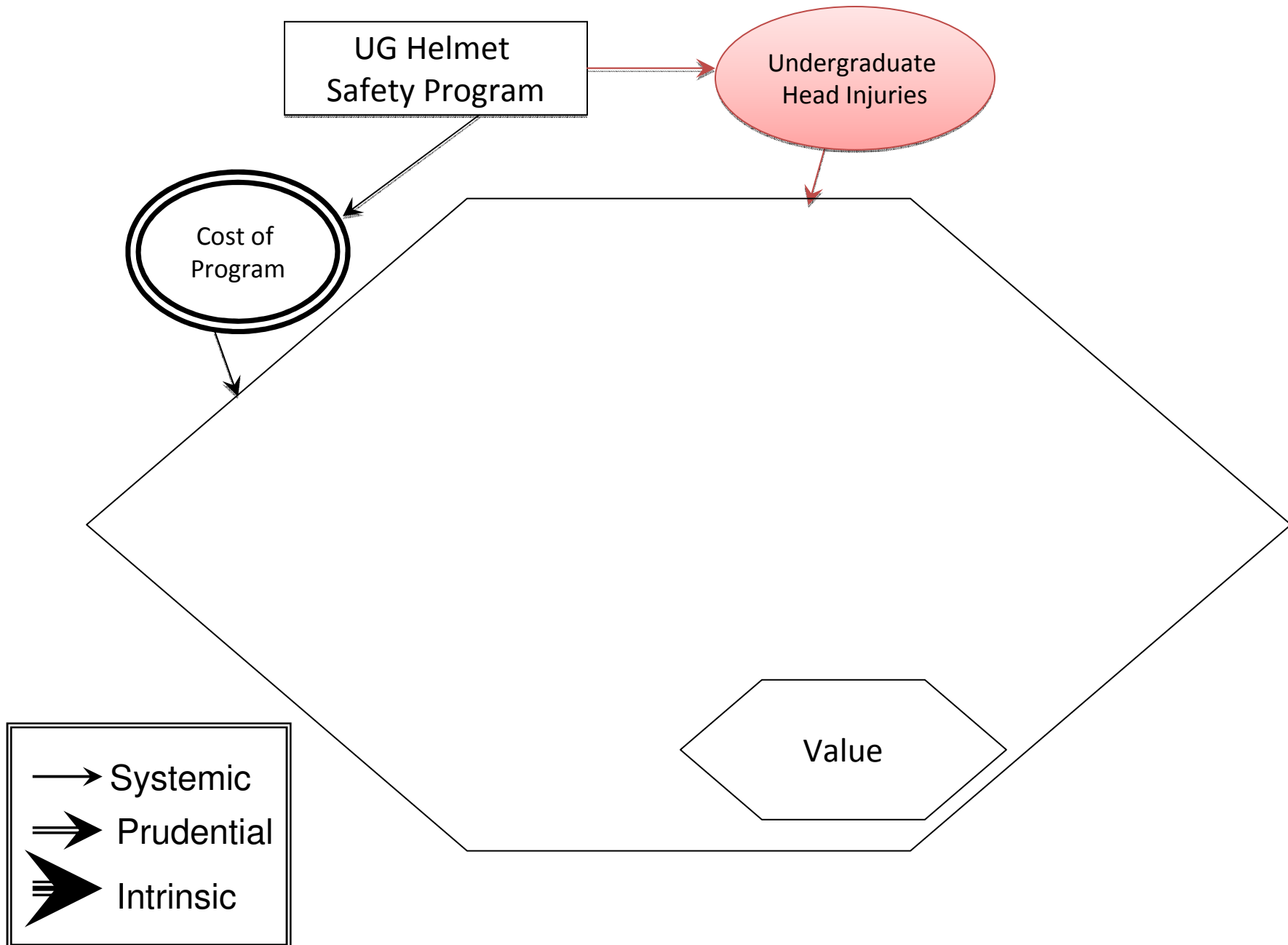
Cost of
Program

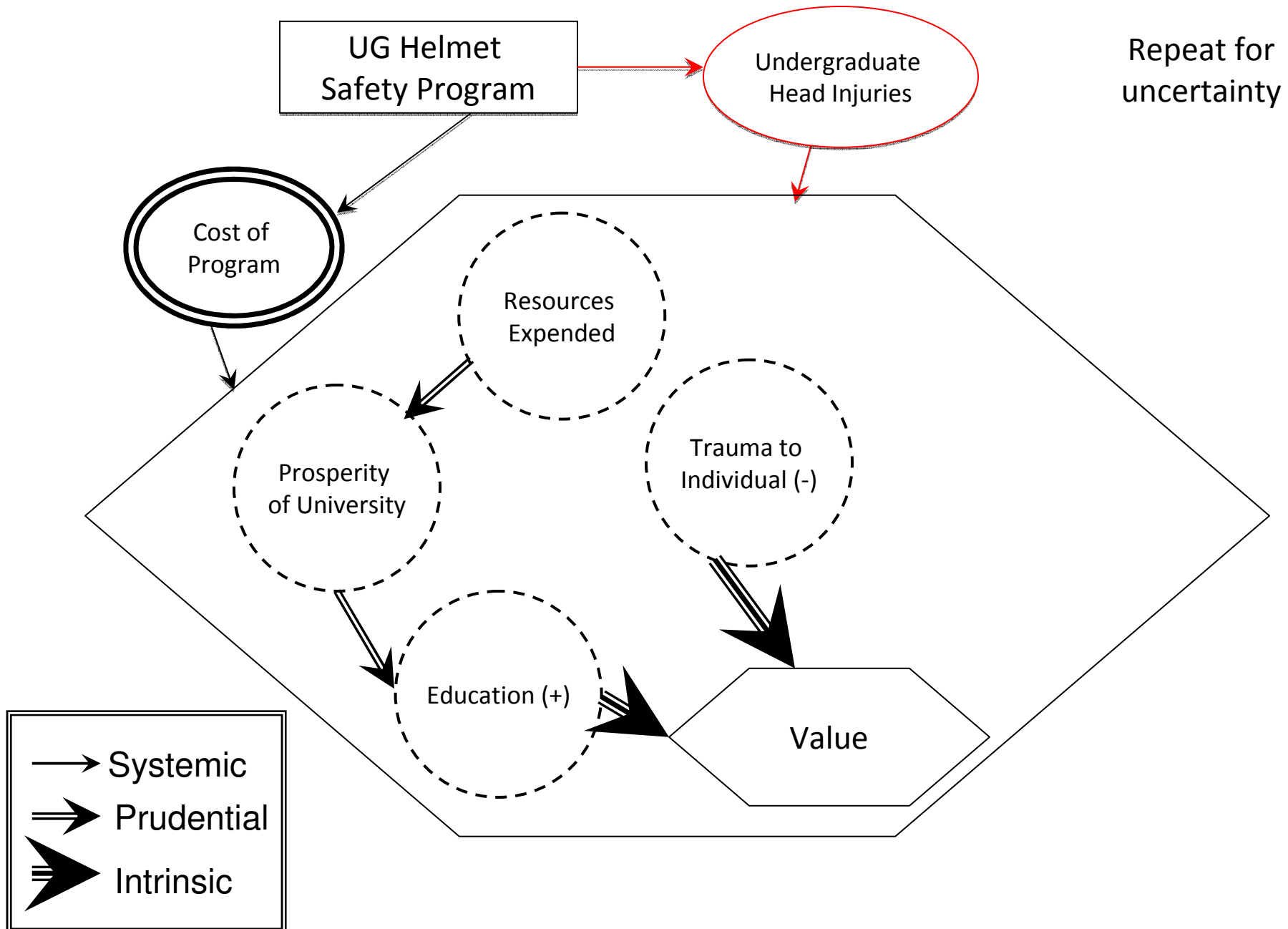
Trauma to
Individual (-)

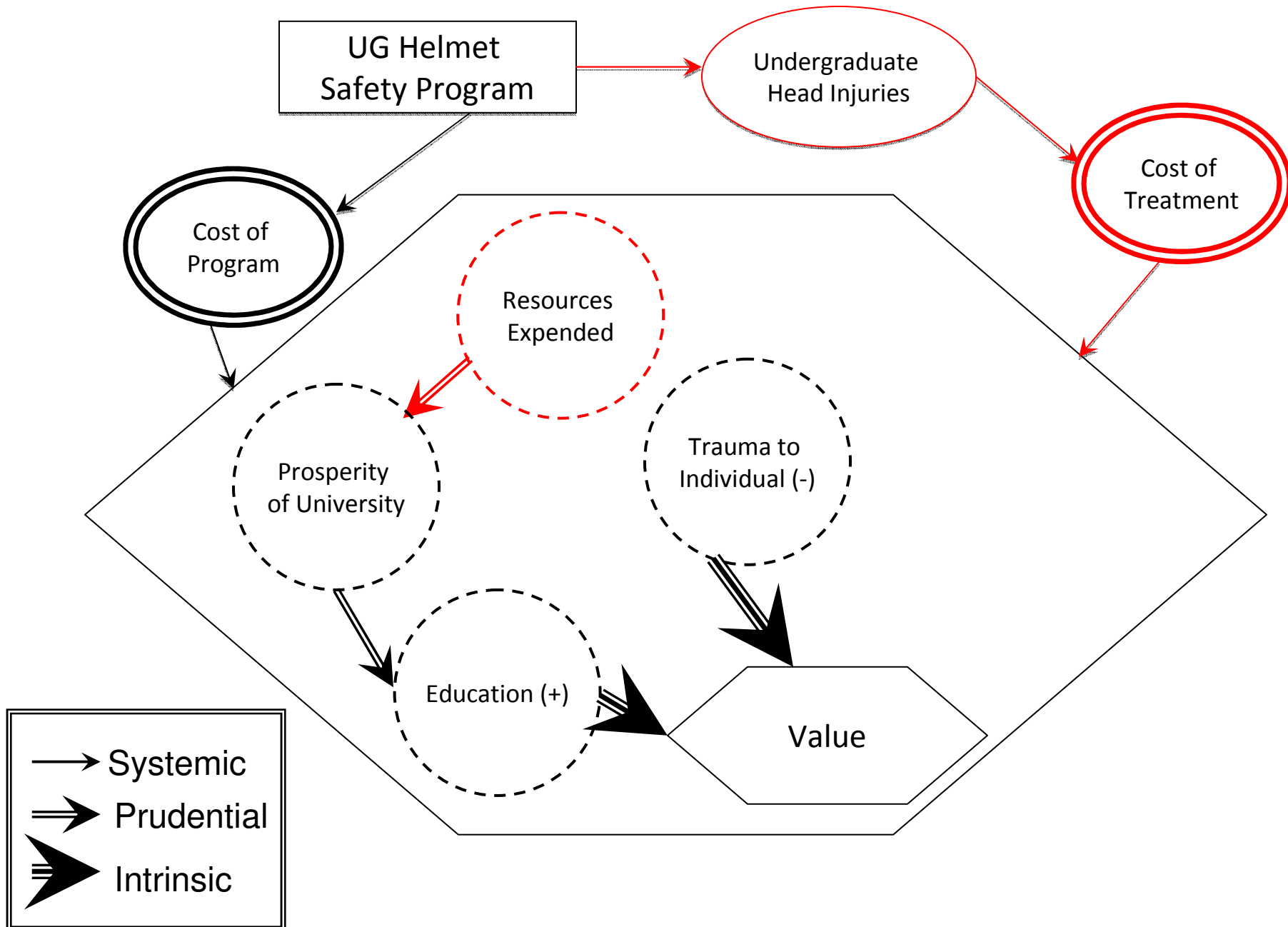
Value

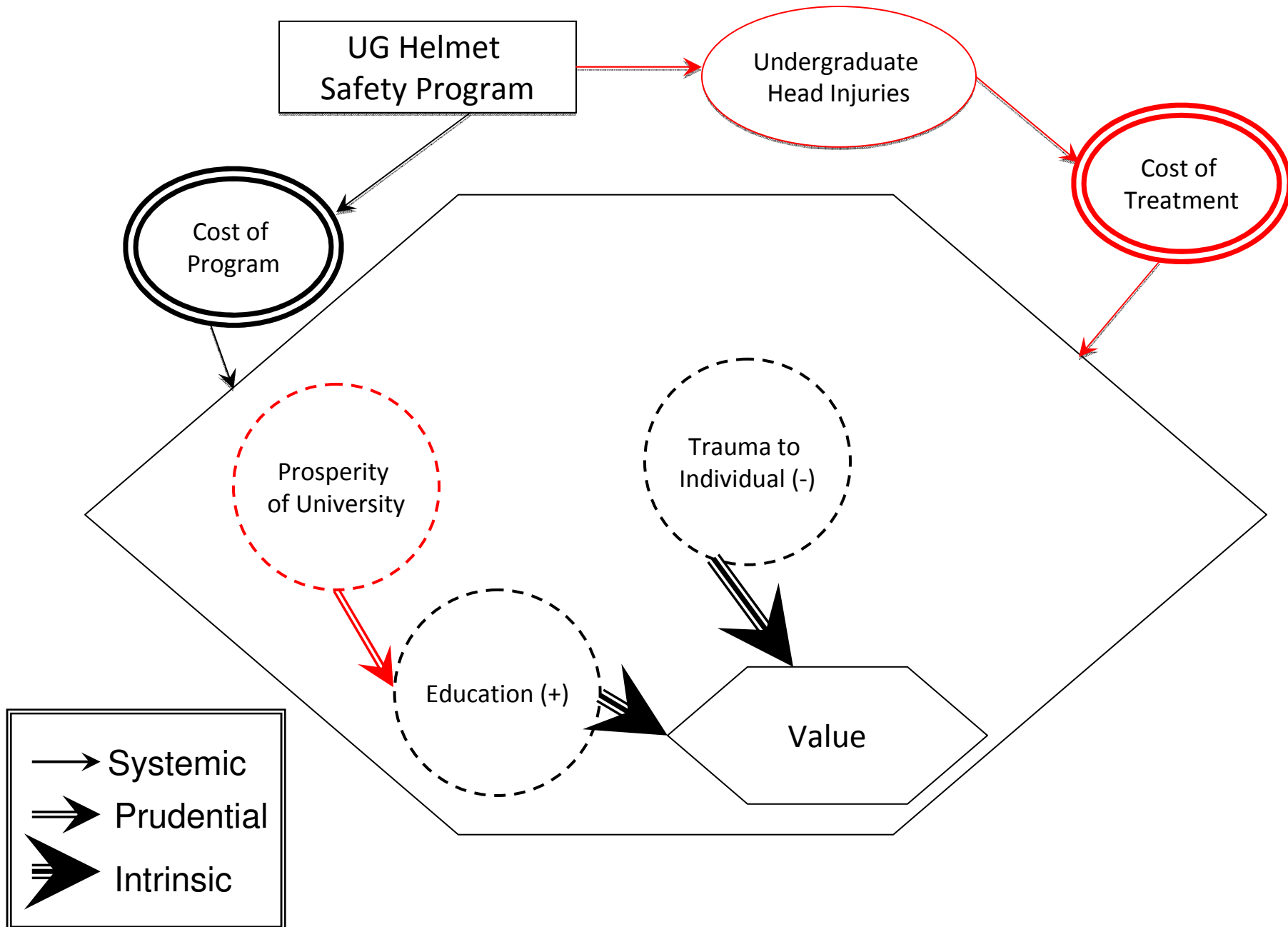


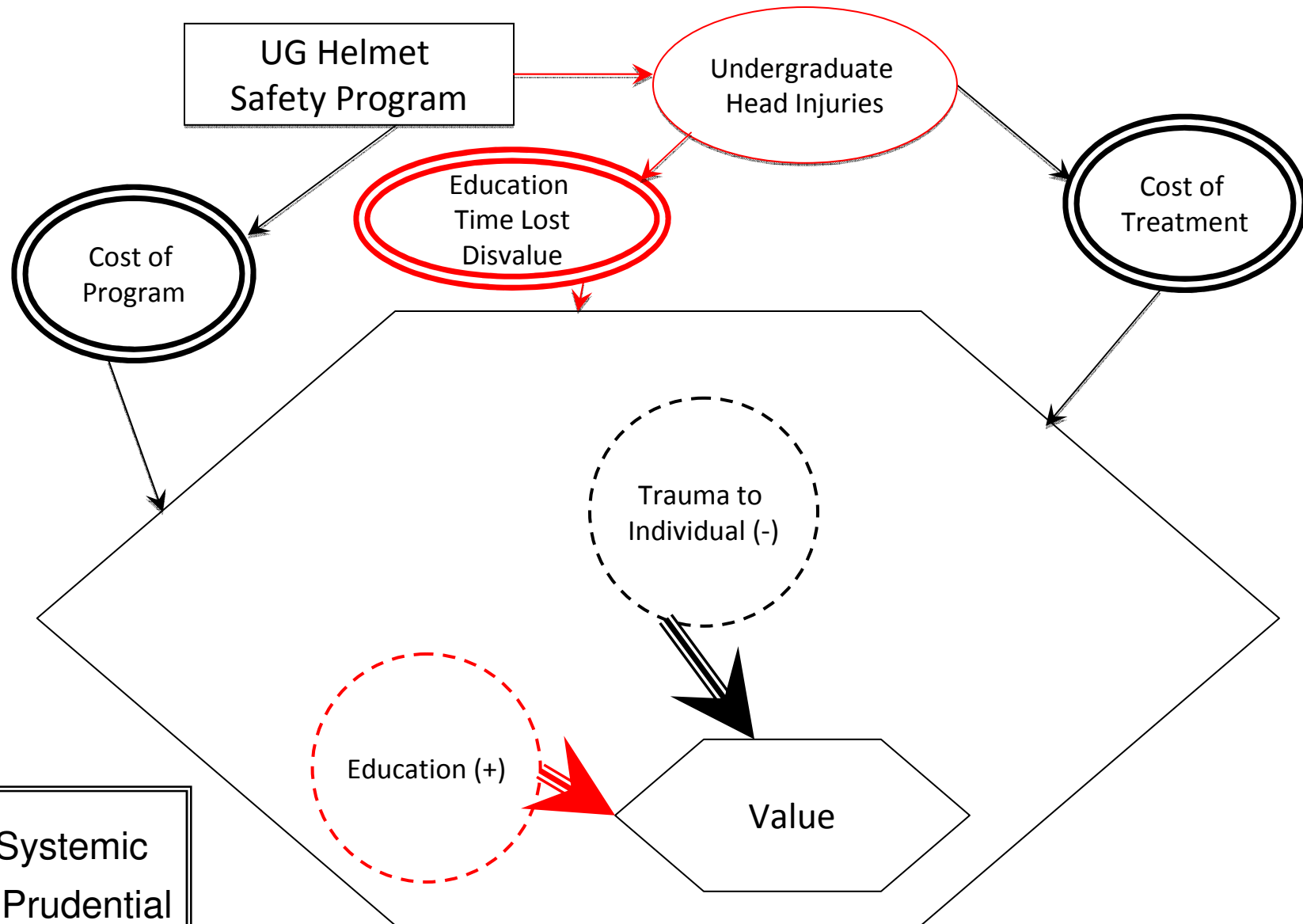


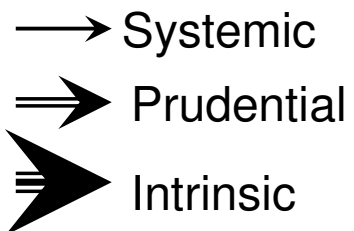
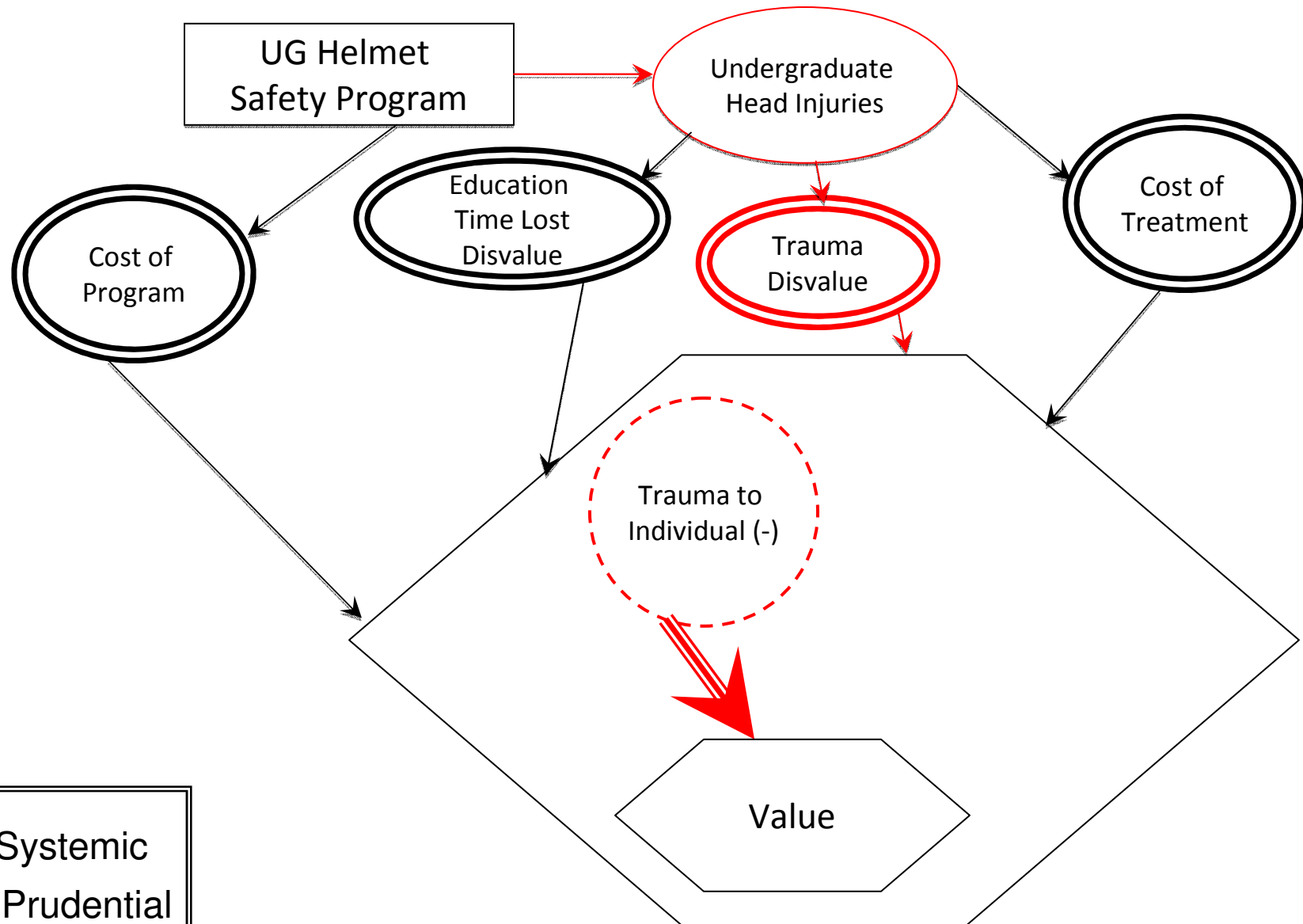


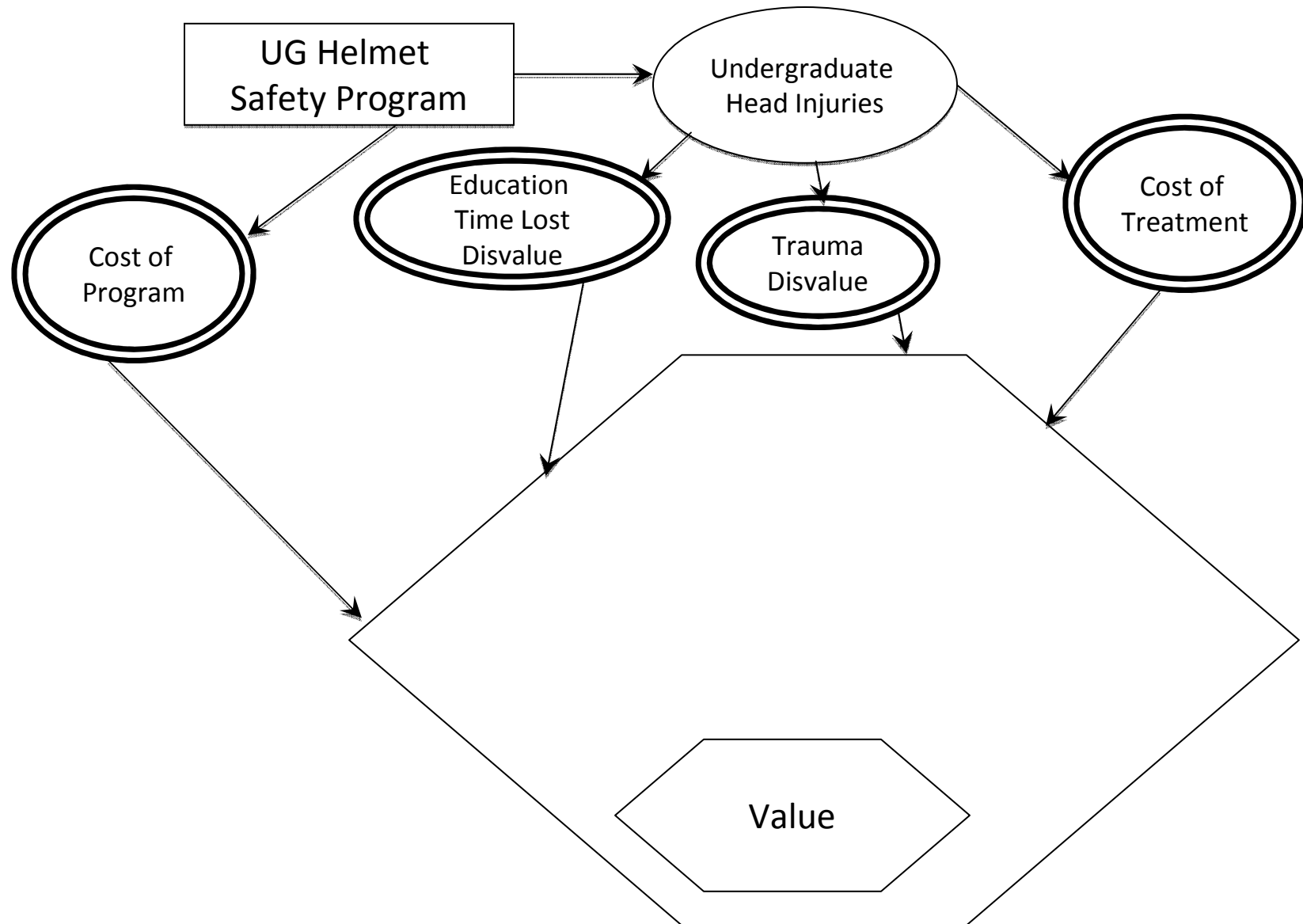


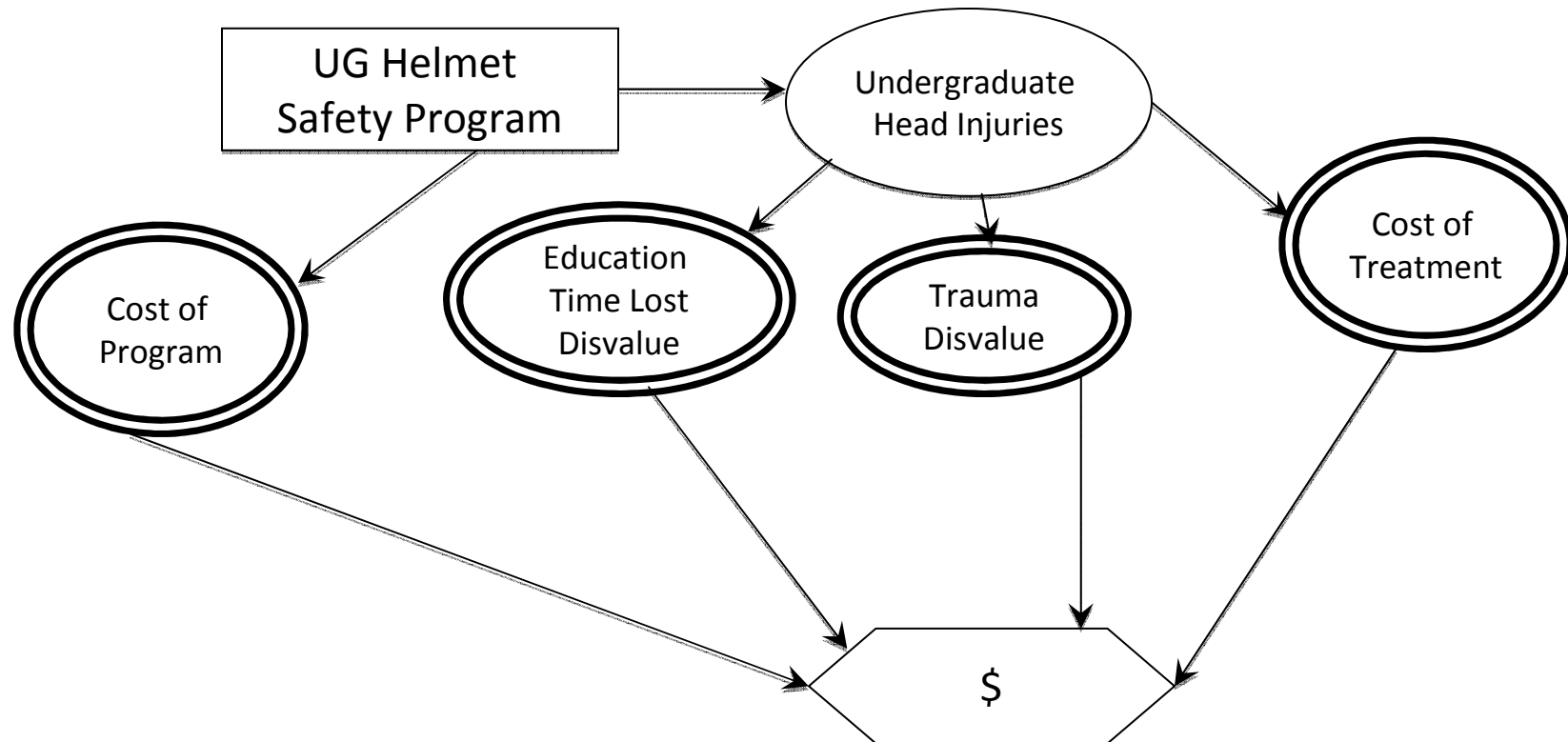


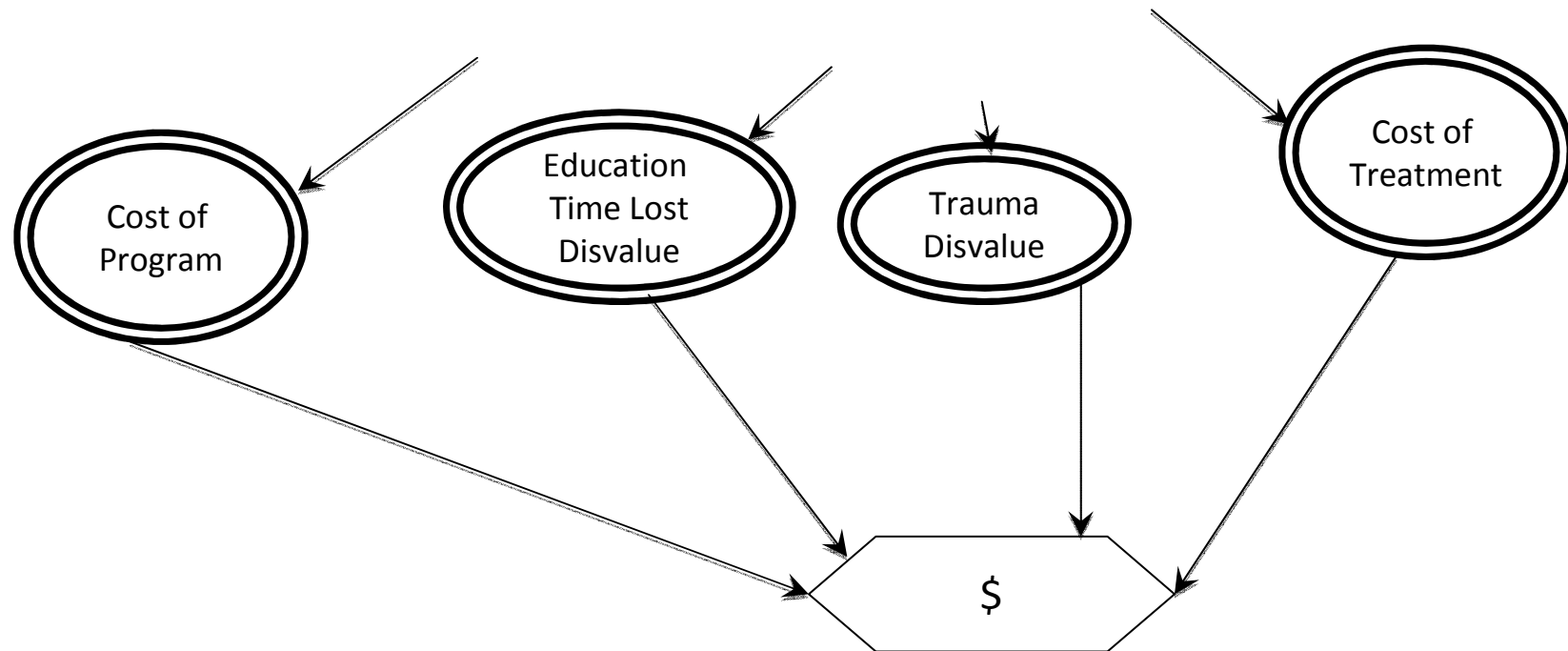






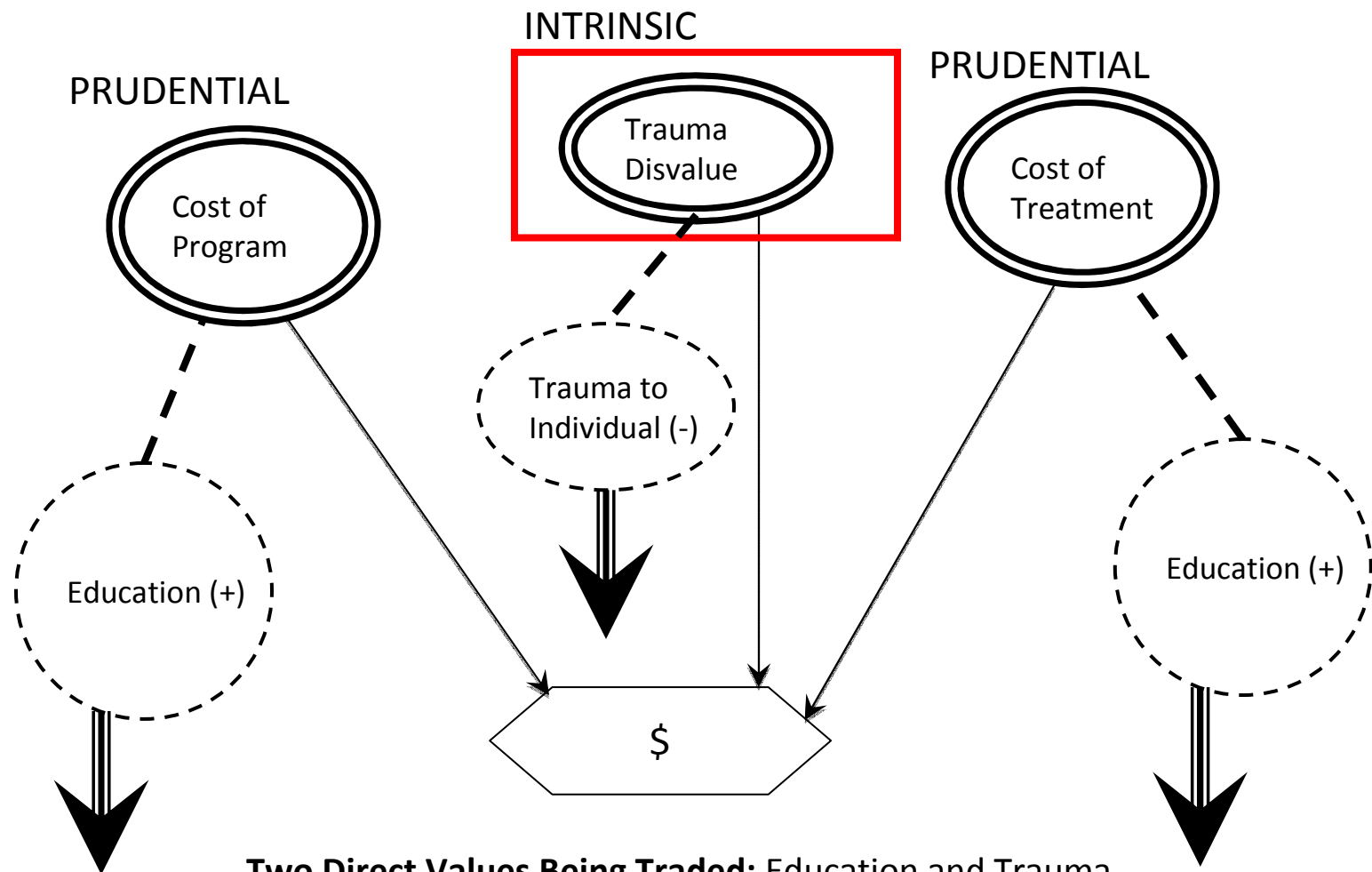






To keep it simple, we'll
assume "education time
lost disvalue" = 0

Incorporated “Intrinsic Functional Values”



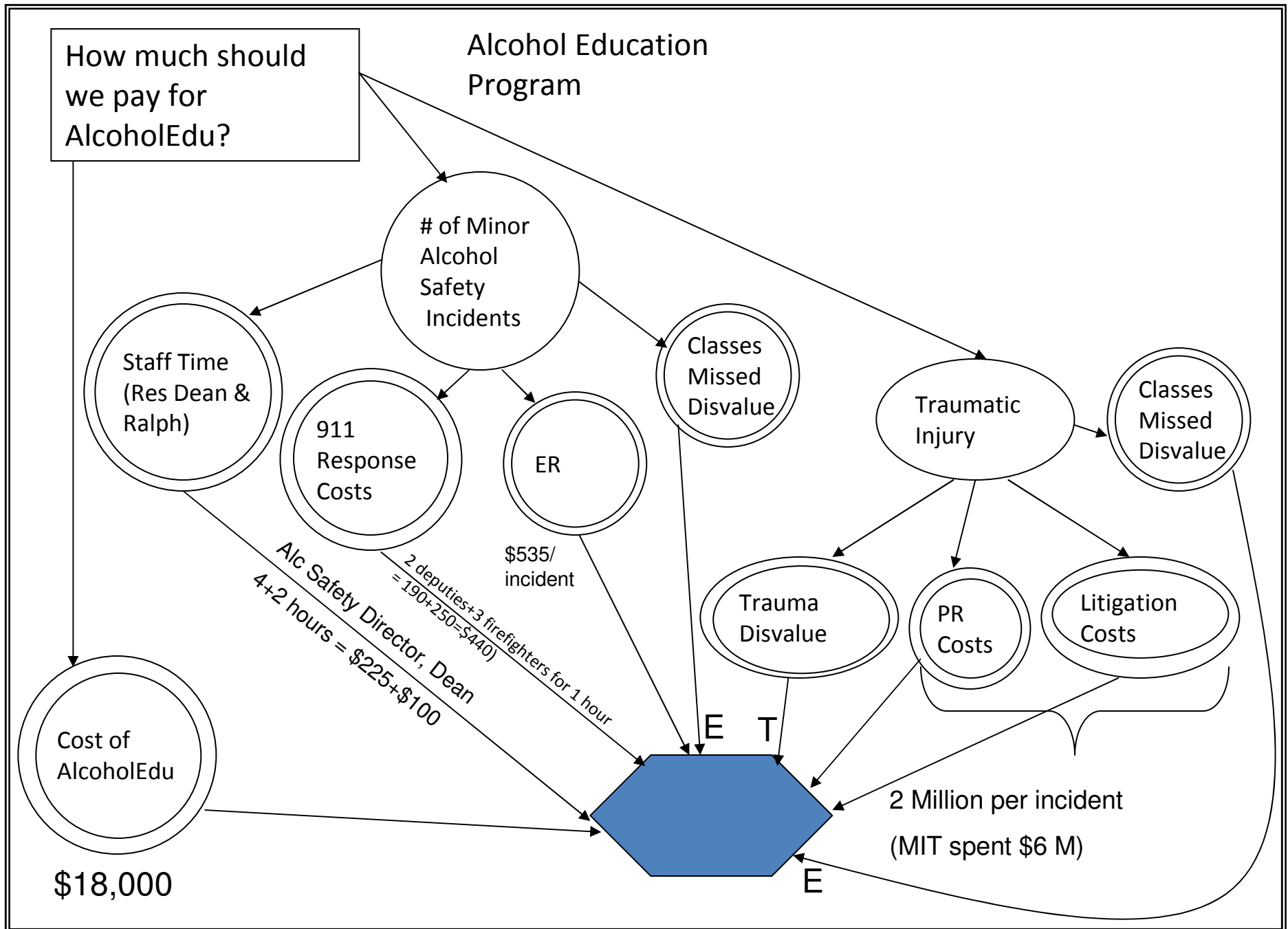
Two Direct Values Being Traded: Education and Trauma

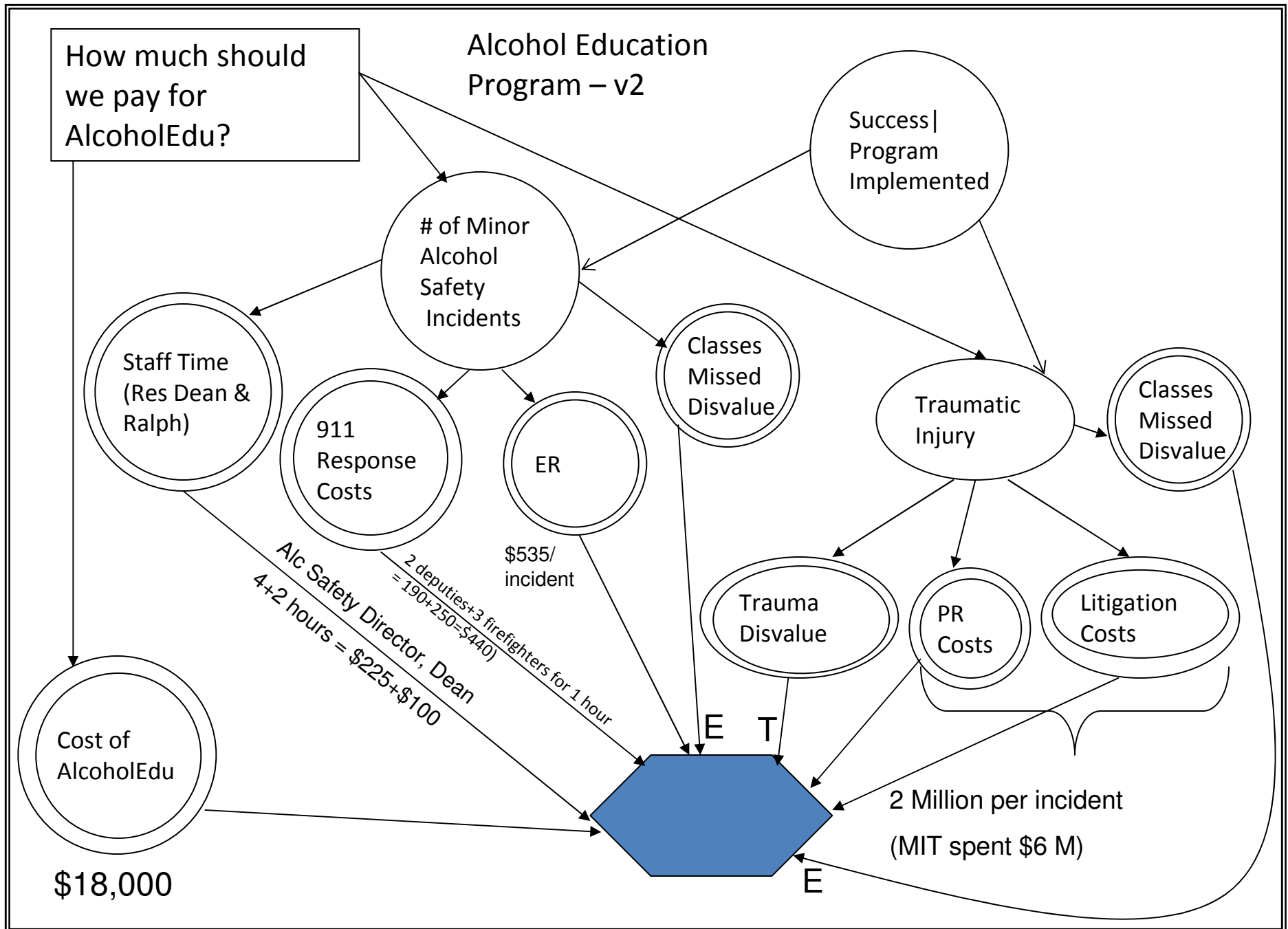
Value Attribute:

Profit/Dollars, not in-and-of-itself, but pegged on top of *education*

Case Study: Alcohol Education Valuation

- What is the value of the Alcohol.edu program?
 - What do we need to believe to fund this program?
 - What is the value of research modules that help us run more effective programs?
-
- How do we make decisions that are consistent with our deepest values?





Sensitivity Analysis

Education
Time Lost →

Disvalue

Trauma
Disvalue ↓

	\$0	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
\$0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
\$50,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
\$100,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.04
\$150,000	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.04	0.06
\$200,000	0.00	0.00	0.00	0.00	0.00	0.02	0.04	0.06	0.08
\$250,000	0.00	0.00	0.00	0.00	0.02	0.04	0.06	0.08	0.10
\$300,000	0.00	0.00	0.00	0.02	0.04	0.06	0.08	0.10	0.12
\$350,000	0.00	0.00	0.02	0.04	0.06	0.08	0.10	0.12	0.14
\$400,000	0.00	0.02	0.04	0.06	0.08	0.10	0.12	0.14	0.16
\$450,000	0.02	0.04	0.06	0.08	0.10	0.12	0.14	0.16	0.18
\$500,000	0.04	0.06	0.08	0.10	0.12	0.14	0.16	0.18	0.20

Castro, county officials discuss the methods behind AlcoholEdu's renewal

Tuesday, September 28th, 2010 | By Elizabeth Rosen

Although the decision has already been made to renew funding for four more years of the online alcohol education program AlcoholEdu, University and county officials are still monitoring the ramifications of the survey data that in part bolstered the program's renewal bid.

Stanford this year heralded AlcoholEdu as a success when it renewed the program's funding until 2013. That "success" was part of an alcohol policy package Stanford used to win an exemption from Santa Clara County's "social host" ordinance earlier this year. Under the ordinance, the county fines landowners for underage drinking that occurs on their property.

Data from a survey of students about AlcoholEdu released this summer indicate improved alcohol-related safety on campus, but the methodology and conclusions of the survey—specifically, the lack of a control group and debatable causality—preclude definitive interpretations about the program's influence.

AlcoholEdu by the numbers—and methods

The survey was developed by Ralph Castro of the Substance Abuse Prevention and Policy Office and vetted by Mickey Trockel of the psychiatry and behavioral sciences department. It was given to freshmen for four years during the spring quarter after they participated in AlcoholEdu. Of the 1,685 students who responded, 71 percent rated AlcoholEdu as "somewhat to very effective" in educating them about college alcohol issues, and 77 percent said they learned something useful from the program.

In his recommendation that Stanford continue to fund AlcoholEdu, Castro cited a decision-making model developed by doctoral student in decision analysis Somik Raha that quantified the program's effects and value to the University. Raha weighed the \$18,000 annual cost of AlcoholEdu against the monetary values of staff response time, emergency room bills, missed classes, litigation and public relations costs, as well as core values more intrinsic to the University, like education and student welfare.

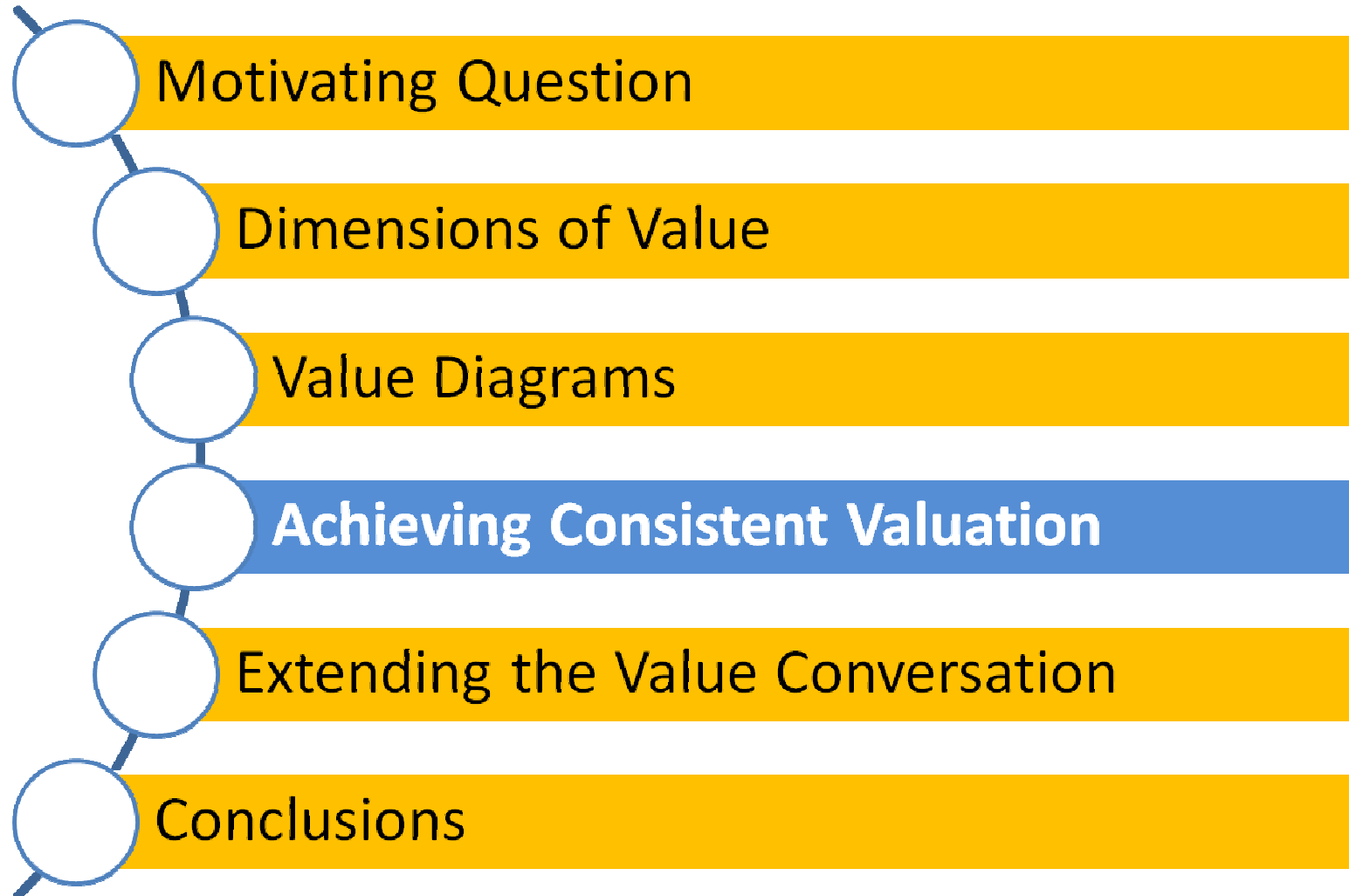
"What we wanted to know is, can we make decisions that honor our intrinsic values?" Raha said.

Castro noted that alcohol-related trips to the emergency room have dropped at Stanford to an average of about 60 per year from 119 in 2004-05. According to Raha's statistical analyses, Stanford needs to drop to at most 59 annual "minor injuries"—anything less than permanent incapacitation or death—for AlcoholEdu to make financial sense.

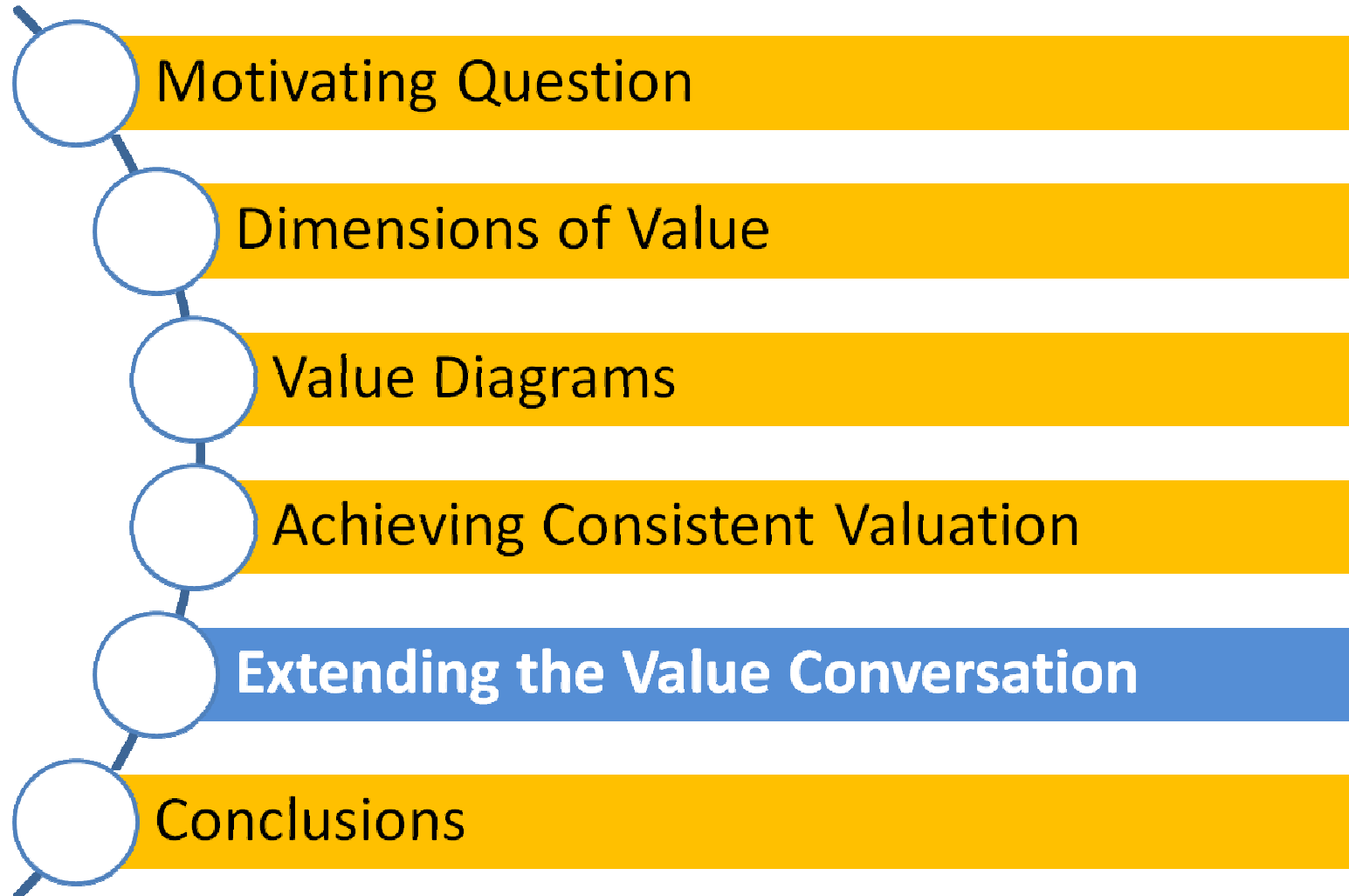
"There's definitely a correlation" between AlcoholEdu and a decrease in emergency room trips, "but there was no randomized control trial, so we can't draw any conclusion about causality," Castro said.

According to Castro, the lack of a control study is due to the survey's original purpose, which was to obtain feedback and assess how students felt about AlcoholEdu and not to formally evaluate the program's effectiveness. Castro noted the possible effects of the New Student Orientation alcohol policy, increased focus on hard-alcohol consumption in alcohol education programs on campus and

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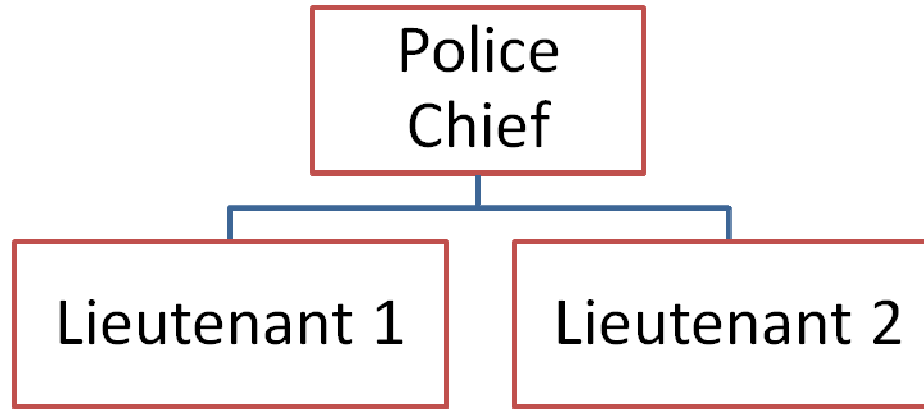


Extending the Value Conversation

To create mutual understanding on “*value frames*” in

- *Organizations*
- *Political Conflicts*

What do your employees think you care about?

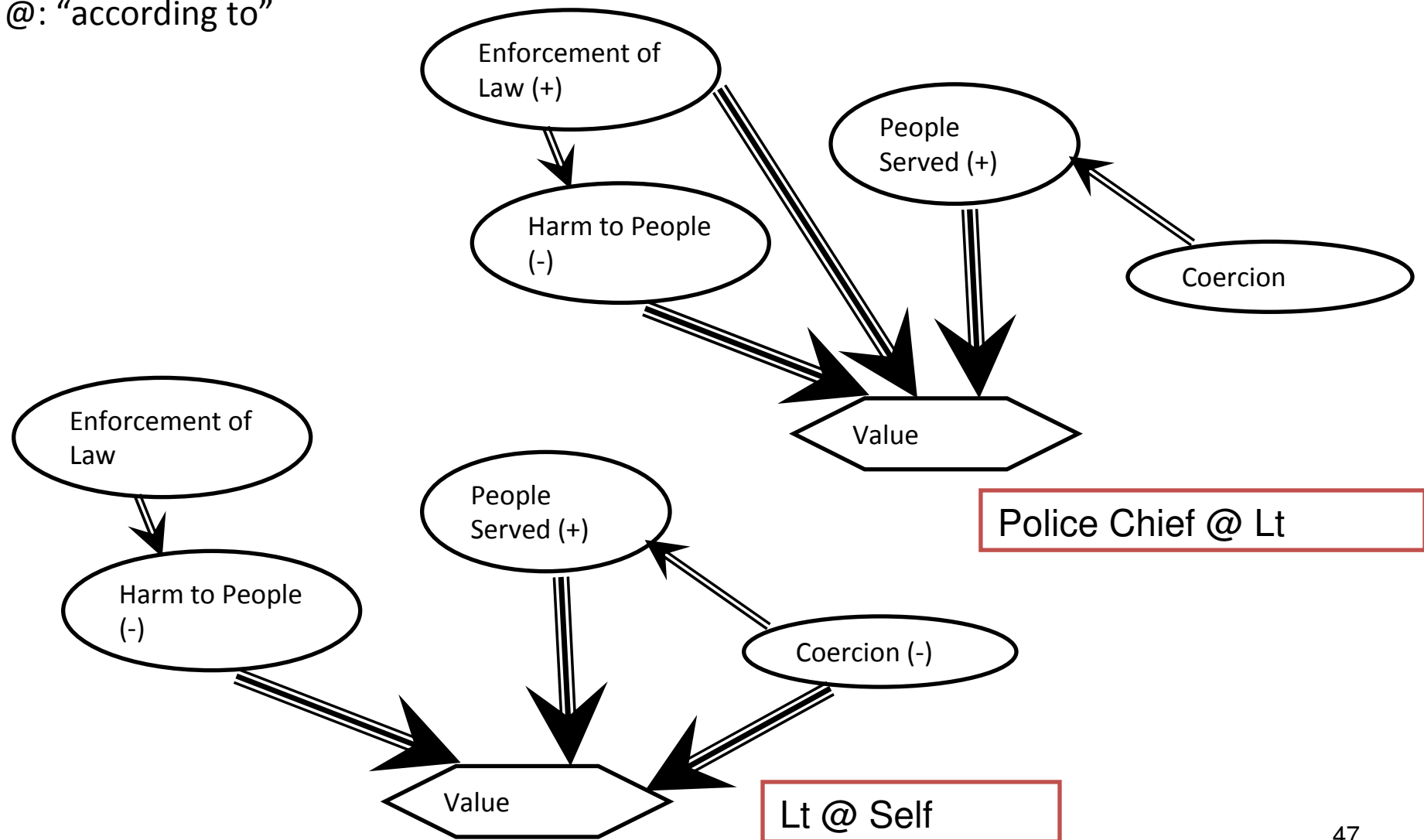


Recent
additions to the
department

- Draw value diagram of
 - *Previous police department*
 - *Current police department (chief's perspective)*
- “Do you know what your boss cares about?”

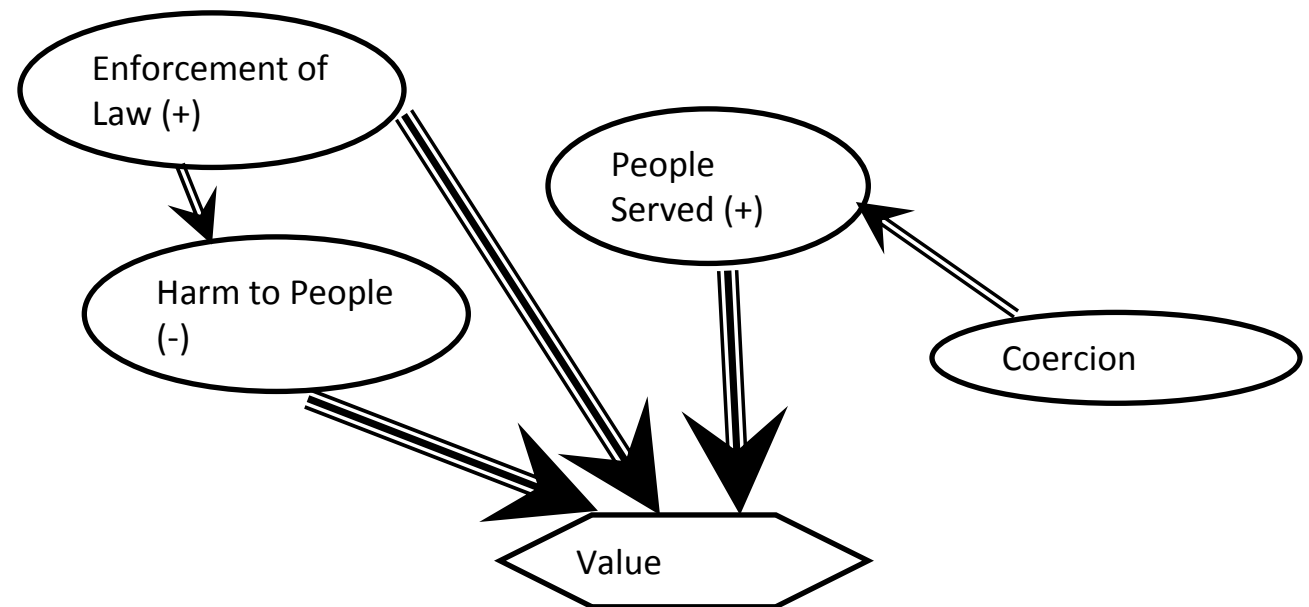
Lieutenant Value Diagram at SUDPS

@: "according to"



Police Chief's Response

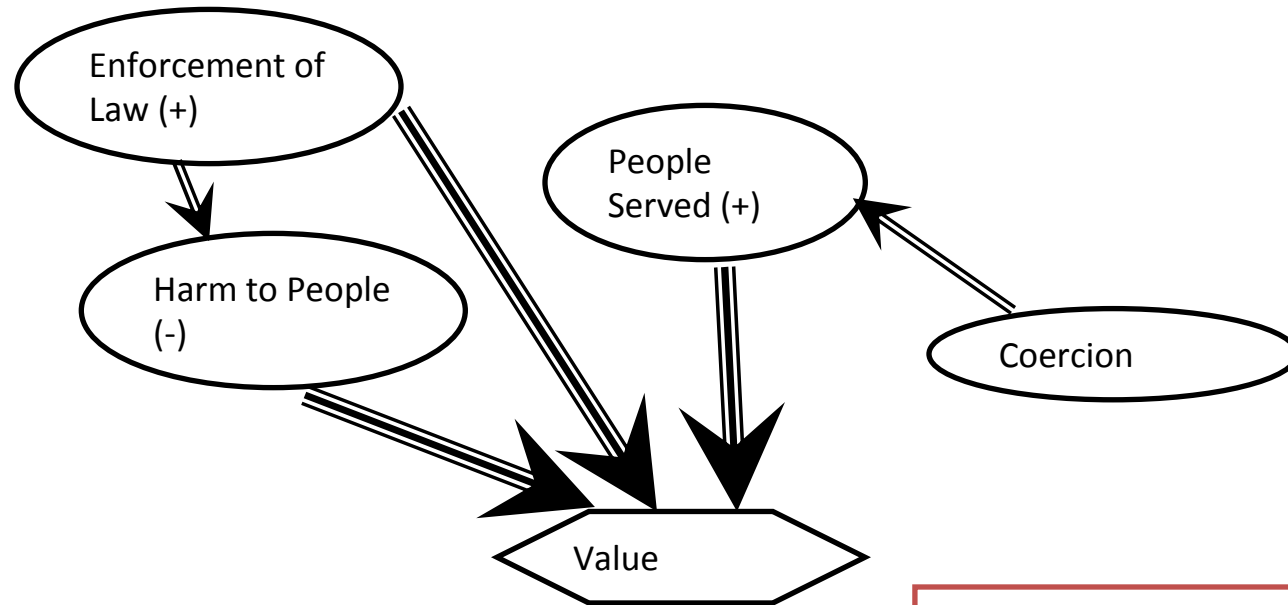
@: "according to"



Police Chief @ Lt

Police Chief's Response

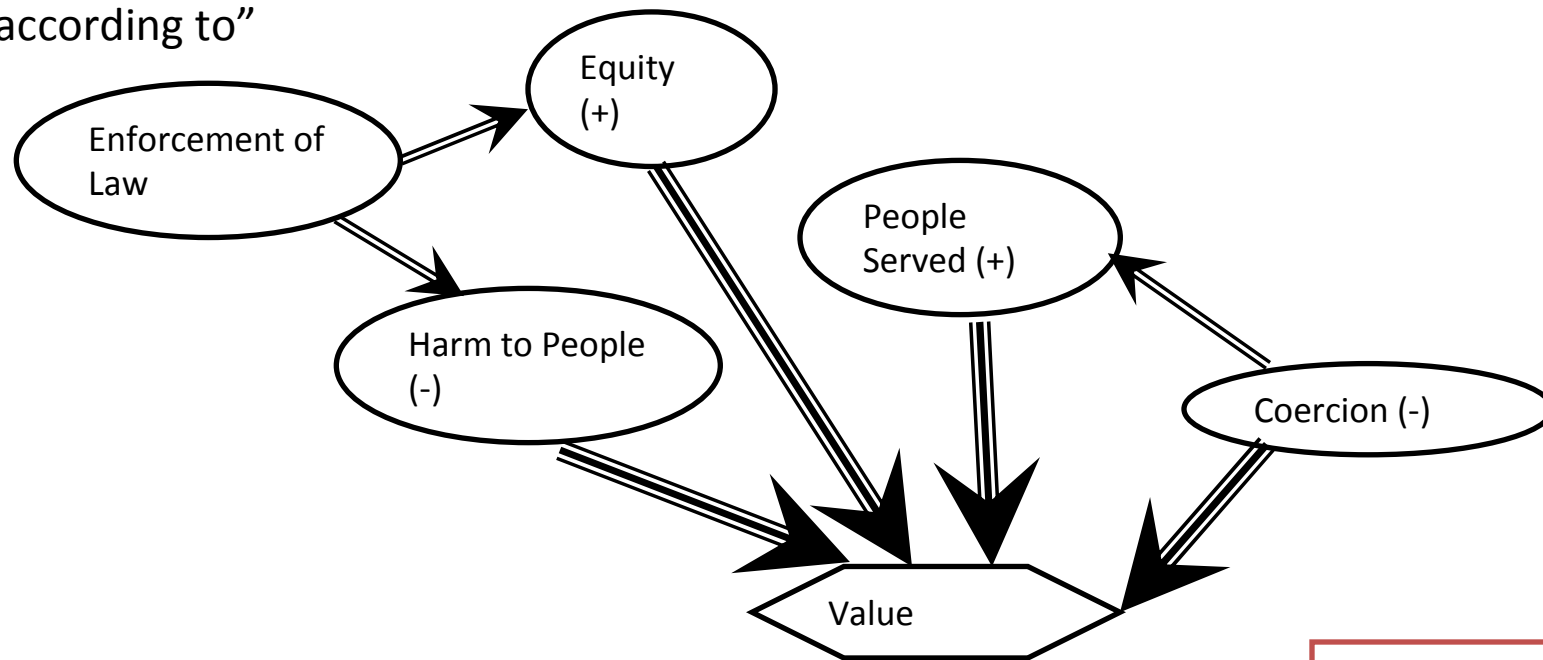
@: "according to"



Police Chief @ Lt

Police Chief corrected the diagram

@: “according to”



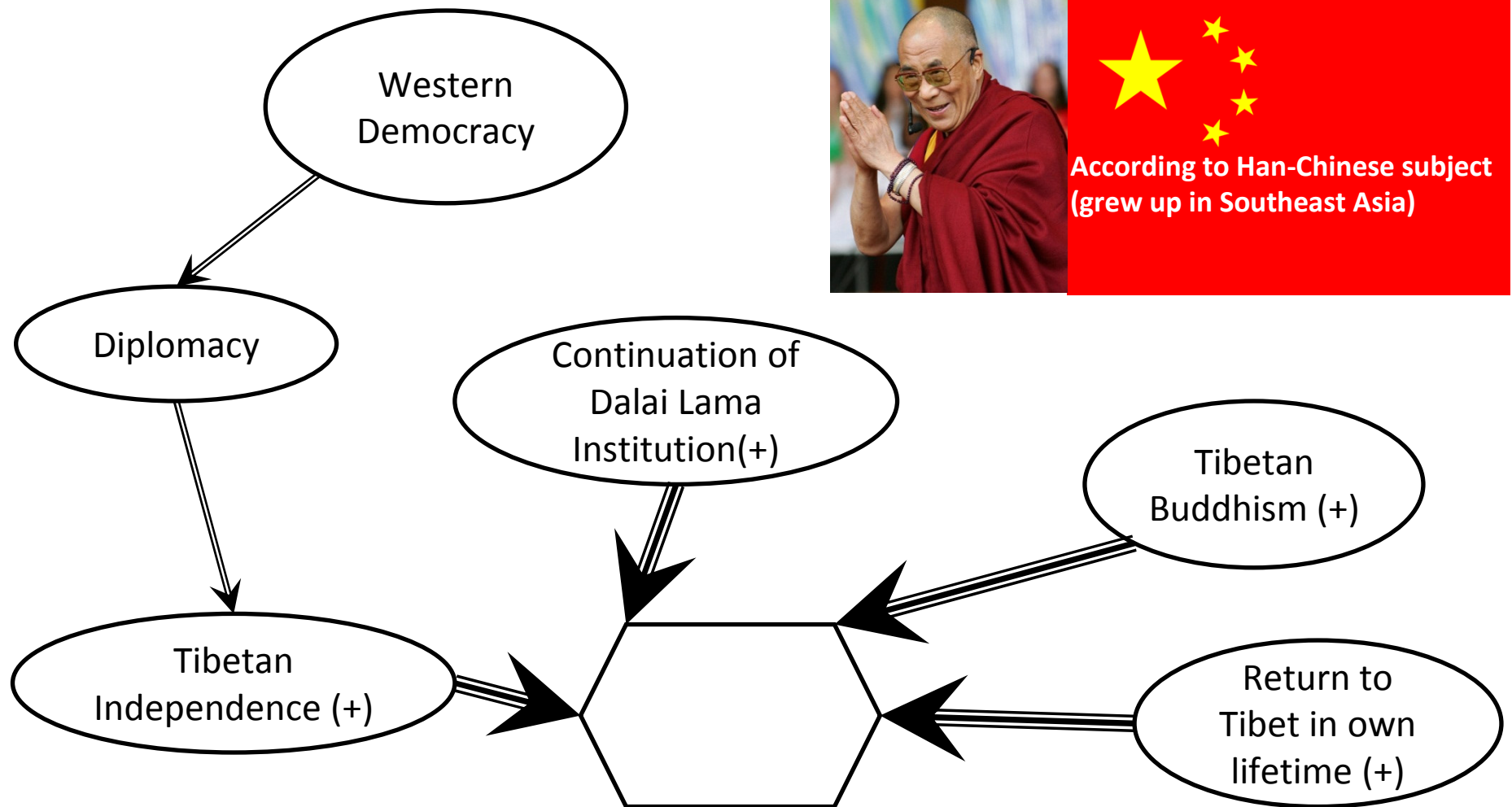
Police Chief @ Lt
@ Police Chief

“I understand where he is coming from”

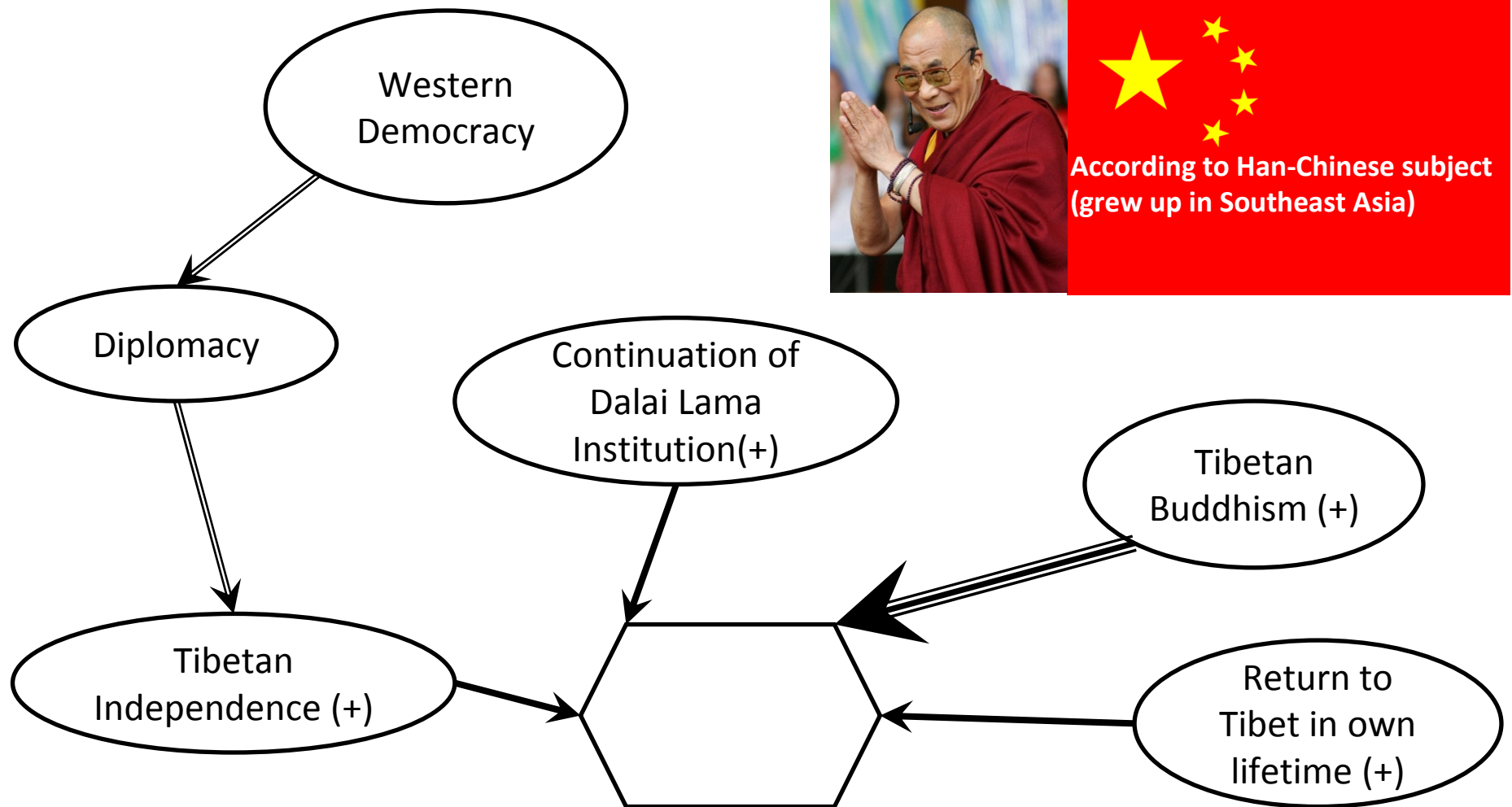
“Enforcement” matters for reasons
of “equity”

“Coercion” has an intrinsic link

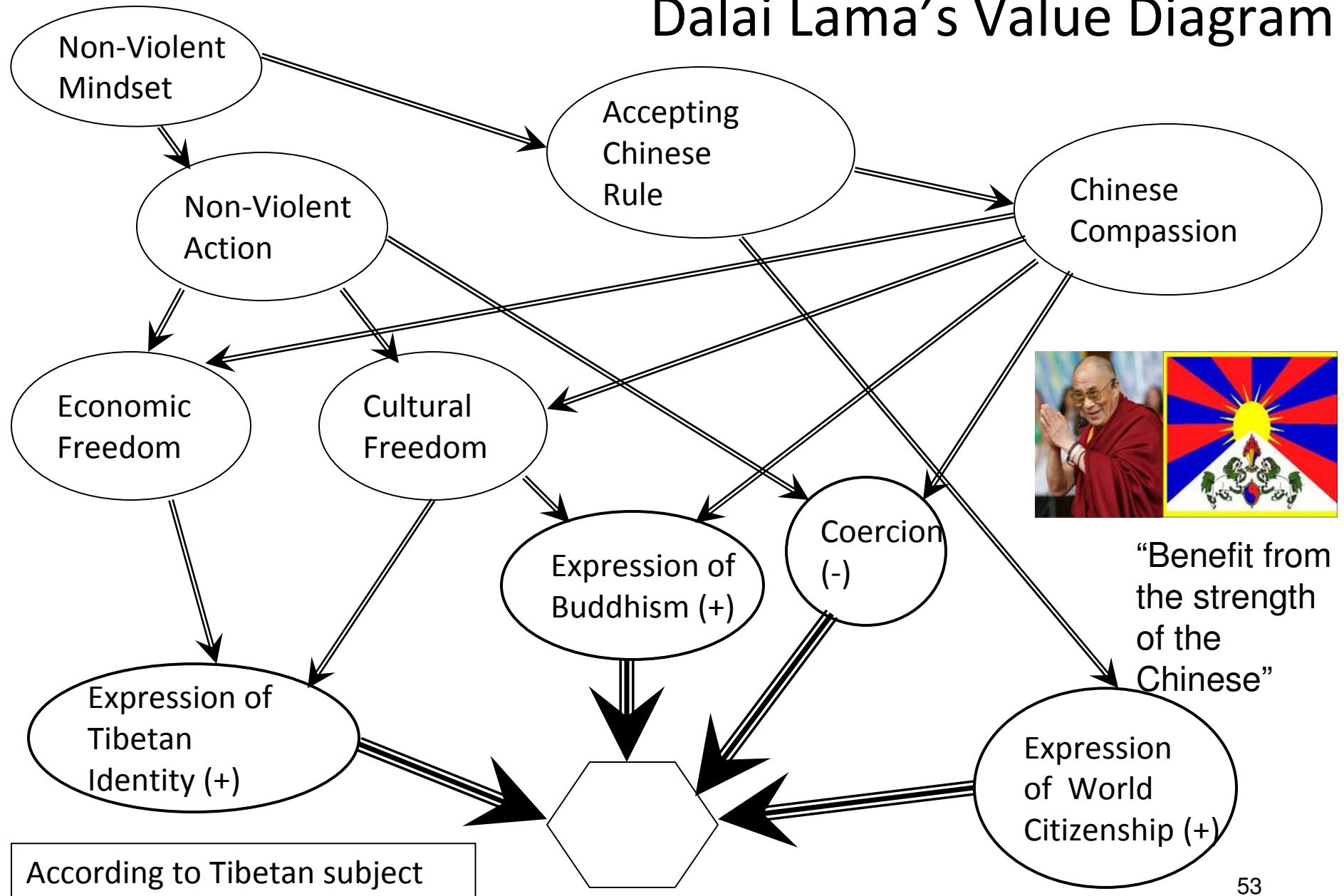
Dalai Lama's Value Diagram



Dalai Lama's Value Diagram



Dalai Lama's Value Diagram



Comments from Han-Chinese subject

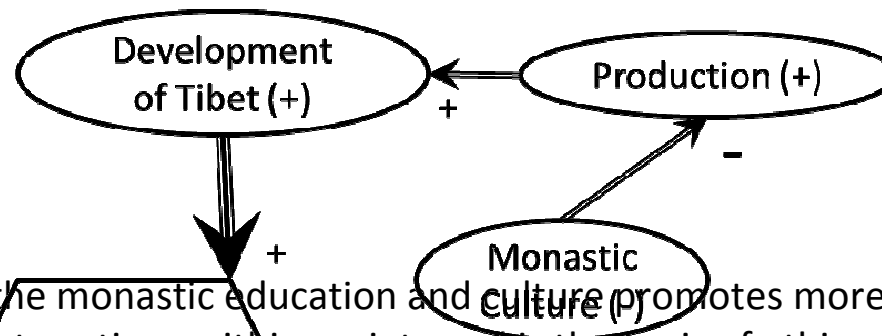


Han-Chinese

Guo Jia

国家

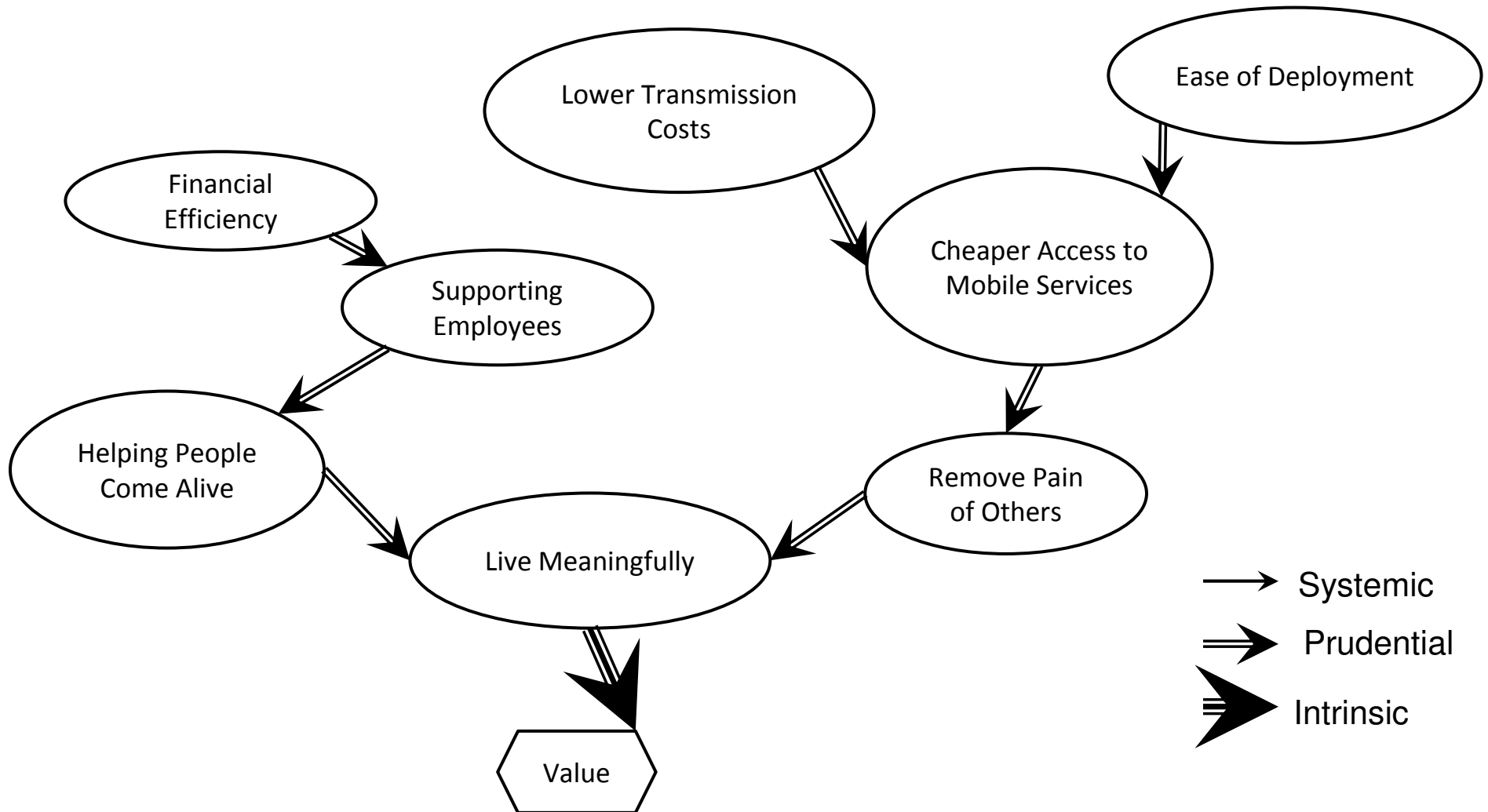
- Han Chinese comment: “Economic freedom” does not lead to “expression of Tibetan identity”
 - “Uighurs are very entrepreneurial, but not the Tibetans (laid-back because of religion, 20% monks, bad for production)”



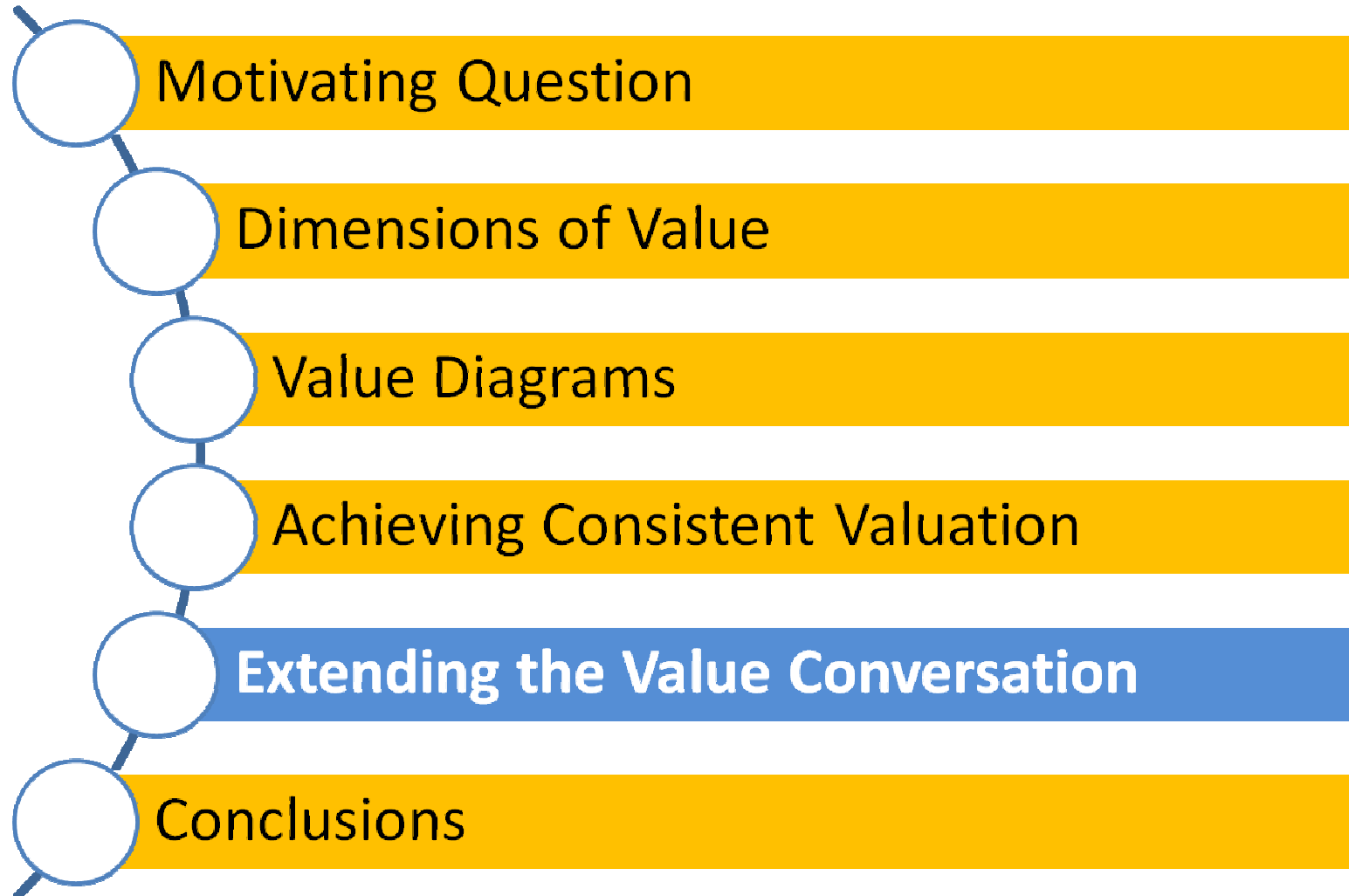
Tibetan

- “... actually the monastic education and culture promotes more peaceful and compassionate actions within society and is the basis of ethics and positive general education.”
- “I am aware China is all about the booming development, but are they enough for the stability and long-term health of a society?”

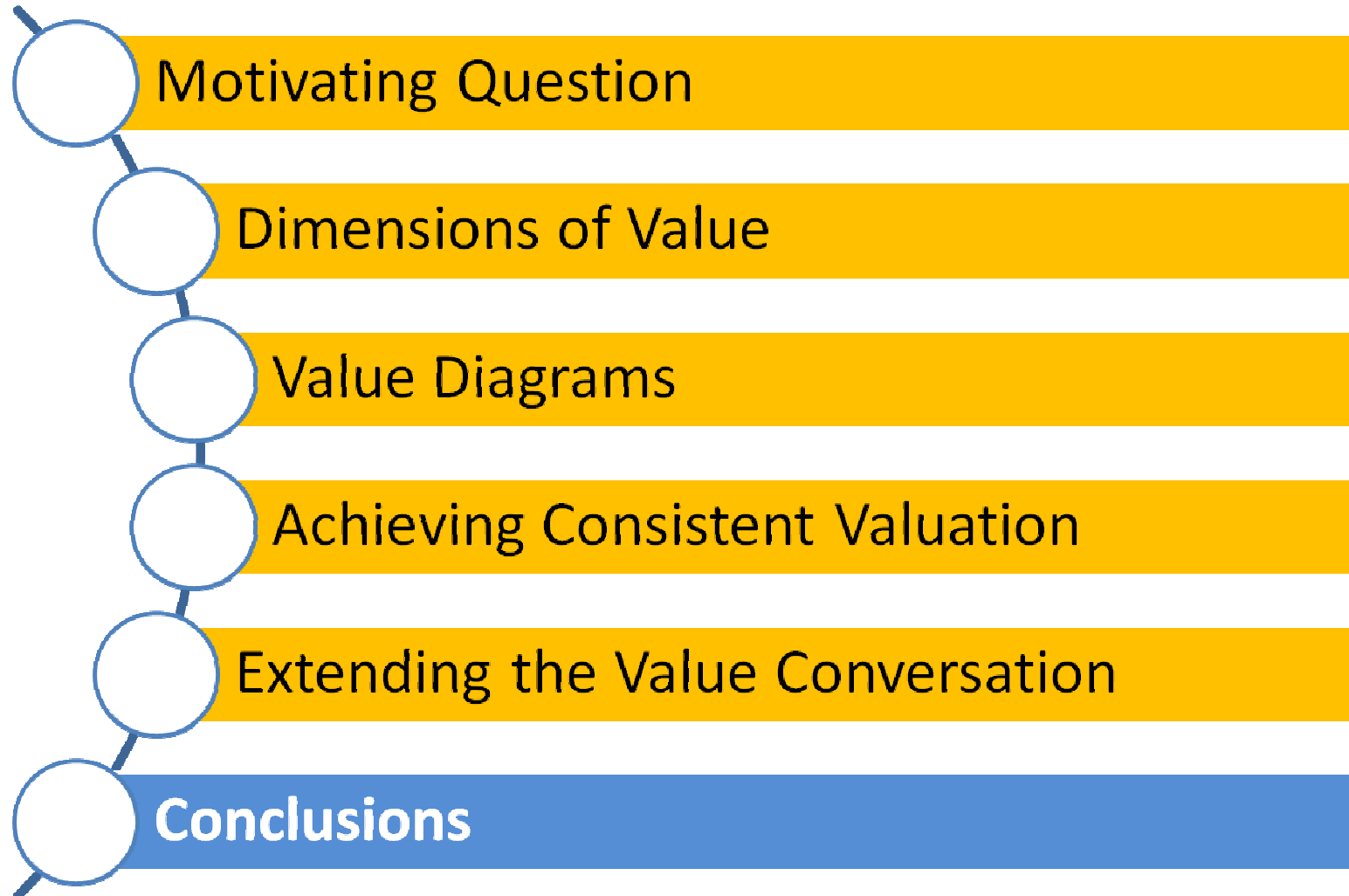
Entrepreneur's Value Diagram



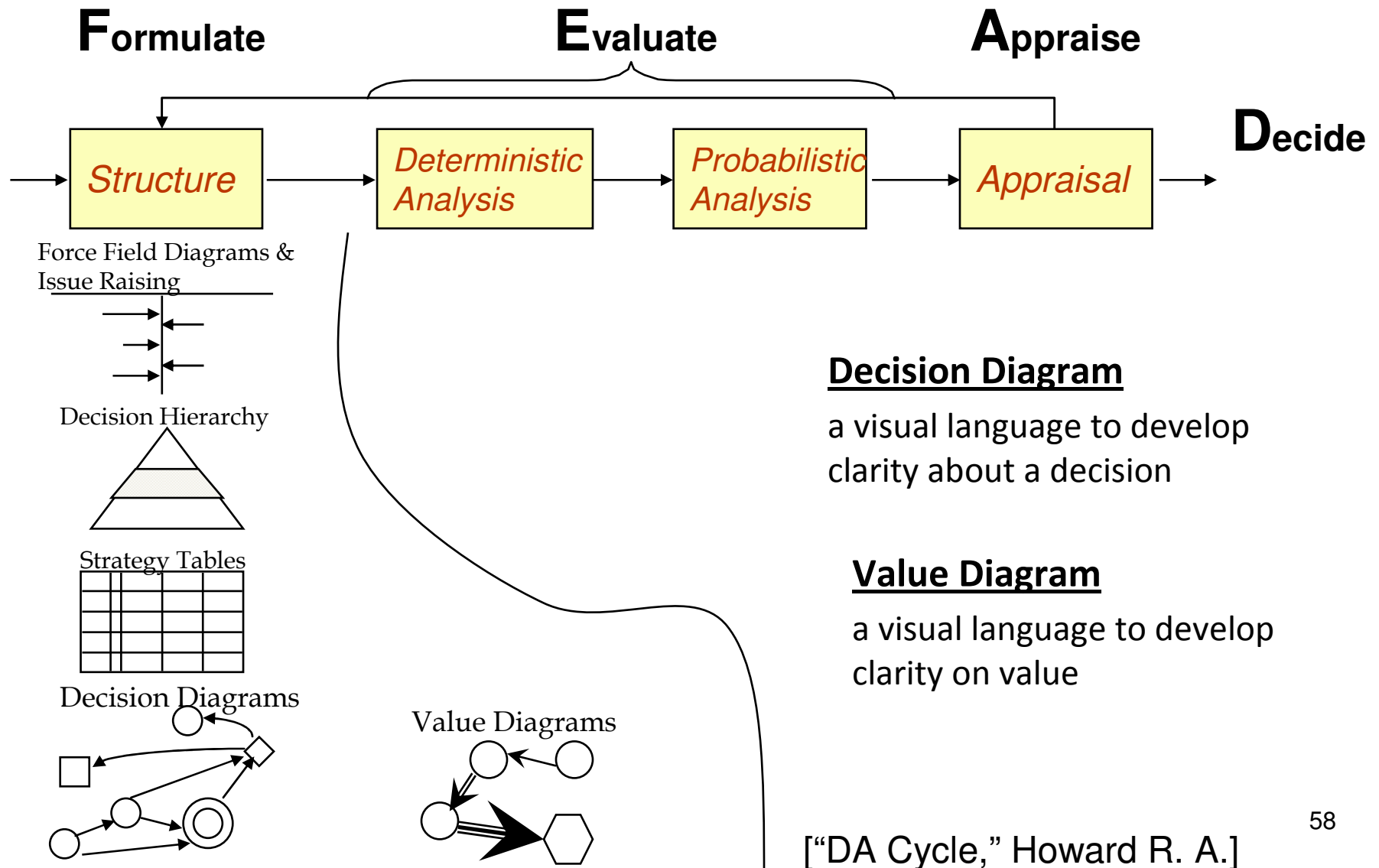
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Decision Analysis Cycle & Tools



Motivating
Question

Dimensions of
Value

Value Diagrams

Achieving Consistent
Valuation

Extending Value
Conversation

Conclusions

Conclusions

Uses:

Precursor to Analysis
Negotiation

Thank you!

“The small truth has words that are clear. The great truth has great silence.”

-- Rabindranath Tagore