



Presenting:

Emotions and DA: Is there a role for emotions and meaning in decision analysis?

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Emotions and DA:

Is there a role for emotions and meaning in decision analysis?

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DAAG 2018

Question

Evolution of emotions and decision analysis (DA)

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Survey results: highlight of responses

Meaningful frame: I don't think people will truly engage unless they are "moved" by the frame. People's emotions need to resonate with the chosen frame"

Noble purpose: To revamp mission and vision, we did a 15 mins session and asked board members to close their eyes and envision WHY they joined the organization. It was a powerful motivator

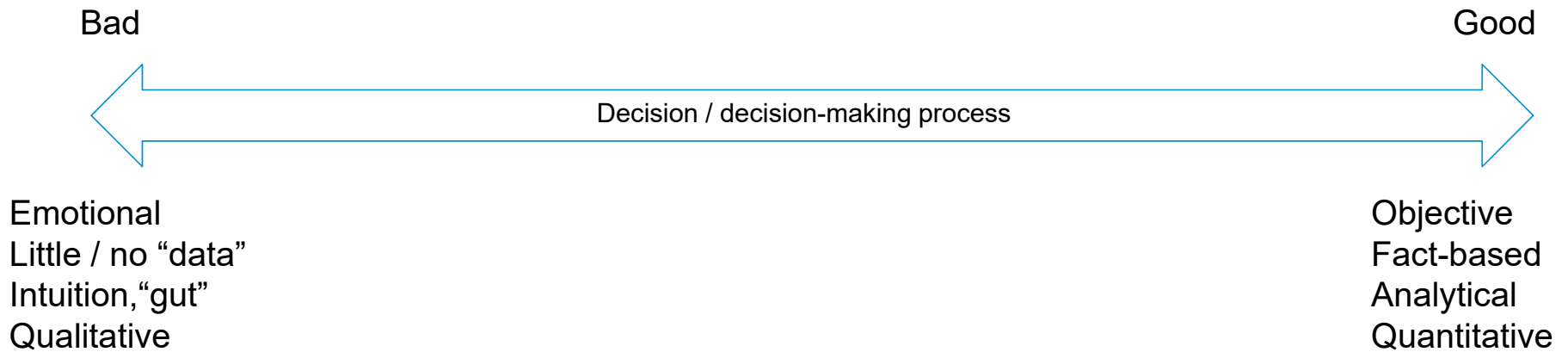
Meaningful frame: developed and assembled framing document from informally collected information after team set course to provide very clear contextual basis for the recommendation

Generating alternatives: "how do I make the option they would love to do less compelling" or "how do I make the option they might hate to do more compelling"

Compelling information: If you know that the assessed probability ranges of a successful outcome is from 25% to 65% by experts but you should not proceed unless $p \geq 75\%$, then you have a compelling rationale for dismissing that option

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Orientation of emotion within DA



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Finance theory reinforces / exacerbates issue

- Influence from Finance theories and portfolio management approaches
 - Assumes risk-neutral utility maximizers
 - Objective function = maximize value (monetary return)
 - Incorporate valuation approaches to assess projects, e.g., leverage discounted cash flow (DCF)
- Recent evolution of corporations
 - Acknowledge and recognize multi-stakeholders
 - Consider other factors, e.g., social responsibility

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DA application: A dichotomous world

Emotions limited to personal decisions

Decision types	Personal	Business
Characteristics	Multiple conflicting objectives Significant long-term impact: self and others	Large upfront investment Long investment timeframe Significant uncertainties: technical and return
Applications	Medical treatment decisions Home / car purchase College / major selection	Pharma R&D Oil & gas: upstream / downstream
Objectives	Maximize duration and magnitude of happiness / satisfaction	Maximize financial success
	Emotions 	Emotions 

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Illustrative example: Call for papers for “Emotion and DA” session

- Received non-business applications:
 - Personal medical decision on an upcoming major surgical procedure
 - Creating a value-based model with ~20 non-profit organizations providing services to people without homes
 - Resource allocation decision for a local faith-based organization

Complexity of emotions

“Bad”

Anger
Anxious
Sadness

“Good”

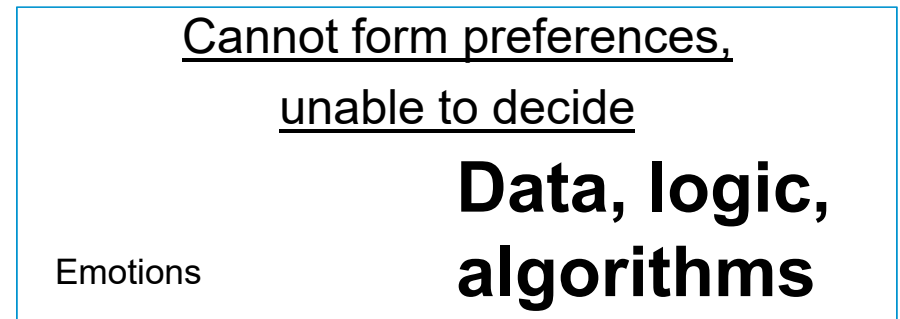
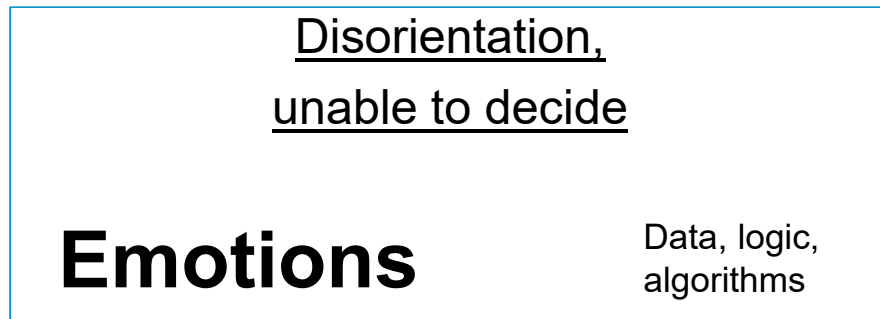
Happy
Joy
Content



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Connecting emotions and DA

- Decision-makers and project team members are human beings with emotions



Evolution of emotions and DA

- “A good decision is an action we take that is logically **consistent** with the **alternatives we perceive**, the **information we have**, and the **preferences we feel**”
- What if... “the purpose of Decision Analysis is help navigate the decision complexity to help discern preferences, and emotions can be used as an information/input?”

¹ Howard, R. A., “Decision Analysis: Practice and Promise”, Management Science, 34, 6 (June 1988)

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Discussion

Small Group Discussion

Question 1: How does your current decision process make space for constructive engagement with emotion?

Question 2: From what you have learned today, what will you carry back into your decision process?

Discuss within your table for 15 min. Capture the main points on the pads.

Questions