

Multiple Criteria Decision Making I

Analytic Hierarchy Process

孙子曰：兵者，国之大事，死生之地，存亡之道，不可不察也。故经之以五事，校之以计，而索其情：一曰道，二曰天，三曰地，四曰将，五曰法。

Sun Tze said: War is a matter of vital importance to the State; the province of life or death; the road to survival or ruin. It is mandatory that it be thoroughly studied. Therefore, appraise it in terms of the five fundamental factors and make comparisons. The factors are: (1) Moral influence; (2) Weather; (3) Terrain; (4) Command; and (5) Doctrine.

Multiple Criteria Decision Making in Sun Tze's Art of War

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1 Introduction

- The **Analytic Hierarchy Process** (AHP) is a Multiple Criteria Decision Making (MCDM) method developed by Thomas L. Saaty.
- It is an easy-to-use decision-making tool for problem solving and decision making in complex environment that involves consideration of multiple and possibly conflicting criteria as well as in situations that require judgements on qualitative factors.
- AHP is based on four steps:
 1. **Decompositions:** A complex problem is decomposed into a hierarchy with a goal or objective at the top, each lower level consisting of a few elements; element is also, in turn, decomposed and so on. The available alternatives are usually at the lowest level of the hierarchy.
 2. **Prioritization:** The impact of the elements at each level of the hierarchy on its parent element is assessed through pairwise comparisons on a ratio scale. This produces a series of pairwise comparison matrixes which are individually evaluated to produce the elements' local weights.
 3. **Synthesis:** The priorities in Step 2 are aggregated together through the **Principle of Hierarchic Composition** to compute the overall assessments or **Global Weights** of the alternatives.
 4. **Sensitivity Analysis:** The impact on decision outcomes to changes in the importance of the elements in the hierarchy is determined via one-way sensitivity analysis to gain managerial insight about the problem.

2 Prioritization

2.1 Priority or Preference Weights

- We first concentrate on Step 2 of the AHP which is the prioritization of elements at each level of the model.
- Suppose we want to assess the **relative importance** or **priority** on a set of elements or items. These elements can be the criteria, sub-criteria, or alternatives in the AHP model.
- We express the degrees of importance or priority of each items using a set of weights which are usually *normalized* (i.e., they add up to exactly 1 or 100%).
- More formally, suppose we have n items to compare, we seek a vector

$$\mathbf{w} = \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix}$$

such that $\sum_{i=1}^n w_i = 1$, where w_i expresses the importance, priority or preference weight for item i .

- We will simply refer to the w_i 's as the **weights**.

2.2 Method of Pairwise Comparison

Pairwise Comparison Matrix

- Suppose we have n items to compare. We first create a pairwise comparison reciprocal matrix

$$A = \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{22} & \cdots & a_{2n} \\ \vdots & \vdots & & \vdots \\ a_{n1} & a_{n2} & \cdots & a_{nn} \end{bmatrix} = [a_{ij}]$$

such that each element $a_{ij} = \frac{w_i}{w_j}$ for all i, j .

Valid Pairwise Comparison Matrix

- Matrix A is valid if and only if it satisfies the followings properties:
 1. The entries of A must be *positive*, i.e., $a_{ij} > 0$ all i, j .
 2. The matrix A is a *reciprocal matrix* with $a_{ij} = \frac{1}{a_{ji}}$ for all i, j .
 3. The diagonal elements of A are always one, i.e. $a_{ii} = 1$, for all i .

Example

- Consider 3 elements or items x_1, x_2, x_3 which we wish to compare and prioritize.
- Suppose we assess that importance of x_2 is about *twice* that of x_1 , the importance of x_1 is about *thrice* that of x_3 , and the importance of x_2 is about *five times* that of x_3 , i.e.,

$$\frac{w_2}{w_1} \approx 2; \quad \frac{w_1}{w_3} \approx 3; \quad \frac{w_2}{w_3} \approx 5$$

- Then $a_{21} = 2$, $a_{13} = 3$, and $a_{23} = 5$.
- The pairwise comparison matrix for x_1, x_2 and x_3 is as follows:

$$A = \begin{bmatrix} 1 & \frac{1}{2} & 3 \\ 2 & 1 & 5 \\ \frac{1}{3} & \frac{1}{5} & 1 \end{bmatrix}$$

- We call the pairwise comparison matrix the A -matrix.

Input requirements to construct the A -matrix

- In general, given n items, $n(n - 1)/2$ number of comparisons are needed.

Perfectly Consistent A -matrix

- A pairwise comparison matrix is said to be ***Perfectly Consistent*** if and only if
 1. It is a valid A -matrix, and
 2. $a_{ij} = \frac{a_{ik}}{a_{jk}} = a_{ik}a_{kj}$ for all i, j , and k .

Example

- The following matrix is perfectly consistent:

$$\begin{bmatrix} 1 & \frac{1}{2} & 3 \\ 2 & 1 & 6 \\ \frac{1}{3} & \frac{1}{6} & 1 \end{bmatrix} \quad \text{since } a_{12} = 1/2, \quad a_{13} = 3, \quad \text{and } a_{23} = 6 = a_{13}/a_{12}.$$

- The following matrix is valid but not perfectly consistent:

$$\begin{bmatrix} 1 & \frac{1}{2} & 3 \\ 2 & 1 & 5 \\ \frac{1}{3} & \frac{1}{5} & 1 \end{bmatrix} \quad \text{since } a_{12} = 1/2, \quad a_{13} = 3, \quad \text{and } a_{23} = 5 \neq a_{13}/a_{12} = 6.$$

Relation between A and w

$$\begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix},$$

- Given a perfectly consistent A -matrix, if we post-multiply A by the column vector $w = \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix}$,

we get

$$Aw = \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{22} & \cdots & a_{2n} \\ \vdots & \vdots & & \vdots \\ a_{n1} & a_{n2} & \cdots & a_{nn} \end{bmatrix} \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix} = \begin{bmatrix} \frac{w_1}{w_1} & \frac{w_1}{w_2} & \cdots & \frac{w_1}{w_n} \\ \frac{w_2}{w_1} & \frac{w_2}{w_2} & \cdots & \frac{w_2}{w_{n1}} \\ \vdots & \vdots & & \vdots \\ \frac{w_n}{w_1} & \frac{w_n}{w_2} & \cdots & \frac{w_n}{w_{n1}} \end{bmatrix} \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_n \end{bmatrix} = \begin{bmatrix} n w_1 \\ n w_2 \\ \vdots \\ n w_n \end{bmatrix} = n w$$

$$\Rightarrow Aw = n w$$

$$\Rightarrow (A - n I) w = 0.$$

- This gives us a relationship between A and w .

2.3 Computing Priority Weights from a Pairwise Comparison Matrix

Computing w when A is perfectly consistent.

- If A is a Perfectly Consistent pairwise comparison matrix, then w may be computed by normalizing any column j of A .

$$\text{i.e. } w_i = \frac{a_{ij}}{\sum_{k=1}^n a_{kj}} \quad \text{for } i = 1 \text{ to } n.$$

Example

- Given $A = \begin{bmatrix} 1 & \frac{1}{2} & 3 \\ 2 & 1 & 6 \\ \frac{1}{3} & \frac{1}{6} & 1 \end{bmatrix}$ which is a perfectly consistent matrix.

- Normalizing the first column, we obtain $w = \begin{bmatrix} \frac{1}{1+2+1/3} \\ \frac{2}{1+2+1/3} \\ \frac{1/3}{1+2+1/3} \end{bmatrix} = \begin{bmatrix} 0.3 \\ 0.6 \\ 0.1 \end{bmatrix}$

- The same result is obtained by normalizing column 2 or column 3.

Computing w when A is not perfectly consistent.

- In reality, A is usually imperfect since it is based on human expert's judgments. That is, $a_{ij} \neq a_{ik}a_{kj}$ for some i, j, k .
- The best estimate for w can be estimated from the relation $(A - \lambda \mathbf{I})w = 0$ where λ is a constant that is approximately equal to n .
- But from linear algebra, λ and w are the eigenvalue and eigenvector of A respectively.
- It can be shown that a positive reciprocal matrix has only *one real dominant eigenvalue* which shall be denoted as λ_{max} .

Methods for finding λ_{max} and w given A

1. Linear Algebra method (exact but solution method may be numerical).
2. Numerical method (very good solution within known tolerance limits).
3. Approximation methods (not exact, but fast and good enough; errors not controllable)

2.4 Linear Algebra Method

- We illustrate the Linear Algebra method with a numerical example:

- Given matrix $A = \begin{bmatrix} 1 & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 & 3 \\ 2 & \frac{1}{3} & 1 \end{bmatrix}$ which is valid but not perfectly consistent:

- The relationship between λ and w is the equation $(A - \lambda I) w = 0$, i.e.

$$(1 - \lambda)w_1 + \frac{1}{3}w_2 + \frac{1}{2}w_3 = 0$$

$$3w_1 + (1 - \lambda)w_2 + 3w_3 = 0$$

$$2w_1 + \frac{1}{3}w_2 + (1 - \lambda)w_3 = 0$$

- A trivial solution is obviously $w_1 = w_2 = w_3 = 0$, and λ is any number.
- For non-trivial solutions, the determinant of the coefficients matrix $(A - \lambda I)$ must be zero:

$$\text{Det}(A - \lambda I) = \begin{vmatrix} 1 - \lambda & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 - \lambda & 3 \\ 2 & \frac{1}{3} & 1 - \lambda \end{vmatrix} = 0$$

- Use cofactors expansion, we obtain a cubic equation in λ :

$$\begin{aligned} (1 - \lambda) \begin{vmatrix} 1 - \lambda & 3 \\ \frac{1}{3} & 1 - \lambda \end{vmatrix} - \frac{1}{3} \begin{vmatrix} 3 & 3 \\ 2 & 1 - \lambda \end{vmatrix} + \frac{1}{2} \begin{vmatrix} 3 & 1 - \lambda \\ 2 & \frac{1}{3} \end{vmatrix} &= 0 \\ \Rightarrow (1 - \lambda)[(1 - \lambda)^2 - 1] - (1/3)[3(1 - \lambda) - 6] + (1/2)[1 - 2(1 - \lambda)] &= 0 \\ \Rightarrow (1 - \lambda)(1 - 2\lambda + \lambda^2 - 1) + (1 + \lambda) + (1/2)(2\lambda - 1) &= 0 \\ \Rightarrow (1 - \lambda)(\lambda^2 - 2\lambda) + 1 + \lambda + \lambda - 0.5 &= 0 \\ \Rightarrow -\lambda^3 + 3\lambda^2 + 0.5 &= 0 \\ \Rightarrow \lambda = 3.0536 &\quad // 2 other complex roots ignored \end{aligned}$$

- We can try to find w by substituting $\lambda = 3.0536$ back into $(A - \lambda I) w = 0$, and solve the following set of equations:

$$-2.053622w_1 + \frac{1}{3}w_2 + \frac{1}{2}w_3 = 0$$

$$3w_1 - 2.053622w_2 + 3w_3 = 0$$

$$2w_1 + \frac{1}{3}w_2 - 2.053622w_3 = 0$$

- However, the 3 equations are not linearly independent. We may drop any of the 3 equations and add the normalizing equation $w_1 + w_2 + w_3 = 1$ to obtain 3 linearly independent equations.
- After replacing the first equation by the normalization equation, we solve the following 3 equations:

$$3w_1 - 2.053622w_2 + 3w_3 = 0$$

$$2w_1 + \frac{1}{3}w_2 - 2.053622w_3 = 0$$

$$w_1 + w_2 + w_3 = 1$$

- In matrix notations:

$$\begin{bmatrix} 3 & -2.053622 & 3 \\ 2 & 1/3 & -2.053622 \\ 1 & 1 & 1 \end{bmatrix} \begin{bmatrix} w_1 \\ w_2 \\ w_3 \end{bmatrix} = \begin{bmatrix} 0 \\ 0 \\ 1 \end{bmatrix}$$

- Solution:

$$\begin{bmatrix} w_1 \\ w_2 \\ w_3 \end{bmatrix} = \begin{bmatrix} 3 & -2.053622 & 3 \\ 2 & 1/3 & -2.053622 \\ 1 & 1 & 1 \end{bmatrix}^{-1} \begin{bmatrix} 0 \\ 0 \\ 1 \end{bmatrix} = \begin{bmatrix} 0.15706 \\ 0.59363 \\ 0.25931 \end{bmatrix}$$

- Hence the priority weights are:

$$w_1 = 0.1571$$

$$w_2 = 0.5936$$

$$w_3 = 0.2493$$

- The steps for computing λ_{\max} and w using linear algebra method:

1. Given a valid pairwise comparison matrix A of size n .
2. Determine λ by solving $|A - \lambda I| = 0$ // Can use numerical method
3. Form a set of n linear equations: $(A - \lambda I) w = 0$
4. Replace any equation in Step 3 with $\sum_{j=1}^n w_j = 1$
5. Determine w by solving the set of n linear equations.

Weights in Distributive and Ideal forms

- Weights are said to be expressed in **Normalized** or **Distributive Form** if they add up to 1.0 or 100%. It tells us how to allocate importance or priorities among the items. The weights in the previous example are expressed in distributive form.
- If we divide all the priority weights by the largest weight, we obtain the weights expressed in **Idealized Form**: It tells us the importance or performance of each item relative to the best (or ideal) item which is allocated a weight 1.0.
- In the above example, the weights expressed in ideal form are:

$$w_2 = 1$$

$$w_3 = 0.420$$

$$w_1 = 0.265$$

2.5 The Scale for Pairwise Comparison and Consistency Measures

- Saaty recommended a 9-point scale whose validity is supported by some empirical studies. 9 is also the maximum number of concepts a person can reason without any background noise. (Miller's magic number 7 ± 2).

Saaty's Intensity of Importance Scale

Intensity of Importance	Definition	Explanation
1	Equal importance	Two activities contribute equally to the objective
3	Weak importance of one over another	Experience and judgment slightly favor one activity over another
5	Essential or strong importance	Experience and judgment strongly favor one activity over another
7	Demonstrated importance	An activity is strongly favored and its dominance demonstrated in practice
9	Absolute importance	The evidence favoring one activity over another is of the highest possible order of affirmation
2,4,6,8	Intermediate values between the two adjacent judgments	When compromise is needed
Reciprocals of above non-zero numbers	If activity i has one of the above non-zero numbers assigned to it when compared with activity j , then has the reciprocal when compared with i	

The Consistency Index (CI)

- In practice, we cannot ensure that the A matrix is perfectly consistent, i.e., for all i, j and k , $a_{ij} = a_{ik} / a_{jk}$.
- If A were perfectly consistent, we can find the values of w by simply normalizing any column j of A , i.e.,

$$w_i = \frac{a_{ij}}{\sum_{k=1}^n a_{kj}} \quad \forall i = 1, 2, \dots, n. \quad \text{and} \quad \lambda_{\max} = n \quad \text{exactly.}$$

- Unfortunately, some inconsistency in judgments cannot be totally avoided. However, we must ensure that the A -matrix does not contain too much inconsistencies.
- It can be shown that for any positive reciprocal matrix of any size n , $\lambda_{\max} \geq n$, and $(\lambda_{\max} - n)$ increases with the amount of inconsistency in A .
- Saaty defined the **Consistency Index (CI)** of A to be:

$$CI = \frac{\lambda_{\max} - n}{n - 1}$$

(Note that actually CI is a measure of inconsistency and not of consistency)

Example

- For the matrix $A = \begin{bmatrix} 1 & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 & 3 \\ 2 & \frac{1}{3} & 1 \end{bmatrix}$, we have found that $\lambda = 3.0536$.

- Hence $CI = \frac{\lambda_{\max} - n}{n-1} = \frac{3.0536 - 3}{3-1} = 0.0268$
- The matrix A has a CI of 0.0268. But how do we know if this is acceptable?

The Consistency Ratio and the 10% Rule

- Consider a positive reciprocal matrix of size $n > 2$ whose entries are randomly selected from the 9-point scale. This can be done using Monte Carlo simulation.
- These matrices are those with the highest inconsistency.
- The average CI values for these matrices are called **Random Indices (RI)** and are given below:

Size of matrix	Random Index (RI)
3	0.58
4	0.90
5	1.12
6	1.24
7	1.32
8	1.41
9	1.45
10	1.49
11	1.51
12	1.54
13	1.56
14	1.57
15	1.58

- The **Consistency Ratio (CR)** of A is defined to be:

$$CR = \frac{CI \text{ of } A}{RI \text{ for size } n}$$

The 10% Rule of Practice:

- A matrix with $C.R. \leq 0.1$ is typically considered acceptable.
- If $CR > 0.1$, there is a need to reassess some of the entries to reduce the amount of inconsistencies.

Example

- For the matrix $A = \begin{bmatrix} 1 & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 & 3 \\ 2 & \frac{1}{3} & 1 \end{bmatrix}$, we have found that $CI = 0.0268$.

- Hence $CR = \frac{CI \text{ of } A}{RI \text{ for size } 3} = \frac{0.0268}{0.58} = 0.0463 < 0.1$

\Rightarrow Inconsistency is within acceptable limit of 0.1.

Transitivity Relation in Pairwise Comparisons

- Given three items: x_i, x_j and x_k to be compared.
- Suppose $x_i \succ x_j$ and $x_j \succ x_k$. If $x_i \succ x_k$ then we said that the preference or importance of the items satisfy the transitivity property.
- Transitivity implies that in the pairwise comparison matrix, $a_{ij} > 1$ and $a_{jk} > 1 \Rightarrow a_{ik} > 1$.
- Ensuring transitivity in a pairwise comparison matrix is likely to achieve good consistency ratio.

Example

- Given the matrix:

$$\begin{bmatrix} 1 & 3 & 1/3 \\ 1/3 & 1 & 5 \\ 3 & 1/5 & 1 \end{bmatrix}, \text{ we obtain } \mathbf{w} = \begin{bmatrix} 0.33014 \\ 0.39142 \\ 0.27845 \end{bmatrix}, \lambda = 4.838, CI = 0.919, CR = 1.584 \ggg 0.1$$

- We have

$$a_{12} = 3 > 1 \Rightarrow x_1 \text{ is preferred to } x_2$$

$$a_{23} = 5 > 1 \Rightarrow x_2 \text{ is preferred to } x_3$$
 but $a_{31} = 3 > 1 \Rightarrow x_3 \text{ is preferred to } x_1$
- Hence transitivity is violated and the CR of the matrix is very high.
- Suppose the violation was unintentional and a_{31} was supposed to be $1/3$.
- Fixing entries a_{31} and a_{13} so that transitivity is satisfied:

$$\begin{bmatrix} 1 & 3 & 3 \\ 1/3 & 1 & 5 \\ 1/3 & 1/5 & 1 \end{bmatrix}, \mathbf{w} = \begin{bmatrix} 0.56660 \\ 0.32296 \\ 0.11045 \end{bmatrix}, \lambda = 3.295, CI = 0.14739, CR = 0.254 > 0.1$$

- The CR has dramatically improved from 1.584 to 0.254 by just satisfying transitivity, but the new CR is still not within acceptable limit. Some of the entries in the matrix should be reassessed until $CR < 0.1$.

2.6 Using Computing Tools to Compute w and λ_{\max}

1. Using only Excel Worksheet Functions

- Excel does not have a built-in function to compute eigenvalues and eigenvectors of matrices. The following process uses only Excel Worksheet Functions: Goal Seek to find λ , and then MMULT and MINVERSE functions to find w . No VBA code required.

Step 1: Set up the pairwise comparison matrix A and compute the $A - \lambda I$ matrix with a guess value for λ .

Step 2: Use Goal Seek to find λ by solving the equation $|A - \lambda I| = 0$.

The screenshot shows an Excel spreadsheet titled "9.2.6_Compute_AHP_matrix_Algebra_method_templates_Excel.xlsx". The spreadsheet contains a section titled "Compute AHP matrix using Linear Algebra method". It includes a matrix A (rows 4-6, columns B-D) with values [1, 1/3, 1/2], [3, 1, 3], and [2, 1/3, 1]. Below it is a row for CI = 0.00000 and CR = 0.00000. A matrix A - λI (rows 11-14, columns B-D) is shown with values [-2.000, 1/3, 0.5], [3, -2.000, 3], and [2, 1/3, -2.000]. The determinant of A - λI is calculated as 0.500000. A Goal Seek dialog box is open, setting cell D10 to 0 by changing cell \$D\$7. The formula in cell D10 is =MDETERM(B12:D14).

- Solution obtained:

The screenshot shows the same Excel spreadsheet after the Goal Seek operation. The determinant of A - λI is now 0.000000, and the value in cell D7 is 3.0536. The formula in cell D10 is still =MDETERM(B12:D14). The rest of the spreadsheet remains the same, showing the original matrix A and its inverse A - λI.

Step 3: Set up the set of linear equations to solve by adding a row of all ones, and right-hand size vector of zeros.

The screenshot shows an Excel spreadsheet titled "Compute AHP matrix using Linear Algebra method". The A-matrix is defined as follows:

	A-matrix		w
1	1	1/3	1/2
3	3	1	3
5	2	1/3	1

Below the matrix, the maximum eigenvalue $\lambda = 3.0536$ is calculated, with a note " \leq by changing this". The Consistency Index (CI) is 0.02681 and the Consistency Ratio (CR) is 0.04623, both of which are less than 0.1.

The system of equations for finding the eigenvectors is set up as follows:

	A - λI			RHS
11	-2.054	1/3	0.5	not used
12	3	-2.054	3	0
13	2	1/3	-2.054	0
14	1	1	1	1

Step 4: Compute w using Excel Worksheet functions MMULT and MINVERSE:

The screenshot shows the same Excel spreadsheet after calculating the weight vector w . The values are now:

	A-matrix		w
4	1	1/3	0.15706
5	3	1	0.59363
6	2	1/3	0.24931

The maximum eigenvalue $\lambda = 3.0536$ remains the same. The Consistency Index (CI) is 0.02681 and the Consistency Ratio (CR) is 0.04623, both of which are less than 0.1.

Step 5: Compute CI and CR using λ found in Step 2.

- Results:

$$w_1 = 0.157056, \quad w_2 = 0.59363, \quad w_3 = 0.24931 \\ \lambda_{\max} = 3.0536, \quad CI = 0.02681, \quad CR = 0.04623 < 0.1$$

2. Using Excel User Defined Function

- An Excel User Defined Function (UDF) can be used to hide all the messy workings above. It takes a only single argument matrix A and return a column array $[w, \lambda_{\max}, CR]^T$ of length $N+2$.
- The numerical bisection search method is used to solve the determinant equation to find λ_{\max} . You can download the VBA source code from CodeHub.

	A	B	C	D	E	F	G	H	I	J	K	L
12												
13							Algebra					
14		C1	C2	C3		w						
15	C1	1	3	5	0.636986	{=AHPmat_Algebra(C15:E17)}						
16	C2	1/3	1	3	0.258285	{=AHPmat_Algebra(C15:E17)}						
17	C3	1/5	1/3	1	0.104729	{=AHPmat_Algebra(C15:E17)}						
18					$\lambda =$	3.038511	{=AHPmat_Algebra(C15:E17)}					
19					CR =	0.033199	{=AHPmat_Algebra(C15:E17)}					
20												
21												
22												
23							Algebra					
24		C1	C2	C3	C4	w						
25	C1	1	3	5	7	0.565009	{=AHPmat_Algebra(C25:F28)}					
26	C2	1/3	1	3	5	0.262201	{=AHPmat_Algebra(C25:F28)}					
27	C3	1/5	1/3	1	3	0.117504	{=AHPmat_Algebra(C25:F28)}					
28	C4	1/7	1/5	1/3	1	0.055285	{=AHPmat_Algebra(C25:F28)}					
29						$\lambda =$	4.116982	{=AHPmat_Algebra(C25:F28)}				
30						CR =	0.043327	{=AHPmat_Algebra(C25:F28)}				
31												

3. Using Python (Linear Algebra method)

```
In [1]: """ Compute AHP matrix using Linear Algebra method """
import numpy as np
from scipy.optimize import root
```

```
In [2]: A = np.array([[1, 1/3, 1/2],
                 [3, 1, 3],
                 [2, 1/3, 1]])

n, _ = A.shape # Number of elements
I = np.eye(n) # Identity matrix
```

```
In [3]: # Find Lambda_max by finding root of the determinant equation
eq = lambda y: np.linalg.det(A-I*y)
sol = root(eq, x0=n, options={'xtol':1e-12})
lambda_max = sol.x[0]
print(f"lambda_max = {lambda_max:.6f}")
```

```
lambda_max = 3.053622
```

```
In [4]: # Find w by solving a set of linear equations M w = b
M = A - I*lambda_max # M = A - Lambda_max I for first n-1 rows
M[n-1] = np.ones(n) # Replace the last row with [1, 1..., 1]
b = np.append(np.zeros(n-1), [1]) # b = [0, 0, ..., 1]
w = np.linalg.solve(M,b)
print(f"w = {w}")
```

```
w = [0.15705579 0.59363369 0.24931053]
```

```
In [5]: # Compute CI and CR
CI = (lambda_max-n)/(n-1)
CR = CI/0.58 # RI = 0.58 for n = 3
print(f"CI= {CI:.6f}, CR= {CR:.6f}")
```

```
CI= 0.026811, CR= 0.046225
```

4. Using Python numpy.linalg.eig() function

- You may also use the `numpy.linalg.eig()` function to first compute all the eigenvalues and eigenvectors (reals and complex's), and then extract out the dominant real eigenvalue and its corresponding eigenvector.

```
In [1]: """ Compute AHP matrix using np.linalg.eig function """
import numpy as np
```

```
In [2]: A = np.array([[1, 1/3, 1/2],
                 [3, 1, 3],
                 [2, 1/3, 1]])
```

```
In [3]: # Compute all the eigenvalues and eigenvectors
eigVal, eigVec = np.linalg.eig(A)

# Get the dominant real eigenvalue and its eigenvector
lambda_max, w = max([(val.real, vec.real) for val, vec
                      in zip(eigVal, eigVec.T) if np.isreal(val)])
w = w/w.sum() # Normalize w. Can idealize it also.
print(f"lambda_max = {lambda_max:.6f}")
print(f"w = {w}")
```

```
lambda_max = 3.053622
w = [0.15705579 0.59363369 0.24931053]
```

```
In [4]: n, _ = A.shape
CI = (lambda_max - n)/(n - 1)
CR = CI/0.58 # RI for size 3 is 0.58
print(f"CI = {CI:.6f}, CR = {CR:.6f}")
```

```
CI = 0.026811, CR = 0.046225
```

2.7 Approximation Methods for Computing w and λ_{\max}

- Approximation methods can be used to find approximate values of λ_{\max} and w very quickly with little computing resources.
- Two easy-to-use approximation methods are:
 1. Row Geometric Mean Method
 2. Column Normalization Method

1. Row Geometric Mean (RGM) Approximation Method

Procedure:

1. Given a valid pairwise comparison matrix A , compute the geometric mean of each row of A .
2. Normalize the numbers obtain in Step 1 to obtain an approximate w .
3. For each row i , compute an approximate value of λ by finding the product of the i^{th} row of A and the column vector w , and then dividing by w_i .
4. The best approximate value of λ is obtained by averaging all the values of λ found in Step 3.

Example

- Consider matrix $A = \begin{bmatrix} 1 & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 & 3 \\ 2 & \frac{1}{3} & 1 \end{bmatrix}$

			Row geometric mean	Normalized weights	Approximate λ using row i
1	1/3	1/2	$\sqrt[3]{(1 \cdot \frac{1}{3} \cdot \frac{1}{2})} = 0.55032$	0.1571	3.0536
3	1	3	$\sqrt[3]{(3 \cdot 1 \cdot 3)} = 2.08008$	0.5936	3.0536
2	1/3	1	$\sqrt[3]{(2 \cdot \frac{1}{3} \cdot 1)} = 0.87358$	0.2493	3.0536
Total			3.50398	1.0000	$\lambda = 3.0536$

- Normalizing the row geometric means:

$$w_1 = 0.55032 / 3.50398 = 0.1571$$

$$w_2 = 2.08008 / 3.50398 = 0.5936$$

$$w_3 = 0.87358 / 3.50398 = 0.2493$$
- Computing an approximate value of λ using each row:

$$\text{Row 1: } \lambda \approx [(1)(0.1571) + (1/3)(0.5936) + (1/2)(0.2493)] / 0.1571 = 3.0536$$

$$\text{Row 2: } \lambda \approx [(3)(0.1571) + (1)(0.5936) + (3)(0.2493)] / 0.5936 = 3.0536$$

$$\text{Row 3: } \lambda \approx [(2)(0.1571) + (1/3)(0.5936) + (1)(0.2493)] / 0.2493 = 3.0536$$
- Results: $w \approx [0.1571, 0.5936, 0.2493]$
 $\lambda \approx 3.0536$
 $CI = (3.0536 - 3)/2 = 0.0268$
 $CR = 0.0268/0.58 = 0.0462$

Justification of the Row Geometric Mean Method

- Given a perfectly consistent A -matrix:

$$\begin{bmatrix} \frac{w_1}{w_1} & \frac{w_1}{w_2} & \cdots & \frac{w_1}{w_n} \\ \frac{w_1}{w_2} & \frac{w_2}{w_2} & \cdots & \frac{w_2}{w_n} \\ \frac{w_2}{w_1} & \frac{w_2}{w_2} & \cdots & \frac{w_2}{w_n} \\ \vdots & \vdots & & \vdots \\ \frac{w_n}{w_1} & \frac{w_n}{w_2} & \cdots & \frac{w_n}{w_n} \end{bmatrix}$$

- The Geometric Mean of the i^{th} row of A is

$$\mu_i = \sqrt[n]{\frac{w_i}{w_1} \frac{w_i}{w_2} \cdots \frac{w_i}{w_n}} = \frac{w_i}{\sqrt[n]{w_1 w_2 \cdots w_n}} = K w_i \quad \text{for } i = 1 \text{ to } n$$

where K is a constant.

- By normalizing the μ_i 's, we eliminate K and retrieve the values of w_i 's.
- Hence if A is perfectly consistent, then this method gives the exact weights, and when A is not perfectly consistent, it can give a good approximation of the weights.

- To find λ , first we observe that if w is exact, then $Aw = \lambda w = \begin{bmatrix} \lambda w_1 \\ \lambda w_2 \\ \vdots \\ \lambda w_n \end{bmatrix}$.

Hence, by dividing any i^{th} entry of $Aw = \lambda w$ by w_i , we will get the exact value of λ .

However, when w is not exact, we use can use all the rows of A and the approximate w to obtain n approximate values of λ , and then take their average.

$$\text{Hence } \lambda_{\max} \approx \frac{1}{n} \sum_{i=1}^n \lambda_i \quad \text{where } \lambda_i = \frac{\sum_{j=1}^n a_{ij} w_j}{w_i} \text{ for } i = 1 \text{ to } n.$$

Using only Excel Worksheet Functions (no VBA)

	C1	C2	C3	Weight	RGM	Aw
C1	1	1/3	1/2	0.157056	0.5503	0.4796
C2	3	1	3	0.593634	2.0801	1.8127
C3	2	1/3	1	0.249311	0.8736	0.7613
			$\lambda = 3.0536$	1.0000		
CI = 0.0268		CR = 0.0462	< 0.1			

	C1	C2	C3	C4	Weight	RGM	Aw
C1	1	3	5	7	0.5638	3.2011	2.3280
C2	1/3	1	3	5	0.2634	1.4953	1.0798
C3	1/5	1/3	1	3	0.1178	0.6687	0.4834
C4	1/7	1/5	1/3	1	0.0550	0.3124	0.2275
			$\lambda = 4.1169$	1.0000			
CI = 0.0390		CR = 0.0433	< 0.1				

Ready 100%

Using Excel User Defined Function (VBA)

	C1	C2	C3	w	RGM
C1	1	3	5	0.636986	
C2	1/3	1	3	0.258285	
C3	1/5	1/3	1	0.104729	
			$\lambda = 3.038511$		
			CR = 0.033199		

	C1	C2	C3	C4	w	RGM
C1	1	3	5	7	0.563813	
C2	1/3	1	3	5	0.263378	
C3	1/5	1/3	1	3	0.117786	
C4	1/7	1/5	1/3	1	0.055022	
			$\lambda = 4.116934$			
			CR = 0.043309			

Ready 120%

Using Python

```
In [1]: """ Compute AHP matrix using Row Geometric Mean approximation method """
import numpy as np
from scipy.stats import gmean
```

```
In [2]: A = np.array([[ 1, 1/3, 1/2],
                  [ 3, 1, 3 ],
                  [ 2, 1/3, 1 ]])
```

```
In [3]: # Compute the geometric mean of each row, then normalize it.
rgm = gmean(A, axis=1)
w = rgm/rgm.sum()
print(f"w = {w}")
```

```
w = [0.15705579 0.59363369 0.24931053]
```

```
In [4]: # Estimate Lambda_max using all rows
lambda_max = (np.dot(A,w)/w).mean()
n, _ = A.shape
CI = (lambda_max-n)/(n-1)
CR = CI/0.58
print(f"lambda_max= {lambda_max:.6f}, CI= {CI:.6f}, CR= {CR:.6f}")
```

```
lambda_max= 3.053622, CI= 0.026811, CR= 0.046225
```

2. The Column Normalization Approximation Method

Procedure:

1. Given a valid pairwise comparison matrix A , normalize each column of A .
2. Compute the average across each row of the matrix to obtain an approximate w .
3. For each row i , compute an approximate value of λ by finding the product of the i^{th} row of A and the column vector w , and then dividing by w_i .
4. An approximate value of λ is obtained by averaging all the values of λ in Step 3.

Example

- Consider matrix $A = \begin{bmatrix} 1 & \frac{1}{3} & \frac{1}{2} \\ 3 & 1 & 3 \\ 2 & \frac{1}{3} & 1 \end{bmatrix}$

			Normalized columns			Row Average	Approximate λ using row i
			Column 1	Column 2	Column 3		
1	1/3	1/2	0.1667	0.2000	0.1111	0.1593	3.0226
3	1	3	0.5000	0.6000	0.6667	0.5889	3.0942
2	1/3	1	0.3333	0.2000	0.2222	0.2518	3.0449
6.000	1.667	4.500				1.0000	$\lambda=3.0539$

- Computing approximate values of λ using each row:

$$\text{Row 1: } \lambda \approx [(1)(0.1593) + (1/3)(0.5889) + (1/2)(0.2518)] / 0.1593 = 3.0226$$

$$\text{Row 2: } \lambda \approx [(3)(0.1593) + (1)(0.5889) + (3)(0.2518)] / 0.5889 = 3.0942$$

$$\text{Row 3: } \lambda \approx [(2)(0.1593) + (1/3)(0.5889) + (1)(0.2518)] / 0.2518 = 3.0449$$

- Results: $w \approx [0.1593, 0.5889, 0.2518]$

$$\lambda \approx 3.0539$$

$$\text{CI} = (3.0539 - 3)/2 = 0.0270$$

$$\text{CR} = 0.0270/0.58 = 0.0465$$

Justification of the Column Normalization Method

- Given a perfectly consistent A -matrix:

$$\begin{bmatrix} \frac{w_1}{w_1} & \frac{w_1}{w_2} & \dots & \frac{w_1}{w_n} \\ \frac{w_2}{w_1} & \frac{w_2}{w_2} & \dots & \frac{w_2}{w_n} \\ \frac{w_1}{w_2} & \frac{w_1}{w_2} & \dots & \frac{w_1}{w_n} \\ \vdots & \vdots & & \vdots \\ \frac{w_n}{w_1} & \frac{w_n}{w_2} & \dots & \frac{w_n}{w_n} \end{bmatrix}$$

- By normalizing each column, we obtain the following matrix

$$\begin{bmatrix} w_1 & w_1 & \cdots & w_1 \\ w_2 & w_2 & \cdots & w_2 \\ \vdots & \vdots & & \vdots \\ w_n & w_n & \cdots & w_n \end{bmatrix}$$

- Hence if A is perfectly consistent, the exact weights may be obtained by normalizing any columns of A .
- However, when A is not perfectly consistent, each normalized columns will be slightly different, and by averaging across the rows, we obtain a good approximation for the weights.
- The step for computing an approximate value of λ is the same as in the RGM method.

Using only Excel Worksheet Functions

The screenshot shows an Excel spreadsheet titled "9.2.7_Compute_AHP_matrix_Columns_Normalization_method_templates_Excel.xlsx". The spreadsheet contains two tables of data with their corresponding normalized columns and weights.

Table 1 (Top Left):

	C1	C2	C3	Weight
C1	1	1/3	1/2	0.1593
C2	3	1	3	0.5889
C3	2	1/3	1	0.2519
	$\lambda = 3.0539$			1.0000
CI = 0.0270	CR = 0.0465			≤ 0.1

Table 2 (Bottom Left):

	C1	C2	C3	C4	Weight
C1	1	3	5	7	0.5579
C2	1/3	1	3	5	0.2633
C3	1/5	1/3	1	3	0.1219
C4	1/7	1/5	1/3	1	0.0569
	$\lambda = 4.1185$				1.0000
CI = 0.0395	CR = 0.0439				≤ 0.1

Normalized Columns and Weights:

Normalized columns			Aw
0.1667	0.2000	0.1111	0.4815
0.5000	0.6000	0.6667	1.8222
0.3333	0.2000	0.2222	0.7667
1.0000	1.0000	1.0000	

Normalized columns			Aw	
0.5966	0.6618	0.5357	0.4375	2.3555
0.1989	0.2206	0.3214	0.3125	1.0994
0.1193	0.0735	0.1071	0.1875	0.4919
0.0852	0.0441	0.0357	0.0625	0.2299
1.0000	1.0000	1.0000	1.0000	

Using Excel User Defined Function

The screenshot shows an Excel spreadsheet titled "9.2.7_Compute_AHP_matrix_UDF_RGM_Excel.xlsx - Excel". The ribbon is visible at the top with tabs like File, Home, Insert, Page Layout, Formulas, Data, Review, View, Developer, Acrobat, Tell me, Poh Kim L., and Share. The Home tab is selected. The formula bar says "Compute AHP matrix using UDF (Algebra method)". The spreadsheet contains two tables for column normalization:

	C1	C2	C3	ColNorm
C1	1	3	5	0.633346
C2	1/3	1	3	0.260498
C3	1/5	1/3	1	0.106156

Below the first table:

$$\lambda = 3.038715$$
$$CR = 0.033375$$

Below the second table:

	C1	C2	C3	C4	ColNorm
C1	1	3	5	7	0.557892
C2	1/3	1	3	5	0.263345
C3	1/5	1/3	1	3	0.121873
C4	1/7	1/5	1/3	1	0.056890

Below the second table:

$$\lambda = 4.118466$$
$$CR = 0.043876$$

The status bar at the bottom shows "Ready" and "ColNorm" is selected in the formula bar.

Using Python

```
In [1]: """ Compute AHP matrix using Column Normalization approximation method """
      """ This method is fast but not very accurate; Use RGM method instead """
      import numpy as np
```

```
In [2]: A = np.array([[1, 1/3, 1/2],
                  [3, 1, 3],
                  [2, 1/3, 1]])
```

```
In [3]: # Normalise each column of A, then average across each row.
w = (A/A.sum(axis=0)).mean(axis=1)
print(f"w = {w}")

w = [0.15925926 0.58888889 0.25185185]
```

```
In [4]: # Estimate Lambda_max using all rows
lambda_max = (np.dot(A,w)/w).mean()
n, _ = A.shape
CI = (lambda_max-n)/(n-1)
CR = CI/0.58
print(f"lambda_max= {lambda_max:.6f}, CI = {CI:.6f}, CR= {CR:.6f}")

lambda_max= 3.053904, CI = 0.026952, CR= 0.046469
```

Comparison of Approximation Methods

	Exact Analytical Method	Geometric Mean Method	Column Normalization Method
w_1	0.15705579	0.15705579	0.15925926
w_2	0.59363369	0.59363369	0.58888889
w_3	0.24931053	0.24931053	0.25185185
λ_{\max}	3.053622	3.053622	3.053904

Notes:

- Row Geometric Mean Method provides better results than the Column Normalization Method.
- RGM method is very good for small matrix size, but the errors will increase as the size increases.
- Use the RGM method if you have to use an approximation method.
- Use the Column Normalization method only if you do not have a scientific calculator to find the n^{th} roots.

2.8 Numerical Method for Computing w and λ_{\max}

Power Iterations method

- The Power Iterations method can be used to find the dominant eigenvalue and its's corresponding eigenvector by numerical iterations until the solution converges to within some tolerance limits.

Algorithm:

Given a valid matrix A .

Let w_0 = initial guess by an approximation method.

Iteration $k = 0$

While $k \leq \text{max_iterations}$

$w_{k+1} = A w_k$

$w_{k+1} = w_{k+1} / \text{sum}(w_{k+1})$ // normalize it

If $|w_{k+1} - w_k| < \text{tolerance}$:

$w_k = w_{k+1}$ // take the last value before breaking out

break

End If

$w_k = w_{k+1}$

$k = k + 1$

End While

$\lambda = Aw_k / w_k$ // component wise

$\lambda_{\max} = \text{mean}(\lambda)$

$CI = (\lambda_{\max} - n) / (n - 1)$

$CR = CI / RI_n$

Using Excel User-Defined Function

Power				
C1	C2	C3		w
1	3	5		0.636986
1/3	1	3		0.258285
1/5	1/3	1		0.104729
			$\lambda =$	3.038511
			CR =	0.033199

Power				
C1	C2	C3	C4	w
1	3	5	7	0.565009
1/3	1	3	5	0.262201
1/5	1/3	1	3	0.117504
1/7	1/5	1/3	1	0.055285
			$\lambda =$	4.116982
			CR =	0.043327

Using Python

```
In [1]: """ Compute AHP matrix using Power Iterations method """
import numpy as np
from scipy.stats import gmean
```

```
In [2]: A = np.array([[1, 1/3, 1/2],
                 [3, 1, 3],
                 [2, 1/3, 1]])
```

```
In [3]: # Initial solution:
# Use RGM approximation. Faster convergence
gm = gmean(A, axis=1)
w = gm/gm.sum()
# Use column normalization. More iterations needed
# w = (A/A.sum(axis=0)).mean(axis=1)
```

```
In [4]: # Perform Power Iterations
max_iter= 1000000
epsilon = 1.E-16
for iter in range(max_iter):
    w1 = np.dot(A,w)      # w(k+1) = A w(k)
    w1 = w1/w1.sum()      # normalize w(k+1)
    if all(np.absolute(w1-w) < epsilon):
        w = w1
        print(f"Tolerance {epsilon} achieved at iter #{iter}")
        break
    w = w1
print(f"w = {w}")
```

```
Tolerance 1e-16 achieved at iter #2
w = [0.15705579 0.59363369 0.24931053]
```

```
In [5]: # Estimate Lambda_max using all rows
lambda_max = (np.dot(A,w)/w).mean()
n, _ = A.shape
CI = (lambda_max-n)/(n-1)
CR = CI/0.58
print(f"lambda_max= {lambda_max:.6f}, CI= {CI:.6f}, CR= {CR:.6f}")
```

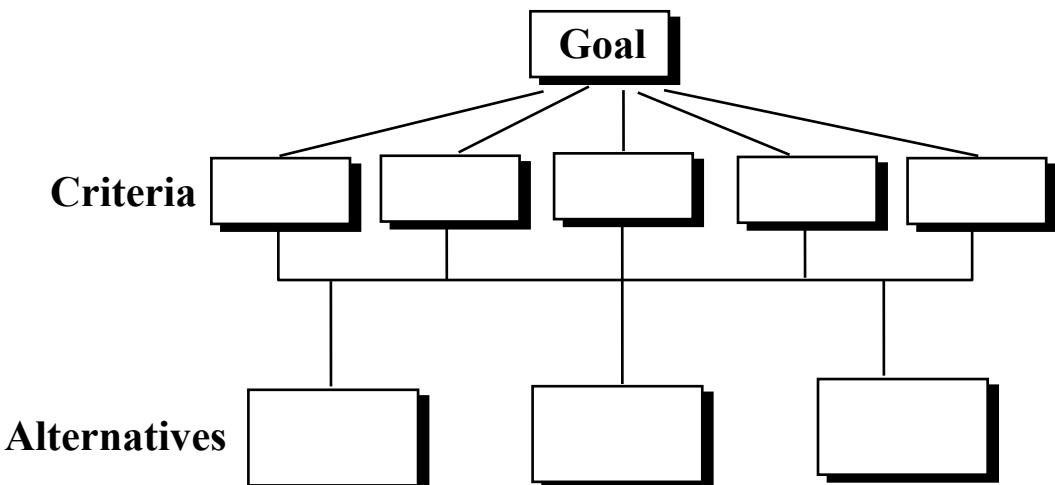
```
lambda_max= 3.053622, CI= 0.026811, CR= 0.046225
```

3 Modeling and Solving a AHP Model

3.1 Case Study: Job Selection Problem

- We illustrate the rest of the steps for AHP via a case study on job selection.
- Suppose a recent NUS graduate has three job offers. How should she make her choice using AHP?

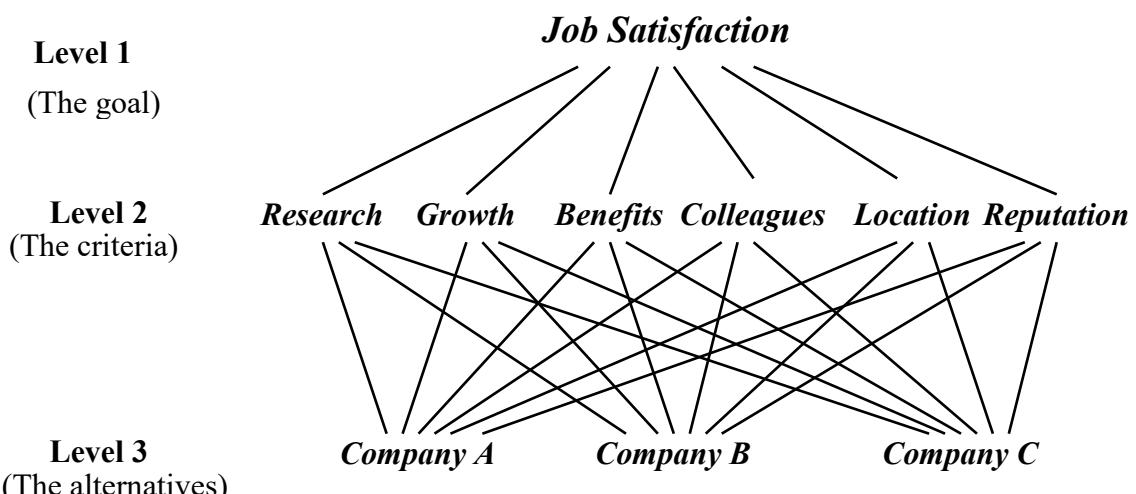
Constructing the Hierarchy:



Goal: Job Satisfaction

The Hierarchy consists of three levels:

- Level 1: Goal
- Level 2: Criteria that contribute towards achievement of the goal in level 1.
- Level 3: The alternatives under consideration.



Performing Judgments and Computing the Local Weights

- Perform pairwise comparison of level-2 elements with respect to level 1, i.e., evaluate the contributions of each of the six criteria towards achieving the goal “Job Satisfaction”.

	Research	Growth	Benefits	Colleagues	Location	Reputation
Research	1	1	1	4	1	1/2
Growth		1	2	4	1	1/2
Benefits			1	5	3	1/2
Colleagues				1	1/3	1/3
Location					1	1
Reputation						1

- Solve for λ_{\max} and w .

$$\lambda_{\max} = 6.4203 \quad CI = 0.08407 \quad CR = 0.06780 < 10\% \\ w = [0.158408 \quad 0.189247 \quad 0.197997 \quad 0.048310 \quad 0.150245 \quad 0.255792]$$

- That is with respect to Job satisfaction, the contributions from the various criteria are:

	Criterion	Weight
1	Research	15.8 %
2	Growth	18.9 %
3	Benefits	19.8 %
4	Colleagues	4.8 %
5	Location	15.0 %
6	Reputation	25.6 %

- Next, we perform pairwise comparison of level-3 elements (i.e., the alternative jobs) with respect to each of the six criteria in level 2. This will result in six 3×3 A -matrices.
- Comparison of alternatives w.r.t. “Research”:

	A	B	C
A	1	1/4	1/2
B		1	3
C			1

$$\lambda_{\max} = 3.01829, \quad CI = 0.00915, \quad CR = 0.01577 < 0.1, \quad w = [0.13650, \quad 0.62501, \quad 0.23849]$$

- Comparison of alternatives w.r.t. “Growth”:

	A	B	C
A	1	1/4	1/5
B		1	1/2
C			1

$$\lambda_{\max} = 3.0246, \quad CI = 0.012298, \quad CR = 0.0212 < 0.1, \quad w = [0.09739, \quad 0.33307, \quad 0.56954]$$

- Comparison of alternatives w.r.t. “Benefits”:

	A	B	C
A	1	3	1/3
B		1	1/7
C			1

$$\lambda_{\max} = 3.0070, \text{ CI} = 0.003511, \text{ CR} = 0.00605 < 0.1, \text{ } \boldsymbol{w} = [0.2426, 0.08794, 0.6694]$$

- Comparison of alternatives w.r.t. “Colleagues”:

	A	B	C
A	1	1/3	5
B		1	7
C			1

$$\lambda_{\max} = 3.0649, \text{ CI} = 0.032444, \text{ CR} = 0.05594 < 0.1, \text{ } \boldsymbol{w} = [0.27895, 0.64912, 0.07193]$$

- Comparison of alternatives w.r.t. “Location”:

	A	B	C
A	1	1	7
B		1	7
C			1

$$\lambda_{\max} = 3, \text{ CI} = 0, \text{ CR} = 0 < 0.1, \text{ } \boldsymbol{w} = [0.46667, 0.46667, 0.06667]$$

- Comparison of alternatives w.r.t. “Reputation”:

	A	B	C
A	1	7	9
B		1	2
C			1

$$\lambda_{\max} = 3.0217, \text{ CI} = 0.01086, \text{ CR} = 0.01873 < 0.1, \text{ } \boldsymbol{w} = [0.79276, 0.13122, 0.07602]$$

Computing the Global Weights of the Alternatives

- The results so far may be summarized as follows:

	Criterion	Criterion's weight	Alternative	Alt's local weights w.r.t. criterion
1	Research	0.158408	Company A	0.13650
			Company B	0.62501
			Company C	0.23849
2	Growth	0.189247	Company A	0.09739
			Company B	0.33307
			Company C	0.56954
3	Benefits	0.197997	Company A	0.24264
			Company B	0.08795
			Company C	0.66942
4	Colleagues	0.048310	Company A	0.27905
			Company B	0.64912
			Company C	0.07193
5	Location	0.150245	Company A	0.46667
			Company B	0.46667
			Company C	0.06667
6	Reputation	0.255792	Company A	0.79276
			Company B	0.13122
			Company C	0.07602

- The Global Weight of an alternative is equal to criterion-weighted sum of its local weights.
- In Matrix notations:

$$\begin{bmatrix} w_A \\ w_B \\ w_C \end{bmatrix} = \begin{bmatrix} 0.13650 & 0.09739 & 0.24264 & 0.27895 & 0.46667 & 0.79276 \\ 0.62501 & 0.33307 & 0.08795 & 0.64912 & 0.46667 & 0.13122 \\ 0.23849 & 0.56954 & 0.66942 & 0.07193 & 0.06667 & 0.07602 \end{bmatrix} \begin{bmatrix} 0.158408 \\ 0.189247 \\ 0.197997 \\ 0.048310 \\ 0.150245 \\ 0.255792 \end{bmatrix} = \begin{bmatrix} 0.3745 \\ 0.3145 \\ 0.3110 \end{bmatrix}$$

- The Global weights of the three alternatives are:

Alternative	Global weight
Company A	0.3745
Company B	0.3145
Company C	0.3110

Final Decision

- Choose Company A which has the highest global weight of 0.3745.
- Notice that Company B and C are close behind.

Algorithm to evaluate a 3-Level AHP Model

3-Level AHP Model

Given a 3-Level AHP Model:

- Goal G .
- $C = \{c_1, c_2, \dots, c_n\}$ = set of criteria.
- $A = \{A_1, A_2, \dots, A_p\}$ = set of alternatives.

Let $pwc(\mathbf{X}, y)$ denotes the normalized vector of weights obtained by pairwise comparing the elements of \mathbf{X} w.r.t. element y .

Evaluate 3-Level AHP Model

```
1: procedure 3L-AHP( $G, C, A$ )
2:    $u \leftarrow pwc(C, G)$            // criteria's global weights
3:   for  $i \leftarrow 1, n$  do
4:      $w_i \leftarrow pwc(A, c_i)$        // alternatives' local weights
5:   end for
6:    $W \leftarrow [w_1 w_2 \dots w_n]$     //  $(p \times n)$  matrix
7:    $w^G \leftarrow Wu$ 
8:   return  $w^G$                    // alternatives' global weights
9: end procedure
```

3.2 Sensitivity Analysis

- Sensitivity Analysis can be performed to determine the impact on the global weights of the alternatives and hence their rankings if the weight of a criterion (i.e. its priority) is changed while keeping the weights of all the other criteria in the same relative proportion to their respective base values.

Job Selection Problem:

- Suppose we denote the weights of the 6 criteria by w_1, w_2, \dots, w_6 , respectively.
- The base values of the weights are:

$$w_1 = 0.158408$$

$$w_2 = 0.189247$$

$$w_3 = 0.197997$$

$$w_4 = 0.048310$$

$$w_5 = 0.150245$$

$$w_6 = 0.255792$$

- The current value of w_1 is 0.158408. Suppose we wish to investigate the impact of w_1 by allowing it to vary from $p = 0$ to 1, then the other five criterion weights are adjusted as all the weights must always add up to one.
- The weights are computed as follows:

$$\text{Let } S = \sum_{i=2}^6 w_i = \text{Sum}(0.189247, 0.197997, 0.048310, 0.150245, 0.255792) = 0.841592$$

$$w'_1 = p$$

$$w'_2 = (1-p) 0.189247 / S = 0.22487 (1-p)$$

$$w'_3 = (1-p) 0.197997 / S = 0.23527 (1-p)$$

$$w'_4 = (1-p) 0.048310 / S = 0.05740 (1-p)$$

$$w'_5 = (1-p) 0.150245 / S = 0.17852 (1-p)$$

$$w'_6 = (1-p) 0.255792 / S = 0.30394 (1-p)$$

- The alternatives' global weights are then computed using the adjusted criteria weights:

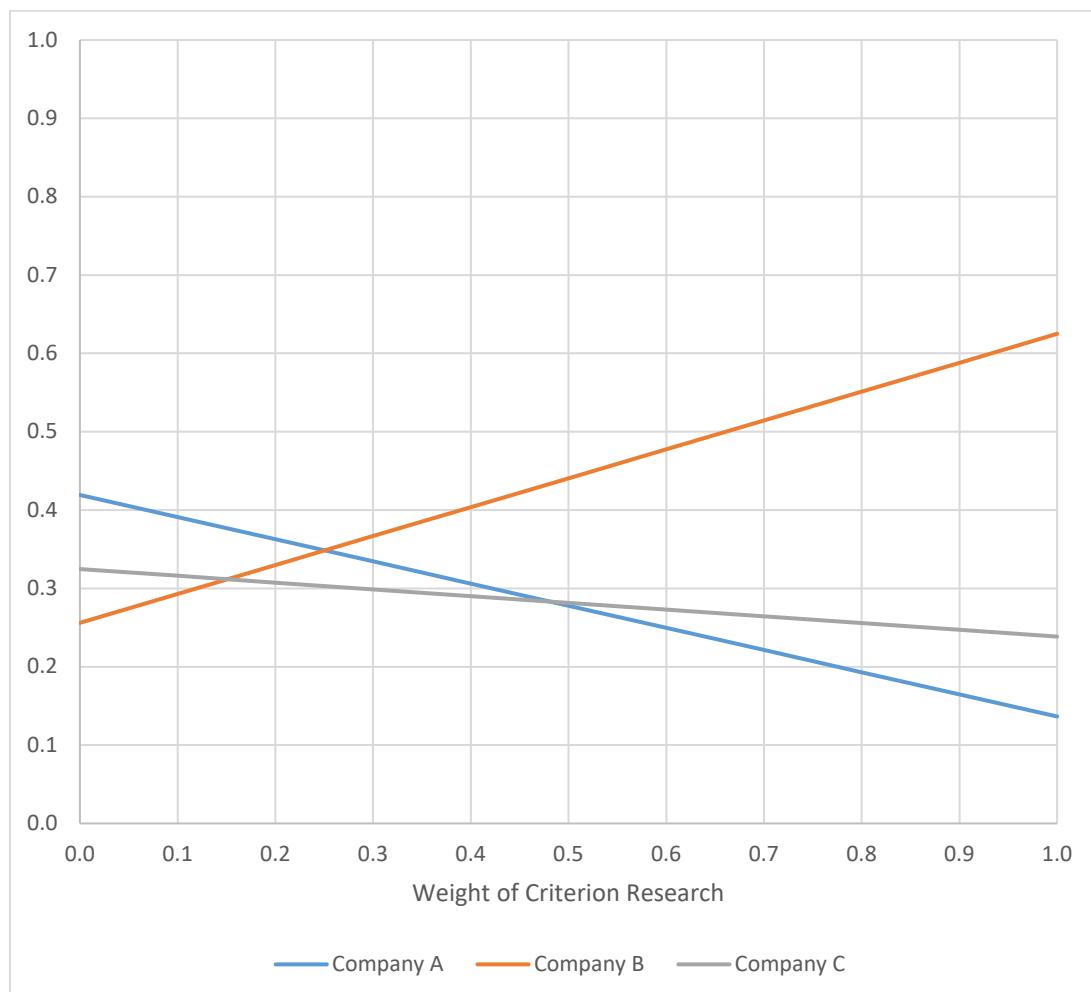
$$\begin{bmatrix} w_A \\ w_B \\ w_C \end{bmatrix} = \begin{bmatrix} 0.1365 & 0.0974 & 0.2426 & 0.2790 & 0.4667 & 0.7928 \end{bmatrix} \begin{bmatrix} w'_1 \\ w'_2 \\ w'_3 \\ w'_4 \\ w'_5 \\ w'_6 \end{bmatrix}$$

- The results of varying the value of each of the criterion weight one-at-a-time from 0 to 1 (step 0.1) are given below.

Impact of changing weight of criterion Research

Weight for Criterion Research	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.4193	0.2561	0.3247
0.1	0.3910	0.2930	0.3160
0.2	0.3627	0.3298	0.3074
0.3	0.3344	0.3667	0.2988
0.4	0.3062	0.4036	0.2902
0.5	0.2779	0.4405	0.2816
0.6	0.2496	0.4774	0.2730
0.7	0.2213	0.5143	0.2643
0.8	0.1931	0.5512	0.2557
0.9	0.1648	0.5881	0.2471
1.0	0.1365	0.625	0.2385

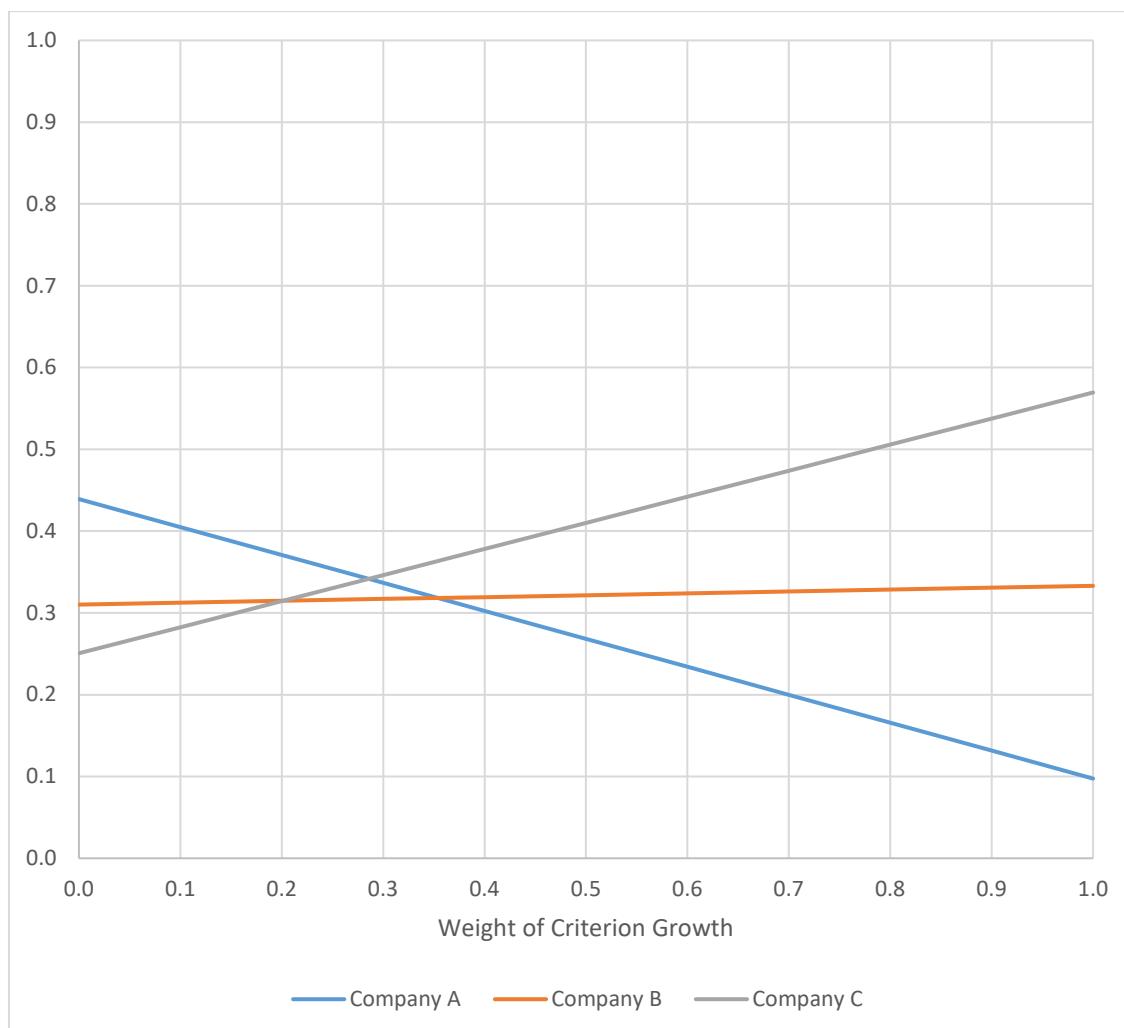
Rainbow Diagram on the Impact of Changing weight of Criterion Research



Impact of changing weight of criterion Growth

Weight for Criterion Growth	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.4392	0.3102	0.2507
0.1	0.4050	0.3125	0.2826
0.2	0.3708	0.3148	0.3144
0.3	0.3366	0.3170	0.3463
0.4	0.3025	0.3193	0.3782
0.5	0.2683	0.3216	0.4101
0.6	0.2341	0.3239	0.4420
0.7	0.1999	0.3262	0.4739
0.8	0.1658	0.3285	0.5057
0.9	0.1316	0.3308	0.5376
1.0	0.0974	0.3331	0.5695

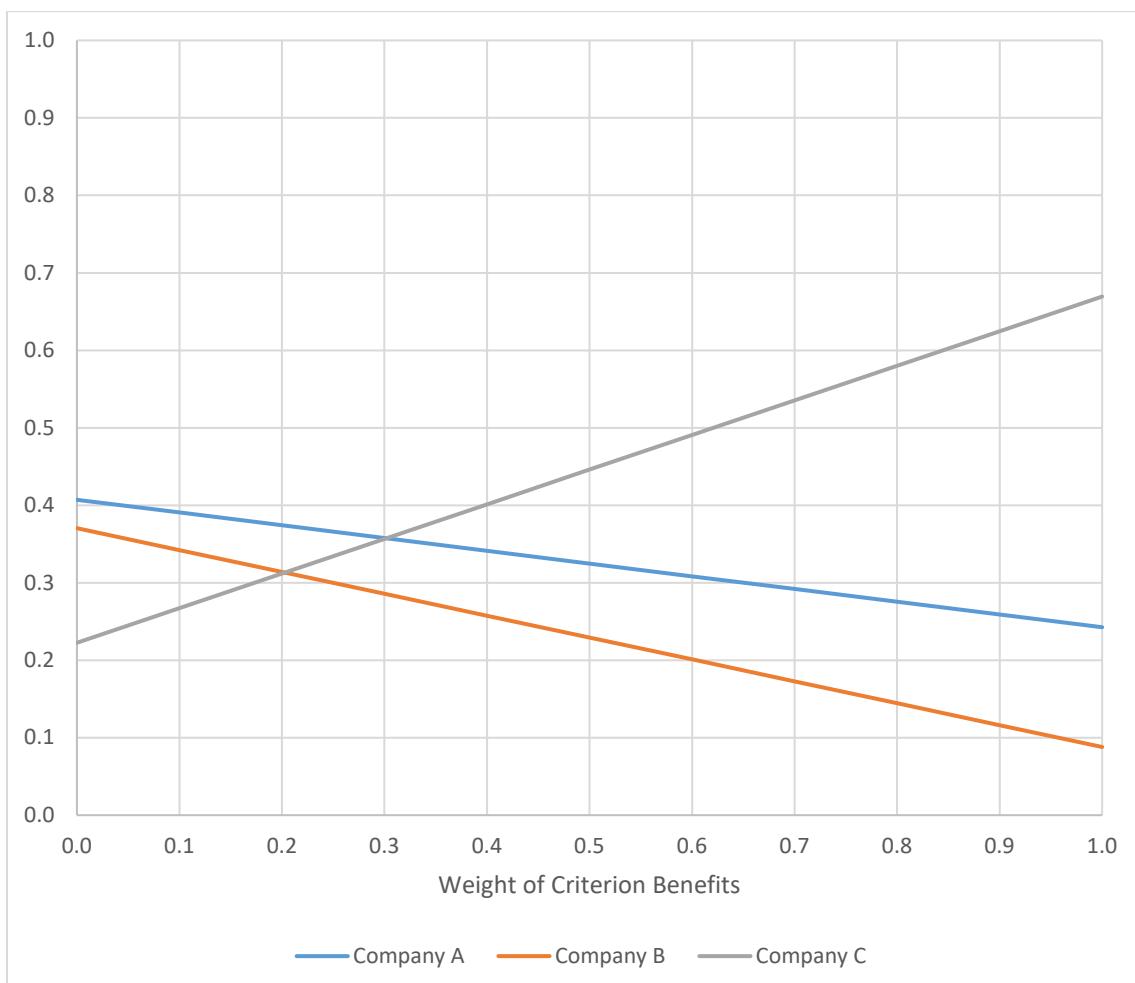
Rainbow Diagram on the Impact of Changing weight of Criterion Growth



Impact of changing weight of criterion Benefits

Weight for Criterion Benefits	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.4070	0.3704	0.2225
0.1	0.3906	0.3422	0.2672
0.2	0.3742	0.3139	0.3119
0.3	0.3577	0.2857	0.3566
0.4	0.3413	0.2575	0.4013
0.5	0.3248	0.2292	0.4460
0.6	0.3084	0.2010	0.4907
0.7	0.2919	0.1727	0.5353
0.8	0.2755	0.1445	0.5800
0.9	0.2590	0.1162	0.6247
1.0	0.2426	0.0880	0.6694

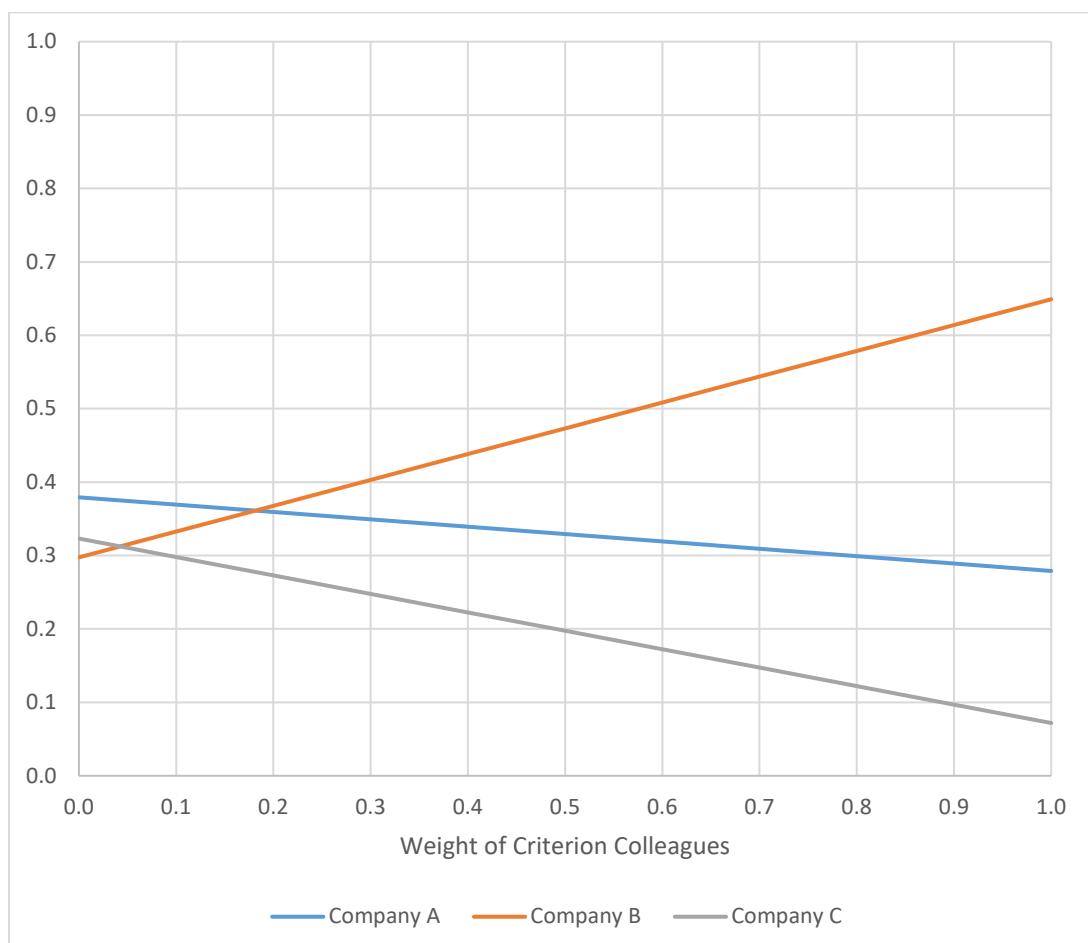
Rainbow Diagram on the Impact of Changing weight of Criterion Benefits



Impact of changing weight of criterion Colleagues

Weight for Criterion Colleagues	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.3793	0.2975	0.3232
0.1	0.3693	0.3327	0.2980
0.2	0.3593	0.3678	0.2729
0.3	0.3492	0.4030	0.2478
0.4	0.3392	0.4382	0.2227
0.5	0.3292	0.4733	0.1975
0.6	0.3191	0.5085	0.1724
0.7	0.3091	0.5436	0.1473
0.8	0.2991	0.5788	0.1222
0.9	0.2890	0.6139	0.0970
1.0	0.2790	0.6491	0.0719

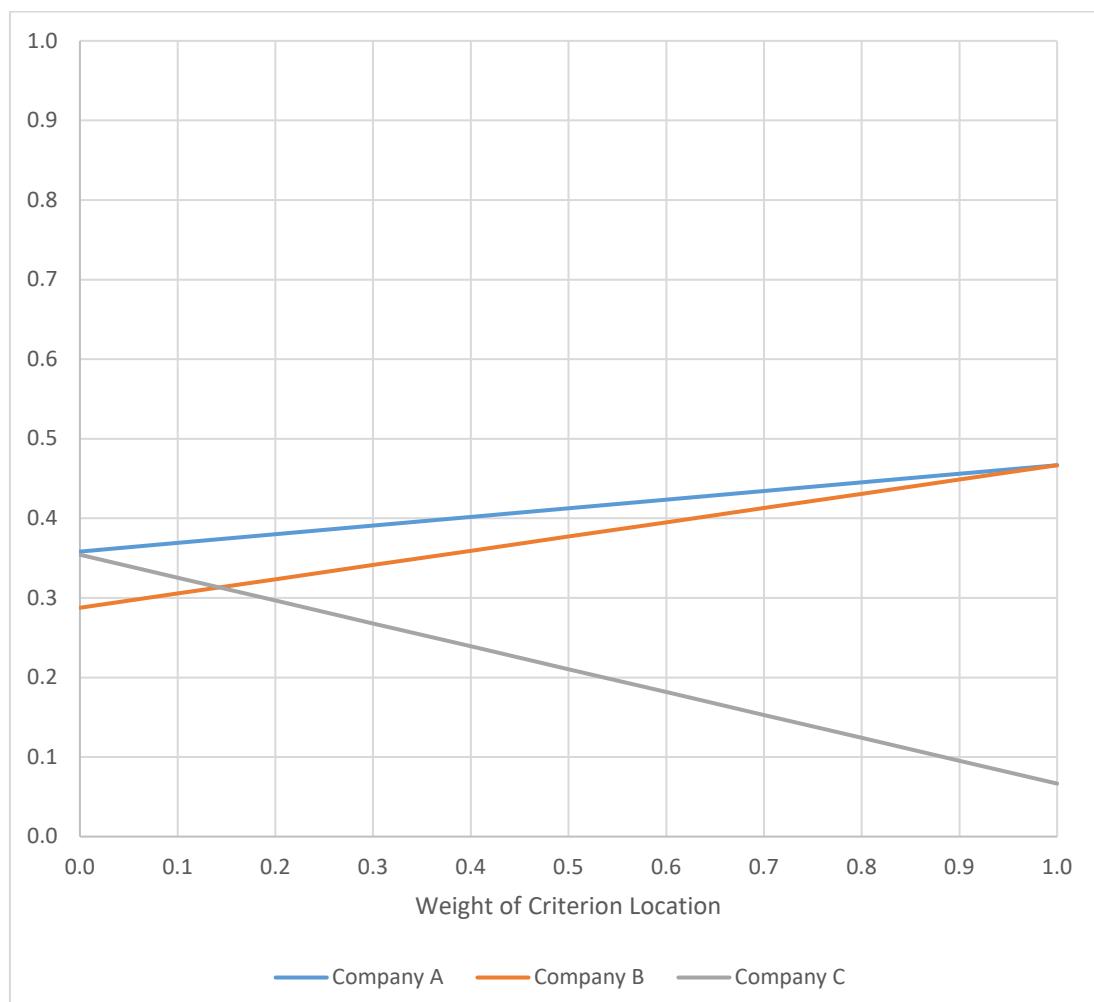
Rainbow Diagram on the Impact of Changing weight of Criterion Colleagues



Impact of changing weight of criterion Location

Weight for Criterion Location	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.3582	0.2876	0.3542
0.1	0.3690	0.3055	0.3255
0.2	0.3799	0.3234	0.2967
0.3	0.3907	0.3413	0.2679
0.4	0.4016	0.3592	0.2392
0.5	0.4124	0.3771	0.2104
0.6	0.4233	0.3951	0.1817
0.7	0.4341	0.4130	0.1529
0.8	0.4450	0.4309	0.1241
0.9	0.4558	0.4488	0.0954
1.0	0.4667	0.4667	0.0666

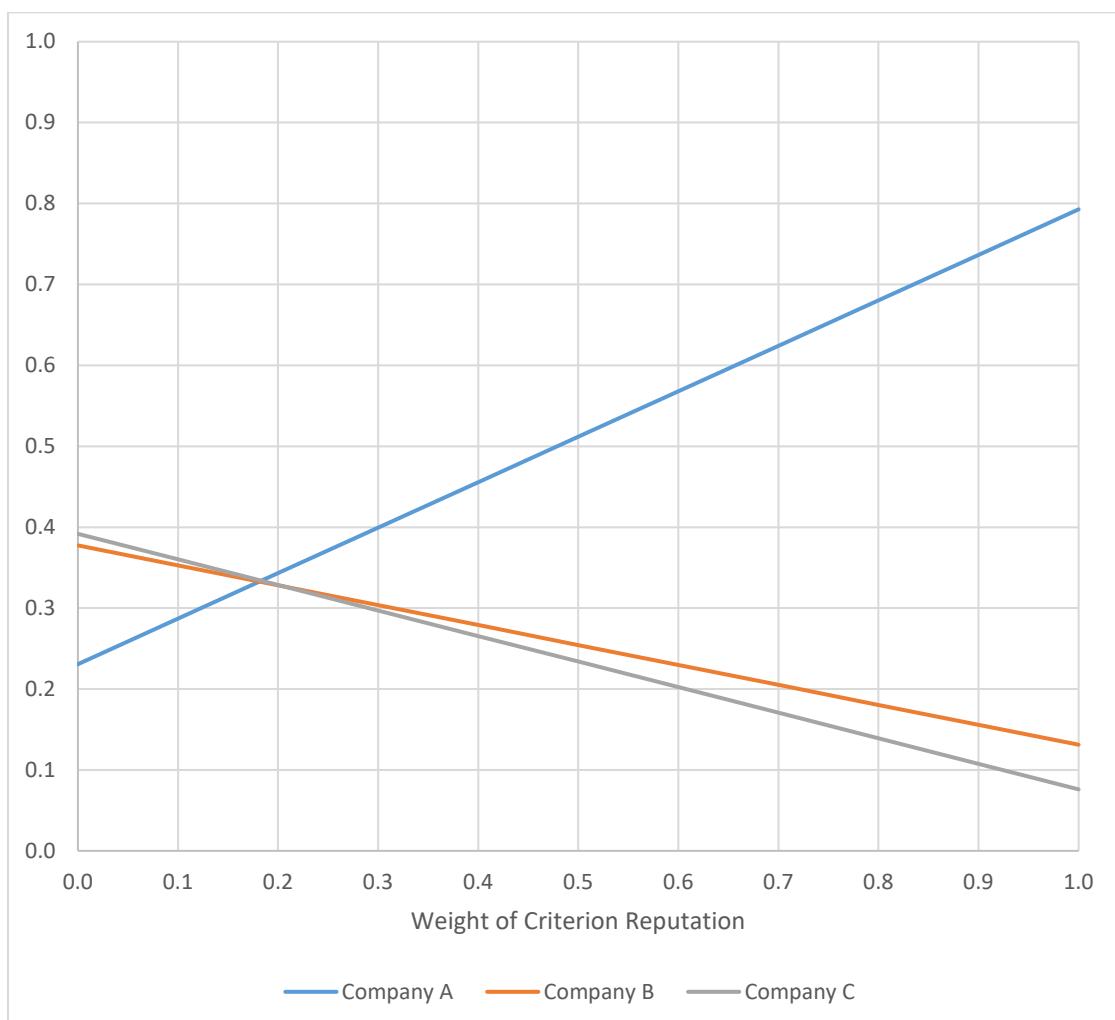
Rainbow Diagram on the Impact of Changing weight of Criterion Location



Impact of changing weight of criterion Reputation

Weight for Criterion Reputation	Global Weight of Alternative		
	Company A	Company B	Company C
0.0	0.2307	0.3775	0.3918
0.1	0.2869	0.3529	0.3602
0.2	0.3431	0.3282	0.3286
0.3	0.3993	0.3036	0.2971
0.4	0.4555	0.2790	0.2655
0.5	0.5117	0.2544	0.2339
0.6	0.5680	0.2297	0.2023
0.7	0.6242	0.2051	0.1707
0.8	0.6804	0.1805	0.1392
0.9	0.7366	0.1558	0.1076
1.0	0.7928	0.1312	0.0760

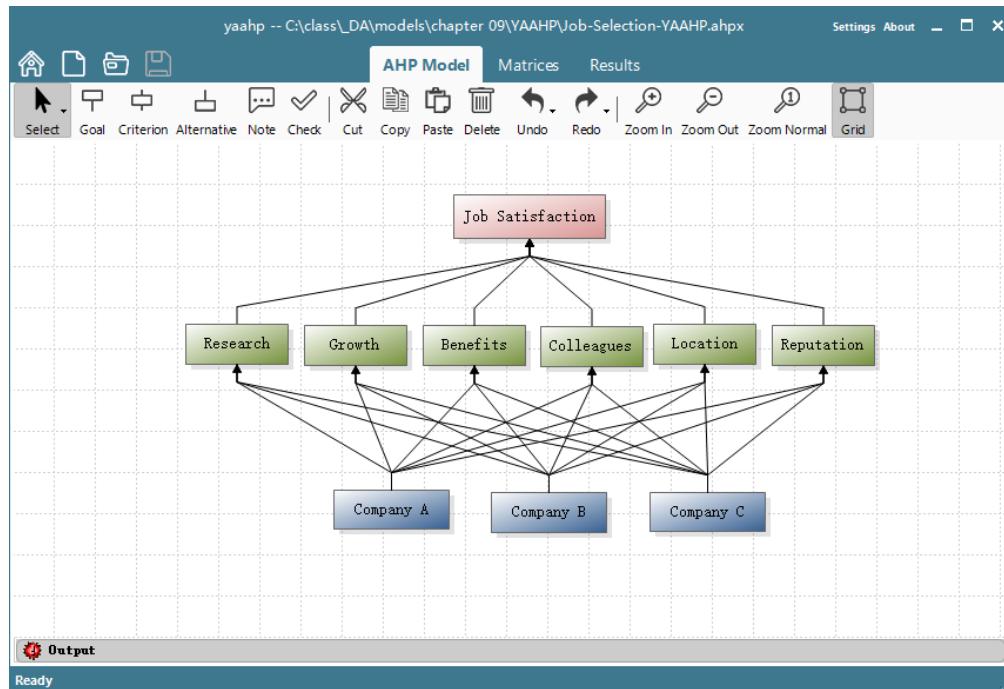
Rainbow Diagram on the Impact of Changing weight of Criterion Reputation



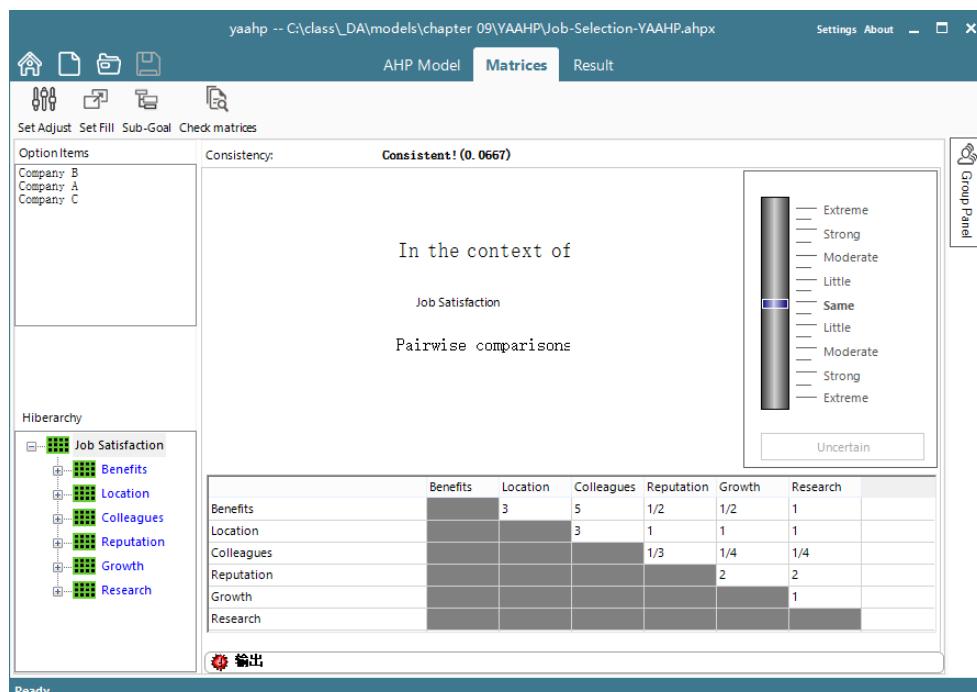
4 Using Computer Software to Solve AHP Models

4.1 YAAHP (Yet Another AHP)

- YAAHP solves standard AHP models and Fuzzy Comprehensive Evaluation Models.
 - Chinese version: <http://www.metadecsn.com/download/>
- Note: Trial versions from 11 onward do not support sensitivity analysis.
- **Hierarchy Modeling Interface**



Pairwise Comparison of the Criteria

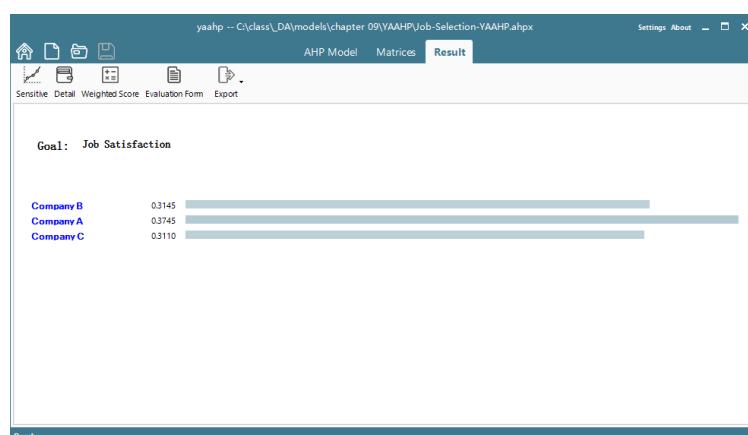


Pairwise comparison of alternatives w.r.t. each criterion

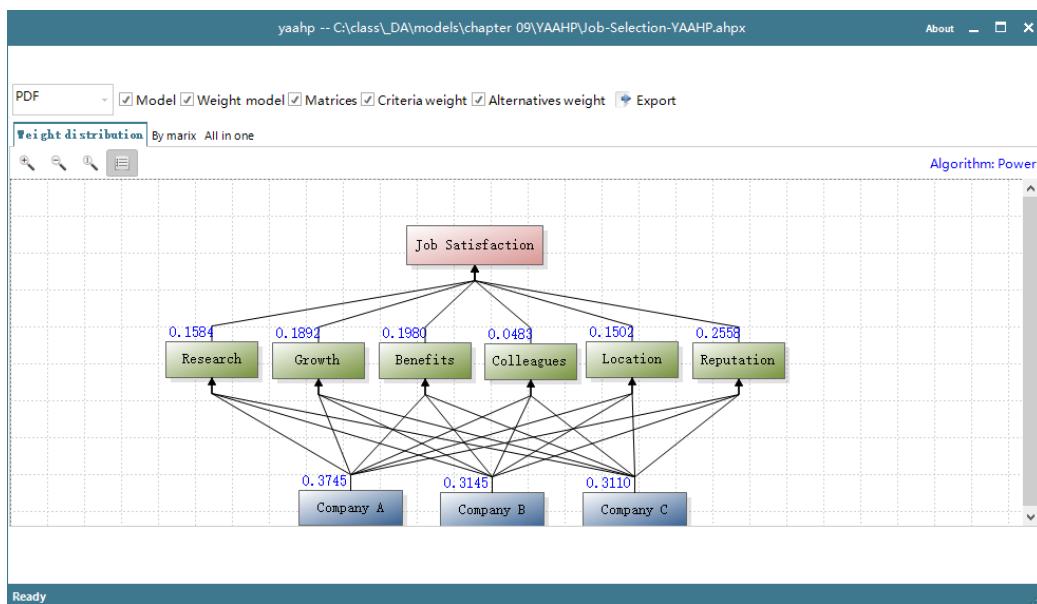
The figure consists of six screenshots of the AHP Model software interface, arranged in a 3x2 grid. Each screenshot shows a pairwise comparison matrix for three companies (Company A, Company B, Company C) across a specific criterion. The matrices are as follows:

- Benefits:** Company B vs Company A: 1/3; Company A vs Company C: 1/3.
- Location:** Company A vs Company B: 1; Company B vs Company C: 1/3.
- Colleagues:** Company A vs Company B: 1/3; Company B vs Company C: 5.
- Reputation:** Company A vs Company B: 7; Company B vs Company C: 2.
- Growth:** Company A vs Company B: 1/4; Company B vs Company C: 1/2.
- Research:** Company A vs Company B: 1/4; Company B vs Company C: 3.

Results



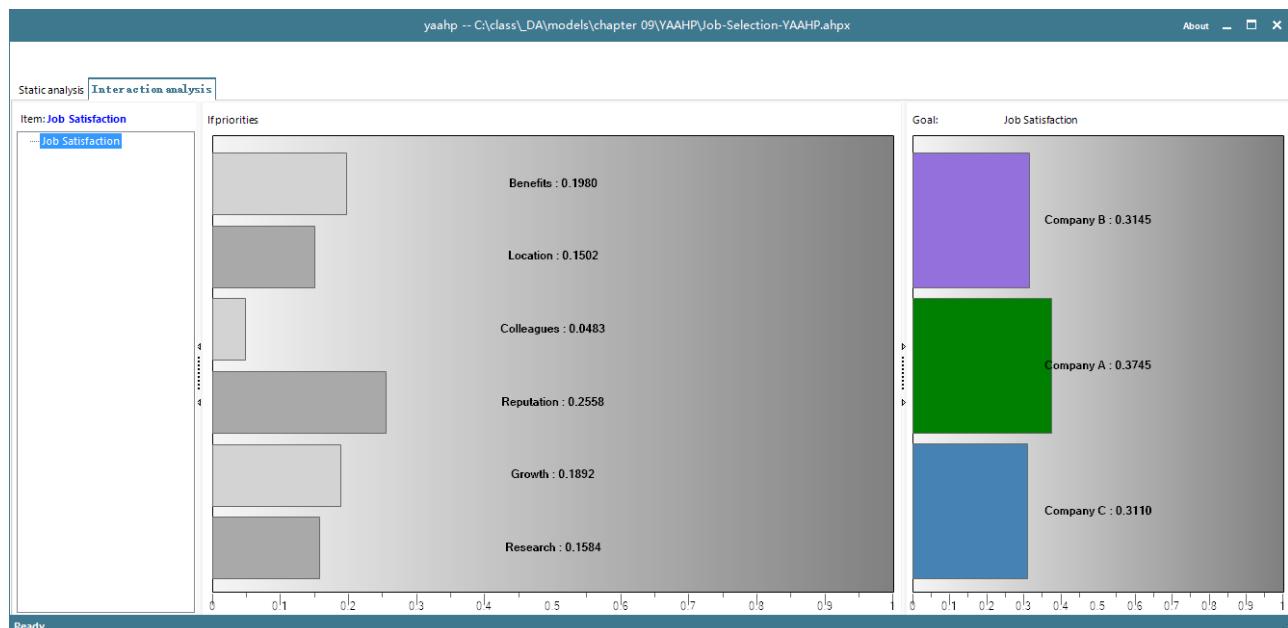
Summary of Results



Sensitivity Analysis with YAAHP

Interactive Dynamic Sensitivity

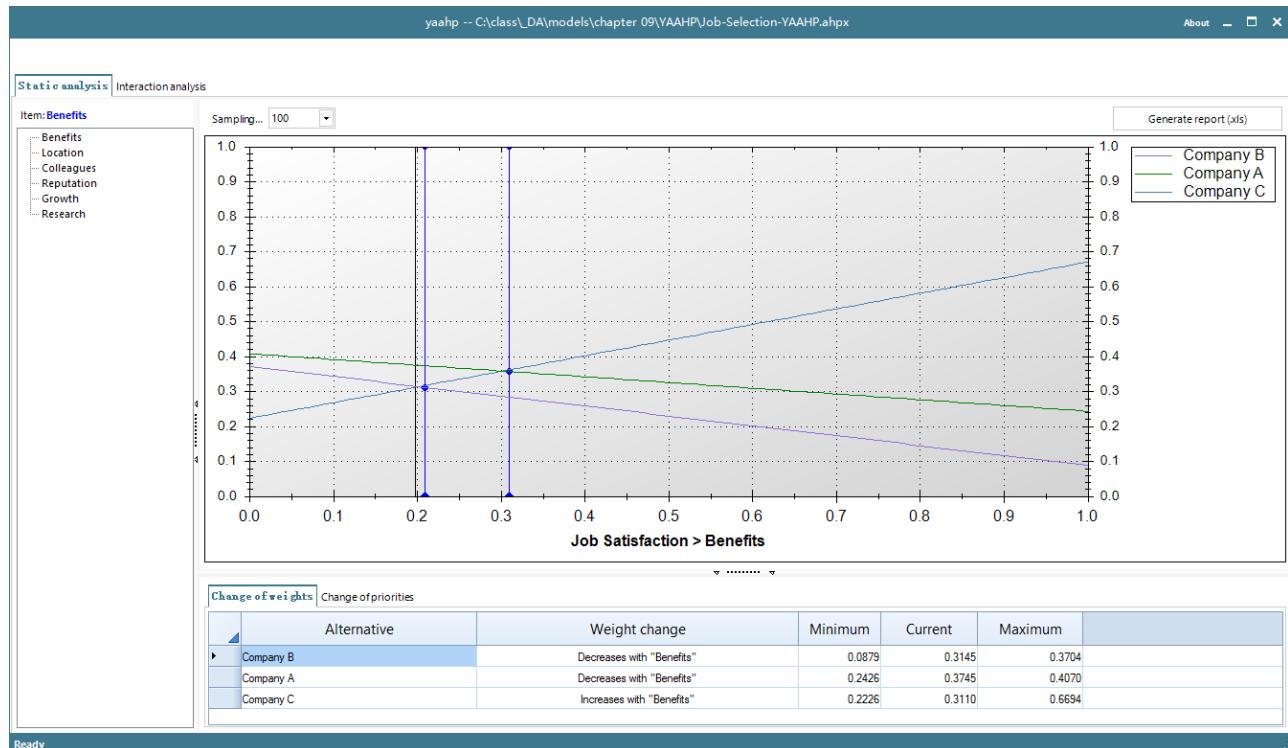
- Dynamic sensitivity enables us to see the change in global weight of the alternatives as we increase or decrease the priority weight of the criteria.



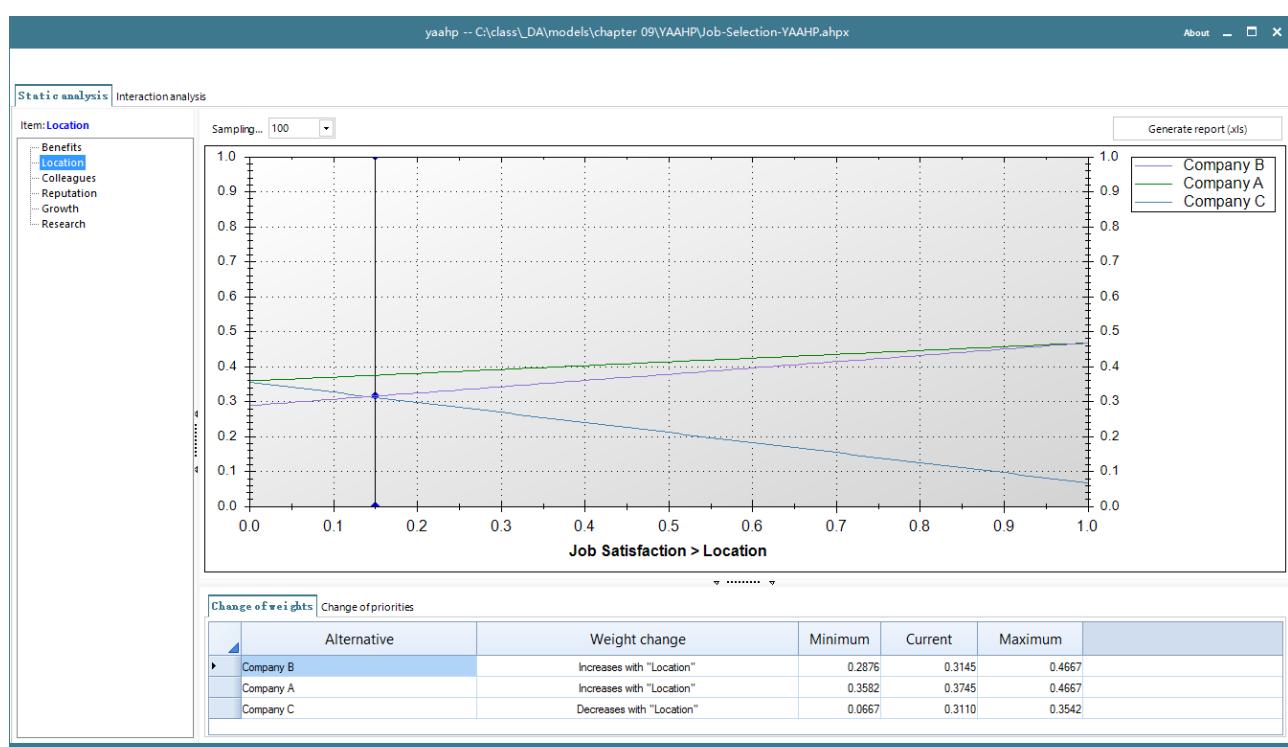
Rainbow Diagrams on Changes in Criterion Weight

- These diagrams show the global weights of the alternatives change as the weight of a criterion changes from 0 to 1.0, while keeping the weights of the other criteria in the same relative proportion as their base values.

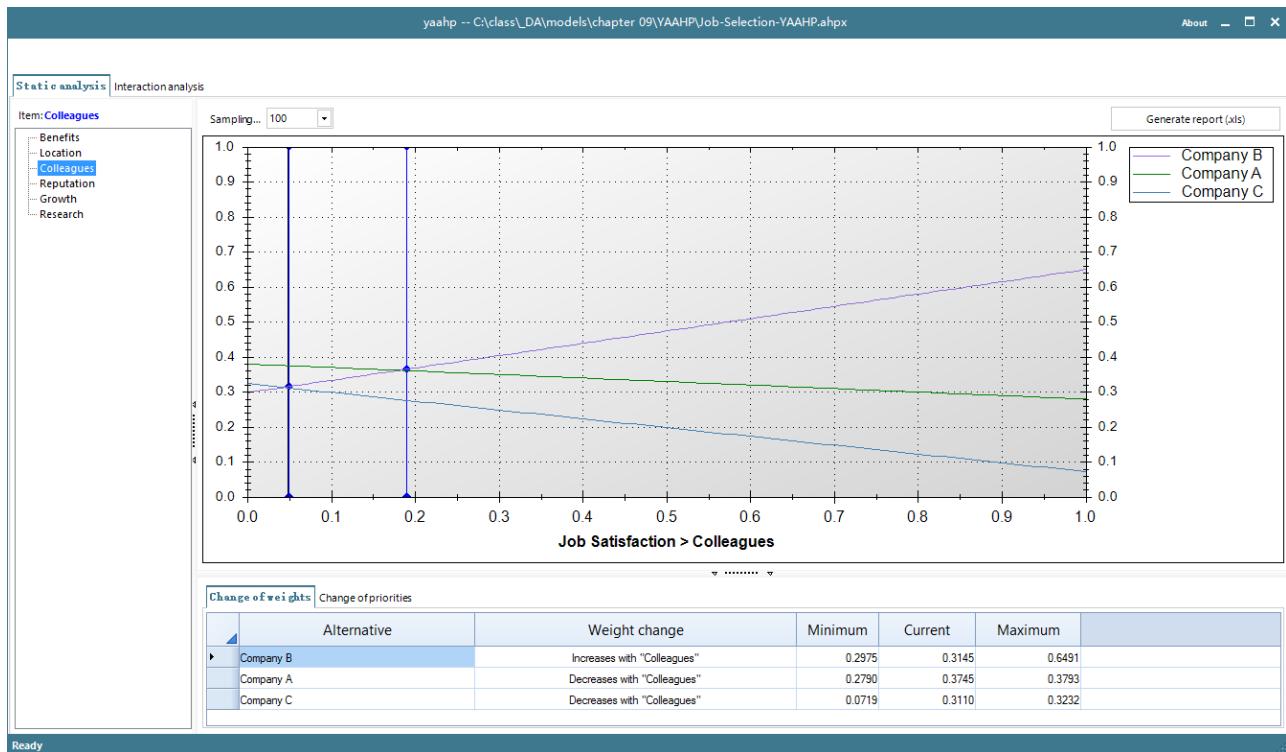
Rainbow Diagram for alternative global weights when Benefit weight is varied from 0 to 1



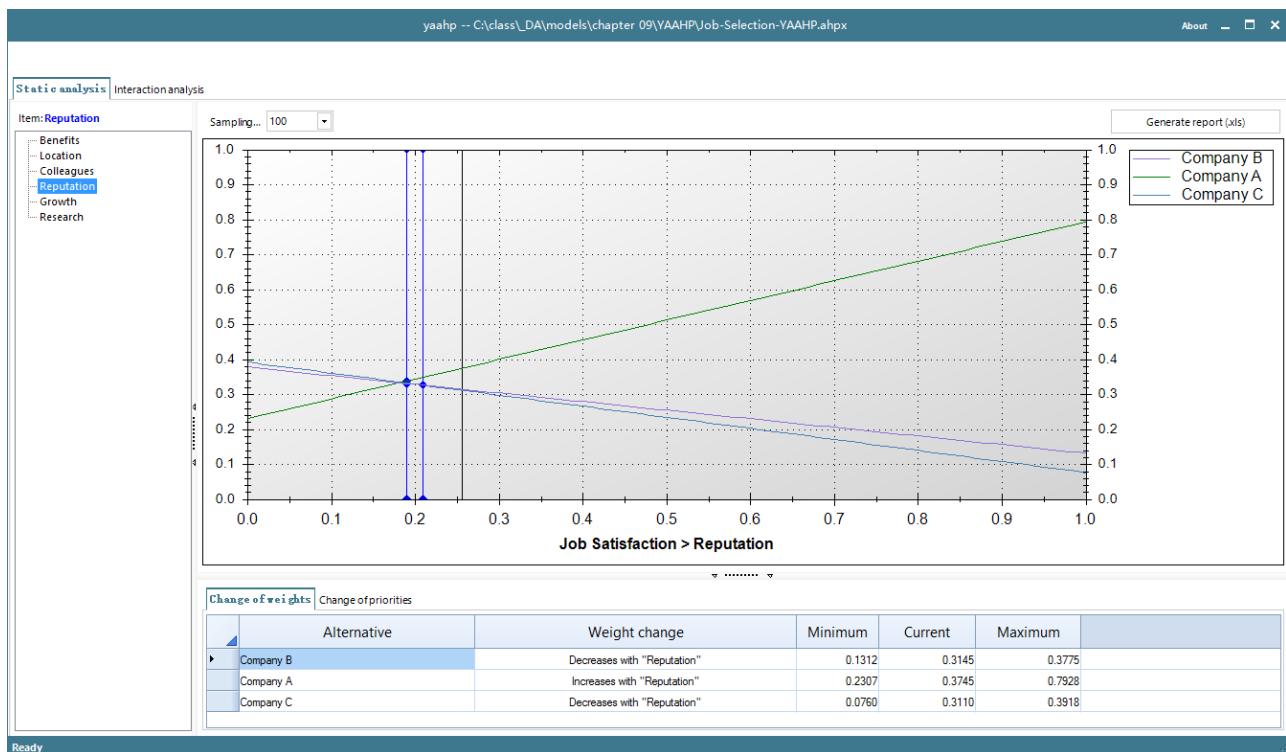
Rainbow Diagram for alternative global weights when Location weight is varied from 0 to 1



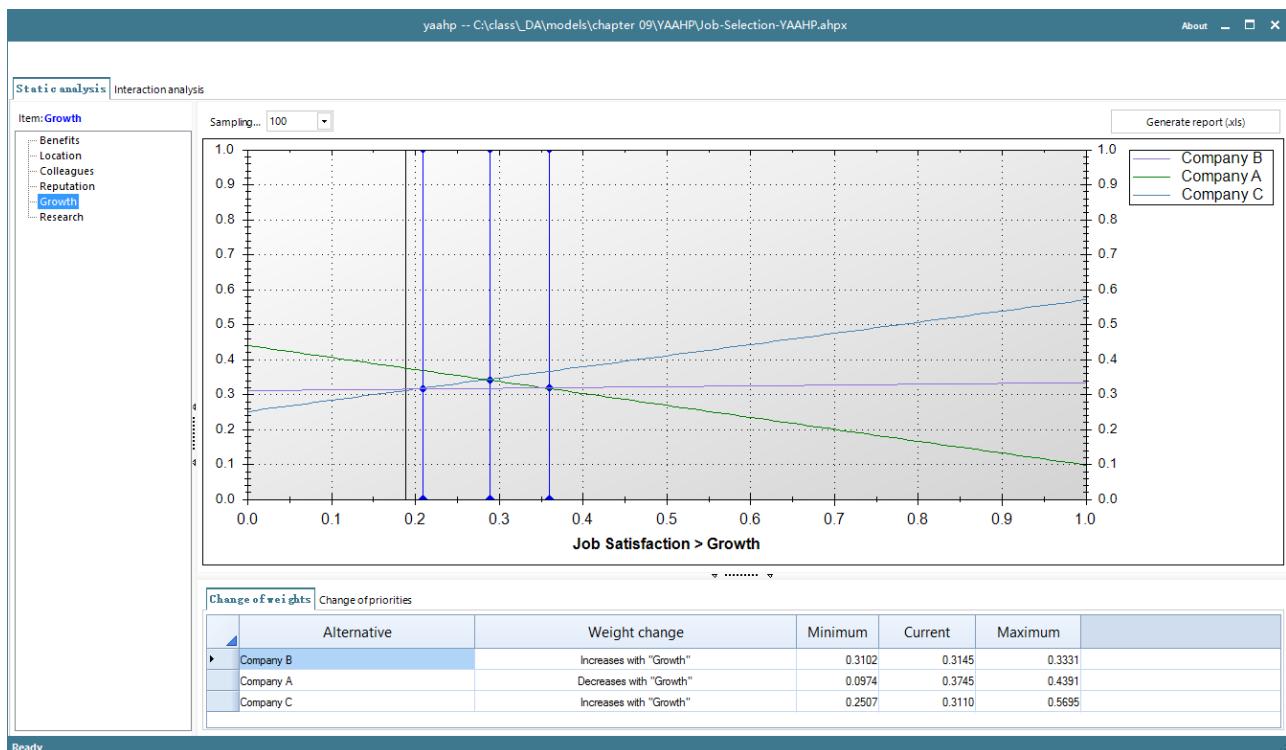
Rainbow Diagram for alternative global weights when Colleagues weight is varied from 0 to 1



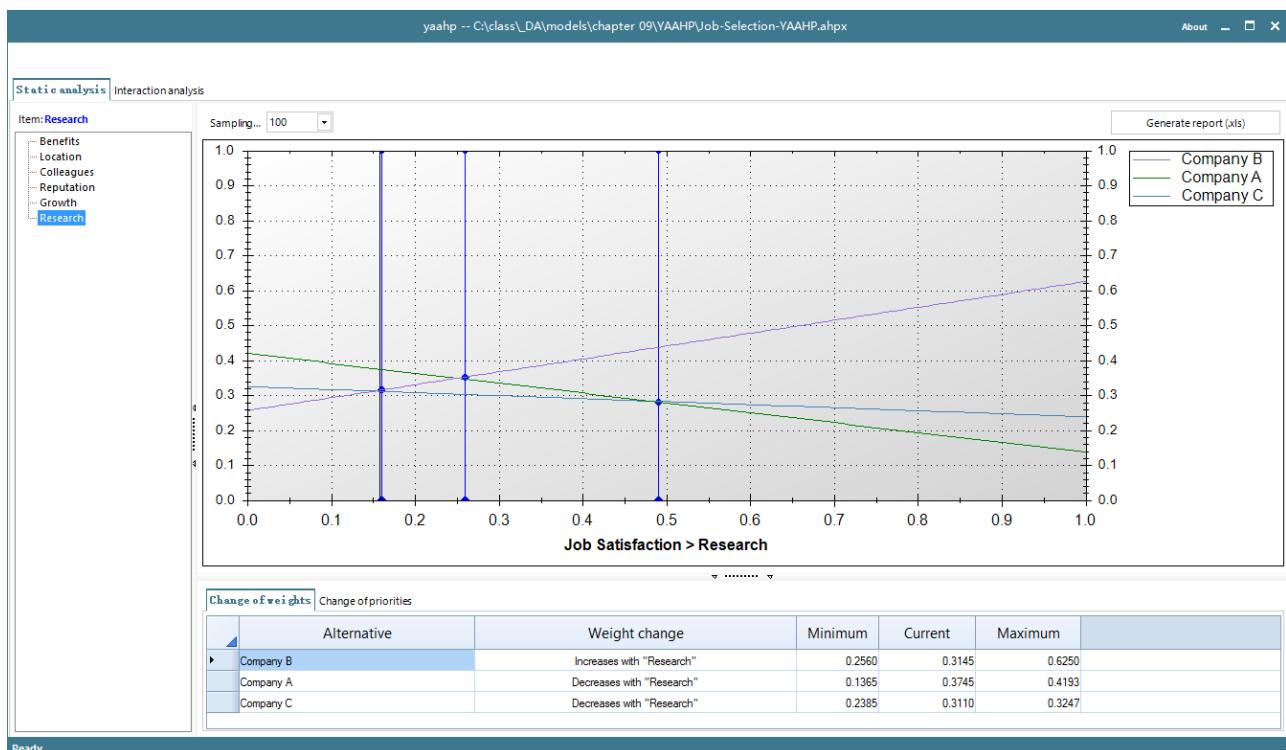
Rainbow Diagram for alternative global weights when Reputation wt is varied from 0 to 1



Rainbow Diagram for or alternative global weights when Growth weight is varied from 0 to 1



Rainbow Diagram for or alternative global weights hen Research weight is varied from 0 to 1



4.2 Using Excel with User-Defined Functions

- You can use Excel UDFs to compute the weights, λ , CI and CR for each matrices, and then compute the global weights using worksheet functions. Sensitivity analysis can also be performed.

Screenshot of Microsoft Excel showing the "Solve Job Selection Problem with UDF AHPmat_Algebra" spreadsheet. The spreadsheet contains three main sections: Pairwise Comparison of Criteria w.r.t. Goal, Pairwise Comparison of Alternatives w.r.t. Criterion Research, and Pairwise Comparison of Alternatives w.r.t. Criterion Growth. Each section includes a matrix, calculated weights (w), and sensitivity analysis results (λ and CR).

Pairwise Comparison of Criteria w.r.t. Goal

	Research	Growth	Benefits	Colleagues	Location	Reputation	w
Research	1	1	1	4	1	1/2	0.158408
Growth	1	1	2	4	1	1/2	0.189247
Benefits	1	1/2	1	5	3	1/2	0.197997
Colleagues	1/4	1/4	1/5	1	1/3	1/3	0.048310
Location	1	1	1/3	3	1	1	0.150245
Reputation	2	2	2	3	1	1	0.255792

$\lambda = 6.420344$
 $CR = 0.067797 < 0.1$

Pairwise Comparison of Alternatives w.r.t. Criterion Research

	A	B	C	w
Company A	1	1/4	1/2	0.136500
Company B	4	1	3	0.625013
Company C	2	1/3	1	0.238487

$\lambda = 3.018295$
 $CR = 0.015771 < 0.1$

Pairwise Comparison of Alternatives w.r.t. Criterion Growth

	A	B	C	w
Company A	1	1/4	1/5	0.097390
Company B	4	1	1/2	0.333069
Company C	5	2	1	0.569541

$\lambda = 3.024595$
 $CR = 0.021203 < 0.1$

Pairwise Comparison of Alternatives w.r.t. Criterion Benefits

	A	B	C	w
Company A	1	3	1/3	0.242637
Company B	1/3	1	1/7	0.087946
Company C	3	7	1	0.669417

$\lambda = 3.007022$
 $CR = 0.006053 < 0.1$

Base model (UDF Power) Summary of Results

9.4.2_JobSelectionProblem_with_sensitivity_analysis_UDF_algebra.xlsx - Excel

Poh Kim Leng

Job Selection Problem

Summary of Results

	Alternative	Global Wt	< Best Alternative	
1	Company A	0.374467		
2	Company B	0.314491		
3	Company C	0.311042		
4	Criteria	Weight	Alternative	Local Wt
11	Research	0.158408	A	0.136500
12			B	0.625013
13			C	0.238487
15	Growth	0.189247	A	0.097390
16			B	0.333069
17			C	0.569541
19	Benefits	0.197997	A	0.242637
20			B	0.087946
21			C	0.669417
23	Colleagues	0.048310	A	0.278955
24			B	0.649118
25			C	0.071927
27	Location	0.150245	A	0.466667
28			B	0.466667
29			C	0.066667
31	Reputation	0.255792	A	0.792757
32			B	0.131221
33			C	0.076021

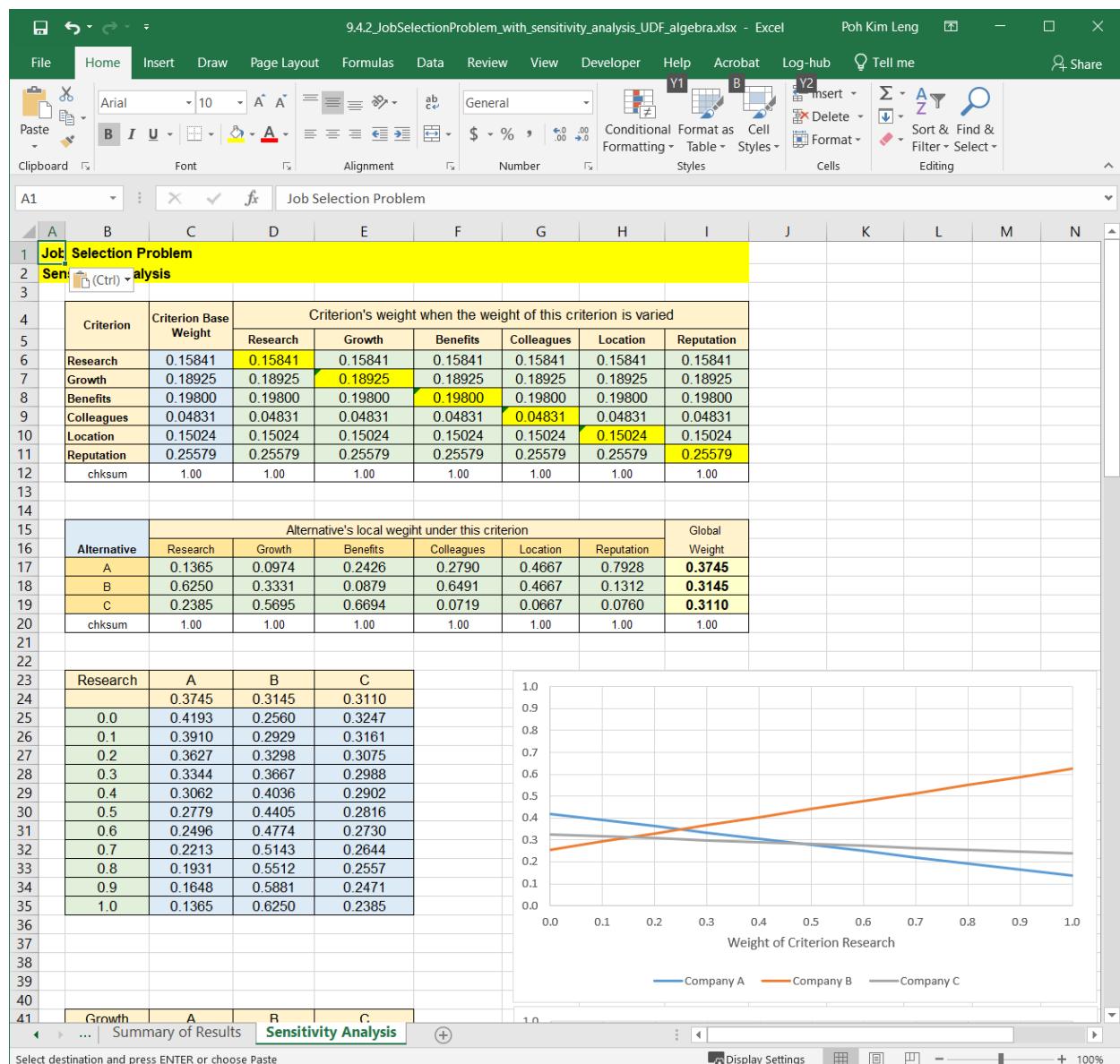
Base model (UDF Power)

Summary of Results

Sensitivity Anal ...

Display Settings

Ready



4.3 Using Python to Solve a 3-Level AHP Model

```
# -*- coding: utf-8 -*-
""" AHP_3L_with_sensit_analysis_JobSelectionProblem.py """
import numpy as np
from scipy import stats
from scipy.optimize import root
import matplotlib.pyplot as plt

def main():
    """ Solve the 3-Level AHP Job Selection Problem """

    G = 'Job Satisfaction'
    C = ['Research', 'Growth', 'Benefits', 'Colleagues',
          'Location', 'Reputation']
    AL = ['Company A', 'Company B', 'Company C']

    # Pairwise compare criteria w.r.t Goal
    A0 = np.array([[ 1,  1 ,  1,   4,   1,   1/2 ],
                  [ 1,  1 ,  2,   4,   1,   1/2 ],
                  [ 1,  1/2 , 1,   5,   3,   1/2 ],
                  [1/4, 1/4, 1/5, 1,   1/3, 1/3 ],
                  [ 1,    1, 1/3, 3,   1,    1 ],
                  [ 2,    2, 2,   3,   1,    1 ]])

    # Pairwise compare alternatives wrt Research
    A1 = np.array([[ 1, 1/4, 1/2 ],
                  [ 4, 1,   3 ],
                  [ 2, 1/3, 1 ]])

    # Pairwise compare alternatives wrt Growth
    A2 = np.array([[1, 1/4, 1/5 ],
                  [4, 1,   1/2 ],
                  [5, 2,   1 ]])

    # Pairwise compare alternatives wrt Benefits
    A3 = np.array([[ 1, 3, 1/3 ],
                  [1/3, 1, 1/7 ],
                  [ 3, 7, 1 ]])

    # Pairwise compare alternatives wrt Colleagues
    A4 = np.array([[ 1, 1/3, 5 ],
                  [ 3, 1,   7 ],
                  [1/5, 1/7, 1 ]])

    # Pairwise compare alternatives wrt Location
    A5 = np.array([[ 1, 1,   7 ],
                  [ 1, 1,   7 ],
                  [1/7, 1/7, 1 ]])

    # Pairwise compare alternatives wrt Reputation
    A6 = np.array([[ 1, 7,   9 ],
                  [1/7, 1,   2 ],
                  [1/9, 1/2, 1 ]])

    # Compute Criteria weights
    method = 'Algebra'
    u = AHPmat(A0, method=method)
    print("Criteria's Weights")
    for i, cr in enumerate(C):
        print(f" {cr}: {u[i]:.6f}")

    # Compute alternatives' weights wrt each criterion
    W = np.array([ AHPmat(A, method=method)
                  for A in [A1, A2, A3, A4, A5, A6] ]).T
    print("\nAlternatives' local Weights")
    print(W)
```

```

# Compute alternative's global weights
WG = np.dot(W, u)
print(f"\nAlternatives' global weight wrt {G}")
for i, coy in enumerate(AL):
    print(f" {coy}: {WG[i]:.6f}")

# Perform sensitivity analysis on Criteria
for k, cr in enumerate(C):
    WG_dict = {}
    for p in np.linspace(0,1,11):
        adj_u = renorm_wt(p, k, u)
        WG_dict[p] = np.dot(W, adj_u)
    rainbow_diagram(WG_dict, AL, cr, base_value=u[k])

def rainbow_diagram(w_dict, alternatives, criterion, base_value=None):
    """ Plot the rainbow diagram
    Parameters:
        w = dictionary of array of alternative weights of the form
            { p : [w1, w2, ..., wn] where 0 <= p <= 1.
        alternatives = list of alternatives
        criterion = criterion name
        base_value = base value of criterion being varied
    """
    fig, ax = plt.subplots(figsize=(10,8))
    ax.plot(w_dict.keys(), w_dict.values(), label=alternatives, lw='2')
    if base_value is not None:
        ax.plot([base_value, base_value], [0, 1], '--', color='black')
    ax.set_title(f"Rainbow diagram for criterion {criterion}", fontsize='x-large')
    ax.set_xlim(0,1)
    ax.set_ylim(0,1)
    ax.set_xticks(np.linspace(0,1,11))
    ax.set_yticks(np.linspace(0,1,11))
    ax.set_xlabel(f'Weight of Criterion {criterion}', fontsize='x-large')
    ax.set_ylabel('Weight of Alternatives', fontsize='x-large')
    ax.legend(fontsize='x-large')
    ax.grid()
    plt.show()

def renorm_wt(p, k, base_wt):
    """ Renormalize the weights when one weight is change
        while keeping all the other weights in their original
        proportions
    Parameters:
        p = new value between 0 and 1
        k = index between 0 and n-1
        base_wt = base weights
    Returns:
        a renormalized weight vector
    """
    new_wt = base_wt.copy()
    bal_wt = base_wt.sum() - base_wt[k]
    for i, w in enumerate(base_wt):
        if i != k:
            new_wt[i] = (1-p)*base_wt[i]/bal_wt
    new_wt[k] = p
    return new_wt

def AHPmat(A, method='Power'):
    """ Compt AHP matrix A using chosen method
    Parameter: A = matrix to evaluate
    Returns:   w, lambda_max, CI, CR
    """
    RI=(0.58,0.90,1.12,1.24,1.32,1.41,1.45,1.49,1.51,1.54,1.56,1.57,1.58)

```

```

def Power(A):
    """ Compute the AHP matrix A using Power Iterations method.
    Parameter: A = matrix to evaluate
    Returns: w, lambda_max, CI, CR
"""
    gm = stats.gmean(A, axis=1)    # Use RGM method as initial value
    w = gm/gm.sum()
    max_iter= 1000000
    epsilon = 1.E-12
    for iter in range(max_iter):
        w1 = np.dot(A,w)      # w(k+1) = A w(k)
        w1 = w1/w1.sum()      # normalize w(k+1)
        if all(np.absolute(w1-w) < epsilon):
            w = w1
            break
    w = w1
    lambda_max = (np.dot(A,w)/w).mean()
    n, _ = A.shape
    CI = (lambda_max-n)/(n-1)
    CR = 0 if n==2 else CI/RI[n-3]
    return w, lambda_max, CI, CR

def Algebra(A):
    """ Compute the AHP matrix A using Power Iterations method.
    Parameter: A = matrix to evaluate
    Returns: w, lambda_max, CI, CR
"""
    n, _ = A.shape
    # Solve for lambda such that Det(A - lambda*I) = 0
    sol = root(lambda x: np.linalg.det(A-np.eye(n)*x), n)
    lambda_max = sol.x[0]
    # Find w by solving a set of linear equations M w = b
    # M = A - lambda_max I for first n-1 rows
    M = A - np.eye(n)*lambda_max
    # Replace the last row with [1, 1..., 1]
    M[n-1] = np.ones(n)
    b = np.append(np.zeros(n-1), [1])  # b = [0, 0, ..., 1]
    w = np.linalg.solve(M,b)
    CI = (lambda_max-n)/(n-1)
    CR = 0 if n == 2 else CI/RI[n-3]
    return w, lambda_max, CI, CR

""" The RGM method is not recommended as you can do better with
Algebra or Power method. You can use it to compare results """
def RGM(A):
    """ Compute the AHP matrix A using the RGM approximation method.
    Parameter: A = matrix to evaluate
    Returns: w, lambda_max, CI, CR
"""
    n, _ = A.shape
    gm = stats.gmean(A, axis=1)
    w = gm/gm.sum()
    lambda_max = (np.dot(A,w)/w).mean()
    CI = (lambda_max-n)/(n-1)
    CR = 0 if n==2 else CI/RI[n-3]
    return w, lambda_max, CI, CR

# We just need the w vector
if method=='Power':
    return Power(A)[0]
elif method=='Algebra':
    return Algebra(A)[0]
elif method=='RGM':
    return RGM(A)[0]
else:
    print("Invalid method chosen")
    exit()

if __name__=="__main__":
    main()

```

Output

Criteria's Weights

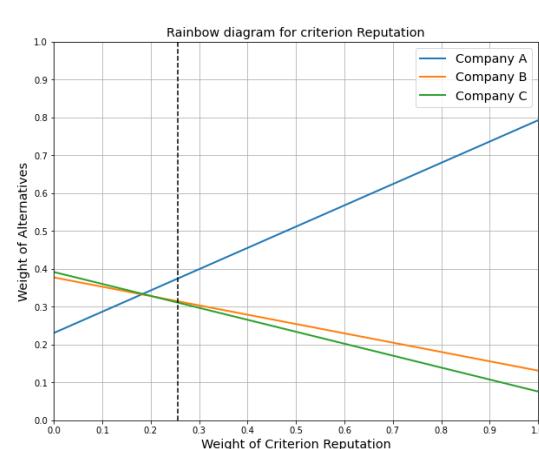
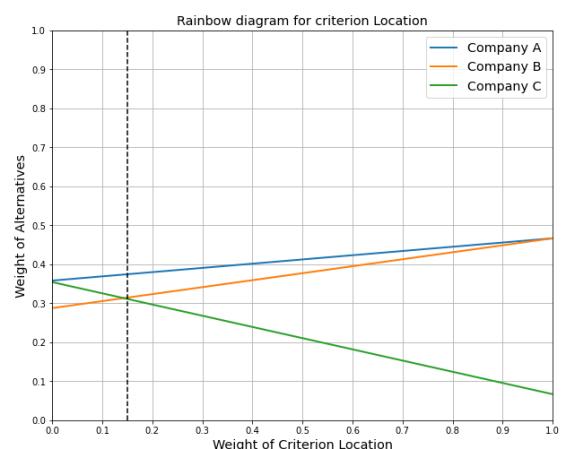
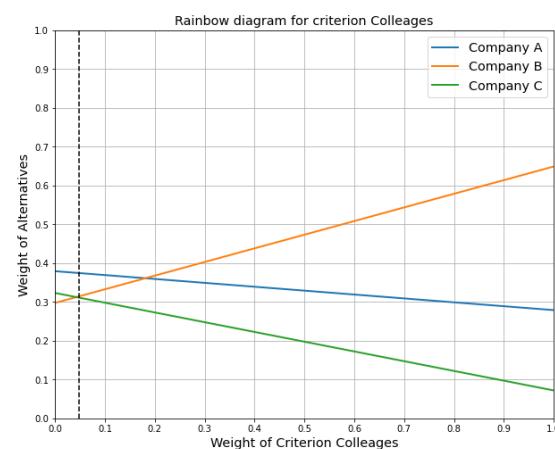
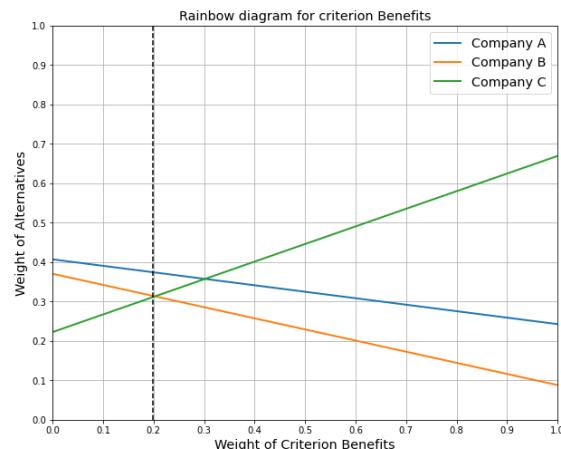
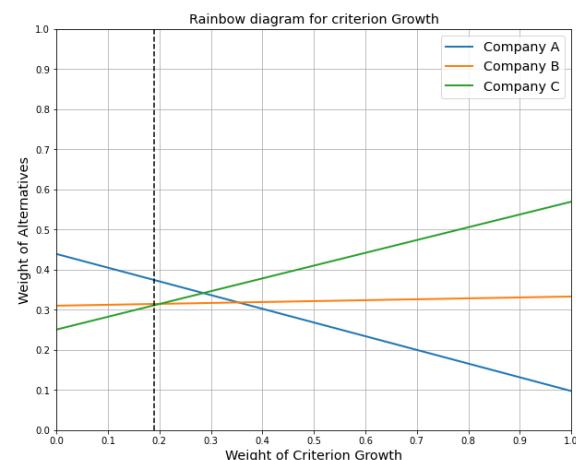
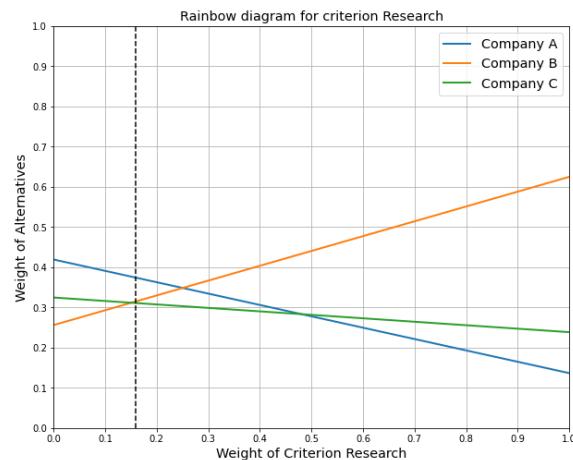
Research : 0.158408
 Growth : 0.189247
 Benefits : 0.197997
 Colleagues : 0.048310
 Location : 0.150245
 Reputation: 0.255792

Alternatives' local Weights

```
[[0.1364998 0.09739007 0.24263692 0.27895457 0.46666667 0.79275736]
 [0.62501307 0.33306935 0.08794621 0.649118 0.46666667 0.13122122]
 [0.23848712 0.56954058 0.66941687 0.07192743 0.06666667 0.07602141]]
```

Alternatives' global weights wrt Job Satisfaction

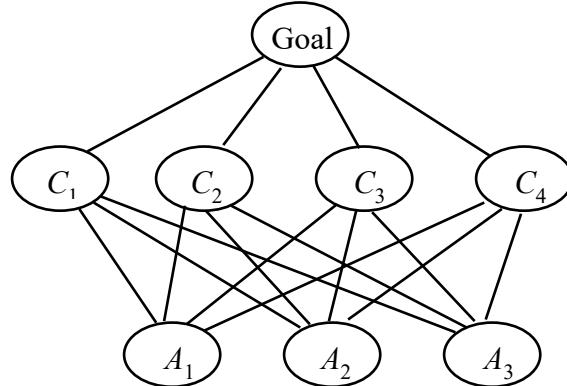
Company A: 0.374467
 Company B: 0.314491
 Company C: 0.311042



5 AHP Models with Complex Hierarchies

5.1 Models with more than 3 levels

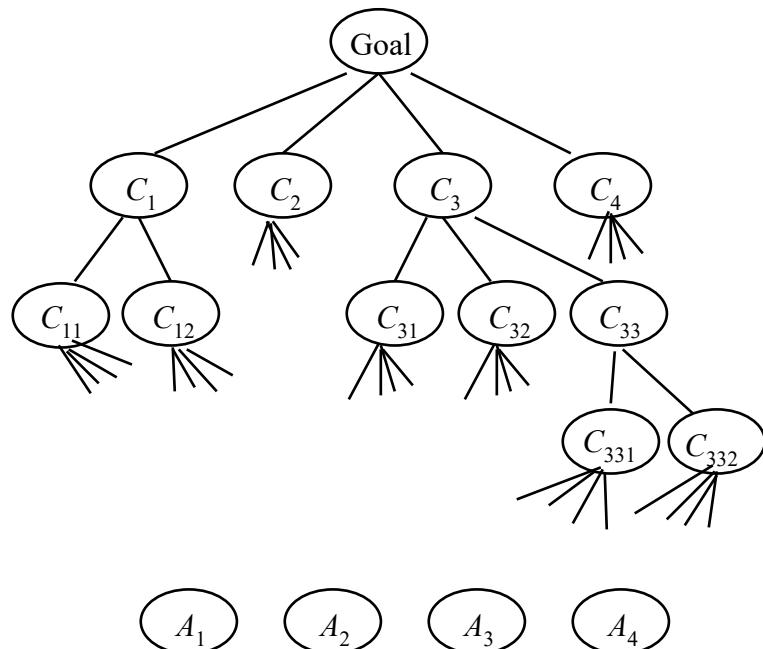
- So far, we have seen the use of a 3-level complete hierarchy where the second level signifies the criteria for evaluation, and the third or lowest level denotes the alternative to be evaluated.



- We call such a hierarchy a **Simple 3-Level Hierarchy**. It is the simplest form of hierarchy for performing multiple criteria evaluation of alternatives.

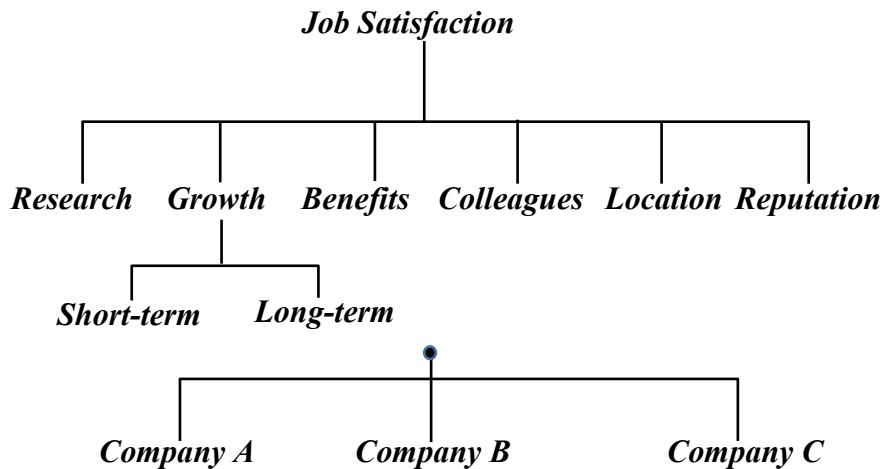
Multi-Level Tree Hierarchies

- An AHP model may have main criteria which may be decomposed into sub-criteria, and some of the sub-criteria may have further decomposed, etc.
- The hierarchy does not need to be balanced in the depth of sub-trees.
- The criteria that are directly above the alternatives are called leaf-criteria.



5.2 Case Study: Job Selection Problem with Growth Sub-criteria

- In the Job Selection Problem, suppose that the Growth criterion has two sub-criteria: short-term growth and long-term growth:



- We pairwise compare the 6 criteria w.r.t. the Goal and obtain the same weights as before.
- The two sub-criteria are judged w.r.t. their parent (Growth):

	Short-term growth	Long-term growth
Short-term growth	1	1/3
Long-term growth	3	1

$$w = [0.25, 0.75]$$

- We pairwise compare the 3 alternatives w.r.t. the seven leaf criteria and/or sub-criteria:
- The results for the criteria Research, Benefits, Colleagues, Location, and Reputations are as before.
- The results for the sub-criteria short-term growth and long-term growth are as follows:

Comparison of alternatives w.r.t. “Short-Term Growth”:

	A	B	C
A	1	1/3	1/7
B		1	1/3
C			1

$$\lambda_{\max} = 3.0070, \text{ CI} = 0.003511, \text{ CR} = 0.006053 < 0.1, \quad w = [0.08795, 0.24264, 0.66942]$$

Comparison of alternatives w.r.t. “Long-Term Growth”:

	A	B	C
A	1	3	5
B		1	2
C			1

$$\lambda_{\max} = 3.0037, \text{ CI} = 0.001847, \text{ CR} = 0.003815 < 0.1, \quad w = [0.64833, 0.22965, 0.12202]$$

- The global weights for the alternatives are computed as follows:

	Criteria	Sub-criteria (if any)	Global weights of leaf criteria	Alt's local weight w.r.t Leaf Criterion
1	Research (0.158408)		0.158408	
				Job A (0.13650)
				Job B (0.62501)
				Job C (0.23849)
2	Growth (0.189247)			
2.1		Short-term (0.25)	0.047312	
				Job A (0.08795)
				Job B (0.24264)
				Job C (0.66942)
2.1		Long-term (0.75)	0.141935	
				Job A (0.64833)
				Job B (0.22965)
				Job C (0.12201)
3	Benefits (0.197997)		0.197997	
				Job A (0.24264)
				Job B (0.08795)
				Job C (0.66942)
4	Colleagues (0.048310)		0.048310	
				Job A (0.27895)
				Job B (0.64912)
				Job C (0.07193)
5	Location (0.150245)		0.150245	
				Job A (0.46667)
				Job B (0.46667)
				Job C (0.06667)
6	Reputation (0.255792)		0.255792	
				Job A (0.79276)
				Job B (0.13122)
				Job C (0.07602)

- Global weight for criterion “Short-Term Growth” = $0.25 \times 0.189247 = 0.047312$
- Global weight for criterion “Long-Term Growth” = $0.75 \times 0.189247 = 0.141935$
- The Global Weight of an alternative is equal to the leaf criterion-weighted sum of its local weights. In Matrix notations:

$$\begin{bmatrix} w_A \\ w_B \\ w_C \end{bmatrix} = \begin{bmatrix} 0.13650 & 0.08795 & 0.64833 & 0.24264 & 0.27895 & 0.46667 & 0.79276 \\ 0.62501 & 0.24264 & 0.22965 & 0.08795 & 0.64912 & 0.46667 & 0.13122 \\ 0.23849 & 0.66942 & 0.12202 & 0.66942 & 0.07193 & 0.06667 & 0.07602 \end{bmatrix} \begin{bmatrix} 0.158408 \\ 0.047312 \\ 0.141935 \\ 0.197997 \\ 0.048310 \\ 0.150245 \\ 0.255792 \end{bmatrix} = \begin{bmatrix} 0.4522 \\ 0.2955 \\ 0.2523 \end{bmatrix}$$

- The results are as follows:

Alternative	Global weight
Job A	0.4522
Job B	0.2955
Job C	0.2523

- Hence choose Job A since it has the highest global weight.

Algorithm to Evaluate a General 4-Level AHP Model

General 4-Level AHP Model

Given a General 4-Level AHP Model where not all the main criteria have sub-criteria.

- Goal G .
- $\mathbf{C} = \{c_1, c_2, \dots, c_n\}$ = set of main criteria.
- $s_i = \{s_{i1}, s_{i2}, \dots, s_{im_i}\}$ = set of sub-criteria of $c_i, \forall c_i \in \mathbf{C}$.
- $\mathbf{S} = \{s_1, s_2, \dots, s_n\}$.
- $\mathbf{A} = \{A_1, A_2, \dots, A_p\}$ = set of alternatives.

Let $pwc(\mathbf{X}, y)$ denotes the normalized vector of weights obtained by pairwise comparing the elements of \mathbf{X} w.r.t. element y .

Evaluate General 4-Level AHP Model

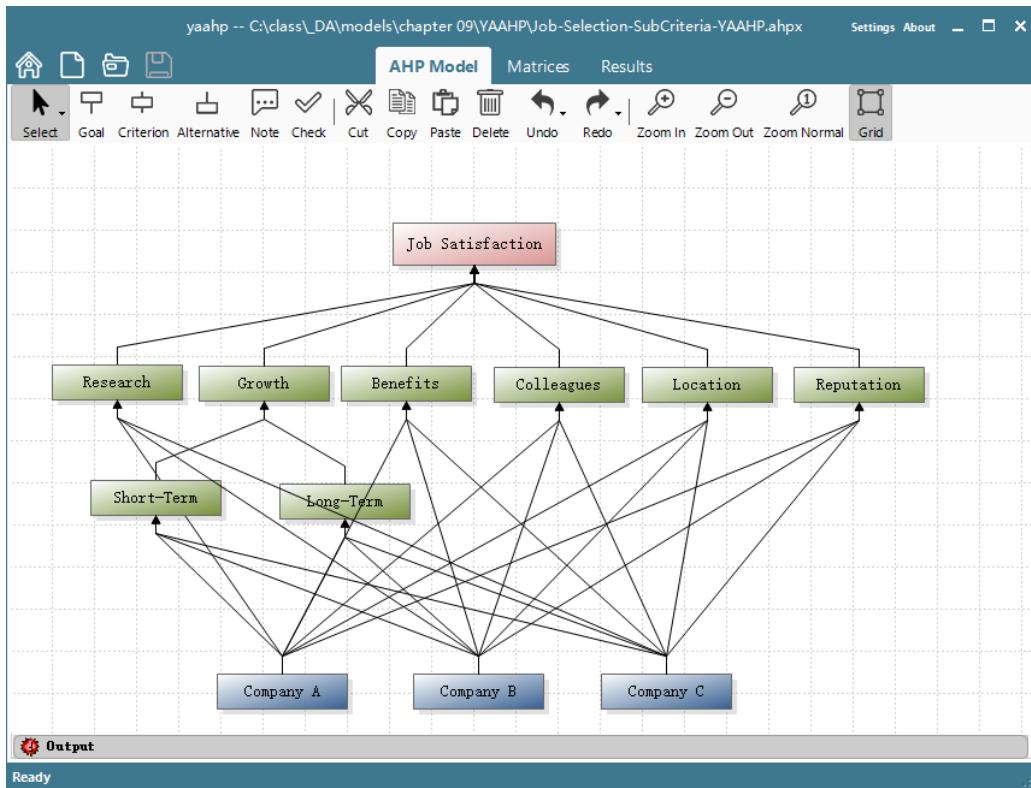
```

1: procedure G4L-AHP( $G, \mathbf{C}, \mathbf{S}, \mathbf{A}$ )
2:    $\mathbf{u} \leftarrow pwc(\mathbf{C}, G)$            // criteria's global weights
3:   for  $i \leftarrow 1, n$  do
4:     if  $s_i \neq \emptyset$  then          // there are sub-criteria
5:        $\mathbf{v}_i \leftarrow pwc(s_i, c_i)$       // sub-criteria's local weights
6:        $\mathbf{v}_i^G \leftarrow u_i \mathbf{v}_i$         // sub-criteria's global weights
7:       for  $j \leftarrow 1, m_i$  do
8:          $w_{ij} \leftarrow pwc(\mathbf{A}, s_{ij})$     // alternative's local weights
9:       end for
10:       $\mathbf{W}_i \leftarrow [w_{i1} w_{i2} \dots w_{im_i}]$  // form a  $(p \times m_i)$  matrix
11:    else          // there is no sub-criteria
12:       $\mathbf{v}_i^G \leftarrow [u_i]$             // form a  $(1 \times 1)$  matrix
13:       $\mathbf{W}_i \leftarrow pwc(\mathbf{A}, c_i)$       // alternatives' local weights
14:    end if
15:  end for
16:   $\mathbf{w}^G \leftarrow \sum_i^n \mathbf{W}_i \mathbf{v}_i^G$     // alternatives's global weights
17:  return  $\mathbf{w}^G$ 
18: end procedure

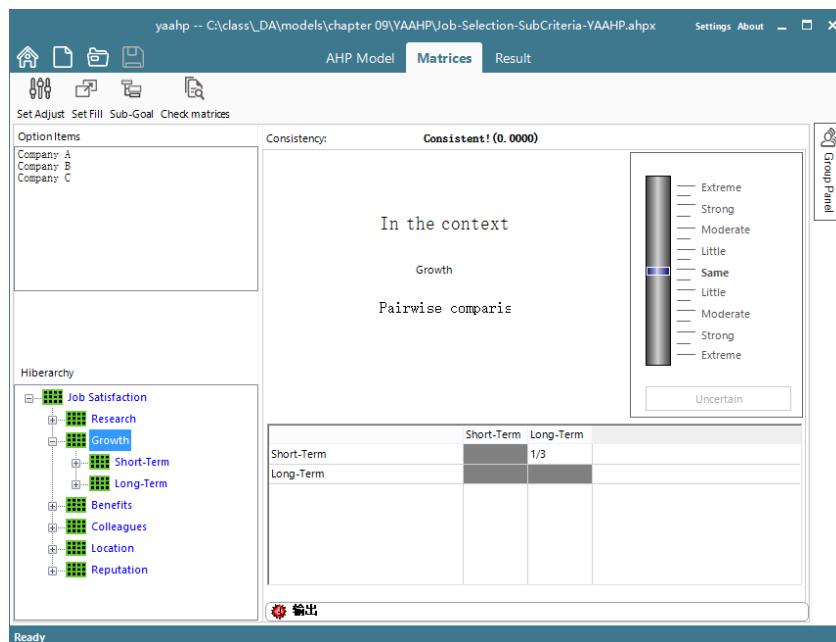
```

5.2 Using YAAHP Application Software

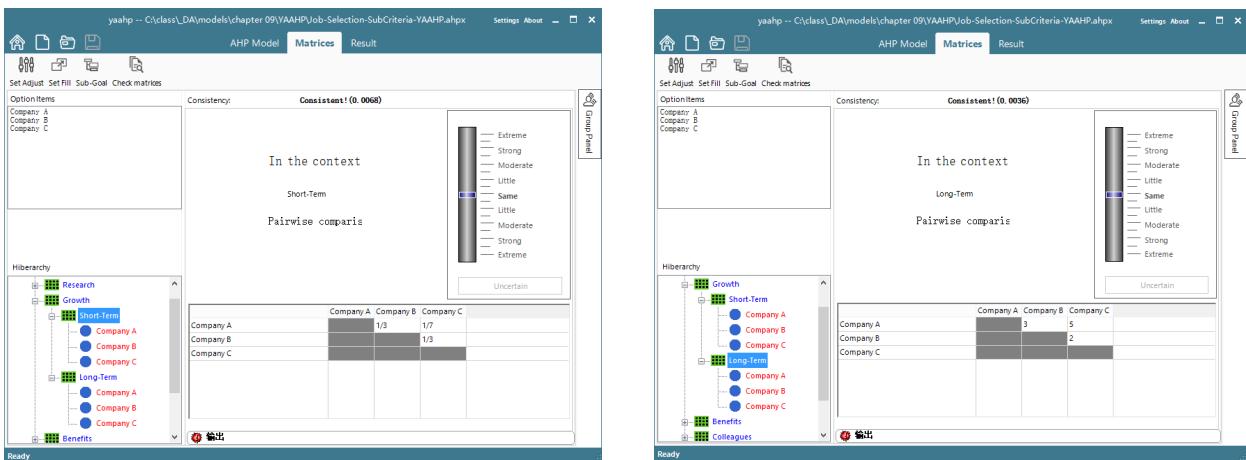
The Hierarchy with Sub Criteria



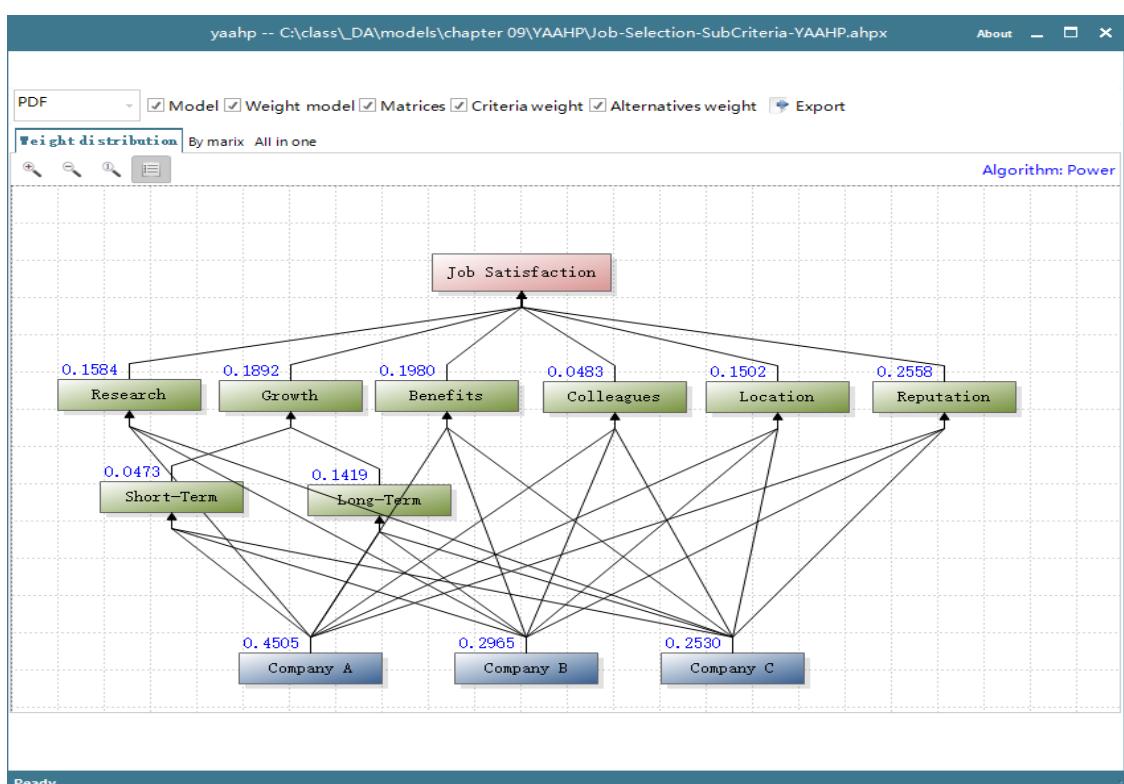
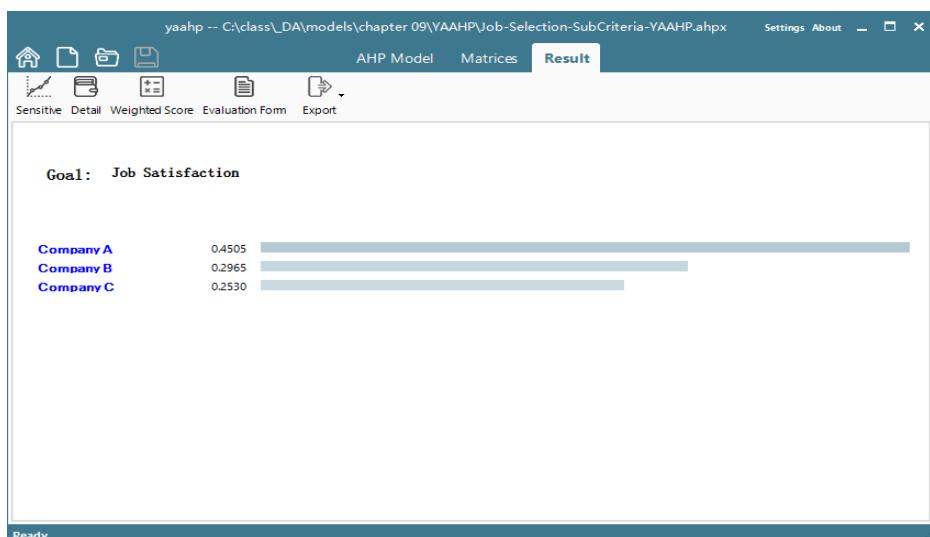
Pairwise comparison of sub-criteria with respective Growth



Pairwise Comparison of Alternatives w.r.t. Sub-criteria



Results



5.3 Using Excel with User-Defined Functions

Screenshot of Microsoft Excel showing a job selection problem solved using AHPmat algebra UDFs.

The title bar shows the file name: "9.5_JobSelectionProblem_with_Subcriteria_Sensitivity_Analysis_UDF... Poh Kim Leng".

The ribbon tabs are: File, Home, Insert, Draw, Page Layout, Formulas, Data, Review, View, Developer, Help, Acrobat, Log-hub, Tell me, Share.

The Review tab is selected.

The formula bar shows: "Solve Job Selection Problem with Subcriteria using UDF AHPmat_algebra".

The main content area contains the following sections:

- 1 Solve Job Selection Problem with Subcriteria using UDF AHPmat_algebra**
- 4 Pairwise Comparison of Criteria w.r.t. Goal**

	Research	Growth	Benefits	Colleagues	Location	Reputation	w
Research	1	1	1	4	1	1/2	0.158408
Growth	1	1	2	4	1	1/2	0.189247
Benefits	1	1/2	1	5	3	1/2	0.197997
Colleagues	1/4	1/4	1/5	1	1/3	1/3	0.048310
Location	1	1	1/3	3	1	1	0.150245
Reputation	2	2	2	3	1	1	0.255792

$\lambda = 6.420344$

$CR = 0.067797 < 0.1$

- 17 Pairwise Comparison of Sub Criteria of Growth**

	Short-term	Long-term	w
Short-Term	1	1/3	0.25
Long-Term	3	1	0.75

$\lambda = 2$

$CR = 0 < 0.1$

- 26 Pairwise Comparison of Alternatives w.r.t. Criterion Research**

	A	B	C	w
Company A	1	1/4	1/2	0.136500
Company B	4	1	3	0.625013
Company C	2	1/3	1	0.238487

$\lambda = 3.018295$

$CR = 0.015771 < 0.1$

- 36 Pairwise Comparison of Alternatives w.r.t. Criterion Short-Term Growth**

	A	B	C	w
Company A	1	1/3	1/7	0.087946
Company B	3	1	1/3	0.242637
Company C	7	3	1	0.669417

$\lambda = 3.007022$

$CR = 0.006053 < 0.1$

The status bar at the bottom shows: "Base Model (UDF algebra) Results Sensitivity / ... + 100%".

File Home Insert Draw Page Layout Formulas Data Review View Developer Help Acrobat Log-hub Tell me Share

ABC Spelling Thesaurus Check Accessibility Smart Lookup Translate New Comment Language Comments Protect Sheet Protect and Share Workbook Y1 B Y2 Protect Workbook Allow Users to Edit Ranges Share Workbook Track Changes Changes Hide Ink Ink

A1 Solve Job Selection Problem with Subcriteria

Solve Job Selection Problem with Subcriteria

Summary of Results

Alternative Global Weight

1 Company A 0.45222 < - Best Alternative

2 Company B 0.29553 -

3 Company C 0.25225 -

Main Criteria Main Criteria Weight Sub-Criteria Sub-Criteria Local Weight Leaf Criteria Global Weight Alternative Alternative Local Weights

1 Research 0.158408 Company A 0.136500

2 Growth 0.189247 Company B 0.625013

3 Benefits 0.197997 Company C 0.238487

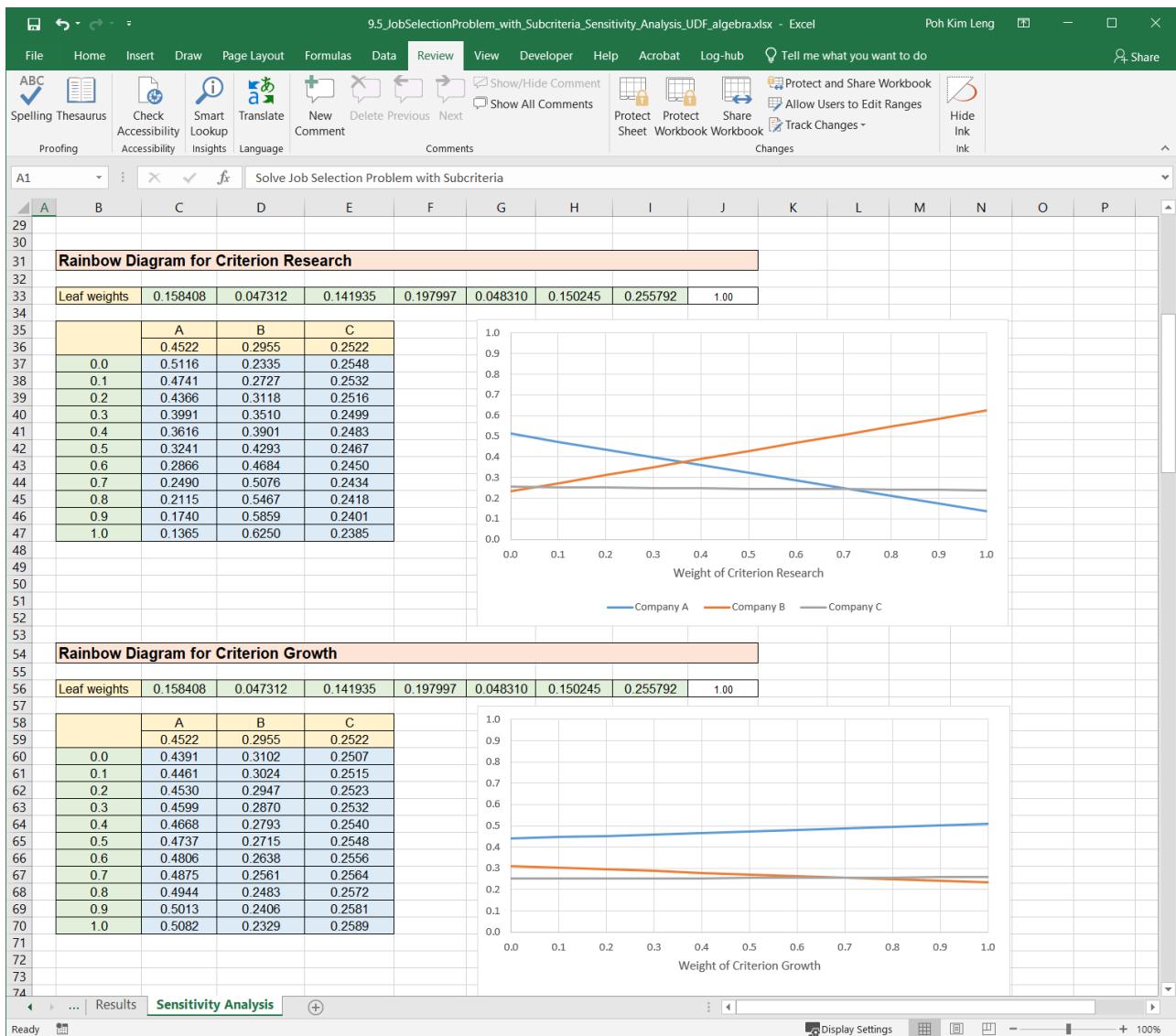
4 Colleagues 0.048310 Company A 0.087946

5 Location 0.150245 Company B 0.242637

6 Reputation 0.255792 Company C 0.669417

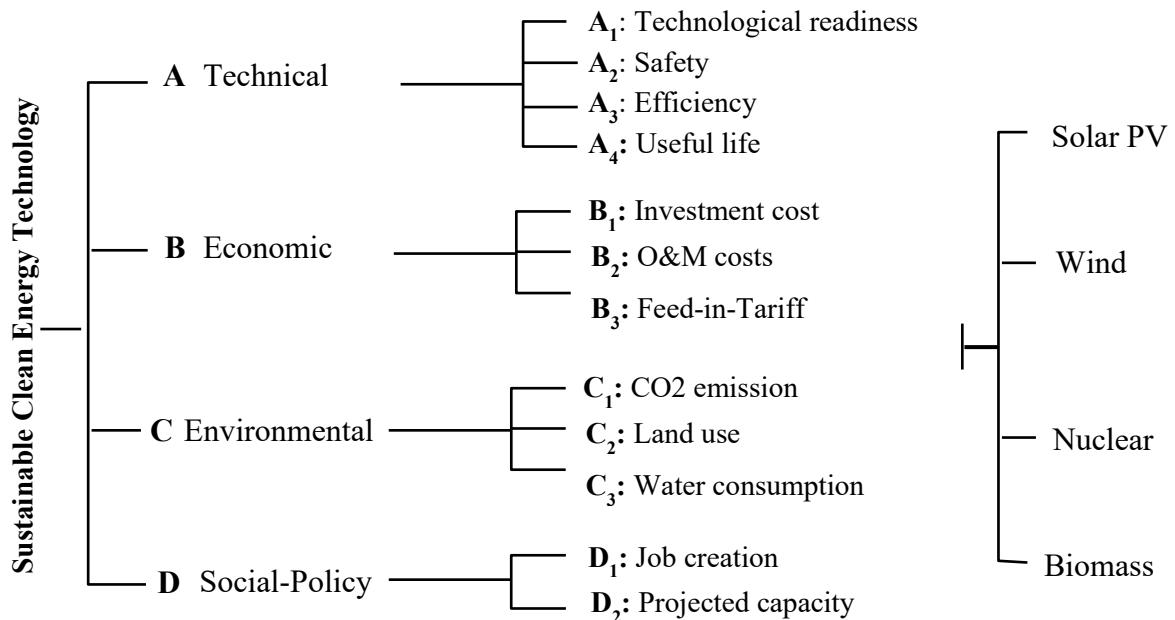
Base Model (UDF algebra) Results Sensitivity Ana ... Display Settings 100%

	Alternative	Global Weight						
1	Company A	0.45222	< - Best Alternative					
2	Company B	0.29553	-					
3	Company C	0.25225	-					
	Main Criteria	Main Criteria Weight	Sub-Criteria	Sub-Criteria Local Weight	Leaf Criteria Global Weight	Alternative	Alternative Local Weights	
11	Research	0.158408			0.158408	Company A	0.136500	
12						Company B	0.625013	
13						Company C	0.238487	
15	2 Growth	0.189247						
16			Short-term	0.250000	0.047312	Company A	0.087946	
17						Company B	0.242637	
18						Company C	0.669417	
20			Long-term	0.750000	0.141935	Company A	0.648329	
21						Company B	0.229651	
22						Company C	0.122020	
24	3 Benefits	0.197997			0.197997	Company A	0.242637	
25						Company B	0.087946	
26						Company C	0.669417	
28	4 Colleagues	0.048310			0.048310	Company A	0.278955	
29						Company B	0.649118	
30						Company C	0.071927	
32	5 Location	0.150245			0.150245	Company A	0.466667	
33						Company B	0.466667	
34						Company C	0.066667	
36	6 Reputation	0.255792			0.255792	Company A	0.792757	
37						Company B	0.131221	
38						Company C	0.076021	



6 Case Study: Evaluation of Sustainable New Energy Technologies

6.1 The AHP Hierarchy



6.2 Prioritization of Criteria and Sub-Criteria

- Pairwise comparison of main criteria with respect to Goal

	Technical	Economic	Environmental	Social-Policy	Weight
Technical	1	1	1/5	1/2	0.109270
Economic	1	1	1/5	1/2	0.109270
Environmental	5	5	1	3	0.572450
Social-Policy	2	2	1/3	1	0.209009

$$\lambda_{\max} = 4.004158, CR = 0.001540 < 0.1$$

- Pairwise comparison of sub-criteria under “Technical”

	Technology readiness	Safety	Efficiency	Useful life	Weight
Technology readiness	1	1	3	1	0.304999
Safety	1	1	3	1	0.304999
Efficiency	1/3	1/3	1	1/2	0.113143
Useful life	1	1	2	1	0.276859

$$\lambda_{\max} = 4.020620 \quad CR = 0.007637 < 0.1$$

- Pairwise comparison of sub-criteria under “Economic”

	Investment cost	O&M costs	Feed-in-Tariff	Weight
Investment cost	1	1/9	1/5	0.060328
O&M costs	9	1	4	0.708524
Feed-in-Tariff	5	1/4	1	0.231148

$$\lambda_{\max} = 3.071265 \quad CR = 0.061436 < 0.1$$

- Pairwise comparison of sub-criteria under “Environmental”

	CO2 emission	Land use	Water consumption	Weight
CO2 emission	1	1/4	1/3	0.126005
Land use	4	1	1	0.457934
Water consumption	3	1	1	0.416061

$$\lambda_{\max} = 3.009203 \quad CR = 0.007933 < 0.1$$

- Pairwise comparison of sub-criteria under “Social & Policy”

	Job creation	Projected capacity	Weight
Job creation	1	2	0.666667
Projected capacity	1/2	1	0.333333

$$\lambda_{\max} = 2 \quad CR = 0$$

6.3 Assessment of Alternatives' under Leaf Criteria

- Pairwise comparison of Alternatives w.r.t. sub-criterion “Technology readiness”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1	3	2	0.350913
Wind	1	1	3	2	0.350913
Nuclear	1/3	1/3	1	1/2	0.109114
Biomass	1/2	1/2	2	1	0.189060

$$\lambda_{\max} = 4.010363 \quad CR = 0.003838 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Safety”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	2	3	1/2	0.286323
Wind	1/2	1	2	1/2	0.182003
Nuclear	1/3	1/2	1	1/4	0.096899
Biomass	2	2	4	1	0.434775

$$\lambda_{\max} = 4.045819 \quad CR = 0.016970 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Efficiency”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/2	1/2	1/2	0.140424
Wind	2	1	1	2	0.339710
Nuclear	2	1	1	1	0.280848
Biomass	2	1/2	1	1	0.239018

$$\lambda_{\max} = 4.060647 \quad CR = 0.022462 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Useful life”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1	1/2	1	0.188380
Wind	1	1	1/3	1/2	0.144399
Nuclear	2	3	1	3	0.462341
Biomass	1	2	1/3	1	0.204880

$$\lambda_{\max} = 4.081273 \quad CR = 0.030101 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Investment cost”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/2	1	1	0.200000
Wind	2	1	2	2	0.400000
Nuclear	1	1/2	1	1	0.200000
Biomass	1	1/2	1	1	0.200000

$$\lambda_{\max} = 4 \quad CR = 0 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “O&M costs”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	2	1/3	1/7	0.094454
Wind	1/2	1	1/3	1/9	0.062475
Nuclear	3	3	1	1/3	0.222439
Biomass	7	9	3	1	0.620632

$$\lambda_{\max} = 4.046530 \quad CR = 0.017233 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Feed-in-Tariff (FIT)”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/2	1/2	1/2	0.140424
Wind	2	1	1	2	0.339710
Nuclear	2	1	1	1	0.280848
Biomass	2	1/2	1	1	0.239018

$$\lambda_{\max} = 4.060647 \quad CR = 0.022462 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “CO2 emission”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/2	1/2	3	0.188624
Wind	2	1	1/2	5	0.306684
Nuclear	2	2	1	5	0.435730
Biomass	1/3	1/5	1/5	1	0.068963

$$\lambda_{\max} = 4.064806 \quad CR = 0.024002 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Land use”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	8	7	9	0.707809
Wind	1/8	1	1	4	0.122522
Nuclear	1/7	1	1	4	0.125540
Biomass	1/9	1/4	1/4	1	0.044129

$$\lambda_{\max} = 4.187467 \quad CR = 0.069432 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Water consumption”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/2	9	8	0.364338
Wind	2	1	9	9	0.532925
Nuclear	1/9	1/9	1	1/2	0.041935
Biomass	1/8	1/9	2	1	0.060802

$$\lambda_{\max} = 4.102325 \quad CR = 0.037898 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Job creation”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	5	6	4	0.614710
Wind	1/5	1	1	1	0.125778
Nuclear	1/6	1	1	1/2	0.101106
Biomass	1/4	1	2	1	0.158406

$$\lambda_{\max} = 4.040705 \quad CR = 0.015076 < 0.1$$

Pairwise comparison of Alternatives w.r.t. sub-criterion “Projected capacity”

	Solar PV	Wind	Nuclear	Biomass	Weight
Solar PV	1	1/5	2	1/2	0.127130
Wind	5	1	7	2	0.548921
Nuclear	1/2	1/7	1	1/3	0.074592
Biomass	2	1/2	3	1	0.249357

$$\lambda_{\max} = 4.017755 \quad CR = 0.006576 < 0.1$$

6.4 Results

Main Criteria		
	w.r.t. Goal	Global Wt
1	Technical	0.109270
2	Economic	0.109270
3	Environmental	0.572450
4	Social and Policy	0.209009

Sub Criteria			
	Technical	Local Wt	Global Wt
1	Technology readiness	0.304999	0.033327
2	Safety	0.304999	0.033327
3	Efficiency	0.113143	0.012363
4	Useful life	0.276859	0.030252
	Environmental	Local Wt	Global Wt
1	Investment cost	0.060328	0.006592
2	O&M costs	0.708524	0.077421
3	Feed-in-Tariff	0.231148	0.025258
	Social	Local Wt	Global Wt
1	CO2 emission	0.126005	0.072132
2	Land use	0.457934	0.262144
3	Water consumption	0.416061	0.238174

Leaf criteria (global weight)	Technology readiness	Safety	Efficiency	Useful life
Alternative	0.033327	0.033327	0.012363	0.030252
Solar PV	0.35091	0.28632	0.14042	0.18838
Wind	0.35091	0.18200	0.33971	0.14440
Nuclear	0.10911	0.09690	0.28085	0.46234
Biomass	0.18906	0.43478	0.23902	0.20488

Leaf criteria (global weight)	Investment cost	O&M costs	Feed-in- Tariff
Alternative	0.006592	0.077421	0.025258
Solar PV	0.20000	0.09445	0.14042
Wind	0.40000	0.06248	0.33971
Nuclear	0.20000	0.22244	0.28085
Biomass	0.20000	0.62063	0.23902

Leaf criteria (global weight)	CO2 emission	Land use	Water consumption
Alternative	0.072132	0.262144	0.238174
Solar PV	0.18862	0.70781	0.36434
Wind	0.30668	0.12252	0.53293
Nuclear	0.43573	0.12554	0.04194
Biomass	0.06896	0.04413	0.06080

Leaf criteria (global weight)	Job creation	Projected capacity
Alternative	0.139340	0.069670
Solar PV	0.61471	0.12713
Wind	0.12578	0.54892
Nuclear	0.10111	0.07459
Biomass	0.15841	0.24936

Global Weights		
	Alternative	Global Weight
1	Solar PV	0.42129
2	Wind	0.27932
3	Nuclear	0.14357
4	Biomass	0.15582

Computations in Matrix Notation

Sub-criteria global weights:

$$\mathbf{v}_1^G = 0.109270 \begin{bmatrix} 0.304999 \\ 0.304999 \\ 0.113143 \\ 0.276859 \end{bmatrix} = \begin{bmatrix} 0.033327 \\ 0.033327 \\ 0.012363 \\ 0.030252 \end{bmatrix}$$

$$\mathbf{v}_2^G = 0.109270 \begin{bmatrix} 0.060328 \\ 0.708524 \\ 0.231148 \end{bmatrix} = \begin{bmatrix} 0.006592 \\ 0.077421 \\ 0.025258 \end{bmatrix}$$

$$\mathbf{v}_3^G = 0.572450 \begin{bmatrix} 0.126005 \\ 0.457934 \\ 0.416061 \end{bmatrix} = \begin{bmatrix} 0.072132 \\ 0.262144 \\ 0.238174 \end{bmatrix}$$

$$\mathbf{v}_4^G = 0.209009 \begin{bmatrix} 0.666667 \\ 0.333333 \end{bmatrix} = \begin{bmatrix} 0.139340 \\ 0.069670 \end{bmatrix}$$

Alternatives weights w.r.t. each leaf-criterion:

$$\mathbf{W}_1 = \begin{bmatrix} 0.35091 & 0.28632 & 0.14042 & 0.18838 \\ 0.35091 & 0.18200 & 0.33971 & 0.14440 \\ 0.10911 & 0.09690 & 0.28085 & 0.46234 \\ 0.18906 & 0.43478 & 0.23902 & 0.20488 \end{bmatrix}$$

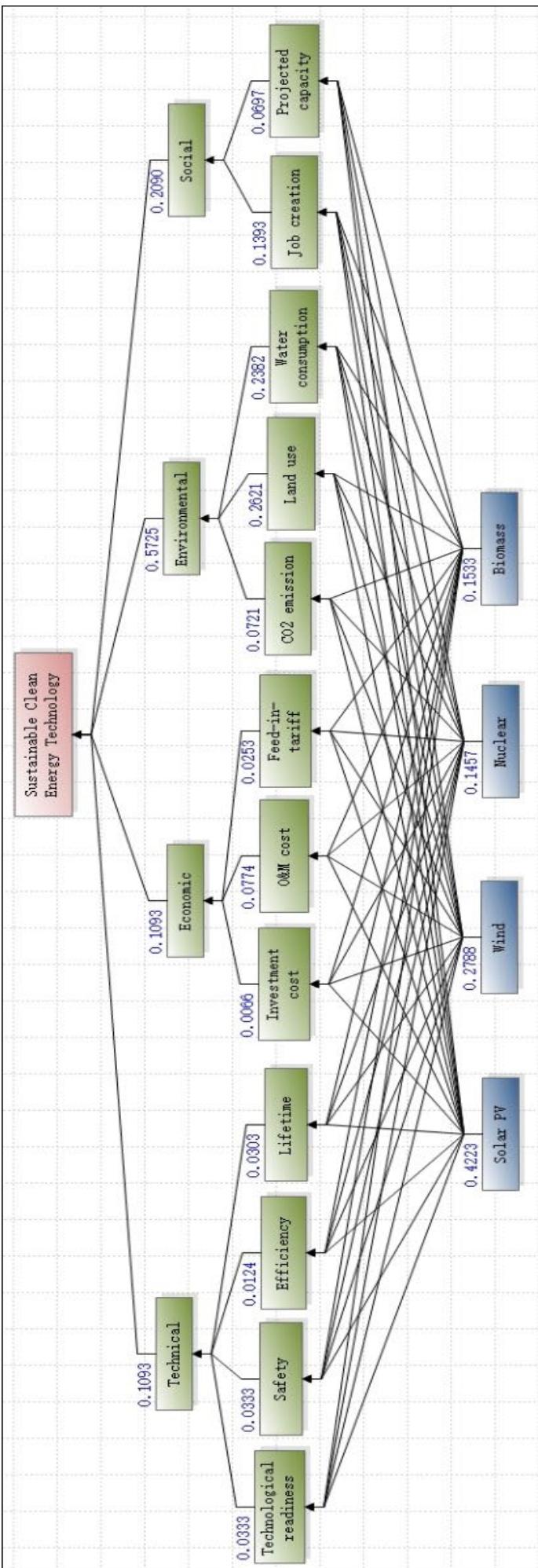
$$\mathbf{W}_2 = \begin{bmatrix} 0.20000 & 0.09445 & 0.14042 \\ 0.40000 & 0.06248 & 0.33971 \\ 0.20000 & 0.22244 & 0.28085 \\ 0.20000 & 0.62063 & 0.23902 \end{bmatrix}$$

$$\mathbf{W}_3 = \begin{bmatrix} 0.18862 & 0.70781 & 0.36434 \\ 0.30668 & 0.12252 & 0.53293 \\ 0.43573 & 0.12554 & 0.04194 \\ 0.06896 & 0.04413 & 0.06080 \end{bmatrix}$$

$$\mathbf{W}_4 = \begin{bmatrix} 0.61471 & 0.12713 \\ 0.12578 & 0.54892 \\ 0.10111 & 0.07459 \\ 0.15841 & 0.24936 \end{bmatrix}$$

Alternative global weights:

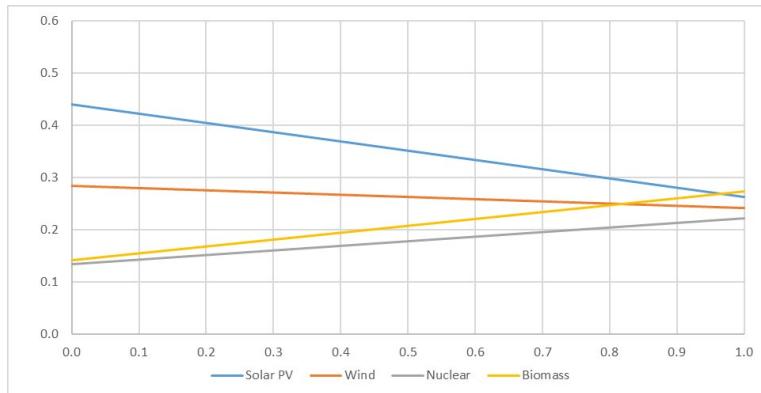
$$\mathbf{w}^G = \sum_{i=1}^4 \mathbf{W}_i \mathbf{v}_i^G = \begin{bmatrix} 0.42129 \\ 0.27932 \\ 0.14357 \\ 0.15582 \end{bmatrix}$$



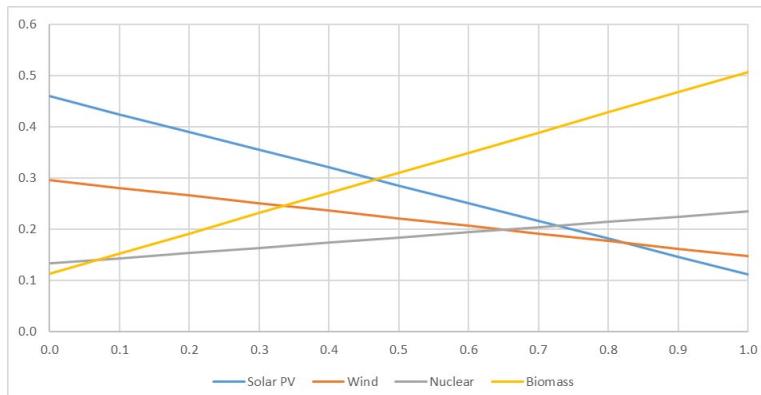
6.5 Sensitivity Analysis on Main Criteria Weights

Rainbow diagram for alternative's global weights when the weight of one main criterion is varied from 0 to 1 while keeping the weights of the other main criteria at the same proportion as their base model values.

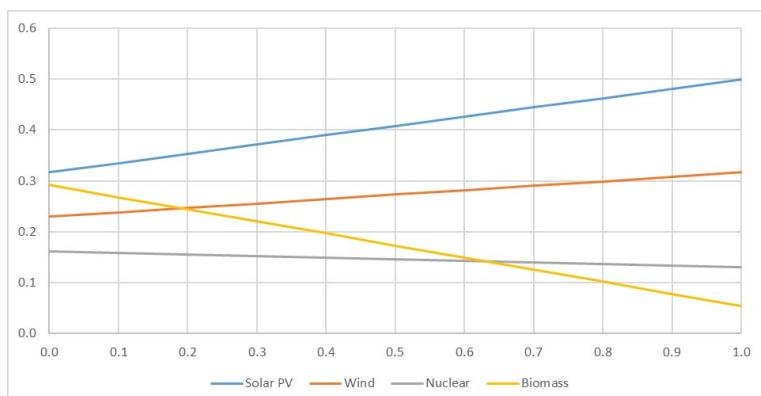
Main Criterion: Technical



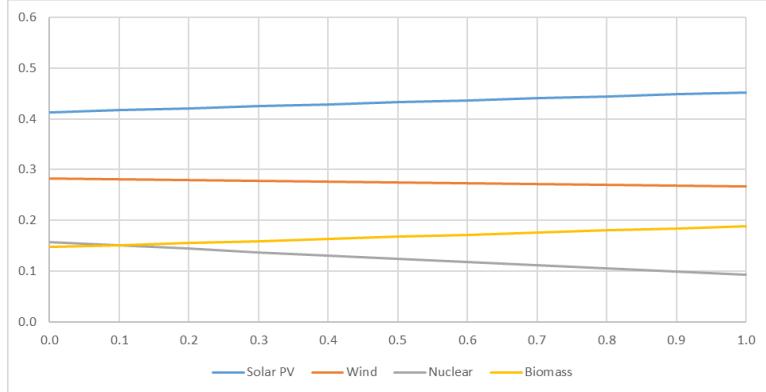
Main Criterion: Economic



Main Criterion: Environmental



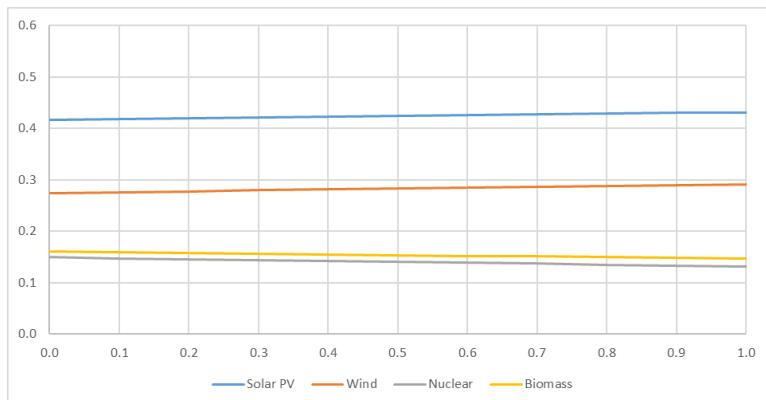
Main Criterion: Social



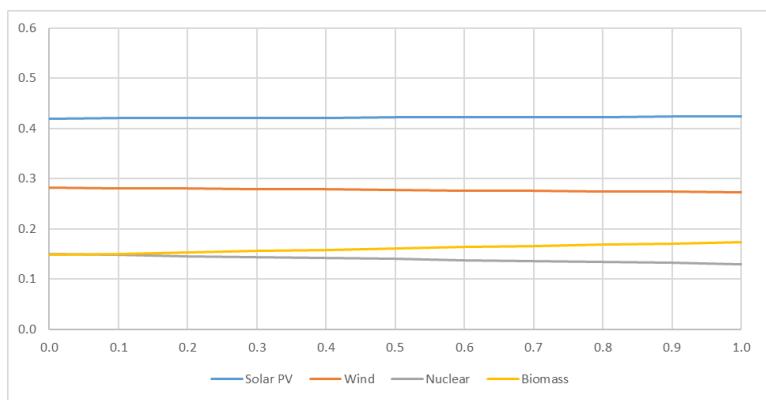
6.6 Sensitivity Analysis on Sub-Criteria Weights

Rainbow diagram for alternative's global weights when the weight of a sub-criterion is varied from 0 to 1 while keeping the weights of the other sub-criteria under the same main criterion at the same proportion as their base model values.

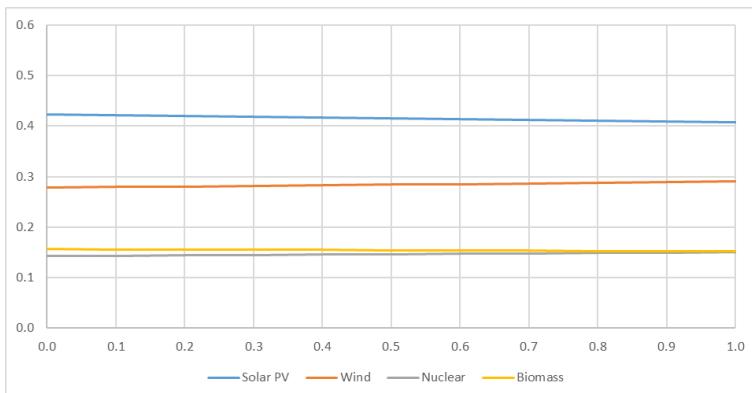
Sub-Criterion: Technological readiness



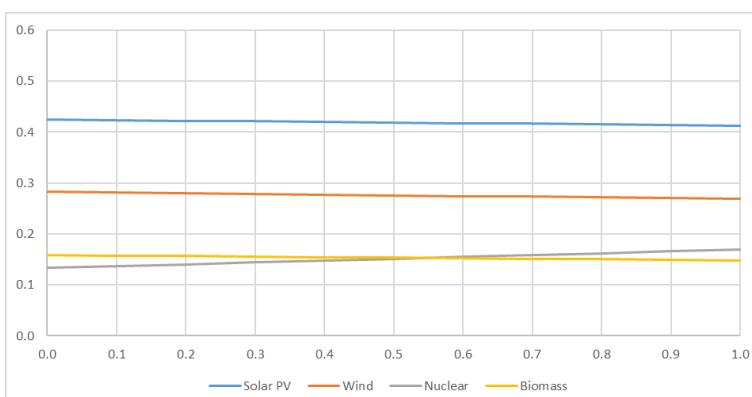
Sub-Criterion: Safety



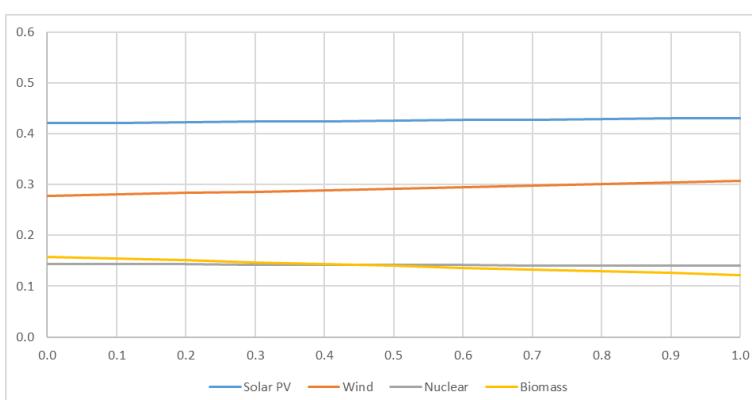
Sub-Criterion: Efficiency



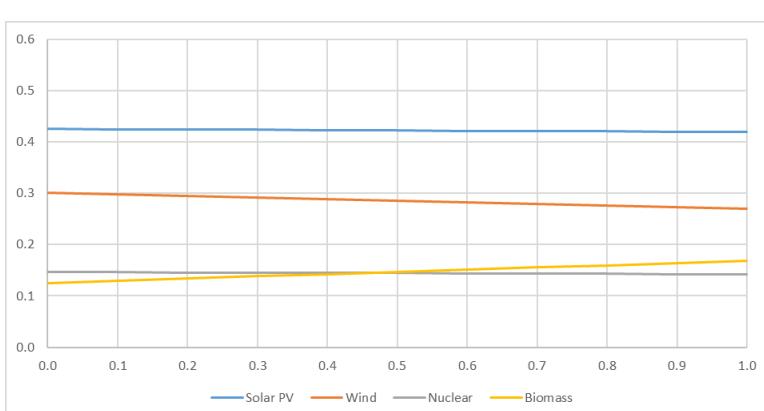
Sub-Criterion: Useful life



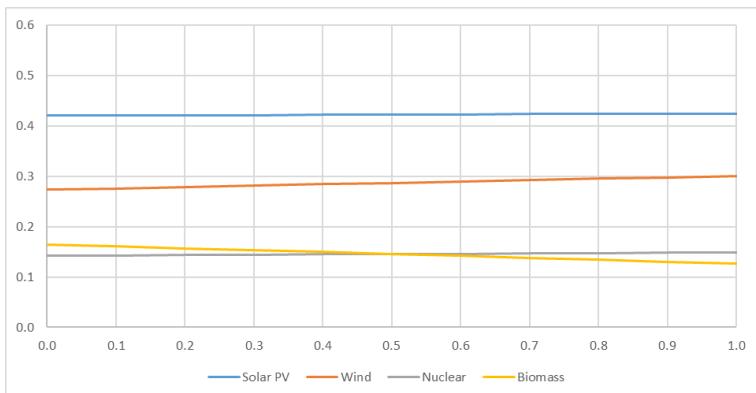
Sub-Criterion: Investment cost



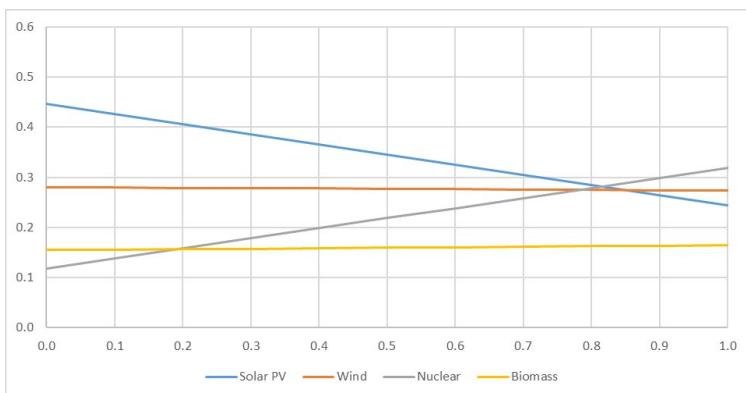
Sub-Criterion: O&M costs



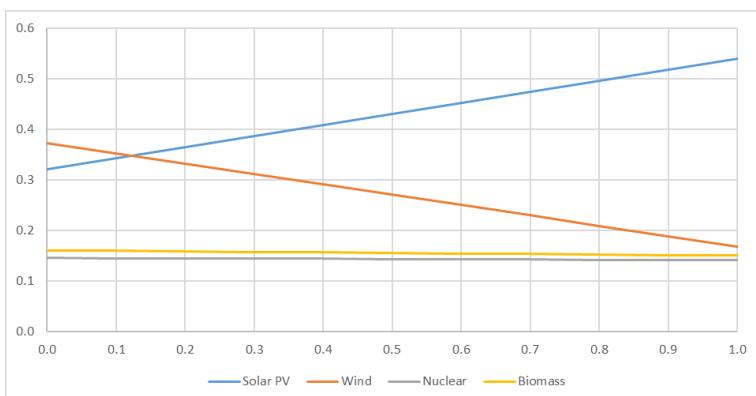
Sub-Criterion: Feed-in-Tariff



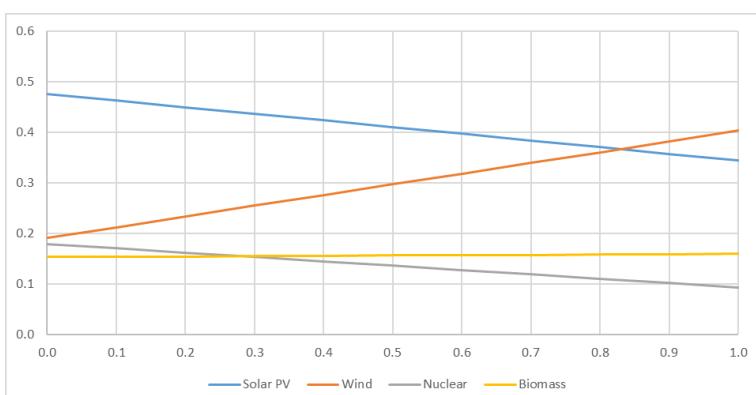
Sub-Criterion: CO2 emission



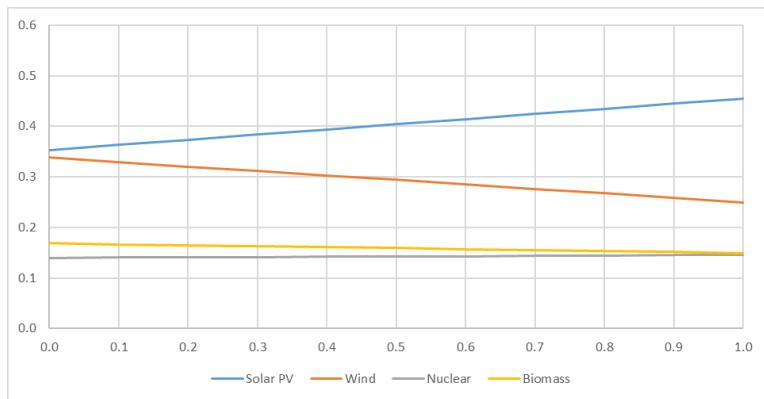
Sub-Criterion: Land use



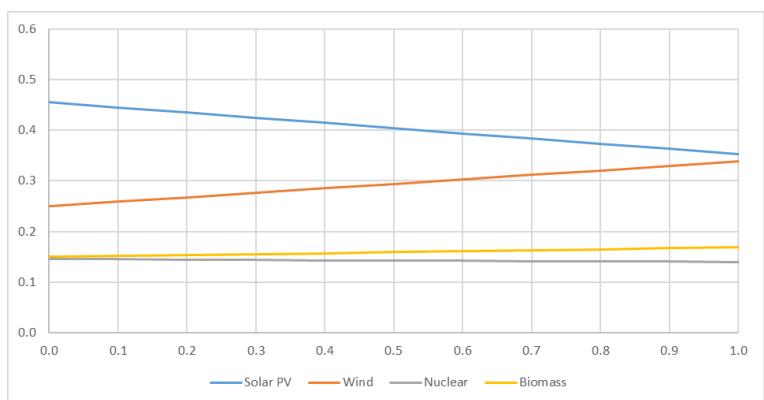
Sub-Criterion: Water consumption



Sub-Criterion: Job creation



Sub-Criterion: Projected capacity



7 The Rating Method in AHP

7.1 Evaluating Alternatives with Ratings

- In the standard AHP method, the alternatives at the lowest level of the hierarchy are pairwise compared with respect to each of the leaf criteria. When the number of alternatives is large, it may not be practical as the resulting weights will all be very small. The Rating Method may be used instead.
- In the rating approach, a hierarchy is developed in the usual way down to the level of criteria or sub-criteria.
- The criteria and sub-criteria are prioritized in the usual way and their weights are expressed in **Normalized or Distributive Form**.
- Each of the leaf criteria is then given set of **Intensity or Performance Ratings** with respect to that criterion.

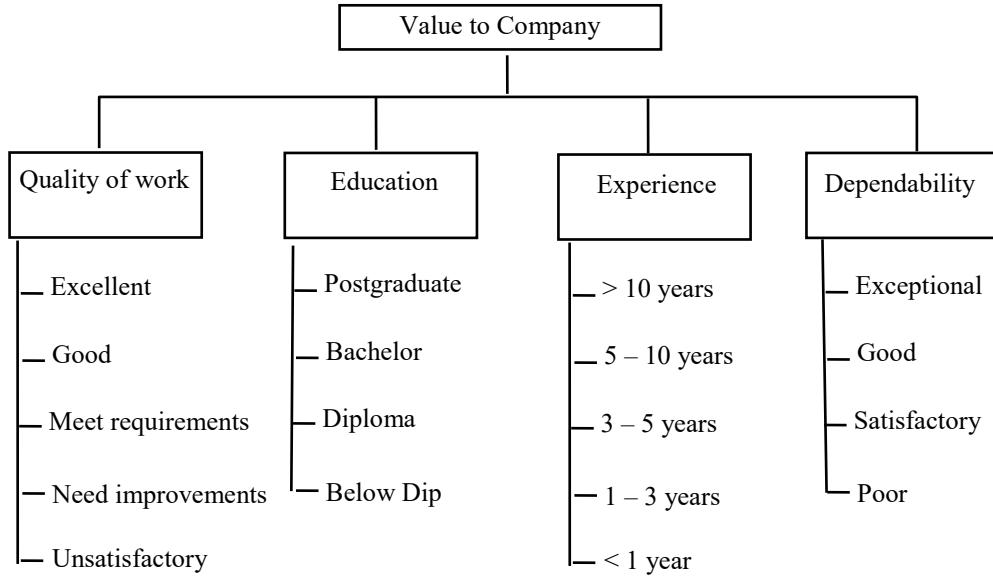
Examples: *Excellent, Good, Average, Poor, Very poor.*
Very high, High, Average, Low, Very low.

- The type and number of intensity/performance ratings for each criterion may be different.
- The performance ratings for each criterion are then prioritized by pairwise comparisons to determine their relative importance with respect to the criterion they are measuring. The weights of these performance ratings are expressed in **Idealized Form**.
- The alternatives or candidates are independently evaluated one at a time in terms of rating intensities for each of the criteria.
- The global weight for each alternative is then evaluated in the usual additive weighted sum manner.

7.2 Case Study: Evaluation of Employees

- A firm would like to evaluate the value of its employees to the company.
- The company consider these four criteria contributing to the goal:
 1. Quality of Work
 2. Education
 3. Experience
 4. Dependability

- Each of the four criteria is measured using performance ratings as shown below:



- The four criteria are pairwise compared with respect to the Goal.

	Quality of work	Education	Experience	Dependability	Local Weight
Quality of work	1	5	7	3	0.565009
Education	1/5	1	3	1/3	0.117504
Experience	1/7	3	1	1/5	0.055285
Dependability	1/3	3	5	1	0.262201

$$\lambda = 4.117 \quad CI = 0.03899 \quad CR = 0.04333 < 0.1 \quad w = [0.565009, 0.117504, 0.055285, 0.262201]$$

- The weights for the four criteria are: 0.565009, 0.117504, 0.055285, and 0.262201, respectively.
- The managers then pairwise compare the performance ratings or intensities according to the priority with respect to their parent criterion or sub-criterion.
- For examples, the managers might ask:
 - With respect to “Education”, how important to the company is an employee with a post-graduate degree is with respect to an employee with only a bachelor degree.
The assessments would be different if education is applied to waiters in a restaurant than to researchers in a technology driven company.
 - With respect to “Dependability”, how important to the company is an employee who is rated “exceptional” compared with an employee who is rated “average”?
The assessments would be different if dependability is applied to waiters in a restaurant than to captains of a passenger airplane.

- For the criterion “Quality of Work”, the following matrix was obtained:

Criterion: “Quality of Work”	Excellent	Good	Meet Requirements	Need Improvements	Unsatisfactory	Local weight
Excellent	1	1	5	7	9	0.428747
Good	1	1	3	5	7	0.337852
Meet Requirements	1/5	1/3	1	3	5	0.136310
Need Improvements	1/7	1/5	1/3	1	2	0.060049
Unsatisfactory	1/9	1/7	1/5	1/2	1	0.037042

$$\lambda = 5.1356, \text{CI} = 0.03390, \text{CR} = 0.03027 < 0.1 \quad \boldsymbol{w} = [0.428747, 0.337852, 0.136310, 0.060049, 0.037042]$$

- The weights of the ratings **idealized form**:

Rating under Quality of Work	Weight in Ideal Form
Excellent	1
Good	0.787997
Meet Requirements	0.317927
Need Improvements	0.140058
Unsatisfactory	0.086395

- For the criterion “Education”, the following matrix was obtained:

Criterion: “Education”	Postgraduate	Bachelor	Diploma	Below Dip	Local weight
Postgraduate	1	3	5	9	0.573455
Bachelor	1/3	1	3	7	0.271227
Diploma	1/5	1/3	1	3	0.110233
Below Dip	1/9	1/7	1/3	1	0.045086

$$\lambda = 4.0876, \text{CI} = 0.02921, \text{CR} = 0.0325 < 0.1$$

- The weights of the ratings **idealized form**:

Rating under Education	Weight in Ideal Form
Postgraduate	1
Bachelor	0.472971
Diploma	0.192225
Below Dip	0.078621

- For the criterion “Experience”, the following matrix was obtained:

Criterion: “Experience”	> 10 years	5 - 10 years	3 - 5 years	1 - 3 years	< 1 year	Local weight
> 10 years	1	1	3	5	7	0.393131
5 - 10 years	1	1	2	3	5	0.304538
3 - 5 years	1/3	1/2	1	2	3	0.153971
1 - 3 years	1/5	1/3	1/2	1	3	0.099081
< 1 year	1/7	1/5	1/3	1/3	1	0.049280

$$\lambda = 5.0872, \text{CI} = 0.02181, \text{CR} = 0.01947 < 0.1$$

- The weights of the ratings **idealized form**:

Rating under Experience	Weight in Ideal Form
> 10 years	1
5 - 10 years	0.774648
3 - 5 years	0.391653
1 - 3 years	0.252030
< 1 year	0.125353

- For the criterion “dependability”, the following matrix was obtained:

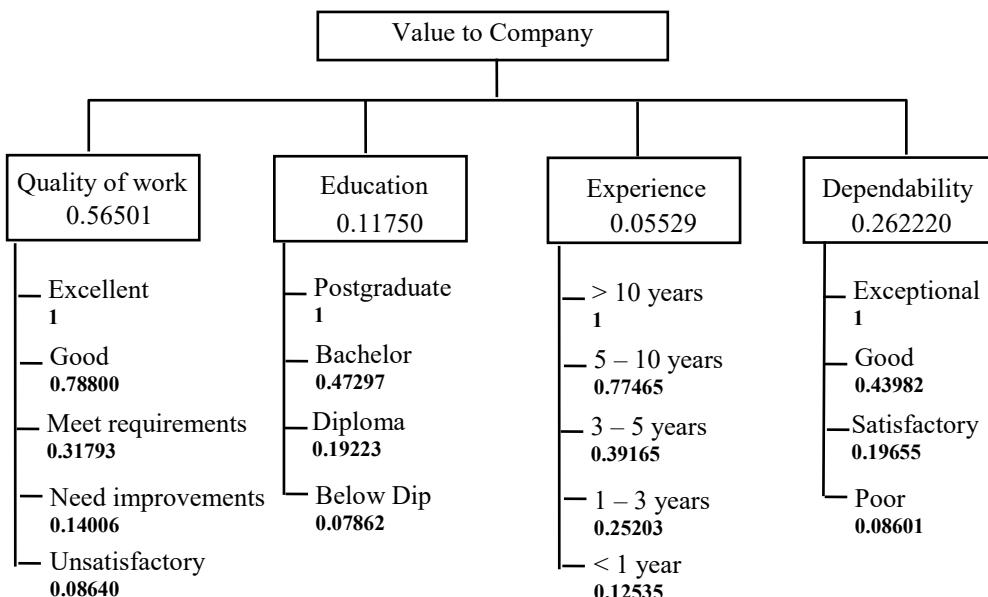
Criterion: “Dependability”	Exceptional	Good	Satisfactory	Poor	Normalized weight
Exceptional	1	3	5	9	0.58059
Good	1/3	1	3	5	0.25536
Satisfactory	1/5	1/3	1	3	0.11411
Poor	1/9	1/5	1/3	1	0.04994

$$\lambda = 4.0763, CI = 0.02543, CR = 0.02836 < 0.1$$

- The weights of the ratings **idealized form**:

Rating under Dependability	Weight in Ideal Form
Exceptional	1
Good	0.43983
Satisfactory	0.19655
Poor	0.08601

- The hierarchy with criteria weights and ratings’ weights:



- Finally, the managers rate each individual employee by assigning the intensity rating that applies to him or her under each criterion.

	Candidate	0.56501	0.11750	0.05529	0.26220
		Rating for Quality	Rating for Education	Rating for Experience	Rating for Dependability
1	John Lim	Good	Postgraduate	3 - 5 years	Satisfactory
2	Tan Ah Huay	Meet Requirements	Diploma	> 10 years	Good
3	Chow Ah Beng	Need Improvements	Below Dip	1 - 3 years	Poor
4	Mary Lau	Good	Bachelor	< 1 year	Exceptional
5	Harry Lee	Excellent	Diploma	5 – 10 years	Good
6					
7					

- The Overall Rating of each employee with respect to the Goal is the criteria-weighted sum of their individual ratings.

	Candidate	0.56501	0.11750	0.05529	0.26220	1.0000
		Rating for Quality	Rating for Education	Rating for Experience	Rating for Dependability	Overall Rating
1	John Lim	0.78800	1.00000	0.39165	0.19655	0.63592
2	Tan Ah Huay	0.31793	0.19223	1.00000	0.43982	0.37283
3	Chow Ah Beng	0.14006	0.07862	0.25203	0.08601	0.12486
4	Mary Lau	0.78800	0.47297	0.12535	1.00000	0.76993
5	Harry Lee	1.00000	0.19223	0.77465	0.43982	0.74575
6						
7						