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Wahlweise
Bewusst Entscheiden – Klug Handeln

Smart Decisions Made Easy

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What do I want to do after school?

- ! Why is the decision so important?
 - ! Choosing a career path after school has massive impact on your future
 - ! You will spend a lot of life time doing the job that you choose

- ! Why is the decision so hard to make?
 - ! More than 340 different practical apprenticeships to choose from exist in Germany
 - ! There are 106 different universities in Germany
 - ! There are 216 different universities of applied sciences in Germany
 - ! There are more than 18,000 different courses of study in Germany

- ! The potential number of alternatives that can be chosen from is exceptionally high!



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What do I want to do after school?

- ! A lot of young peoples struggle to make the right decisions after school!
 - ! 28% of all students cancel their academic studies and either switch to different courses or do not finish at all
 - ! 25% of all apprentices cancel their apprenticeships before reaching a degree
- ! Additionally, there are a lot more things that you can do after school, like...
 - ! Social Service
 - ! Travelling
 - ! ...

" We want to help you to make the right decision



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What is a decision?

A **decision** constitutes the possibility to choose between multiple alternatives, which are mutually exclusive

All decisions are connected with differing degrees of uncertainty.

Hence, a decision is always some kind of a bet.*

A good decision makes sense and feels good!

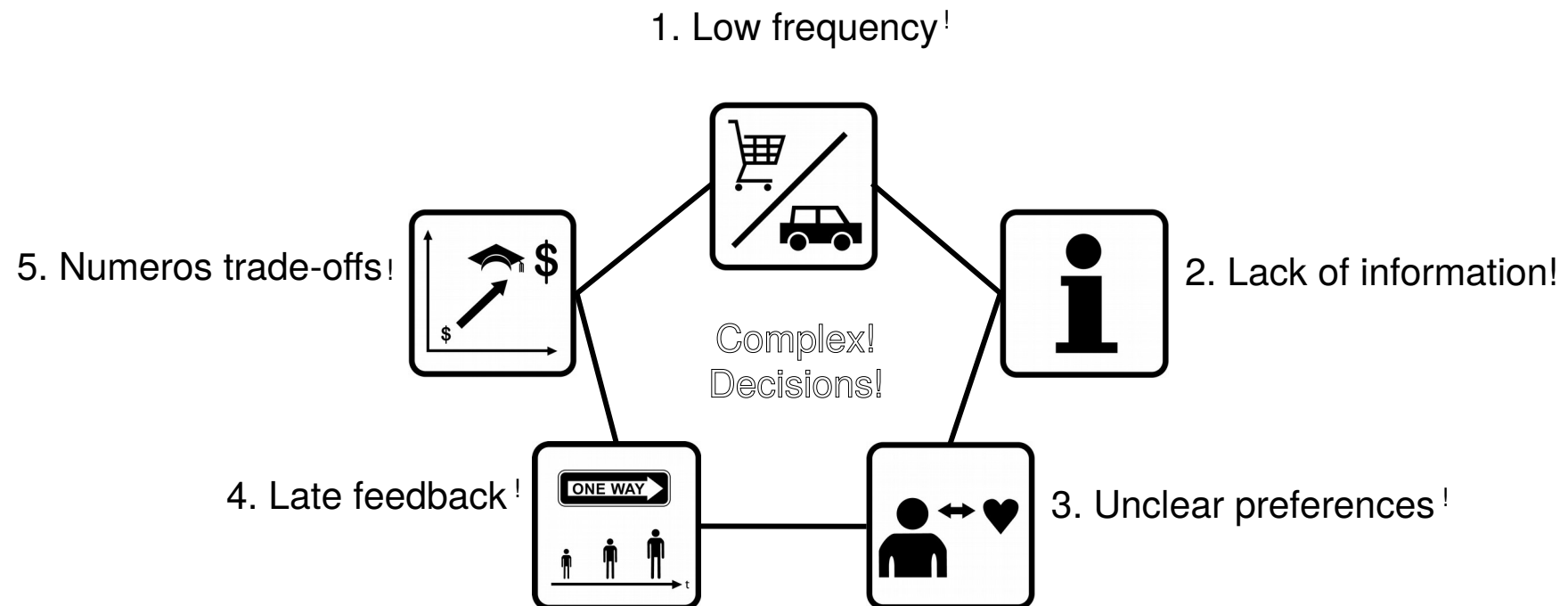


Different kinds of decisions

- ! Daniel Kahneman describes 2 different processes by which we address decision situations
 - ! **Fast thinking:** Used when action is required very quickly; handled without thinking essentially by a learned reflex, mainly for emergencies
 - ! **Slow thinking:** Useful when there is time to think
 - ! **Decision-making** is a **deliberate process** that takes us from the **identification of a decision** that we must or should be facing to the **selection of an alternative** to solve or resolve that decision (Keeney, 2017)



What constitutes complex decisions?



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Thaler, R., Sunstein, C. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness, Yale University Press.



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What is an „outcome“?

The outcome describes the result of a decision. A good result is constituted by achieving what you want to achieve.

A good decision does not guarantee a good outcome.
Whether or not we judge a decision as good or bad depends on the circumstances under which the decision is made, not on its outcome.

A good decision and a good outcome are two different things!



" Remember: What constitutes a good outcome for you might be a bad outcome for someone else.



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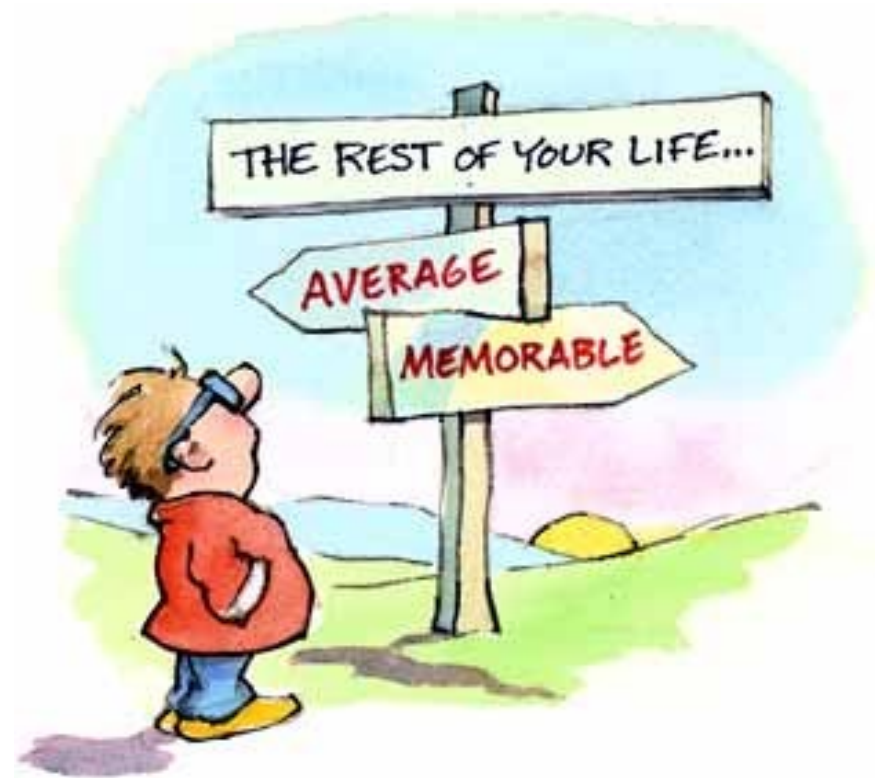


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Many good decisions lead to a better life

- ! WE make our own decisions
- ! The result is not 100% in our hands
- ! Good decisions do not guarantee good outcomes
- ! BUT: The probability for achieving good outcomes increases based on good decisions
- ! Decision-analytical methods can help us to make good decisions



*"The only way to exert control over your life is through your decision-making. The rest just happens to you."**



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*Keeney, R. (1992). *Value-focused Thinking: A Path to Creative Decision making*. Cambridge, MA: Harvard University Press.



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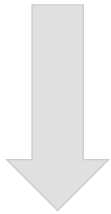
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Why are people bad at making decisions?

- ! There are 3 very broad critical shortcomings of the decision-making process of most individuals



- ! **Reactive decision makers** - mainly addressing decision problems
- ! **Untrained decision makers** - not having the skills, namely the concepts and procedures, to enhance their decision-making capabilities for creating and solving decisions
- ! **Alternative-focused decision makers** - mainly identifying (often just accepting) the present alternatives, evaluating them and choosing



Value-Focused Decision-Making

= more proactive and empowering approach; based on your values

For a decision opportunity,



- ! consciously think about your values – why you care
- ! values guide everything you do regarding this decision



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Why are people bad at making decisions?

To learn skills (playing sports, playing musical instruments, practicing different art forms (e.g. painting), and using computers)

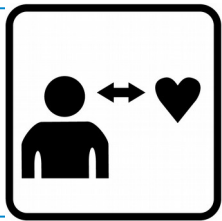
1. We break them into small elements that are necessary to do well to become skillful.
 2. We then try to master each of the much simpler elements study and practice.
 3. Once we have learned the different elements individually, we practice them in pairs and eventually all together.
- " The intent is that the knowledge developed in practice can be integrated in becoming skillful.

Decision-making is an important skill. However,

- most individuals do not know the elements,
- they certainly have not formally learned them, and
- they cannot practice using them.



The PrOACT-Model helps to decrease complexity and provides easy steps to well structured decision-making

Problem!	Objectives!	Alternatives!	Consequences!	Trade-offs!
				
What is the decision or the problem at hand? Who is affected by the decision?	What are my objectives in the current decision? How can I measure the achievement of my objectives?	Which alternatives can I choose from? How can I create new alternatives?	Which alternatives do best meet my objectives?	Do trade-offs between objectives exist? Does my decision make sense and feel good?



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Hammond, J., Keeney, R. und H. Raiffa (1999). Smart Choices: A Practical Guide to Making Better Decisions. Harvard Business School Press, Boston, MA



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4 steps to generating our objectives

To Do...

1

Generating list of objectives

A) Objective	H) Objective
B) Objective	
C) Objective	...
D) Objective	...
E) Objective	...
F) Objective	...
G) Objective	...

2

Checking objectives at the master list

__ ! Objective 1	__ ✓ Objective 8
__ ✓ Objective 2	__ ✓ Objective 9
__ ✓ Objective 3	__ ! Objective 10
__ ! Objective 4	__ ✓ Objective 11
__ ! Objective 5	__ ! Objective 12
__ ✓ Objective 6	
__ ! Objective 7	

3

Matching self-generated list & master list

__ ! Objective 1	__ ✓ Objective 8
A ✓ Objective 2	B ✓ Objective 9
__ ✓ Objective 3	__ ! Objective 10
C ! Objective 4	__ ✓ Objective 11
__ ! Objective 5	__ ! Objective 12
D ✓ Objective 6	E) Objective
__ ! Objective 7	

4

Mark the 10 most important objectives

__ ! Objective 1	⑩ __ ✓ Objective 8
③ A ✓ Objective 2	... B ✓ Objective 9
__ ✓ Objective 3	__ ! Objective 10
C ! Objective 4	② __ ✓ Objective 11
__ ! Objective 5	__ ! Objective 12
① D ✓ Objective 6	④ E) Objective
__ ! Objective 7	



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Discussion - differences between Estonia and Germany



- ! Choose your 5 most important objectives
- ! Come together in your national group
- ! Make a combined list of your 5 most important objectives
- ! Mark how often they were named
- ! Select the five most wanted/most popular objectives



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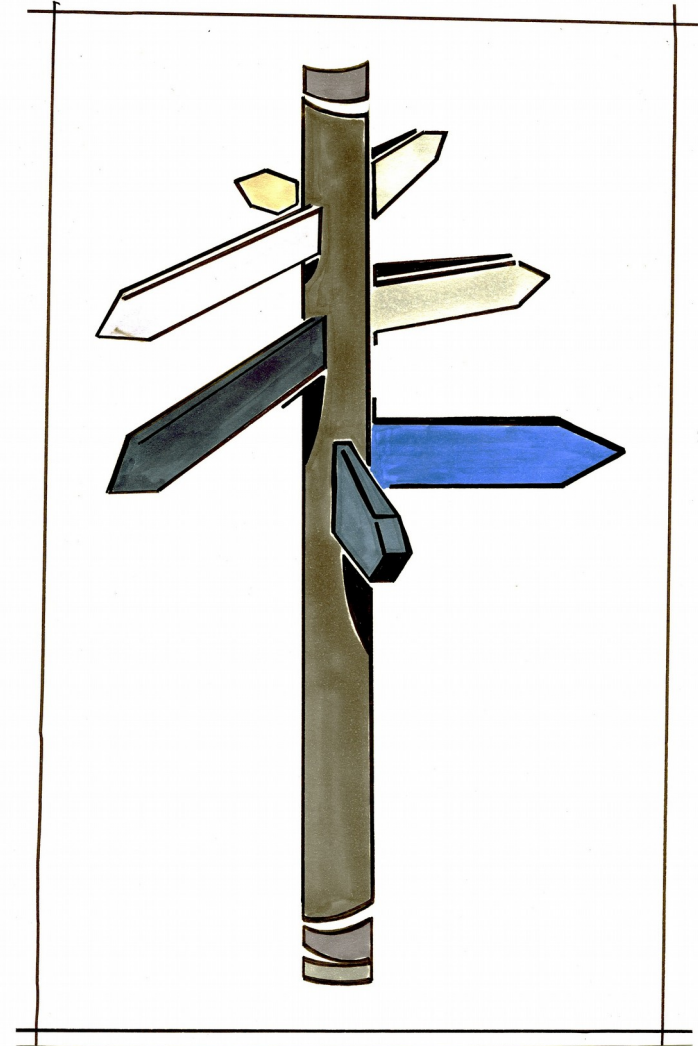


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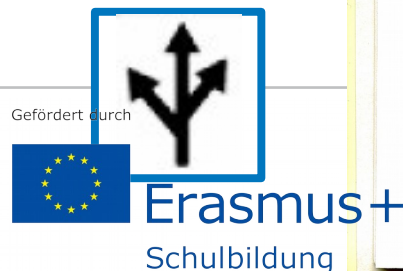
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ALTERNATIVES: A decision can only be as good as the best alternative you can choose from

- ! Alternatives describe the different decision can take us
- ! Without different alternatives you make a decision " Creating new alternatives is important
- ! A good set of alternatives include alternatives which are fundamentally different from each other
- ! Most people only choose from an set of alternatives (Alternative-Focused Thinking)
- ! Alternatives can be created by considering your objectives (Value Focused Thinking)



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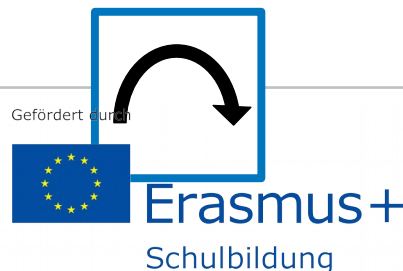


CONSEQUENCES: Assessing how well alternatives fit objectives

- ! The better you understand an alternative with its consequences the better the decision-making process
- ! To assess the value of an alternative it is necessary to collect as much information on it as possible
- ! The more information you collect the better you can assess an alternative and estimate its personal fit
 - ! Facts about the past
 - ! Estimates about the current and the future
- ! The more complex a decision get the better the process to identify the best alternative has to be, including
 - ! Assessing the fit of alternatives and objectives
 - ! Weighting the important of objectives in relation to each other



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The bigger the choice, the harder it is to choose!

Example

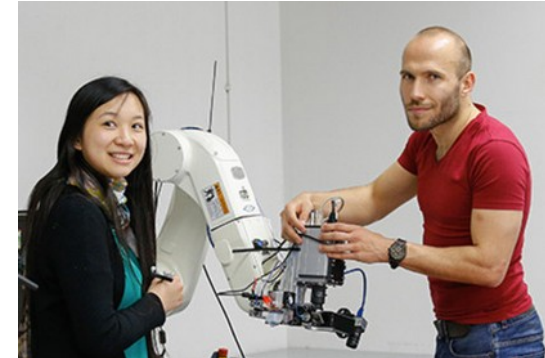
Alternatives!



University course in
Engineering



Practical apprenticeship in
Mechatronics



University course in Robotics

Objectives!

- ! Development (personal/professional)
- ! Earnings (during/after)
- ! Flexibility (during/after)
- ! Fun
- ! ...

How can we measure the fit of alternatives and objectives?!



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When a number of different objectives are involved, the best alternative is not always obvious

Alternatives!

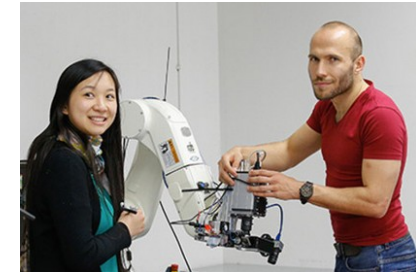
University course in
Engineering



Practical apprenticeship
in Mechatronics



University course in
Robotics



Objectives!

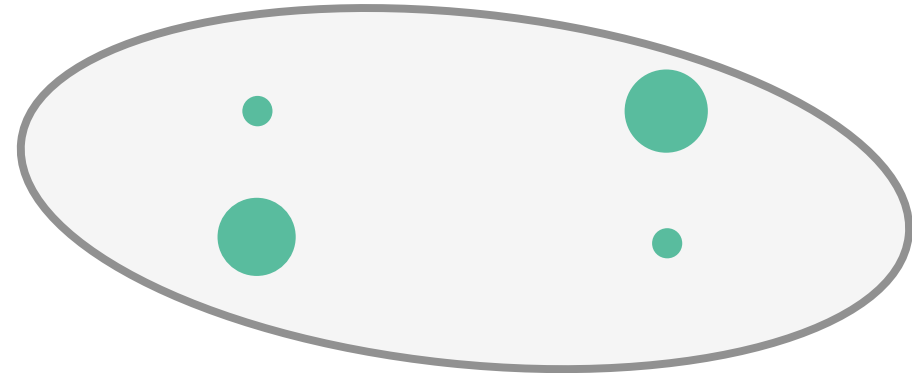
Fun



Earnings (after)



Flexibility (after)



Which alternative is the best one?!



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Weightings help to make the evaluation of different objectives comparable



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The Decision-Making Tool

- ! Models can help to make decision, because they reduce complexity
- ! However, models do not make the decision for you!
- ! Models are a simplified representation of reality
- ! However, feelings can not be included in theoretical models but should still be part of your decision-making process!

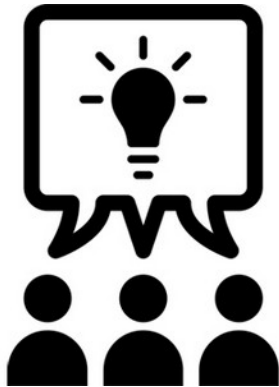
The Decision-Making Tool

- ! 6 steps
- ! Includes:
 - ! Alternatives
 - ! Objectives and their weighting
 - ! Evaluation of the objectives for each alternative
- ! Result = ranking of alternatives according to total value of evaluation



Identify the best alternative

To Do...



1. Work in groups with 4 students (30min)!

- ! Present each other your analysis results on your computer, give feedback, and clarify open questions
- ! Choose one example case of your group which one of you will present to the plenum in the second phase



2. Present your results to the plenum (30min)!

- ! Please present one of your group member's results to the rest of the class
- ! Especially focus on the following questions
 - ! What are your objectives?
 - ! What are your alternatives?
 - ! How did you rank some of your alternatives?
 - ! How did you weight your objectives? / Which one was the most important objective?
 - ! Do the analysis results go along with your gut feeling?



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Thank you very much for participating!



Certificate of Participation



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