Defining judgement and decision making

Judgement: Involves deciding the likelihood of various events using incomplete information (judgement often forms an important part of the decision making process, they are not the end part but they are a part of decision making). What matters in judgement is accuracy!!

Dictionary definition: The act or process of forming an opinion or making a decision.

Decision making: Involves selecting one option from several possibilities, the factors involved in decision making depends on the importance of the decision. Decision making picks up the point of coming to an end point – making a decision.

Dictionary definition: The act or process of deciding, a determination arrived at after consideration – conclusion.

Decision making processes

Decision making is a relatively demanding process, especially cognitively. So how do we make decisions while avoiding the massive cognitive load it can take if we go about it wrongly? Heuristic problem solving is one of the less cognitively demanding decision making processes, two of the most used are availability- and representativeness heuristic.

Heuristics

What are heuristics (rules of thumb)? Small mental shortcuts we take to simplify our decision making. Heuristics are evolved cognitive processes which allow us to manage the wealth of sensory information entering our system, and make fast and normally effective judgements and decisions. Heuristic decision making is closely linked to selective attention and perception (impossible to take in everything that comes our way, so we filter out everything irrelevant to be left with only relevant information to consider).

Availability heuristic (Kahneman & Tversky, 1974). Involves judging something’s frequency based on how quickly it comes to mind (or how available it is in your memory). For example, we tend to judge a song’s popularity by how often we hear it on the radio. This can also lead to false judgements: let’s say you don’t want to fly because you heard on the news the other day something about a plane crash, making a decision based on this information is more often than not wrong because you don’t actually have any knowledge of the correct statistics regarding plane crashes.

TESTING THE AVAILABILITY HEURISTIC: One way to test the extent to which people use the availability heuristic is to present them with a problem like the following: judging the likelihood for different causes of death (i.e. murder, suicide) – causes of death that attract publicity (murder) tended to be judged more likely than those who did not (suicide).

HOWEVER, there are ways to explain these results: (1) availability heuristic based on person experience; (2) a mix between media coverage and their own experiences; and (3) the use of the affect heuristic – using one’s emotional responses to influence rapid judgements or decisions.

Representativeness heuristic: Involves judging probabilities from how closely an instance matches our preconceptions of what we’re judging. We identify characteristics that readily represent categories set ahead. It is the assumption that an object of individual belongs to a specified category because it is representative, or typical, of that category. Involves deciding whether an object or person belongs to a given category because he/she/it appears typical or representative of that category.