

Judgement and Choice, 2nd Edition

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The author aims to 'bring the psychological study of judgement and choice to the attention of a wider, non-specialist audience'. OR folk will find some familiar topics within: probability, attitudes to risk, utility, bounded rationality, models of choice, decision-making under uncertainty and an introduction to decision analysis. These sections are more readable (for me) than mathematical treatments in some OR textbooks, but at times the introduction of over-simplistic models, such as the mind as a sequential information-processing device, as self-evident truths is rather irritating, and sets the book firmly in the mould of rational approaches to decision-making.

Much more interesting and challenging are those chapters which discuss the psychological aspects of decision-making.

Chapter 6 covers issues of how we adopt causal relationships and cognitive structures, the nature of illusion and the possibilities and perils of group think.

Chapter 7 explores the links between judgement and memory, with a good discussion of long-term memory and the consequences this has for the decision strategies that we often use. The role of hindsight is explored, and this raises issues about the assessment of judgement. Hindsight is a marvellous device for making decisions seem much better or worse than they were. Life always seems to make much more sense backwards. A fascinating topic, and I felt (as in earlier chapters) that the author shies away from discussing important issues, such as who has the power to interpret decisions as good or bad, or the problems of value in determining the quality of a decision.

Chapter 8 covers creativity and imagination in decision-making—a rare topic in a book of this kind—and illustrates the wider scope of the debate that the book attempts throughout.

I enjoyed the chapter on intuitive versus statistical reasoning because, although it makes the usual points that we humans are remarkably indifferent to statistical influences and much prefer our prejudices, the author carefully describes our 'natural' intuitive causal reasoning, our sensitivity to context and individual meaning, and our need to create a personal, coherent and explainable world, which contrasts vividly with the statistical models of decision-making. Whilst the author and I come down on different sides of the debate, it is a genuinely thought-provoking chapter.

As a manager, and the intended audience for the text, my major complaint is that the decision examples are far too simple. Most examples come from well controlled experiments, often with college students. Time and again I was muttering, 'That's all very well, but in my company you would also have to . . .'. There are numerous variations of the sentence, 'In realistic settings, of course, few cases would be as simple as this example', so the author is aware of this, but does not tackle the issue of whether the move to a more complex case invalidates his techniques. In OR we are well aware that if I have to cut five small, different-sized, rectangular sheets out of a larger stock sheet with minimal waste (the simple case), then my decision rules will work; if I have to cut 500 different-sized sheets (the realistic case), then my simple rules break down.

The other major flaw (for managers) is that the author pays very little attention to the main factors in practical decision situations—namely, the need to cope with internal politics, differing power bases within the organization, and the time and resource pressure that most managers work under. With these omissions, the author leaves his ideas and techniques stranded in the laboratory, and gives me little confidence that they could be made to work in my company.

In the final chapter there are two contrasting quotes about decision-making which sum up the author's approach. He quotes Shakespeare: 'What a piece of work is man! How noble in reason! How infinite in faculties!'; and in contrast, Herbert Simon: 'The capacity of the human mind for formulating and solving complex problems is very small . . .'.

The author sides with Simon, and perhaps rationally I should agree with him, but I prefer Shakespeare.

TIM SMITHIN