# **Cognitive Psychology**

# PSYC230

Lecture #13

#### Last Time

Two different theories concerning the type of information stored in semantic knowledge

Imagery Theory Images contain *analogue* information & spatial relations: colour, size, sound

Really just a part of: Dual-code Theory Both Imaginal and Verbal codes are used

Propositional Theory Propositions are abstract, non-linguistic, "mentalese" that express a relationship between concepts

e.g., teaches (Sam, psychology)





#### Production System Models

knowledge represented a set of procedures and ifthen rules about the world

> Newell & Simon (1972): used production rules IF-THEN relationships IF a particular condition is met

THEN a specific action will be performed

organised into hierarchical routines & subroutines comprising a production system

Expert systems

MYCIN - diagnosis of bacterial infections using blood & glucose test results

> Based on IF-THEN statements (productions) 500 rules can handle 100 different infections In some cases can suggest treatment

# How do we know what someone's mental representation is?

Knowledge extraction

Protocol analysis - overtly describe the steps while performing a task

Protocol analysis allows researchers to identify the procedures and rules used by experts Ericsson & Simon (1984)

Usually identifies a series of steps (script) – procedures or goals and rules – production system

| But the experts may not always be aware<br>of the rules they use, or think they use<br>certain rules when they do not                       | What about semantic knowledge?<br>(facts about the world)<br>Pathfinder  |  |  |  |
|---|--|--|--|--|
| Some of their expertise<br>(particularly procedural scripts)<br>is <i>Implicit Knowledge:</i> surgery example                               | Uses pairwise similarity ratings to form<br>a <i>proximity matrix</i> , then a network<br>How similar are: $1 \qquad 6$<br>very similar very different |  |  |  |
| Strong AI tries to build intelligent systems using<br>the same processes and information structures<br>that humans use                      | New Zealand & Australia<br>New Zealand & USA<br>New Zealand & Hawaii<br>New Zealand & England  |  |  |  |
| Weak AI building intelligent systems that<br>produce intelligent outputs (like humans), even<br>though the processes may be quite different | New Zealand & England<br>New Zealand & Samoa<br>Australia & USA<br>Australia & Hawaii<br>Australia & England   |  |  |  |

















# New Topic Decision making

## William James

"There is no more miserable human being than one in whom nothing is habitual but indecision, and for whom the lighting of every cigar, the drinking of every cup, the time of rising and going to bed every day, and the beginning of every bit of work, are subjects of express volitional deliberation" (1890)



# Characteristics of decision making

- 1) Must select one choice from a number of choices
- 2) There is some information available about the choices
  - 3) Time frame for choosing is long (longer than 1 sec)
  - 4) There is uncertainty as to which is the best choice

### Examples of decision making

Fire fighting

- Consumer behaviour
- Jury deliberations
- Medical diagnosis
- Aircraft flight judgements (pilots & ATCs)
- Electrical & mechanical fault diagnosis
- Process control
- Allocation of resources
- Use of safety equipment

# Decision making

Normative (Rational) Models Expected Value Theory Subjective Utility Theory

Descriptive Decision Models Framing Effects Recognition-Primed Decision Making (RPD) The SRK Model Heuristics & Biases

> Reasoning & Logic Inductive & Deductive Reasoning

## Classical Decision Theory

Normative (rational) models

Expected value theory

"economic man & woman" base decisions on utility maximise the expected value (payoff)

$$E(\mathbf{v}) = \sum_{i=1}^{n} \mathbf{p}(i) \mathbf{v}(i)$$

the sum of the value of each outcome multiplied by its probability

Your choice:

A 20% chance of winning \$50 E(v) = .2 \* \$50 = \$10A 60% chance of winning \$20 E(v) = .6 \* \$20 = \$12

#### Basic Steps In Rational Decision Making

- 1. Identify all possible options (including doing nothing).
- 2. Quantify the value (or cost) of consequences of each decision.
- 3. Assess the likelihood of each consequence actually happening.
- 4. Integrate across all possibilities.

#### A real-life example

An anesthesiology team in a large hospital consisted of four physicians, three of whom were residents in training. The group was asked to assist with four procedures in one building (in vitro fertilisation, perforated viscus, reconstruction of a leg artery, & appendectomy) and an exploratory laparotomy in another building. All the procedures were urgent and could not be delayed for regular operating-room scheduling. There were several delays in preoperative preparation and several surgeons and nurses were pressuring the team to get the procedures finished. The situation was complicated by the fact that the staff was only able to run two operating rooms simultaneously and the best use of resources was to overlap procedures so that one case was started as another was finishing. The anesthesiologist in charge had to decide how to allocate the four team members to the five needed procedures. Also there was always the possibility that a major emergency case would come into the trauma centre in which case the anesthesiologist in charge was expected to be immediately available. The decision was relatively simple: should she allocate only the other three anesthesiologists to the five procedures or should she help out also, leaving no one available in case of an unexpected major emergency?

# Apply the classical approach to the anaesthesiologist problem

| Choices/possible outcomes      | Probability | Utility | Expected value |  |
|--------------------------------|-------------|---------|----------------|--|
| Use three anaesthesiologists   | -10 to +10  |         |                |  |
| No emergency:                  | .80         | -4      | -3.2           |  |
| Emergency arrives:             | .20         | 10      | 2.0            |  |
| Use four anaesthesiologists    |             | Ε       | (v) = -1.2     |  |
| No emergency:                  | .80         | 6       | 4.8            |  |
| Emergency arrives:             | .20         | -10     | -2.0           |  |
|                                |             | 1       | E(v) = 2.8     |  |
| Do you agree with this choice? |             |         |                |  |

Different outcomes have different values for different people

## Is that how people really make decisions?

Quantifying cost and value, and computing costs and benefits for all options is cognitively demanding.

Expected value doesn't take into account less tangible personal things like stylish, popular, or respected "subjective utility".

### Expected Value Theory was replaced by Subjective Utility Theory

Subjective utility = individual judgements of value

Job A = .5 chance of a 20% raise in salary in 1<sup>st</sup> year, travel required, paid holidays

Job B = .8 chance of a 10% raise in salary in 1<sup>st</sup> year, dental care, health insurance, vacation time

Subjective probability = individual estimates of the likelihood of outcomes

Still a Normative (rational) approach that assumes people consider all the alternatives

## Descriptive Decision Models

People frequently make irrational decisions (violate the normative assumptions)

The Framing effect (Tversky & Kahneman, 1986)

Physicians & patients make different decisions depending on whether the choice was worded in terms of *lives saved* or *lives lost* 

Slight changes in wording the question (the problem frame) result in different decisions

#### The Framing effect

A disease is expected to kill 600 people you must choose between two possible treatment programmes

Treatment 1: Will save 200 lives

Treatment 2: 33% chance that 600 lives will be saved, 67% chance that no lives will be saved

Treatment 1: 400 people will die Treatment 2: 33% chance that no one will die, 67% chance that 600 will die

Slight changes in wording the question result in much different decisions

## The Sunk Cost Effect

Throwing good money after bad

Money and effort you've already spent (futilely) shouldn't affect your decision about what to do next – but it does.

Pay \$12 to see a movie WORST movie you've ever seen Do you get up and walk out?

Or do you stay and get your money's worth?

### The Sunk Cost Effect

You're driving from the ski fields back home to Hamilton. It is late at night, and you are having real difficulties staying awake. But you're nearly home now. Do you keep driving?

Sunk costs are irrelevant to current decisionsinstead, only incremental costs should influence future decisions. Sunk costs have already been paid- you can't get that cost back.

# Descriptive Decision Models

People frequently make irrational decisions (violate the normative assumptions)

Satisficing (bounded rationality) Herb Simon

People don't make the absolutely best decisions they make decisions that are *good enough* 

You want to buy a used car, you decide on the features you want, you decide what you are willing to pay

I want a sporty car, fun to drive.... and its got to look good – a red one would be great I want it to have a good sound system, and I've got that \$3,000 coming in next month

and so you start visiting car lots & reading ads

When you find a car that meets your criteria, you buy it

Without visiting every car lot or considering every car available

People take shortcuts in making decisions based on their past experiences

Heuristics & Biases

Heuristics used in obtaining information

Heuristics used in considering alternatives

Heuristics used in selecting actions

**Questions** ?