**Conviction Narrative Theory and Decision-Making under Radical Uncertainty**

**Conviction narrative theory (CNT**) is a new framework being developed at UCL to expand psychological understanding and research to decision-making in radical uncertainty.

**Radical Uncertainty** is a decision making context which is equivocal and indeterminate –meaning that to define and sample states and events relevant to the decision is difficult and it is not possible to calculate the probabilities of events or the relative probability of each state occurring. Many important decisions in the complex, dynamic and interconnected world in which we live are radically uncertain –for example in economics, finance, politics, government and commercial organisations. Innovation is one driver of such radical uncertainty but even in an apparently stable environment, unforeseen consequences are regularly observed from new complex constellations of interdependent events. Also, there are many situations in which, after the fact, it is difficult to know whether a particular decision really brought about subsequent events or not. Omitting to study decision-making in such contexts may have been consequential. A failure to incorporate radical uncertainty into economic and finance models has been one factor held responsible for the recent economic and financial crisis.

**Conviction narratives** enable actors to draw on their beliefs, causal models and rules of thumb to identify opportunities worth acting on, to simulate the future outcome of their actions and to feel sufficiently convinced to act. The framework focuses on how narrative and emotion combine to allow actors to deliberate and to select actions that they think will produce the outcomes they desire. It specifies connections between particular emotions and deliberative thought, hypothesising that approach and avoidance emotions evoked during narrative simulation play a crucial role. Two mental states*, Divided* and *Integrated*, in which narratives can be formed or updated, are introduced and used to explain some familiar problems that traditional models cannot.

Opportunities to help take part in and design experiments related to CNT are in several domains:

1. Is information presented in narrative form more likely to influence decision making than the same information presented in raw form?
2. Does varying the quantity of approach and avoidance emotion discernible in narratives influence decisions?
   1. How can we best measure the presence of (approach and avoidance) emotions in textual and spoken form?
   2. Can we transfer existing measures of emotion to languages like Chinese, German, Spanish?
3. *Divided* and *Integrated* states refer to states in which subjects are less or more able to update and reflect on information reaching them which is contrary to their current view.
   1. Can we improve on the measurement of these states subjects?
   2. Can we shift these states by organising discussion or presenting information in different ways?
4. Can we apply CNT to the giving of investment advice?

Suggested Reading:

* Tuckett, D.A and Nikolic, M., (2016) The Role of Conviction in Decision-Making Under Radical Uncertainty. Presented to the International Conference on Thinking, Brown University Rhode Island, August 4, 2016. Available at: <https://www.researchgate.net/publication/307905267_The_Role_of_Conviction_and_Narrative_in_Decision_Making_under_Radical_Uncertainty>Chong, K.,
* Tuckett, D., (2015). Constructing conviction through action and narrative: how money managers manage uncertainty and the consequences for financial market functioning. Socio-Economic Review <http://ser.oxfordjournals.org/content/13/2/309.abstract>

o   Tuckett (2014) ‘Uncertainty, Conflict and Divided States: Some Psychological Foundations for Macroprudential Policy’.  <http://www.bankofengland.co.uk/research/Documents/pdf/tuckett_0414.pdf>