Multiple-criteria ranking using an additive utility function constructed via ordinal regresion : UTA method

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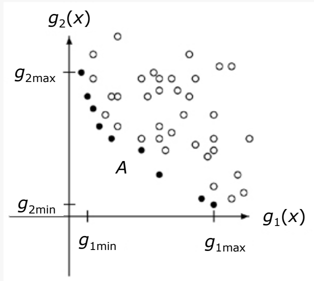
Problem statement

- Consider a <u>finite</u> set A of alternatives (actions, solutions) evaluated by n criteria from a consistent family $G=\{g_1,\ldots,g_n\}$



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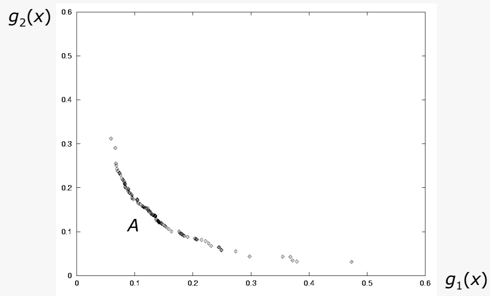
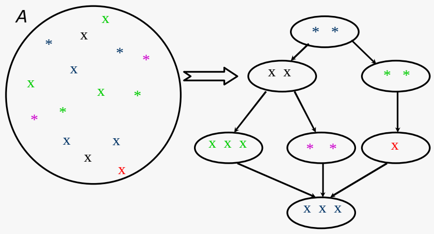


Problem statement

- Taking into account preferences of a Decision Maker (DM), **rank** all the alternatives of set A from the best to the worst



Basic concepts and notation

- X_i – domain of criterion g_i (X_i is finite or countably infinte)
- $X=\prod_{i=1}^{n} X_i$ – evaluation space
- $x,y \in X$ – profiles of alternatives in evaluation space
- $\succeq$ – weak preference (outranking) relation on X: for each $x,y \in X$

$$x \succeq y \Leftrightarrow \text{„}x \text{ is at least as good as } y\text{"}$$

$$x \succ y \equiv [x \succeq y \text{ and } not\ y \succeq x] \Leftrightarrow \text{„}x \text{ is preferred to } y\text{"}$$

$$x \sim y \equiv [x \succeq y \text{ and } y \succeq x] \Leftrightarrow \text{„}x \text{ is indifferent to } y\text{"}$$

Basic concepts and notation

- For simplicity: $X_i \subseteq \Re$, for all $i=1,\ldots,n$
- For each g_i, $X_i=[\alpha_i, \beta_i]$ is the criterion evaluation scale, $\alpha_i \le \beta_i$, where α_i and β_i are the worst and the best (finite) evaluations, resp.
- Thus, A is a finite subset of X and

$$g_i : A \to [\alpha_i, \beta_i] \subset \Re;\ \ a \to \boldsymbol{g}(a) \in \prod_{i=1}^{n}[\alpha_i, \beta_i]$$

where $\boldsymbol{g}(a)$ is the vector of evaluations of alternative $a \in A$ on n criteria

- Additive value (or utility) function on X: for each $a \in X$

$$U(a)=\sum_{i=1}^{n} u_i[g_i(a)]$$

where u_i are non-decreasing marginal value functions, $u_i : X_i \to \Re$, $i=1,\ldots,n$

Criteria aggregation model = preference model

- To solve a multicriteria decision problem one needs a criteria aggregation model, i.e. a preference model
- Traditional **aggregation** paradigm:

  The criteria aggregation model is first constructed and then applied on set *A* to get information about the comprehensive preference
- **Disaggregation-aggregation** (or regression) paradigm:

  The comprehensive preference on a subset $A^R \subseteq A$ is known a priori and a consistent criteria aggregation model is inferred from this information

Criteria aggregation model = preference model

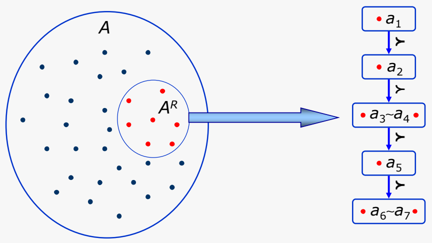
- The disaggregation-aggregation paradigam has been introduced to MCDA by Jacquet-Lagreze & Siskos (1982) in the UTA method

  – the inferred criteria aggregation model is the additive value function with piecewise-linear marginal value functions
- The disaggregation-aggregation paradigam is consistent with the „posterior rationality" principle by March (1988) and the inductive learning used in artificial intelligence and knowledge discovery

Principle of the UTA method (Jacquet-Lagreze & Siskos, 1982)

- The comprehensive preference information is given in form of a complete preorder on a subset of reference alternatives $A^R \subseteq A$,

  $A^R = \{a_1, a_2, \ldots, a_m\}$ – the reference alternatives are rearranged such that $a_k \succeq a_{k+1}$, $k=1,\ldots,m-1$



Principle of the UTA method

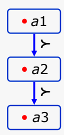
- Example:

  Let $A^R = \{a1, a2, a3\}$, G={*Gain*_1, *Gain*_2}

  Evaluation of reference alternatives on criteria *Gain*_1, *Gain*_2:

	Gain_1	Gain_2
a1	4	6
a2	5	5
a3	6	4

Reference ranking:



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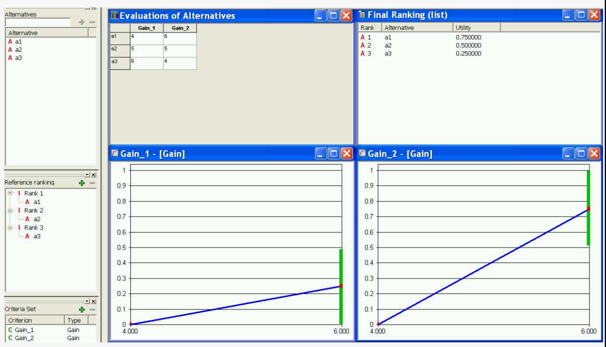

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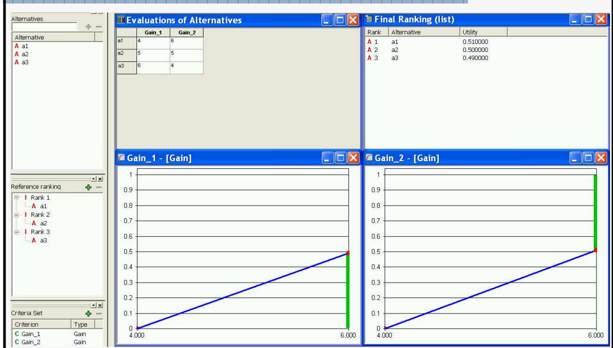
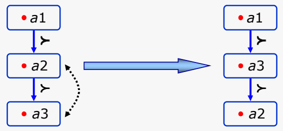


Principle of the UTA method

- Let's change the reference ranking:



- One linear piece per each marginal value function u_1, u_2 is not enough

	Gain_1	Gain_2
a1	4	6
a2	5	5
a3	6	4

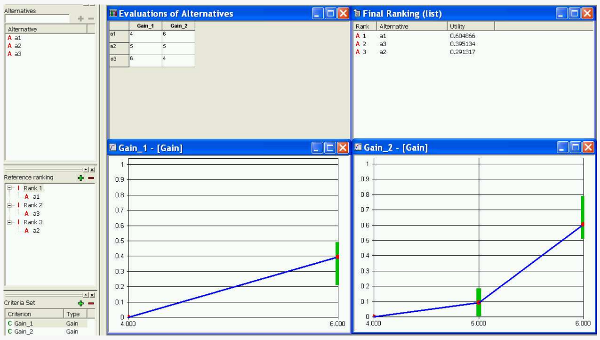
$u_1 = w_1 \times Gain\_1$, $u_2 = w_2 \times Gain\_2$, $U = u_1 + u_2$

For $a1 \succ a3$, $w_2 > w_1$,

but for $a3 \succ a2$, $w_1 > w_2$,

thus, marginal value functions cannot be linear

Principle of the UTA method



Principle of the UTA method

- The inferred value of each reference alternative $a \in A^R$:

$$U'[\mathbf{g}(a)] = U[\mathbf{g}(a)] - \sigma^+(a) + \sigma^-(a)$$

where

$U'[\mathbf{g}(a)] = \sum_{i=1}^{n} u'_i[g_i(a)]$ is a calculated value function,

$U[\mathbf{g}(a)] = \sum_{i=1}^{n} u_i[g_i(a)]$ is a value function compatible with the reference ranking,

σ^+ and σ^- are potential errors of over- and under-estimation of the compatible value function, respectively.

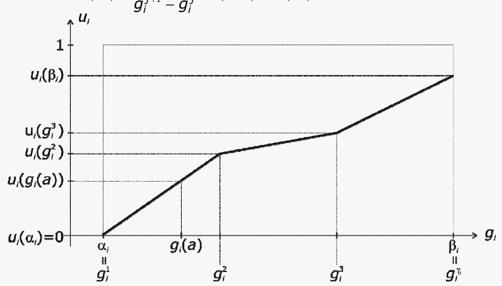
- The intervals $[\alpha_i, \beta_i]$ are divided into $(\gamma_i - 1)$ equal sub-intervals with the end points ($i=1,\dots,n$)

$$g_i^j = \alpha_i + \frac{j-1}{\gamma_i - 1}(\beta_i - \alpha_i), \quad j = 1,\dots,\gamma_i$$

Principle of the UTA method

- The marginal value of alternative $a \in A$ is approximated by a linear interpolation: for $g_i(a) \in [g_i^j, g_i^{j+1}]$

$$u_i[g_i(a)] = u_i(g_i^j) + \frac{g_i(a) - g_i^j}{g_i^{j+1} - g_i^j}\left[u_i(g_i^{j+1}) - u_i(g_i^j)\right]$$



Principle of the UTA method

- Ordinal regression principle

if $\Delta(a_k, a_{k+1}) = U'[\mathbf{g}(a_k)] - U'[\mathbf{g}(a_{k+1})]$ then one of the following holds

$\Delta(a_k, a_{k+1}) > 0$ iff $a_k \succ a_{k+1}$
$\Delta(a_k, a_{k+1}) = 0$ iff $a_k \sim a_{k+1}$

N.B. In practice, „0" is replaced here by a small positive number that may influence the result

- Monotonicity of preferences

$u_i(g_i^{j+1}) - u_i(g_i^j) \ge 0 \quad j = 1,\dots,\gamma_i - 1; \; i = 1,\dots,n$

- Normalization

$\sum_{i=1}^{n} u_i(\beta_i) = 1$
$u_i(\alpha_i) = 0 \quad i = 1,\dots,n$

Principle of the UTA method

- The marginal value functions (breakpoint variables) are estimated by solving the LP problem

$$\text{Min} \rightarrow F = \sum_{a \in A^R} \left[\sigma^+(a) + \sigma^-(a)\right]$$

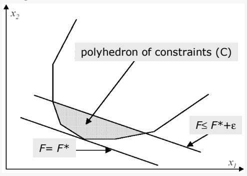
subject to

$$\left.\begin{array}{l} \Delta(a_k, a_{k+1}) > 0 \text{ iff } a_k \succ a_{k+1} \\ \Delta(a_k, a_{k+1}) = 0 \text{ iff } a_k \sim a_{k+1} \\ u_i(g_i^{j+1}) - u_i(g_i^j) \ge 0 \quad j = 1,\dots,\gamma_i - 1; \; i = 1,\dots,n \\ \sum_{i=1}^{n} u_i(\beta_i) = 1 \\ u_i(\alpha_i) = 0 \quad i = 1,\dots,n \\ u_i(g_i^j) \ge 0, \; \sigma^+(a) \ge 0, \; \sigma^-(a) \ge 0, \; \forall a \in A^R, \; \forall i \text{ and } j \end{array}\right\} \text{(C)}$$

Principle of the UTA method

- If $F^*=0$, then the polyhedron of feasible solutions for $u_i(g_i)$ is not empty and there exists at least one value function $U[\boldsymbol{g}(a)]$ compatible with the complete preorder on A^R
- If $F^*>0$, then there is no value function $U[\boldsymbol{g}(a)]$ compatible with the complete preorder on A^R – *three possible moves:*
  - increasing the number of linear pieces γ_i for $u_i(g_i)$
  - revision of the complete preorder on A^R
  - post optimal search for the best function with respect to Kendall's τ in the area $F \leq F^* + \varepsilon$

Jacquet-Lagreze & Siskos (1982)



Współczynnik Kendalla

- Do wyznaczania odległości między preporządkami stosuje się miarę Kendalla
- Przyjmijmy, że mamy dwie macierze kwadratowe R i R^* o rozmiarze $m \times m$, gdzie $m = |A^R|$, czyli m jest liczbą wariantów referencyjnych
  - macierz R jest związana z porządkiem referencyjnym podanym przez decydenta,
  - macierz R^* jest związana z porządkiem dokonanym przez funkcję użyteczności wyznaczoną z zadania PL (zadania regresji porządkowej)
- Każdy element macierzy R, czyli r_{ij} $(i, j=1,..,m)$, może przyjmować wartości:

$$r_{ij} = \begin{cases} 0, & \text{gdy } i = j \text{ lub } a_j \succ a_i \\ 0.5, & \text{gdy } a_j \sim a_i \\ 1, & \text{gdy } a_i \succ a_j \end{cases}$$

- To samo dotyczy elementów macierzy R^*
- Tak więc w każdej z tych macierzy kodujemy pozycję (w porządku) wariantu a względem wariantu b

Współczynnik Kendalla

- Następnie oblicza się *współczynnik Kendalla* τ:

$$\tau = 1 - 4 \cdot \frac{d_k(R, R^*)}{m(m-1)}$$

gdzie $d_k(R,R^*)$ jest *odległością Kendalla* między macierzami R i R^*:

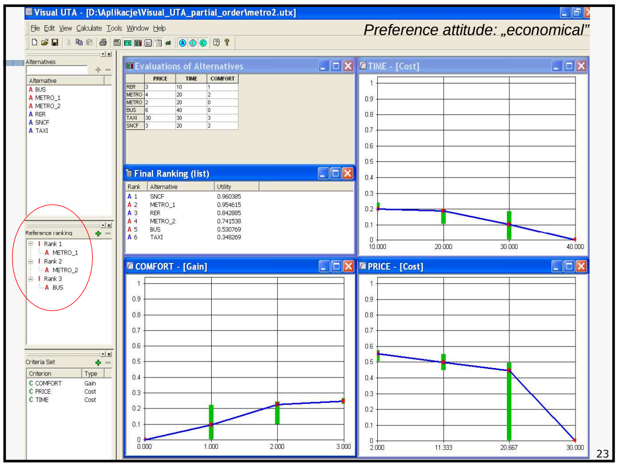
$$d_k(R, R^*) = \frac{1}{2} \cdot \sum_{i=1}^{m} \sum_{j=1}^{m} \left| r_{ij} - r_{ij}^* \right|$$

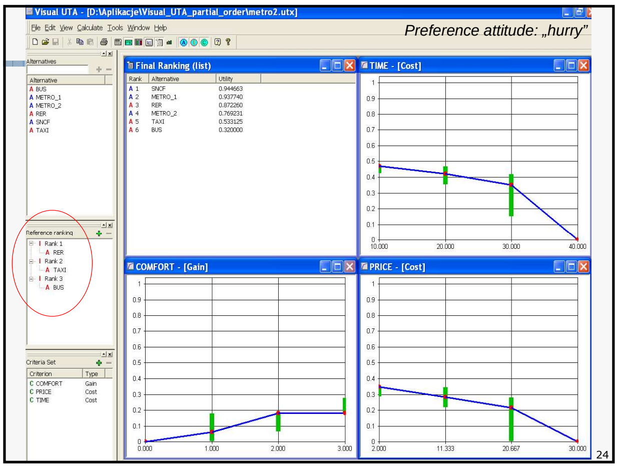
- Stąd $\tau \in \langle -1, 1 \rangle$
- Jeżeli $\tau = -1$, to oznacza to, że porządki zakodowane w macierzach R i R^* są zupełnie odwrotne, np. macierz R koduje porządek $a \succ b \succ c \succ d$, a macierz R^* porządek $d \succ c \succ b \succ a$
- Jeżeli $\tau = 1$, to zachodzi całkowita zgodność porządków z obydwu macierzy. W tej sytuacji błąd estymacji funkcji użyteczności $F^*=0$
- W praktyce funkcję użyteczności akceptuje się, gdy $\tau \geq 0.75$

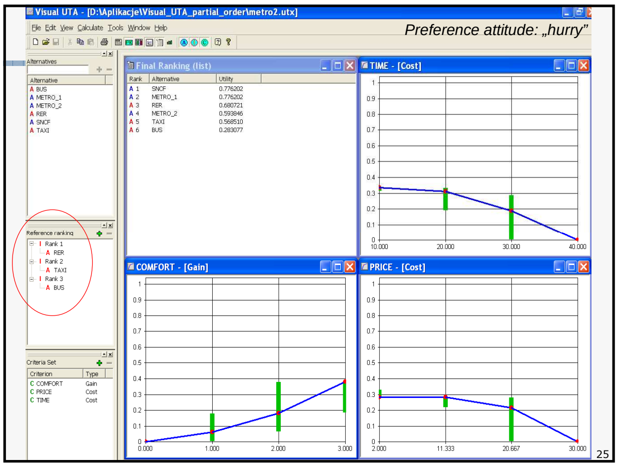
Example of UTA+

- Ranking of 6 means of transportation

	PRICE	TIME	COMFORT
RER	3	10	1
METRO1	4	20	2
METRO2	2	20	0
BUS	6	40	0
TAXI	30	30	3
SNCF	3	20	2






Visual UTA - [D:\Aplikacje\Visual_UTA_partial_order\metro2.utx]
Preference attitude: „hurry”
Alternatives
Final Ranking (list)
Rank Alternative Utility
1 SNCF 0.776202
2 METRO_1 0.776202
3 RER 0.680721
4 METRO_2 0.593846
5 TAXI 0.568510
6 BUS 0.283077
TIME - [Cost]
COMFORT - [Gain]
PRICE - [Cost]
Reference ranking
Rank 1
RER
Rank 2
TAXI
Rank 3
BUS
Criteria Set
Criterion Type
COMFORT Gain
PRICE Cost
TIME Cost
25