

# Identification of Objectives/Criteria

- ☆ Number of objectives/criteria should be sufficient to adequately characterise the projects being evaluated
- ☆ Though no hard and fast rules, about 7 to 10 is perhaps sufficient, 20 might be considered too many
- ☆ Criteria should be
  - **complete** (*that is, all important aspects of projects should be covered*)
  - **operational** (*criteria should be meaningful to those interest groups involved in the evaluation process*)
  - **nonredundant** (*criteria should not contain redundancies in the form of conceptualising or measuring essentially the same thing in different ways*)
  - **decomposable** (*such that performance on different criteria can be assessed independently*)
  - **minimal** (*the number of criteria should be as few as possible; rule of thumb that the number of criteria should not exceed 10*)
- ☆ Literature is limited on how to select criteria or to know when a set of criteria adequately characterises an evaluation problem

☆ Suggestions include:

- **examination of relevant literature, analytical study** (constructing a system model and identifying relevant input and output variables which may suggest objectives, perhaps omitted by oversight or intention, which may be more significant than originally thought)
- **casual empiricism** (including observing how choices between projects are currently made)

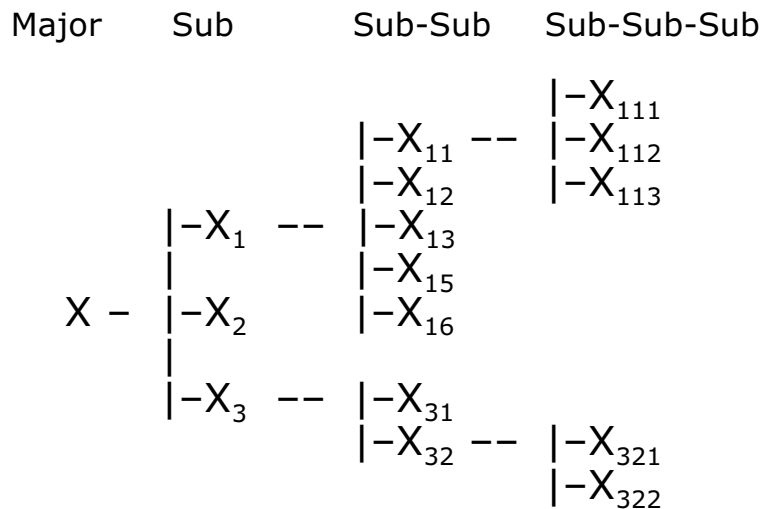
☆ Theoretically, identification of criteria may be carried out either

- **deductively** starting from an all inclusive criterion (e.g. *improve community living standards*) and progressively generating more specific criteria
- **inductively**, by examining all aspects of a development planning situation and progressively aggregating them into comprehensive criterion (e.g. in assessing public transport projects, *mean travel time per passenger, number of transfers per passenger, and average transfer delay per passenger* might be identified at the lowest level and **aggregated** into the more comprehensive criterion of *public transport service effectiveness*)

- ☆ In practice, a mixture of both approaches is often used
- ☆ Process of generating criteria is the most creative, least systematically explored aspect of multi-criteria evaluation and is a part of the 'art' of evaluation
- ☆ Not possible to be certain that the set of criteria designed, created, invented, or selected for evaluation is the single best set
- ☆ Consequences of missing important criteria can frequently result in the selection of inferior alternatives

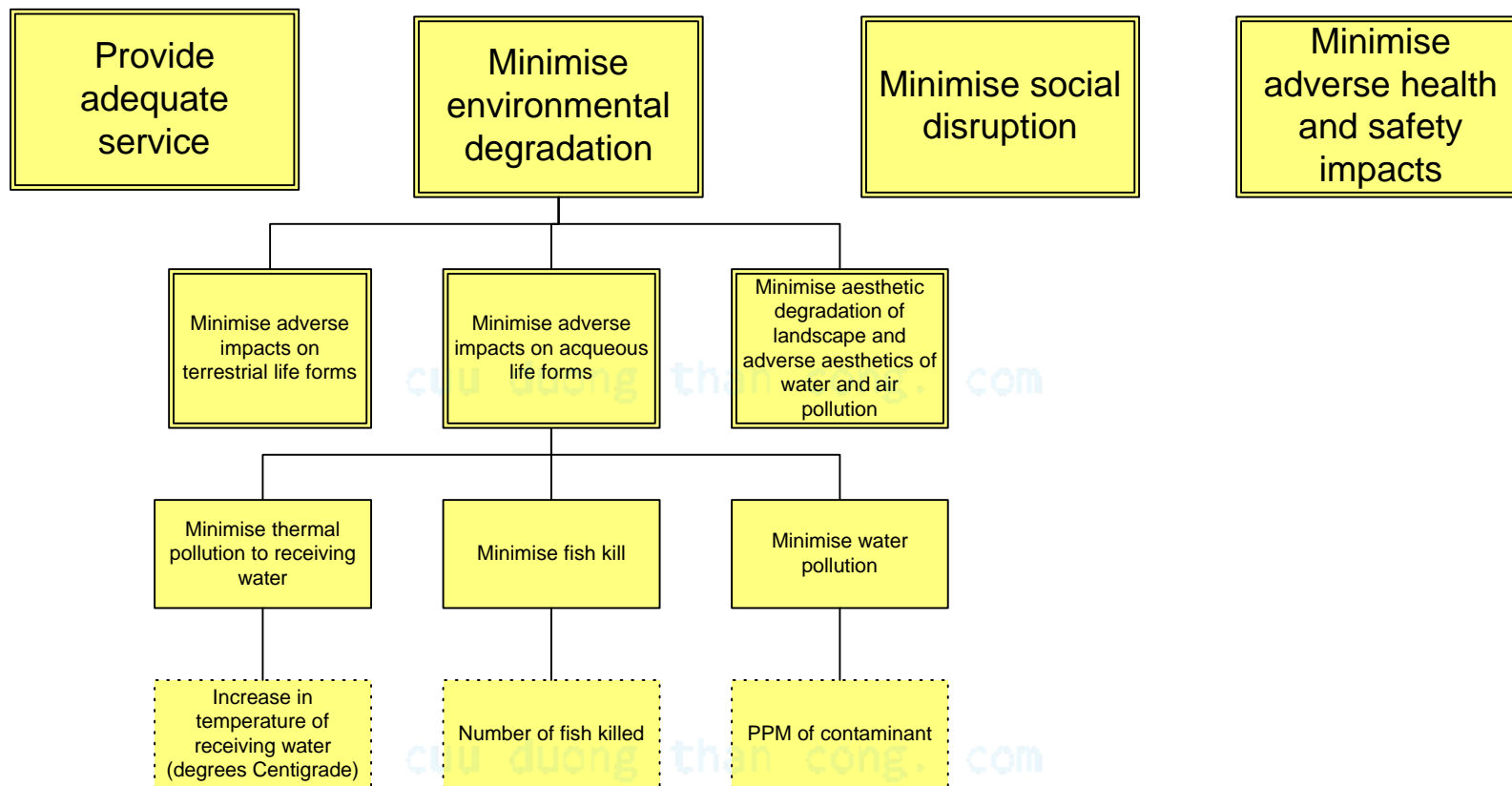
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- ☆ Often a 'goals' hierarchy is developed

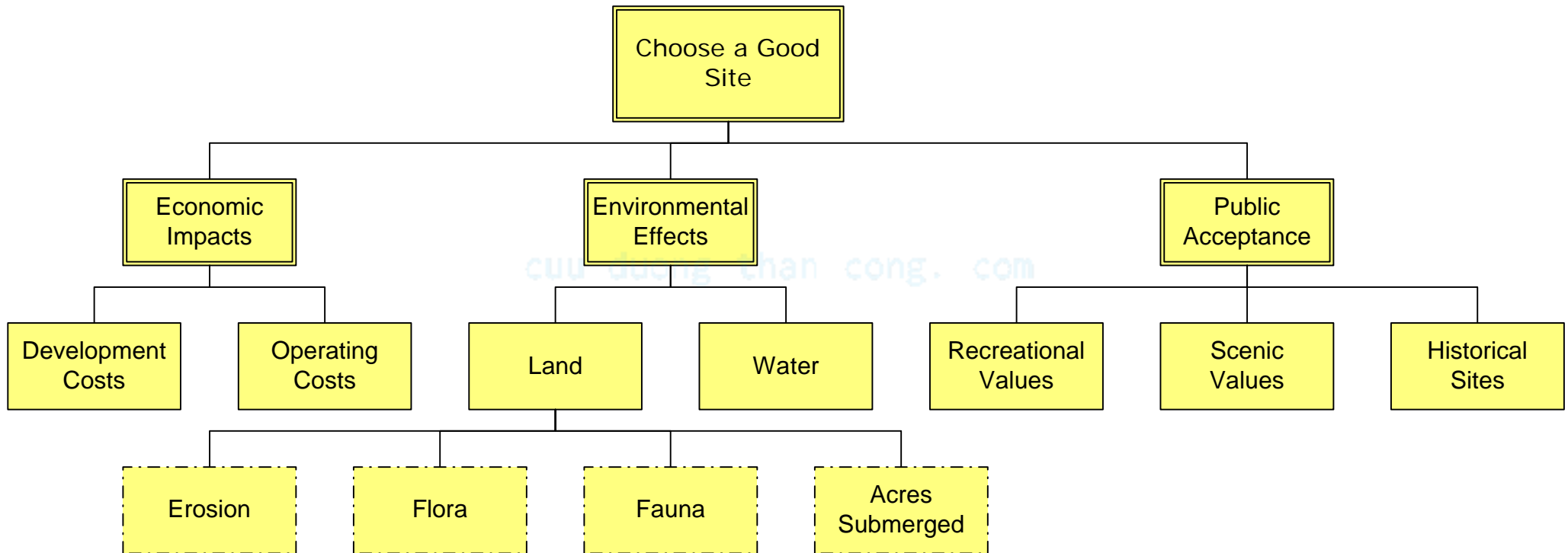


- ☆ The goals at the top of the hierarchy are quite abstract and become less so as we move down the hierarchy
- ☆ Major and sub goals/criteria should not exceed about 7 at any level

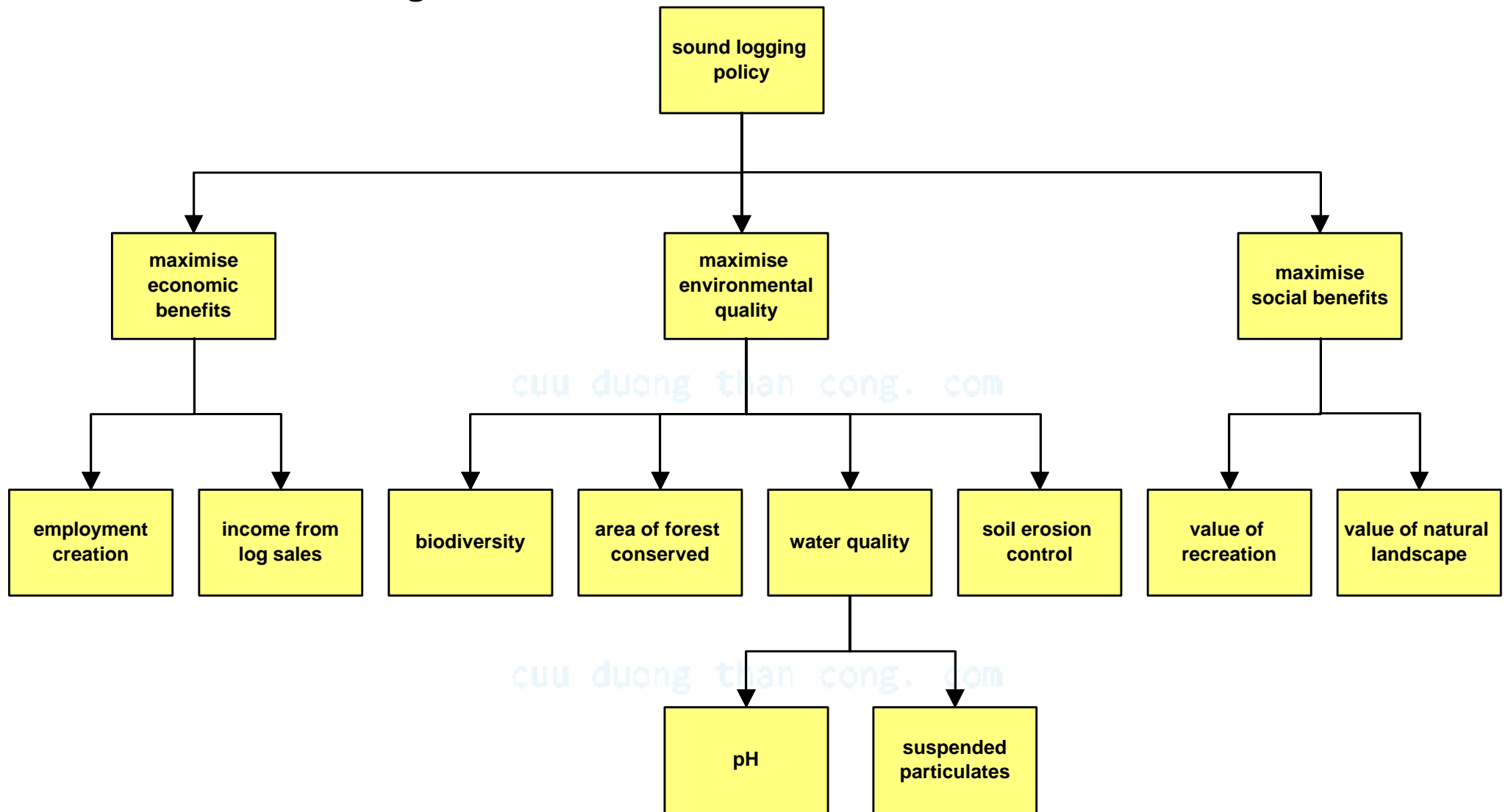
# OBJECTIVE HIERARCHY FOR NUCLEAR POWER PLANT



# HIERARCHICAL STRUCTURE OF CRITERIA FOR A SITE SELECTION PROBLEM (FOR A PUMPED STORAGE STATION)



# Forest Resource Management



# A Goal Hierarchy for Evaluating Plant Sites

Good site . . .

Economic impact  
(less cost)

Capital cost

Operating cost

Labour

Transportation

Taxes

Utilities

Availability

Worker's attitude

Skill level

Extent of union

Availability

Reliability

Road haulage

Rail services

Functional impact  
(higher productivity)

Labour

Utilities

Transportation

Public acceptance  
(better community relations)

Attitude of local citizens

Attitude of local government

Quality of life  
(better living conditions)

Climate and terrain

Housing

Health care

Crime

Public transportation

Education

Recreation



## Fourfold Classification of Multi-Criteria Methods

		Weights	
		Ordinal	Cardinal
Outcomes	Ordinal	O/O	O/C
	Cardinal	C/O	C/C

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## Extended Classification

		Weights	
		Ordinal	Cardinal
Outcomes	Ordinal	O/O	O/C
	Cardinal	C/O	C/C
	Mixed	M/O	M/C