

Abstract

Decision Making with Risk and Uncertainty

Limits to predicting the future accurately is something that we all experience in most domains of our lives, be it business, investments, or even personal pursuits including happiness. We always look to develop "models" to accurately predict future outcomes. In doing so, however, we often go too far and often end up underestimating the role of chance and what we don't control, hence falling prey to "illusion of control" with all its costs, especially in terms of risk management. In his presentation, Anil Gaba will argue that there is much to gain by giving up the illusion of control and embracing uncertainty, based on the work in the forthcoming book *Dance with Chance* co-authored with Syros Makridakis and Robin Hogarth. They suggest that by accepting the role of chance and trying to take advantage of the opportunities it creates, it is possible to attain more beneficial outcomes. This is called the "paradox of control."