



# PAVING OF THE EFFECTIVE DECISION MAKING

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## ABSTRACT

*Decisions are a way of life. It's how we get things done and move forward. Sometimes work projects require group decisions but the vast majority of our everyday work life and personal life decisions are made independently. Decision making may be made by his or her decisions in referring to metaphysical power or experience or mysticism or arbitrary but our aim in this article is on overall glance to process of decision making. This paper provides a managerial overview of the topic of decision making under the broad area of executive functions. Measuring decision making is difficult since it is virtually impossible to define the beginning and end of the process. The evidence for this comes from an extensive study of how top managers and administrators in the public and private sectors move towards a conclusion. How managers are acting in different socio economical fields. Managers are usually making plenty of decisions some of them being operational and other strategic. Making decisions is a matter of a huge responsibility not only against the organization itself, but against their employees and other. For management is considering a great force in increasing effectiveness of organizations. We investigate the importance of decision making in various fields in Business and also the important decision making steps in this article. We go through several important problems and decisions when times are tight. What types of decisions are useful in practice and how companies usually respond with employees? Hopefully these tips will serve you well no matter the types of decisions to be made.*

## INTRODUCTION

**Definition** – Decision making can be delineated as a process where a particular course of action is chosen from a number of alternatives.

In a simple definition, making decision is choosing one way among too many ways.

Decision making refers to the mental (or cognitive) process of selecting a logical choice from the available options. Decisions are made based on three things.

1. Conscious rationality.
2. Subconscious emotional influences.
3. Instincts (which normally play a larger role with familiar decision making situations).

Decision maker may make his or her decision in referring to metaphysical power or experience or mysticism or arbitrary but our aim in this article is an overall glance to process of decision making. From a Psychological perspective, it is necessary to examine individual decisions in the context of a set of needs and preferences an individual has and values the individual seeks. The decision making process must be regarded as a continuous

process integrated in the interaction with the environment. At another level it might be regarded as a problem solving which is terminated when a satisfactory solution is reached. The topic of decision making falls under the broad topic of executive functions. Which include planning, working, memory, attention, problem solving, verbal reasoning, inhibition, mental flexibility, multitasking and monitoring of actions?

Making decisions is a matter of a huge responsibility for the managers not only against the organization itself, but against their employees and other stakeholders, as well. The cost of a wrong decision to any business can be catastrophic or at the very least, the cost is an expensive one and sets back an entire department/business unit. The decision maker must possess a thorough knowledge and tools to analyze. For effective decision making, a person must be able to forecast the outcome of each option as well, and based on all these items, determine which

option is the best for that particular situation. Thus every decision making produces a final choice. The output can be an action or an opinion of choice.

## GENERAL COMPONENTS OF EXECUTIVE FUNCTIONS

The following general components of executive functions have been outlined by Dendy (2002). People use executive functions to perform activities such as planning, organizing, strategizing, paying attention to and remembering details and managing time and space.

- Working memory and recall – holding facts in mind while manipulating information; accessing facts stored in long term memory.
- Activation, arousal and effort – getting started, paying attention, finishing work.

- Controlling emotions – ability to tolerate frustration, thinking before acting or speaking.
- Internalizing language – using “self-talk” to control one’s behavior and direct future actions.
- Taking an issue apart, analyzing the pieces, reconstitution and organizing the pieces into new ideas – complex problem solving.
- Shifting, inhibiting – changing activities, stopping existing activity, stopping and thinking before acting or speaking.
- Organizing/planning ahead – organizing time, projects, materials and possessions.
- Monitoring – controlling and prompting.

### Decision making process

Now, we are going to take a look that the process of decision making.

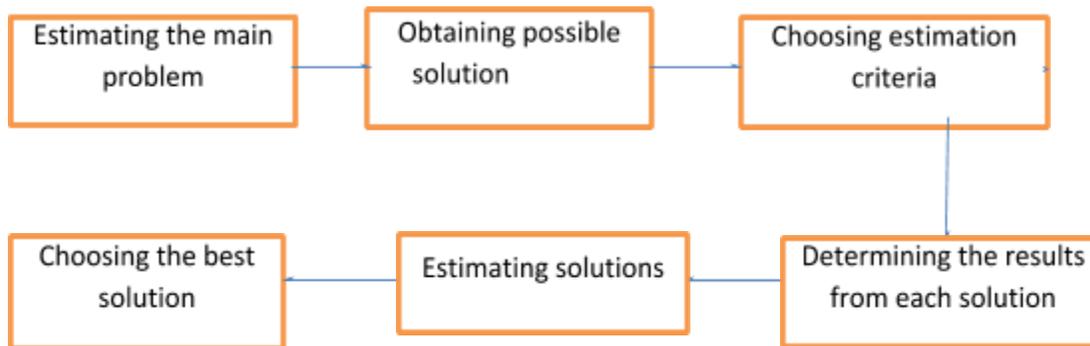


Fig 1: different stages of the decision making process.

Step 1 Include of recognizing and appointing the problem and the issue which made barrier in reaching to the aim. In this step the manager should try to recognize and successfully.

Stage 2 Finally possible solutions for understanding the problem getting solution is based on scientifically and operational experiment of manager and the information and statistics in his richness. The more solutions in this stage lead to better decision.

Stage 3 Selecting the criteria for estimating possible solutions in compare to each other.

Stage 4 Appointing every result from each solution based on each selected criteria positive and negative results from each of these solutions could appoint is this stage.

Stage 5 Estimate solutions with the inquiry is the results each solution would be comparing is regard of the advantages which organizations obtain and the priorities determine.

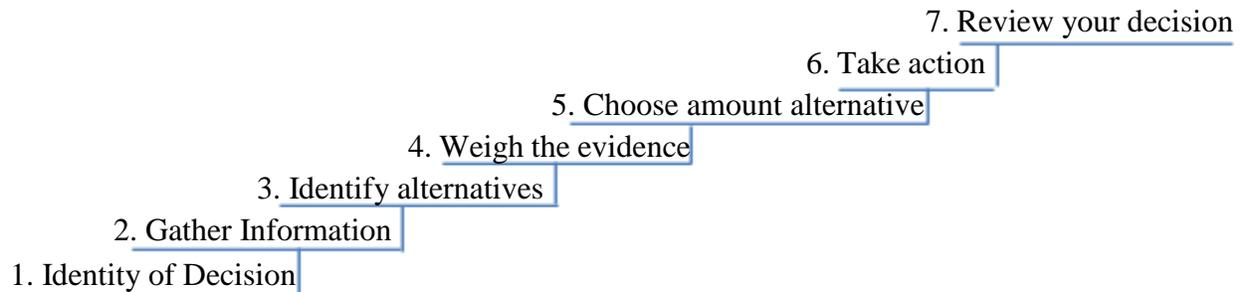
Stage 6 This stage includes the process of decision making, choosing one solution among



variety of solutions and presenting the decision statement. In the end of stage of estimating and determining priorities, this

stage would take place abruptly and the solution which has the highest degree of priority would be the selected solution.

**What it takes to make a decision**



**7 Steps to effective decision making**

The University of Massachusetts (UMass) Dartmouth publicized a paper that summarizes how to make a decision effecting and successfully.

A leader must identify the decision and need to identify when a decision and needs to be made. Clearly define the nature of the decision then, gather relevant information that will help you make a good decision. Next identify the alternatives as you are likely to have different paths or choices to make. Then you need to weigh the evidence. This is what you have weighed the evidence, you need to choose among the alternatives. This is based on the first four items listed above. There you can take action based on the alternative you choose. Finally, review your decision. Remember, this will take some time to accomplish.

**CASE STUDIES**

Identification of the critical phases and decision making criteria.

1) How need for getting product came up.

Strikes had hit four plants of one of the major supplies of silica manganese, the corporate director of purchasing anticipated a senior shortage of alloy (material) He heard about the strike through one of the supplier’s representatives and also read about it is various liable journals. This occurred in September of 1966. Shortly after hearing about the strike at the supplier company, the director of purchasing discussed the problem with the assistant directors of purchasing (corporate), who is the direct buyers of alloys. Haring made a tentative decision to purchase the substitute to alloy. The director of purchasing also made contract with the assistant worksmangers discussing with them the possibility of purchasing also gathered more information about

the suitability of ferromanganese as a substitute alloy. He called together a small meeting to discuss the new material and detailed information which stated test analysis, routing, the weights and the shipping. There were some differences of opinion among the operating personnel at that time. But the outcome of the meeting was favorable to ferromanganese as a substitute to alloy.

**Case study 2**

After receiving complaints from their customers, dealers complained to the company that the Implex keys were too easily scratched and the key board lost its beauty quickly, becoming yellow. Another factor which figured importantly in the switch from implex and betel keys to a new material a change in the design of the manual model organs. The model required a key which could withstand great pressure. Betel was hard but too costly; implex’s cost was not prohibitive, but it was too soft and likely to scratch and yellow. The vice president of engineering subsequently discussed the need for a new material and after careful study of the problem, recommended the purchase of melamine, designed a key for the new model organ. The director of purchasing gave final approval for the purchase of the new material. The president favored the change to melamine because he felt that it would be more satisfactory than the material (implex) then in primary use, while costing approximately the same.

**Selection of a Supplier**

The next step in decision making of purchase is the selection of a supplier. No table points while choosing a supplier. (Not necessarily in order of priority)

1. The price quoted by this supplier offered significant savings compared to quotations from other suppliers.
2. The supplier's name was well known as a result of the supplier's publicity.
3. When trouble arose with (the first supplier) there must be no hesitation to switch.
4. A good quality operation he runs; not a cheap manufacturing process.

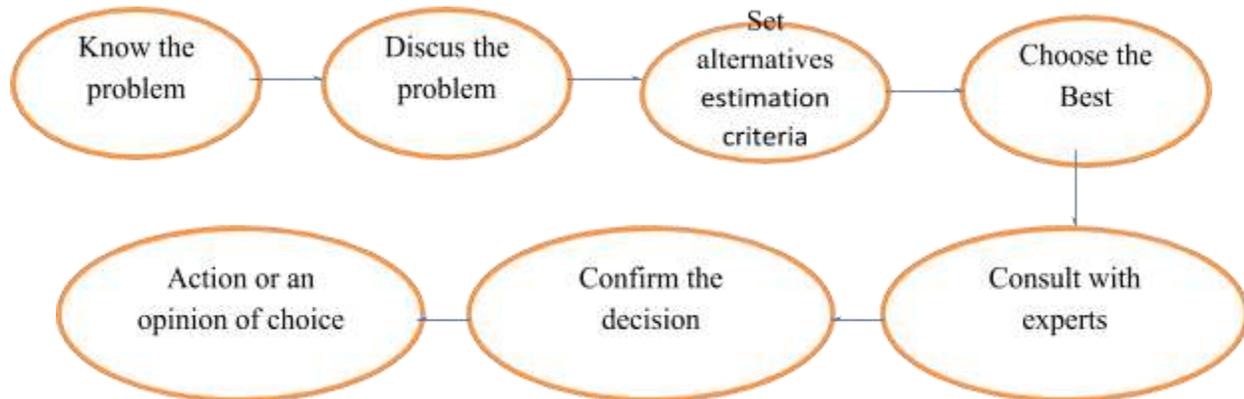


Figure 2 case studies 1, 2 decision making in purchase

### Case study 3

Making the tough decision to shut down.

Spreadable, the third product launched by grasshopper group of word of mouth generated by their happy customers. One of grasshopper group's core values is "Always Entrepreneurial" whether it's in everyday work or launching a new business like grasshopper. But they make the decision that led to shutdown spreadable and refocus on our other products.

Every startup or new product needs a three leader. With that comes ultimate decision making power 1) Design & Marketing strategy 2) Responsibility to adhere to a budget or some other set of financial constants.

Start with a small team. Focus on learning and priority/disproving falsifiable hypotheses about the problem you are solving.

### Case study 4

Change craft was engaged in a strategic process to help an organization identify its value proposition is a field that had dramatically changed due to governmental transitions and resulting policy shifts. As a result of these environmental shifts, the organization was dwindling. Given that this organization had been founded and funneled on a premise that was no longer up to date, how could it align itself with the needs of a new environment to most effectively serve the community?

Shutdown, though, was not the end of the story. Change craft worked with the organization to

be intentional and thoughtful about its shutdown process. This organization was able to shut its doors not in an atmosphere of crisis, but rather with an authenticity that allowed it to serve its constituency in the best way possible.

### Decision making when times are tight how companies usually respond with employees?

#### Case study -5

2033 sales agents at an inbound call center, working in six divisions selling different digital services, such as cable TV packages, cellular phone plans and internet connectivity services. In November, 2016 as the busy summer sales season was ending, the division head of the affected group changed incentives, de-emphasizing rewards for the most commonly sold products. Manager changed the mix of commissions, effectively cutting them by about 18% for the sales personnel, that meant 7% lower take home pay. That was an important consideration because there agents deciding to leave had other options. "While the average agent at the firm enjoyed marginally higher wages than agents at adjacent firms, competitive outside options abounded.

So is it wise in a downturn to save expenses by slashing commissions?

Depends if the workers leave during down months, then cutting compensation might work because turnover is less costly during those times. Another option is to examine who is less likely to leave and cut commissions for the best performing sales people at lower percentage than others, or



“make the rewards more converse”. That however, might “lead to a whole host of morale implications”. (Stanton)

## SUGGESTIONS WHILE DECISION MAKING

Companies always looking for innovative way to solve problems whether it is in our everyday work or launching a new business “or” shut down a business. The most important issue is that the managers are making their decisions when they are meeting the opportunities to improve the organization’s effectiveness. When we working on something new, we make mistakes and learn from them.

### 1. Trust the professionals.

As professionals in our respective area, we are confident in what we know or as they say know what you don’t know. Trusted advisor to assist you with your decision making and they are a reputable person, and then trust your advisor’s opinion. CEO needs a trusted advisor. They need to help guide through the decision making process.

### 2. Don’t be too heavy.

Don’t rush through the decision making process steps, in any times skipping a step and end up with a bad decision. Study the information / date in details it is sometimes difficult to see our own faults in decision making until we hear or read about a similar situation.

Companies looking to shed costs in an economic downturn rarely cut compensation – typically they slash jobs instead but when a company cult’s employees pay the best performers are the first to leave, often joining a competitor. That, in turn, drags down the firms’ revenue eve faster. In contrast, if a company decides to eliminate head count. The employer can control who leaves presumably letting go less productive workers. However, cutting staff during crisis could spell doom for any organization that doc it is the long run. While such decision might be popular among the broad / top management or even get applauded by some shareholders, the company would likely pay for such an action severely with their reputation in the eyes of the large public.

A better strategy to explore? Thinks about a no layoff policy as a way to Linley build a team focused on the long run. Fantasy: no. it works.

## CONCLUSION

Decision making makes a huge impact of an organization if can either propel I forward into success. Or it can destroy the company. The worst

thing that a leader can do is to not make adecision. It reduces the uncertainty because you have already collected evidence, weighed the alternatives and went through various scenarios of how each decision will potentially turn out and work for the organization’s effectiveness.

Most of the decisions are programmed and motivated, but some decisions are model due to environment influence. The results show that managers take account of organization’s strategic is expected to provide insights into various aspects of organizational decision making.

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