

THE PROCESS OF MANAGEMENT DECISION MAKING IN ORGANIZATIONS

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Erejepova Jiengul Tajetovna

Karakalpak State University named after Berdakh

Department of Economics, Associate Professor, Ph.D.

Annotation

In this article are discussed the process of making management decisions in organizations and the role of managers in it.

Key words

management decisions, manager, organizations, problems, uncertainty, improvement.

Effective decision making is essential to performing management functions. Improving the process of making informed, objective decisions in situations of exceptional complexity is achieved through the use of a scientific approach to this process, models and quantitative methods of decision-making.

Management decisions are always associated with changes in the organization; they are usually initiated by an official, manager, or relevant body who bears full responsibility for the consequences of controlled or implemented decisions. The boundaries of competence within which he makes decisions are clearly defined in the requirements of the formal structure. However, the number of persons involved in preparing the decision is significantly greater than the number of persons in power. The preparation of management decisions in modern organizations involves the work of a whole team of specialists [1].

One of the important factors influencing the quality of management decisions is the number of tiers in the organization, an increase in which leads to distortion of information when preparing a decision, distortion of orders coming from the subject of management, and increases the sluggishness of the organization. The same factor contributes to the delay in information received by the subject of the decision. This determines the constant desire to reduce the number of management levels in the organization.

The necessary organizational prerequisites for implementing a decision are created already in the process of its preparation and adoption. The decision itself already determines who, what, when, where, how and for what purpose should do

it. At the same time, the process of organizing the implementation of decisions made has its own characteristics and requires special implementation methods.

Development and decision-making is a creative process in the activities of managers at any level, including: developing and setting goals, studying the problem based on the information received, choosing and justifying criteria for effectiveness (effectiveness) and the possible consequences of the decision, discussing with specialists various options for solving the problem (tasks), selection and formulation of the optimal solution, decision making, specification of the solution for its implementers.

Management technology considers a management decision as a process consisting of three stages: preparation of a decision; decision-making; implementation of the solution.

At the stage of preparing a management decision, an economic analysis of the situation is carried out at the micro- and macro-level, including the search, collection and processing of information, and problems that require solutions are identified and formulated.

At the decision-making stage, alternative solutions and courses of action are developed and assessed based on multivariate calculations; selection of criteria for choosing the optimal solution; choosing and making the best decision [2].

At the stage of implementation of the decision, measures are taken to concretize the decision and bring it to the attention of the executors, the progress of its implementation is monitored, the necessary adjustments are made, and the result obtained from the implementation of the decision is assessed. Each management decision has its own specific result, therefore the goal of management activity is to find such forms, methods, means and tools that could help achieve the optimal result in specific conditions and circumstances.

Decision-making methods aimed at achieving the intended goals can be different:

- a method based on the manager's intuition, which is due to his previously accumulated experience and amount of knowledge in a specific field of activity, which helps to choose and make the right decision;
- a method based on the concept of "common sense", when the manager, when making decisions, justifies them with consistent evidence, the content of which is based on his accumulated practical experience;
- a method based on a scientific and practical approach, involving the selection of optimal solutions based on the processing of large amounts of

information, which helps to justify the decisions made. This method requires the use of modern technical means and, above all, electronic computer technology [3].

Since the manager has the opportunity to choose decisions, he is responsible for their implementation. The decisions made are sent to the executive bodies and are subject to control over their implementation. Therefore, management must be purposeful, the purpose of management must be known.

In a management system, the principle of selecting a decision to be made from a specific set of decisions must be observed. The more choice, the more effective management.

When choosing a management decision, the following requirements are imposed on it: validity of the decision, optimality of the choice, competence of the decision, brevity and clarity, specificity in time, targeting to performers, efficiency of implementation.

Decision-making technology has the following components:

- General decision-making guidance.
- Decision rules.
- Plans in decision making.
- Making bilateral decisions by managers at the same level based on individual interaction.
- Target groups and their role in decision making (group interaction at equal levels).
- Matrix type of interaction.

A company can use both simple and complex mechanisms of interaction in management, which depends on the complexity of the decisions made and the possibilities of their implementation.

In the decision process, the following main functions of a manager can be distinguished:

- the manager must manage the decision-making process;
- he puts forward a problem for solution, participates in its specification and selection of evaluation criteria;
- performs the difficult work of making the decision itself;
- organizes the implementation of the decision, leading the work at the stage of implementation of the decision.

In the process of preparing and making decisions, two main types of workers are involved: system analysts and managers themselves (experts on certain problems are also involved to solve certain issues) [4].

Requirements for management technology can be summarized as follows:

- o formulation of problems, development and selection of solutions should be concentrated at the level of the management hierarchy where the relevant information is available for this;

- o information should come from all divisions of the company, located at different levels of management and performing different functions;

- o the choice and decision-making should reflect the interests and capabilities of those levels of management that will be entrusted with the implementation of the decision or that are interested in its implementation;

- o subordination in relationships in the management hierarchy, strict discipline, high demands and unquestioning submission must be strictly observed [5].

Regardless of which method a firm uses to arrive at a decision, each investment decision must follow a general system for planning and approving capital expenditures. Based on the financial plan, decisions are made on the allocation of resources, taking into account their balance. A significantly more flexible decision-making system applies to special projects and refinements of previously accepted projects.

The implementation of a decision, regardless of the results, should always end with a summary. When summing up, you should analyze all stages of work to implement the solution, all successes, mistakes, failures. Summing up provides information about the achievement of the set goal, compliance with established deadlines, achievement of planned and side results, the activities of performers, etc. Mandatory summing up of the implementation of the decision has great educational significance. Teams and direct performers must know what results they achieved, how they worked, what the social, economic, and political assessment of their work is.

The need for decision-making is explained by the conscious and purposeful nature of human activity, arises at all stages of the management process and forms part of any management function. Decision-making (managerial) in organizations has a number of differences from the choice of an individual, since it is not an individual, but a group process. The nature of the decisions made is greatly influenced by the degree of completeness and reliable information available to the manager. Depending on this, decisions can be made under conditions of certainty (deterministic decisions) and risk or uncertainty (probabilistic decisions). The complex nature of the problems of modern management requires a comprehensive, comprehensive analysis of them, i.e. participation of a group of managers and specialists, which leads to the expansion of collegial forms of decision-making.

Decision making is not a one-time act, but the result of a process that has a certain duration and structure. The decision-making process is a cyclical sequence of actions of a management subject aimed at resolving the problems of the organization and consisting in analyzing the situation, generating alternatives, selecting the best one and its implementation.

Improving the management decision-making process and, accordingly, increasing the quality of decisions made is achieved through the use of a scientific approach, models and methods of decision-making. A model is a representation of a system, idea, or object. Managers need to use models because of the complexity of organizations, the inability to conduct experiments in the real world, and the need to look into the future. The main types of models are: physical, analog and mathematical (symbolic). A decision tree allows you to present a problem schematically and compare possible alternatives visually. The method must be used in relation to complex situations when the result of a decision affects subsequent ones [5].

A serious problem associated with the effectiveness of the organization is also the problem of implementing decisions made. Up to a third of all management decisions do not achieve their goals due to low performance culture. In various countries, sociologists belonging to a variety of schools pay close attention to improving executive discipline, including ordinary employees in the development of solutions, motivating such activities, and stimulating self-government.

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