

Importance of Decision Making in Business Organization

Manusmriti Sharma

B. K. Birla Institute of Engineering & Technology, Pilani (Rajasthan)

Email: manusmritigaur@gmail.com

Ramakant Soni

B. K. Birla Institute of Engineering & Technology, Pilani (Rajasthan)

Email: ramakant.soni1988@gmail.com

Purvi J Naik

UPL University of Sustainable Technology, Gujarat

Email: naikpurvi2004@yahoo.co.in

Pushpendra Kumar

Seth. G. B. Podar College Nawalgarh, Jhunjhunu (Rajasthan)

Email: pushpendrasaini22@gmail.com

A. K. Malik*

B. K. Birla Institute of Engineering & Technology, Pilani (Rajasthan)

Email: ajendermalik@gmail.com

Abstract

The success of any business venture to a large extent, depends on the right decision. The right decision may bring success for the business venture and a bad decision may bring doom for it. So a good manager/leader must have the ability to take the right decision. This work-study attempts to identify and joint all parts of decision making and its development with the right decision policies in business industries. Without effective decision making many steps like planning, scheduling, controlling can't be completed any task completely. Management decisions are those decisions that make a choice of one option among two or three options. The purpose of decision-making is to commit to the business organization and represents a choice.

Keywords: Decision Making, Right decision, Business organization, Management.

Introduction

Decision-making means arriving at a decision. It means making a decision about what to do and when to do it. It means choosing the right action and choosing the right time for the action. Here comes the question of priorities which work is to give preference over others, in a business organization one has to decide which production is comparatively less expensive and greater profit earner. Selection by the manager of any decision is partly arbitrary case but how to execute this decision and action behind that and what is the output it's the main issue. Malik et al. (2016) examined the study of the importance of operation research and its decision approach in higher education.

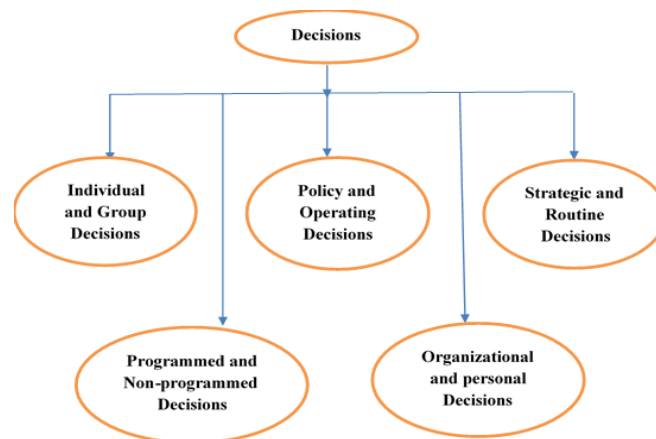
Decision-making encounters a competitive environment that depends on many factors like market conditions, customer demands, availability of products, storage etc. As a response to decision making, every business organization continuously changes their business policies and models accordingly to requirements of the present scenario due to competitors and increases the customer and future planning (Leih et al. 2015; Harmon, 2003; Pavlou and Sawy, 2011; Wang and Noe, 2010). Osterwalder et al. (2010) discuss the business model and its process through decision making. Trkman et al. (2015) examined the business process management with its approach and comparison with the customer management process.

Due to uncertainty sometimes the decision-making is not in a proper way due to incomplete, unreliable and insufficient information passing through the manager. Singh et al. (2015) discuss the review on management decision policies with uncertain environments. We can say that decision-making is a process for the achievement of a specific purpose. Let us consider a definition given by authorities on decision-making. According to Knootz and O' Donnel "Decision making means the choice of the best option from the various available". According to the above definition, we come to the conclusion that in management there are various options before the management. The manager chooses the best option for fruitful results. The manager first has good skills in entrepreneurship.

The importance of mathematics in entrepreneurs is acceptable in every aspect of day-to-day life by Malik and Malik (2016). It involves resources, places and time. The Decision-making process is goal-oriented and its effectiveness is enriched by contribution. This study was examined through a literature review and analysis; much-related research discussion (Zott et al., 2011; Patil and Malik (2019); Tripathy and Reddy, 1984; Kanka, 2006; Desai 2009; Morgan and Hunt, 1994; Yadav and Malik 2014; Nieves and Haller, 2014; Malik et al., 2010 & 2012) examined the decision making procedure and its effectiveness in business organization and how the manager handles the difficult situation in business.

Features of Good Decision Making

Decision methods also play a very vital role in manufacturing and distribution sectors of industries. The main focus of this research work is how the parts of decision making could be namely, planning, scheduling, directing, and controlling to be able to managing very well manner. Decision-making is the scientific function in a well-defined manner. There are different types of decision-making for the managers taken by the day-today for the business organization.



Types of Decision

importance of decision making in business organization

According to the above discussion and work study about decision making has the following features:

1. It is said that decision is the last process. Therefore the decision should be based on a logical discussion about the various options available.
2. Decision is based on a best-selected alternative. While taking a decision a manager remembers the principle of minimum cost and maximum profit.
3. A decision may relate to the end or means or both.

A decision is related both to the means and the ends. In some circumstances, the decision is concerned with means and in some circumstances, it is concerned with ends. Where ends are specified and where means are to be found for the achievement of the ends, decision-making is more concerned with means. But in a case where means are available and we have to reach the end, decision-making is concerned with ends.

Decision-making for any business organization is the procedure of making the selections. For effective decision making a pathway of identification, keeping the relevant information, alternate options, applying the action and taking a review regarding your decision. The Decision-making process is a selection process that is concerned with obtaining the best choice.

Decision is an indicator of a commitment

The decision taken is an indicator of strong determination to achieve a result. For the achievement of this result, collective efforts are required. This may also require efforts from alternative sources. The decision might be positive or negative. It is not necessary that a decision may always be positive. It can be negative also. If a decision is taken to carry out a project it is called positive. If a decision is taken “not to undertake a project” it is called negative. In this way, both these decisions are important and play a role in the successful operations of a manufacturing unit.

Conclusion

The importance of decision-making in any business venture hardly needs any emphasis since the ability to arrive at the right decision plays a vital role in the success or failure of the business and it is important that the leadership must have this ability to choose rightly. This research work summaries and extent the important literature about decision making and its approaches, recommendation, types, procedures and relevant future development in decision procedure. Decision-making procedure is falling the gap between the standing condition, and the anticipation condition through solving and making prospects use. Decision-making procedure is an essential part of life. Every day uncountable decisions are taken by a human being. For business scenarios in every step, decisions are taken by the manager like planning, scheduling, directing, and controlling. Finally, the decision-making procedure is a core activity for any business organization.

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