

ADOPTION OF STRATEGIC DECISIONS AT THE ENTERPRISE

MAZORENKO Oksana¹, KAITANSKYI Ivan², BILLO Keita³¹Simon Kuznets Kharkiv National University of Economics<https://orcid.org/0000-0003-1784-697X>²Private Higher Educational Institution "European University"<https://orcid.org/0009-0008-1322-0842>³Simon Kuznets Kharkiv National University of Economics

The process of determining the best way to achieve goals and objectives is called strategic decision making. These are long-term goals and objectives, as well as strategic decision-making tools, that help describe the company's primary goals in order to achieve short-term goals with a broad mission. In the long run, the company gains clarity and consistency in achieving its goals.

Strategic decision-making is used in competitive companies to give the company a competitive advantage by changing its scale and the way the company manages its operations. The difference between strategic decision-making and other decision-making processes, such as administrative and operational decision-making, is that strategic decision-making is a long-term process that requires significant resources and is fraught with uncertainty. Administrative decisions are based on short-term goals. Unlike other decision-making processes, strategic decision-making considers the long-term future of the company.

Successful business managers do more than just make money and sell products. They not only perform day-to-day sales tasks, but also look at the big picture and make decisions that will lead the company to its desired goal. This is known as strategic decision making, and it occurs when decisions are made in line with the company's goals or mission. This type of decision-making directs the choices made, aligning them with the company's goals. This requires creative thinking as managers must consider future scenarios that may or may not occur. These scenarios will determine the direction of the company's development. Business strategy is a competitive advantage. Businesses need strategies to ensure that resources are allocated in the most efficient way. There has been much research on strategies and much literature outlining the importance of strategies for successful business management. The word "strategy" is probably one of the most used words in business and everyday life [26]. According to Schendel, there are many preparation strategies in the business world for almost every potential activity, from employee management strategies to knowledge management strategies. At first glance, we have the idea that strategy is something simple that refers to the use of resources to realize pre-planned goals. But in practice, strategies differ in terms of time, and its formulation and implementation cannot be perfect. When a firm earns earnings above the average for its industry, the firm is said to have a competitive advantage over its rivals.

Key Words: Strategy, management, company, enterprise.

<https://doi.org/10.31891/mdes/2024-13-20>

STATEMENT OF THE PROBLEM.

When making strategic decisions, choosing a strategy that must take into account the influence of internal and external environment factors and respond to the challenges of the national economy becomes of primary importance. In this regard, the complexity of the formation and adoption of strategic decisions at the enterprise lies in the fact that the formation of the strategy is considered from different positions, namely as a process: analytical, formalized, transformational, forecasting and prediction, collective and reactive. The variety of interpretations of the concept of "strategy" determines its meaningful interpretations according to various signs. Thus, from the point of view of strategic rationality, the strategy formation process has an indicative, normative character. At the same time, from the point of view of strategic behavior, the process is characterized by a descriptive, descriptive, direction. Taking into account the variety of strategies, which in turn affects strategic decision-making at the enterprise, it should be noted that the most objective and effective is the hierarchical approach to the formation of strategies and strategic decision-making, since it reflects the levels of enterprise management and characterizes the relationships with the external environment, which makes it possible to respond to its changes in time.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

The problems of making strategic decisions are considered by various authors, such as Steele K., Stefason H., Mazorenko O., Syoblom L., Klein G. and others. Thus, it can be stated that, despite the conducted research, the issue of strategic management in the context of strategic decision-making at enterprises in conditions of uncertainty requires further research.

FORMULATION OF THE GOALS OF THE ARTICLE (STATEMENT OF THE TASK)

The goal is the theoretical justification of strategic decision-making in the organization and the development of practical recommendations for improving strategic decisions

Speaking of strategic decision-making issues, it is very important for a company to move forward in its production and its proper functioning. On the other hand, for a better understanding of strategic decision-making in the enterprise, it is extremely important to review its main concept, which is "Strategic Decision".

The morphological analysis of the term strategic decision is performed according to the following table 1.

Table 1.

Morphological analysis of the term "Strategic decision"

The authors	Definition	Family
Steele, Kathy and Stefansson, H. Orry, Edward N. Zalta	Decision theory (or choice theory; not to be confused with choice theory) is the study of agent choice	Study of agent choice
Myerson, Roger B.	Decision making theory. Indeed, game theory can be seen as an extension of decision theory (to the case of two or more decision makers) or as its essential logical implementation	Continuation of the decision
Kathleen M. Eisenhardt, Mark J. Zbaracki	strategic decision makers are boundedly rational, that power wins battles of choice, and that chance matters	boundedly rational
D. Yue, F. Yu	Strategic decisions are those decisions that have an impact for years, decades, and even beyond the end of the project's life.	Affects over the years
Shebnem Yilmaz Balaman	Strategic decisions have a long-term impact on supply chain performance that may need to be reviewed over a long period of time, typically three or more years	Long-term impact

From the constructed table, there are different points of view on the concept of a strategic decision, some authors defined it as a period of time that has a long-term impact or that affects within a year.

Some authors, such as Steele K. and Stefansson H. O. [1], have defined strategic decision as decision theory (or choice theory; not to be confused with choice theory) – it is the study of an agent's choice.

In addition, Myerson [2] defined it as decision making theory. Indeed, the theory of games can be considered as an extension of the theory of decision-making (for the case of two or more decision-makers), or as its essential logical implementation, while K. M. Eisenhardt, M. J. Zbaratsky argue that individuals who make strategic decisions, boundedly rational, that power wins battles of choice, and that chance matters.

Strategic decisions are decisions that concern the entire environment in which the firm operates, all the resources and people that make up the company, as well as the interactions between them.

In the strategic management literature, there seems to be a consensus that context refers to sets of characteristics that include top management characteristics, specific decisions, the environment, and the organization.

Several studies point to the limitations of existing research on the context and process of strategic decision-making:

little research on the influence of the broader context on strategic decision-making;

most research focuses on a limited number of antecedent causes, ignoring other important sources of influence on strategic decision-making;

most studies focus on only one characteristic of the process, despite the fact that strategic decision-making is multidimensional;

much of the evidence is contradictory and far from creating a coherent theory.

Since the object of this thesis is strategic decision-making at the enterprise, it is necessary to focus on this concept. But first of all, it is important to determine the essence of decision-making. In order to do this and understand, the morphological analysis of the decision-making term is performed according to the following table 2.

Table 2

Morphological analysis of the term "decision-making"

Definition	Key words	Author
Naturalistic decision-making, with its focus on field conditions and its interest in complex conditions, provides knowledge to human factors practitioners about ways to improve performance.	Improved performance	Klein, Gary (2008). "Naturalistic decision-making"
as "the process by which certain environmental demands trigger an appraisal process in which perceived demand exceeds resources and leads to undesirable physiological, psychological, behavioral, or social outcomes"	Evaluation process	Salas, Driskell and Hughes (1996)
that there are no longitudinal studies that address both decision-making and eye-tracking research in human behavior	A longitudinal study	(McMorris, 1999)
refers to a judgment that occurs quickly in the mind, is not based on deep knowledge of the reasons for that judgment, and is strong enough to act on	judgment	(Higerenzer, 2007)
Individual decision-making is often described in terms of final choice and analyzed by presenting a fixed set of options, ignoring how the options are generated in the environment or extracted.	Final selection and analysis	(Raab, de Oliveira, & Heinen, 2009).

The term decision-making itself has many meanings. These values guide decision makers and leaders in deciding what to do when making a decision. This is also an interesting application area, since we are talking about enterprise decision-making.

According to Klein, Gary (2008). "Naturalistic decision-making, by its definition, naturalistic decision-making, with its focus on field conditions and its interest in complex environments, provides knowledge to human factors practitioners about ways to improve performance. In addition, the NDM approach has been used to improve performance by reviewing military doctrine, training that focuses on decision-making requirements, and the development of information technology to support decision-making and related cognitive functions ([3]).

Another author gave the following definition: "the process by which certain environmental demands trigger an appraisal process in which anticipated demand exceeds resources and leads to undesirable physiological, psychological, behavioral, or social consequences." This definition also has the same meaning as [4]. definition, which states that decision-making is long-term research involving both decision-making and the study of human behavior by observing the eyes. These two definitions highlight the process or investigation of how a person acted in making a decision, whether positive or negative.

As mentioned, decision-making refers to a judgment that quickly appears in the mind, does not rely on deep knowledge of the reasons for this judgment, and is strong enough to act accordingly. Furthermore, Raab, de Oliveira and Heinen [15] argue that individual decision-making is often described in terms of final choice and analyzed by presenting a fixed set of options, ignoring how the options are generated in the environment or extracted.

As noted earlier, the term decision-making itself has many meanings. These values guide decision makers and leaders in deciding what to do when making a decision.

The concept of a strategic decision is a course of action adopted as a result of an assessment of the strategic situation. It is a statement of what should be done in a broad sense, flexible enough to allow it to be used in the development of military, diplomatic, economic, informational and other measures that flow from it. However, strategic decisions are decisions that concern the entire environment in which the firm operates, all the resources and people that make up the company, and the relationship between them.

Strategic decisions offer essential resources for an organization. These decisions may involve acquiring new resources, organizing others, or redistributing others.

Strategic decisions relate to matching the organization's resource capabilities with threats and opportunities.

Strategic decisions relate to a number of organizational activities. It all depends on what they want the organization to be.

Strategic decisions involve major changes, as the organization operates in a constantly changing environment.

Strategic decisions are complex in nature.

Strategic decisions are made at the highest level, are uncertain because they concern the future, and are associated with high risk.

Strategic decisions differ from administrative and operational decisions. Administrative decisions are routine decisions that help or rather contribute to strategic or operational decisions. Operational solutions are technical solutions that help the implementation of strategic decisions. Cutting costs is a

strategic decision that is achieved through an operational decision to cut staff, and how we implement those cuts will be an administrative decision.

The differences between strategic, administrative and operational decisions can be summarized in Table 3.

Table 3

Differences between strategic, administrative and operational decisions

Strategic decisions	Administrative decisions	Operational solutions
Strategic decisions are long-term decisions.	Administrative decisions are made every day.	Operational decisions are not made often.
They are considered when planning for the future.	These are short-term solutions.	These are medium-term solutions.
Strategic decisions are made in accordance with the organizational mission and vision.	They are made in accordance with strategic and operational decisions.	They are adopted in accordance with a strategic and administrative decision.
This refers to the overall counter-planning of the entire organization.	They are related to the work of employees in the organization.	They are related to production.
They relate to organizational growth.	This applies to employees working in the organization.	This is due to the production and growth of the plant.

From this table, decision makers can easily identify the difference between a strategic decision, an administrative decision, and an operational decision. In addition, there are four types of strategic decisions that you can begin to apply immediately, regardless of whether you are dealing with a familiar situation or a new one (Table 4).

Making decisions is an integral part of everyday life. Whether you're at home, in the office, or on the playground, you're almost constantly making decisions, sometimes working on several at once. They may be big or small, but some of them could prove to be effective solutions viz. appropriate, timely and acceptable.

Table 4

Different types of decision-making

Type of decision making	pluses	minuses
1	2	3
<p>Analytical decision-making This strategy is for when you have all the information relevant to the situation at your fingertips. It is methodical and involves a clearly ordered sequence of steps to make a decision. You rely on information that is objective and available for observation. This is a very attractive strategy because of the way it breaks down a complex solution into a series of smaller interconnected parts. However, be careful with this method, as the convenience of the logic can sometimes be misleading. You may decide that you have enough money to sustain your business through the end of the year without even analyzing your cash flow situation. Analytical decision making is ideal when you have clear and easily defined goals, can access all the information you need, and have the experience to know what information is relevant and what is not. You also need to have time to go through the entire analytical process.</p>	<p>It's a versatile and methodical strategy, and it's fairly easy to communicate to your colleagues and co-workers. This works well when you can represent variables and results in terms of numbers.</p>	<p>This is only useful in circumstances that are specific enough to meet all the requirements. Fast execution also requires experience. Therefore, it can be difficult for beginners to perform.</p>
<p>Heuristic decision-making This strategy is most appropriate when you don't have all the information you need, but you do have some information and experience at your disposal. Heuristics basically allow you to make generalizations based on the little information you have. Take the situation when you are behind the wheel. You see two red lights appear about the width of the car directly in front of you, and you instinctively slam on the brakes. You didn't go through the long analytical process of trying to figure out if those were really the car's brake lights and what they meant. You just remember from past experience that such red lights are usually the car's brake lights, and you know how to react to it. Heuristics don't always work, but they work often enough that we can trust them in many situations. You should use them if you have the right heuristics for the situation and have a lot of confidence in them and their accuracy. Nor should there be very serious consequences for making a mistake.</p>	<p>It's a simple and quick strategy that can become subconscious with enough practice, leaving your mind free to think about other things.</p>	<p>Heuristics can lull you into a false sense of security, which can be dangerous when you're dealing with a new situation. You may also rely on the wrong clues to guide your decisions, which will obviously lead to wrong decisions.</p>

1	2	3
<p>Making expert decisions Making such a decision depends on your experience and competence in a certain field. It's when you know so much about something and have enough experience that most of your decisions are intuitive. You recognize information and integrate it without thinking too much about it, even if it doesn't seem to match up in the eyes of others. An experienced sailor, for example, will usually know if it is going to rain much sooner and much more easily than a novice. Sometimes all the information they need is the wind. A beginner may need to see more, like how clouds accumulate, etc. This way of making decisions works if you have enough experience in a certain field and can easily test your decisions against the right heuristics.</p>	<p>Expert decisions are made quite quickly and are the reason for many accurate decisions, which usually occur at a subconscious level.</p>	<p>Due to the fact that most decisions are made at a subconscious level, it is difficult to teach, especially since the expert considers it obvious that others will perceive it as quite difficult. Also, there is a tendency for people to think that just because they are an expert in one area, they are also an expert in other areas.</p>
<p>Making decisions by random choice It may sound strange, but flipping a coin can and often is a very good way to make decisions. This is the easiest method that can save you time and even be effective if you use it properly. Let's say you have to divide your employees into different teams and know that interpersonal dynamics can make it difficult for people to choose which team to join. Random decision-making can be an effective way to bring people together as a team without having to deal with further interpersonal dynamics. This strategy is the most effective combination of minimal consequences, limited time, and the absence of other suitable strategies to choose from. You should also use it when the alternatives you are choosing between have such similar or mixed results that it is impossible to distinguish between them.</p>	<p>This is a quick and easy strategy.</p>	<p>You will have no control over the results. The next time you're thinking about making a decision, whether it's for your business or your personal life, think about how you got there. What strategy did you use? Was it right in the circumstances? When you understand not only the decision you made, but also how you made it, you become a better decision maker in both your personal life and business.</p>

Some of your decisions may have been wrong, but you knew that there is something worse than a few wrong decisions, and that is indecisiveness! Decision-making is considered one of the main duties of any manager. Decisions may involve allocating resources, assigning people, investing capital, or introducing new products. If resources such as people, money, machines, materials, time and space were sufficient, all planning would be unnecessary. But, as a rule, there are few resources, so there is a need for planning. Decision-making is the basis of all planned activities. We cannot afford to waste limited resources by making too many bad decisions or remaining indecisive for too long. In this case, various techniques or methods are involved in making a decision. For example, brainstorming, synectics, and nominal grouping are described and discussed. Then the method and process describe different methods of identification, selection of different alternatives and implementation of the decisions made. It then explains the differences and similarities between individual and group decision-making, including the phenomenon of groupthink. Finally, various obstacles to effective decision-making are listed.

Consider three phrases in the decision-making process.

We can define decision making as the process of choosing between alternatives to achieve a goal. But if you carefully consider this process of choosing among the available alternatives, you can identify three relatively clear stages. Insert into the time frame,

The past, in which problems arose, information accumulated and the need to make a decision was realized.

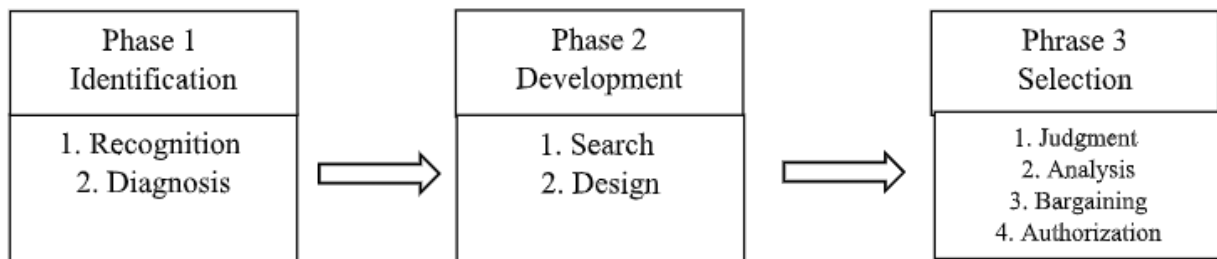
The present, in which there are alternatives and a choice is made.

A future in which decisions are implemented and evaluated. Herbert Simon, the famous Nobel Prize-winning decision theorist, described activities related to three main stages as follows:

Intelligence: Borrowing from the military meaning of intelligence, Simon describes this initial phase as an attempt to recognize and understand the nature of the problem, and the search for possible causes,

Project activities during the second phase, alternative courses of action are developed and analyzed in light of known constraints,

Selection Activity: The actual choice among available and evaluated alternatives is made at this stage. If you follow the nature of the activities of these three stages, you can understand why the quality of any solution depends to a large extent on the thoroughness of the stages of exploration and design. H. Minsberg and Sonic with his colleagues (1976) traced the phases of some decisions that are actually made in organizations [13]. They also developed a three-phase model, as shown in Fig 1.



Rice. 1.. Model of strategic decision-making

The identification phase, during which a problem or opportunity arises and a diagnosis is made. It has been found that serious immediate problems do not require very systematic, extensive diagnosis, but milder problems do.

The development phase, during which the search for existing standard procedures, ready-made solutions or the development of a new individual solution can take place. The design process was found to be clustering. A process of trial and error in which the decision makers had only a vague ideal of the decision.

The selection phase, during which the decision is selected. There are three ways to make this choice: in the opinion of the decision maker, based on experience or intuition rather than logical analysis; by analyzing alternatives on a logical, systematic basis; and through negotiation, when the choice involves a group of decision makers. After the decision is officially made and the authorization is done.

CONCLUSION

The main factors affecting the quality of managerial decision-making at the enterprise are the application of scientific approaches to the management system, modeling methods, management automation, motivation, improving the qualifications of managers, systematic monitoring of the external environment and controlling the implementation of strategic decisions. As the conducted research shows, when making a strategic decision, such socio-psychological factors as intuition, rationality and judgment are present to a certain extent, that is why the effectiveness of decision-making depends entirely on the degree of its scientific justification, namely when during its preparation, all factors are taken into account and forecasted alternative scenarios taking into account consequences and results. Making strategic decisions at enterprises in conditions of uncertainty is also significantly related to the search for effective directions for the implementation of innovations. Among such areas, the following can be distinguished: search for new types of resources to achieve strategic goals; formation of innovative technologies in order to improve the effectiveness of the implementation of strategic decisions and the efficiency of the enterprise.

REFERENCES:

1. Africanfinancials.com/ document/gh-ebg-2020-ar-00
2. Bonabeau E. Don't trust your intuition // Harvard Business Review. - 2003. - 81 (5). - P. 116-121.
3. Borison A., Hamm G. Forecasting markets: a new tool for making strategic decisions // California management review. - 2010. - 52(4). - P. 125-141.
4. Bourgeois III, LJ Strategic management and determinism // Academy of Management Review. - 1984. - 9. - P. 586-596.
5. Bourgeois III LJ, Eisenhardt KM Strategic decision-making processes in high-speed environments: Four cases in the microcomputer industry // Management Science. - 1988. - 6. - P. 816-835.
6. Branin M. Management across cultures: concepts, policy and practice. - NY: Sage Publications Ltd., 2011. - 348 p.
7. Brodbeck F.K., Kerschreiter R., Moizish A., Schultz-Hardt S. Group decision-making in conditions of distributed knowledge: a model of information asymmetry // Archives of the Academy of Management Review. - 2007. - 32(2). - P. 459-479.
8. Butler R, Davies L, Pike R, Sharp J. Strategic Investment Decisions: Theory, Practice and Process. - London: Routledge, 1993. - 288 p.
9. Casu B., Girardone K. Introduction to banking. - NY : Financial Times Prentice Hall, 2006. - 816 p.
10. Campbell A, Whitehead J. How to Test Your Decision-Making Instinct (2010). [Electronic resource]. - Mode of access: mckinseyquarterly.com.
11. Connor, K. R. Product Cannibalism Strategies. / K. R. Connor // Strategic management - 1988. - Journal 9. - pp. 19-26.

ПРИЙНЯТТЯ СТРАТЕГІЧНИХ РІШЕНЬ НА ПІДПРИЄМСТВІ

МАЗОРЕНКО Оксана¹, КАЙТАНСЬКИЙ Іван², БІЛЛО Кейта¹¹ Харківський національний економічний університет імені Семена Кузнеця² Миколаївська філія ПВНЗ «Європейський університет»,

Процес визначення найкращого способу досягнення цілей і завдань називається прийняттям стратегічних рішень. Це довгострокові цілі та завдання, а також засоби для прийняття стратегічних рішень, що допомагають описати основні цілі компанії для досягнення короткострокових цілей із широкою місією. У довгостроковій перспективі компанія отримує ясність і послідовність у досягненні своїх цілей.

Прийняття стратегічних рішень використовується в конкурентоспроможних компаніях, щоб надати компанії конкурентну перевагу шляхом зміни її масштабів і способу, яким компанія керує своїми операціями. Різниця між прийняттям стратегічних рішень та іншими процесами прийняття рішень, такими як прийняття адміністративних та оперативних рішень, полягає в тому, що прийняття стратегічних рішень є довгостроковим процесом, який потребує значних ресурсів і сповнений невизначеності. Адміністративні рішення базуються на короткострокових цілях. На відміну від інших процесів прийняття рішень, прийняття стратегічних рішень розглядає довгострокове майбутнє компанії.

Менеджери успішного бізнесу роблять більше, ніж просто заробляють гроші та продають продукти. Вони не лише виконують повсякденні завдання з продажу, але й розглядають загальну картину та приймають рішення, які приведуть компанію до бажаної мети. Це відоме як прийняття стратегічних рішень, і воно відбувається, коли рішення приймаються відповідно до цілей або місії компанії. Цей тип прийняття рішень спрямовує зроблений вибір, узгоджуючи його з цілями компанії. Це потребує творчого мислення, оскільки менеджери повинні враховувати майбутні сценарії, які можуть відбутися або не відбутися. Ці сценарії визначатимуть напрямки розвитку компанії. Бізнес-стратегія – це конкурентна перевага. Підприємствам потрібні стратегії, щоб гарантувати, що ресурси розподіляються найефективнішим способом. Було проведено багато досліджень стратегій і багато літератури, які окреслюють важливість стратегій для успішного управління бізнесом. Слово «стратегія», мабуть, одне з найбільш вживаних слів у бізнесі та повсякденному житті [26]. За Шенделом, у діловому світі існує багато підготовчих стратегій майже для кожної потенційної діяльності, починаючи від стратегій управління співробітниками до стратегій управління знаннями. На перший погляд, ми маємо уявлення, що стратегія - це щось просте, що стосується використання ресурсів для реалізації заздалегідь запланованих цілей. Але на практиці стратегії відрізняються часовим аспектом, і його формулювання та реалізація не можуть бути ідеальними. Коли фірма отримує прибутки, що перевищують середній показник для її галузі, кажуть, що фірма має конкурентну перевагу над своїми суперниками.

Ключові слова: Стратегія, менеджмент, компанія, підприємство.