

MANAGERIAL PROBLEM OF DECISION MAKING AT ENTERPRISES

Annotation. The importance of decision making and the role of the decision maker at the enterprise are defined. Personal features and skills of the decision maker were analyzed. The designed decision making model is recommended.

Анотація. Визначено важливість прийняття рішень і роль особи, що приймає рішення на підприємстві. Проаналізовані особисті якості та кваліфікація особи, що приймає рішення. Розроблено модель прийняття рішень.

Аннотация. Определена важность принятия решений и роль лица, принимающего решения на предприятии. Проанализированы личные качества и квалификация лица, принимающего решения. Разработана модель принятия решений.

Keywords: decision, decision making, enterprise, decision maker, manager.

The essence of management is making decisions. Managers are constantly required to evaluate alternatives and make decisions regarding a wide range of matters. Decision making, for which we gather most of information, has become a mathematical science today. It formalizes the thinking we use so that what we have to do to make better decisions is transparent in all its aspects [1].

Every enterprise deals with its own solution space or the solution space inherited from client and market research or the combination of both, to get the reliable and robust, optimal and requirement specific solution. Effective and successful decisions make profit to the company and unsuccessful ones make losses. Therefore, the corporate decision making process is the most critical process in any organization.

The decisions making technique at the enterprise is not effective and appropriate enough for present economic situation. The problem of making a right decision is that managers are not competent to find the decision that will be appropriate for the current situation at the enterprise, environmental conditions and the goals of the enterprise. On the other hand, the decision making process is not carried out in a proper way because the manager does not take into account all steps and rules, which should be followed and which subsequently influence the result.

The decision making problem is a quite common and widespread problem for different organizations nowadays. That is why the investigation of this problem is important and the ways of improving this situation are necessary to be discovered.

In order to find a solution of decision making problem it is necessary to have some fundamental understanding of the most valuable process. Many domestic and foreign outstanding scientists have studied the problem of decision making: A. Orlov, B. Litvak, Ch. E. Lindblom, H. A. Simon, Max H. Bazerman and J. Figueira.

The goal of the article is to examine the problem of enterprise decision making from the managerial side. A manager is faced constantly with choices in which a good decision will advance the fortunes of the enterprise and a bad decision will not. The manager who understands the nature and principles of decision making will cope with this problem more effectively than the manager who does not.

In order to improve the decision-making process at the enterprise the first and the main step is to improve the managerial skills and the method of problem solving and making the right decision. The manager is a key object in the process of decision making and thereby he/she has a great influence on results and may be crucial for achieving the goal. There are two factors that may influence the manager when making a decision: personal features of the decision maker and non-observance or neglecting of decision-making steps.

First of all, let us consider the first factor. A manager's job is varied and complex. Managers need certain skills and personal characteristics to perform the duties and activities associated with being a good decision maker:

1. Technical skill is the ability to apply specialized knowledge or expertise. All jobs require some specialized expertise, and many people develop their technical skills in the job.

2. Human skill is the ability to work with, understand and motivate other people. This requires sensitivity towards others' issues and concerns. To acquire the human skill, it is pertinent to recognize the feelings and sentiments of others, to have the ability to motivate others even in an adverse situation, and communicate one's own feelings to others in a positive and inspiring way.

3. Conceptual skill is an ability to critically analyze, diagnose a situation and forward a feasible solution. It requires creative thinking, generating options and choosing the best available option. A mark of a good leader is to be able to provide consistent motivation to his team encouraging them to attain



excellence and quality in their performance [2].

4. Self-esteem is a big factor in making good decisions. A manager should not feel sorry – it has a deadly effect on your thinking. A decision maker has to recognize all problems, no matter how difficult, as opportunities for enhancement and affirmation of the life, and make the most of these opportunities.

5. Courage is doing what people are afraid to do. The advantage of courageous people is that they can take the crucial questions and form a clear set of alternatives. It takes education and courage to gain more self-esteem to be positive or confident in decision making. Courage means the act of intelligent risk taking while looking forward into the future.

6. Honesty is to be real. It is important to be objective and to identify one's weaknesses as well as strengths.

7. Concern means caring about yourself and other people. It means that a good manager goes to sleep at night knowing that all talents and abilities were used in making decisions that served others [3].

Secondly, it is necessary to identify the steps which should be taken when making the decision. Following are the important steps of the decision making process:

Step 1. This step is about recognition of the problem and identification of the purpose of the decision. The decision-making process starts with recognizing that a problem exists: something has to be changed in the situation and there are possibilities for improvement. In this step, the problem is thoroughly analyzed.

Step 2. In the process of solving the problem, it is necessary to gather as much information related to the factors and stakeholders involved in the problem as it is possible.

Step 3. It is required to think and look for as many practical alternatives as possible and analyze the resources that each alternative course of action will require. Comparison of the expected benefits from selection must be done. The baseline criteria for judging the alternatives should be setup.

Step 4. For this step, brainstorming to list down all the ideas is the best option. Before the idea generation step, it is vital to understand the causes of the problem and prioritization of causes.

Step 5. It is required to use judgment principles and decision-making criteria to evaluate each alternative. In this step, it is essential to compare each alternative for their positives and negatives. Values that are important for achieving the goal and the resources to work with must be kept in mind.

Step 6. This is the stage where the selection of the best alternative should be done. The hard work of analyzing available options would lead to a proper decision.

Step 7. On this step it is necessary to convert the decision into a plan or a sequence of activities, and execute the plan. This is a very crucial step because all the people involved in implementation of a solution should know about their implications. This is very essential for the decision to give successful results.

Step 8. The outcome, or result of the decisions, should be evaluated regularly to determine its effectiveness. The decision maker has to see whether there is anything that should be learnt and then corrected in future decision making [4].

Ongoing review and research is vital in order to keep on the cutting edge in business. While managing the present to ensure ongoing excellence in product and performance, a good leader is also able to look towards the future. Conducting and evaluating research is an important way of planning and being prepared for the future.

Excellent leadership is always proactive rather than reactive. By developing these managerial skills a solid foundation for success is built. When it comes to making decisions, one should always weigh the positive and negative business consequences and should favour the positive outcomes.

This avoids the possible losses to the organization and keeps the company running with a sustained growth. Making the decisions and accepting their consequences is the only way to stay in control of the corporate life and time.

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