

Decision making issues

Business



Decision making is a process of selecting between different courses of action. This can take place at various levels i. e. individual level or organizational level. This entails laying down the objectives, collecting information which is relevant, recognizing the alternatives, locating criteria, and choosing the best option (Facione & Facione, 2007).

. Often, different people will apply different procedures to resolve their problems and thus in their decision making. Of significance however, is how the particular individual follows a strategy in order to arrive at a particular decision (Nankivell, 2005). Our future is shaped by each and every decision that we make or fail to make (Barboza, 2003). In an effort to arrive at good decisions, one may overlook a vital factor, base his/her judgment on untrustworthy information, or ignore an advantageous option. Fear of making a wrong judgment may force an individual to postpone choices and thus miss opportunities.

A well structured process for decision making ensures that vital decisions are reached based on research, facts and analysis, and that they are arrived at in good time. Decision making approaches Psychological perspective, under this approach people seem to be driven by cognitive mastery mostly of their own environment. The versions are more optimistic and, or more pessimistic. When statistical procedures as well as formal logical versions are used in order to arrive at some conclusions concerning other people's behavior and the physical world, this is said to be optimistic. Pessimistic shows us as cognitive misers, its prone to an extensive range of failings of biases and judgment.

Sociological perspective is an approach where, people are seen as naive politicians. People act in a way that, they manage social world in which they inhabit. The main objective is to satisfy the area to which a person feels accountable

Techniques of Decision Making

The most vital aspect of a structured process for decision making involves recognizing and analyzing the four fundamental elements of decisions which include context, objective, options and criteria.

Context

Context describes the circumstances surrounding a particular decision e. g. a deadline or particular persons needed in the process to ensure successful results.

Objectives

Objectives imply a clear comprehension of the desired results guides the decision-making process, making it less stressful, easier and logical.

Options

Options call for considerable efforts in uncovering each and every choice available (i. e. one should not limit him/herself to a number of obvious choices), learning how each can be implemented plus its end result.

Criteria

The criterion to be applied in selecting the superlative choice is dictated by the objectives and the context. Decisions which are successful are always based on verifiable data and reliable information.

This implies that sufficient time must be spent to scrupulously research on the available options plus their implications. The effort and time spent should be proportionate to the significance of a particular decision. Personal and cognitive biases should not be allowed to creep into the decision making process as this introduces unforeseen impediments when implemented (Facione & Facione, 2007).

Decision making Procedure

Decision making which is well structured and procedural requires an analysis of the above decision components i. e.

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objectives, context, criteria and options. The analysis should be based on trustworthy data. Decision making should follow a step by step process usually accomplished in a chronological manner whilst documenting every step; this will assist in clarification of thoughts and guarantee sustained development towards a superior and timely decision (Facione & Facione, 2007). Effective decision making through the application of logic and thought, and by following the step by step procedure is advantageous in several ways. Firstly, it is inclusive in that it takes into consideration interests of every affected party. It is understandable and sensible to all interested parties.

It adds value both to an individual as well as to the organization. It is implementable and optimal both in terms of addressing the problems at hand and the results. The quality of a particular decision and the robustness of its application and implementation dictate the success (Kahneman & Tversky, 2000).