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Introduction

Decision making is an important phenomenon in any organization. It is vital to the success of entrepreneurship and for successful management of the organization. It helps in better utilization of the available resources in order to attain the objectives of the organization. Furthermore, quick and correct decisions help in solving problems and accepting new challenges, thus attaining the business growth. Other significant results of quick and effective decision making are increase in efficiency, motivating employees and facilitation of innovation. Decisions are made by strategic analysis of the business situation and taking rational decisions is necessary for the organization (Nelson & Quick, 2012).

In terms of elements that are affected in business through decision making, an example is presented that involves decisions affecting demographic diversity and cultural perceptions.

Decision making and cultural perception

In order to arrive at a decision, one has to realize that there it is necessary to make a decision. The next step is to determine the goals to be attained through the decision-making, generate alternatives which lead to attainment of those goals, evaluation of whether all alternatives meet the expectations and at last selecting the best alternative which implies attaining efficient global result. People with different cultural background have different expectations, values and norms that in turn affect the potential judgment and decision making process (Bouyssou et al, 2010).

For instance, managers like clear guidelines so as to aid their process of

decision making. Presence of a list of rules that cites prohibitions as well as allowed practices proves to be quite effective in decision making by the manager. However, such list is not able to guide the cross-cultural ethical interaction. Gift-giving is not prohibited in various societies. However, in some societies giving a gift can be ethical or unethical. In China, choosing a small and careful gift in business is regarded as a form of respect and helps in building business relationships. However, the problem can arise if the receiver does not trust the motives of the giver. Therefore, a business professional has to take cultural perception into consideration before making the decision that involves cultural sentiments (Halverson & Tirmizi, 2008).

Demographic diversity

There is an increase in the diversity of work teams with changing workforce demographics which in turn affects the decision making teams. Work teams are diverse in terms of national origin, ethnicity, race, area of expertise, etc. In organizational forms, there is diversity such as global operations, inter-organizational alliances, etc. When a team is heterogeneous, it produces more innovative and unique solutions to the problem (Halverson & Tirmizi, 2008). This result can be attributed to the difference in perspectives from which a problem or challenge is faced by different team members and also in terms of experience that that is faced in relevant situations. For instance, in Google Inc., there is focus on diversity in teams and decisions are made in a quick way by taking into consideration opinions of all members of the team through Google moderators (Google's Secrets Of Innovation: Empowering Its Employees, 2013).

Conclusion

Decision making is one of the most important mechanisms in business organizations to attain their specified goals and objectives. A decision is made by taking various factors into consideration and also affects various elements, such as cultural perception and demographic diversity. Therefore, it is necessary for managers to take all elements well into consideration before a decision is made.

References

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