

Management
decision making
process commerce
essay



**ASSIGN
BUSTER**

Decision making process is an important part of new era management. This is the main function of management where the manager responsibility to make a best decision. As define by Baker et al., (2002) in their study, " efficient decision-making involve a series of steps that require the input of information at different stages of the process, as well as a process feedback." Managers also should have to involve and reponsibles in ensure the decision making in short-term and immediate goals are aligned to the oraganization's long term objectives. It is also supported by Schwarber (2005) study stated that, it would be a superoir managers responsible to develop decision making in management strategic and decide whom should be involved in the manaement decision making process. Daft (2010) claimed that the model of strategic management in decision making process were developed by Kepner and Tregoe in 1979. This model was also supported by other study Harrison (1996), and Lunenburg (2010) in applying Kepner and Tregoe's decision making process model, (Harrison, 1996; Lunenburg, 2010; Mcshane & Glinow, 2010). The function of decision making is to setting managerial objective, searching for alternative, compare and evaluate alternative (Harrison, 1996). According to the rational model, the decision making process can be illustrate into six steps (Lunenburg, 2010). See Figure 1:

The first component of decision making process is recognizing the requirement of decision. The requirement can be as a problem or opportunity. A problem can be occurs when the company or organization performance are below their target and unsatisfied. An opportunity will occur when the manager see the good potential to make their achievement exceed

their target. Effective leaders would recognize problem situation and play a vital role in coming up with the best possible solution in the decision making process, (Schwarber, 2005). The process of identifying problems requires to be alerted and pay attention towards the internal and external environment, that would be affect the organization directly or indirectly. The external environment would be provided the information towards organizations in assessing their strengths and weaknesses of the organization along with the opportunities and threats in the external environment (Harisson, 1996). Problem situation plays a major role in subsequent steps, thus managers must determine and define the problems situation specifically in achieving the desired outcomes (Lunenburg, 2010). Besides, managers need to recognize the conflicts happened in the organization promptly to makes the effectiveness of management decision making by take in account the element of the internal and external environment (Elbanna, Ali, & Dayan, 2011). Problem situation plays a major role in subsequent steps, thus managers must determine and define the problems situation specifically in achieving the desired outcomes (Lunenburg, 2010). For example, the manager of Sugar Bun and other top management are analyse the causes of their business are running with less customer compared to KFC. They also have to recognize the main factors of what and why the problems had happened.

After recognized the problems in organization, the second step is generate the alternatives of the recognized problems. In generating the alternatives they should involve numbers of person to help the manager in obtain the needed information, come up with the creative alternative and gain

comment (Schwarber, 2005). This is because in this step manager should have generated as many alternative of action as possible to solve the problem. This actually can be done by brainstorming. One of these techniques in brainstorming process is brain writing (Brown & Paulus, 2002). A study by Wang (2000) found that in brain writing, group members wrote their ideas on a piece of paper and passed them on to the next group member, who read the ideas, added his or her on idea and passed the paper on. However, there are a few other techniques that can be used in order to accomplish brainstorming process such as mind mapping, restating purposes and weaving points across topic The more important the decision toward the organizations, thus it would be lead the more in developing alternatives in achieving the solution of the recognized problems (Lunenburg, 2010). In the situation of company Sugar Bun, after they recognized the poor services as the main problems, the top managements will delegates the task to employees to do brainstorming in creates as many as possible of the alternatives to solve these problems. The potential for generating a lot of ideas is one of the reasons for group brainstorming become the most favourable option for Sugar Bun to choose the best alternative for their recognized problems.

Third step in decision making process is evaluates the alternatives in achieving the organization desired outcomes. This step is important to choose the best alternative. In this step, management can rate their alternative and analyse the alternative of causes and effects of choosing among these alternatives (Harrison, 1996). The alternative that is chosen must be acceptable to those who must live with the consequences of the

decision. In the Sugar Bun's business situation, after they describes all the alternatives in solving the recognized problems, they will evaluate each of the alternatives and select the most promising of several alternative course of action. Sugar Bun rates the alternatives based on what is most important and that would be attract customers to come to their restaurant.

The fourth step is choosing an alternative. Managers would evaluate the requirements and generate alternatives in achieve the desired organization's goal, (Baker et al., 2002). The basic judgment should be close to the outcomes or the consequences of the alternative come to achieve the desired goals of company, (Lunenburg, 2010). Among of these alternatives, they found that they should either give more training to their staff or improve the facilities in Sugar Bun Restaurant. This is the alternatives they should be considered in solving the service problems in Sugar Bun. Normally, manager was choosing the decision with the least amount of risk and uncertainty. For example, Sugar Bun are choosing the first alternative to solve the problem which is they have to improve the training to their staff. This alternative can make the customer satisfied with the service and will come to their restaurant again.

The fifth step in decision making process is implementing the alternative. Implementing the decision making process is to transform an abstraction into a reality operation in achieving the outcome (Harrison, 1996). A sound decision can fail if implemented poorly, (Lunenburg, 2010). This is the process where the management apply the alternative to their staff or subordinates. All staff who was involved with this decision must know their role to make the best outcomes. To make the employees understand their

<https://assignbuster.com/management-decision-making-process-commerce-essay/>

roles, managers must explain the procedures, rules and the detail about their objective to help them to participate in the problem solving decision. For the example of Sugar Bun, the upper echelons will implement the chosen alternative toward the employees in giving training to enhance their job performance, thus indirectly it will favourably affect the customers satisfaction in receiving good service quality.

The evaluating decision effectiveness in decision making process is the final step. The implementing of alternative had to be monitored. An outcome is a consequence of decision making in choosing the given alternatives, (Harrison, Pelletier, Harrison, & Pelletier, 2005). It is normally involve significant change in organization and may be also affects it stakeholders. An evaluation step should provide feedback on how well the outcome of the decision is being implemented, and the necessary adjustments are required to align with the organization desired goals (Lunenburg, 2010). Manager should gather the information to determine the successful or effectiveness of the decision. Lunenburg (2010) also stated that the evaluation is important because decision making is a continuous, never-ending process. For example, in Sugar Bun case, the manager has to observe the positive change in their daily operation in dealing with customers after the implementation of the decision done. The manager would retrieve feedbacks from customers as monitor the new alternative of problem solving in order to achieve the desired outcomes.

As the conclusion, decision making is a process involving choices. The process generally consists of several steps: identifying problems, generating alternatives, evaluating alternatives, choosing an alternative, implementing <https://assignbuster.com/management-decision-making-process-commerce-essay/>

the decision, and evaluating decision effectiveness (Lunenburg, 2010). Every step in decision making process is important and managers have to consider it. This is because management goals or targets cannot be achieved without proper decision making process.