

DECISION MAKING MEANING

- **Decision Making Meaning:-**

Decision-making can be defined as the process of selecting a right and effective course of action from two or more alternatives for the purpose of achieving a desired result. Decision-making is the essence of management.

1. Better Utilisation of Resources:-

Decision making helps to utilise the available resources for achieving the objectives of the organisation. The available resources are the 6 Ms, i.e. Men, Money, Materials, Machines, Methods and Markets. The manager has to make correct decisions for all the 6 Ms. This will result in better utilisation of these resources.

2. Facing Problems and Challenges:-

Decision making helps the organisation to face and tackle new problems and challenges. Quick and correct decisions help to solve problems and to accept new challenges.

3. Business Growth:-

Quick and correct decision making results in better utilisation of the resources. It helps the organisation to face new problems and challenges. It also helps to achieve its objectives. All this results in quick business growth. However, wrong, slow or no decisions can result in losses and industrial sickness.

4. Achieving Objectives:-

Rational decisions help the organisation to achieve all its objectives quickly. This is because rational decisions are made after analysing and evaluating all the alternatives.

5. Increases Efficiency:-

Rational decisions help to increase efficiency. Efficiency is the relation between returns and cost. If the returns are high and the cost is low, then there is efficiency and vice versa. Rational decisions result in higher returns at low cost.

6. Facilitate Innovation:-

Rational decisions facilitate innovation. This is because it helps to develop new ideas, new products, new process, etc. This results in innovation. Innovation gives a competitive advantage to the organisation.



7. Motivates Employees:-

Rational decision results in motivation for the employees. This is because the employees are motivated to implement rational decisions. When the rational decisions are implemented the organisation makes high profits. Therefore, it can give financial and non-financial benefits to the employees.

COMMITTEE AND GROUP DECISION PROCESS

1. Identify the Problem:-

The first step in the process is to identify the problems to be solved

2. Developing Alternatives:-

Through different sources like experience, practices in other groups, and ideas & suggestions from different parties involved.

3. Evaluating the Alternatives:-

To know their plus & minus points, & then the most appropriate alternative is selected.

4. Implementation & Monitoring the Decision:-

Implementation of selected alternative, checking with reference to the expectations, & making required corrections, if any.