

УДК 330.534

A. Kaplina,
PhD in Economics, Associate Professor of the Department of Management,
Marketing and Information Technologies, Kherson State Agrarian and Economic University
ORCID ID: <https://orcid.org/0000-0001-6714-797X>

DOI: 10.32702/2306-6814.2024.6.85

IMPROVING THE PROCESS OF MAKING AND DEVELOPING MANAGEMENT DECISIONS

А. І. Капліна,
к. е. н., доцент кафедри менеджменту, маркетингу та інформаційних технологій,
Херсонський державний аграрно-економічний університет

УДОСКОНАЛЕННЯ ПРОЦЕСУ ПРИЙНЯТТЯ І РОЗРОБКИ УПРАВЛІНСЬКИХ РІШЕНЬ

Managers of various institutions have to consider many alternatives to possible operations in order to find the right solution for the given situation. In order for a business to exist and function well, a manager must be able to choose an objective decision from various options. Making a managerial decision is a rather important step in the management activities, implementation of various relationships and leadership abilities of any manager. The results of managerial and organizational activities are usually considered to be acceptable management decisions. The management process is associated with the stable development of management decisions and their adoption. Improving the movement towards making fair and reasonable decisions in times of exceptional difficulties is achieved by applying a scientific approach to this process, models and quantitative decision-making methods.

A decision is a type of movement that consists of a series of separate actions and operations. Its force factor is considered one of the guidelines in the process of learning and decision-making.

The need to make decisions permeates everything that a leader does, formulating missions and executing them. The apparent relevance of this activity is determined directly from the data. In the process of management, situations always arise when managers at all levels are faced with the need to choose an alternative job. Formation and approval of decisions is the main type of management activity and determines the further general management process, especially the final result of management activities.

The relevance of this paper is that management decisions play an important role in the activities of any company, so knowledge and understanding of the processes of their adoption is of particular importance in the Ukrainian reality. These are effective, high-quality management decisions that serve as a source of business development and competitive advantage. A management decision is a choice of a method of action that guarantees the achievement of a management goal. It is a deliberate choice of one of the possible options for behaviour, i.e., an action based on the criteria of different alternatives.

У роботі автор уточнила, що керівники різних установ повинні розглянути безліч альтернатив можливим операціям, щоб знайти правильне рішення для наданої ситуації. Щоб бізнес добре існував і функціонував, менеджер повинен мати можливість обирати об'єктивне рішення з різних варіантів. Прийняття управлінського рішення є доволі важливим кроком в управлінській діяль-

ності, реалізації різноманітних стосунків та лідерських здібностей будь-якого менеджера. Результати управлінської та організаційної діяльності зазвичай вважаються прийнятними управлінськими рішеннями. Процес управління пов'язаний зі стабільним розвитком управлінських рішень та їх прийняттям. Поліпшення руху до прийняття справедливих і обґрунтованих рішень у моменти виняткових труднощів досягається за рахунок застосування наукового підходу до цього процесу, моделей і кількісних методів ухвалення рішень.

Рішення — це тип руху, який складається із серії окремих дій та операцій. Його силовий фактор вважається одним з орієнтирів у процесі навчання та прийняття рішень.

Менеджером є лише той, який ухвалює організаційні рішення або реалізує їх через інших людей.

Необхідність ухвалювати рішення пронизує все, що робить лідер, формулюючи місії та виконуючи їх. Очевидна актуальність цієї діяльності визначається безпосередньо з даних.

У процесі управління завжди виникають ситуації, коли менеджери усіх рівнів стикаються з необхідністю вибору альтернативної роботи. Формування та затвердження рішень є основним видом діяльності менеджменту і визначає подальший загальний процес управління, особливо кінцевий результат управлінської діяльності.

Актуальність даної роботи полягає в тому, що управлінські рішення відіграють велику роль у діяльності будь-якої компанії, тому знання і розуміння процесів їх прийняття має особливе значення в умовах української дійсності. Це ефективні, якісні управлінські рішення, які слугують джерелом розвитку бізнесу і конкурентної переваги. Мета — проаналізувати організацію процесу прийняття управлінських рішень на підприємстві і дати рекомендації щодо оптимізації цього процесу.

Key words: management decisions, enterprise, manager, leader, economic indicators, statistical analysis.

Ключові слова: управлінські рішення, підприємство, менеджер, лідер, економічні показники, статистичний аналіз.

PROBLEM STATEMENT

A management decision is a choice of alternatives in the process of performing basic management functions. Management decisions are creative and voluntary influences of management issues aimed at achieving goals based on knowledge of the objective regularity of the managed system and analysis of management information about the system. Systems and processes are subject to management decisions. The targets of management decisions are the management subsystems of organisations and production systems, as well as the people who make these decisions.

In order to truly realise the impact of the goals on the managed object, the decisions made (depending on the established indicator, difficulty and duration of the process) are formalised in the form of a proper action programme. The programme contains a list of activities, sales methods, working conditions and limits, the number of contractors required and the funds needed, the required results and performance indicators.

This programme identifies the location of the production units in the process of achieving the goals. This work and the resources of the structural department coordinate and link both space and time. This decision traditionally had a directive character, a signal and an impulse to activate the production group [1, p. 12].

ANALYSIS OF THE LATEST RESEARCH AND PUBLICATIONS

In this article, due to its limiting factor, we will consider the first two areas of research. In the theory and practice of management, it has become axiomatic that managerial decision-making is an important part of any management activity. In particular, the team of authors led by N.A. Tsirelchuk notes: "...the main tool and criterion, the leading intellectual means and product of management is an independently made management decision in an individual or joint form" [3, p. 82—83]. And further: "In different scientific concepts, decisions are characterised as a qualification that permeates them (P.G. Shchedrovitsky); an integral indicator of professional competence (A.I. Kitov); the essence, the core of management activity (G.A. Simon, J.W. Duncan); the main intellectual product of management (Y.D. Krasovsky)" [3, p. 83].

TASK STATEMENT

The relevance of this paper lies in the fact that management decisions play an important role in the activities of any company, so knowledge and understanding of the processes of their adoption is of particular importance in the Ukrainian reality. These are effective, high-quality management decisions that serve as a source of business development and competitive advantage.

The purpose of the article is to analyse the organisation of the management decision-making process at an enterprise and to give recommendations on how to optimise this process.

It is necessary to analyse the theoretical foundations of the organisation of the management decision-making process in a company; to study the concept, essence and content of management decisions, to distinguish the stages of development and decision-making; to analyse the organisation of the management decision-making process; to formulate recommendations for companies on optimisation of the decision-making process [10].

PRESENTATION OF THE MAIN RESEARCH MATERIAL

A management decision is a choice of alternatives in the process of performing basic management functions. Management decisions are creative and voluntary influences of management issues aimed at achieving goals based on knowledge of the objective regularity of the managed system and analysis of management information about the system. Systems and processes are subject to management decisions. The targets of management decisions are the management subsystems of organisations and production systems, as well as the people who make these decisions.

In order to truly realise the impact of the goals on the managed object, the decisions made (depending on the established indicator, difficulty and duration of the process) are formalised in the form of a proper action programme. The programme contains a list of activities, sales methods, working conditions and limits, the number of contractors required and the funds needed, the required results and performance indicators.

This programme identifies the location of the production units in the process of achieving the goals. This work and the resources of the structural department coordinate and link both space and time. This decision traditionally had a directive character, a signal and an impulse to activate the production group [10].

Alternative and selective concepts. The Encyclopaedic Dictionary deconstructs an alternative as "each of the mutually exclusive possibilities" and "the need to choose between mutually exclusive possibilities". In this case, an option means modification, variation (further development of the project plan).

As a result, the choice of alternatives is actually a choice of the direction of the decision, and the choice of options is a choice of how to implement the chosen alternative [9].

These two terms are used in decision-making theory and practice.

The more correct term is "alternative". Characteristics of managerial decision-making and its difference from other types of decision-making. Management decision-making has aspects that are typical for all decisions made by people, regardless of their scope (presence or absence of conscious and purposeful choice), and aspects that are specific to management decision-making (process).

Thus, leadership decision-making is a creative act in which the subject of leadership, based on knowledge of objective laws and experience, influences the object purposefully and leads to practical results.

The fact that even when developing formal models, decision-making is a creative process, since the version of the decision obtained with the help of the model is not final, allows us to consider managerial decision-making as a creative act. The result is released for implementation, communicated, discussed, and analysed in terms of factors that were not taken into account in the formal description of the problem [10].

In the process of decision-making, managers consciously apply knowledge and experience, on which human decision-making inevitably depends.

The presence of subjectivity in managerial decisions is not a negative phenomenon, as long as the objective aspect, one's perceptions and the correctness of one's knowledge prevail [9, 10].

Decision-making is the analysis of forecasting the process and assessing the circumstances, and then choosing the best option to achieve the goal.

This process consists in influencing the managed object, its formation and implementation using various methods and technical means, depending on the specific technology, in order to resolve the impact of a particular business situation. From an organisational point of view, this process is a series of steps that naturally occur in a certain time sequence and logical order, and there is a complex relationship between them. Each step follows a specific workflow to develop and implement a solution. This system of repeated actions is often referred to as a solution development and implementation technology [4].

At each level, managers have to deal with a huge number of decisions. Some decisions are the same as before, some are completely new, but some are so important that they require careful consideration. Sometimes decisions need to be made alone, and sometimes in collaboration with other people [4, 5].

Stages of decision-making Due to the large number of commonalities in typical decision-making processes implemented in different fields of activity, there is a need for a general "standard" decision-making process framework that establishes the most appropriate actions and set of actions in the decision-making process. The programme should be seen as the most logical and appropriate way to manage actions in the context of recurring problems, rather than as a strict algorithm for making and adopting administrative decisions.

If a significant difference is detected between the intended (or planned) value of a system parameter and the observed value, the problem is diagnosed. Let's now look at the stages of decision-making in more detail.

Diagnosing a problem means identifying the cause of the problem, determining at what level of the system it occurs (at the level of functions, structure, performance parameters), analysing and eliminating the values and relationships between the parameters of an organisation or production system and the market environment, as well as changes in these relationships. Diagnostics should be based on the knowledge of the function, general structure and parameters of the object of management during normal operation [6].

Large organisations face fewer constraints than smaller organisations, which face many constraints.

Managers need to define criteria for evaluating alternatives. Companies may have the following criteria:

- Product quality.
- The wholesale price.
- Terms of order fulfilment.
- Company image.
- Additional services.

When determining the choice of solution, it is also important to consider the priority of the standard. Ideally, the identification of alternatives is necessary to determine all possible solutions to the problem [7].

For this purpose, the morphological mapping technique is often used. This requires a thorough analysis of a complex problem and a variety of genuinely different alternatives.

Evaluation of alternatives During the evaluation of alternatives, pros and cons and possible consequences of these choices are identified. Trade-offs must be considered in almost every important decision [7].

Selection criteria, set by constraints and conditions, are used for comparative decision-making. Selection criteria can be quantitative or qualitative. Alternatives that do not meet one or more of the established standards are considered impractical.

All solutions should be presented in an equivalent format. It is best to do so in the same format as the objective. In addition, a successful administrative solution must meet the following conditions:

- The executor is sufficiently motivated.
- The possibility of the executor's understanding of the decision being distorted is prevented and the associated risk of harm is eliminated [7].

The key point in evaluating solutions is to determine the likelihood that each solution will be implemented properly.

Taking into account the degree of uncertainty and risk, managers incorporate probability into their assessments. The following sections discuss some of the most important aspects of decision-making under uncertainty and risk.

Selecting alternatives As management carefully considers the initial decision-making stage and considers and evaluates the alternatives, management will select the alternative with the most favourable evaluation and outcomes. Unfortunately, the best solution may not be found because of time constraints or the inability to consider all relevant information and alternatives. Therefore, the manager naturally chooses the most acceptable solution, which may not always be the best.

Feedback (actions after the decision is made). After the decision is made, feedback should be tracked to ensure that the actual outcome is in line with the plan at the time of the decision. At this stage, the effectiveness of the decision is measured and evaluated, and the actual results are compared with the outcomes that the manager wants to achieve. Feedback is information about what happened before, during and after the implementation of a decision. This allows managers to change operations without causing major losses. What all decision-making processes have in common is how to provide the organisation with a basis for decision-making.

If the problem situation is unclear and the solution is unclear, then the steps and actions to reach the solution should be articulated in the decision-making process.

A highly effective decision-making method can also be the use of a "decision tree".

All responsible employees in the decision-making process must find compromises between the benefits received from the adopted decree and possible negative consequences.

By and large, this is the ability to find the best compromise option. It is necessary to understand that the purchase of one of them almost always leads to a decrease in the quality of the other. Such a decision in favor of higher quality products may lead to increased costs; naturally, some consumers will be satisfied.

A quality control system makes it possible to improve the quality of products produced, reduce the number of announcements, but at the same time, continuous work to improve quality can be quite tiring that employees can become frustrated, as a result of which you can expect an increase in staff turnover and absenteeism, as well as a decrease in productivity .

Such negative consequences are important for the general manager to consider in the decision-making process.

The immediate problem of making decisions for the greatest total profit is weighing the cons against the pros.

1. The CEO should more often delegate his authority to his employees when making decisions.

If the right to make decisions belongs to one person, it is very difficult to succeed in making decisions — the director.

The desire to do and decide everything independently requires limitation of possibilities. In addition to their physical abilities, the problem of solving problems should be sought precisely in the scheme of powers.

2 It is important to use cross-functional functional groups in which the employees who are part of them are selected from the different departments and levels of the company they use.

3 This is also important when deciding whether to use direct horizontal connections.

This means that at the initial stage of direct decision-making, information is collected and processed without recourse to higher management. This approach enables increased responsibility for decision-making in less time and implementation of the decisions made.

4. When making decisions, it is necessary to clearly observe the centralization of management.

It is important that the decision-making process is in the hands of the leader. In this case, a decision-making hierarchy is created, that is, each lower leader solves his problems with his direct management, and not with senior management, bypassing his higher leadership.

CONCLUSIONS FROM THE STUDY

A management decision is a choice of a method of action that guarantees the achievement of a management goal. It is a deliberate choice of one of the possible options for behaviour, i.e., an action based on the criteria of different alternatives. As a rule, providing and analysing information about the decision-making process allows us to study the following personalities: decision-making is a process that is a certain sequence of interrelated steps. Different steps and decision-making are predicted by information gathering, processing and criticism; all steps and decision-making are basic: difficulties of understanding, information gathering, identification of detection

alternatives, boundaries, criteria and decision-making; Decision-making is represented as a system of active persons responsible for decision-making. The decision-making process is seen as a system of active decision-makers. This applies to the organisation of law, audit and human business.

This paper has achieved the following research objectives:

- 1) to analyse the theoretical foundations of organisation of the decision-making process at an enterprise;
- 2) to study the concept, essence and significance of management decisions, to identify the stages of development and decision-making;
- 3) to analyse the organisation of the process of making managerial decisions at an enterprise;
- 4) to formulate recommendations for the enterprise to optimise the decision-making process.

The company discussed the management decision-making process. The analysis of the decision-making process shows that when deviations arise due to unexplained factors when executing the instructions of managers, middle managers must make changes. Social and psychological aspects are not taken into account. The disadvantages include the lack of a unified approach to the process, which can lead to disagreements and inconsistencies in decision-making.

In addition, it is important to obtain data from different resources. This will allow you to take into account the interests of different parts of the company and make informed decisions. If the information is not received in a timely manner, time may be wasted, wrong decisions may be made, negative social consequences may arise, and the results obtained may not be as desired.

In assessing business performance, it should be noted that most economic performance indicators have declined, with only labour productivity and capital investment increasing. This indicates that there is a problem with the decision-making process of managers. Fewer managers means more work for each of them, less time for decision-making and fewer opportunities for detailed analysis of relevant information. At the same time, the information received from employees themselves is not used effectively.

This makes gathering information and investigating the situation ineffective. The fact that direct decisions are not fully implemented in the organization indicates that the management system is becoming more and more time-consuming. When this decision is implemented, labor productivity increases, which indicates that employees are ready to work. In addition, high-tech equipment contributes to the effective implementation of solutions. With the effective implementation of management decisions, significant personnel problems arise. The disadvantage of effective application are some indicators of social efficiency. At this stage, we can say that there is not enough time for their control. This can be equated to a high workload for managers. Due to the lack of strict controls, decisions are made without guidance and it is unclear whether the desired results are being achieved.

Література:

1. Вітлінський В.В. Моделювання економіки. Київ, 2003. 408 с.

2. Lucas R. On the mechanics of economic development. *Journal of Monetary Economics*. 1988. № 22. P. 3—42.

3. Клейнер Г.Б. Производственные функции: Теория, методы, применение. М.: Финансы и статистика, 1986. 239 с.

4. Cobb C.W., Douglas P.H. Theory of Production. *American Economic Review, Supplement*, 1928. P. 139—165.

5. Пиндайк Р.С., Рубинфельд Д.Л. Микроэкономика. М.: ДЕЛО, 2001. 808 с.

6. Марасанов В.В., Пляшкевич О.М. Основи теорії проектування і оптимізації макроекономічних систем. Херсон: Айлант, 2002. 190 с.

7. Лобода О.М., Кириченко Н.В. Актуальні проблеми ідентифікації та моделювання структури управління підприємством. *Наука й економіка*, 2015. № 3. С. 130—134.

8. Лобода О.М., Кухаренко С.В. Вирішення задачі синтезу організаційної структури. *Таврійський науковий вісник ХДАУ*. Херсон, 2010. Вип. 71. С. 272—277.

9. Капліна А. та Кириченко Н. Крос-культурні аспекти управління персоналом. *Ефективна економіка*. 2020. Вип. 10.

10. Капліна А.І. Управлінські рішення як інструмент управління організацією. *Ефективна економіка*. 2023. № 5. <https://doi.org/10.32702/2307-2105.2023.5.46>

References:

1. Vitlinskyi, V.V. (2003), *Modeliuvannia ekonomiky [Modeling of economy]*, Naukova dumka, Kyiv, Ukraine.

2. Lucas, R. (2011), "On the mechanics of economic development", *Journal of Monetary Economics*, Vol. 22, pp. 3—42.

3. Klejner, G.B. (1986), *Proizvodstvennye funktsii: Teoriya, metody, primenenie [Production functions: Theory, methods, application]*, Finansy i statistika, Moscow, Russia.

4. Cobb, C. and Douglas, P. (1928), "Theory of Production", *American Economic Review, Supplement*, Vol. 1, pp. 139—165.

5. Pindajk, R.S. and Rubinfel'd, D.L. (2001), *Mikro-jekonomika [Microeconomics]*, Moscow, Russia.

6. Marasanov, V.V. and Pliashkevych, O.M. (2002), *Osnovy teorii proektuvannia i optymizatsii makroekonomichnykh system [Foundations the theory design and optimization of macroeconomic systems]*, Kherson, Ukraine.

7. Loboda, O.M. and Kyrychenko, N.V. (2015), "Current problems of identification and modeling of enterprise management structure", *Nauka y ekonomika*, Vol. 3, pp. 130—134.

8. Loboda, O.M. and Kukharenko, S.V. (2010), "Solving the problem of synthesizing the organizational structure", *Tavriiskyi naukovyi visnyk*, Vol. 71, pp. 272—277.

9. Kaplina, A. and Kyrychenko, N. (2020), "Cross-cultural aspects of human resources management", *Efektivna ekonomika*, Vol. 10.

10. Kaplina, A.I. (2023), "Management decisions as a tool for managing an organization", *Efektivna ekonomika*, Vol. 5.

Стаття надійшла до редакції 26.02.2024 р.