

Decision Making Frameworks and Tools Used in the Management of an Organisation

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Introduction

Success in any business, regardless of size, is largely dependent on the caliber of decisions it makes. Making decisions involves choosing the best option from a variety of options; it is not just a normal managerial duty. Decisions affect an organization's effectiveness, sustainability, and direction. These decisions range from daily operational choices to long-term strategic planning. Organizational decisions can be broadly categorized as either programmed or non-programmed. Routine and repetitive, programmed choices are frequently made by lower-level management utilizing predetermined protocols. Non-programmed decisions, on the other hand, are complicated, unstructured, and usually handled by upper management; they call for more in-depth research, ingenuity, and discretion.

Organizations are depending more and more on decision-making frameworks and tools to deal with such complexity. These frameworks serve as structured "skeletons" or guides that assist managers in minimizing biases, evaluating options, and thinking methodically. Every framework gives a different perspective for comprehending and resolving issues, ranging from intuitive methods like the 10-10-10 rule and value-based decision-making to formal systems like Six Thinking Hats, SWOT analysis, decision matrices, and Pareto analysis. The emergence of digital technologies has also changed how decisions are made. Organizations may make decisions more quickly, accurately, and inclusively thanks to tools like collaborative software, artificial intelligence, data analytics platforms, and decision support systems. Nevertheless, despite these developments, making decisions still requires a careful fusion of human intuition and logical analysis, making it both an art and a science.

Decision making

It is the process of consciously choosing the best one among the available alternatives of judgements. There are generally two kinds of decisions in the organization one is programmed and second is non-programmed decisions taken and supervised by the lower-level and top-level management respectively.

Why Making Decisions is More Important Than Ever: Today's organizations work in complex, uncertain, and

rapidly changing contexts. Managers have to simultaneously balance data, stakeholder expectations, risks, and intuition.

Bad choices can result in

1. Less profit
2. Opportunities lost
3. Inefficiencies in operations

Conversely, organized decision-making can:

1. Boost output
2. Promote Creativity
3. Develop enduring resilience

Decision-making frameworks are useful in this situation.

Framework

This is a skeleton or internal frame of structure followed by a top-level management to make or take decisions.

1. 10-10-10 decision making

It was given by the Suzi Welch, renowned author & motivational speaker on April 14, 2009, in her book called "10-10-10: A life Transforming Idea".

It is a transformative approach to keep your team engaged and productive as well. It is the process of evaluating the consequences of our decisions over three different timeframes, including enables managers to make well versed decisions while optimizing their long-term results. It helps in identifying the effects of decisions over 10 minutes, impact over 10 months, long-term legacy over 10 years in the industry or individual life.

2. Personal Values

She had stressed the importance of aligning with personal values before using this tool for making decisions. "If you are living by your values, you are living an authentic life. And authenticity equates happiness." For instance, honesty and respect are known to be good personal values that could act as guiding principles or lens before making decisions.

3. Six Thinking Hats

It was developed by Edward de Bono in 1985 in his book called six thinking hats, is a structured method for group discussion and individual thinking, six metaphorical

hats relieving about a different type of thinking in decision making and the colours indicating different nature of it.

Gist of the method

1. **Blue Hat:** “the Conductor’s Hat”: it focuses on controlling and directing your thinking and managing the decision process
2. **Green Hat:** “the Creative Hat”: it is exploring a wide range of ideas and possibilities in a newest/creative way
3. **Red Hat:** “the Hat for the Heart”: it expresses emotions such as feelings, tone, instincts, happiness, sadness without having justify them logically
4. **Yellow Hat:** “the Optimist’s Hat”: positive outlook in seeing the problems and accentuate the benefits from your ideas
5. **Black Hat:** “the Judge’s Hat: it relies on assessment of risks, cautions and do the critical judgement and explain why you have any concerns
6. **White Hat:** “the Factual Hat”: it deals with the knowledge and insights that you’re already collected and seeking out for the missed information.

4. SWOT evaluation

SWOT analysis, one of the most straightforward yet effective tools, stands for:

1. Strengths
2. Weaknesses
3. Opportunities
4. Threats

It is perfect for strategic planning since it enables firms to comprehend both external circumstances and internal capabilities.

5. Matrix of Decisions

A decision matrix facilitates the evaluation of different possibilities according to several criteria. Because each choice is weighted and scored, it is simpler to: Give alternatives top priority, minimize prejudice and Make choices that are clear.

6. Pareto Analysis (80/20 Rule)

This principle suggests that 80% of results come from 20% of causes.

Organizations use it to:

- Identify key problems
- Focus on high-impact areas
- Optimize resource allocation

Contemporary Instruments in Decision-Making

In addition to frameworks, companies are depending more and more on digital tools and technology to improve the quality of their decisions.

1. **Data Analytics Tools:** Data-driven decision-making is made possible by tools like dashboards and analytics platforms, which assist in converting unprocessed data into insightful knowledge.
2. **Artificial Intelligence (AI):** AI programs are able to:
 - i. Forecast trends
 - ii. Recommending Actions
 - iii. Make regular judgments automatically

This is very helpful in fields like supply chain management, marketing, and finance.

3. **Decision Support Systems (DSS):** These computer-based tools help managers tackle challenging issues by combining: Data models and analytical instruments

4. **Platforms for Cooperation:** In order to ensure that a variety of viewpoints are taken into account, modern businesses rely on systems that support team-based decision-making.

Difficulties in Organizational Decision-Making

1. Overload of information
2. Subjectivity and bias
3. Time constraints
4. Conflicting interests of stakeholders

Ideas for Overcoming Decision-Making Challenges

1. **Pay Attention to Relevant Information:** By screening and utilizing only pertinent, trustworthy facts when making decisions, you may prevent information overload.

2. **Make Use of Structured Frameworks:** Use techniques like decision matrices and SWOT analysis to lessen bias and make complicated situations more understandable.

3. **Promote Team Involvement:** including a variety of stakeholders produces a range of viewpoints and results in more well-rounded decisions.

4. **Make Use of Technology:** Make quicker and more precise decisions by utilizing data analytics and decision support tools.

5. **Keep Intuition and Logic in Check:** for successful decision results; integrate analytical thinking with judgment and experience.

Conclusion

Any organization's ability to make effective decisions

is essential to its success and long-term viability. Managers are better able to analyze problems and select the best options when they employ organized frameworks and contemporary technologies. Methods like Pareto analysis, SWOT analysis, and decision matrices increase productivity and decrease uncertainty. Simultaneously, digital tools like artificial intelligence and data analytics improve decision-making speed and accuracy. But no instrument can take the place of human experience and judgment. Better results come from a well-rounded strategy that incorporates reasoning, intuition, and suitable frameworks. In the end, effective decision-making helps businesses to develop, adapt, and maintain their competitiveness in a changing environment.

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