

## SOME REALITIES OF DECISION MAKING PROCESS IN AN ORGANIZATION

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### ABSTRACT

In our day-to-day activities, decision making is unavoidable; this is because it is a vital instrument that may move one forward or backwards. As it implies, the battle of choosing between two or more alternatives, then at end of this executive choice, there unfolds another crucial problem known as implementation. That is to say, is not enough to select among alternatives, but to implement it is the seeming ultimate point. Therefore, this write up, is an attempt to bring into focus, the fundamentals and realities, of decision making process. The paper tries first and foremost to examine the nature of organizations and administration as they are critical instruments that are determinants and context within which a manager takes a decision. Thereafter, the paper presents the management and decision making process.

**Keywords:** DECISION MAKING, ADMINISTRATION AND ORGANIZATION, MANAGEMENT PROCESS AND DECISION MAKING

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## INTRODUCTION

Decision making is such a vital component of organizational life and management process that some scholars and management practitioners have been tempted to equate decision making, with management itself. This is because at virtually all levels of management be it at the strategic apex, the middle and the lower levels, cumulative decisions which effect or determine the survival or the collapse of the organization are always being made by managers whether in politics, government or business, Thus when a country decides to go to war with its unpredictable consequences for its citizenry and commit its people hard earned scarce resources to such a volatile venture it is nothing but the product of a decision made by its political elite. Similarly, when governments or countries make monumental progress and thus improve the quality of life of its citizens, it is also product of enlightened strategic economic decisions made by those who occupy the institutions where public policies are formulated, implemented and effected. Also, whether or not businesses make giant strides and become magnificent miracles making long term profitability over investment or they become “malevolent *monsters*,” becoming bankrupt and top candidates for receivership is a function of the quality of decisions made by the managers into whose hands the shareholders or stake holders entrusted their resources/capital. Needless to mention that at the family level, the quality of decision made by the head of the family the tenacity and commitment with which they are executed is significant factor in the life of all members of that family.

## NATURE OF ORGANIZATIONS AND ADMINISTRATION

Organizations are socio-technical systems purposely created to achieve specific goals and objectives - long term profitability on investment in the private sector, efficient, effective and

economic services in the public sector: They consist of various sub-systems in which the output of one serves as an input to the other in a functionally interdependent manner in order to make the entire system a wholistic entity.

According to Nwankwo 2009, organizations accomplish objectives, which individuals cannot on their own accomplish i.e. they are able to reach goals that would otherwise be much more difficult or even impossible to reach by individuals. Organizations also preserve knowledge. As centres of excellence, universities, museum and corporations, schools, small business centres they store most of the vital knowledge that human civilizations have gathered and recorded. By so doing, they provide a continuous bridge between the past, the present, and future generation. Organizations including churches, government agencies, hospitals, corporation etc. also provide career, and therefore source of livelihood, personal satisfaction and fulfillment to employees. They also provide veritable avenues for the actualisation of our potentials.

In fact it could be said, without any iota of doubt, that we all live our lives in organizations from the cradle to the grave. Society entrusts so much of its resources to organizations and they therefore determine the quality of life of everyone both the rich and poor. To be more exact, it is the decision makers within these organizations that are being entrusted with societal resources and it is the quality of decisions they make that affect the quality of life of all and sundry. The question that therefore should be of concern to everyone is not whether or not we need organizations, (for they are inevitable) but how best we can improve the quality of decisions made by the manager within and consequently improve the effectiveness of organizations so that they can meet our needs as a polity.

## ANALYSIS OF ADMINISTRATION IN AN ORGANIZATION

Organization and administration goes hand in hand. The two concepts are important in our society today. This is because without organization, human activities will not be coordinated and is through coordinated administration that decision will be made that is to say there is need for one to give some views on what administration is, what it ought to be and tools for administration.

The term administration is a multi-dimensional concept. Individuals now tend to define administration from their personal reflections and environmental factors and personal perception. Notwithstanding how fluid the definition of administration appears to be, an attempt will be made to articulate some definition offered by many authors on the subject.

Administration covers almost every sphere of activity of human endeavour and can be taken to mean anything ranging from the directing of the affairs of an enterprise to the simple paying of monthly pensions and in doing this, several decisions need to be made.

Presthus (1962) support the explanation by saying; administration is an activity or process concerned with the means of carrying out prescribed ends. For him, administration is a process or activity to achieve a given end. According to Stephen P. Robbins (1985) follows suit by seeing administration as the universal process of efficiently activities completed with and through other people. He is of the opinion that the process is concerned with planning, organizing, leading and controlling that take place to accomplish the objectives. This definition is comprehensive and encompasses the basic elements of decision making which is in the present day-to-day administration endeavours to achieve and those not to achieve. These are, activities that must be directed towards an end, the need for efficiency as resources are limited and relevance of two or more persons before administration can take place.

Precisely, administration is inevitable in any given situation where there is a pieces of work to be done, and this piece of work require the efforts of more than one person to accomplish it, several decisions must be put in place.

Administration from the point of this paper, generally takes place in the context of organization which means in the context of a planned system of cooperative. Administration is a complex process that arises when a group of persons cooperate to enforce a set objectives under defined guidelines, a lot of crystal decisions must have taken place behind the bar. The elements inherent in the understanding of administration are:

- Administration involves more than one person
- Cooperation set objectives to be accomplished.
- There are guidelines which have to do with the implementation of policies.
- Efficiency is important in administration as resources are limited.
- Consensus must be reached (decisions)

These elements proposed that administration in an organization involves more than one person and this more than one person is men and they use various decision making steps to move the organization forward. Therefore, men needs cooperation of the internal and the external environment to accomplish set objectives of the organization which brought about decision making in an organization in other to deal with the implementation policies, man as an organizational animal work towards efficiency and effectiveness.

Haven analysed what administration is, what it ought to be and its effectiveness in decision making, it will be wise to have an analytical view points of administration in an organization.

In effect, organization means co-cooperativeness, collaboration, co-ordination and

specialisation to achieve a corporate mission. Theodore Herbert 1981, captures the picture more vividly when he said that:

*“An organization may be defined as a social and economic entity in which a number of individuals perform a variety of tasks in order to reach a common objective. This objective is typically too large or too complex for a single person acting alone to accomplish.”*

Against the backdrop of the foregoing discourse on the nature and purpose of organizations two types naturally come to mind.

- (a) Those that are able to on strive to accomplish their mission inspite of all odds. e.g. resource constraints, political interference, shortage of manpower etc.
- (b) Those that fail to achieve their corporate objective either for excusable or inexcusable reasons.
- (c). The former group that translate the dream of their owners into reality we refer to as magnificent miracles. The latter group of organizations which shatter these dreams we refer to as malevolent monsters (masters).

But more importantly is the fact that all organizations have an environment into which they pump their results (services/products) and from which they also pick their resources. Thus the two most vital ingredients of organizational life are Resources and Results. They are outside the organization but located in the environment. It is for this reason that Peter Drucker asserted authoritatively that:

*“There are no profit centres within the business, there are only cost centres, the only one thing one can say with certainty about business activity is that it consumes efforts and thereby incurs costs. Results depend not on anybody within the business nor anything outside the consumer in market economy, the political authorities in a controlled economy. It Is always somebody outside who decide whether efforts of business becomes economic results or whether they become so much waste and scrap.”*

Resources garnered into the organization are thus processed by the various cost centres -Finance, Administration, legal, marketing, supplies, production etc. into goods and services (RESTLTS) that have value outside the organization. It is because of its processing function that some prefer to refer to an organization as an

INPUT - ABSORBER  
INPUT - PROCESSOR  
OUTPUT - RELEASERS

Thus the events in the organizational environment such as: Globalisation, Economic Integration, Demographic Explosion, Educational Explosion (Knowledge Worker), Economic Explosion/Depression, Rapidly changing social values, Technology, especially computer technology, Competition, Information, Labor Union Sophistication etc.

All have direct bearing on the corporate survival of an organization. Hence scholars and students of public administration agree that every organization, regardless of its degree of complexity or age must be in constant dynamic equilibrium with the external environment so that it can be in a position of perpetual readiness to convert the Threats and Challenges out there into Opportunities and Prospects (T-COP). It is by so doing, that the organization can adapt itself to the requirements and dictates of the environment. An organization that fails to T-COP will not be able to adapt and eventually it will become an “exhibit in the museum corporate dinosaurs”.

Change and adaptability for survival are thus the crucial elements of organizational life. Let us get some views or conceptions of some scholars on some fundamental issues of decision making.

## MANAGEMENT PROCESS AND DECISION MAKING

Management Process even though it is functionally interrelated and interdependent has four broad functions. These are Planning, Organizing, Leading and Controlling. Planning involves determining the goals and objectives of the organizations and setting up the best strategy, procedures and methods for achieving predetermined goals and objectives. A plan consumes resources and it may cover periods of 10 - 20 years and in some cases, as short as 1 - 2 years which means planning might be long or short term plan. In a large multinational corporation, government and public sector agencies plans may involve commitment of billions of cedis and leones.

Once the plan, comprising of goals and strategy have been put in place, the development of an appropriate structure that would execute the plan follows. Staffing is also a major component of this organizing process. When the planning and organizing function is completed, the next immediate step is leading whereby the decision makers carefully guide the organization towards the determined objectives. This function is also called leading, or directing or motivating. What it involves basically is getting the organizational members to function and perform at a level that would help the organization achieve its determined objectives. Controlling, which is the last function of management involves:

- (a) establishing performance standards;
- (b) measuring on going performance and comparing it against the established standards; and
- (c) taking creative actions on the performance that does not meet the targeted standard.



What is, however, relevant and important to note is that in all these managerial functions decisions are being taken. For example, planning involves taking significant and far reaching decisions by the manager because it is through this process that the mission and goals of the organization are established, the amount of resources that would be committed to the achievement of these objectives, where they would be obtained, how and when? Indeed, the entire planning process compels the manager to make continuous and constant series of decisions with far reaching implications both for the organization and entire management process.

At the organizing stage, decisions are also being made about the quality of staff, when to recruit them, how to train and retain them, and procedures for discipline. Of course, managers while performing the leading or motivating function have to take decisions too on the quality of performance acceptable to the organization. This, in fact, is a vital decision because it determines the acceptability or otherwise of their products or services in the competitive environment and therefore the corporate survival or decay of the socio-technical system over which they preside.

### **MULTIPLE ROLES OF THE DECISION MAKER(s)**

From the foregoing, it could be said that Manager/Decision makers (MDM) are organizational planners, organizers, leaders and controllers, who perform the following specific roles:

- (a) It is the responsibility of the MDMs to balance through competing roles and setting priorities;
- (b) They make use of most analytically and conceptually thinking during policy formulation and decision making process.

- (c) They function as a channels of communication within the organization;
- (d) MDMs are accountable and responsible to public or the share holders.
- (e) MDMs are planners, mediators, diplomats symbols (Stone) and as well linkers of resources.
- (f) They play the role of consultants to their colleagues, peers and seniors even organizations.
- (g) They are identifiers of alternatives, system (environment) analysts and penetrators.
- (h) They prevent and solve problems through decision making.

## CONCLUSION

In the foregoing paragraphs an attempt has been made to highlight and discuss the critical role of decision making at all levels of organization and that it is the cumulative effect of these decisions that determine the corporate survival or collapse of an organization. It is the quality of decisions made by MDMs that make ‘magnificent miracles’ or ‘malevolent monsters (masters)’ of organizations and indirectly the quality of life of those that depend or consume the products or services rendered by them.

## RECOMENDATIONS

In view of the criticality of decision making by managers

1. It is mandatory that they acquire a thorough understanding of the nature, process and techniques of making decisions because of their capacity to achieve the mandate of their stakeholders or shareholders.

2. In this connection managers should make efforts to be rational, comprehensive, analytical and where applicable.
3. Using the rational comprehensive model for decision making and taking cognisance of pitfalls and its advantages.
4. The MDM should also understand the context in which decisions are made especially the overlap between politics and public sector decision making.
5. Failure to realise this inevitable overlap and its consequences can only make an otherwise brilliant and cerebral manager a frustrated decision maker.
6. Sensitivity to the external environment where the manager 'dumps' his/her results and obtain resources as it is also a crucial factor for decision making because an organization does not exist in a vacuum.
7. The MDM should also appreciate that the knowledge worker is also an important factor in decision making and implementation and therefore should consciously strive to involve him in the decision making process so as to enhance decision and its implementation.
8. In addition the MDM needs to constantly recharge his intellectual and experiential battery in order to be acceptable and earn the respect of the knowledge worker.
9. Finally the modern day decision maker should be conversant with modern management skills the most vital of which is negotiation.
10. Without a sound negotiation ability the MDM cannot readily garner or mobilise resources for the accomplishment of organizational goals and objectives, neither will he be able to obtain maximum value/utility from the scarce resources under his control.

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