
Decision making may be reviewed as the process of selecting a course of action from among several alternatives in order to accomplish a desired result. The purpose of decision making is to direct human behaviour and commitment towards a future goal. If there are no alternatives, if no choice is to be made, if there is no other way-out, then there would be no need for decision making. It involves committing the organisation and its resources to a particular choice of course of action thought to be sufficient and capable of achieving some predetermined objective.

Managers at all level in the organisation make decision and solve problems. In fact, decision-making is the process of reducing the gap between the existing situation and the desired situation through solving problems and making use of opportunities. A decision is a course of action consciously selected from available alternatives, with a view to achieving a desired goal. It is an outcome of the judgement and represents a choice and commitment to the same. It is a final resolution of a conflict of needs, means or goals made are the face of uncertainty, complexity and multiplicity. A decision is conclusion reached after consideration it occurs when one option is selected to the exclusion of others – it is rendering of judgement.

Different management scholars have defined Decision making as follows:

**George Terry**
Decision making is the selection based on some criteria from two or more alternatives.

**Heinz Weirhick and Harold Koontz**
Decision making is defined as the selection of a course of action among alternatives, it is the care of planning.

**Louis Allen**
Decision making is the work a manager performs to arrive at conclusion and judgement.

**Nature Or Characteristics of Decision Making**

Decision making is globally thought to be selection from alternatives. It is deeply related with all the traditional functions of a manager, such as planning, organizing, staffing, directing and controlling. When he performs these functions, he makes decisions. However, the traditional management theorists did not pay much attention to decision making. In fact, the meaningful analysis of decision making process was initiated by Chester Bernard (1938) who commented, The process of decision are largely techniques for narrowing choice.

The nature of decision-making may be clearly understood by its following characteristics features:

1. Decision making is an intellectual process, which involves imagination, reasoning, evaluation and judgement.

2. It is a selection process in which best or most suitable course of action is finalized from among several available alternatives. Such selected alternative provides utmost help in the achievement of organizational goals. The problems for which there is only one selection are most decision problems.
3. Decision making is a goal oriented process. Decisions are made to attain certain goals. A decision is rated good to be extent it helps in the accomplishment of objectives.

4. It is a focal point at which plans, policies, objectives, procedures, etc., are translated into concrete actions.

5. Decision making is a continuous process persuading all organizational activity, at all levels and in the whole universe. It is a systematic process and an interactive activity.

6. Decision making involves commitment of resources, direction or reputation of the enterprise.

7. Decision making is always related to place, situation and time. It may be decision not act in the given circumstances.

8. After decision making it is necessary and significant to communicate its results (decisions) for their successful execution.

9. The effectiveness of decision-making process is enhanced by participation.

**Elements of Decision Making**

There are following elements in decision making:
- The decision maker.
- The decision problem or goal.
- Attitudes, values and personal goals of the decision maker.
- Assumption with regard to future events and things.
- The environment in which decision is to be made.
- Available known alternatives and their estimated or imagined outcomes.
- Analytical results in the whole perspective.
- The constraints.
- The act of selection or choice.
- Timing of decision.
- Proper communication of decision for its effective execution.

**Importance of decision-making**

1. **Implementation of managerial function**: Without decision-making different managerial function such as planning, organizing, directing, controlling, staffing can’t be conducted. In other words, when an employee does, s/he does the work through decision-making function. Therefore, we can say that decision is important element to implement the managerial function.

2. **Pervasiveness of decision-making**: the decision is made in all managerial activities and in all functions of the organization. It must be taken by all staff. Without decision-making any kinds of function is not possible. So it is pervasive.

3. **Evaluation of managerial performance**: Decisions can evaluate managerial performance. When decision is correct it is understood that the manager is
qualified, able and efficient. When the decision is wrong, it is understood that the manager is disqualified. So decision-making evaluate the managerial performance.

4. **Helpful in planning and policies:** Any policy or plan is established through decision making. Without decision making, no plans and policies are performed. In the process of making plans, appropriate decisions must be made from so many alternatives. Therefore, decision making is an important process which is helpful in planning.

5. **Selecting the best alternatives:** Decision making is the process of selecting the best alternatives. It is necessary in every organization because there are many alternatives. So decision makers evaluate various advantages and disadvantages of every alternative and select the best alternative.

6. **Successful; operation of business:** Every individual, departments and organization make the decisions. In this competitive world; organization can exist when the correct and appropriate decisions are made. Therefore, correct decisions help in successful operation of business.

**Decision-making process**
Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.

Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives. This approach increases the chances that you will choose the most satisfying alternative possible.

**Step 1: Identify the decision**
You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

**Step 2: Gather relevant information**
Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external "work." Some information is internal: you'll seek it through a process of self-assessment. Other information is external: you'll find it online, in books, from other people, and from other sources.

**Step 3: Identify the alternatives**
As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

**Step 4: Weigh the evidence**
Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

**Step 5: Choose among alternatives**
Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.

**Step 6: Take action**
You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.
Step 7: Review your decision & its consequences

In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has not met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

Differences between Individual and Group Decisions

Difference # Individual Decisions:

1. Decisions are taken by a single individual.
2. Individual decisions are less costly.
3. They are based on limited information gathered by managers.
4. Individual decisions are taken in situations of crisis or emergency.
5. They do not involve moral commitment on the part of members to accept and implement them.
6. Individual decisions do not affect morale or job satisfaction of employees.
7. They introduce one-man control.
8. Individual decisions do not promote interaction amongst superiors and subordinates.
9. Decisions are usually based on clear policy guidelines.
10. Though decisions are based on individual thinking, they are high-quality if the individual has expertise and experience in making such decisions.
11. Individual decisions are usually taken in competitive business situations where people are not open to suggestions.

Difference # Group Decisions:
1. Decisions are taken by a group of persons.

2. Group decisions are costly in terms of time and money.

3. They are based on extensive information collected by members of the group.

4. Group decisions are taken when there is sufficient time to make decisions.

5. Group decisions are easier to implement as group members feel committed to them.

6. Group decisions positively affect morale and job satisfaction of employees.

7. They introduce self-control.

8. They promote superior-subordinate interaction and healthy relationships amongst them.

9. Group decisions are taken when the problem requires creativity and expert knowledge of a group.

10. It usually results in high-quality decisions as they are based on extensive brainstorming. They provide the benefit of synergy.

11. Group decisions are usually taken in supportive business situations where group members encourage problem-solving together.