



DECISION-MAKING AS A FACTOR IN ENSURING THE QUALITY OF THE ORGANIZATION'S MANAGEMENT

The article substantiates that management decision-making is crucial for ensuring the quality of an organization's management and is key to improving management efficiency and organizational development. The author emphasizes that in the context of a developing market economy, ensuring the quality of an organization's management requires high-quality management decisions. These decisions must determine the future development paths of the production system within the framework of emerging market relations. The article establishes that management decisions are a key factor in determining the quality of management in an organization and affect all aspects of the organization's activities, from strategic planning and resource optimization to increasing operational efficiency and stimulating innovation. This, in turn, contributes to achieving organizational goals and ensuring competitiveness. The author proposes a conceptual model of the quality decision-making process to ensure the quality and efficiency of the organization's management.

Keywords: management; organization; decisions; decision-making; team; leadership; efficiency; quality; management of organizations.

Formulation of scientific problem and its significance. In today's world, where the business environment is constantly changing and becoming increasingly competitive, the effectiveness of management decisions plays a key role in achieving organizational goals. Every management decision can significantly affect all aspects of the organization's activities, including its strategy, operations, financial condition, and reputation. Modern challenges have led to rapid changes in market conditions, requiring organizations to be flexible and quickly adapt to new challenges and opportunities. Successful management decision-making allows for a quick response to these changes and ensures the stable development of the company. Additionally, today's markets are characterized by high competition, where survival and prosperity depend on the ability of managers to make informed and timely decisions. Quality management solutions help organizations stay

ahead of competitors and take leading positions in their industry.

At the current stage of development, organizations face a major problem: the need to make management decisions in conditions of uncertainty and incomplete information. This can lead to erroneous decisions that negatively affect the quality of management and the overall efficiency of the organization. Managers are often forced to make decisions with limited resources (financial, human, time), complicating the process of choosing optimal actions and increasing the risk of incorrect decisions. Predicting the consequences of management decisions, the lack of necessary knowledge and skills among managers, and ineffective communication between departments can greatly complicate the decision-making process. Therefore, the problems of making managerial decisions to ensure the quality of the organization's management are relevant and key to increasing the effectiveness of management and organizational development. Studying this issue will help leaders and managers better understand decision-making processes, avoid common mistakes, and ensure high-quality management in their organizations, contributing to their success and development.

Analysis of recent research and publications shows that the topic of making managerial decisions to improve organizational effectiveness is constantly in the focus of domestic and foreign scientists. Significant contributions to this field have been made by foreign and domestic scientists such as Herbert Simon, Daniel Kahneman, Amos Tversky, Henry Mintzberg, Peter Drucker, Michael Porter, Ichak Adizes, Anatoly Kolot, Volodymyr Oskolskyi, Valery Geets, Ivan Shkola, among others. Despite numerous publications, several issues require more detailed research, particularly the impact of management decisions on the quality and efficiency of organizational management. The influence of management decisions on enterprise development, being a multifaceted and integrated process, necessitates the development of a systematic methodology for substantiating such processes.

The article aims: The purpose of this article is to study the role and significance of the management decision-making process in ensuring the quality of organizational management. It also aims to analyze internal and external factors affecting the decision-making process in organizations and assess the impact of quality management decisions on the effectiveness and quality of organizational management. This will contribute to the development of effective management practices in modern organizations.



Presentation of the main material. Decisions made in the field of management form the foundation of socio-economic, moral, cultural, and socio-psychological relations within society. The complexity of organizational functioning is determined by the strengthening influence of the external environment, the constant impact of market conditions, the escalation of socio-economic problems, and industry-specific challenges. The development, adoption, and implementation of resource-economic management decisions, along with the accumulation of knowledge and experience from diverse economic practices, stimulate progressive changes in the activities of economic entities. This is a crucial prerequisite in enhancing the effectiveness of organizational management.

The successful functioning of an organization largely depends on the quality of decisions made by managers. Professional managers face many challenges, including environmental uncertainty, lack of information, time constraints, and resistance to change. Outdated problem-solving approaches can lead to lost profits or even losses. To implement effective management actions that help companies achieve their goals, managers should be familiar with a wide range of new decision-making methods and techniques.

Given the market trends in organizational development, improving the quality and efficiency of management systems is of particular importance. The current stage of socio-economic relations demands the development of a competitive environment and increased competitiveness of domestic enterprises. Experience across all industries shows that achieving high efficiency requires an adequate management system, ensuring that decisions are implemented timely and with the appropriate quality. The quality of results directly reflects the quality of the management system.

A critical analysis of the literature reveals that management decisions are closely linked with organizational development. The effectiveness of any organization's management in modern conditions is largely determined by the management decision-making processes. According to O.S. Kovalchuk [1], the problem of making managerial decisions is a fundamental theoretical and applied psychological issue. He emphasizes the need to consider it as a general psychological problem. The concept of a «management decision» differs from that of a general «decision». While a person makes many decisions throughout their life, not all decisions can be classified as managerial.

According to V.V. Tretiachenko, the most important feature of a management decision is its direct focus on the organization of collective

labor. Additionally, a management decision, as a managerial influence on collective work, is made not by any employee, but by the subject of management - the head of the organization (department) or a collegial body. Tretiachenko defines a management decision as «the process of finding a connection between the existing state of the system (organization) and the desired one, which is determined by the goal of management» [2]. This opinion is supported by the works of Peter Drucker and Andrew J. DuBrin. They argue that involving teams in decision-making generally improves the quality of decisions [3], being effective for generating and evaluating different alternatives for solving problems [4].

The main purpose of the management decision, according to L.V. Parii, is to provide a coordinating (regulatory) influence on the management system, which implements the solution of management tasks by personnel to achieve the goals of the organization [5].

Decision-making is not only an organizational activity but also an individual one. While approaches, time scales, or formats may differ among economic agents, the ultimate objective remains the same: to stimulate positive change or action. Tohidi and Jabbari suggest that decision-making involves the interplay of three elements: human instinct, conscious rationality, and subconscious emotional intuition. Human instinct is influenced by previous experience, intuition involves unconscious actions, and rationality involves structured, logical reasoning to achieve the desired results. Intuition provides decision-makers with associations and evidence without understanding their origin, while rationality forces a logical, critical assessment of alternatives. These elements differentiate key decision-making styles [6].

In the works of other authors, the following are considered significant distinguishing features of a management decision: a) management decision-making involves processing information related to the organizational problem that needs to be solved; b) options for actions are chosen based on criteria, restrictions, and certain rules derived from management knowledge, taking into account the features of the management object and the specific situation; c) the process of making a managerial decision includes elements of scientific knowledge, creativity, and the art of managerial activity [7].

In the course of their work, managers must make management decisions regarding planning, organizing work, motivating employees assigned to perform tasks, and controlling and coordinating their actions [7]. When planning future activities, managers determine goals, methods for achieving them, and the necessary resources. During the organization



of activities, decisions are made regarding the organizational structure, the production process, the distribution of work among performers, and ensuring performance through necessary means. Control involves deciding on the control system (scales, periodicity, forms of control), analyzing received information, and implementing corrective actions. We can agree with the statement that the entire management process is based on making management decisions [8].

Thus, by management decisions, we understand only those decisions by the manager that aim to achieve the organization's goals, are related to its activities, and concern its members, their work, and their professional relationships. These decisions contribute to effectively solving the organization's tasks and ensuring an increase in the quality of management activities.

In our opinion, the effectiveness and quality of management decision-making depend on numerous factors, which are typically divided into internal and external [9]. Internal factors originate from within the organization and its functional subsystems, allowing managerial influence to change them in the desired direction. These factors include marketing, production, innovation, finance, and personnel. External factors pertain to the organization's external environment, where the organization's influence is minimal or nonexistent, necessitating adaptation to external conditions. These factors are categorized into macroenvironmental and microenvironmental levels. Macroenvironmental factors include economic, technological, legal, demographic, cultural, political, natural (ecological), scientific and technical, international, and regional infrastructure elements. Microenvironmental factors encompass product or service consumers, suppliers, direct and potential competitors, producers of substitute goods, business infrastructure, regulatory organizations, and the international sector. Industry factors include the business cycle, industry development prospects, industry structure, competition level, cost structure, labor relations, production cycle duration, and accounting organization.

It should be noted that this division of management decision-making factors into external and internal is somewhat general and limited in its practical application. This categorization does not fully capture the complex and ambiguous relationships between factors, nor the consequences of their mutual influence.

In the context of a developing market economy, ensuring the quality of management activities necessitates high-quality management decisions. This is crucial because, in modern organizational

development, even minor decision-making errors can result in significant negative consequences for the entire enterprise. The quality of management decisions is defined in various ways in the scientific literature, primarily because the concept of quality is complex and multifaceted. It is essential to consider the properties of the governing influence aimed at achieving the set goals.

The quality of management decisions is understood as the degree to which the chosen decision's parameters align with a system of characteristics that satisfy its developers and consumers and allow for effective implementation. The necessary characteristics of quality management decisions include scientific validity, timeliness, consistency, adaptability, and feasibility [3]. Thus, the quality of a management decision is determined by how well it provides further development paths for the production system under market conditions.

The quality of a management decision is a set of decision parameters that align with the enterprise's overall development strategy and ensure its feasible implementation. The quality of management decisions cannot be considered in isolation from their implementation. The quality of a management decision can only be assessed by its effectiveness in achieving the intended goal. It should be noted that not all decisions are implemented within the specified time frame; some data suggest that only about 30% of decisions are executed as planned. Additionally, some implemented decisions do not yield the expected results, indicating insufficient effectiveness. Expert assessments by managers indicate that such ineffective decisions constitute about 25% of their practice [6].

Managers attribute the low effectiveness of management decisions to factors such as the deterioration of the general economic situation (50% of responses), lack of financial resources (17% of responses), decreased demand for products (17% of responses), and the enterprises' lack of adaptability to rapidly changing conditions (8% of responses) [8]. When studying decision effectiveness, managers analyzed how often they needed to change previously made decisions and the reasons behind these changes. The results indicate numerous external reasons prompting managers to alter decisions, often leading to significant financial and material losses. Only 6% of decisions are changed by managers on their initiative to seek better options based on adequate information. This analysis highlights the substantial difficulties enterprises face in adapting to new market conditions [10].

In our opinion, management decisions play a key role in organizational management, influencing all aspects of activities,



particularly the quality of management, effectiveness, and goal achievement. Management decisions determine the mission, vision, and strategic goals of the organization, forming a long-term development perspective and coordinating efforts across departments to achieve common goals. This alignment helps the organization move in the right direction and achieve its objectives.

Effective management decisions allow for the optimal use of available resources (financial, human, material) to achieve maximum results with minimal costs. They facilitate the rational distribution of resources among various projects and divisions, contributing to the optimization of internal processes. This leads to increased productivity, reduced costs, and improved overall efficiency. Moreover, management decisions shape corporate culture and influence employee motivation and engagement. High-quality decisions foster a positive working environment, enhancing employee productivity and satisfaction. Additionally, quality management decisions stimulate innovation and the development of new products, services, and processes, helping the organization remain competitive and adapt to market changes. Thus, management decisions are the primary tool for implementing management functions and ensuring the successful operation of the organization.

One way to increase the probability of success, efficiency, and quality of management activities is to involve the team in decision-making. Research shows that diversity leads to better decision-making. By involving individuals from different disciplinary and cultural backgrounds, organizations can enhance creativity and gain new perspectives on tasks or problems.

Harvard Business School professor Len Schlesinger states that it is essential to first determine the technical, political, and cultural basis of a decision and then assemble a group accordingly. This approach benefits from a wide range of experiences, requiring both newcomers with different perspectives and individuals with deep knowledge and experience in solving the problem [9].

Some managers may avoid integrating their team into the decision-making process to avoid additional complexity or potential clashes of opinions. However, the ideas generated through such dialogue are often invaluable and crucial to the business's success.

The quality and speed of decision-making are key factors in the success or failure of management. Defining goals, providing alternatives, and balancing values and interests are critical to making quality decisions. This process requires risk analysis to evaluate different

alternatives effectively. An essential task for making effective decisions is assessing the extent to which managers use quantitative and qualitative criteria. Managers need three skills: courage to be rational, creativity, and balanced judgment. Surveys can provide reliable information about decision-making and areas for improvement. A McKinsey survey highlights practices of companies that have made successful strategic decisions and points out where these companies have made errors. Individual productivity is influenced by the quality of decision-making, which positively affects organizational effectiveness [8]. Based on these insights, the following conceptual model of the quality decision-making process can be proposed (Figure).

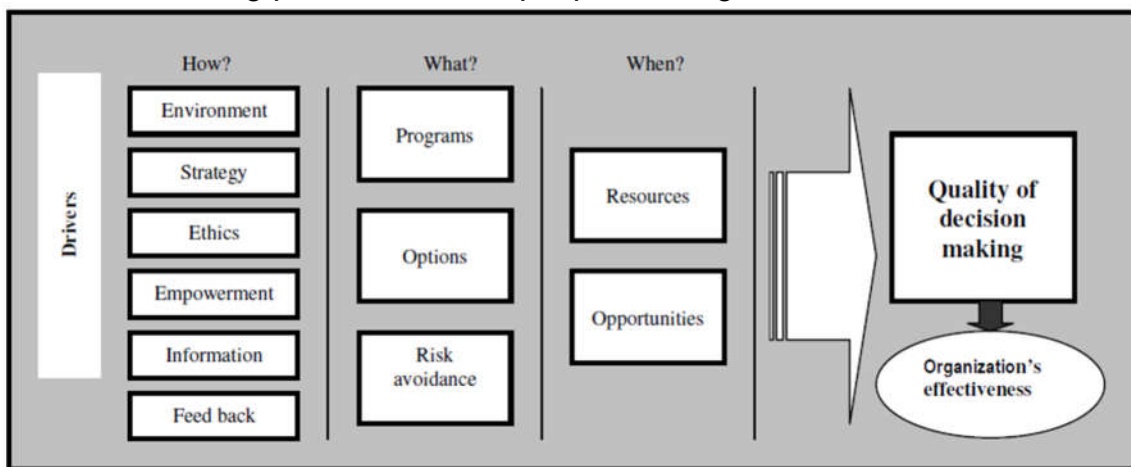


Figure. Model of making quality decisions process in the organization

Thus, the quality of the decision-making process can be achieved through factors such as environmental influences, organizational strategy, ethics, empowerment, information and feedback, programs, options, risk avoidance, resources, and capabilities. The quality of decision-making is a key source of organizational performance, aiming to meet stakeholder expectations.

Conclusions. The decision-making process is vital for managing an organization's resources to achieve short – and long-term goals and solve enterprise problems. Effective management decisions are essential for organizational development, quality management, and surviving complex challenges and unstable business environments. Therefore, to achieve high organizational development, managers must continually use innovative ideas, focus on customer satisfaction, and collaborate with stakeholders to maintain top management levels despite business obstacles **in business**. In addition, there should be a constant focus on continuous customer satisfaction and collaborative efforts among all relevant stakeholders to achieve the highest level of organization management.



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ПРИЙНЯТТЯ УПРАВЛІНСЬКИХ РІШЕНЬ ЯК ФАКТОР ЗАБЕЗПЕЧЕННЯ ЯКОСТІ МЕНЕДЖМЕНТУ ОРГАНІЗАЦІЇ

В статті обґрунтовано, що прийняття управлінських рішень для забезпечення якості менеджменту організації є актуальними та ключовими для підвищення ефективності управління та організаційного розвитку компаній. Запропоновано під поняттям «управлінські рішення» розуміти ті рішення керівника, що спрямовані на досягнення цілей організації, пов'язані з діяльністю організації і стосуються її членів, їхньої праці, взаємостосунків як професіоналів; сприяють ефективному вирішенню завдань організації та забезпечують підвищення якості управлінської діяльності. Автором підкреслено, що в умовах розвитку ринкової економіки для забезпечення якості менеджменту організації необхідно забезпечити достатньо високу якість управлінських рішень, яка визначається мірою, якою управлінське рішення забезпечує подальші шляхи розвитку виробничої системи за умов формування ринкових відносин. В статті встановлено, що управлінські рішення є ключовим фактором, що визначає якість менеджменту в організації та впливають на всі аспекти діяльності організації, від стратегічного планування, оптимізації ресурсів, підвищення ефективності операцій до стимулювання інновацій, що в кінцевому результаті сприяє досягненню організаційних цілей та забезпеченню конкурентоспроможності. В статті обґрунтовано, що якість і швидкість ухвалення рішень є ключовим чинником успіху чи невдачі менеджменту; визначення цілей, надання альтернатив для вирішення проблем, зважування та балансування цінностей та інтересів є вирішальними для якості прийняття рішень. Запропоновано концептуальну модель процесу прийняття якісних рішень для забезпечення якості та ефективності менеджменту організації, яка передбачає, що якість процесу прийняття рішень може бути досягнута, завдяки таким чинникам як: фактори середовища, стратегія організації, етика, розширення можливостей, інформація та зворотній зв'язок, програми, варіанти, ризик уникнення, ресурси та можливості.

Ключові слова: менеджмент; організація; управлінські рішення; команда; управління; лідерство; ефективність; менеджмент організацій.

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