



Exploring the relevance of Decision Making Skills in Globalization

Dr. Kshamata Chaudhary

HoD English

Vardhman Mahaveer Open University, Kota

Abstract:

The paper proposes to look into multiple prospects of Decision Making and that Globalisation has tickled the sorcery and charm of imagination and how its power is helping the individual to transform one's world into a new world of order and delight. 'Decision Making' plays a very pivotal role in today's existing scenario. Changes are inevitable yet achievable and this is where 'Decision Making' skill provides us with a powerful tool to help and determine a strong, positive reputation, both personally and professionally. Decision Making is the key functioning of every teacher, manager or leader when at every stage of the management process he makes choices among alternative courses of action to accomplish some goals. Right decisions accelerate the growth of an organisation whereas wrong decision making mars the progress of an organisation. The present paper focuses on the value of 'Decision Making' for its practical insights and ideas. The portfolio of Decision Making includes creating and drafting a plan for implementation; prior anticipation of its consequences, projecting subtle solutions and finally accomplish the task. Decision Making can gulf the individual's ambitions and efforts to achieve the desired targets. Hence, the need and significance of the present study is to find the lacuna into the nature and to find the nature and quantum of professional soft skill training given to them.

Research Paper

Introduction: Decision making plays a very important role in our day to day life. Individuals benefit from identifying and understanding the importance of taking decisions. Decision making skill is a technical process which involves manifold steps to produce better decisions. R.S. Davar says, "Decision making may be defined as the selection based on some criteria of one behavior alternative from two or more possible alternatives."¹. It can be a biological action at one instance or can be instant reaction to any action. It can also be a professional decision. Good decision is an essential skill for success in career. If you can learn to make timely and well-considered decisions, then you can often lead yourself or your team to spectacular and well-deserved success. In every organization decisions are made with reference to certain issues and affect the behavior of those who are concerned or associated with them. They are made in pursuance of certain goals or policies and in light of certain facts. The decisions made are expected to achieve results. However, one can formulate a few questions, what are the multiple prospects of decision making and how it is a powerful tool and key for success in this global world.

Globalization: Developing and transition economies face significant new trends in the global environment that affect not only the shape and mode of operation but also the very purpose of decision making. Among the most critical dimensions of change are the convergent impacts of globalization, the increasing importance of skills of decision making as a main driver of growth and knowledge and communication revolution. 'Apt decision making skills have become major factors in economic development and are increasingly at the core of a country's competitive advantage in the global world'². So there is a need of a balanced and comprehensive view of the skills of decision making. Using this background, this paper explores how both academicians and industrialists can adapt and shape their decision making skills to confront successfully the combination of new and old challenges in the context of the rising significance of globalization.

The speed of global communication flow has constantly increased, with faster methods of transport and of media. Today we are immediately informed of many events which happen in the other half of the world and demand vigilant and timely decisions. So in the world of globalization the skills of decision making are imperative for every professional.

Role of decision making skills: We all make decisions of varying importance everyday. But as we are in the world of high technology, the idea that decision making can be a rather sophisticated art may at first sight seem strange. However, studies have shown that good decision making is an essential skill for career success and is really a complex mental exercise. Maximum people are much poorer at decision making than they think and do not however consciously know how decisions are made though they take vital decisions everyday. They are not able to identify as to how they did it and what they feel, how they arrive at decisions or what process is included in the birth of a decision. In Robert Heller's *The Decision Makers* he says, 'the best decision maker takes a right decision by anticipating the future decision point and on the alternatives'³. The decision should be backed by intuition, should have readiness to act, should be concerned with human judgment and above all should have careful observation of the crowd.

'Decision making is a powerful key to open the doors to a new world, wherein all the steps are vital'⁴ and one conscious decision influences the results.

The skill of decision making cannot be kept on a fixed path. It wavers in different directions. For a doctor taking a decision to do an operation is an individual priority, or an industrialist facing a risk of losing his factory can take such decision which can entirely change his destiny. There are sometimes such decisions which can change their entire life, of which they are not aware of. They themselves are the decision makers yet they may not realize that the great moment or about their momentary decision. We can generally classify that decisions are generally taken when the situations are unavoidable or are pertinent to be taken. Sometimes the decision can be passive i.e. no decisions are taken but outcome is there. Sometimes for revamping your business or your profession, you take active decision after careful consideration of activities. But one thing is clear that the process of reaching a decision should not be a long winded debate in which pros and cons are bandied about before the matter is put to action.

Great men, like Tata, Ambanis, etc are known for their timely decisions. Their errors, like their successes are exceptional, because their nature is to think big and act in large dimensions. As the adage says, 'the correct decision goes on bearing ripe fruits for decades so do the ambitious decision leads to ambitious result'⁵.

Key to every action: Decisions are taken today, on the information gathered yesterday but with results in future. In modern organizations decisions are expected to be made on the facts and on the basis of a rational consideration of what action is best likely to facilitate the achievement of goal. Good information is essential to have a good, rational decision. Rationality in an organizational context is the adoption of objectives or universalistic criteria and a rejection of personal bias or any restrictive, 'particularistic consideration'⁶ in arriving at a decision. For example, in educational organizations and in corporate offices admission of students or recruitment of employees is done on considerations of merit and without any consideration of religion, caste or creed, the value of giving equality of opportunity to all segments of the population operates in this context.

The components of the Skills of Decision Making: Every decision is made within a decision environment, which is defined as 'the collection of information, alternatives, values and preferences available at the time of the decision'⁷. An ideal decision environment would include all possible information, all of it accurate, and every possible alternative. However, both information and alternatives are constrained because time and effort to gain information or identify alternatives are limited. The time constraint simply means that a decision must be made by a certain time. The effort

constraint reflects the limits of manpower, money and priorities. (You wouldn't want to spend one hour and a half a tank of petrol trying to find the very best parking place at a wedding function). Since decisions must be made within this constrained environment, one can say that the major challenge of decision making is uncertainty, and a major goal of decision analysis is to reduce this uncertainty. Mostly one never has all the information needed to make a decision with certainty, so most decisions involve an undeniable amount of risk.

The decisions must be made within 'a limited decision environment'⁸ suggests two things. First, it explains why hindsight is so much more accurate and better at making decisions than foresight. As time passes, the decision environment continues to grow and expand. New information and new alternatives appear-then too the decision must be made. Armed with new information after the fact, one can many a times look back and make a much better decision even though the decision environment continue to expand.

The second thing is that since the decision environment continues to expand as time passes; it is often advisable to put off making a decision until it is close to the deadline. Information and alternatives continue to grow as time passes, so to have access to the most information and to the best alternatives; one should not make the decision too soon. Now, since we are dealing with real life, it is obvious that some alternatives might no longer be available if too much time passes;(for e.g. if you are lost in a metro city and you just move ahead without any direction then you are bound to land in crises) so that is a tension we have to work with, a tension that helps to shape the cutoff date for the decision.

Some times delaying a decision as long as reasonably possible can provide three benefits:

1. The decision environment will be larger, providing more information. There is also time for more thoughtful and extended analysis.
2. New alternatives might be recognized or created.
3. The decision maker's preferences might change. With further thought, wisdom, maturity, one may decide not to proceed in one direction and instead take an entirely new route.

Qualitative Skills of Decision Making: A good decision is a logical one based on the available information and 'reflecting the preferences of the decision maker'⁹.

The important point to grasp here is that the quality of a decision is not related to its outcome as a good decision can have either a good or a bad outcome. Similarly, a bad decision (one not based on adequate information or not reflecting the decision maker's preferences) can still have a good outcome.

For example, if you do extensive analysis and carefully decide on a certain investment based on what you know about its risks and your preferences, then your decision is a good one, even though you may lose money on the investment.

Good decisions that result in bad outcomes should thus not be cause for guilt or recrimination. If you decide to take the scenic route based on what you know of the road (reasonably safe, not heavily traveled) and your preferences (minimal risk, prefer scenery over early arrival) then your decision is a good one, even though you might happen to get in an accident, or have a flat tire in the middle of nowhere. It is not justified to say, "Well, this was a bad decision."

In judging a quality of a decision, in addition to the concerns of logic, use of information and alternatives, three other considerations come into play:

1. The decision must meet the identified objectives most thoroughly and completely.
2. The decision must meet the consequential objectives most efficiently, with concern over cost, energy side effects as we sometimes overlook this consideration in our search for thrills.

3. The decision must take into account valuable byproducts or indirect advantages. A new employee candidate may have extra abilities not directly related to the job, but valuable to the company nonetheless and these should be taken into account.

Decision making procedure:

The decision making process ‘consists of a series of actions’¹⁰ through which an individual evaluates a new idea and decides whether or not to incorporate the new idea into ongoing practice. One takes into account a few steps while taking the decisions. First step is the accumulation of knowledge to achieve understanding. Secondly, to have a time bounded insight regarding the collected knowledge. Lastly, to activate in an activity that leads to a choice to adopt or reject the action. The following procedure is involved in decision making:

- a. Identify the decision to be made together with the goals it should achieve. ‘Determine the scope and limitations of the decision’¹¹. Be sure to include a clarification of goals, e.g. we must decide where to go on vacation, where we can relax and get some rest from the fast pace of society.
- b. Get as many facts as possible about a decision within the limits of time imposed on you and your ability to process them. Though it is not possible to get all the facts. A decision based on partial knowledge is usually better than not making a decision when a decision is really needed. The proverb that “any decision is better than no decision,” perhaps shows the importance of choosing, e.g. when you are racing on a steep hill, you must decide to turn away to the right or to the left. Whichever way you turn is less important than the fact that you do indeed turn to move ahead or to return.
- c. In decision making alternatives should be developed. One should make a list of all the possible choices one has including the choice of doing nothing. Also one should be sure to think about not just identifying available alternatives but creating alternatives that don’t yet exist.
- d. Each alternative should be rated and time tested. One should consider the negative of each alternative (cost, consequences, problems created, time needed etc.) and the positive of each (money saved, time saved, added creativity to company or employees etc.). Remember here that the alternative you might like best or that would be the best of all possible worlds can be an obvious choice will, however not be functional in the real world because of too much cost, time, lack of acceptance by others.
- e. Make the right goal oriented decision. Apply the preferences, choose the path to follow. Remember also that very few decisions are irrecoverable. Don’t cancel a decision prematurely because it might require time to work, but don’t hesitate to change directions if a particular decision clearly is not working out or is being somehow harmful.

To conclude one is reminded of the famous poem of Robert Frost ‘The Road Not Taken’¹²

Two roads diverged in a yellow wood,
 And sorry I could not travel both
 And be one traveler, long I stood
 And looked down one as far as I could
 To where it bent in the undergrowth;
 Then took the other, as just as fair,
 And having perhaps the better claim,
 Because it was grassy and wanted wear;
 Though as for that the passing there
 Had worn them really about the same,
 And both that morning equally lay
 In leaves no step had trodden black.

Oh, I kept the first for another day!
Yet knowing how way leads on to way,
I doubted if I should ever come back.
I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I –
I took the one less traveled by,
And that has made all the difference.

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