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A Review of Decision Making in Organizations

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Abstract

The study provides deep insight into organizational decision making which could provide a formidable base for future research into the subject of organizational decision making. Being a conceptual paper, extant literatures were vigorously reviewed and vastly expounded upon highlighting all the aspects of decision making in organizations. Appropriate theory/models were deployed and research findings bordering on the subject matter was exhaustively analyzed. The study concludes among other things that organizations should pay keen attention to its decision making processes and actors with a view of overhauling them from time to time as the need arises. More so, the study recommended among other items that decision makers in organizations must at all times be equipped with the right information as this is the bedrock for effective decision making.

INTRODUCTION

Decision making is an on-going process in our daily lives as well as the life of organizations in that decisions are made every day whether planned or not. Decision making therefore is an important management process of an organization/firm. It is the most essential step in the planning process (Gerald Cole, 1995).

Asikhia et'al (2022) regard decision making as the core of planning within any organization. They defined it as selection from among available alternatives of a course of action. According to them, a plan cannot exist unless a decision has been made. James Nwoye et'al (2017) views decision making as a conscious choice made from a well-defined set, often competing alternatives. It is a sequence of activities which results in the selection of a course of action from alternative courses intended to bring about future state of affairs envisaged. Decisions are made based on certain situational factors like the nature of the problem or task, the objectives of the organization, the human material and the financial resources available to the firm as well as the political expectations. A decision which is seen as the best in one situation may not be the best in another situation; this is why decision making is regarded as a critical stage in problem-solving process (Imianvan, 2004). There is hardly any program of activity in an organization that is successfully done without appropriate decision making. One of the major factors that determine the success of any organization is the ability of its decision makers to make right decisions on issues affecting the firm at any time period. In other words, decision making is very important for administrative and managerial effectiveness. It is at the core of the administrative process in any organization, and all other attributes of the management process being dependent or interwoven with it. It is an important criteria for judging the administrative effectiveness or success of an administrator or manager.

Decision making is the process whereby management determines its goals or objectives and selects among available alternatives that which it believes will either procure the best outcomes or attain the desired objective with the most economical utilization of resources (Obi, 2014). It is an all-pervasive responsibility of management; it permeates all aspects of the manager's work; it underlies the entire spectrum of planning, organizing, staffing, directing, controlling, innovation and representation. All of these processes or activities involve having to make a choice between one course of action and another. Some scholars of management, in over-exaggerating decision making defines management as decision making, but this is partly true. Managerial life is a perpetual choice-making challenge. The manager is forever beset by the necessity of choice between alternatives, the outcome of which is not definitely known. Without decision making, the fundamental functions of management might not exist. Decision making permeates all management; exist in every part of an enterprise and deals with every possible aspects of an organization (Imianvan, 2004).

Decision making is more of a behavioral than economic activity in that decision makers **'satisficed'** rather than **'maximized'** outcomes (Obi, 2016).

LITERATURE REVIEW

Unugbro (2004) defined decision making as the selection of a course of action believed by the decision maker to yield the best result under a given circumstance. It is evaluating alternatives related to a goal, at which the expectation of the decision maker with regards to a particular course of action impels him to make a selection or commitment towards which he will direct his intellect and energies for the purpose of attaining his objectives. How to know whether a decision is effective or not is whether it has helped to solve the problem involved (Ugoani, 2018).

The conduct of any business organization requires successive series of business decisions. These decisions are made now for actions that will be taken and the objectives that those actions hope to achieve in the future. Managers are faced with wide range of decisions daily and these decisions have varying degrees of importance; from trivial matters to matters of policy. Since decision making is an important managerial function, it therefore entails the commitment of the organization's resources in one way or the other hence it has to be approached seriously and systematically to enhance its quality (Sauter, 1999).

Harrington (2005) identifies some major characteristics of decision making and they are:

(1) It almost invariably involves choice among alternatives
(2) It involves some logical process; that is, it should be capable of some rational analysis
(3) It is purposive; that is, it is goal-oriented
(4) The major problem of decision making is uncertainty; as decisions invariably relate to the future, explicit account will often have to be taken of the fact that we do not have perfect knowledge of all the variables which impinge on the problem. If there were certainty (perfect knowledge), there would probably be no need for decision analysis.

STAGES IN DECISION MAKING

There exists an overwhelming consensus by management scholars that decision making involves some stages.

Gillinghan (2003) identified the stages of decision making as follows:

(1) Problem Identification

This is the stage of where the problem is diagnosed and the decision makers identify and clarify the nature and causes of the problem. Due to the foresightedness of the decision makers, they are able to perceive more accurately and completely the nature and scope of problems or task in the organization. They are also able to define and explain the issues involved in any problem and provide relevant information about the problem.

(2) Problem Analysis

Having analyzed the problem, a decision maker has to make an analysis of what the problem is and presents various alternative solutions or courses of action to the problem. These solutions are listed down and thought about carefully by the members concerned

(3) Assessment or Evaluation of Alternatives

Having thought and suggested various feasible and possible solutions to the problem, the criteria by which the proposed solutions to the problem would be evaluated and ranked in order of achievability. Also, the consequences of each proposed solution is weighed on the aspirations and objectives of the organization and the resources available to the organization.

(4) Selection of Preferred Solution

The preferred solution is usually arrived at from the sub-decisions at the earlier stages especially the evaluation stage. So, the decision is most likely to be the sequential outgrowth of other decisions made earlier in the process.

(5) Effecting the Preferred Solution

An outline of some plans for the implementation of the decision taken is made. Such outline should as much as possible indicate when, where, who and how to implement the decision. It involves both implementing the decision and modifying it in terms of conditions which occur as the decision becomes operational.

In the same vein, Attalah (2013) opines that a general decision making process can be divided into the following steps:

Step1. Define the problem

This process must, as a minimum, identify root causes, limiting assumptions, system and organizational boundaries and interfaces, and any stakeholder issues. The goal is to express the issue in a clear, one-sentence problem statement that describes both the initial conditions and the desired conditions. The one-sentence limit is often exceeded in practice in case of complex decision problems. The problem statement must however be a concise and unambiguous written material agreed by all decision makers and stakeholders. Even if it can be sometimes a long interactive process to come to such an agreement, it is a crucial and necessary point before proceeding to the next step.

Step 2. Determine requirements

Requirements are conditions that any acceptable solution to the problem must meet. Requirements spells out what the solution to the problem must do. In mathematical form, these requirements are the constraints describing the set of the feasible (admissible) solutions of the decision problem. It is

very important that even if subjective or judgmental evaluations may occur in the following steps, the requirements must be stated in exact quantitative form, i.e. for any possible solution, it has to be decided unambiguously whether it meets the requirements or not. We can prevent the ensuing debates by putting down the requirements and how to check them in a written material.

Step3. Establish goals

Goals are broad statements of intent and desirable programmatic value. Goals go beyond the minimum essential must haves (i.e. requirements) to wants and desires. In mathematical form, the goals are objectives contrary to the requirements that are constraints. The goals may be conflicting but this is a natural concomitant of practical decision situations.

Step4. Identify alternatives

Alternatives offer different approaches for changing the initial condition into the desired condition. Be it an existing one or only constructed in mind, any alternative must meet the requirements. If the number of the possible alternatives is finite, we can check one by one if it meets the requirements. The infeasible ones must be deleted (screened out) from further consideration and we obtain the explicit list of the alternatives. If the number of the possible alternatives is infinite, the set of alternatives is considered as the set of the solutions fulfilling the constraints in the mathematical form of the requirements.

Step5. Define criteria

Decision criteria, which will discriminate among alternatives, must be based on the goals that have been set. It is necessary to define discriminating criteria as objective measures of the goals to measure how well each alternative achieves the goals. Since the goals will be represented in the form of criteria, every goal must generate at least one criterion but complex goals may be represented only by several criteria.

It can be helpful to group together criteria into a series of sets that relate to separate and distinguishable components of the overall objective for the decision. This is particularly helpful if the emerging decision structure contains a relatively large number of criteria. Grouping criteria can help the process of checking whether the set of criteria selected is appropriate to the problem and this can ease the process of calculating criteria weights in some methods and can facilitate the emergence of higher level views of the issues. It is a usual way to arrange the groups of criteria, sub-criteria sub-sub-criteria in a tree-structure (Nwachukwu 2006).

According to Abubakar et al (2019), criteria should be:
• Able to discriminate among the alternatives and to support the comparison of the performance of the alternatives,
• Complete to include all goals
• Operational and meaningful
• Non-redundant,
• Few in number.

In some methods, as opined by Keeney and Raiffa (1976) in Obi (2011), non-redundancy is required in the form of independency.

It must be noted that some authors use the word attribute instead of criterion. Attribute is also sometimes used to refer to a measurable criterion.

Step 6. Select a decision making tool

There are several tools for solving a decision problem. Some of them will be briefly described here and references for further readings will also be proposed. The selection of an appropriate tool is not an easy task and depends on the concrete decision problem as well as on the objectives of the decision makers. Sometimes, the simpler the method, the better, but complex decision problems may require complex methods as well.

Step7. Evaluate alternatives against criteria

Every correct method for decision making needs as input data; the evaluation of the alternatives against the criteria. Depending on the criterion, the assessment may be objective (factual), with respect to some commonly shared and understood scale of measurement (e.g. money) or can be subjective (judgmental), reflecting the subjective assessment of the evaluator. After the evaluations, the selected decision making tool can be applied to rank the alternatives or to choose a subset of the most promising alternatives.

Step8. Validate solutions against problem statement

The alternatives selected by the applied decision making tools has to be validated against the requirements and goals of the decision problem. It may happen that the decision making tool was misapplied. In complex problems, the selected alternatives may also call the attention of the decision makers and stakeholders that further goals or requirements should be added to the decision model.

Decision making affects the course of action of an organization and enables the manager to achieve effective management of the firm. It is the study of identifying and choosing alternatives based on the values and preferences of the decision maker. Making a decision implies that there are alternative choices to be considered, and in such a case, we want not only to identify as many of these alternatives as possible but to choose the one that best fits with our goals, objectives, desires, values, and so on (Chandra, 2010).

Tzvetana and Ivaylo (2017) enumerated the steps involved in decision making to include:

(1) Evaluation of the environment
(2) Problem definition
(3) Search for alternatives and their probable consequences
(4) Selection of the solution

(5) Implementation

Decision making entails selecting just one alternative from two or more possible alternatives. In decision making, more alternatives must be available to choose from in that if there exist only one alternative, there is no decision to be made (Mulugeta, 2017). The problem of predicting the outcome of a decision can be categorized into two:

(1) Risk: This exists when an action leads to one of a set of possible outcome, with each outcome occurring with a known probability

(2) Certainty: This is present if an action is known to lead invariably to a specific outcome.

James and Agwu (2017) opine that decisions are generally made under three broad categorizations:

(1) Under uncertainty
(2) Under risky conditions
(3) Under uncertainty

DECISION UNDER CERTAINTY

Under a situation of certainty, the decision maker can often calculate the precise outcome associated with each alternative. That is to say, the decision maker knows for sure the consequences of his actions

DECISION UNDER RISKY CONDITIONS

Since the state of nature is not always known in advance, the decision maker is operating under a situation of risk since the relative probabilities associated with each state of nature are unknown. When making decisions under conditions of risk, expected value analysis can be used to assist the decision maker because the expected payoff of an action can be mathematically calculated. In decisions under conditions of risk, the probability of occurrence of the unwanted outcome constitutes the risk of taking the decision.

DECISION UNDER UNCERTAINTY

Whenever a decision maker knows the possible state of nature but has no knowledge of the relative probabilities associated with the respective state of nature, he is operating under a situation of uncertainty. Thus the risk involved in the line of action cannot be calculated. In the business world, there are many variables over which the organization does not have control. These variables do not only influence the behavior of the organization but also determines their success or failure

INDIVIDUAL, GROUP AND HYBRID DECISION MAKING

INDIVIDUAL DECISION MAKING

Individual decision making is the process of relying on one person's knowledge, intuition, and judgment to make a choice or judgment (Albert, 2006). This process can have several advantages, such as saving time and resources and allowing flexibility and autonomy, ease of implementation,

very fast and more efficient. However, individual decision making can also have some drawbacks. These include limiting the diversity of ideas and information, reducing the acceptance and commitment of stakeholders, and increasing the risk and responsibility for the decision maker (Obi, 2014). These factors can lead to narrow and biased solutions, hamper implementation and execution of the decision, and put more pressure and stress on the decision maker.
Buchanan (2006) opine that individual decision-making in the organization is when a single person, often a manager or executive, takes responsibility for making choices that impact the organization. In the workplace, individual decision-making is often used for routine matters, immediate actions, or when a clear chain of command is established. It is beneficial for efficiency and timely responses but may lack the diverse input of group decision-making.

Characteristics of Individual Decision-Making

Individual decision making has distinct features that set it apart from collective or group decision processes. These characteristics influence how decisions are made and their outcomes in various settings. Here are five essential characteristics:

Promptness: Individual decision making is known for its speed. With a single person responsible for the choice, decisions can be made swiftly without the need for extensive discussions or consultations. This promptness is advantageous when time is of the essence or when immediate action is required.

Accountability: When an individual makes a decision, they bear sole responsibility for its outcome. This sense of accountability can lead to a strong commitment to the decision's success. It's clear who is answerable for the choice, which can streamline the process and ensure that someone takes ownership of the results.

Intuition and Judgment: Individual decisions often rely on the decision maker's intuition, knowledge, and judgment. There's no need to gather diverse input or reach a consensus, which can expedite the decision-making process. However, this characteristic also means that individual decisions may introduce personal biases or subjectivity.

Efficiency: The simplicity of individual decision making can lead to efficiency. There are no lengthy meetings, debates, or coordination efforts. This efficiency is valuable when making routine or straightforward decisions where a quick response is essential.

Control: In individual decisions, control over the entire decision-making process remains with the individual. This level of control can be beneficial for maintaining confidentiality, safeguarding sensitive information, and ensuring that the decision aligns with the decision maker's vision or strategy.

Examples of Individual Decision

Individual decision making is prevalent in various organizational contexts. From the perspective of Kreither (2007), there are five examples of individual decision making within an organization:

Employee Leave Requests: When an employee submits a request for personal leave or time off, such as vacation days or sick leave, the decision to approve or deny the request is typically made by their immediate supervisor or manager. The manager assesses factors like workload, staffing, and the organization's leave policies to make an individual decision.

Performance Evaluations: Managers often conduct individual performance evaluations for their team members. Based on their observations and assessments, they determine merit increases, promotions, or additional responsibilities for each employee. These decisions are made individually for each staff member.

Purchasing Supplies: In smaller organizations or specific departments, employees may have the authority to make individual decisions about purchasing office supplies, equipment, or services within budget constraints. They evaluate needs, compare options, and place orders independently.

Setting Personal Work Goals: Employees often set their own work goals and objectives for the year, aligning them with their job responsibilities and career development. These goals are individual decisions that contribute to their performance and growth within the organization.

Approving Expense Reimbursements: Employees who incur business-related expenses, such as travel or client entertainment, must submit expense reports. Managers or finance departments make individual decisions to approve or reject these expense claims based on the organization's policies and the legitimacy of the expenses.

Gillinghan (2003) states that individual decision making within organizations has its advantages and disadvantages. Here are three pros and three cons of it:

Pros:

- **Efficiency**: These decisions are typically made more quickly because they don't require the consensus-building and coordination often needed in group decisions. This efficiency can be crucial in time-sensitive situations.
- **Accountability**: When an individual makes a decision, they take full responsibility for the outcome. This clear accountability can help in performance assessment and learning from both successful and unsuccessful decisions.

- **Flexibility and Autonomy**: These decision-makers have the freedom to act based on their expertise and judgment. This autonomy can lead to innovative solutions and adaptability to unique circumstances.

Cons:

- **Limited Perspective**: This decision may lack the diverse input and perspectives that group decisions offer. This can result in a narrower view and limited consideration of potential consequences.
- **Risk of Bias**: An individual's personal biases, beliefs, and experiences can influence decision-making. This subjectivity may lead to biased or unfair choices that don't align with organizational goals.
- **Risk of Overlooking Important Information**: These decision-makers may overlook essential information or alternatives that could impact the quality of the decision. In a group, diverse viewpoints often lead to more comprehensive information gathering.

GROUP DECISION MAKING/PARTICIPATIVE DECISION MAKING

Group decision is usually understood as aggregating different individual preferences on a given set of alternatives to a single collective preference (Tzvetana and Ivaylo, 2017). It is assumed that the individuals participating in making a group decision face the same common problem and are all interested in finding a solution. A group decision situation involves multiple actors (decision makers), each with different skills, experience and knowledge relating to different aspects (criteria) of the problem (Hammond, 2006). In a correct method for synthesizing group decisions, the competence of the different actors to the different professional fields has also to be taken into account. It leverages diverse expertise and encourages collaboration, but can be slower and more complex (Abubakar et al, 2019).

According to Ugoani (2018), the following are some of the conditions that are conducive for group decision making:

(1) When the problem has a definite and an indefinite solution
(2) When the initial judgments of the individuals in the group are homogeneous so that a range of possible solutions is initially available to the group for its consideration
(3) When the task requires that each member make a judgment about the same matter
(4) When rewards and punishment are given to the group as a whole rather than to individuals within the group
(5) When the task can be sub-divided
(6) When the task includes 'traps' that single individuals might miss

Tohidi and Babbari (2011) refers to Participative decision making as "the totality of forms, i.e. direct (personal) or indirect (through representatives or institutions) and of intensities, i.e. ranging from minimal to comprehensive, by which individuals, groups, collectives secure their interests or contribute to the choice process through self-determined choices among possible actions during the decision process. When employees are involved in making decisions, they gain a professional and personal stake in the organization and its overall success (Denis and Rodney, 2002). This commitment leads to increased productivity as employees are actively participating in various aspects of the company and wish to see their efforts succeed overall. This is not only beneficial to company growth but is also on-the-job training for workers. The increase in responsibility expands employee skill sets, preparing them for additional responsibility in the future. James and Edwin (2017) states that "the goal of participation as with much leadership approach is to move towards high profitability and keep up a satisfied workforce". To them, participation looks to accomplish these objectives through the association of subordinates in the decision-making process. This idea is dependent on the assumption that participants will maximize satisfaction, stimulate interest and in this manner incite high profitability. Their position is that a manager may just welcome inquiries concerning a decision he has already effectively made, or he may permit subordinates full opportunity to make decisions written to endorsed limit. They went further to opine that participation results in the decision that is seen as being reasonable. This depends on the belief that everybody gets an opportunity to express his perspectives and to assess the perspective on others. A group that feels included is more satisfied and more profitable than one that does not feel included (Asikhia et al, 2022). For participation to effectively happen, the employee's exertion of control should always lead to management adjustment or relinquishment of proposed plans that influence the employees. There is a lot of discussion over the subject of how much autonomy subordinates ought to have in modeling their own objectives, just as those of the unit where they work, and how unequivocally the manager should impose his or her perspectives with regards objective setting with subordinates. Generally, at one extreme is the position that subordinates ought to be approached to set their own objectives and those of their work unit. It motivates subordinates to accomplish more or be increasingly productive. Atallah (2013) Characterizes participation as the active involvement of subordinates or followers in the making of decisions that legitimately influence them in the workplace. Participation in decision making is for the most part viewed as an indication of enlightened and democratic management. It might be through the giving and getting of information, achieving, suggesting and the sharing of experience among individuals of an organization. Jaworski and Kohli (1993) discloses that the base of participative decision making lies in the organization's philosophy and administrative style, and in the overall organizational atmosphere. Organizational climate as utilized by Chandra (2010) incorporates people, laws, economic and market situation and innovation. Vroom (1964) in Obi (2011) indicated two distinctions in the definition of participation. The main he calls "psychological" (you think you are participating in the decision that influence you), and the second "objective" (you really participate firmly in the decisions that influence you whether you know it or not). The idea of participation in an organization can subsequently be summarized as a procedure by which an organization endeavors to open the innovative possibilities of its people by including them in decisions influencing their work lives. It is an organized effort to empower employees at all levels in an organization to utilize their knowledge, aptitudes, and capacities more adequately in their work and to participate more completely in decisions about their work life.

Committee decision as a subset of group decision making

A common feature of decision making in organizations is that many decisions are not made by individuals acting alone by themselves but by groups (Buchanan, 2006). These occur in two ways:

a) A group decision may be made sequentially in a hierarchical order. For example, a supervisor proposes a solution to an identical problem, his immediate line manager modifies the proposed solution, the departmental head adds one or two matters of detail and the decision is then ultimately approved by the chief executive. This pattern is common in the civil service. It is slow but probably more thorough.
b) A group decision may be made using the committee system. The committee may take the form of a conference, a task force or a staff meeting.

Committee is a part of group decision making that is increasingly being used as an effective administrative tools by modern organizations. In both large and small organizations, committees are used for a variety of reasons (Nwanchukwu, 2006). In large decentralized organizations, a committee is the device for achieving coordination of activities and sharing information among the various departments and divisions of a company. A committee could be seen as a group of people assembled together to take action on administrative task. In some organizations, there are committees for key functional areas such as finance, production, sales, auditing, purchasing and engineering. Committees could be adhoc (set up to study and offer solutions to a specific organizational problem, they stop functioning as soon as soon as their assignment is completed). It could also be a standing or permanent committee (they discuss general problems affecting the organization).

According to Agbonifoh et al (2005), a common feature of decision making in organizations is that many decisions are not taken by individuals acting alone by themselves but by groups. These occur in two ways:

(a) A group decision may be made sequentially in a hierarchical order

(b) Committee System

In group decision-making using committee system, the committee may serve the following purposes:

(1) Fact-finding, investigation and collecting information

(2) To secure support for a position

(3) To make a choice among alternatives

(4) To negotiate between parties with opposing interests

(5) To brainstorm or stimulate people to think creatively

(6) To disseminate information or policies

(7) To provide representation for important segments of the organization

(8) To coordinate and integrate the activities of different units

(9) To train inexperienced personnel through learning from the experience of other members.

Mulugeta (2017) opined that there are four basic disadvantages of the use of committees which includes:

(1) It is expensive in terms of time and cost

(2) The committee system may lead to a compromise of the correct solution

(3) A superior executive may impose his wish/views upon others

(4) The committee system may lead to or even encourage buck-passing

Hybrid Approach

Combining individual and group decision making is what is known as hybrid. Decision making in organizations entails both individual and group decision making, the adoption of which can place any organization in good footing (Imianvan, 2004).

FACTORS THAT INFLUENCES ORGANIZATIONAL DECISION MAKING

Chandra (2010) itemized some factors that affect organizational decision making to include:

(1) Personality characteristics of the decision makers-while some managers prefer to share decision making with their subordinates, others seldom ask for their subordinate's opinion. In specifics, indices under personality include conscientiousness, dutifulness, and self-esteem.
(2) Experience of the decision makers
(3) The environment the organization which includes the organization itself, groups within the organization, individuals within the organization as well as the external environment
(4) The manager's position within the organizational structure-the freedom which a manager has in making decision depends to a large extent on his position, the higher his position, the more flexible he can make decisions
(5) Purpose and traditions of the organization
(6) Organizational Culture-the shared values, beliefs, and norms that shape how decisions are made.
(7) Time Constraints-the pressure to make timely decisions can impact the decision-making process.
(8) Access to Information-the availability and quality of data and information can affect the decision.
(9) Stakeholder Interests-the needs and concerns of various stakeholders must be considered.

Group decision making calls for varied views, some optimistic and some pessimistic (Nwachukwu, 2009). In the final analysis, what determines whether a decision is to be made by an individual or group is the type of decision to be made and the importance of the decision to the immediate attainment of organizational objectives. One of the subsets of group decision making is known as committee decision

TYPES OF DECISIONS IN ORGANIZATIONS

Kreitner (2007) opine that decisions made largely by firms can be classified into eight broad types with each type portraying the nature, significance or period of each decision. These eight types of decision include: Programmed decision, non-programmed decision, minor decision, major decision, routine decision, strategic decision, individual decision and group decision.

Agbonifoh et'al (2005) itemized three types of decisions made in organizations to include:

(1) Strategic Decisions: These are high-level decisions that set the overall direction and long-term goals of the organization.
(2) Tactical Decisions: These are operational decisions that focusses on implementing the strategic plan and achieving short-term objectives.
(3) Programmed Decisions: Routine, repetitive decisions that follow established procedures and policies.

In the same vein, Kotler and Keller (2004) in Hamington (2005) joined the babel of voices in categorizing organizational decision into three broad categories which are:

(a) Policy decisions
(b) Administrative decisions
(c) Executive decisions

Policy decisions: A policy is a guide or ground rule for making decision. Policies, according to Denis and Rodney (2002) help to make "the actions of each member of the group in a given set of circumstances more predictable to each member". Policies confer the following advantages:

a) Ensure consistency of decisions with the organization's main goal;
b) Achieve economy, that is, save time and cost in administrative and executive decision making
c) Facilitates delegation

Policy decisions are often, though not always taken at the top of the organization, examples of policy decisions which are taken by top management are:

i. Determining the nature and mission of the organization;
ii. Choosing or altering the organizational form;
iii. Determining the magnitude and system of financing;
iv. Employment of top management
v. Choosing the marketing distribution channel;
vi. Selection of equipment.

A policy decision may, originate from top management, be imposed from outside the organization; for example, law, trade unions, etc.; be inferred from the consistent actions of staff even though not explicitly spelt out. Policies are often spelt out in a policy manual (Obi, 2011).

Administrative decisions: These decisions have to do with the day-to-day management of the organization. They mainly relate to resource allocation among competing lines or organizational units (shot –term planning and control). Examples of administrative decisions include:

a) Determination and variation of volume of production and pricing
b) Determination of method of quality control, performance evaluation, career development, etc
c) Appointment of personnel below top management level
d) Development of job improvement schemes,

Administration decisions are mainly concerned with procedures for accomplishing the organization‘s set goals and targets, and will often be documented by circulars and procedure manuals.

Executive decision: These are the routine decisions taken by individual managers or supervisor in the day-to-day performance of his tasks. They generally fall within his limited area of responsibility; that is, his particular function or area of competence. They tend to be repetitive in nature and will affect the organization's performance only in a restricted way. Examples of executive decisions include:

i. Determining the timing of purchase and sometimes source of supply
ii. Approval of staff leave, training etc.
iii. Transfer of personnel from one job or operation to another
iv. Award of over time or other allowances
v Determination of advertising media etc.

THEORETICAL FRAMEWORK OF THE STUDY

Iguisi (2021), Agbonifoh et'al (2005) identified theories/Models of decision making as follows:

(1) Rational theory

(2) Bounded-rationality theory

(3) Political theory

(4) Intuition theory

Rational decision making theory

This theory is based on the idea that decision making is a process in which rational decision makers attempt to solve problems and make choices. The theory states that decision makers are rational and as such would search for all possible alternatives, compare and evaluate them using some criteria and eventually choose the best or most maximizing alternative. Rational decision-making involves several solutions that will be analyzed based on the issues and the relevance of this information towards the current problem before implementing the final decision The structured information consisting of conscious thinking must be evaluated critically. In addition, the rational decision-making will enhance the effectiveness of the decision by structuring the decision criteria, highlighting and evaluating the alternatives individually (Albert, 2006). The decision-makers or the managers who utilize rational decision-making are more likely to be vigilant and organized about available information during decision-making. Furthermore, the rational decision-making process enhances the managers' skills and abilities to employ a formal planning process to detect and highlight issues before assessing possible resolutions.

Buchanan (2006) emphasized that decision-makers who employ this type of decision-making can be highly participative and liberal. Additionally, the managers are more aware of the organization's internal and external competitive advantages before deriving strategic decisions that can positively affect the organization. It may be safe to conclude that rational decision-making will moderate the relationship between the strategic thinking process and organizational performance. This theory is concerned with not only how decision makers make decision but the process involved in making the decision. It is therefore both a descriptive and prescriptive theory of decision making.

Bounded rational theory of decision making

This theory emanates from the several grounds upon which the rational theory was faulted. The theory states that even though decision makers are rational human beings, their rationality is constrained by some factors; hence it is called bounded rationality. They identified the factors which puts a constraint or bound the rationality of decision makers to include; problematic search, cognitive limits, time pressures, disjointedness and incrementalism, values and preferences, satisficing decisions.

(a) Problematic search: Decision makers wait for problems to occur before trying to solve them. They do not go out to look for problems to solve. Decision making is reactive process rather than a proactive process

(b) Cognitive Limits: Decision makers sometimes make decisions without having a full understanding of all the factors and conditions that may affect the decision

(c) Time Pressures: Since it is cumbersome and time-consuming to analyze all available information before making decisions, decision makers make decision against the pressure of time

(d) **Disjointedness and Incrementalism** : The process of decision making is characterized by delays and stoppages as a consequence of which decision makers may find it difficult to return to earlier stages of the process. Back and forth movement in decision making process.

(e) **Values and Preferences**: Decision makers have different beliefs about what will work in a given situation.

(f) **Satisficing Decisions:** Decision makers make decisions that may be good enough in that it meets minimum standard of performance but such decisions may not be the best

Intuition Theory: The intuitive decision-making can be defined as the episodes of uncertainty patterns of action imposed by managers or the decision-makers based on the current situation. In addition, intuitive decision-makers must be aware of current issues and relate the relationship between cognitive schemes with holistic thinking to resolve problems (Sauter, 1999). It is also believed that the intuitive decision-making process can be influenced by a sudden awareness of information. Decision-makers can determine solutions without fully understanding or realizing the extent of information available. Studies agree that the intuitive decision-making can occur when unsorted information is restructured into an organized pattern of action that transforms into a conscious solution. Furthermore, the intuition organization performance is enhanced when decision-makers utilize the intuition decision-making when there is no access or relevant analytical data to support them in making strategic decisions that align with the organization's objectives. Conversely, intuition decision-making also contributes positively to the organization's performance when the issues are resolved quickly despite limited resources or knowledge on the current issues.

Studies by Sauter (1999) emphasized that intuition decision-making or illumination is a sudden awareness of information where the decision-makers are unaware of fundamental facts or information. The author also highlighted several ways to establish the intuitive decision-making process. First, detection is an intuition where decision-makers think of several different situations rather than focusing on the current issue. Working on current strategic issues will enable managers to comprehend related information to help solve the issue by connecting facts or elements that previously did not relate to each other. Another form of intuition is evaluation, where the solution appears as an available option creating a sense of certainty or vague feelings towards the analytical data. Decision makers often rely on intuition and judgment rather than on the facts of the case in making decisions. Conversely, the intuition decision-making process can also be hypothesized as an explicit and implicit decision-making style where explicit decision utilizes feelings or emotion and implicit decisions refer to the experience of the relevant situation. Moreover, intuitive decision-making also utilize the subconscious processing of verbalized and nonverbalized facts or information. A recent study suggests that intuitive decision-making aided managers in enhancing the strategic decision towards the organization's performance (Atallah, 2013).

Political theory of decision making

This theory states that decision making is a political activity in which individuals and groups engage in for the purpose of achieving objectives that connects with their interests. The fulcrum of this theory is that issues decided upon in an organization depends on the degree to which those issues affects the interests of people and how much power such people have in the organization. Thus an important organizational problem may remain docile for ages in that interested parties in it do not have the might to get it deliberated upon whereas some other problems are swiftly decided upon because some strong individuals in the organization have interest in it.

ETHICS AND CREATIVITY IN DECISION MAKING

Iguisi (2021) is of the view that ethics should play a role in decision making. He opined that there are three ethical criteria that that influence decision making:

(a) Utilitarian criterion: Decisions are made solely on the basis of their outcomes or consequences. The goal of this criterion is that any decision made in an organization should provide the greatest good for the greatest number of people. It has the advantages of promoting efficiency, productivity and high profits

(b) Focus on Rights: Decisions should be consistent with fundamental liberties and privileges. An emphasis on rights in decision making means respecting and protecting the basic rights of individuals such as right to privacy, free speech, due process, protection of whistle blowers when they reveal organization's unethical practices to the authorities concerned

(c) Justice: Rules should be imposed and enforced fairly and impartially as well as equitable distribution of benefits and costs within the organization. Apart from the role of ethics in decision making, it must also be noted that decision makers in organizations should be creative in decision making.

It is not enough to make decisions in organizations, such decisions can only be regarded as better decisions when they incorporate novel and useful ideas; this is the crux of improving creativity in decision making. It is therefore important to identify people with creative potentials and galvanize them into the decision making groups within an organization (Asikhia et'al, 2021). Innovative decision making is vital for organizational success (Hamza, 2015). As organizations continue to embrace the centrality of creativity, research and development to keep pace with the competitive world, the necessity of making prudent and productive decisions based on such efforts have become more challenging. Although several theorists have developed various approaches to addressing the enormous task of taking productive decisions to stimulate organizational performance, choosing the optimum approach given scarce time, competitive demands and situational challenges have remained a tough riddle for business leaders to unravel. Furthermore, the rapid pace of industrialization, frequent economic fluctuations, heightened technological advancements coupled with the deployment of artificial intelligence have all compounded in no small measure the heavy consequences of defective decisions taken at strategic management levels. The three components of creativity proposes that individual creativity results from three factors which are; expertise, creative thinking skills as well as intrinsic task motivation. Expertise is a function of the individual's knowledge and experience; creative thinking skill is a function of personality characteristics such as ability to use analogies and talent to see things differently while intrinsic task motivation a function of the desire to do the job because of the characteristics associated with the job (Obi, 2016).

STRATEGIES FOR DECISION MAKING

Thompson and Tuden (1956) in Agbonifoh et' al (2005) opine that the discussion of decision making strategies is often presented in three senses which are descriptive (how decisions are actually made), Normative (how decisions ought to be made) and prescriptive (how decisions should or need to be made). They further provided four strategies upon which organizational decision can be made. These strategies include:

(1) Computation strategy
(2) Judgment
(3) Bargaining
(4) Inspiration

Computation Strategy: This strategy relies upon calculations and related means to arrive at a decision. Such calculations involve market surveys, feasibility studies, etc. This strategy is suitable when both the ends and means of a decision is certain.

Judgment: This relies upon past experiences, traditions and other types of qualitative data. A decision may be made based upon judgment about possible effects of decision on morale, corporate image, etc. without any hard data. This type of strategy would apply to bounded-rational decisions where the ends are certain but the means are uncertain

Bargaining: This is the type of decision that involves negotiations and horse trading between powerful coalition members and interests. It is suitable for decision situations that are characterized by uncertain ends and certain means

Inspiration: Inspiration refers to the extent to which someone takes a decision issue into his hands and brings it to a conclusion. It means that the decision problem is not only novel but defies any known solution. Decision makers can therefore not search their experience for answers because the problem has not been encountered before hence there is difficulty in understanding its nature and demands. In this regard, the decision makers are then forced to rely on inspiration.

BIASES/ERRORS IN DECISION MAKING

Due to the fact that humans are fallible, decisions made in organizations are prone to biases and errors. Some common biases and errors in organizational decision making include as identified by by Jaworski and Kohli (1993) include:

Over-confidence Bias: This is when individuals believes too much in their ability to make good decisions to the extent that they can even make decision outside their area of expertise without the involvement of experts in those areas.

Anchoring Bias: This is when individuals hastily jumps into making decisions without receiving the most appropriate information necessary to make that decision. The information that is received first is deployed in the decision making after which the appropriate information needed to make the correct decision becomes available, whereas the decision has already been made with the inappropriate information.

Confirmation Bias: During the decision making process, only facts that supports a person's decision is used, ignoring facts that go against a person's decision. When this is done, the success of the solution of such decision can be limited.

Availability Bias: This is the tendency for people to base judgments on information that is readily available without seeking for other information that may be the most appropriate for the decision that is to be made.

Hindsight Bias: This is the tendency to believe falsely that one has accurately predicted the outcome of an event after that outcome is actually known

Escalation of Commitment Error: This error occurs when there is an increasing commitment to a decision inspite of evidence that such decision is obviously wrong in all fronts. It simply means that a person stays with a wrong decision even when there is clear evidence that it is wrong

Randomness Error: This is committed when a person tries to create meaning out of random events thereby making decision to be impaired

EMPERICAL REVIEW

A couple of studies have been done on organizational decision making both in Nigeria and overseas for which this paper intends to draw inspiration.

Asikhia et' al (2021) did a study on Effective Management Decision Making and Organizational Excellence: A Theoretical Review. The study examined the relationship subsisting between effective management decision making and organizational excellence. Content analysis research approach involving the review of previous scholarly works was employed for the study. Findings from the study indicate that managerial decision making stimulates organizational excellence hence practitioners must avoid decision traps while also putting into proper focus the place of team and collaborative efforts in their respective organization. The study therefore concluded that effective decision making is a sine qua non requirement for organizations desirous of outperforming global competition as well as maintaining interactive relationships with customers and other relevant stakeholders. It therefore recommended that managers should continuously embrace innovative ideas so as to constantly enhance their organizational excellence

James and Agwu (2017) did a study on Effective Decision Making and Organizational Goal Achievement in a Depressed Economy. The study examined how effective decision making imparts organizational goal achievement especially in a depressed economy. Descriptive research method was adopted in the study. Findings from the study lends credence to the fact that effective decision making with cutting-edge knowledge of modern information technology and relevant data availability leads to the achievement of desired organizational goals. The study recommended that chief executive and top management of enterprises must seek broad spectrum of input from both inside and outside sources to make good decisions that would move the organization forward

Hamza Ismaila (2015) did a research on the Impact of Decision Making on Organizational Effectiveness: A Study of First City Monument Bank, Zaria Branch. SPSS statistical tool and correlation was deployed to test the stated hypotheses. Findings from the study showed that decision making problems were few in the organization but factors such as environmental, religious and political influences decision making to a great extent. The study recommended that if decision could be made in the right way and executed in the right manner, organizations could achieve effectiveness in its operation as well as achieve quick and quality decision without bias.

Mulugeta Zewdu (2017) did a study on The Influence of Decision Making in Organization Leadership and Management Activities. The study explored the influence of decision making in organization leadership and management activities that impact creativity, growth, effectiveness, success and goal accomplishments. Data was collected through structured interviews and surveys. The results that emerged from the data indicated that there are great needs for change and improvement in decision-making among organizational executives while accommodating technology, diversity, globalization, policy, teamwork, and leadership effectiveness.

CONCLUSION

The study provides a robust framework for in-depth research in every aspect of organizational decision making. Organizations, more than ever, operates in a dynamic environment ladened with unhealthy competition which sometimes degenerates into rivalry with the intention to edge out. This is why decision making actors in the organization must not be apprentices but the best fits that are not chosen by sentiments but based on capacity. Generally, decision making is supposedly a managerial activity but in the light of making effective decisions, individuals from lower cadres with the right ideas can be opted into the decision making team. Premised on the rich and elaborate review of extant literatures in the study, the study maintains that it is not enough to make decisions but such decisions should be innovative and creative having the capacity to proffer solution to present and future problems; this is the whole essence of effective decision making. Organizations that have survived the test of time have done so because decisions made on operational, tactical, administrative and strategic fronts have always been right and even when there are flaws, the process incorporates systems of remediation. The profitability, survival, competitiveness and any other positive indices used to measure the success of an organization depends on the decision it makes. It is therefore pertinent for organizations to pay keen attention to its decision making processes and actors with a view of overhauling same as the need arises.

RECOMMENDATIONS

Evidence has shown that decision making is the life-blood of business organizations. In the light of this all-important management function which have been unequivocally expounded upon in this study, the following recommendations are put forward:

(1) Creative minds from across the broad spectrum of organizations should be galvanized into the decision making team of the organization

(2) Organizations should encourage participative/group decision making as this will make room for employees to develop a personal stake in the organization

(3) The hybrid approach of decision making which is a combination of individual and participative decision making should be encouraged

(4) Decision making actors for organizations should ensure that every decision made must conform to ethics and also deliver the greatest good to the greatest number and not a few strong

(5) Corrective measures should be incorporated into the decision making processes to handle errors because human who are the decision makers are fallible.

(6) Decision makers in organizations must at all times be equipped with the right and appropriate information as this is the bedrock for making effective decisions capable of proffering solution to problems.

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