



Decision Making Skills

Decision-Making Definition

Decisions are an integral part of all managerial activities, including organizing, leading, and controlling. However, decision making is usually most closely associated with the planning function, because it is an important tool for most planning activities.

Decision making can be defined as the process of choosing one alternative from among a set of rational alternatives.

What are Decision Making Skills?

Decision making skills is the ability to understand needs, evaluate comparable options & narrow down to the one best option. Decision making skills focus on research, collecting & analyzing data and making a correct judgment for effective & efficient end result. In business, this is a critical trait which employees must possess to select the best possible solution for any company problem, for ensuring smooth business processes. Good decision making skills increase efficiency, improves processes & helps grow business revenue.

Importance of Decision Making

Every employee is assigned a different task depending on their job roles & responsibilities. For every task, there are always multiple options for achieving the end result. However, not all options are viable as only some are cost effective, some take a longer time, some require more people etc. This is where the decision making skills of an employee are important. The employee needs to understand the objective, analyze all possible options, evaluate the strengths & weaknesses and take the best decision in the interest of the company.



Fig. 1 Effective Decision Making Skills

Some of the most important traits which a person requires to take sound & effective decisions are:

1. Critical Thinking
2. Problem Solving
3. Logical & Analytical Thinking
4. Listening Effectively
5. Leadership
6. Interpersonal Skills
7. Time Management
8. Team Collaboration

For every employee, these are the skills which ensure that every decision is taken in favor of the company.



Decision-Making Skills Examples

Decision-making is about much more than the final result. Numerous types of skills go into decision-making, including analysis, creativity, collaboration, and leadership skills.

Analytical Skills

Analytical skills help you collect and assess information before you make a final decision. An analytical person zooms out on the problem, looks at all the facts, and tries to interpret any patterns or findings they might see. These kinds of skills help you make fact-based decisions using logical thinking.

Creativity Skills

Decision-making isn't just all facts and figures; it also requires creative thinking to brainstorm solutions that might not be so straightforward or traditional. Creative decision-makers think outside of what's been done before and develop original ideas and solutions for solving problems. In addition, they're open-minded and willing to try new things.

Collaboration Skills

Good decisions take into account multiple ideas and perspectives. Collaboration skills help you find a solution by working together with one or more teammates. Involving numerous people in the decision-making process can help bring together different skill sets, exposing you to other problem-solving methods and ways of thinking.

Leadership Skills

While collaboration is often crucial for good decision-making, someone must take the lead and make a final decision. Leadership skills can help you consider all perspectives and decide on a singular solution that best represents your team members' ideas.



Problem-solving

Having problem-solving skills enables you to make vital decisions for a company or organization. An effective problem-solving leader makes decisions that benefit the company, without being guided by emotions, or personal loyalty to certain employees. They make decisions that minimize the chances of the same problems recurring in future.

Intuition

Intuition involves using instincts when making decisions. Decision making through instincts can be informed by your past professional or personal experiences, and the lessons subsequently learned. Values and ethics can influence intuitive decision making. Decisions made through intuition are quicker than those that rely on scientific analysis. However, combining intuition with scientific measures ensures better decisions are made.

Teamwork

As a leader, it's important to engage other employees when making some decisions. Employees can critique your ideas, or come up with new ideas or suggestions that can improve the quality of your decision. For instance, if you oversee a marketing team, you can exchange ideas with them on how to boost product or service sales, to increase revenue. Collaborating with other employees in decision making motivates employees to easily buy into your decisions, since they feel their input was valued and incorporated.

Emotional intelligence

Some professionals find that having high emotional intelligence (EI) helps you to make effective decisions. A high EI enables you to be intuitive and pick up non-verbal cues or bodily signals from employees, and avoid making risky decisions. You can boost your emotional intelligence by asking for advice, and being self-aware of your values, purpose and the core mission at the company you work for.



Time management

Setting a timeline in which decisions have to be made is necessary to ensure client deadlines are met. Allocate time within which certain decisions have to be made. Still, be aware that some decisions require more time than others. Time management in decision making helps you to plan how to make a decision and within what time frame. If the decision has to be made by the end of the month, you can allocate time at each stage of the decision-making process to develop possible actions or solutions.

Conflict resolution

Sometimes, business decisions can involve disagreement. As a leader, conflict resolution skills enable you to reason with employees who feel the decisions made are not favorable to them. Conflict resolution aligns such employees to focus on the company's goals.

Organization

Organization matters when making decisions. If you plan to get feedback from clients on your company's goods or services then target the right people. Gather all the necessary information on your target demographic and organize your marketing campaign and outreach around their needs.

How to Improve Decision-Making Skills

Decision-making skills improve as you're required to make more decisions, but you don't need to be in a high-stakes work environment to practice these skills. You can even improve your decision-making with exercises like what you're making for dinner – it's all about how you slow down, consider the facts, ask for help, and reflect on your decision.



Decision-Making Strategies: Making Dinner



Start Slow

- How can I assess what resources I have to make dinner?
- Who am I making this decision for? Does it just impact me, or do I have guests?

Consider the Facts

- What ingredients do I have in my kitchen?
- What energy and resources do I have to make dinner?
- Am I even hungry right now?

Ask For Help

- Can I consult a recipe?
- Can I ask the person I'm eating with what they might want?

Reflect

- Did I make enough food?
- Did I enjoy my dinner?
- Next time, can I plan ahead and buy the ingredient I missed?

Steps in the decision making process

Step	Detail	Example
1. Recognizing and defining the situation	Some stimulus or spark indicates that a decision must be made. The stimulus or spark may be positive or negative.	A plant manager sees that employee turnover has increased by 5 percent.
2. Developing alternatives	Both obvious and creative alternatives are desired. In general, the more significant the decision, the more alternatives should be generated.	The plant manager can increase wages, increase benefits, or change hiring standards.
3. Evaluating alternatives	Each alternative is evaluated to determine its feasibility, its satisfactoriness, and its consequences.	Increasing benefits may not be feasible. Increasing wages and changing hiring standards may satisfy all



		conditions.
4. Selecting the best alternative	Consider all situational factors, and choose the alternative that best fits the manager's situation.	Changing hiring standards will take an extended period to cut turnover, so increase wages.
5. Implementing the chosen alternative	The chosen alternative is implemented into the organizational system.	The plant manager may need permission of corporate headquarters. The personnel department establishes a new wage structure.
6. Follow-up and evaluation	At some time in the future, the manager should ascertain the extent to which the alternative chosen in step 4 and implemented in step 5 has worked.	The plant manager notes that, six months later, turnover has dropped to its previous level.

Steps to Improve Decision Making Skills

- Review Strong Decision-Making Skills
- Take Your Time
- Start with the Desired Outcome
- Weigh the Pros and Cons
- Get a Second (or Third) Opinion If You Need It
- Use Past Experience as a Guideline
- Measure the Results
- Learn from Your Mistakes

Types of Decision Making



The ways in which decisions can be made can be of several types. The broad classification of how people can take decisions are:

- 1. Analytical-** This type is based on collecting information, analyzing data & taking a calculated decision.
- 2. Directive-** this is usually based on several processes & rules, and is focused on the end goal.
- 3. Conceptual-** this type of decision making keeps into consideration how other people will be impacted by the decision.
- 4. Behavioral-** this type is driven by the nature, attitude or behavior of a person.

These are simply the broad types of decision making. People need to **hone** good decision making skills so that they can make the best available resources & information to take the most ethical as well as profitable decision for the business.

Source

<https://youtu.be/d7Jnmi2BkS8>

<https://youtu.be/mW9lCnPQ6xs>

<https://youtu.be/d53AFjxT5hQ>

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<https://youtu.be/VFjqmUP84w>