

MBA

Sachchidanand Sinha College, Aurangabad

Organisational Behaviour

Sem - II

Managerial Decision Making

Decision - Making is one of the most important functions of management.

"Decision making is the process through which managers identify organizational problems and attempt to resolve them!"

Managerial economics is the essentially applied economics in the field of business management. It is economics of business or managerial decisions. It pertains to all economics aspects of managerial decision making.

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The act of making up our mind about something, or a position or opinion or judgment reached after consideration. The process of selecting from several choices, products or ideas, and taking action?"

A managerial decision making process must always help executives make the best strategic decision.

⇒ Decision making success depends on both →

1) Decision quality.

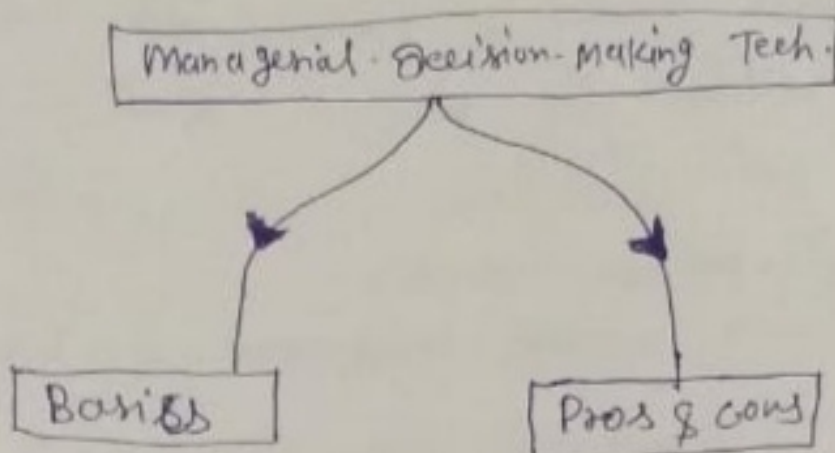
2. Execution effectiveness.

⇒ Managerial Decision Making Techniques! —

These are two important Managerial Decision making Techniques :-

1. Basics Techniques.

2. Pros and cons Techniques.



1. Basics Techniques : —

The typical decision making process involves defining the Problem, identifying alternatives, using a particular technique to select the best alternative and monitoring results. The Problem definition may include a set of requirements and decision criteria.

2. Pros & Cons Techniques:

The Pros and cons technique is simple because it does not require complicated ~~mathematical~~ numerical modelling. The Pros are the qualitative benefits or advantages for each alternative, while the cons are the disadvantages.

⇒ Decision Making Process:

Decision making is crucial for running a business enterprise which faces a large number of problems requiring decisions.

There are mainly five steps involved in managerial decision making process:

1. Establishing the objective.
2. Defining the problem.
3. Identifying possible alternative solutions.
4. Evaluating alternative.
5. Implementing the decision.

Managerial Decision Making Process

Establishing Objective

Defining the Problem

Identifying Possible Alternative

Evaluating Alternative

Implementing the Decision

