

THE DECISION-MAKING SYSTEM AND ITS RE-DESIGN AT THE LEVEL OF THE ORGANIZATION

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Introduction

Any company that wants to achieve performance must make rational decisions based on a decision-making system. The bankruptcy of many companies is due to lack of qualified staff, poor management and inadequate decision-making.

Decision making is a matter of utmost importance that concerns company managers. Nowadays, in order for a business to function well, decision support tools are needed. These tools will allow managers to make good decisions. The decision-making system includes the company's departments and their information, respectively: finance, human resources, sales and general management.

A decision-making system makes it possible to answer the following questions:

- ? What happened ? (dashboard);
- ? Why did this happen? (analyze);
- ? What will happen? (prediction);
- ? What happens now? (operational assistance);
- ? What should happen or what to do? (decision making).

The general architecture of a decision-making system can be divided into three processes: extraction (locating and exploring data sources) and integration, organization and querying.

The extraction and integration process, locates the data sources and is responsible for identifying data from different internal and external sources;

In the information extraction, preparation and transformation (selection, filtering, etc.) of the data inside the warehouse (database) we find the organization process. He is responsible for structuring the data in relation to their level of aggregation.

Different tools make it possible to analyze data for different users of the company.

What is the decision-making system for?

Within the company, the decision-making system aims to facilitate the establishment and implementation of the strategy, especially to concretely support the implementation of

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activities. It consists of all means (human, software, hardware) used to collect, store, process and communicate information.

A (decision-making) decision-making system is above all a means of facilitating the definition and implementation of winning strategies. But it is not a question of establishing a definitive strategy, but of the ability to continuously adapt to the environment and to do so faster than competitors. To do this, you need to adapt to the environment, adjust your interactions with it by making the best choices of targets and actions. Specifically, the path to be followed can be characterized by the following four objectives: understanding the environment, focusing on the objectives, aligning the organization and implementing the necessary action plans.

A decision-making system will help in particular in the management of action plans (forecast, planning, monitoring), in learning (acquisition of know-how, knowledge, skills) and in the realization of innovations (adaptation of the business model: products / services , organization, etc....). Traditional decision-making systems allow the analysis of activities already carried out and the extraction of lessons for future activities, for which they use more or less recent data (best updated daily). More advanced decision-making systems manage newer data (some are updated in near real time), automate decisions, and support real-time operations.

1. Decision and decision redesign considerations

1.1. Relationship between decision and decision redesign

The decision can be defined as the method chosen from several possible ones to achieve an objective (s).

The management decision - natural embodiment of the exercise of the management process and of each of its functions - is the decision that influences the decisional and operational behavior of other people. The adoption of management decisions represents the essential element of the managers' work, their quality depending decisively on the achievement of the assumed objectives in conditions of efficiency.

The management decision is the product of decision-making processes, simpler or more complex, marked by the existence of²:

- the individual decision-maker (managers placed in various hierarchical positions) or group (participatory management bodies or groups of managers set up ad-hoc to solve complex problems decisively);

² O. Nicolescu, I. Verboncu, *Managerial Methodologies*, University Publishing House, Bucharest, 2008

- the decisional objective or objectives (for example, ensuring a certain dynamic of the economic-financial indicators);
- the set of decisional variants, consisting of various ways of achieving the decisional objectives;
- the set of decisional criteria, which include the decision-maker's points of view, levels corresponding to the different variants and / or states of the objective conditions;
- the set of decisional consequences, which includes the economic results of each decisional variant, influenced by a certain decisional criterion;
- the environment, consisting of all the factors exogenous to the organization, which manifests itself in several states of objective conditions.

Given the special impact of management decisions on the functionality and effectiveness of the managed field (the organization or its procedural and structural components), it is necessary to find several qualitative parameters, as follows:

- a. the scientific substantiation of the decision, ensured by:
 - capitalizing on an online and directly relevant informative material and transmitted operatively;
 - appealing an adequate decision-making tool, depending on the decision-making problem in one of the three situations: certainty, uncertainty or risk;
 - the competence of managers given, on the one hand, by the professional knowledge, qualities and skills and, on the other hand, by the knowledge, qualities and managerial skills that they must possess.

Failure to meet these conditions, in whole or in part, leads to the adoption of predominantly empirical or heuristic decisions, unable to solve complex, multicriteria problems. There is no difference between a professional manager and a very good IT specialist.

- b. the “empowerment” of the decision, in the sense of its adoption by the person or group of persons to whom such competences (authority) are circumscribed.

- c. the opportunity of the decision, respectively its adoption and application in an interval considered optimal. Any exceeding it can generate inefficiency and, implicitly, the failure to achieve the assumed objectives.

- d. the integration of the decision in the set of microeconomic decisions, ensured by establishing some decisional objectives integrated in the categorical system of objectives of the organization, of which fundamental, derived, specific and individual objectives are part.

e. the corresponding formulation of the decision, in the sense of finding several elements to define it, such as: the decisional objective, the way of accomplishment, the decision maker, the date of adoption and application of the decision, the place of application, the person responsible for the application of the decision.

1.2. Decisional redesign³

Decision-making redesign is not a "fad" of the period we are going through, but a necessity to ensure quality parameters superior to microeconomic management systems.

The decisional remodeling succeeds the implementation of the managerial instrumentation and aims at creating favorable conditions for the adoption and application of quality decisions, with a special impact on the functionality of the managed fields.

Moreover, such an approach must be integrated into the managerial redesign methodology in order to amplify the impact of management on efficiency.

In a first sequence, a detailed presentation of the existing decision-making system is ensured, by specifying some aspects related to:

- decision maker (scope, competence, etc.);
- decisions taken within a certain period of time (last three years);
- their typology;
- the decision-making tools used;
- the managerial functions and the functions of the organization "affected" directly by the adopted decisions;
- the quality of the decisions adopted;
- the decision-making processes found in the substantiation, adoption and application of decisions;
- other aspects related to the decision maker and the decisions adopted (his decisional activity).

The second sequence is intended for the analysis of the decision-making system, focused on:

- the typological analysis of the adopted decisions, highlighting the correspondence between the types of decisions and the hierarchical position of the decision maker. Most often there are and are visible asynchronizations between these two parameters, in the sense that managers located in the upper floor of management are put in a position to adopt decisions

³ O.Nicolescu, I. Verboncu et al. *Modern approaches in the management and economy of the organization*, vol. I, Economic Publishing House, Bucharest, 2003

predominantly current, certain, periodic and oriented to the functions of organization, training or control-evaluation. and production and personnel functions.

- the analysis of the decisions through the prism of the management functions and the functions of the organization, which it targets with priority.

- the analysis of the quality of the decisions through the prism of the parameters enunciated previously and which are constituted in as many requirements of rationality to which the adopted decisions must respond.

- the analysis of the manner of substantiation, adoption and application of decisions, highlights the intensity of the stages of strategic-tactical decision-making processes and the impact of non-compliance with the content of some of them on the quality of decisions and actions required by their application.

- analysis of decision - making methods and techniques used to the extent that this has happened - and their impact on the substantiation of the decisions taken.

- analysis of other aspects, which “support” the development of decision-making processes (decision-maker, the way of organizing, conducting and finalizing the decision-making meetings of the participatory management bodies, etc.).

These elements of analysis allow to outline some positive and negative symptoms of the conception and development of the decision-making system and, based on them, the causal detection of the main strengths and weaknesses.

Finally, the conclusions of the previous stage allow the formulation of solutions to improve the decision-making component of management, which should not be missing.

Therefore, given that the decision is not perfect, and its implementation encounters current practical difficulties, which create a gap between expectations and achievements, decision-making redesign is a necessity and a normal activity and not an exception. Moreover, the decisional redesign represents a completion and a correction of the application of the decision at the company level⁴.

Conclusions

The decision-making system of an organization must be redesigned to be in line with the new realities created by the pandemic and the explosion of digital technologies.

However, it is strictly necessary to improve the training of holders of managerial positions in training and specialization courses.

Decision-making redesign is the vector of revitalizing a company's activity.

⁴ I. Verboncu, (coord.), *Strategy - culture - performances*, Printech Publishing House, Bucharest, 2008

Decision-making redesign is a continuous process of correction and adjustment. Deviations from the initial design can be reduced with the help of decisional redesign, which is required as a process of great dynamism and highly efficient.

Decision-making is based on ensuring the permanence of management - each management position must be provided with a framework that can replace its holder at any time. This principle creates a dependence on a certain person and is difficult to maintain in "critical and unforeseen conditions". The process teams, through the total involvement of its members, offer at any time the "taking over of the leadership" without endangering the achievement of the objectives. Within these teams, one or more leaders will appear, who will establish a team spirit that will ensure mutual trust between team members, this and as a result of the fact that the team will establish its own rules, norms by which will regulate the behaviors of its members, while assuming responsibility for the results achieved. These teams, however, appoint a representative (usually the leader) to liaise with senior management.

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