

International Journal of Innovative Research in Science, Engineering and Technology

(A High Impact Factor & UGC Approved Journal)

Website: www.ijirset.com

Vol. 6, Issue 8, August 2017

An Overview of Strategic Thinking and Decision Making

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ABSTRACT: Decision-making is a critical feature of every organization and in daily undertakings, decisions are taken at every step. It is also considered as one of the significant function of management. Understanding this vital concept is critical for every business success since it will help strategists and authoritarians to make more cautious, thoughtful and rational decisions by organizing relevant information and defining alternatives. Teaching correct ways of decision-making, appending decision-making courses to syllabi of university majors, and the development of databases in varied domains, especially in medical services, are among the effective strategies to improve decision-making and reduce the costs of decision-making mistakes. This review article discussed about the fundamentals of the strategic thinking and decision making process in an organization.

KEYWORDS: Decision making, strategic thinking, Organizational growth, Business management.

I. INTRODUCTION

Decision making as the procedure by which a sequence of action is designated as the resolution to a precise problem. A decision process as: "a set of action and dynamic factors that begins with the identification of a stimulus for actions and ends with a specific commitment to action". In organizations decision making is often taken by collective rather than one person, so essentially it is the mechanism that is social whose outcomes are mostly shared between collections of members in organization[1]. It is necessary to remember that decision-making in businesses is mostly taken in bloody and inharmonious cases in which nothing is stable. In organizations with far-reaching effect, often important decisions are followed by communities. It also explains the importance of group decision-making by stating that the company's competitive position is maintained and promoted when group decision-making is carried out. The decision made by groups is better than the ones taken independently[2].

However decision feasibility in terms of pace is best if made independently. The group decision process is defined by giving and taking that takes time. The extent to which a decision demonstrates ingenuity may mean efficacy. It was also noted that the size of the group influences group decision-making, so that the largest group has more opportunity for diverse demonstrations, but because the group's size, coordination is hard and members take a long time to contribute. Theoreticians show that organizations proved to be more successful decision-makers than people in artistic practices. It is recommended that the successful community should have 5 to 7 participants so that dead lock can be prevented. These communities are good enough to share positions and take part in the debate from a place which is disadvantageous but limited enough to deliberately engage them[3].

A party, board or other ad hoc committee is usually responsible for decision-making. But several millennial groups are seeking to make lower-level decision-makers more accountable. Companies aim for reduced levels of decision-making so they rely more on enhancing customer service and quality control. In view of the current controversy, it can also be claimed that decision-making is important for each company and primarily at the top management level. In the modern age, the workers have now been granted decision-making powers because they have direct interaction with the end user and the customer. However, the right way of making choices is a dilemma[4]. In spite of this, the paper would illustrate

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only a handful of the theorists' approaches to decision making. The technology which applies to the whole situation is not a participatory decision-making mechanism. Managers can use a number of strategies to involve members of the organization. It all depends on manager, firm, members of firm and the nature of the decision. The section below will briefly discuss different theories and models given by scholars for decision making comprehension.

II. STRATEGIC THINKING

Organizations in the 21st century face a wide variety of diverse opportunities including global growth, creating new goods and practices internally and externally that are sustainable and workable. It does not only refer to multinationals, but also to small- and medium-sized firms. The protection of a competitive advantage in a global, creative and diverse world generates demand to redefine the conduct of business. In a number of years the changing nature of their organizational environment and how they can detect and act in relation to environmental changes are increasingly concerned to senior managers[5]. But changes are not always possible at this dynamic age, and the environment is dynamic, making it much more difficult to detect them. The climate encompasses both domestic and human values and views and external influences, such as technology, the environment, regulation and politics. In order to drive organizations forward, all internal and external factors must be taken into consideration. He believes that organizations are political systems in which everyone pursues their own goals (by their own beliefs and convictions) as well as external influences such as the marketplace, technology and culture have an impact. Strategic thinkers have a role to play in understanding both inner and external factors and their impact on the company's future[6].

Strategic thinking has been investigated in the literature of management and psychology with the focus on strategic thinking and strategic decision-making. The psychological literature focuses on policy thinking and decision-making factors. This review provides an overview of both the approaches and identifies the importance of considering both the approaches together so that an understanding of what makes a good strategic decision maker can be sought[7]. This would aid organizations in developing criteria in which to assess individual strategic decision making effectiveness.

III. PROCESS OF STRATEGIC THINKING AND DECISION MAKING

Strategic thinking requires two separate cognitive processes, preparation and thinking, according to the management approach. Analyze preparation concerns the establishment and formalization of processes and practices, while synthesis requires thought – to promote intuitive, imaginative and creative thinking at all organizational levels[8]. The researchers describe this as "thinking in a relatively free way from existing boundaries on potential scenarios and strategies." Another concept of strategic thinking as "the way to resolve strategic issues that combine a rational and convergent approach and creative processes of thought." Bonn points out that the method orientation relies in a deeply dynamic, uncertain and competitive world on how strategic thinking individuals perceive it and execute strategic behavior. Strategic thought, then, is about thinking about a different direction to succeed in an uncertain and competitive world. It seems the policy occurs over time instead of being anticipated[7]. Policy was to create defensible or viable positions, and today the strategy should rely on constant adjustment and development, "continuously shift and evolve so that competitiveness is surprised and confused."

This means that the strategic thinker must be able to scan the outside world to collect tactical information internally. In the strategic formulation process, for example, it is important to employ middle management. It was claimed that plans conceived with experience from middle management and other related personnel within an enterprise are possibly preferable to only the strategic thinker, because the knowledge about what steps are required is taken into consideration as well as what initiatives should also be taken operationally in terms of capital (staff and materials etc). Boundary spanners (representing people with management, suppliers and customers roles) are an essential source of data. This is because these people have access to appropriate external evidence that can assist decision-making[9].

In the interests of the 'systems thinking' of the strategic thinker a strategic map has been created to 'provide a visual representation of the essential purposes of the business.' The map enables the strategically thinker to coordinate decisions with the priorities and awareness of employee skills and technology which helps and impedes the realization

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of the company. Successful strategic thinking involves an awareness of each aspect of the organization's partnerships which interdependence, and should be a strength found by effective strategic decision making. However, research on skills needed for critical analysis and decision-making has been scarce, even though literature recognizes the value of defining these skills."A study of the characteristics of a single strategic thinker and the dynamics and processes in the organizational context would help to understand strategic thinking[10]."

IV. COMPETENCIES

Strategic thinking and decision-making skills have become significant, provided that research has shown that good strategic abilities are combined with good organizational efficiency. In the literature, though, there is little consensus about what these capabilities are. Strategists may be considered as special or exemplary individuals who set the course, make fundamental decisions and inspire their followers. The investigation of competences which make them particular or excellent people has received little attention. The value of understanding those abilities was highlighted by the scientists who argue that, "We have to study top managers who serve strategic planners and decision-makers and the skills that they have to explain why organizations do what they are doing or why they are doing it. Ability is a skill that a person has and therefore an institution that helps him or her to carry out tasks. Strategic management based on competence assumes that strategists are more consistently identifiable, trained and tested for those attributes and behaviors. The definition of core competences can also be a valuable tool to determine how strategic planners focus on the future of the business.

V. CONCLUSION

Strategic thinking and decision-making relies on who the company is (previously), where it is now, and how it will function in a changing world (future). The examined literature shows that management cognition, organizational values as well as individual values and convictions can affect policy decisions. The analysis further recognizes the value of strategic decision-making capabilities. However, there is also no consensus as to what these forces might be. Future studies should be focused on identify and validate strategic decision-making capabilities and build a tool for assessing the skills and interventions for addressing vulnerable areas.

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ISSN(Online): 2319-8753
ISSN (Print): 2347-6710

International Journal of Innovative Research in Science, Engineering and Technology

(A High Impact Factor & UGC Approved Journal)

Website: www.ijirset.com

Vol. 6, Issue 8, August 2017

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