

## THEORETICAL FOUNDATIONS FOR THE FORMATION OF ADMINISTRATIVE DECISIONS

Dr. Maddallah Bbasheer Abboud Al-Nwaiqah, Directorate of general security,  
Jordan.

Received October 30; accepted 15 December 2020; published online 28 December 2020

### ABSTRACT:

Any administrative activity is closely related to developing and adopting appropriate decisions for different management situations. It is often that the only criterion for the viability of a management decision today is often the financial component, that is, increasing revenues or reducing expenditures from budgets of any level. The problem of risk management and overcoming uncertainty is related to the continuation of any sector of the economy. Every economic entity at all levels is affected by exceptional situations and unforeseen circumstances, to which it is necessary to act to respond appropriately. Therefore, it has become necessary to implement some scientific methods of the economic management theory of the enterprise, including the development of the most economically appropriate and highly effective management decision-making.

**Keywords:** administrative process, organization, models, properties, methods, indicators.

**JEL classification:** M51, D73

### INTRODUCTION:

The concept of strategic management refers to that administrative process through which all the resources available in the organization are managed in a way that leads to the achievement of all its goals and objectives, and this is done according to many steps, which start with defining these goals, then work on analyzing the competitive environment surrounding the organization and analyzing Her system. After that, a strategy evaluation system is established with the necessity to identify the available opportunities and threats that the organization may face, and therefore it is considered one of the threats facing the organization. This could be within the organization itself or from its competitors [Holford, A (2015)].

There are three types of decision-making models - physical, analog, and mathematical.

Physical (descriptive or portrait) - depicts an object or situation, showing how it looks. For example: copies of cars, planes, miniature drawings of a plant, etc.

Analog - the image of an object, or a situation by other means. For example: lake on the map - in blue, organizational chart; graphs of the ratio of various indicators of the enterprise.

Mathematical symbolic models are used to describe the characteristics and properties of an object or events in the form of mathematical symbols, formulas, calculations, economic analysis. In mathematical models, symbols are used to express the dependence of some quantities on others [Imran, Muhammad (2015)].

#### **RELEVANCE OF THIS TOPIC:**

The relevance of this topic is that the number of all kinds of specific models of management science is almost as large as the number of problems that have to be solved both in determining the goals of activities and in the process of achieving the goals of the enterprise.

#### **THE PURPOSE:**

Purpose of this paper is to study management science models.

#### **THE OBJECTIVES:**

The objectives of the objectives of this work are to familiarize with the methods and models of justifying management decisions and ways to improve the efficiency of management decisions. this work is to familiarize with the methods and models of justifying management decisions and ways to improve the efficiency of management decisions.

#### **THE SCIENTIFIC NOVELTY:**

The scientific novelty of this article is in a thorough study of theoretical sources and the application of the knowledge gained in modern realities.

#### **METHODS OF MAKING MANAGERIAL DECISIONS:**

There are such methods of making managerial decisions:

Qualitative forecasting methods: Forecasting the future is carried out by experts who are contacted for an in-depth analysis of the issue before making a management decision (in this case, the opinion of competitors, consumers are used, government estimates are studied, expert reviews are carried out, etc.). For example, a consumer expectation model is a forecast that is based on a survey of businesses and customers. They are asked to assess their own future needs and new requirements. After collecting all the data and making corrections for overestimation or

underestimation based on their experience, the leader is often able to accurately predict aggregate demand [Imran, Muhammad (2015)].

There is also a group method for making management decisions. In the case of using this, it is possible to generate fresh ideas and new approaches thanks to creativity and discussion of ideas. Thus, the group technique method is built on the principle of limiting interpersonal communication. So, initially, the entire group, which was formed to make a certain managerial decision, provides some written sketches that provide ways of solving the issue or the way of making a managerial decision. In the future, each group directly voices the essence of their sketch. The information is then subject to review and analysis by the group. At this stage, the study is carried out directly, the materials do not lend themselves to criticism or any discussion. At the next stage, each of the group members, in writing or electronically, sets out their assessment of the projects submitted. The sketch that received the most positive feedback should be made as the main management decision. [Jery, H (2013)].

The payment matrix is used when it is necessary to make a choice in favor of an option in the presence of several solutions. The use of this method will be very relevant if the manager has previously established a strategy that will best contribute to the achievement of goals [Jery, H (2013), Joanna L.Y. HO, Anne WU, Ling-Chu lee.,(2005)].

So, the payment matrix method can be applied in such cases:

- there are not a significant number of possible solutions;
- the result of a managerial decision will completely depend on which method of action is chosen.

The presence of risks has a direct impact on decision making. Having determined for each possible solution the value that is expected as a result, it is possible to make a management decision as to which option, under certain conditions, is the most attractive.

Another method of making managerial decisions is the “decision tree” method - a schematic representation of the best course of action out of several possible ones.

Another method of making managerial decisions is the “decision tree” method - a schematic representation of the best course of action out of several possible ones [Kemoh, Linda.,(2016)].

The Delphi method is used when it is not possible to gather a group of specialists in one place. In accordance with this methodology, meetings of participants and exchange of views between them are deliberately excluded. The development of the problem by this method is carried out in the following sequence: 1) the group

members are offered a list of questions on the problem under consideration; 2) each member of the group answers these questions independently and anonymously; 3) the answers are collected in the center and on their basis an integral document is drawn up containing all the proposed solutions; 4) each member of the group receives a copy of this document; 5) familiarization with the proposals of other participants can change the opinion about possible solutions to the problem; 6) steps 4) and 5) are repeated as many times as necessary in order to reach an agreed solution [Khalil, Tarek M., (2011)].

The considered method, like the method of nominal group technique, ensures the independence of opinions of individual members of the group. However, the time spent on developing solutions increases significantly here, and the number of proposed alternatives decreases. These shortcomings must, of course, be taken into account when choosing the Delphi method for group development of management decisions. [Jery, H (2013), Khalil, Tarek M., (2011)].

Thus, there is a fairly large arsenal of methods for making management decisions. Among them are programmed decisions, organizational decisions, group, individual, and intuitive management decisions. Each of the above decision-making methods has a number of positive and negative factors [Kristen, G, (2011)].

## **WAYS TO IMPROVE THE QUALITY AND EFFICIENCY OF MANAGEMENT DECISIONS:**

In the conditions of an unstable external environment, internal contradictions arising in the process of enterprise functioning, the management system needs to respond quickly and continuously adapt to the requirements of the modern world, which is constantly changing. Of particular relevance is the ability of managers to correctly assess problem situations in real time and make high-quality management decisions. The problems of forming and making high-quality managerial decisions in modern conditions urgently require the study of theoretical and methodological aspects of managerial decisions from the standpoint of assessing their quality [Kristen, G, (2011), Larbi, Annor, (2014)].

To achieve this goal, we consider it necessary, first of all, to define the concept of "process quality". In the dictionary of the Russian language S.I. Ozhegov's category "quality" is characterized as follows: "Quality is the presence of essential properties, attributes, features that distinguish one object or phenomenon from others and give it certainty." The loss of properties and characteristics leads to the disappearance of the object to which they belonged. In this sense, quality is an objective category, because each object or process is characterized by certain properties. It should be

emphasized that the properties of an object or process exist apart from the will of a person, regardless of his awareness. However, this objectivity is to a certain extent conditional, since it is impossible to deny the presence of a person in objects or processes that are of artificial origin. When it comes to the quality of the management process, it is impossible to talk about the complete objectivity of this category, because decision-making is a process that involves the direct participation of a person, which leads to a subjective perception of the quality of this process. At the same time, it is the subjective perception of quality that helps to evaluate it. Better quality will be such a management decision, which has a more pronounced set of properties (parameters, decisions) that satisfy a specific business entity and ensure the efficiency of its functioning [Larbi, Annor, (2014)].

A functional understanding of quality, the pattern of expressing qualitative characteristics through quantitative indicators is closely related to the practice of management, economic processes. One of the founders of the scientific discipline of quasimetric G.G. Azgaldov gives the following definition of quality: "Quality is a complex property, which is a combination of all those and only those properties that characterize the result obtained by consuming an object" [Laudon, Kenneth c., and Laudon, Jane p., (2007)].

The quality of a managerial decision is a set of properties of a managerial decision taken by the management apparatus to achieve goals consistent with the interests of the business owner [Laudon, Kenneth c., and Laudon, Jane p., (2007)].

Management decision, as the most important part of a complex management process, largely determines the level of its quality, ensures the competitiveness and efficiency of the enterprise. It is "the decision making is the essence of the management process, its ascending and most responsible stage, determines the level of productivity and efficiency of the entire system and management processes". Moreover, "the management decision is the final stage of the management process and determines its result." [Laudon, Kenneth c., and Laudon, Jane p., (2007), Luchs, M., Brower, J., and Chitturi, R. (2012)].

To prepare conclusions and recommendations based on the results of the analysis of the quality of the management decision-making process, it is necessary to proceed to the next stage of the analysis - generalization of information. It is at this stage that the basis is created for the formation of options for managerial decisions aimed at improving the quality of the decision-making process [Luchs, M., Brower, J., and Chitturi, R. (2012)].

The use of a systemic methodology, according to which the decision-making process is considered as an important element of the management system, allows us to highlight systemic quality criteria. On the other hand, decision-making is a process of sequential management actions, for the assessment of which the process requires quality criteria. The result of the decision-making process, which determines the quality of the decision-making process, determines the use of specific quality criteria [Zarina Aliyeva (2019)].

For the analysis, an appropriate technique is required. A methodology is a specific action plan based on a method, the creation of instructions, a clear algorithm. Regarding the analysis of the management decision-making process, the methodology is a set of analytical methods and rules for studying the object of analysis. To build it, it is necessary to determine (select) a system of indicators, an algorithm for their calculation and information support, select analytical tools, and determine the technology for implementing analytical procedures. [Larbi, Annor, (2014)].

Analysis technology, as the most important element of the methodology, based on the use of heuristic methods - questioning, surveys, checklist method, comparison, logical analysis. It allows you to assess the quality of each object of analysis. Analysis is impossible without appropriate information support. These are, first of all, organizational documents, incoming (data on the situation) and outgoing (orders, orders) information, information from the personnel department (data on education, advanced training of management personnel), results of questionnaires and surveys (on the use of scientific methods of collecting information, methods of optimizing creative thinking, methods of substantiating management decisions, etc.) [Zarina Aliyeva (2019), Bahruz Babayev (2019)].

### **THE RESULTS:**

As a result of the implementation of the methodology for analyzing the quality of the management decision-making process, the initial (analytical) information is formed. The presence of many indicators, primarily qualitative ones, requires its systematization and generalization.

### **CONCLUSION:**

Thus, the considered set of stages of analysis and sequential actions of the analyst to assess the quality of the management decision-making process is a methodological instruction for conducting the analysis, it allows increasing the responsibility of managers at each stage of the management process, will improve the state and efficiency of the enterprise management system.

In the presence of an insignificant number of alternatives and one criterion for evaluating a management decision, the choice is made by an authorized person taking into account this criterion.

If there are several alternatives and several criteria for evaluating these alternatives, the selection can be made by an authorized person using existing decision-making methods or by a group (for example, a working group of managers).

It is to evaluate alternative options for management decisions and find the optimal option using existing decision-making methods that mathematical models are used.

## REFERENCES:

- Bahrüz Babayev (2019), Studying the Case of The UAE in Economic Diversification and Non-Oil Export Growth: Public Policy Lessons for Azerbaijan, the journal of "Economic sciences: theory and practice", 2019, Vol. 76, Issue 2.
- Holford, A (2015). Youth employment and academic performance: Production functions and policy effects. Institute for social & economic Research, 6, 1-51.
- Imran, Muhammad., (2015), Impact of Training & Development on Employee's Performance in Banks of Pakistan . the Islamia university of Bahawalpur, Pakistan.
- Jery, H (2013) Strategic Human Resource Management and Performance: The Universalistic Approach—Case of Tunisia, Journal of Business Studies Quarterly, Volume 5, Number 2, pp 184-201.
- Joanna L.Y.HO, Anne WU, Ling-Chu lee., (2005) " How Changes in Compensation plans Affect Employee Performance, Recruitment and Retention- An Empirical Study of a Car Dealership", University of California, Irvine.
- Kemoh, Linda., (2016) ' the impact of motivation on employee performance in an organization, United states international university- Africa
- Khalil, Tarek M., (2011) , Management Of Technology. Mcgraw –Hill Higher Education Boston Burr Ridge
- Kristen, G, (2011) The Effect Of Emotional Intelligence On Emotional Competence And Transformational Leadership, Journal of Psychology in Chinese Societies, 7, 283-306.
- Larbi, Annor, (2014). Effect of Compensation Management on Employee Performance At the ST. MICHAEL'S Catholic Hospital, PRAMSO , Kwame University of science and technology, GANA.
- Laudon, Kenneth c., and Laudon, Jane p., (2007), "Management Information Systems: Managing the Digital Firm", 10th ed, New Jersey: Prentice-Hall, Person Education, Upper Saddle River. PP 14.

- Luchs, M., Brower, J., and Chitturi, R. (2012). Product Choice and the Importance of Aesthetic Design Given the Emotion-laden Trade-off between Sustainability and Functional Performance. *Journal of Product Innovation Management*, 29(6), 903-916.
- Muradov Adalat Jalal, HajiyeV Nazim Ozbey (2014). *Competitive Environment ss The Main Factor for Integration into The World Economy*. The journal of “Economic sciences: theory and practice”, Vol. 71, Issue 2. pp.5-20
- Muradov, A., Hasanli, Y. and HajiyeV, N. Shabanov, S. (2019). *Assessment of the integration relationships between science and education at the doctoral*. Retrieved November 28, 2020 from <https://mpira.ub.uni-muenchen.de/94109/>
- Muradov, A., Hasanli, Y. and HajiyeV, N. (2019). *The Assesment of Impact of Competitiveness to Economic Development*. Economic and Social Development: Book of Proceedings. Varazdin Development and Entrepreneurship Agency (VADEA). pp.1170-1177
- Nazim Uzbey oglu HajiyeV (2013), *Assessment Stages of Cyclical Development of Monopoly And Competition in Terms of The Reconstruction of Azerbaijan Economy*. The journal of “Economic sciences: theory and practice”, Vol. 70, Issue 1. pp. 97-117.
- Zarina Aliyeva (2019), *The Role of Marketing in Ensuring the Competitiveness of Construction Enterprise in The Context of Market Conditions*, the journal of “Economic sciences: theory and practice”, Vol. 76, Issue 2.