

# THE MANAGERIAL DECISIONS IN THE SYSTEM OF CONSUMER'S COOPERATION AND THE RATIONAL DECISION-MAKING PROCESS UNDER CONDITIONS OF ECONOMIC AND FINANCIAL CRISIS

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**Abstract:** *In this article describes the concept of administrative decisions of Consumer Cooperatives, which are the main point of managerial activity, as reflected in all its functions, moreover, the integration of cooperative organizations in a changing and complex environment depends on the quality of decisions. Analyzing activities of the cooperative system of the Republic of Moldova came to the conclusion that the efficient activity of Consumer Cooperatives in the financial and economic crisis is possible due to systematic process decision-making in complex exceptional situations. And also, is described a number of process steps for determining the optimal rational solutions implemented by managers of the cooperative organization, whether formally or through intuition.*

**Keywords:** Decision-making, the consumer's cooperation, decision, decisions programmed, decisions scheduled and unscheduled decision, effective managers, rational decision-making process.

The decision, as an outcome of intellectual activity manager, form efficiency targets achieved. The consumer's cooperation decisions have double significance, because it allows achievement of all management functions to achieve common purpose and cooperative organizations in the integration business. Decision-making in the consumer's cooperation system is applied to solve all problems and tasks encountered in the process, namely: cost reduction, resource efficiency, profit growth, etc.

Decision-making of the consumers cooperation system is the core activity of a manager, and all other activities are conducted to ensure timely decision-making or, if the decision was already taken, to implement and monitor its effectiveness.

A skillful manager should know to make decisions under complex and changing environment, which has significant influence over decisions by the quantity of information available (conditions of certainty, risk and uncertainty), organizational goals and individual decision-maker, the system of values manager and the organizational culture and a number of other internal or external environmental conditions. Some decisions should be delegated to allow managers to use their time to solving the most important organizational objectives.

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The current system of the consumer's cooperation, the ever changing, complex decision-making process becomes more difficult. Those decisions are constrained by the environment in which they operate. Although decision making is a dynamic and continuous development, decisions have several common elements. Every decision is taken in typical rural cooperative organizations and all decisions have several basic steps.

Therefore, we find that managers make decisions in consumer's cooperation in many cases, such decisions vary depending on the level they occupy in the organization manager, and it holds the job. At the moment we meet frequently with two types of decisions: decisions scheduled and unscheduled decision.

*Decisions scheduled* into the system of consumer's cooperation are repetitive and routine decisions. With high frequency of occurrence of certain circumstances, a manager creates his usual (usually a procedure) that will resolve this situation. Cooperative organizations have written policies and unwritten, that are designed to simplify decision making, save time and allow leaders to coordinate and oversee the operation. An example is the decision scheduled employment decision taken by the human resources department of an organization.

Programmed decisions are most easily received, because managers in consumer cooperatives to provide a set of rules, procedures and policies. Decisions are not necessarily simple and routine are important for the organization. If a problem occurs repeatedly and if its elements can be defined, provided and analyzed, then a decision can be defined problem related software.

*Decisions unscheduled* to receive in unstable or special situations. To solve these problems no preset procedure, either because they have not been found, either because they are very important and complex. One of the factors that are influenced by managers in decision-making unscheduled process is the uncertainty of the results of each alternative decision made.

During its work the Consumers Cooperation in the Republic of Moldova encounters situations when managers certainly know that the alternatives and outcomes associated with each alternative. In the given cases we can say that conditions exist of certainty. In the consumer's cooperation, however, there are few decisions that are taken in such circumstances, given the complex and changing nature of society. An ideal concept is certainty provided that providing a framework for risk evaluation of the decision.

The degree to which a manager has confidence in a particular decision depends on the degree of certainty that the decision is taken. In other words, with as a manager is unsure of a decision results, so will have more confidence in taking that decision.

In terms of economic and financial crisis in the cooperative system are conditions of risk exist when a decision must be based on incomplete information. In many situations manager is lacking of information, making it difficult to determine objectively the probability of any results. Unfortunately, decision-making based on probabilities is a feature of the current management in Republic of Moldova and is often encountered by managers, which is why the decision is to their intuition.

Effective managers are those who do not try to solve all the problems facing the financial and economic crisis, but others are able to delegate responsibility for making decisions, solving only the problems that have a strong influence on organizational goals. For effective work of the consumer cooperative system requires a systematic process of making decisions for strategic problem-solving situations, unscheduled and complex.

Although the conditions under which decisions are taken are varied, but there are some common elements of all managerial decisions. A decision is choosing a variant of a number of alternatives. Rational decision-making process in cooperative organizations consists of a series of steps that managers follow them either formally or on the basis of intuition, considered the optimal choice alternative [1 p.52].

These steps are: problem identification, generating alternatives, selecting the most beneficial alternative, implementing the chosen alternative and obtain feedback to assess the effectiveness of the decision.

**Step One:** identify the problem. One of the difficulties posed problems is to identify them correctly. It sometimes happens that managers rush to choose alternatives to be identified before the fundamental problem.

The consumer cooperative system problems are not always obvious and can stand in the way they identify a number of obstacles to overcome which allows managers to see what is really the problem. Among the most common obstacles are:

- *Giving attention to the effects and not causes.* Often happens that managers define problems in terms of symptoms, and not in terms of causes;
- *Selective perception.* Because each of us holds a series of perceptions based on personal experience, leaders of cooperative organizations often tend to define problems in the past and dictate the terms of their training. To overcome the obstacle which is the selective perception of managers should consider several points of view before defining the problem;
- *Defining problems through solutions.* Problems must be defined precisely, without their association with certain solutions.

The process of identifying problems in cooperative organizations is essential to select the best alternative. Effective managers are always looking to identify opportunities and problems in the environment. At this stage of decision making can help managers of one of the following approaches:

1. *Deviating from past performance.* If there is a set pattern of unsatisfactory levels of performance and this change, managers are alerted to a problem;
2. *Deviation from the plan.* Problem or problems can be suggested by the appearance of a discrepancy between performance and expected results;
3. *Receiving feedback.* Managers can discover a problem in discussions with suppliers and clients co-operative organization or their hierarchical superiors and subordinates;
4. *Competition.* Performance of cooperative organization of which the manager in relation to its competitors is an indication of the existence of any problems.

**Step Two:** Generate alternatives. Once the problem was identified, the second step in the decision making process is the generation of alternative solutions. At this stage of decision making is essential creativity.

An approach that allows creativity in the generation phase is the brainstorming alternatives. In a brainstorming session in the consumer cooperative system managers are gathered in order to generate alternative approaches for solving a given problem as more effective, considering not only the plight of the Moldovan economy, but also the global economy. In the search for alternatives, managers face a number of constraints that limit the number of alternatives, which may be caused by limited financial resources, the human factor in the organization, which may limit the implementation of some alternative materials or inadequate facilities . The ideas generated in meetings dates are sometimes important and worthy alternative for consumer cooperatives in the decision making process.

**Step Three:** Selecting the best alternative for the effective cooperation of consumption. After identifying the alternatives, they must be evaluated and compared in terms of feasibility and their consequences. Then there is the choice the best decision for the purposes of cooperative organization. Election time is difficult when the decision is complex and involves a great degree of uncertainty or risk, given the economic situation of the global financial crisis. Ace wants to call some of these difficulties:

- Two or more alternatives may appear equally attractive, and then we need a more detailed analysis and evaluation of these alternatives by managers;
- It is possible that alternative does not achieve the target entirely. In these circumstances it is desirable for the implementation of several alternatives;
- None of the alternatives do not achieve the target, then it needs a return to the initial stage of the search for alternatives;
- The manager may be wrongheaded because of the large number of attractive alternatives, is needed in this case a more careful comparison and evaluation.

**Step Four:** implement the chosen solution. Once chosen an alternative, must be taken to implement it, because even the best decision possible is useless unless it is translated into practice effectively. Effective implementation is the key to good communication and action planning. Resources must be shared between departments and projects so as to achieve organizational objectives. The consumers cooperation managers establish detailed budgets and operational plans, to monitor progress. Implementation, although it was identified as a distinct stage of decision making is related to all its stages and link with each of management functions.

**Fifth Step:** Monitoring and evaluation. Evaluation is an essential element of decision-making. Effective managers always compare actual results with those provided to see if the problems were resolved. Where the decision chosen not seem to work, the manager can implement one of the alternatives identified in previous stages or may also choose to wait, considering that it was not given

sufficient time to implement the plan. This step allows solving problems arising in economic and financial crisis in the system of consumer cooperatives to become a dynamic and continuous activity.

In my opinion, a source of correct implementation of decisions is scheduled professional training of staff, because some managers would want to fulfill their functions properly, but do not know how. The business environment is changing so rapidly that without improving the knowledge is not possible to be in step with all the environmental changes in the business sphere.

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