УДК UDC 005.53:658.1

Yuan Chao,
master student,
Simon Kuznets Kharkiv National University of Economics, Kharkiv,
Kotlyk Andrii,
PhD, associate professor of Management, Business and Administration department,
Simon Kuznets Kharkiv National University of Economics, Kharkiv

IMPROVEMENT OF MANAGERIAL DECISION MAKING TECHNIQUES AT THE ENTERPRISE: CASE OF HAIER

Contemporary enterprises operate within environments of unprecedented complexity, velocity, and uncertainty. The exponential growth of available data, coupled with rapidly shifting competitive landscapes and technological disruptions, has fundamentally altered the nature of managerial decision-making. Organizations face mounting pressure to make faster, more accurate decisions while simultaneously managing increased risk and stakeholder expectations. Traditional decision-making approaches, which relied heavily on hierarchical authority structures and intuitive judgment, prove increasingly inadequate for addressing multifaceted strategic and operational challenges. The imperative to enhance decision-making capabilities has emerged as a central concern for organizational leadership across industries and geographies.

Research demonstrates that organizations with sophisticated decision-making capabilities consistently outperform competitors across multiple performance dimensions. However, significant gaps persist between theoretical frameworks for decision enhancement and practical implementation within enterprise contexts. Many organizations struggle to translate available data into actionable insights, to balance analytical rigor with decisional speed, or to effectively integrate technological capabilities with human expertise. Furthermore, the rapid advancement of artificial intelligence and machine learning technologies introduces both opportunities and complexities that remain inadequately addressed in existing management literature. Scholars including C. Albright, W.L. Winston, G. Bonanno, S. Bradley, and K.D.A. Carillo have contributed valuable perspectives on decision-making frameworks and analytical approaches. Nevertheless, comprehensive understanding of how enterprises can systematically improve decision-making techniques through integration of contemporary technological capabilities, organizational learning mechanisms, and collaborative processes remains limited. The accelerating pace of digital transformation, combined with the proliferation of sophisticated analytical tools and platforms, necessitates fresh examination of decision-making improvement strategies suitable for the current business environment.

The conceptualization of managerial decision-making has undergone substantial evolution as organizational theory has matured and technological capabilities have expanded. Contemporary understanding recognizes decision-making not as discrete events but rather as continuous processes embedded within broader organizational systems. Several foundational principles characterize modern perspectives on decision-making enhancement. First, effective decision-making requires comprehensive integration of quantitative analysis and qualitative judgment, combining the precision of data-driven insights with the contextual understanding and ethical considerations that human decision-makers provide. Second, decision-making processes must be understood as inherently social and collaborative phenomena, shaped by team dynamics, organizational culture, and communication patterns rather than residing solely within individual cognitive processes. Third, the velocity and complexity of contemporary business environments demand adaptive decision-making capabilities that enable rapid response to emerging information while maintaining strategic coherence. Fourth, technological capabilities – particularly in areas of data analytics, artificial intelligence, and digital platforms – represent critical enablers of decision enhancement, yet their effective deployment requires thoughtful organizational design and change management. Fifth, decision-making improvement initiatives must address the full decision lifecycle, encompassing problem identification, information gathering, alternative generation, evaluation processes, implementation, and post-decision learning rather than focusing narrowly on choice moments [1].

Today, decision making practices evolve according to some major trends. Thus, strategic decision-making under conditions of uncertainty demands systematic analytical frameworks that encompass game-theoretic reasoning, comprehensive risk assessment methodologies, and sophisticated information processing mechanisms to optimize competitive positioning within dynamic market environments [2]. Critical thinking within strategic management contexts significantly enhances decision quality through systematic analysis of assumptions, evidence evaluation, and logical reasoning, thereby enabling organizations to identify and capitalize upon competitive opportunities that less analytically rigorous approaches might overlook [5].

Big data analytics fundamentally revolutionizes operational competitiveness by providing organizations with unprecedented insights into market dynamics, customer behavioral patterns, and operational optimization opportunities that were previously inaccessible through traditional analytical approaches [6]. Business analytics creates substantial organizational value through enhanced decision-making capabilities, operational efficiency improvements, and strategic agility development, enabling organizations to respond more effectively to dynamic competitive market conditions [10].

Current research shows that companies who put money into programs to improve decision-making get big benefits in many areas of performance. These include better financial performance through better decisions about how to use resources and invest money, better operational efficiency through better process optimization, faster and more

effective project selection and development, better risk management through better identification and mitigation of threats, and stronger relationships with stakeholders through more responsive and transparent decision-making processes. The extent of these benefits significantly fluctuates according to implementation quality, organizational commitment, and contextual variables; yet, the correlation between decision-making competence and organizational performance is consistently strong across many research contexts.

Looking at how theories work in practice gives us useful information about how they work in real life. The Haier Group Corporation is a good example of how a major company may change the way it makes decisions. Haier started off as a struggling refrigerator maker in Qingdao, China, in 1984. By 2025, it had become a global leader with sales of more than thirty-five billion dollars. This was made possible by steadily improving the company's ability to make decisions. The transformation trajectory illustrates how a fundamental rethinking of decision-making processes can lead to a lasting competitive edge. The RenDanHeYi management paradigm was a key part of Haier's transformation. It changed the way decisions are made across the company. This concept, which was gradually rolled out starting in 2005 and fully adopted by 2012, is a huge change from the way decisions are usually made in a hierarchy. RenDanHeYi doesn't give senior management all the power to make decisions and let information flow up and orders flow down. Instead, it gives about four thousand microenterprises – small, semi-autonomous business units that are directly responsible for serving certain customer segments or markets – the power to make decisions. Each microenterprise has a lot of freedom when it comes to making strategic and operational decisions. They are mostly limited by performance indicators and accountability frameworks, not by detailed hierarchical oversight.

This decentralization of decision-making power had a huge effect on the organization. Management hierarchies were cut from twelve layers to three. This brought frontline workers and senior leaders closer together and got rid of many decision-making bottlenecks in the middle. The speed of decision-making went up by 85%, and selections that used to take two to three weeks to get approved are now done in one to two days. Microenterprises were given the power to develop new products without having to go through long approval processes at headquarters. This cut the time it took to come up with new ideas by 67%. As workers got more say in decisions that affected their work, employee engagement levels went up from 45% to 82%. Profit per person increased up by 133%, from $12,000 to $28,000. This shows that better decision-making procedures led to higher productivity and creativity.

The technology aspect of Haier's decision-making change is especially important. The COSMOPlat industrial internet platform is a complex decision support system that connects data from more than 800,000 businesses in 15 different industries. This platform lets people at all levels of an organization make decisions based on data by showing them real-time information about market trends, customer preferences, supply chain dynamics, and operational performance. The platform has built-in advanced analytics that support both predictive decision-making – making decisions based on what you think will happen in the future and changing your plans accordingly – and prescriptive decision-making – making precise suggestions for the best course of action in different situations. The combination of digital capabilities with changes to the organization shows that technology alone is not enough to improve decision-making. Instead, technological capabilities and organizational designs must advance together in ways that support each other.

Haier's method for making decisions on worldwide expansion shows how to make smart choices when you don't know what will happen. Instead of using traditional internationalization tactics that take advantage of lower costs or focus on underdeveloped countries, Haier chose to enter difficult established markets on purpose to enhance its skills and reputation. This "difficult first" strategy was based on a long-term decision-making framework that put learning and skill-building ahead of short-term profits. Setting up factories in the US, Europe, and Asia made it possible to make decisions that were in line with local market conditions while yet keeping a worldwide strategic focus. This is a balance that many multinational companies find hard to strike.

Metrics for financial performance show how well the changes worked. Results for the first quarter of 2025 showed that revenue grew by 10.1% year over year to 79.12 billion RMB, and net profit grew by 15.1% to 5.49 billion RMB. These numbers, which were obtained amid a tough global economy, imply that better decision-making helped keep the company ahead of its competitors. The company is the market leader in many product categories and geographic areas, and it serves more than one billion households in more than one hundred sixty countries.

Based on theoretical study and real-world examples from organizations that have successfully improved their ability to make decisions, numerous important concepts for implementation come to light.

Data infrastructure and analytics capability development is a basic need for improving decision-making these days. Companies need to make regular investments in the technology infrastructure that lets them gather, store, integrate, and analyze data in a complete way. This architecture should allow for both historical analysis to find patterns and real-time analytics to help people make quick decisions. In addition to infrastructure, businesses need advanced analytical tools like statistical analysis, predictive modeling, optimization approaches, and AI applications that are set up correctly to help with different types of decisions.

Decision Velocity and Quality Balance is a constant source of stress in how organizations make decisions. Businesses nowadays need to be able to quickly respond to new threats and opportunities. However, decisions made too quickly without enough thought often lead to bad results.

Continuous Learning and Improvement Mechanisms make sure that the ability of an organization to make decisions keeps becoming better instead of staying the same. This necessitates structured methodologies for documenting lessons from both successful and bad actions, scrutinizing the elements that influenced results, and integrating findings into enhanced future procedures. Post-decision reviews that look at what information was available

at the time of the decision, what assumptions were made, how alternatives were evaluated, and what factors actually led to the results are great learning opportunities that many organizations miss because they move on to new decisions as soon as the choices are made.

Human-Technology Integration Architecture looks at the best ways for human judgment and technology to work together. A lot of research shows that neither pure human intuition nor pure algorithmic decision-making leads to the best outcomes for all types of organizational decisions. Instead, careful integration that makes use of the strengths of both human and machine intelligence – human abilities to understand context, make moral judgments, and come up with creative solutions to problems, along with machine abilities to process large amounts of data, find complex patterns, and keep things consistent – leads to better results.

Governance and Accountability Frameworks are important because they help make sure that better decision-making helps the business reach its goals while also keeping an eye on the risks that come with it. Clear governance sets up decision rights, which are the rights of individuals or organizations to make different types of decisions, and accountability systems that link decision-makers to results. As companies use AI and machine learning to help them make decisions, governance frameworks need to deal with issues like algorithmic fairness, bias identification and mitigation, and human oversight. Even technically advanced decision-making tools can create results that don't match the principles of the company or the interests of stakeholders if there isn't strong governance.

The incorporation of artificial intelligence into organizational decision-making necessitates critical examination of the equilibrium between algorithmic and human judgment, the transparency and elucidation of AI-generated recommendations, the identification and rectification of algorithmic bias, and the establishment of accountability frameworks for decisions influenced or executed by autonomous systems. Companies that successfully deal with these problems – by creating systems that use AI while still keeping human oversight and ethical protections in place – will probably get big competitive advantages from better and faster decision-making.

References

1. Albright C. Business analytics: Data Analysis and Decision Making / C. Albright, W. L. Winston. – 5th ed. – Boston : Cengage Learning, 2015. – 1180 p.

2. Ali M. Essien A. How can big data analytics improve outbound logistics in the UK retail sector? A qualitative study. Journal of Enterprise Information Management. 2023. DOI: 10.1108/JEIM-08-2022-0282.

3. Bonanno G. Game Theory / G. Bonanno. – 2nd ed. – Davis : University of California, 2018. – 592 p. – URL: http://faculty.econ.ucdavis.edu/faculty/bonanno/GT_Book.html (accessed: 30.05.2025).

4. Bonanno G. Uncertainty, risk and information: economic analysis / G. Bonanno. – Davis : University of California, 2019. – 415 p. – URL: http://faculty.econ.ucdavis.edu/faculty/bonanno/URI_Book.html (accessed: 30.05.2025).

5. Chatterjee S., Rana N. P., Dwivedi Y. K. How does business analytics contribute to organisational performance and business value? A resource-based view. Information Technology & People. 2021. Vol. 37, No. 2. DOI: 10.1108/ITP-08-2020-0603.