



Article

Using Cultural Factors in Making Management Decisions

Aknazarova Z*¹

1. Independent Researcher, Namangan State Technical University

* Correspondence: z.agnazarova2025@gmail.com

Abstract: This study aims to investigate the role of cultural factors in enhancing the effectiveness of management decisions within organizations. While numerous studies have addressed decision-making models, there remains a gap in examining how management culture directly influences strategic and operational outcomes, especially in transitional economies. The novelty of this research lies in its focus on integrating cultural considerations into the classification and implementation of management decisions. Using a qualitative and comparative analysis approach, the study examines various decision types—strategic, operational, internal, external, standard, and non-standard—through the lens of cultural impact. The methodology includes literature review, typological classification, and analytical interpretation of decision-making processes grounded in management theory and organizational behavior. The findings reveal that decisions influenced by cultural values, leadership styles, and participatory practices are more likely to be implemented effectively and consistently. Furthermore, the study identifies key cultural elements—such as team democracy, clarity, timeliness, and communication—as critical success factors in decision execution. The implications suggest that integrating management culture into decision-making frameworks can improve organizational responsiveness, innovation, and adaptability, especially in competitive and globalized environments. The research contributes to the theoretical understanding of culturally informed management practices and offers practical insights for managers seeking to align decisions with internal organizational values and employee expectations.

Keywords: Management, Management Decision, Effective Decision, Management Culture, Strategic Decision, Operative Decision

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1. Introduction

The essence of solutions in management activities that lead to the development of a country's economy depends on many objective factors [1]. The most important of these include: various forms of ownership of the means of production; deep division and specialization of production and labor; management of labor and material-technical resources; expansion of inter-sectoral and inter-production relations; establishment of joint ventures; practical application of marketing; integration of enterprises and sectors into foreign economic relations; and the adoption of effective management decisions [2], [3], [4]. Among these factors, making effective management decisions is of paramount importance, see Table 1.

Table 1. Classification of Management Decisions by Type and Function.

Decision Type	Description	Examples
Strategic	Long-term decisions shaping goals and mission	Entering a new market, restructuring divisions
Operational	Day-to-day decisions to maintain functioning	Adjusting shifts, updating equipment schedule
External	Directed outward toward other organizations or departments	Cross-border cooperation agreement
Internal	Targeting internal divisions or units	Reassigning roles within a department
Standard (Programmed)	Routine decisions using set procedures	Ordering raw materials
Non-standard (Creative)	Innovative or unique decisions made in new/unexpected situations	Responding to a supply chain disruption

A management decision, in a broad sense, is the intersection point between the real possibilities of satisfying material and spiritual needs in society [5], [6]. The solution to this issue in the national economy lies in harmonizing existing laws, decrees, and independent principles. A management decision is also the implementation of the goals and mission of the enterprise. In this very process, hundreds and thousands of people fulfill their needs, gain status, develop in various ways, and ultimately contribute to the development of society.

Although decision-making is an important component of management activity, it is not of decisive importance by itself [7], [8], [9]. The main task lies in the execution of the decisions made. The implementation of decisions adopted in management activities is of decisive importance. Today, one of the main reasons for the failure of many enterprises and organizations is the non-implementation of decisions made in management [10]. Especially under current conditions of intensifying competition and the peak of economic globalization, the issue of ensuring the implementation of decisions in social management is of great importance.

2. Materials and Methods

The effectiveness of management activities largely depends on the decisions being made. In any organization, the entire chain of questions and problems, their specific solutions and outcomes, rests upon the manager. Production, technical, social, economic, marketing, and legal tasks depend on making the right decisions and implementing them on time. All the problems being solved are taken into account by any manager, and this is reflected in his or her management style and in the entire management process. In order to solve these issues, managers make decisions. The impact of decisions—considered the result of management activity—on the overall effectiveness of management is extremely significant.

From the perspective of management efficiency, decisions are classified into the following types: strategic and operational.

Strategic decisions involve the formation of the goals and mission related to the activities of the enterprise. Under market conditions, strategic decisions ensure a smooth transition to new approaches and sharp turns in the enterprise's activities. Strategic

decisions, made at the enterprise, regional, or sectoral level, help solve all economic and social problems by utilizing new resources available in society.

Operational decisions, in essence, are economic management decisions. These are made regarding current personal issues to support the continuous operation of the managed object. In other words, they are aimed at maintaining the complex mechanism without altering its structure and interrelationships. Such decisions are usually made quickly by a leader without special preparation. These decisions may include hiring and dismissing employees, changing their salaries, rewarding or punishing employees, preparing the enterprise for winter, and similar administrative documents.

Management decisions are also divided according to the level of management: they can be made by a supervisor, section head, workshop head, production head, enterprise and association leader, or a minister.

3. Results and Discussion

According to their scope of impact, decisions are divided into external and internal. External decisions are directed at other levels, while internal decisions are aimed at specific departments or workshops, or may encompass the entire enterprise [11].

Based on functional content, management decisions can be classified into economic, organizational, coordination, motivational, administrative, and control decisions.

Decisions regarding the organization of reprocessing are divided into individual, collegial, and professional decisions [12]. Individual decisions are developed by a leader without consensus or discussion within the team, or by specific individuals. These are mostly operational decisions that do not affect fundamental issues in the development path of the enterprise. Collegial decisions are made collectively at general meetings regardless of position or rank. Such decisions are accepted when discussing contentious issues of production [13].

According to the type of labor, decisions are categorized into standard and non-standard decisions. Standard, or sometimes programmed decisions, are those developed and accepted through routine procedures. Among programmable decisions, some have reached such a standard level that they can be described in the form of a mathematical model [14]. Non-standard decisions are the most complex and fundamental decisions. Creative decisions always manifest through urgency and innovation. However, it is necessary to analyze the nature of non-standard decisions carefully. A deep and broad analysis may reveal that these cases are not as new as they seem if they are broken down into a series of separate issues.

Thus, management decisions are considered the organizational foundation of any area of human activity. On this basis, laws are approved, material-technical, financial, and labor resources are planned for use, the responsibility of performers and leaders is increased, and their roles in achieving goals are defined [15].

A number of factors influence the effectiveness of management decisions:

- a. Personal qualities of the leadership or group;
- b. Information provision conditions during the development of the decision;
- c. Organizational factors (such as involving specialists in the decision-making process, the system of methods used, how the adopted decision is communicated to executors, the control system, etc.);
- d. Technical factors (use of computers, technical tools, etc.);
- e. Temporal factors in developing, adopting, and implementing the decision.

Based on this, the main requirements for management decisions are as follows:

- a. Democracy in the adopted decision.
- b. Scientific justification.
- c. Clear direction.
- d. Specific targeting.
- e. Brevity and concreteness in terms of time.

- f. Timeliness in implementing the decision.
- g. Considering the factor of management culture in decision-making.
- h. Considering the needs of employees.

Decision-making is intrinsic to management, as every manager's activity is reflected in the decisions they make. Management decisions are implemented based on team democracy and the principle of self-governance, involving collective participation in decision-making. Self-governance leads to the unification of production forces and the development of their ideas.

Management decisions related to the organization's activities are developed directly by the leader and must not contradict the organization's standards and legislation. The team council actively participates in all stages of the development of adopted decisions. The process of adopting each complex decision includes the following:

- a. Identifying the goal, understanding the problem, and collecting the necessary information.
- b. Classifying, analyzing, and evaluating the collected information—that is, processing the information.
- c. Developing various decision options.
- d. Analyzing, discussing, and evaluating the alternatives.
- e. Choosing the final and optimal option.
- f. Properly documenting each decision.
- g. Approving the decision.
- h. Assigning the decision to the executor.
- i. Organizing the implementation of the adopted decisions.
- j. Monitoring and accounting the execution of the decision.

Let's review each stage:

- a. In the first stage, this is done based on analyzing the socio-economic processes in the labor collective. The effectiveness of this stage depends on the relationship between the leader and the labor collective. At this stage, the leader must pay close attention to solving socio-economic problems to ensure the continuity of production.
- b. In the second stage, the collected information is classified, analyzed, and evaluated. This is a complex process requiring qualification, knowledge, and entrepreneurial skills.
- c. In the third stage, information gathering continues, its actual possibilities are assessed, and several mutually replaceable alternatives are developed. These alternatives are prepared by responsible individuals under the direct supervision of the leader.
- d. In the fourth stage, decisions are developed through the analysis and comprehensive discussion of the alternative decisions. The more alternatives there are, the more effective it becomes to prepare the optimal decision.
- e. Fifth stage. Analyzing and evaluating different variants of management decisions usually involves comparing their analysis and calculations via computers (EHM). Then, each alternative's evaluation is carefully reviewed, and based on this, the final and optimal option is selected.

4. Conclusion

Decisions adopted by managers must be effective. An effective decision is one that is clearly executable. In social management, every manager must strive to adopt effective decisions. To make effective decisions and ensure their execution in social management, attention must be paid to the following directions:

- a. Since decision-making is a process, it necessarily consists of specific stages. Attention must be paid to these stages when making effective decisions. Each stage of decision-making must be carried out effectively. Decision-making is a complex process dependent on numerous factors.

- b. One of the most important steps in making effective decisions is diagnosing the problem. Problems can be diverse. When the goal is not achieved, a problem arises. At the same time, a potential opportunity is also a problem. When managers know there is an opportunity that is not being used, they treat it as a problem. Solving the problem restores balance and takes a step toward the goal. Fully understanding the problem is very complex because all parts of the organization are closely interconnected. Along with the problem, it is necessary to identify its causes. For this, the required internal and external information must be collected and analyzed. The most necessary information for the problem must be gathered. An increase in the amount of data does not necessarily improve decision quality. Unrelated information may interfere with the process. Therefore, in making effective decisions, one must focus on gathering only the most necessary information.

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