



Study On Exploring The Factors Of Decision-Making Among Young Adults: A Literature Review

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ABSTRACT

Making decisions is a common idea. Every step along the way, young adults make decisions about their careers, romantic relationships, marriages, and families. Making decisions involves deciding a course of action to take from a range of options. The purpose of this study is to conclude on the several aspects that influence young adults' decision-making. Given this, the current research assesses the impact of multiple aspects and offers recommendations for improved decision-making. This research will yield scholarly insights, as decision making errors are expensive and getting more expensive, it is necessary to concentrate emphasis on the search for elements that affect Decision-making. The researcher focuses on literature review to come up with the key factors of Decision-making. A review of the literature on aging, psychology, and management is conducted, with an emphasis on the variables influencing young adults' decision-making. The study's conclusions point to a variety of aspects that affect decision-making, including emotions, social factors, ambiguity, past experiences, and strategic decision-making. The paper also includes a thorough assessment of a number of other aspects.

KEYWORDS: Decision-making, Factors of Decision-making, Young adults

INTRODUCTION

Decision is defined as a moment in an ongoing process of evaluating alternatives related to goal, at which the expectation of decision maker with regard to a particular course of action impels him to make a selection (Harrison, 1981). Decision-making is the process whereby an individual, group or organization reaches conclusions about what future actions to pursue given a set of objectives and limits on available resources. This process will be often iterative, involving issue-framing, intelligence-gathering, coming to conclusions and learning from experience (J. Edward Russo 2014).

Making a decision involves choosing one option from several possibilities, a process that can be stressful when many choices are available. This decision-making process, which encompasses dealing with both positive and negative outcomes and learning from these experiences, is a crucial developmental task (Krupa Dinah Mathews, 2022). Decision-making is influenced by various factors, including emotions, goals, values, and personal preferences, and is also affected by cultural values, social environments, and attitudes (Yi & Park, 2003). In young people's romantic relationships, where there is often ambiguity and a lack of clear direction, active decision-making is essential. Failing to make decisions actively can lead to challenges such as unwanted pregnancy or financial issues, potentially resulting in prolonged relationships that may lead to dissatisfaction (Amber Vennum and Frank D. Fincham, 2011).

Mature adults are expected to make numerous decisions daily and cope with their consequences (Olivia Pethtel, 2012). In a society where individual choice is emphasized, adults must manage the pressure to make wise decisions and reflect on their emotions related to these choices. Daily decisions impact well-being, as satisfaction with choices influences overall happiness and cognitive assessments of life satisfaction. Regret over past decisions can negatively affect well-being (Dijkstra & Barends, 2008; Jokisaari, 2008). Research indicates that older adults often take longer on decision-making tasks involving perception, attention, and memory, accumulating evidence more steadily compared to younger adults (Eva Marie Wieschen et al., 2023). Studies on age and decision-making have shown mixed results, with some tasks reflecting age-related declines while others show no change or even improvement. While fluid cognitive abilities typically decline with age, other decision-making skills, such as cognitive deliberation, experience, emotions, and motivation, can develop differently (Wändi Bruine de Bruin, 2016).

In today's organizations, decision-making is critical to determining success or failure. Given the uncertainty and complexity of modern environments, understanding the factors that influence decision-making is essential. Organizations encounter dynamic and unstable conditions that create new challenges. Managers must navigate these complexities and make pivotal decisions that affect their organization's future (Katarzyna Kozioł-Nadolna, Karolina Beyer, 2021). Effective decision-making is key to selecting the best developmental path, as it involves organizing crucial information, evaluating alternatives, and implementing sound governance. By making timely and accurate decisions, organizations can tackle new challenges and achieve success.

DECISION-MAKING PROCESS Although there are different approaches and phases of the decision-making process in the studies done so far, the general framework is consistent. A few of them will be briefly discussed here, along with suggested readings and references.

Newman (1971) proposed a five-step process for making decisions that include:

1. Identifying the situation that calls for a decision;
2. Identifying alternative courses of action;

3. Assessing the alternatives;

4. Selecting one of the alternatives;

5. Putting the chosen course of action into action.

Mintzberg et al. (1976) provided an attempt at the process of Decision-making and identified three main phases as:

1. The identification phase: opportunities, issues, and crises are identified; pertinent data is gathered; issues are more precisely defined.

2. The development phase: different approaches to issues are created and adjusted, and

3. The selection phase: after evaluating and scanning the options, one is selected.

Katarzyna Kozioł-Nadolna, Karolina Beyer 2021 proposed a five step Decision making process:

Step 1: Identify the problem or aim - To make a decision, first identify the decision's purpose.

Step 2: Collect appropriate information and resources - After defining the problem, the following stage is to gather relevant information and resources, including money, people, time, and materials.

Step 3: Identify the alternatives - This step focuses on assessing different solutions.

Step 4: Take action and carry out the choice - Start implementing the alternative chosen in the previous phase.

Step 5: Review the decision and analyze the outcomes - The final step involves evaluating the decision's effectiveness in addressing the indicated need. If not, certain phases of the process may have to be repeated in order to make a fresh decision.

FACTORS INFLUENCING DECISION-MAKING

EMOTIONS - Emotions have a profound impact on decision-making, and the outcomes of decisions can, in turn, affect one's emotional state (Dr. Hussien Ahmad Al-Tarawneh, 2011). Research shows that managers frequently rely on emotions and intuition, often leading to short-sightedness and susceptibility to confusion or distraction (Robbins & Coulter, 2018; Spetzler et al., 2004; Blake, 2010; Gunther, 2011). Additionally, a review by Lerner (2015) of 35 years of research reveals that emotions are significant and often have predictable influence on decision-making, with the potential for both positive and negative effects.

INTUITION - Nearly half of the managers surveyed were found to rely more on intuition than on formal analysis to manage their companies (Gilgoff 2009)

BELIEFS - Decisions are grounded in beliefs about the probability of future events. These beliefs are articulated through probability judgments, assessments made under uncertainty, and levels of confidence (Dr. Hussien Ahmad Al-Tarawneh 2011)

PSYCHOLOGICAL - Psychological factors affecting decision-making encompass the need for social validation, fear of social exclusion, and the pursuit of peer approval (Bautista, Jasmin Maya B 2023)

COGNITIVE - A person's logical reasoning skills influence their decision to pursue independent ventures, and participating in co-creation processes can improve decision quality (Anugrah & Hermawan, 2019). Those with higher cognitive abilities are typically better at predicting market conditions and trends, enabling them to respond more effectively to rapid market changes (Bilancini et al., 2019).

ORGANISATIONAL - The "garbage can" model posits that organizational decision-making is highly complex, dynamic, and unpredictable, with organizations often functioning as "organized anarchies" where goals and values are unclear and rules are ambiguous and frequently changing (Cohen et al., 1972).

THE FRAMING EFFECT - Another key factor, refers to how the perception of a situation can vary based on whether it is framed in terms of potential gains or losses, which can drastically alter the decision-making approach (Kahneman & Tversky, 1981).

Additionally, factors such as cultural and societal context, family background, and personal traits significantly impact how young adults respond to external pressures, while personal interest, decision practicality, potential consequences, and parental opinions also play a role in influencing decisions (Bautista, 2023; Krupa Dinah Mathews, 2022).

Recommendations for better Decision-making

Emotional Intelligence: Enhances decision-making by improving self-awareness, self-regulation, empathy, and social skills. Understanding and managing one's emotions can lead to more balanced and less impulsive decisions, while empathy helps in considering others' perspectives and social skills aid in effective communication and conflict resolution.

Guidance and Counseling: Provides structured support and perspective, helping individuals clarify their goals and options. Counselors offer valuable insights and strategies, aiding in the evaluation of alternatives and the impact of decisions, thus facilitating more informed and confident choices.

Meditation: Reduces stress and enhances focus, leading to clearer thinking and better decision-making. By promoting emotional balance and mental clarity, meditation helps individuals approach decisions calmly and rationally, minimizing the influence of anxiety and emotional bias.

Conscientiousness: Ensures thoroughness and responsibility in decision-making. Conscientious individuals are diligent in evaluating all relevant factors, considering long-term impacts, and following through on decisions, which leads to more reliable and effective outcomes.

DISCUSSION AND CONCLUSION

Effective decision-making is crucial for individual and organizational success, involving the careful selection of the best option from various alternatives. This process is influenced by a range of factors, including emotions, intuition, cognitive abilities, and psychological and social influences. Emotional intelligence enhances decision-making by improving self-awareness, self-regulation, empathy, and social skills, leading to more balanced and thoughtful choices. Guidance and counseling provide structured support and valuable insights, aiding individuals in clarifying their goals and evaluating options more effectively. Meditation reduces stress and enhances focus, promoting clearer thinking and more rational decision-making by balancing emotions and improving mental clarity. Conscientiousness ensures thorough evaluation and responsibility, leading to reliable and effective outcomes. The "garbage can" model highlights the complexity and unpredictability of organizational decisions, while the framing effect shows how information presentation can alter perceptions. By integrating these insights and strategies, individuals and organizations can navigate the decision-making process more effectively, resulting in better choices and enhanced overall well-being.

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