

Importance of Risk Assessment in Managers' Decision-Making Process

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Abstract : Making decisions is the core of management and a result of conscious activities which is under way in a particular environment and concrete conditions. The managers decide about the goals, procedures and about the methods how to respond to the changes and to the problems which developed. Their decisions affect the effectiveness, quality, economy and the overall successfulness in every organisation. In spite of this fact, they do not pay sufficient attention to the individual steps of the decision-making process. They emphasise more how to cope with the individual methods and techniques of making decisions and forget about the way how to cope with analysing the problem or assessing the individual solution variants. In many cases, the underestimating of the analytical phase can lead to an incorrect assessment of the problem and this can then negatively influence its further solution. Based on our analysis of the theoretical solutions by individual authors who are dealing with this area and the realised research in Slovakia and also abroad we can recognise an insufficient interest of the managers to assess the risks in the decision-making process. The goal of this paper is to assess the risks in the managers' decision-making process relating to the conditions of the environment, to the subject's activity (the manager's personality), to the insufficient assessment of individual variants for solving the problems but also to situations when the arisen problem is not solved. The benefit of this paper is the effort to increase the need of the managers to deal with the risks during the decision-making process. It is important for every manager to assess the risks in his/her decision-making process and to make efforts to take such decisions which reflect the basic conditions, states and development of the environment in the best way and especially for the managers' decisions to contribute to achieving the determined goals of the organisation as effectively as possible.

Keywords : risk, decision-making, manager, process, analysis, source of risk

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