

The importance of Evidence Based Decision Making in a business organization: A study based on Evidence Based Management

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Abstract

Evidence Based Management is evolving in our country and it is a growing concept in management sciences which helps in making decisions in various multidimensional aspects. Evidence Based Management gives you an edge in decision making than other forms of Management if not accurate. On the basis of this backdrop, the researcher attempted to study the benefits of Evidence Based Management and also the importance of Evidence Based Decision Making in a business organization in the recent scenario.

Keywords: Business, Decision Making, Evidence Based Management, Organization.

Background of the study

Evidence Based Management (EBM) is simply the practice of selecting management strategies and interventions which have been supported by scientific research as a definite source of evidence. Business organizations increasingly utilize their data to make decisions that will ultimately impact their bottom line, which can be done with the help of Evidence Based Management and evidence based decision making. Evidence Based Decision Making and its practices help in making better decisions, and it is also about informing action that has got the desired impact in a business organization. Decision making relied on Evidence Based Management is a combination of the best available evidence, and then using it as process of critical thinking for the effectiveness of the business organization. Decisions taken on the basis of evidence make decision makers less reliant on sources of decision which are based on instinct and personal experience, and are thus not trustworthy on their own. The concept of Evidence Based Management is gaining traction in business entities because of the definite impact management decisions have on working individuals and the well-being of people in all sorts of global organizations. Evidence based approach in management is important because the practice of decision making in such management involves using current information to make empirically supported decisions which act as evidence to generate accurate and reliable outcomes in an organization. Though the practice of Evidence Based Decision Making has evolved from medicine, such decision making in a business organization can foreground the importance of an objective, rational and empirical approach to address business issues.

Research objectives

The following research objectives have been identified by the researcher based on the need and importance of the study:

- To know the importance of Evidence Based Management in the current scenario.
- To understand the benefits of Evidence Based Decision Making in a business organization.

Research methodology

The current research study is completely based on secondary sources of information which are exploratory and descriptive in nature. On the basis of the research objectives of the study, secondary sources such as various selected and relevant articles, journals, published information, news reports, research works and working papers related to the current study have been used to collate necessary information. Several websites related to the study have also been accessed by the researcher, such that the objectives of the study can be fulfilled in attendance with determining the importance and benefits of Evidence Based Management and its decision making role in the current juncture in a business organization. Based on the purpose and need of the study, the relevant and available information was then analyzed by the researcher, such that the study could reach its logical conclusion. Finally, based on the clear and conceptual analysis of the study, a conclusion has been drawn by the researcher which will indeed help us to understand the need and importance of Evidence Based Management in different management and business decisions.

Discussion and analysis

Evidence Based Management is basically an approach related to management that involves using multiple sources of empirical results and scientific evidence necessary for gaining adequate knowledge. Decisions taken on the basis of such management must be based on the best available evidence. Evidence Based Management not only helps in making strategic decisions with formulating long term plans, but also helps in answering unanswered questions that often arise within an organization. The management also needs to carefully consider the body of evidence in the institution which evaluates research for its quality and relevance. Evidence Based Management is not a new concept, but is becoming popular day-by-day, especially from an organizational point of view, despite it being not very well-known. There are numerous benefits of adopting an evidence based approach in making decisions and managing individuals within an organization, and this explains its increasing popularity in the 21st century. Evidence Based Management and its approach reduce bias and irrational thinking in an organization which positively impacts the management decisions in a firm. Evidence Based Management does not select an intervention based on one's own intuition or strategy based on popular trends in the market, personal experiences and gut feeling. But it helps to evaluate the performance of an organization accurately which actually depends on scientific methods and techniques, and also help in fairly examining the interventions related to the organization. In this type of management, outcomes occur in an unbiased manner through a cause-and-effect relationship, and the actual results are ascertained and conveyed based on concrete proof. Evidence Based Management is different from other forms of management since it considers the best evidences available while taking decisions. This singular and unique mode of management comes to a conclusion based on unique evidence based approaches, which may lead to inaccurate conclusions at times, but since it relies on systematic and objective analysis in an organization to yield concrete results, Evidence Based Management will definitely do better for the effectiveness of a firm.

Evidence Based Decision Making is a part of Evidence Based Management, which also helps in making effective decisions in an organization for the benefit of both the employers and the stakeholders' in the process. Evidence Based Decision Making similarly functions like an Evidence Based Management that makes the best possible decisions using available evidence which provides the best possible desired outcome in an organization. A wrong decision has an immediate negative impact on organizational performance, and thereby Evidence Based Decision Making may make the organization run effectively with its decision making process, along with managing the firm's manpower. Evidence Based Management necessitates the

use of Evidence Based Decision Making over other modes of management for yielding optimum results in the organization. Evidence Based Decision Making can also be used as a model in different organizations to ensure that correct and relevant decisions are taken for its consistency. An evidence based decision maker in a business organization engages in gathering evidence, then interpreting it, and then finally applying their learning to the context of the organization for the overall benefits of the organization such that the organization can help achieve the desired business goals. There are numerous benefits of an Evidence Based Decision Making approach within a business organization, and some of these are as follows:

- Evidence Based Decision Making increases accountability in an organization, which ensures right decisions can be made for retaining highest quality standards which will be beneficial both for the individual and the organization.
- Evidence Based Decision Making approach is driven by management science as well as data-based evidence which fairly examines the interventions in a business organization and accurately evaluates their performance for the company.
- Errors in judgment in a business organization are reduced with the help of the systematic process of Evidence Based Decision Making which increases objectivity as well as clarity of thinking for the decision makers in that organization.
- In evidence based decision making, the evidence utilized to make decisions and the factors that impact the quality of decision making is true and valid (rather than personal motivations such as bias or instinct) and these produce optimum outcomes in a business organization.
- Evidence Based Decision Making is systematic which generates effective interventions through consistent decision making, thereby reducing uncertainty and specification in the process of business management in an organization.
- Evidence Based Decision Making also ensures risk management in an organization which improves its credibility and stature with the help of data-driven and evidence based approach in enhancing the ability of the organization in reaching its business goals.

Conclusion

An Evidence Based Management and an Evidence Based Decision Making approach are basically intentional means of bringing indifferent kinds of information for a better chance of getting it right since it takes decisions based on proofs and evidences in a business organization, but it does not guarantee a perfect and concrete result each and every time. Evidence based approach in making decisions bears importance in a business organization in the current scenario, especially if compared with other forms of management while making decisions. Thus, Evidence Based Management is evolving and gaining importance over the years in business management. Implementing Evidence Based Management and its decision making in a business environment is a daunting task, but if implemented adequately, it can generate a competitive edge for the organization over its peers. Effective utilization of Evidence Based Management will definitely help in making more productive decisions in the business organization, and thereby ensure that the organization proceeds towards its desired strategic goals and simultaneously improve its performance. Evidence Based Management is still not a very popular concept, but its adoption in the realm of business entities will change the complex of an organization in a positive way. Evidence Based Management has largely been adopted in medicine and law enforcement, for instance, the judicious and apposite utilization of such management will provide desired and effective results for an individual and the business organization as a unit in the field of management as well.

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