THE EXPERIENCE OF EUROPEAN COUNTRIES IN ENHANCING THE EFFECTIVENESS OF MANAGEMENT DECISIONS

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Abstract. The article analyses the experience of European countries in improving the effectiveness of management decisions at the level of enterprises and public administration. The study identifies four mechanisms that European practice relies on: data-driven and digital decision support, participation of employees and stakeholders in decision-making, institutionalised ex-ante and ex-post evaluation of decisions, and quality management frameworks. Using comparative analysis of Eurostat and Eurofound data and of national management models (German, Nordic, the EU Better Regulation system and the EFQM Model), the article shows that effective decisions in Europe result from the combination of reliable information, structured procedures and broad involvement rather than from any single tool. On this basis, recommendations are formulated for adapting European experience in Uzbekistan's enterprises and public bodies.

Keywords: *management decisions, decision effectiveness, European experience, data-driven management, artificial intelligence, co-determination, regulatory impact assessment, EFQM, Uzbekistan.*

Introduction. The quality of management decisions ultimately determines the competitiveness of enterprises and the efficiency of public institutions. Classical decision theory, starting with H. Simon's concept of bounded rationality [1], showed that managers act under limited information, time and cognitive capacity, and therefore the organisation of the decision process itself becomes a factor of effectiveness; observations of managerial work also show that managers decide under constant time pressure and fragmented information [14]. Later behavioural research demonstrated

that intuitive judgements are systematically exposed to biases [2], while empirical studies of management practices revealed large and persistent differences in productivity between firms and countries that are closely associated with the quality of management [3].

European countries have accumulated substantial experience in addressing these problems. Several traditions coexist on the continent: the German model of social partnership and co-determination, the Nordic model of flat hierarchies and high trust, the evidence-based approach in public policy, and the EU-wide system of Better Regulation. In recent years these traditions have been complemented by the rapid digitalisation of management: according to Eurostat, 20.0% of EU enterprises with 10 or more employees used artificial intelligence technologies in 2025, compared with 8.1% in 2023 [4].

For Uzbekistan, which is carrying out large-scale administrative reform, privatisation and digital transformation, the question of how to raise the validity and effectiveness of management decisions is highly relevant. However, European experience is often borrowed in a fragmented way — by importing individual software solutions or procedures without the institutional conditions that make them work. The aim of this article is to systematise the European mechanisms for enhancing the effectiveness of management decisions and to determine which of them can be adapted in the conditions of Uzbekistan.

Methods. The research is based on the systems and institutional approaches to management. The following methods were used: (1) review of scientific literature on decision theory, management practices and data-driven decision-making; (2) analysis of secondary statistical data from Eurostat on the use of digital and artificial intelligence technologies by enterprises for 2021–2025 [4; 5] and from the European Company Survey 2019 conducted by Eurofound and Cedefop [6]; (3) comparative analysis of national and supranational management models — German co-

determination, Nordic participative management, the EU Better Regulation framework [7] and the EFQM Model [8]; (4) the abstract-logical method for formulating recommendations.

Effectiveness of a management decision is understood as the degree to which the decision achieves its goals with acceptable resources and risks, taking into account its validity (information base), timeliness, acceptance by those who implement it, and verifiability of results. These four criteria were used as the framework for comparison.

Results. Data-driven and digital decision support. The first and fastest-growing mechanism is the use of data analytics and artificial intelligence. Table 1 shows the dynamics of AI adoption by European enterprises.

Table 1

Use of artificial intelligence by EU enterprises (10+ employees), %

Indicator	Value
EU average, 2021	7.7
EU average, 2023	8.1
EU average, 2024	13.5
EU average, 2025	20.0
Highest shares, 2025	Denmark 42.0; Finland 37.8; Sweden 35.0
Lowest shares, 2025	Romania 5.2; Poland 8.4; Bulgaria 8.5
Most common use, 2025	Analysis of written language — 11.8% of enterprises

Source: compiled by the author on the basis of Eurostat data [4].

The data show that AI adoption in the EU more than doubled in two years, but the gap between the Nordic countries and Eastern Europe is about eightfold. This

indicates that technology alone does not explain the difference: the leaders are countries with high levels of digital skills, trust in data and decentralised decision-making. Research confirms that firms using data-driven decision-making demonstrate higher productivity than comparable firms [9; 10].

Participation of employees and stakeholders. The second mechanism is the involvement of those who implement decisions. In Germany, works councils and board-level employee representation (co-determination) give employees a formal voice in strategic and social decisions; empirical research shows that board-level representation did not reduce firm performance and was associated with higher capital investment [11]. In the Nordic countries, flat hierarchies and high autonomy of employees shorten the chain of decision-making. The European Company Survey 2019 found that about one-fifth of EU workplaces apply bundles of practices combining high autonomy, training and direct employee involvement, and that such bundles produce outcomes beneficial to both employers and workers; supportive management was identified as a critical condition [6].

Institutionalised evaluation of decisions. The third mechanism concerns public administration, but is also increasingly applied in corporations. The EU Better Regulation framework requires impact assessment of significant initiatives, public consultation with stakeholders, and ex-post evaluation according to the principle "evaluate first" [7]. OECD countries widely use regulatory impact assessment as a tool for comparing alternatives before a decision is taken [12]. The United Kingdom has created a network of "What Works" centres that collect evidence on the effectiveness of policy interventions.

Quality management frameworks. The fourth mechanism is the systematic linking of decisions with results. The EFQM Model [8], widely used in European companies and public bodies, is built on the logic "direction — execution — results"

and requires that decisions be based on facts and regularly reviewed through self-assessment. Table 2 summarises the four mechanisms.

Table 2

European mechanisms for enhancing the effectiveness of management decisions

Mechanism	Typical countries / models	Key instruments	Effect on decision quality
Data-driven management	Denmark, Finland, Sweden, Netherlands	Business analytics, AI, integrated information systems, open data	Higher validity and speed of decisions; lower share of intuitive errors
Participation	Germany (co-determination), Nordic countries	Works councils, employee board representation, autonomous teams	Better acceptance and implementation; use of employees' knowledge
Evaluation of decisions	EU Better Regulation; OECD; United Kingdom	Impact assessment, public consultation, ex-post evaluation, evidence centres	Comparison of alternatives; transparency; learning from results
Quality management	EFQM Model (across Europe)	Self-assessment, KPIs, benchmarking, continuous improvement	Link between decisions and measurable results

Source: developed by the author on the basis of [4; 6–8; 11; 12].

Discussion. The results allow several conclusions. First, European experience shows that the effectiveness of management decisions is achieved by a combination of

mechanisms rather than by any single tool. Data analytics increases the validity of decisions, participation increases their acceptance, evaluation procedures ensure comparison of alternatives and accountability, and quality management frameworks link decisions with results. Each of these corresponds to one of the effectiveness criteria used in this study. This is consistent with the finding of Bloom and Van Reenen that monitoring, target-setting and incentive practices together explain a significant part of productivity differences [3].

Second, the large gap in AI adoption between European countries [4] indicates that digital tools yield results only in an appropriate institutional environment: qualified personnel, reliable data, a culture of trust and a readiness to delegate authority. The European Union has also set a regulatory framework for such tools through the Artificial Intelligence Act [13], which requires human oversight and transparency for high-risk systems. For countries borrowing European experience, this means that investment in software must be accompanied by investment in data quality, staff skills and rules for the responsible use of algorithms.

Third, European experience cannot be transferred mechanically. The German model of co-determination is rooted in a long tradition of social partnership, and the Nordic model depends on a very high level of social trust. For Uzbekistan, the most transferable elements appear to be: (a) mandatory impact assessment and public discussion of draft normative acts, which already exist in the form of discussions on the regulation.gov.uz portal and can be deepened by quantitative cost–benefit analysis and ex-post evaluation; (b) development of management information systems and analytics in state-owned enterprises and large companies being prepared for privatisation; (c) introduction of quality management and self-assessment frameworks of the EFQM type; (d) gradual expansion of employee participation through consultation mechanisms, trade unions and team-based forms of work organisation.

The limitations of the study are related to the use of aggregated secondary data. Further research should assess the effectiveness of specific European instruments at Uzbek enterprises and public bodies on the basis of surveys and case studies.

Conclusion. The experience of European countries shows that the effectiveness of management decisions is increased through four complementary mechanisms: data-driven and digital decision support, participation of employees and stakeholders, institutionalised evaluation of decisions, and quality management frameworks. The rapid growth of artificial intelligence use in EU enterprises — from 8.1% in 2023 to 20.0% in 2025 — together with significant differences between countries, confirms that technology is effective only when supported by skills, reliable data and an appropriate management culture. For Uzbekistan, the adaptation of European experience should be comprehensive and gradual: strengthening the information and analytical base of decisions, making impact assessment and ex-post evaluation mandatory for significant decisions, introducing quality management models, and expanding the involvement of employees and the public in decision-making. This will contribute to higher validity, transparency and practical results of management decisions at both enterprise and state levels.

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