

EDITORIAL

Business success depends on two abilities –first, to gain new insights faster than the competition, and second, to turn those insights into good decision making. The best decisions are those supported by good data. However, while most organizations are drowning in data, they often thirst for relevant information that can support key decisions. This is where evidence-based management (EBM) comes in. Evidence lies at the heart of all good decision-making, and Evidence-based Management (EBM) can be an important tool for businesses looking to get the most from their business strategy. Evidence-based practice is about making better decisions, informing action that has the desired impact. An evidence-based approach to decision-making is based on a combination of using critical thinking and the best available evidence. It makes decision makers less reliant on anecdotes, received wisdom and personal experience – sources that are not always trustworthy on their own.

EBM reminds us that, although measurement as a business activity is essential – its true value can only be unlocked when we measure the right things, and not too many things. Once we have that measurement in place, we must analyse it to identify where there are performance gaps – and then further interrogate underpinning measures, objectives, tasks and initiatives to see where the root of the problem may exist. An evidence-based approach to management reduces the potential for irrational thinking, bias, or exhaustion to negatively impact management decisions. Rather than selecting an intervention or strategy based on gut feelings, personal experiences, or popular trends in the industry, an evidence-based manager reviews

the published literature on the subject, critically appraises the quality of the evidence from other sources like, professional expertise, organisational data and stakeholders' values and concerns, and selects a strategy that is supported by science.

As a manager or professional, decision-making is the daily business. Making the right or wrong decision has an immediate impact on organizational performance. It is the manager's responsibility to make sure that decision-making process adheres to the highest quality standards available. A decision-making process that relies on a structured and quality-oriented approach increases transparency and therefore accountability. Consequently, it will not just increase organizational performance but also one's standing, reputation, and career perspectives as a manager or professional.

We all make decisions based on evidence, but Evidence-based practice differs from traditional practices in an important way: the intentional process of filtering out the noise to make better decisions. Take the example of HR. Evidence used in typical HR environments tends to over-emphasize personal experience and often lacks a certain amount of objectivity. As it pertains to management decisions, evidence-based practice can help to create effective practices in many areas that impact performance, like hiring, compensation, change management and more.

(Moreover, in order to make) In the case of health care, as an example, the best decisions for day to day patient care, valid information about prevention, diagnosis, prognosis and treatment is required. Implementing the Evidence-Based Practice (EBP) competencies in the healthcare



setting improves healthcare quality and patient outcomes. EBM in healthcare is an approach to optimize decision making where a clinician uses the best evidence research in consultation with the patient to decide which option provides the patient the maximum benefit. The management of the health care system makes policies in order to allocate funds, purchase or manage resources.

The most important job of the management accountant is to conduct a relevant cost analysis to determine the existing expenses and give suggestions for future activities. Before a company takes any action, it needs to explore all possibilities and figure out the best tactic to increase the profit. This means management accountants ought to analyze different sales channels, products, services, and marketing activities in order to find the most profitable business model. The proposed business model may be examined based on the principles of EBM to increase the probability of its success. Once the management accounting team is done with relevant cost analysis, they establish cause and effect relationship before proposing corrective and improvement-oriented actions. EBM plays a great role in establishing the cause-and-effect relationship.

This issue presents a good number of articles on the cover story “*Evidence-based Management (EBM)*” written by distinguished experts. We are fortunate enough to have an article on EBM by Michael Vodiano, who is passionate about evidence-based management, and is an advisor for ScienceForWork, an educational platform that helps leaders use scientific research to improve their management decision-making, with over 80,000 readers per year. Further, we look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers will enjoy the articles.