

Studying the impact of Organizational and Conceptual Factors on Manager's Decision Making

Amalendu Bhunia

Abstract

The purpose of the present research is to investigate the impact of organizational factors on the regarding manager's decision-making styles and the difference between the perception of managers and employees of the styles used by managers in India. Questionnaire validity, content validity and compatibility listed by 10 experts and professors as well as the experimental implementation of the questionnaire and also analyzing exploratory factor for both questionnaires were checked. The results showed that in the county like governor, the dominant style used from the viewpoint of both staff and managers is the third priority.

Keywords: General decision-making style; organization's size, position of manager, perception difference, government organizations

Introduction

Decision making is the most difficult practice and sometimes the most dangerous work that every manager has to do. A manager, by an incorrect decision, may cause irreparable damage to the body of his or her organization (Atayi, 2010). During environmental changes and shifts, organizations look to their managers to overcome alterations, demands and environmental challenges ahead. In such circumstances, managers need endless skills and capabilities (Gholi pour, 2008). Decisions are taken along with achieving goals and by considering the available resources. Decisions determine the kind of goals and the way to achieve them. Therefore, decision making is a mechanism which encompasses all the activities of the organization, and indeed affects all members of the organization as an individual or as a member of the group.

Organization collapsed without any mechanism to decide and to set its own target individuals who are looking for (Moorhead and Griffin, 2007).

Studying decision-making processes is not a new topic. In recent years, numerous studies have been done on decision making and have offered several classifications in relation to style and decision-making models which have been presented by experts (Olivera, 2007).

Scott and Bruce paid great attention to decision-making styles of individuals and factors affecting the internal characteristics and individual differences of the people. On this basis they introduced five styles of decision making as general decision making -styles. These five styles are: rational decision-making styles, decision-making style of intuition, dependent decision making-style, instantaneous decision-making style and avoidance style of decision making (Hadyzadh Moghaddam 2009).

The aim of this study is to find check the effect of organizational factors like size, position in the organizational hierarchy on managers decision-making style and the difference in perception between staff and managers about decision making.

Author's Affiliation: Dr. Amalendu Bhunia, Reader in Commerce, Fakir Chand College under University of Calcutta.

Reprint's request: Dr. Amalendu Bhunia, 135, R.N. Tagore Road, Sudha Apartment, Bediagara, Dumdum, Kolkata, West Bengal, India, Pin-700077, E-mail-bhuniamalendu@gmail.com, Mobile-+91-9432953985

(Received on 06.10.2011, accepted on 28.10.2011)

Methodology

This study made use of a quantitative research approach, and from the viewpoint of relationship between the variables (dependent and independent variables) is a type of correlation research.

Population and Sample

The population for this study includes all employees and managers in the counties, governorships and the general-governor of India in the year 2010, which according to 2010 statistics is 920 people among which 352 are selected including 60 managers and 290 employees which have been classified through a random sampling method with a simple proportional allocation.

Research Instrument

The measuring instrument used was a structured questionnaire which was developed and validated by Hadyzadeh and Tehrani (2008). Of course with the help of this questionnaire the content validity was also approved by professors and managers too. For the structural validity, exploratory and confirmatory factor analysis and the KMO index was used. The KMO value equals 0.852 and the Bartlett test, even at a meaningful level of 0.99% (Sig = 0.000) is rejected. Where the variances were equal to 55.21 and specific values of each factor were greater than one, we concluded that the credibility factor of this variable is appropriate.

Reliability

Chi-square test was used to check for the study of relationship status in decision-making style. MANOVA or multivariate one-sided was used to investigate the relationship between style of decision-making managers and size of organization. The two sample T test was used to check for homogenization of styles used by managers and the style diagnosed used by the staff for managers. Friedman test

was used for showing the ranking of decision-making from the perspective of managers and employees and Pearson correlation test was used to determine correlation between the styles used by managers. Using two softwares, SPSS 18 and LISREL 8.5, analysis was developed and answers were codified with Likert's range of five options.

Validity

When assessing validity, researchers determine whether a measure used in the study actually does measure what the researchers intend to measure. As already indicated, the measurement instrument developed Hadyzadeh and Tehrani (2008) was used in this study. The instrument was considered valid for the purpose of the present study.

Table I indicates descriptive statistics based on the organization. It can be seen for each style based on organizations, means are not equal and a difference between them is observed. For dependent style, mean scores for the county is larger, therefore, it is said that county managers have greater tendency to use the dependent style.

For styles of avoidant and instantaneous we can't say which organizations used this kind of style more because approximately they have equal means.

Table 2 shows the homogeneity of variance tests wherein homogeneity of variance test here will be accepted with regard to Sig = 0.142. Most often this test is rejected, in which the statistical population is non-normal; but data in this study is normal. Two indexes of Pillai's Trace and Wilks' Lambda are used to show this irrespective of whether the mean for the group offered is equal or not. Most Social Science studies use Wilks' Lambda index. The Pillai's Trace is also a good substitute for this.

In this section it can be seen that the Wilks' Lambda is equal to 1.802 and Sig = 0.006, showing that this test is statistically meaningful. ($F(10, 106) = 7.24, P < 0.05$) shows that the theory of equality between the average

Table I. Descriptive Statistics; Effect of Size of Organization on Decision -Making Styles

	Organization	Mean	Standard Deviation
Intuitive	Governor-General	2.71	0.64
	Governor	3.30	0.63
	County	2.58	0.70
	Total Sum	2.86	0.68
Dependency	Governor-General	2.84	0.69
	Governor	2.93	0.83
	County	3.55	0.69
	Total Sum	3.53	0.71
Rational	Governor-General	3.46	0.76
	Governor	2.24	0.98
	County	2.11	0.94
	Total Sum	2.26	0.84
Instant	Governor-General	2.29	1.08
	Governor	2.31	1.02
	County	2.17	0.72
	Total Sum	2.38	1.00
Avoidant	Governor-General	1.65	0.77
	Governor	1.76	1.03
	County	1.50	0.52
	Total Sum	1.67	0.80

of three organizations for the styles used by managers can be rejected and it can be shown that in any organization of which style is used more. Also, according to the last column of Table 3 (the relationship between two factors), this ratio is equal to 0.405 which shows a good relationship between organization size and type of style management use.

According to Table IV and test results it can be seen that according to values for $t = 3.32$ and $p\text{-value} = 0.001$ and the value of the mean difference equaled to 0.21, the result is a meaningful difference between the style used by managers and the type style used by managers from employees viewpoint. As it is observed, the style managers have offered

about their decisions is different from the style employees recognize for their managers.

The test results used for the styles of managers with value of chi-square = 102.385 and on the two-star level ($\text{sig} = 0.000$) is meaningful. Also test to see the style used by managers from employees viewpoint were checked. The test result value chi-square = 319.29 and with the value of 0.000 is meaningful.

Discussion and conclusion

The purpose of the present research is to investigate the impact of organizational

Table 2. Homogeneous variance test

Box's M	53.769
F	1.490
df1	30
df2	3658.630
Sig	.142

Table 3. Multivariate analysis of one- way variance to evaluate the relationship between the kind of management decision style and size of organization

	Coefficients	Coefficients	F	Valence Degree	Sig.	Coefficient of relationship between two factors
Constant	Pillai's Trace	.987	811.083 ^a	5.000	.000	.987
Amount	Wilks' Lambda	.013	811.083 ^a	5.000	.000	.987
Age	Pillai's Trace	1.202	8.212	10.000	.002	.401
	Wilks' Lambda	1.802	7.238 ^a	10.000	.006	.405

Table 4. Two sample T test to evaluate homogeneity of style used by managers and the style diagnosed by the employees for the managers

p-value	T	Valence Degree	Mean differences and confidence interval	Standard Deviation	Mean	Number	Group	Title
0.001	3.32	384	.21, (.086, 0.34)	.69786	3.24	100	Managers	Homogeneity of style used by managers and the distinguished style used by employees for managers
				.38379	3.03	500	Employees	

Table 5. Friedman test ratings of decision-making styles from the viewpoint of managers and employees

Style Used with Managers from Employees Perspective	Style Used with managers		Decision- making Style		
	Rank	Coefficient		Rank	Coefficient
	3	2.99	1	3.98	Rational
	1	3.97	2	3.84	Intuitive
	2	3.52	3	2.98	Dependent
	4	2.70	4	2.13	Instant
	5	1.83	5	2.07	A

Table 6. Friedman test as a meaningful one on prioritizing the style used by managers and the style used by managers through employee's viewpoint

Style Used by Managers from Employees Viewpoint	Style Used by managers	
290	60	Number
319.291	102.385	<i>chi – squar</i>
4	4	Valence Degree
.000	.000	<i>sig</i>

factors on the styles of manager's decision making and the difference between the perception of managers and employees regarding of the styles used by managers in the Governor-General Office in India. Findings of this research indicate there is a relationship between position of managers in organizational hierarchy and decision-making style. The research results indicate that organizational factors such as size of the organization and position of director of the organization in the organization's hierarchy influence the style of overall decision making by the manager. Also, there is a meaningful difference between the perception of managers and staff about the style of manager's decisions.

The t test results for each organization confirmed the chi-square test results. The average scores for the Governor-General has the highest mean, which shows that in the governor-general rational style is used which is the prevailing style. For the governor in the second row it shows that the majority of managers use intuitive style. Also for the county it can be seen that the mean of opinion offered was less than average which shows the usage of managers.

We surved relationship between the size of the organization (Governor-General, Governor and county) and decision making styles. We used multivariate analysis of variance or MANOVA and, due to this case, the scene meaningful is smaller than acceptable meaningful level of value (005/0). So, according to table results, we can conclude

that for the rational style the highest mean is in the Governor-General and for the Governor, the highest mean belongs to intuitive style, and for dependent style the highest mean can be seen in the county section of the study. Also this research indicates there is difference between managers and the staff perception of decision-making models in different organizations.

Acknowledgements

I offer our regards and blessings to all of those who supported me in any respect during the completion of the paper. My wife Smt. Binapani Bhunia and my daughter Ashesha Bhunia have endured all my failure of duty towards them. But for their enthusiastic sustain, assist and cooperation, it would not have been possible to complete this paper.

Refrences

1. Atayi M. *Multiple criteria decision making*, Shahrood, Deghat printing Company. Organizational behavior. Columbus; Grid Publishing, 2010.
2. Gholipoor Rahmatullah. *Organizational Decision-Making and General Policy*. Tehran; Publisher Samt, 2008.
3. Hadyzadeh Moghaddam, Akram, Tehrani, Maryam. *Studying the relationship between general decision making style in governmental organizations*. Public Research Office, 2008; 1(1): 123-138.

4. Hatch, Mary Joe. *Organization theory*, Translated by Danaifard Hassan. Tehran; Termeh Publishing Company, 2006.
5. Jean Lublan Veex, Silvi George, Holyfield C N, Lisi Stephen. *Broodrick Sun Ardis*, Translated By Dr. Tahir Roshandel Arbtany. Tehran; Neil Printing Company, 2009.
6. Moreheadd, Griffin. (Translated by Dr. Seyed Mehdi Alvani - Dr. Gholam Reza Memar Zadeh) Twelfth Edition, *Organizational Behavior*, Tehran; Golshan Printing Company, 2006.
7. Oliveira, Arnaldo. A Discussion of Rational and Psychological Decision Making Theories and Models: The Search For a Cultural-Ethical Decision Making Model. *Electronic Journal of Business Ethics and Organization Studies* 2007; 12(2): 12-13.
8. Singh, Romila, Greenhouse jeffryh. The Relation between career decision making strategies and person-tohfit. *Journal of vocational behavior Bruce and Scott* 2004; 1995-15.
9. Thunholm Peter. *Decision-Making Style: habit, style or both?* *Journal of Personality and Individual Differences* 2004; 932-933.