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## Model Manager's Behavior in Decision Making Process in Context of Role of Management Psychology

### **Abstract**

*Times of postmodernism are a challenge to everyone, including managers. Every manager should know how to introduce people to values and opinions, be able to develop their characters and create the coherent and integrated employee's personality. Good leadership always requires reference to the objective, to effective solution of planned task. The leadership style depends on a cultural variable referred to as a „power distance”. In cultures with a low power distance an ideal supervisor for most workers is a loyal democrat. In cultures with a high power distance this is „friendly autocrat”. The elaboration contain the presentation results of research of Polish, Austrian and American managers. The American and Polish respondents managers tend towards autocratic behaviors, but now political and economical situation in Poland has changed. The modern managers cannot effectively perform their managerial function applying traditional methods of autocratic leadership.*

**Keywords:** *management, leadership style, manager, management psychology*

Times of postmodernism are a challenge to everyone, including managers, regardless of what organization they work for. A new system of meaning and values directing employers and employees is being formulated. It changes the whole system of requirements towards the employees, a sense of stability as well as of individual and social security. In this situation every manager – no matter on what level of management he works - must realize that to a smaller or bigger degree he is responsible for the shape of this world. He should know how to introduce people to values and opinions, be able to develop their characters and create a coherent and integrated employee's personality. In order to obtain this it is necessary to know human nature, motivation methods and to acquire knowledge about psychology, a key to innovative and effective management.

Of course it is a cliché to claim that psychology is an interesting, important and useful area. It deals with human nature, trying to find out what reaches a human brain, how to make use of its resources, explains why we behave the way we do. Discovering processes related to perception and attention, learning and memory, thinking, reasoning, communication as well as motivation and emotions, differences between men and factors which generate them, learning about general rules directing individual activities helps in all areas of life.

Medical doctors, teachers, lawyers and sportsmen take advantage of psychologists' knowledge and skills. More often than not psychologists can be found in all business fields, participating in professional life spheres covering: personnel selection, training, work organization, ergonomics, issues related to modern management, work satisfaction, motivation. They are employed by enterprises in order to increase workers' efficiency. Psychologists specialize in market functions, they focus not only on such issues as advertising, customer behavior, market research and new product promotion in changing markets but predominantly on effective people management.

"Governing" itself may superficially seem something obvious. To govern well does not only mean to issue orders. Of course it is easier to govern for someone who was well "managed" in childhood, in his family or school. Not everyone, though, was so lucky hence the art of governing must be often learnt in practice in adult life, remembering that effectiveness in this area depends not only on mental culture but also on attributes of a decision situation (system of situational variables).

Usually we differentiate between managing and directing people. Skillful and innovative directing facilitates human development and their talents. This development requires special conditions, which should be guaranteed by good management. However, good leadership always requires reference to the objective, i.e. to effective solution of a planned task. Therefore management (which is as mentioned above understood as a kind of art) requires from the manager a knowledge of human nature – not just of processes which occur in it but also of its objective.

Leadership as such is not an ordinary transformation of natural "resources" into culture "objects". Ignacy Bocheński writes: "There is no shadow of a doubt that no one is interested in good life of a man except for this man himself". Personal fulfillment, identified in psychology as "self-actualization" requires referring to a person-specific self-determination skill. The explanation of this skill and outlining a psychological model of self-determination is one of the main tasks of management. Special characteristics of management mean that it covers the issue of leading the people facing concrete objectives, and not just their own development.

A man, an individual is always a subsystem of a bigger whole, which influences him in various ways. He regulates his relationships with the environment sometimes instinctively, but more often through conscious activity. Work is one of the basic methods of such relationship regulation with the world. In this context the manager must perceive his subordinates as special causative subjects, whose significant qualities are purposefulness and planning, self-determination and striving for fulfillment. This fulfillment often takes place thanks to managers.

The object in management psychology is widely understood human labor. Management textbooks focus on a management process, i.e. everything that must be done in order to effectively and efficiently achieve the objective facing the enterprise. In management psychology, though, we take into the account a subject dimension: human activity and relevant willpower.

Surely effort of a man who transforms through his activity material resources into objects differs from the effort on the part of the one who directs a complex work process. But both types of effort can be perfected. Thus, in leadership two complementary goals are realized. Firstly, a manufacturing process is intensified, we produce more effectively and efficiently, which allows us to achieve a market success. Secondly, directing others we “transform” and exhaust those absolutely special “human resources”, which let us make this effort. It is often pointed out that it is necessary to care for a widely understood employees’ development in a company. This development – in the context of work of this institution – is an instrumental value, which promotes the achievement of autotelic values, i.e. the objectives of the company itself.

In every aspect, including our activity which is usually subject to supervision, in directing our own activity and other people’s activities we draw attention to human activity. Therefore the following questions are posed: how can it be understood, not just described but also explained? And also: how should this activity be directed?

The answers to these questions is management psychology, which focuses on motivation, letting us achieve determined goals which are set by our intellect. Psychological approaches concerning cognitive psychic activities describe conditions regulating human activity though they omit the source of human activity, namely motivation. As a consequence a person as an active subject is placed outside its focus. Hence, the postulate of the so called active management perception, which perceives man and focuses on him.

In the art of wise management it is important to realize how human intellect recognizes objects, which can become conscious activity objectives. This is related to a widely understood field of motivation and analyzing how man manages to reach predetermined goals and what methods or leadership techniques he applies in order to achieve his aims according to the plan.

Effective activity means combining motivation and intellect which determines the factors initiating and directing actions. However, motivation as such is too little. Skilful governance is significant, i.e. planning labor process in such a way that it directs and stimulates workers to innovative actions through certain objectives (goods, needs, means to obtain the objective). An organization means such integration of scattered elements in one current of causative activity that the goals are achieved. In psychological literature it is called management style in an organization, which depends on place, time and managers' mentality.

Achieving success depends on an appropriate style and for this reason at the end of the previous century the research was conducted which was to identify differences in styles of managing people on selected samples of Polish, Austrian and American managers.

Professor Hofstede suggested a hypothesis that leadership style depends on a cultural variable referred to as "a power distance" [Hofstede, 1980, pp. 42-63]. This concept was defined as "a degree of acceptance by a society in a given country of a phenomenon of just (equal) distribution of power in institutions and organizations". Hofstede suggested that in cultures with a low power distance subordinates expect that their supervisors will consult their decisions with them and if they do not, dissatisfaction may appear taking the form of rebellion or strike [Jago and Vroom, 1977, pp. 131-145]. An ideal supervisor for most workers in the cultures with a low power distance is a loyal democrat. In cultures with a high power distance subordinates expect that their supervisors will have a tendency towards autocratic behaviors. An ideal supervisor for most workers in such cultures is a "friendly autocrat". In cultures with medium power distance subordinates expect that their supervisors will consult some decisions with them, but they are also willing to accept an autocratic management style. An ideal supervisor for the majority of employees is a "resourceful democrat".

Researchers made an attempt to discover cultural conditions of leadership style applied by Polish, Austrian and American managers.

Among the countries analyzed by Hofstede before 1990 Austria had the lowest position on the power distance style. The United States were classified as medium power distance countries. Countries from the former Soviet Bloc were not included in the research conducted by Hofstede. Nevertheless, it was assumed that Poland at that time was the state with high power distance.

The managers who were examined, were responsive to cultural expectations of the society where they lived, Austrian managers' behavior was more participatory while the Polish managers' behavior was more autocratic than Americans'.

In order to discover the differences in the leadership styles between the managers representing three cultures we used the Participatory Decision Making Model constructed by two American psychologists Vroom and Yetton.

A normative Participatory Decision Making Model by Vroom and Yetton [Mączyński and Witkowski, 1990] identifies model manager's behavior in a decision making process (solving problems), depending on the set of situational variables (the so called decision situation attributes). The authors of this model point out which decision making style (behavioral style) is most effective in given types of decision situations. In particular they consider the question how the manager's behavior affects the decision quality and its acceptance by the subordinates. We deal with a quality decision when out of many possible solutions of a given issue the manager selects the one which is most desired for effective achievement of a given objective. Commitment refers to subordinates' motivation promoting effective implementation of the decision.

Vroom and Yetton suggested five behavioral styles which are a continuum from autocratic types of behavior (i.e. lack of subordinates' participation in a decision making process) through higher participation levels to maximal subordinates' participation in problem solving and making decisions :

1. A manager solves the problem on his own or makes up his mind using the information he has.
2. A manager obtains information from his subordinates and then he decides how to solve the problem. Gathering the data from his subordinates, the manager can but does not have to inform them about the nature of the problem. The subordinates' role in problem solving covers gathering necessary information and does not include generating or assessing alternative solutions.
3. A manager discusses the problem individually with some of his subordinates, obtains their opinion and suggestions. Then he makes the decision which may or may not reflect the subordinates' influence.
4. A manager discusses the problem with his subordinates as a group, obtaining their collective opinions and suggestions. Then he makes the decision which may or may not reflect the subordinates' influence.
5. A manager discusses the problem with his subordinates. They together look for alternative solutions and then he tries to obtain agreement which alternative to select. The manager does not impose his solutions on the group but he is willing to accept and introduce the solution which is supported by the whole group.

In order to assist the manager in the selection of an adequate decision making style Vroom and Yetton defined seven rules for selecting an individual behavioral style. Three of those rules aim at protection of the decision quality, while the remaining four strengthen subordinates' commitment.

In a selected and properly structured decision situations seven dichotomic (yes-no) attributes of a problem situation were systematically manipulated:

- (a) Required quality attribute – does the decision quality play an important role? (it means that out of possible solution methods the most effective must be selected).
- (b) Manager's competence attribute: does the manager have adequate knowledge to make a quality decision?
- (c) Problem structure attribute: is the problem to be solved well structured?
- (d) Required commitment attribute: is commitment on the part of the subordinates vital for effective implementation?
- (e) Commitment probability attribute : is there a real chance that if the manager makes this decision it will be accepted by his subordinates?
- (f) Goal congruence attribute: do the subordinates identify with corporate goals which will be implemented as the result of solving a given problem?
- (g) Subordinate conflict attribute: can among the subordinates a conflict arise concerning the selected solution?

In the research preferred decision making style diagnosis was used which was referred to the description of thirty decision situations selected by Vroom, Yetton and Jago out of several hundred real descriptions of decision situations.

The managers participating in the research were asked to read about each decision situation and to choose the behavioral style which according to them would be most appropriate. They were to select the style out of the five decision making styles which constitute a continuum spreading from highly autocratic behaviors to highly participatory ones.

The research with the help of this method was conducted in Poland in 1988/89, i.e. in the decline of the totalitarian authority and command economy system in Poland. The research covered 146 Polish, 891 Austrian and 2631 American managers [Krysakowska-Budny and Jankowicz, 1991].

The Polish managers were selected and compared to their equivalents among the Austrian and American managers. The selection process of the "comparable" groups of managers under research was conducted on the basis of those variables which according to previous research affect management style. They include sex, age, managerial function and level. Fifty-five Polish managers were excluded from further research analysis because it was impossible to find their "equivalents" in a sample of the American and Austrian managers. As the result ninety-one triads were obtained of the managers under research who were (within each triad) similar to the others with respect to all known factors influencing their management style, with the exception of a cultural variable.

An average age of the managers in each comparable group was 42. In each managers' group consisting of 91 people there were 4 women. Within each

of the three analyzed groups 64% of the examined managers supervised a department or section, 12% of the respondents declared that they were managing directors or their deputies. The remaining ones were employed on lower management levels. The group under research was differentiated as far as a type of supervisory function is concerned. Within each analyzed group of managers 34% of all respondents managed production, 38% declared that they perform general managerial functions (e.g. in the personnel department). The remaining respondents performed other (different from the ones mentioned above) managerial functions.

Comparing pairs of the examined managers' groups with the help of the Duncan test revealed a range of significant differences between the managers' groups under research.

The first very significant difference refers to application frequency of a given behavioral style in a decision making process. The comparative analysis showed that the Polish managers are most autocratic, the Austrian managers are most participatory, while the American ones can be situated in the middle.

Finally, a collective result referring to an "average participation level" points out that the Austrian managers are much more participatory than the Americans, who are in their turn significantly more participatory than the Polish supervisors. Result distribution in the area of "average participation level" revealed that an "average" (median) Austrian manager is more participatory than 89% of all Polish managers. An "average" American manager is more participatory than 73% of all Polish respondents.

Without dealing with a detailed analysis of such statistical operations, such as for example analysis of variance (ANOVA method), the research results let us draw the following conclusions:

1. In comparable samples of the examined managers the Austrian respondents turned out to be most participatory, the Polish ones turned out to be most autocratic, while the Americans occupied the middle position. It was discovered that the Austrian managers' behavior is to the highest degree congruent with the indicators of the above mentioned Normative Decision Participation Model by Vroom and Yetton, whereas the Polish managers' behavior - to the lowest possible degree [Mączyński i in., 1993, pp. 65-80].
2. The Polish respondents, unlike the Austrians and Americans, are more participatory when the significance of the problem situation which is being solved is small for an organization. The Austrian managers unlike the Polish and American are more participatory in conflicting situations among their subordinates.
3. It must be noted that the Austrian managers have a tendency towards conflict-confronting behavior. The behavior of the American and Polish

managers tend to avoid conflict-confronting behavior. It may be concluded that the Austrian subjects' behavior is more congruent with the Vroom and Yetton's model postulates, who treat subordinates' participation process in decision making as an effective instrument in expressing various viewpoints, revealing conflicts and looking for their solutions.

The discovery that the American and Polish managers in a conflict situations among their subordinates tend towards autocratic behaviors may be interpreted that according to them a group decision making process in a conflict situation is inadvisable as a group meeting may lead to the increase of divergences concerning a preferred problem solution and thus to the increase of the existing conflict situation.

Undoubtedly, Austrian culture in many aspects has its special characteristics, including *Wirtschafts- und Sozialpartnerschaft* or *economic and social partnership*, which may be partly responsible for the discovered tendency towards participatory behaviors of the Austrian managers.

The phenomenon of economic and social partnership is reflected in formal and informal groups representing workers, employers, farmers and other social groups. Those groups during informal meetings negotiate in particular salary-price relationships, looking for reasonable compromises. Although this system acts voluntarily and has no legal frames, it is an effective mechanism for working out a consensus in the area of salary-price relationships and common actions meant to reduce economic losses due to dissatisfaction of individual social groups and strata.

One can risk a statement that as the consequence of economic and social partnership which exists in Austria and average number of working days lost due to strikes (for 1000 employees ) in 1970-1990 amounted to only six days. For comparison the number of days lost due to strikes (for 1000 employees ) was in an analogues period in Germany 40 days, while in Japan – 64 days, in Sweden -116 days, in France - 145 days, in the USA – 225 days, in Spain – 708 days and in Italy – 1042 days.

The economic and social partnership is a kind of ethical norm which functions also beyond the area of salary- price regulations. It is expressed in a more general approach encouraging people to accept the thesis that much good can be obtained by exchanging opinions, widely understood involvement in conflict resolution and working out a consensus and strategies for common actions.

The research results suggest that economic and social partnership finds its expression in the Austrian managers' leadership styles. In interactions with the subordinates they revealed a strong tendency towards applying a participatory style of leadership as an effective method of reaching a compromise and conflict solution.

The sample of Polish managers consisted of the people with a relatively long work experience in executive posts. They were nominated as managers in the period of the totalitarian and command economy system which no longer exists in Poland. Coexistence in this historical period of such factors as: central planning of economic activities, directive management style (through top-down commands), overgrowth of bureaucracy and subordinates' passive behavior resulted in the formation of managers who behave in the way they had been treated themselves, i.e. in a highly autocratic manner.

In leadership the Polish managers seem to apply Human Relations Model of Participation. They appreciated the importance of good relationships with the employees and they wanted to make the impression that in the decision making process they took into account their opinions and preferences. However, the subordinates' influence on their decisions was in fact limited to secondary and trivial issues of little importance.

The situation in Poland has changed since the research was conducted. Commanding authority with the help of top-down orders and instructions belongs now to the past. Affecting workers' behavior cannot be based entirely on coercive measures. Employees have now much more influence on what is happening in the working place and bigger expectations that their interest and preferences will be taken into account by the management. It can be concluded that modern managers cannot effectively perform their managerial function applying traditional methods of autocratic leadership.

It seems that the success of Polish reforms in the transition period from the command to market economy requires practical application in a company management of participatory leadership style, congruent with the "model of effective usage of subordinates' skills" as this model lies at the core of participation mechanism. Certainly it should be researched how economic organizations and their managers will react to enormous changes occurring in Poland related to authority decentralization and introduction of an innovative approach in management.

Making an attempt to interpret the data referring to the sample of the American managers, we took into account relatively high cultural heterogeneity in the United States in general and in management practice in particular.

Demonstrating the highest standard deviation with respect to "average participation level" the sample of the American respondents is a "mixture" of autocracy- and participation-oriented managers. In total the American respondents occupy a middle position between the autocratic Polish managers and participation-oriented Austrians [Vroom and Jago, 1988].

One of the previous research results shows that cultural heterogeneity promotes the formation of the norm facilitating cooperation. On the basis of

the quoted research it can be expected that the American managers would have a stronger tendency towards application of participatory management style than the Austrians or Poles, as those two respondent groups represent the states with bigger cultural homogeneity. This conclusion finds its justification in case of comparative analysis of the American and Polish managers but it is not confirmed by comparative analysis result of the Austrian and American respondents. The economic and social partnership plays an important role in the tendency towards application of a participatory leadership style by the Austrian managers.

It is worth pointing out that there are certain premises which show that the American managers have been recently demonstrating in leadership practice a distinct tendency towards application of a participatory management style. Those trends in the leadership style applied by the Americans should be further researched.

The example of the above mentioned research was quoted for a reason. Humanity is now facing various new opportunities. It is an unheard of chance but the contemporary world is not always friendly to man. It brings new unknown threats and problems. In order to cope with them in all situations psychological knowledge is necessary. Therefore it is worth remembering that management psychology should be perceived not just as a knowledge about innovative management how to achieve company's goals but also as a knowledge about people and their object and subject activities.

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