

Free argumentative essay on theories on decision-making

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Introduction

Effective and efficient decision-making in service delivery can be compromised by non-involvement of key personnel or over-involvement of lower-echelon employees, which leads to a slowed-down process. The problem is how to determine the trade-offs to make in this situation as well as the strengths and weaknesses of the traditional, top-down approach versus the horizontal approach. This question is especially important today because, in the recent past, decision-makers in the public and private sectors have made a high number of poor decisions. An example of this is the securitization of subprime mortgage loans or using credit default swaps to hedge risk. This decision-making disorder has largely been attributed to the fact that decisions are generally viewed as the prerogatives of individuals, particularly senior executives. Information goes in, and decisions come out. Unlike is the case for other business processes, decisions have not been the focus of systematic analysis done inside the firm. Useful insights, what is referred to as “groupthink,” have been seen as important components of decision-making for a long time. However, in spite of this, lower-echelon employees are not involved in the decision-making process. There are advantages in having a multi-level involvement in making decisions. This, however, introduces advantages as well as disadvantages. Using organizational theories and theoretical frames, this paper presents the weaknesses and strengths of the two approaches to decision-making.

There are various management theories and theoretical frameworks on decision-making which may be applied to this problem. The first theoretical

framework which may be applied is the organizational behavior perspective. According to Pfeffer (2012), organizational behavior perspective is the study of view on human behavior in various organizational settings as well as the manner in which human behavior interacts with the organization. This may be examined on the micro level: a study of how individuals behave in organizations; meso organizational behavior (meso OB): a study of work-groups within the organization or macro OB: a study of how different organizations behave. Decision-making within organizations falls under the theoretical framework of organizational behavior because it affects how and whether employees are satisfied with their jobs as well as their managers and their job motivation. There are various theories which fall under this theoretical framework and may be applied to the problem of decision-making.

The first theory is by Mary Parker Follett, who in her essay, *The Giving of Orders*, argues that the decision-making process should be situational and involve the manager and lower-echelon employees. Both the manager and the employee should examine the situation and discover the law to apply in that particular situation. Managers should not over-emphasize the hierarchy that exists between them and the employee. The employee's attitude, previous behavior, education and training, as well as the environment and circumstances of the work, should be put into consideration before "orders" are given. Orders should not be personalized. Rather than giving orders from the high positions, employers and managers should have face-to-face conversations instead. This means that a situational decision-making model should be employed by the managers and employers. This is because this

approach has several advantages. Nobody likes to be bossed around or made to feel disrespected. Follett's theory is workable because having the wrong mindset in the employee is likely to result in the wrong behavior. Another disadvantage of giving orders from the top, according to Follett (1926) is that, people resent personalized orders as well as orders which conflict with their beliefs, expertise or sense of worth. The disadvantage of Follett's theory is that it does not highlight the weaknesses of situational decision-making.

The second theoretical framework which is applicable in this decision-making problem is power and politics in organizations. This theoretical framework views an organization as complex systems made up of individuals and coalitions, each looking out for their own interests, values, beliefs, perspectives, preferences and perceptions. These individuals and coalitions compete against each other over scarce organizational resources (Bolman & Deal, 2008). In these conflicts and competition, influence is the main weapon wielded by these individuals or coalitions. Most coalitions in an organization are transitory, in that they shift depending on the issues and often traverse vertical and horizontal boundaries in organizations. This theoretical framework views authority as one of the various available sources of power. Power is aimed in all directions and not only down the hierarchy.

Organizations provide individuals with a power base. Economically, organizations exist to develop a surplus of income over expenses by meeting the needs in the marketplace. In addition, organizations are also politically structured in a way that provides people with opportunities to develop their careers and have platforms through which they can express their individual

interests and objectives. It is, therefore, not credible for managers to purport that their decision-making is done in rationalistic terms while it is evident that power, politics and personalities play an overriding role. The theoretical framework of power and politics in organizations is applicable to the problem of determining which approach of decision-making should be applied in a particular organization. This is because power lies with the people who have been enabled to make decisions in the organization (Bolman & Deal, 2008). These people can exercise their power within the organization. To understand how decisions should be made, it is important to understand power. Secondly, power is the ability to have things done as one wants them to be done. Power is the inherent ability to make an influence in people. The advantage of applying this framework to the problem of determining whether to involve lower-level employees in decision-making or not is that it recognizes politics and power struggles which influence decisions. Secondly, this framework may be applied to avoid according too much decision-making power to managers.

One of the theories that falls under this framework is the Understanding the role of power in decision making theory by Jeffrey Pfeffer (Shafritz, Ott, & Jang, 2010). Jeffrey Pfeffer notes that the hierarchical power is important in an organization. The acknowledgement of a legitimate authority, which is institutionalized through a hierarchical format, is highly important. Pfeiffer also notes that the consideration of rationality and efficiency make a top-down approach to power more effective than a horizontal one. According to Pfeiffer (2007), interdependence is inevitable in organizations. Power is exercised more in conditions where interdependence is moderate. However,

power is important to expedite decision-making. This means that managers should be accorded some degree of power in decision-making to ensure efficient/ quick making of decisions. However, Pfeiffer (2007) notes that consultation is important when making decisions. Leadership is required in decision-making. The leadership of the organization should be able to determine what the objectives of the company are; how to achieve these objectives and to diagnose the patterns of dependence and interdependence between them and other employees. Managers should also know their bases of influence and power and how they can use them to gain a hold on the situation. This theory has the advantage of approaching the problem of decision-making through the power perspective. Power and politics is a reality in organizations. In addition, the theory explains that disagreements are likely to occur as a result of high degree of task specialization in an organization. This means that in making decisions while depending on the input from employees, managers should anticipate disagreements and provide the right leadership to ensure expeditious decision-making.

The second theory which may be applied to this framework is the power failure in management by Rosabeth Moss Kanter. In her theory, she states that power is best cultivated in job positions where employees have recognition, discretion and some level of relevance. Power is also best exercised where there is access to high level organizational leaders, subordinates as well as peer networks which can assist managers in their roles of fostering power. There are various problems in the organization brought about by the levels, and hierarchies involved. First line supervisors act as a point of contact top the organization for most employees. This level

acts as a block between the worker and the upper management. Secondly, staff professionals have nothing to bargain with to make their programs better. Thirdly, top executives lose focus on long-term goals and are often insulated from day-to-day activities. Kanter suggests that power should be shared in the organization for it to grow. This implies that decision-making should be distributed across different levels of employees. Because empowering employees creates more power within the organization

Strengths and weaknesses of distributing decision-making power

As indicated by the different theories, there are various strengths gained by the organization as a result of distributing decision-making power across different employee levels. First, productivity is improved when employees are involved in decision-making. This is because their commitment to tasks is also improved. Commitment equates to increased productivity because employees participate actively in various aspects of the organization such as training, appraisal, feedback, customer service etc. Secondly, morale is improved. Workers feel part of the company, and they believe that their interests are being looked after if they are involved in decision-making. This improves their morale and opens up lines of communication between employees and supervisors. Thirdly, it is effective because employees provide different perspectives to the decision-making process, enriching it and making it more meaningful. Some of the decisions made involve employees from all levels. Their input is usually useful because if the issue in question lies in their area of expertise, then they are best-placed to determine what should be done.

There are several weaknesses involved in distributing decision-making power to employees, as well. First, there is a difficulty in enforcing accountability. Organizational decisions usually have far-reaching implications. This means that those who make particular decisions must be held accountable if the decisions made lead to undesirable outcomes or if they are unfounded. Distributing the decision-making power increases the difficulty in enforcing accountability because it is not clear where the decisions originate from. Secondly, the efficiency of decision-making is compromised.

Strengths and weaknesses of a top-down approach to decision-making

The strengths and weaknesses of a top-down approach to decision-making are related to those of sharing power in decision making. The first strength in this approach is that it is efficient. This is because the decision-making is expedited because only a few numbers of people are involved in making decisions. Involving many people in making a decision is often slow and problematic because people will not always agree to the same ideas. Secondly, it is easier to enforce accountability.

The weaknesses in this approach are that, first, it does not benefit from multiple perspectives. The perspectives used are those of top management only. Secondly, it results in low productivity in workers as a result of feeling alienated from the organization. The morale levels of workers are also not high because they do not feel recognized or appreciated by the management or the employers

Recommendations

I propose that involvement of employees in decision-making in the organization. This can be done through different ways such as questionnaires or electronic voting portals in different areas of the organization. The importance of involving all level employees in decision-making is highlighted in the section above and reinforced by theories such as the power failure in management theory.

This paper meets the six learning objectives. It utilizes management theory and indicates an understanding the evolution of organizational design.

Secondly, the paper indicates an awareness of institutional, political factors influencing decisions. Thirdly, the relevance of the theoretical perspectives is indicated clearly. Fourth, theoretical constructs are also used in analysis and offering prescriptions for solving problems in decision-making. Fifth, there is an understanding of the values used to design and manage public and non-profit organizations. Sixth, this paper is well written and concise.

Conclusion

Effective, efficient and accountable decision-making may be compromised by non-involvement of employees in all levels. The problem arises in determining the trade-offs to make. After examining organizational theories such as Mary Parker Follett's the Giving of Orders and " the power failure in management," indicate that employees from different levels should be involved in decision-making. However, some extent of power to exercise leadership should be accorded to managers so that they can expedite decision-making.

References

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