

STUDY ON THE PSYCHOLOGICAL IMPLICATIONS IN DECISION-MAKING

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Abstract

We can't just talk about decisions at management level, they appear in every step in the life of everyday individual. In an organization decision making is reserved to the management (top managers, middle managers and lower level managers), but also to their subordinates, resources with which they come into contact with the purpose of good collaboration. With the theme of psychological implications of the decision, this article is structured in two parts. In the first part it is presented the concept of decision, and during the part number two a research based on a survey among human resources of the Centre for Resources and Educational Assistance Maramures is carried out.

The working hypothesis of this article assumes that the decisions inside an organization have implications not only on economic-organizational level, but also reflects at the psychological level. The most important lessons learned as a result of the research carried out show that the decision maker must possess handling and management skills in order to reach consensus, and finally to make the best decisions.

Key words: *decision; decision process; decision-making system; human resources; organization*

JEL Classification: *D20, D21*

I. Introduction

Many specialists, academics and practitioners were interested in studying the concept of decision, and in this respect there are a variety of books and articles which talk about it. The manager or the person who is put in a position to make decisions should not look only at the economic implications of the decision, but must also anticipate the psychological implications. Not all managers see decision making's real meaning, but most associate the power of decision making with authority. The authoritarian style of the manager lead to manifestation of pathological phenomena, and in order to be the right environment for physical and mental development in the workplace, the managers have to adopt a strategy more focused on democracy. Democracy must be seen as the ability of every employee within the organization to voice their views and participate in finding the best solutions to eliminate deficiencies.

II. Knowledge Concept of Decision

A decision is a conscious choice to behave or think in a particular way in a particular set of circumstances (Husein A, 2012). Decision-making is often referred to as the heart of the management process (Mann, 1976). Most of the definitions of decision-making are very similar to each other. The decision maker has several alternatives for evaluation and selection. Thus, if there is only one choice, the manager is not actually involved in the decision-making process (Www.macrothink.org/jmr).

As a complex psychological phenomenon, the decision on the one hand has to do with the individual, on the other hand is a social phenomenon. In the first case, the individual is at the center of decision making along with his psychological needs, the decision is the result of the individual cognitive activity, and in the second situation in the center of the decision making stands the group's manifested or latent needs (Stanciu M, 2005).

To be a manager means to make decisions. All activities and functions of the manager generates decision making. The main tools with which managers are operating are decisions and their role in leadership is fundamental: with the lack of decisions, no resource can be valued. The

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performances on an organization are determined by its activities. According to Forester J. quoted by Bertrand T Broussard D, Furet P, R Piquet in his work "organization and business management,, and Broussard's „ To decide" - to transform information into action. Decision-making involves considering some elements of uncertainty because money is limited, but the judgment can be supported by reasonable deduction. Five conditions must be met (K Ohmae, 1998):

1. The business field must be clear,
2. Forces acting within the business should be explained,
3. The selecting should be done from the variety Strategic Options,
4. The company must operate it's strategy in accordance with the resources,
5. The management must agree on the assumptions underlying strategic choice.

The decision maker is the person or group of persons which according to their duties, competencies and responsibilities have a managerial decision-making role. Mintzberg has established a manager roles within the organization, and the decision making occupies a leading position (Nicolescu O, 2001).

Types of decision makers:

1. Naive or reckless;
2. Speculative;
3. Willing to take risks;
4. Balanced, sparingly;
5. Less sparingly;
6. Undecided.

Requirements that the decision maker must meet (Olaru S, 2005):

- Have a lot of knowledge,
- Have the ability to identify and use key trends,
- Foresee the undesirable reactions of the persons involved.

There are various classifications of decision according to the specific literature. Classifying decision making as done by F. Hetman (<http://www.creeza.com/referate/management/DESCRIPTORII-PROCESULUI-DECIZI424.php>). According to him, there are three main categories of decisions:

- Operational decisions - operational structural subdivisions characteristics, lines of command
- of management and control - the current execution functions;
- Concept decisions (or guidance) - include analysis, evaluation and resource allocation, they are characteristic to the functions for ensuring activity efficiency;
- Prospective decisions - used in the formulation of objectives, in planning, in research.

Figure 1 shows global trends in decision-making.

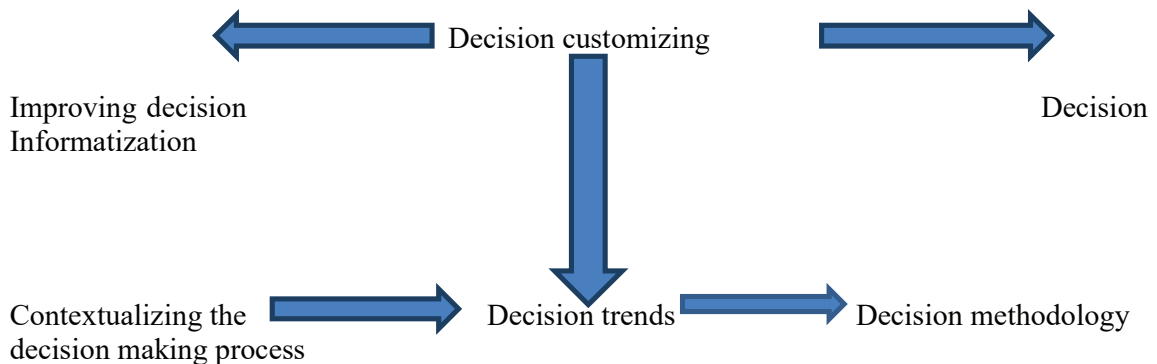


Figure 1. Global decision trends

Source: Nicolescu O, Sistemul decizional al organizației, Ed. Economica, București, 1998, p 38

Charles Kepner and Benjamin Tregoe define the concept of problem as a situation where "something went wrong". Gerald Lopez thinks that a "problem" is a situation in which "what the world wants varies judging by the fact that what it wants varies from case to case" (MacCrata R, 1998). In the decision making process the following principles should be respected (Gavrila T, 2002): The principle of definition - presumed problem, the argument principle - the analysis and choosing phase, the principle of delegation of the right to make decisions, the principle of participation-integration assistance. The decision process = identifying and addressing the variables to act accordingly to requirements of a context (I Stanciu, 1998).

In the company, the decisional subsystem meets the following functions (http://www.universitateacantemir.ro/CursuriRei/documente/7_SISTEMUL%20DE%20MANAGEMENT%20AL%20FIRMEI.pdf): directs the overall development of the company and its components, trigger staff's and departments actions within the company, harmonize and motivate the activities of the company staff. Inside the organization the decisional subsystem holds a prioritized position and its main functions are as follows (O Nicolescu, 1998): directs the overall development of the organization and its behavior. Small and medium companies anticipate and prepare their development using short-term strategic prospective, harmonizing the organization's staff activity. Organizational decisions which outlines the organizational system provides basic correlations, triggering actions of the staff and their behavior. Decision models (Markas G, 2003):

- a. Stochastic- regression, mathematical analysis, time series;
- b. Simulation - production models;
- c. Specific field - Mathematical models;
- d. Determinist- optimization, linear schedule, financial plan, production plan.

The normative model (H Vroom, 1974) should provide a basis for solving problems effectively, and also for decision-making by choosing the desired process. Maier (1963) believes that the effectiveness of a decision is considered to be a function of three classes of results, each of which can be expected to be affected by the type of decisional process.

III. Study of the Perception of CJRAE Human Resources on the Psychological Implications of Decision Making

Methodological framework

This article is intended to solve a current problem, namely the lack of data on how an organization's staff perceives decisions at psychological level.

Stages of research

The goal - Identifying the extent to which decision making process leaves its mark on the psychological level.

Research Objectives

- Identifying the aspects that define the stages before making a decision;
- Knowing how sharing the tasks are made while making a decision.

Research hypotheses

- The decision-makers trying to convince their partners turn to cognitive, emotional and rational aspects.
- The ability of handling and managing the staff in the decision making process is essential in order to have success.
- The selection of the individuals for problem solving and decision making is based on rational issues.

Organizing the research

Sample size. The sample consists of 100 individuals from the human resources of the Centre for Resources and Educational Assistance Maramures (CJRAE). 4 men and 96 women.

Sampling method - for this research was used the non-randomized sampling by quotas using 3 criteria (age, place of origin and gender). The research was conducted by **surveys** and is a quantitative one, it's been done as a face to face interview using a questionnaire.

The questionnaire contains 11 questions, out of which 3 are identifying the respondent's profile.

Types of scales used: Likert

The questionnaire's data was processed using EXCEL software. There were pre-testing to validate the questionnaire. Thus, the open questions were dropped in favor of the closed questions and the irrelevant questions were removed.

Data collection. The period this questionnaire was applied: 9 to 13 April, 2015.

IV. Research Results

Interpretation of the results was performed on each question in the survey.

Analysis of the overall results (Table 1)

Table 1. Sample results

Statement	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree	Score
1. While deciding it should be clearly and succinctly explained to the collaborators, and when resisting you should reach their sensitive side.	20	30	30	15	5	0.45
2. Listen to the views of the parties involved, but when making a decision you prefer to use the knowledge gained, the techniques that in the past had resulted and thus you try to convince partners.	41	34	16	7	2	1.05
3. When identifying a problem in terms of teamwork, the participants are chosen on rational considerations.	5	10	18	27	40	-0.87
4 .When deciding you must precisely define: the context, risks and costs.	24	19	30	14	13	0.27
5. Participants in the decision making fulfill the Manager requests and do not deviate.	10	10	40	20	20	-0.5
6. Agreement on the decision appears when the majority agrees on the fact that the cognitive aspects must be a priority.	41	34	16	7	2	1.05
7. Being born a decision maker means having a good knowledge of the art of managing.	30	40	10	20	-	0.8
8. Once the decision is made the procedure are written in order to put it in practice.	24	19	30	14	13	0.27

Score interpretation

The scores obtained from the sample consisting of 100 individuals shows:

S1 = 0.45, respondents show a favorable attitude about the fact that they are clearly and succinctly explained the reasons for the decision, even though they reach to the emotional side, and they rely on individual's sensitivity.

S2 = 1.05, when they make decisions in the organization all opinions are taken into account, together with the cognitive side, ie knowledge gained, and finally convincing the partners.

S3 = -0.87, the attitude of those interviewed is disagreement on the selection of people based on reasoning.

S4 = 0.27, on the statement that the context, risks have defined precisely, individuals show an attitude of indifference.

S5 = -0.5, regarding the allegation stating that decisions are followed accordingly, respondents show an attitude of disagreement. This suggests that when they observe deficiencies they can take action by exposing their own point of view.

S6 = 1.05, respondents' attitudes regarding the appropriate decision being taken when all parties involved find a consensus which reflects both the efficiency and effectiveness is one of agreement, meaning that the affective and emotional aspects have to be eliminated. S7 = 0.8, in this case the respondents attitude is one of agreement with the statement that says you were born a good decision maker when you possess great managerial skills in order to achieve goals.

S8 = 0.27, according to the result of the score number eight the respondents show indifference, when it comes to writing a procedure after making a decision. In order to obtain meaningful results we made a diagram for the scores of each criteria.

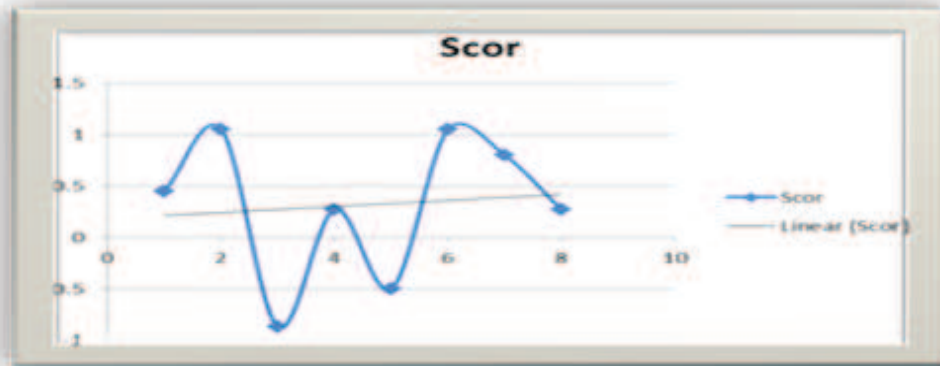


Figure 1. Graphical representation of scores

Out of the 100 people who participated in the research 4 persons are males and 96 females. 78 of the respondents lived in urban areas and 22 people in the rural areas. Regarding distribution by income they rank between 1500-3000Ron.

In order to obtain scientifically substantiated results we calculate the overall score. Overall Score = 0.35. According to the result of respondents the overall attitude oscillates between indifference and agreement.

Table 2. Average scores and overall score

DENUM IRE	SCOR
S1	0.45
S2	1.05
S3	-0.87
S4	0.27
S5	-0.5
S6	1.05
S7	0.8
S8	0.27
ST	0.35

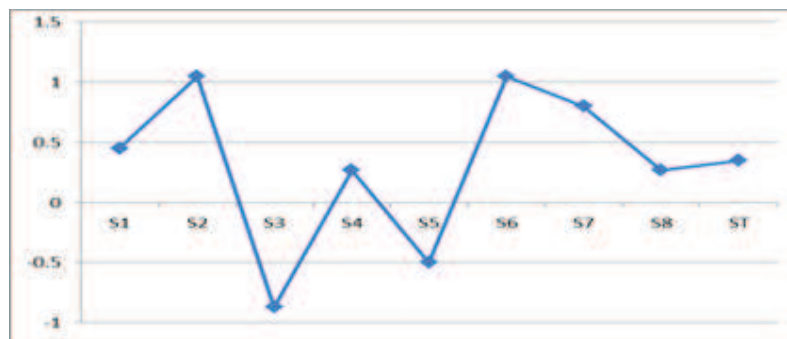


Figure 2. Representation of average scores and overall score

Conclusions:

We cannot speak of managerial efficiency when it comes to decision making if his style is not effective and one of the reasons being that he does not focus on the „4 Cs”: clarity, courage, consideration and coherence. Therefore, efficacy results from the joining of the 4 C's. Manager as the integral part of the decision-making process must show courage when it comes to implementing a strategy, clearly formulating targets and timeframes, providing consistency in action and thought and to show appreciation to employees.

Out of all three research hypotheses the first one does not check, the other two do. The first hypothesis is not verified because when seeking to persuade their partners to making a decision, they turn to the affective aspects. The second hypothesis is verified as the respondents think that the decision-maker should have managerial skills which are essential for success. The last hypothesis is also checked, most respondents showing agreement regarding the fact that the selection of people who will be part of the selection process is done taking reasoning into account.

Respondents are willing to listen to others' opinions and involve them in decision-making, but they tend to use methods that have shown potential in the past, and in this sense they resume to convincing others. This shows the fact that decision-makers trust in themselves. Most respondents think that an appropriate decision is taken when cognitive aspects are taken into account. The central idea of the research reveals that the respondents think that during the decision making process affective, cognitive and emotional aspects are taken into account. There are a variety of specialists addressing decision-making, but this article is studying the human resources of an organization attitude on the decision-making process seen through the psychological perspective (subjectivity, emotion and mood). In conclusion, the decision triggers a series of psychological factors.

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