

## **Influence of Culture on the Process of Managing Decisions Adoption**

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### **Abstract**

Different cultural environment requires a corresponding managerial environment. The process of managing decisions adoption is influenced by the values, attitudes, beliefs and behaviors of the employees.

**Keywords:** culture, decision, management, decisional process

### **Introduction**

Decision adoption plays an important and central role in management. Herbert Simon, an important representative of the Management science, considers the decisional process be equal with management. So, according to Driver (1979), „we may say that the essence of life is free choice/process of decision adoption. To be deprived of choices means the loss of any meaning.”

The higher the management level is, the greater is the number and complexity of decisions. Decision adoption may be connected with different functions of management. Leadership means working out decisions that influence the whole organization, its divisions or departments or even the society as a whole.

If we approach motivation from decisional point of view, we notice that it becomes a set of choices done by the leader for influencing the behaviour of his employees or mates (Adler, 2002, p.182). Similar to

it, planning may be seen as a succession of decisions/setting up the vision and mission, establishment of targets, framing the strategical, tactical and operational plans.

One of the main problems the decision makers have to face is determined by the fact that they will act on the ground of inadequate or incomplete past information while the decisions have impact on future.

Together with globalizing extension, the people are more conscious of the global problems that appear in culture interactions (Podrug, 2011, p. 37). Success in the new economy means to have information about other cultures, about the impact of cultural values on organizations and behaviors. A different cultural environment requires a corresponding managerial behavior. The decisional patterns successfully put into practice in a certain cultural context may cause different effects or may be not productive in another culture.

### **Material and Methods**

This paper comprises elements of the *interpretative and critical streams*, as various norms and practices in the field will be discussed in an interpretative manner (a neutral point of view is adopted), as well as critical one (involvement in a particular viewpoint). The research will be fundamental and its purpose will be a theoretical generalization after noticing the insufficiency of knowledge in respect to the *culture influence on decision adoption process*, as well as identifying certain facts, for which theorization was not suggested.

### **Literature review**

#### **1. Culture and decisional process**

There are many works that debate the way the managers take decisions. Some draw the conclusion that the adoption of managerial decisions reflect a conscious and rational process used by managers to assess decisional alternatives on the ground of selected criteria.

According to Adler (2002, p.183), the contact with new cultures has created new problems in the moment the managers tried to use these rational and objective processes. Robert Theobald (quoted by Adler, 2002) noticed: „We all face greater and greater problems while we understand that different people create entire different visions about reality and there is no objective way of identifying which of them is correct”.

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Another trend of thinking, sustained by Sigmund Freud, supported the irrational character of adopting human decisions, due to a leading force existing outside the conscious control of the person

Herbert Simon, in his administrative theory referring to decision working out, introduces the concept bounded rationality. According to it, the managers make choices on the ground of simplified situations and less on the whole reality.

Because the managers from different cultures understand the world in different ways, these subjective rationalities are different from one another.

Along the continuous irrational/rational axis, some management theorists consider that there exists the best alternative for adopting a decision, others think that the choice of the optimum decisional alternative is contingent to a certain situation. Taking into account the purpose of this paper, we will focus our attention on certain ways in which the adoption of managerial decision is contingent to cultural aspect. We will try to understand the way the best alternative depends on patterns of beliefs, attitudes, values, behaviours the employees are involved in.

Adoption of managerial decisions involves the following steps (Rue and Byars, 2007, p. 73; Simon, 1960):

- Recognition of the problem
- Looking for information
- Alternative setting up
- Choice
- Implementation

Identification of these steps puts some questions from the point of view of transcultural research (Adler, 2002):

- do managers from different cultures understand the problem in the same way?
- when they investigate a problem, do they gather the same type and quantity of information?
- do managers build the same type of solutions?
- do they use similar strategies for choosing the best decisional alternative?
- do managers implement the decisions in similar ways?

In table no.1 we present a synthesis concerning the influence the culture has on the way of adopting managerial decisions during each phase of decisional process.

**Table no. 1.** Cultural influence of decision adoption

<b>Steps in decision adoption</b>	<b>Cultural variations</b>	
Problem Recognition	<i>Solving the problem</i> We should change the situation	<i>Acceptance of situation</i> Certain situations should be accepted as such
Looking for information	<i>Collection of facts</i>	<i>Collecting ideas and possibilities</i>
Alternative setting up	<i>New alternatives, future directions</i> Example the grown ups can learn and change	<i>Alternatives directed towards past, present and future</i> Example the grown ups cannot change the matters considerably
Choice	<i>Personal adoption of decision</i> responsibility of decision adoption is deputed Decisions are quickly adopted Decision rule: true or false	<i>Group decision</i> senior managers often adopt decisions Decisions are adopted slowly Decision rule: I sit wrong or right
Implementation	<i>slow</i> It is managed from the top, one single person is responsible	<i>quick</i> Implies participation to all levels Group responsibility

**Source:** Adler, N. J. International Dimensions of Organizational Behavior, South Western, 2002, p.184

## **2. Culture and decisional process connection in different cultural contexts**

According to Kumar and Yauger (1995), empirical research in the field of cultural differences in decision adopting process is marginalized as compared with other aspects of management studies.

Within the globalizing process and the increasing of the economical interdependence between countries, the national culture becomes more and more important. (Podrug, Pavicič and Bratič). Under these circumstances, the decisional process makes the international manager choose an action course formed of several alternatives, and for making it efficient and effective, he must understand the influence the culture has on the style and process of decision adoption (Albaum et., al., 2010; Podrug, 2011; England, 1978; Adler, 2002; Whitely and England, 1980).

We have identified a set of papers in the specialized literature, meant to debate the culture influence on decision adoption, all the results being synthesized in Khairullah and Khairullah (2013).

According to Bass and Burger (1979), managers from western cultures approaches the decisional process on more rational elements, they take into account the solutions using objective information. Managers from Latin America adopt decisions based on subjective elements and feelings. Those from Belgium, Austria and Germany have a less tolerance for risk than their Dutch and Japanese mates. The managers from North America have the highest tolerance for risk.

Albaum et al. (2010) study the connection existing between management style and cultural values of the decision makers from the West Pacific countries. There have been identified clear cut distinctions between countries regarding their cultural orientation towards masculinity, individualism, avoiding incertitude and distance towards power. The Chinese, Vietnamese and Hong Kong managers reach quite high levels regarding masculinity, while those from New Zealand and Australia registered lower scores. The Philippines managers got the highest scores regarding individualism while those from China got low ones.

Chinta and Capar (2007) discovered that USA managers were more individualistic than the Chinese ones; the American managers recorded lower scores than the Chinese regarding distance to power, avoiding uncertainty and work ethics. American managers believe in

self determination and have the feeling that they can control the situations, while those from Indonesia and Malaysia feel that they have little control over situations and believe that certain external forces/deities, fate or nature/determine the control of the situations. The Arab managers, according to their tradition, have the tendency of developing a consulting style in adopting decisions, but these consultations take place from a person to another one, not in groups, for avoiding a possible opposition.

In Europe, the great majorities of managers adopts decisions based on past experience and have in view to assess quality (Khairullah and Khairullah, 2013, p. 4). German managers are more focused on productivity and product or service quality than on watching the employees. Training in management area stresses the technical one, there exists a legal system named codetermination that determines the workers and managers discuss the major decisions. In accordance with Mihuş (2002, p. 86-87), one of the basic principles of the German management is the sharing management based on codetermination. The German multinationals having a majority German capital have the tendency to be centralized, autocratic and put an accent on hierarchy.

The Scandinavian countries use the codetermination, but they put more stress on the person importance within the organization and on the quality of the working conditions, these determining the existence of a decentralized and participating decisional process. Within Sweden participating, the decisional consensus may be achieved through codetermination of partners, on three levels:

- ✓ financial participation/acting as a share holder
- ✓ on the factory level, with representatives in administrative board
- ✓ on the level of the working place/committees for working teams

The decisional processes of the Japanese companies are more complex, long lasting and are used in strategically or tactical situations, (Istocescu, 2010, p. 199-200). The adoption of decisions through consensus is achieved by means of a scenario containing four steps:

1. wording the decisional suggestion
2. beginning the process of adoption of the decisions
3. starting the process of adopting the decision
4. putting into practice the decision

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The concept of adopting the decision (ringiseido) is an important element of Japanese culture, used in group orientation and allows the members of it to participate to decision drawing up, still keeping their hierarchical connections.

### **Conclusion**

Decision adoption is a system that reveals differences of cultural sensitivity, on the level of the role offered by manager to his co/workers, hierarchical distance and the involvement of the employees in the development of the activities, male or feminine orientation. The national culture of the employees may play a central part in the process of adopting the decisions, both regarding the aspect of collecting and processing the data and of distributing the responsibilities.

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