

Changing Patterns of Planning and Decision Making of Middle Level Managers Working with Developed Countries' Business Organizations

Babak Mahmood, Muhammad Iqbal Zafar¹, Haq Nawaz Anwar² and Muhammad Usman Zafar³

Department of Management Studies, The University of Faisalabad-Pakistan

¹Department of Rural Sociology, University of Agriculture Faisalabad- Pakistan

²Department of Sociology, Government College University Faisalabad- Pakistan

³Department of Management and Business Administration, University of Agriculture Faisalabad-Pakistan

Abstract

Dependency on Planning and decision making in changing environment have mutual effect on each other. Planning and Decision making process is determined by 'social relation' exist between society and organization. This social network may include many dimensions like resource dependency, inter-organizational structures, government and organizational relationship, competitors, customers, and suppliers; that directly affect many basic plans and decisions of an organization. Keeping in view the importance of planning and decision-making in achieving organizational goals, it is aimed at to assess the changing pattern of planning and decision-making in export based textile organizations. A random sample of 500 employees of 100 textile organizations 5 from each organization was taken to conduct face-to-face interview. Univariate and bivariate analyses reflect the importance of planning and decision making in addressing organizational objectives. The planning and decision making process enables employees to think rationally and logically in managing and handling organizational multi-dimensional and complex activities. Planning and decision that is lacked in organizations based on traditional business value cultural ideology should be essential component of business organization in Pakistan to compete the growing challenges of globalization.

Key words: Dimension, diversification, social network,, retrenchment, diffusion of technology, traditional business, globalization

Introduction

Planning and decision making has become a dominant feature of industrial sociology in our era (Korczynski, 2006), the proposition gets the support from the idea

that environmental conditions affect choices of organizational design. The whole concept is derived from 'contingent theory' that's core concept is that there is no one best way to organize, different ways of planning and decision making having different degree of effect, and the best way of planning and decision making is that matches with the local environment.

Haveman (1993) concludes in his research that the first part of the contingency theory directly relates with sociological study of behaviors of managers working in business organization under different cultural phenomenon. He collected large range of data from developed and developing countries and concluded that how cultural factors influence the planning and decision making. In most recent findings of Sorenson and Stuart (2000), it is viewed that how different cultures affect important decisions like development decision of an organization, learning and growth of employees, diversification, and retrenchment. Structural functionalists specifically worked to develop relationship between several decisions that are being made in response to environments (Blau and Scott 1962, Woodward 1965, Pugh et al 1968). They all concluded that certainty or uncertainty what so ever exist in society affects basic patterns of planning and decision making in a business organization such as many characteristics of an organizational setup, production patterns, adoption and diffusion of technology, size and authority delegations within the organizations.

However, Child (1972) came up with a different conclusion that it is not environment that determines the planning and decision making patterns in an organization rather these are power holders within the organizations (like the respondents in the research under process) who decide strategic actions. Child further adds that these power holders also manipulate the society and possibly acts like change agents for that specific society. The findings seem true in many developing countries where economic uncertainty

Corresponding author: Babak Mahmood
Department of Management Studies,
The University of Faisalabad, Pakistan

creates some more power distance (Hofstede 1991). These managers become like role models and are better able to change others or at least their followers within or beyond the organizations. In addition, more uncertain environment needs some more information processing to create more effective decision and plans (Galbraith, 1973), thus organizational performance is collectively dependent upon the structure and environment.

Scott (2001) identified “structures in which institutions are embedded at multiple level in society: the routines, rules, scripts, and schemes that guide the perceptions and actions of individuals and small groups; local, regional, or demographic group identities and regimes; mesa level organizations, occupations, and industries; and society’s wide norms and codified patterns of meaning and interpretation”. Keeping in view the importance of planning and decision-making in achieving organizational goals, the aimed at to assess the changing pattern of planning and decision-making among the middle level managers in export based textile organization. This group of organizational employees has pivotal role in transmitting the business values from top to bottom- first change occurred in the upper level management, then in middle and lastly in lowest of level management or workers.

Materials and Methods

Methodological issues have central position in scientific and empirical investigation. Probability research design is used for the selection of textile organizations and employees in the Punjab province. Five respondents from each organization from top and middle level management were selected. This constitutes the total sample size of 500. A well structured and pre-tested Interview Schedule consisting of open and closed ended questions was used for conduction of survey with selected respondents. Pre-testing of the data collection tool, training of interviewers, supervision by the trained and competent persons, at spot editing were carried out for gathering meaningful and reliable information. The study employed descriptive statistics such as frequency distribution, measures of central tendency (mean) and measure of dispersion (standard deviation) to describe and summarize data collected. Inferential statistics such as Chi-square, Gamma tests are used to explore the relationship between independent and dependent variables.

Results and Discussion

Planning and Decision Making

Planning saves from uncertainties and based on effective forecasting; to guide organizational actions and decisions during the planning process. A manager can make a forecast or predict or an estimate of future conditions or events. Forecasting is the process of predicting future environmental conditions based on current data, research, and past experience. Forecast supports planning in every action (Steven, 1985). Moreover planning is a process of dividing a task into many workable and well defined small tasks (Bovee, 2000). For planning, relevant information, vision, and clear cut directions in terms of mission statement of an institute or a society are required. These questions were to see that either manager go for effective planning or not. More effective planning shows more diffusion of modern values among personnel working in export based local organizations. Pakistan, has been ranked at last in the list of countries which are conscious about long term planning with LTO score 00 (Long-Term-Orientation), while China is at number one by securing 118 LTO (Hofstede, 2001). The section is focusing on the leaders’ and followers’ of Pakistani export based textile organizations about long term planning, that is obviously not a part of local value system. LTO has taken place in the organizations and influencing the decision and planning styles. Planning in its real sense needs ‘excellent and high spirit working environment’, when the personnel were asked about, majority (28%) were in opinion of ‘mostly true’ means it prevails, while 22% respondents said ‘absolutely not’. This reveals the existence of conducive environment for effective planning and decision making in these organizations. Moreover organizations with export objective are in transition process.

It was asked from the respondents whether the planning is effective in getting success to address organizational goals; about little more than one-fourth i.e. 26.6% of the respondents responded ‘mostly true’, that means planning by opting any systematic and rational process seems viable and the organizations are getting benefits out of it.

Table 1 Background Characteristics of the Employees

Age Group	Frequency	5age
Upto 30	208	41.6
31-40	210	42.0
41 & above	82	16.4
Total	500	100.0
Education of the respondents		
Primary	52	10.4
Matric	7	1.4
Intermediate	32	6.4
Graduation	145	29.0
Master	264	52.8
Total	500	100.0
Family Living Pattern		
Nuclear	137	27.4
Joint	292	58.4
Extended	71	14.2
Total	500	100.0

Table 2 Percentage Distributions Along with Mean and Standard Deviation Regarding Planning and Decision Making

N = 500

Description	Absolut-ely Not	Rarely	Neither agreed nor dis-agreed	Mostly true	Absolutely true	Mean	Std. Dev.
	%age	%age	%age	%age	%age		
Mostly people try to exhibit excellent work	22.0	20.2	15.8	28.0	14.0	2.92	1.39
The organization have excellent and high spirit working environment	12.8	13.8	27.6	27.4	18.4	3.25	1.27
Mostly the decisions are imposed	31.8	19.6	21.6	17.8	9.2	2.53	1.34
Group decision making techniques are often used	17.4	31.2	13.4	23.6	14.4	2.86	1.34
Mostly the planning been proved successful	14.8	13.8	26.4	26.6	18.4	3.20	1.30
Successful planning effects positively on the employees	14.4	9.6	13.8	26.6	25.6	3.49	1.35
Stress level among the employees is high	32.2	17.4	21.0	19.2	10.2	2.58	1.37

The next statement was asked to find out the relationship between ‘successful planning and its effect on the employees’, in response about 26.6% were agreed with the positive relationship of both, while about 25.6% respondents supported strongly (absolutely true). The mean value is 3.49 with standard deviation of 1.35, reflecting that majority of the respondents agreed with the view point that successful planning really affects employees’ behavior. It reflects employees’ behavior is changing according to rational world views

as advocated by Weber (1978) that social and business organizations impart modern and rational values to employees and then to the whole society. This behavior changed due to the good organizational governance and ultimately this behavioral shift is taking place in the industrial environment in Pakistan and diffusing in the Pakistani society. This can be said that industrial sociology in Pakistan is in the process of evolution and is at its early stage.

Age and Behavioral Shift

The information on current age of respondents was gathered and presented in Table: 3. Table indicates that 41.6% belonged to the age group of 30 years and above 42% were in the age group of 31 to 40 years. While 16.4% were in the age group of 41 years and above. Table further indicates that the index variable behavioral shift is based on 13 behavioral questions. These questions emphasis that modern value business changes the communication style makes employee responsible and changes their thinking style. The values Pearson chi-square, likelihood ratio, and linear by linear association also support insignificant relationship between age of the respondents and behavioral shift, reflecting that the older employees had the same potential as the younger to change their behavior to accept modern values.

The findings match with Korczynski *et al.* (2006) who concludes that “children and adolescents often wish they were older and sometimes overstate their age, for they correctly perceive that their own age status is a low one. Middle aged people; on the other hand, often understand their ages, for they know that the years devalue people the older they get”. This is same in the findings of this study that older has more urge to change the behaviors as compared to youngsters. The reason of this behavior of older people is global business values that have changed the traditional trend (Kotler, 2006). The findings also match with the findings of Engel and Munger (2003), “there is a widespread belief that productivity declines with age. It is often assumed that an individual’s skills particularly

speed, agility, strength, and coordination decay over time and that prolonged job boredom and lack of intellectual stimulation all contribute to reduced productivity. The evidence, however, contradicts that belief and proposition. For instance, during a three year period, a large hardware chain staffed one of its stores solely with employees over 50 and compared its results with those of five stores with younger employees. The store staffed by the over 50 employees was significantly more productive (measured in terms of sales generated against labor costs)”. This empirical study was conducted at US where an individual has to live with all dimensions of global business values; but the same results from Pakistani respondents clearly shows the diffusion of global values especially among the people who are working in export based textile organizations irrespective of their age whether younger and older.

Education and Behavioral Shift

Table-4 indicates the respondents’ education level that has been seen in association with the behavioral shift. The significance of the relationship is verified through chi-square tests. The value of Pearson chi square is 194.17 significant at 1% level indicating the strong relationship between education and behavioral shift. The Gamma value which is 0.473 also indicates the positive and significant association between education and behavioral shift. So the hypothesis “higher the education higher the behavioral shift” has been accepted.

Table 3 Associations between Age of the Respondents and Behavioral Shift

Statistics	Value	Df	Significance
Pearson Chi-Square	5.606	4	.231 ^{NS}
Likelihood Ratio	5.653	4	.227 ^{NS}
Linear-by-Linear Association	.763	1	.382 ^{NS}
Gamma	-.070		.272 ^{NS}

NS = Non-significant

The similar findings have been presented by Abbott (1988) who observes the association of education with social change and concludes that “there is a close link between education and social inequality. Schooling has influence on social mobility, or movement from one status to another. In all modern societies, education is important in order to gain superior jobs and the higher incomes. Understandably, people try to ensure the best possible education for their children, to secure social and economic advantages for them”. This desire for more economic gain is a basic feature of global values named as ‘masculinity’ by Hofstede (1991). The

functionalist perspective of education is presented by Veblin (1919) under heading of ‘cultural transmission’ as “a complex modern society” considers education especially important. Thus they learn about history, geography, and language. They learn how to read, write, and manipulate members. They learn about patriotism, the political system, culture’s norms, expected behavior, and predictable moral conduct. This process of learning changes the behavior of people towards the different activities what they prefer in their private and public life.

Table 4 Associations between Education Level of the Respondents and Behavioral Shift

Statistics	Value	Df	Significance
Pearson Chi-Square	194.171	8	.000**
Likelihood Ratio	177.362	8	.000**
Linear-by-Linear Association	104.500	1	.000**
Gamma	0.473		.000**

** = Highly-significant

Family Living Pattern and Behavioral Shift

Family living pattern is a vital determinant to the behavioral shift. Pearson Chi-square which is 171.87 significant at 1% level established the strong association between family structure and behavioral shift. Gamma value i.e. -0.592, this shows a negative significant relationship. Thus the hypothesis “traditional family living pattern resists high behavioral shift” has been accepted.

McDowell (1997) describes the relationship between Family living pattern and behavioral shift as “in any traditional social system, structure of family living influences the behaviors of people. Many studies reveal that economic pressures motivate individuals to adopt

conjugal/independent family living pattern. Moreover, people who are living in nuclear family system enjoy independence that encourages behavioral shift and adoption of changes. Pierce (1999) viewed the importance of ideology in social change as “one important source of change is the ideology of economic progress and technological development, as well as the ideology of family living pattern”.

The ideology of conjugal family assures the right of an individual to choose his or her own spouse, place to live, and even which kin obligations to accept, as against the acceptance of others’ decisions and all these are different from the local value system. The detail is presented in Table-5.

Table 5 Association between Family Living Pattern of the Respondents and Behavioral Shift

Statistics	Value	Df	Significance
Pearson Chi-Square	171.868	4	.000**
Likelihood Ratio	149.876	4	.000**
Linear-by-Linear Association	91.757	1	.000**
Gamma	-0.592		.000**

** = Highly-significant

Planning and Decision Making and Behavioral Shift

Planning and decision making processes being carried out and practiced by an organization may have impact on the behavioral shift of the personnel working over there. In the same context respondents were asked about ‘planning and decision making’ systems working in their respective organizations. Various statements on perfection in the work, environment, decision implementation, decision making techniques, success ratio of the plans and decisions, effect of plans and decisions on the employees, stress level among the employees due to plans and decisions, etc, were asked in order to test the hypothesis. The significance of the association between ‘planning and decision making’ and behavioral shift has been examined through chi-square tests; Pearson chi-square, likelihood ratio, linear by linear association. The values of the statistics Pearson chi-square is 162.997, likelihood ratio is 159.405, and linear by linear association is 54.41; all are significant at 1% level of significance.

The value of gamma is 0.435, also significant, indicating a strong and positive association between ‘planning and decision making’ and behavioral shift. So the hypothesis “more planned and system based decision making higher the behavioral shift” has been accepted.

The findings are supported by Haveman (1993), in his words “managers make different decisions across cultures”. In Argentina, Chile, and Uruguay authority is equated with rapid decision making and speed is more important than generating information or carefully analyzing the data”. Other researchers like Hannan (1988) has found that “managers in the US, Germany, and Sweden tend to emphasize rationality in their decision making”. In reality the Pakistani value system is more like Argentina, Chile, and Uruguay; but in the light of the data obtained for the study, it has been reflected that personnel have realized the importance of time for taking rational decision (thinking process) rather than taking quick and abrupt decision.

Table 7 Association between ‘Planning and Decision Making’ and Behavioral Shifts

Statistics	Value	Df	Significance
Pearson Chi-Square	162.997	4	.000**
Likelihood Ratio	159.405	4	.000**
Linear-by-Linear Association	54.410	1	.000**
Gamma	.435		.000**

** = Highly-significant

Conclusions

Education of the respondents has been emerged as an important indicator of behavioral shift. The Pearson Chi square also confirms the significant association between the education of the respondents and the behavioral shift. The tests like linear-by-linear association, and Gamma also confirmed the strong relationship between education and behavioral shift. Several researchers supported the relationship; like Veblen (1919) who claimed relationship of productivity of a society and organization with knowledge. Common (1934) called this knowledge sharing process as ‘theory of transition’ and labeled it inevitable. Weber (1978) did accept the concept and further demand for a standardized education for well-to-do behavioral shift. Abbott (1988) advocated link between two sources of education, society and business organizations, and further discussed adoption of new values in relation to education.

The negative influence of traditional family living pattern on behavioral shift and positive effect of nuclear family living system on behavioral shift of personnel working in export based textile organizations of Punjab was found. Pearson chi square at value 171.87 was significant at 1% level of significance. Gamma value was found – 0.592 that showed negative relationship but significant at 1%. McDowell (1997) also found relationship between both the variables and found increasing trend of people from joint to nuclear family living patterns for independence and luxury. Pierce (1999) correlated ‘family living patterns’ with ‘economic ideology’ and concluded that with changing ‘economic ideology’ people behaviors also change.

‘Planning and Decision making’, is identified as an important predictor in predicting the behavioral shift of the people working in export based textile organizations. Chi square value, likelihood ratio, linear-by-linear association and Gamma values also established the significance of the relationship between the ‘planning and decision make’ and behavioral shift at 1% level. This relationship also supported with theoretical works of different scholars. Haveman (1993) found that different local values influence different planning and decision making mechanism in human behavior. Sorenson and Stuart (2000) mentioned that how different cultures

affect important decisions. Child (1972) expressed that the planning and decision making system existing in any society influenced by power holders. Hofstede (1991) found those power holders are mostly the people who enjoy economic prosperity. So these organizational men’s behaviors changed under the influence of modern values system but according to Carroll (1985) all this happens in successive stages.

References

- Abbott, A. The system of the professions: University of Chicago Press. London. 1988.
- Blau, P.M. and Scott, W.R. Formal organizations: A comparative approach. San Francisco, CA: Chandler Publishing. 1962.
- Bovee, L. Coorttand. Management. International Edition, Prentice-Hall, New York. 2000.
- Carroll, G.R. Concentration and specialization: Dynamics of Niche Width in Populations of organizations. American Journal of Sociology. 1985. 90: 1262-83.
- Child, J. Organizational structure, environment and performance: The role of strategic choice. Sociology, 1972. 6: 1-22.
- Common, J.R. Institutional economics – Its place in political economy. New York: Macmillan. 1934.
- Engel, D.M. and Munger, F.W. Rights of inclusion: Law and identity in the life stories of Americans with Disabilities. Chicago, IL: University of Chicago Press. 2003.
- Galbraith, J.R. Designing complex organizations. Reading, MA: Addison-Wesley. 1973.
- Hannam, M.T. Social change, organizational diversity, and Individual careers, in M. Riky (ed.), Social Change and the life course, Vol. 1. New bury Park, CA: Sage. 1988.
- Haveman, H.A. Organizational size and change: Diversification in the savings and loan industry after deregulation. Administrative Science Quarterly, 1993. 38: 20-50.
- Hofstede, G. Cultures and organizations. McGraw Hill International (UK) Limited. 1991.
- Hofstede, Geert. Culture’s Consequences, 2nd Edition, Thousand Oaks, CA: Sage. 2001.

Changing Patterns of Planning and Decision Making

- Korczynski, M. Hodson, R. Edwards, P. Oxford University Press. Great Clarendon Street, Oxford Ox2 6DP. 2006.
- Kotler, Philip. Marketing management. Prentice Hall, Inc. Upper Saddle River, New Jersey. 2006.
- McDowell, L. Capital culture: Gender and work in the city. Oxford: Blackwell. 1997.
- Pierce, J. Emotional labor among paralegals. *The annuals of the American Academy of Political and Social Science*, 1999. 561: 127-42.
- Pugh, D.S., Hickson, D.J., Hinings, C.R., and Turner, C. Dimensions of organizational structure. *Administrative Science Quarterly*, 1968.13: 65-105.
- Scott, W.R. 2001. *Institutions and organizations*. 2nd Edn. Thousand Oaks, CA: Sage.
- Sorensen, J.B. and Stuart, T.E. Aging, obsolescence, and organizational innovation. *Administrative Science Quarterly*, 2000.45: 81-112.
- Sorensen, J.B. and Stuart, T.E. Aging, obsolescence, and organizational innovation. *Administrative Science Quarterly*, 2000. 45: 81-112.
- Steven, C., Wheelwright and Spyros Makridakis. *Forecasting methods for management*. 4th Ed. New York: Willey, 1985.PP: 20-25.
- Veblen, T.B. *The place of science in modern civilization and other essays*. New York: Huebsch. 1919.
- Weber, M. *Economy and society*. London: University of California Press. 1978.
- Woodward, J. *Industrial organization: Theory and practice*, 2nd Edn. Oxford: Oxford University Press. 1994.