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THE RESPONSIBILITIES OF EXECUTIVES: A LOOK
AT PROBLEMS AND GOALS IN DECISION MAKING

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ABSTRACT

The modern-day organization and its executives are constantly faced with major problems of a social nature. These internal and external issues occur constantly for the firm. The business executive of today must understand these new problems so that he/she may deal more effectively with these developments. Leisure business not only plays a particularly important role in this area since it faces the similar problems of all firms, but also plays a key role as a mechanism for other firms to reduce their social and environmental problems. This work develops these complex aspects from an historical viewpoint and explains the new role of executives in policy-making.

THE RESPONSIBILITIES OF EXECUTIVES :A LOOK
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One major problem confronting management today results from the possible conflict between the needed integration of individual needs, social requirements, and organizational demands. These aspects tend to be influenced by both the market as well as the social environments facing the firm. The former environmental type tends to be directly related to and affected by traditional market forces while the latter indirectly influences the firm through changing social and cultural values. With either environmental impact, policymakers must integrate these factors into their decision-making procedure by meeting individual needs while attaining organization goals.

An historical paradox precipitated the simultaneous birth of two phenomena: modern industrialism and modern individualism(1). Competition between these sociological forces has intensified during the past century as each new discovery created more freedom and hope for the human race coupled with increased technological sophistication for industry. Given these developments, management was faced with the problem of determining effective strategies for optimizing both personal and organizational goals.

The past few decades have been characterized by rapid technological and social changes. The changing technology resulted in scientific specialization and modifications in managerial strategies. This coupled with the decline of the capitalistic ethic and an increasing awareness of the role of business in the structure and function of the society created conflict in business ideology.

The business manager was confronted with conflicting social values. He/she expected to contribute to a financially successful economic function designed to justify organizational existence and maintain survival. Additionally, individual as well as social demands had to

be satisfied.

EVOLUTION OF SOCIAL PROBLEMS AND INDUSTRIAL MAN

Ferdinand Tonnies differentiated between two distinct types of human associations (7). The *Gemeinschaft* society was characterized as a social unit not consciously entered, such as a family where the emphasis was on unity. *Gesellschaft*, on the other hand, was a result of rapid social changes such as industrialism and was a deliberate and formal union of individuals based on specialization and division of work and labor. Tonnies suggested that the development towards this fractionalized society with isolation, tension, and latent hostility as the predominant features should not necessarily require individual alienation. Furthermore, a nostalgic look backwards at *Gemeinschaft* was not the answer, but an accepting, forward look to the challenge presented by *Gesellschaft* could lead to a higher level of social development.

Further differentiations of these two forms of sociological and psychological considerations may occur. In fact, one must be acutely aware of the interaction of these two components. An example of this interrelationship takes place in an examination of the two forms of human will; *Wesewille* or "natural will," which is spontaneous and impulsive, and *Kurwille*, which is a pragmatic and reasoning will. *Wesewille* is characteristically found in *Gemeinschaft* and *Kurwille* in *Gesellschaft* societies. *Kurwille* is that human characteristic which leads towards a desired end rather than enjoying the means involved in meeting the end. Additionally, it is the force which causes one to choose associates who can help in achieving a desired goal rather than those to whom one is drawn naturally. *Wesewille*, on the other hand, is predominant in those individuals who associate with those persons that generate a feeling of closeness within them.

The industrialization process has been further characterized as the movement of old commercial cities to urban populations, and farmers and peasants to factories, mines, and offices(5). The destruction of the old ways of life and work were inevitable in the development of a technological society. These changes in human relationships were usually characterized by tension, stress, and frequently open violence. Coupled with industrial progress, the level of protest by members in the labor force declined. Workers adapted as their future in the industrialized society became apparent. They learned to accommodate, participate, and share in economic gains as well as to develop countervailing forces through unions. This did not mean that frustrations had vanished; protests, however, were more subsurface, disciplined, and well-organized.

What effect did industrialization have on the work force? Some common consequences of industrialization were as follows: 1. Destruction of old trades and creation of new skills created uncertainty and high economic costs. Older workers particularly found this a source of tension. 2. The rules created to organize and manage a growing industry were a disruptive social force. The reduction of human variability was essential to a new technology, but the tension created was justified through an ethic, national ideal, or ideology. 3. The industrial community was created and followed by urbanization. Several consequences followed urbanization: urban slums, uprooted workers, and changes in the social status of women. Furthermore, family ties were replaced by occupational relationships, communication systems changed (the newspaper and radio replaced the village network), family loyalty and security disintegrated and was replaced by community and government, rules and regulations of the urban community replaced personal relations and customs of the village. In summary, simple response to meet personal needs in the village gave way to indecision, complexity, and frustration(5).

The urban industrial community was one of contrasts--rich and poor, racial and language mixtures, and the literate and illiterate. These contrasts bred discontent, distributed new ideas, and fostered a reform of traditional values. The generation gap was magnified, religious foundations were weakened, and the urban population became a major social force. Especially apparent were impacts upon health, education, and standards of living.

CHANGING SOCIAL VALUES AND THE ORGANIZATIONAL PARTICIPANT

The effects of industrialization and the resulting Scientific Management theory have been identified as the final aspect in degrading workers(10). The concept of Industrial Humanism was a reaction to the scientific task organization which resulted in job dissatisfaction and loss of human dignity during the 1800's and early 1900's.

Industrial Humanism is a philosophy and tactic which started the human relations movement. Maslow, McGregor, Push, Likert, and Argyris were some of the leaders responsible for the concern expressed in the literature for the development of a management philosophy which would restore human dignity to the work environment. The proponents of Industrial Humanism sought greater freedom and satisfactions for workers and were concerned mainly with the human aspect. This position was in direct opposition to other writers who claimed that the role of business was not to attempt to meet non-economic needs in the work environment. They basically claimed that other facets of man's life beyond the work place should meet the higher social needs(3). Nevertheless, recent developments focus upon leisure activities within the work environment to provide a more holistic and healthy situation.

Why do individuals join a work organization? What motivates them to contribute time, talents, skills, and knowledge to an organization? Additionally, why does an organization accept an individual as a member? What are the reciprocal expectations of these two components of our society and how does their interaction affect the economic structure of the society? These are the basic questions that need answering in solving the integration problem. The problem of integrating the individual into the business organization must be looked at from both sides: how to achieve the greatest satisfaction for the individual while achieving effectiveness and efficiency for the organization.

Additionally, human alienation seems to be a result of the development of the industrial society. Coupled with this activity was the fall of the capitalistic ethic which created a moral crisis for management(9). This crisis was defined as a basic dichotomy between the two portions of an ethic: ideological (attitude and/or value) and operational (behavior). If the ideological component of the business executive's ethic perceives his/her role as profit maximization but is forced by social pressure or governmental regulation to adopt socially responsible behavior, he/she faces a great deal of individual moral dissonance or concern over his/her functional role in the organization.

In attempting to relieve this problem, the business executive must adopt a policy which will provide a merger of these two positions. In reality, it seems as if this dissonance is solidifying in a composite model for the business executive. By adopting an ethic based upon the concept of organizational effectiveness, the individual and the firm will be successful(8). The overriding impact of this ethic is not just a synthesis of the other two components but a new approach to managerial policymaking. Here the executive views his/her role as a professional which is concerned with firm survival through the dual concepts of optimization of resource procurement and the maximization of bargaining or exchange relationships in the environment. These are designed for the minimization of uncertainty between the firm and its environment.

MEETING THE PSYCHO-SOCIAL NEEDS OF THE INDIVIDUAL

The organization accepts the individual into membership based upon potential contributions to the organizational objectives. Individual contributions may be viewed as resources to the organization, but basically the firm is employing the individual for his/her behavioral contributions, skills, knowledge, creative abilities, etc.

Behavior is a) caused, b) motivated, and c) goal directed(3). To elicit the desired behavior from the individual, the organization must provide a stimulus or an incentive. The potency of the stimulus is determined by the individual's wants or needs. Behavior is a result of the combination of stimulus and needs which are directed toward a goal.

Recognition of the different influences on the individual's behavior is essential for applying the correct stimulus to the individual. The individual has a personal value system of attitudes which influence perception, cognition, and motivation to act in a prescribed way. This personal value system is affected by a number of organizational variables: the reward system, the employee's present personal situation and past experience, the work task or technology, cultural norms and values, the work group relationships, and the managerial system.

Motivation is a perplexing problem for the organization. The individual's motivational stimuli are a composite of needs, wants, tension, and discomfort. Coupled with changes in these factors, the individual's value system is modified over time. Therefore, in addition to each individual differing in needs and wants causing a stimulus to be effective at one time and not effective at another, other factors influence the impact of a stimulus. These problems tend to have a significant impact on productivity which is of central importance to the organization. There are two components of productivity:

(1) employee job performance and (2) utilization of resources which, in turn, are predicated upon ability and motivation to perform.

A hierarchy of needs is one motivational concept focusing on a propensity for the individual to act. This theory suggested that the most overriding goal will monopolize consciousness and tend to evoke responsive behavior. However, some writers were concerned about the false impression held by many that a need must be 100 percent fulfilled before the next level becomes potent. Motivation becomes a mixture of unmet needs, not just one, and those needs which are not fully met become motivators of human behavior(6).

This need hierarchy begins with physiological and safety needs followed by the social and psychological and sociological needs which are more latent in development. Current concepts in motivation tend to stress the importance of the psychological and sociological needs since the physiological needs have become less important with the evolution of a more affluent society.

Equally important factors in personal value systems are status and role concepts. Status refers to the prestige ranking of an individual by groups, and role is the expected behavior ascribed to a particular status position. The status associated with a task or a position in a work group may be potent as a motivator of human behavior. Role behavior is influenced by the individual's perception of their organizational role, the group's perception of their role, the individual's perceptions of the informal group's roles, the group's perception of the individual role within the informal group, and the organization's perception of the individual's role.

The more roles that are expected in any given position, the greater the conflict for the individual. When conflict is resolved, the individual decides whether or not to comply with the role on the basis of his/her own behavioral priorities.

In summary, the individual's decision to participate and contribute to the organizational goals is dependent upon many factors. It is based on individual needs, values, role perceptions, normative requirements of the group and organization, and on the strength of the motivational incentives provided by the organization. One significant area for merging individual needs with organizational ideas is to create a more holistic relationship within organizations. The development of organizational vehicles to provide recreational activities within firms has been viewed as a very positive mechanism to move toward Gemeinschaft closeness while maintaining Gesellschaft specialization. Furthermore, physical activities have been identified as important in reducing tension, frustration, and stress.

ORGANIZATIONAL GOALS AND THE INTEGRATION PROCESS

Goals of the organization have been expressed as quantifiable variables in terms of productivity, absence, turnover, and profit. The evolution of the concept of social responsibility of business has created havoc for the business person in terms of measuring success. Is productivity really the measure of organizational effectiveness? Is profit the only basic justification for existence of an enterprise?

A systems resource approach to organizational effectiveness has been designed which facilitates examining these issues(12). Rather than a measurable and quantifiable goal such as productivity level, organizational effectiveness may be viewed as a complex factor incorporating both internal organization needs as well as an environmental component. Therefore, organizational effectiveness can be evaluated in terms of two relationships. The first of these factors is a relative bargaining position between the firm and the rest of society while the second aspect is designed to measure resource procurement by the firm. Therefore, the definition of organizational effectiveness focuses attention on behavior conceived as a continuous and infinite process of exchange and competition for scarce and valued resources.

Another approach to the concept of organizational effectiveness has been identified as "the maximization of return to the organization by all means(4)". The system resource approach differs in the concept of maximization since it suggests that maximization may be destructive from the viewpoint of the organization, specifically with the concept of resource procurement. It suggests that the concept of maximization may actually deplete the environment of resources and result in the death of the organization. Also, they suggest that public sentiment might be aroused against the organization and, therefore, reduce the organization's bargaining position. For example, the over recruiting of prestigious people may diminish the value of organization membership and reduce the bargaining position of the organization. Therefore, the term maximization may be a desirable goal with bargaining position but optimization should be the goal for resource procurement.

When viewing the concept of integration in terms of optimization, the organization would be expected to provide the organizational conditions which would evoke the behavior of the individual members that could contribute to the effectiveness of the organization. The organization must be evaluated in terms of its contributions to society not only in terms of goods and services and economic resources, but also in terms of meeting the individual member's needs as far as possible without reducing or limiting its own bargaining position. Looking at integration from this standpoint, the organization is not expected to meet all of the individual's needs, nor is the individual expected to contribute all of his/her time, talents, and loyalties to the business organization. But, the employee should receive payments from the organization for services, both economic and psychological.

Therefore, managers of the future are faced with a complex problem indeed. They must be able to justify the existence of the organization in terms of contributions to the society's value system as well as to the individual.

PROBLEMS IN OPEN SYSTEM ENVIRONMENTS OF ORGANIZATIONS

All man-made organizations have been identified as basically open-system oriented. To conceptualize a particular organization as an open-system stresses the importance of the environment upon the maintenance, growth, and survival of the firm. In effect, this means that there is a constant input and output of energy which continually affects the operation of the organization.

Present business organizations exist in either of two environments(2): The first one is the disturbed-reactive environment. This type of environment has been characterized as being very similar to an oligopolistic economic market with a series of firms within one industry, usually all of quite substantial size, which basically competes on the basis of non-price competition. In this environmental type, rivalry tends to be of an inter-firm nature. The second type has been identified as the turbulent field. This environment may be identified or characterized by tremendous complexity, multitude of relationships between components, and rapidity of change between the environment and the organization. Therefore, any study that limits itself to the analysis of the components of turbulent environments from a market perspective will not adequately satisfy or identify the actual operation as they affect the organization. Therefore, a comprehensive understanding of organizational behavior requires analysis of across-the-boundaries transactions between the organization and its environment in the external aspects which tend to characterize the relationship among the various components of the environment. Additionally, any attempt at decision making must be kept quite flexible since the environmental impact upon the organization tends to be basically unpredictable.

Furthermore, the environments of organizations are undergoing an extensive evolutionary process that is decreasing autonomy and increasing interdependence between organizations and their environments(11). In effect, organizational change is increasingly externally induced, and organizational viability and adaptability are functions of the ability to learn and perform according to environmental changes. Therefore, not only will organizational change be demanded from the firm based on external sources, but also the firm must be exceedingly flexible in considering voluntary adaption to various pressures placed upon it from the environment to maintain organizational survival.

The sources of these pressures will tend primarily to come from one of two sources. The first will be adherence to mandatory governmental regulations. The second will be from various non-governmental organizations in the society necessitating the possibility of an accommodation to this group. Essentially, the business person must, for long-range planning purposes, try to discern which groups in the society that presently may not have legitimate regulatory status will eventually achieve this level (e.g., radicals, opinion leaders).

INTEGRATION FROM A MANAGERIAL STANDPOINT

What does integration mean from a decision-making standpoint? The firm must make policy decisions regarding the incentive system in terms of competition for scarce and valuable resources not only from an economic standpoint but also from an individual standpoint as well.

The best utilization of human resources from an organizational effectiveness point of view may mean the development of training programs to develop skills in the already existing force of employees rather than expanding the work force to include trained and skilled people. Training is an expensive tool for increasing skills but it may be the most economical from the standpoint of society.

Organizational effectiveness from a systems resource point of view may mean making trade-off for a very scarce technical skill in order to fully utilize the resources available. It may mean utilizing a trained individual in a supervisory capacity to spread these scarce resources throughout the community rather than using many of these skilled persons in one organization.

The competitive position in society may be improved by offering higher wages and fringe benefits to individuals but to do this at the expense of depleting economic resources is not very logical. Organizational effectiveness may be increased by making the organizational environment more attractive by enlarging job responsibility and attracting those individuals who are highly motivated and want to assume more responsibility. Selective hiring may be the answer to this dilemma.

The power structure may be contracted by the delegation of authority. The assumption of responsibility by more members within an organization may result in organizational growth and effectiveness, but selectivity in the delegation of authority is necessary. The effects of this type of consolidation may have numerous reactions on the morale of the work force and may create dysfunctions to the organization. The decision to reduce the power structure in favor of economic considerations must be carefully weighed by management.

Perhaps one of the most important and most successful ways of increasing organizational effectiveness is through the communication and subsequent understanding of individual employees and their goals in the organization. Participative management and people-oriented leadership coupled with positive recreational activities appear to be one of the major future considerations in organizational effectiveness. This results in a loss of apparent power for the authority position. But if organizational effectiveness and the integration of the individual are truly the goals of the business organization in the future, it is really a very small price to pay for the end result. Finally, policy must be concerned with operating to eliminate worker alienation as well as to help in removing as much environmental uncertainty as possible from both the social and market environment.

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COMMENTS

Promotion is the key to sales. The message must be properly designed and delivered to be effective.