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Impact of Decision Making, Resistance, Transparency on Social Issues in Management

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This paper focuses on the influence of decision-making, resistance, and transparency on social issues related to the eastern culture. The outcomes demonstrate that the western model when applied in Pakistan shows almost the same outcome as in western society, the only concerned is the transparency related to the eastern culture. The norms, values prevailing in the eastern culture have their own way to consider the issues with reasonable care.

Key words: Social issues, decision-making, resistance, transparency.

INTRODUCTION

Organizations, nowadays, are very much concerned about the social issues in management. Competition in the market push the higher level managers to think about the issues involve within the organization. When there is a different people having a diverse mentality and attitude worked together, issues arises. Diversity in work force is good for the organizations but also arises various problems. With special care and keep in mind the impact, the management has to consider the social issues while considering the others, to manage. These issues in management sometimes create the hurdle for future growth.

Competitive management can sort out how to comfort the issues, but those who are not much aware about the root cause of the issues suffers. Social issues nature varies over a period of time. The concept of social issues in management arises where different minds collapse, resulting enhances the importance. These issues influences, on every activities involved in the organization.

The art of decision-making has become more and more complex since there are many new obstacles arrived in the line of business. These obstacles include any type of uncertainty that the organization has not faced earlier.

Since the inception of the globalization era, business organizations have found it very hard to make optimal decisions in the pursuance of their goals and objectives. The introduction of globalization has brought a great deal of social issues for the organizations, so in this regard, it is very difficult for them to be able to analyze the situation perfectly and according to it make a competent decision.

Nowadays, optimal decision making demands that it must always take into account all the necessary social issues that can influence or will be influenced by the particular decision. Decision-making must not be allotted to a single line of action but its alternatives and contingencies must also be developed so that if all else fails, the firm must know what actions must be performed next. Such decision making process will be at its best that has its back up plans to follow and knows what amount of benefits will be obtained by the organizations at the end after the decision policies are followed.

Social issues influences the working on every layer, involve within the organization. As activities changes, it reflects different situation and according to the situation, decisions take place. Corrective decisions are very important as they are helpful to stabilize the problem.

Decisions, while considering the social issues makes the organization more effective in solving the
discrepancies.

As social issues gained more importance, decisions are also altered to cater the issues. Formal decisions are already included in rules and regulations to cope with the social issues but due to changing nature, decisions are also changed. On the other perspective what changes the decision making? The comprehensive answer is social issues. It influences the decision-making, according to the extent of the nature, the issues involved.

Social issues arise when the management took decisions that are against or unfavorable in employees or organization perspectives. Employees are the assets of the organization and taking care of them is actually taking care of the organization. Sometimes it’s very hard to make decision when organization benefit is in stake. Decision-making when take places without biasness, favoritism and with neutrality the issues impact gradually decreases.

Organizations nowadays facing one of the greatest issue, that the negative attitude of their workforce towards the achievement of organizations goals and objectives, this phenomenon is generally declared as the resistance shown by the workforce. Resistance has proved to be a salient feature for many past years for the failure of the organizations and it has been identified and understood as a vital challenge for the management of the organizations. From many past researchers in the field of resistance under organizations following reasons have been identified, gaps been understanding of different levels of management, difference in understanding of organizations, workforce not compatible with any sort of change occurred in the organization.

Another concept that has upraised in this regard is status quo bias that states the reason behind the resistance of the individual might be that he is reluctant to adapt the change in the organization and is quite satisfied with the current ongoing proceedings. In this case, management needs to play its role in order to motivate the individuals to adapt the change and stop resisting. The management must make individuals understand that the change is better for both the organization and individual too. Individual is independent of its actions towards the organization but these actions are controlled and influenced through many actors prevailing between the relationship of individual and organization. Resistances within the organization are normally being the part of the organization. Every person has its own values to judge the things being around.

Management sometimes keen to have the focus on social issues, but the values prevailing inside the organization creates resistance. Traditionally, ignoring these issues makes the culture stricter towards the solution. Furthermore, the importance of these issues decreases because of continuous and routine matters. But with the passage of time, enhancing the focus on social issues makes it more important and influences the culture of the organization as a whole. But in other sense, social issues are the main point of focus that changes the environment and the way of working in case of values and culture prevailing in the organization.

Outcomes are the actual thing to evaluate. Transparency of procedures is already being used in organizations, making results more attractive in relation to the management. In the case of handling the scenario in the organization, social issues need to be considered. Transparency makes the situation simpler, regarding results and processes, and this concept deactivates the social issues. Having clear understanding of procedure, results in better attitudes towards the organizational goals. Social issues can be resolved through transparency of procedures and outcomes, showing the relationship between them. Social issues influence the running of operations within the organization and have an impact on productivity. To enhance productivity, transparency should be employed in performing the operations of the organization.

Transparency within the organization assists the employees by motivating them and making them comfortable towards future perspectives. Management has to sort out how the processes involved in the organization could be lucid enough so that the concerned personnel’s are satisfied with the working environment.

**LITERATURE REVIEW**

Social issues have great influence on activities involved in business environment (Gorte, 2005). Activities in business directed much criticism and attention on social issues (Adams, 2005; Doonar, 2005; Preston, 2005). Social issues can be resolved through effective measures made by the organization, having the attitude of proactive, has the capacity of taking important decisions (Udai Pareek, 1987). Appropriate criteria for justice in efforts, equality, and distribution can be made to justify the social issues (Friedman, 1982; Nozick, 1977; Nussbaum, 1992; Phillips, 1997, 2003; Van Buren, 2003; Velasquez, 1982).

Research and experience shows that companies considering the social issues in their decisions enjoy extra benefits (Brammer and Millington, 2005). Considering the work done in the field of moral philosophy, there are two ways for expressing the idea related to the social issues (Beauchamp and Bowie, 1979; Murphy and Lacziak, 1981). One way is only concern about actions or decisions that the individual made. This concept totally focuses on how individual behaves on the specific issues. The other way concerns about the consequences of the actions, that are to be taken and their impact on specific situation (Hunt and Vitell, 1986).

The concept behind the focus on actions is looking for
a state of mind or action that is inherently righteous and focuses on the consequences of actions appears that the quantity of righteous within the decision. Social issues are a tortured point of view in both cases. Theoretically, Carroll (1999) thought of different perception makes these issues complex and we prefer McWilliams and Siegel's (2001) views regarding these issues, an action that has an impact on the organization.

Empirically, there is a relation between social issues and firm financial performance (Margolis and Walsh 2001). Behavior like disproportionately favored over others, have a negative influence on the organization resulting the complex social issues (Tracey et al., 2005). Factors that have an influence are discussed subsequently.

**Decision-making**

Decisions are responsible for the operations involved within the organization and processes, according to the nature of the issues involved (Manfredi, 2005; Stead and Stead, 2000). Social issues have to be addressed in the decision-making to show how these issues have influence (Cramer et al., 2004). The behavior has an influence on the decision-making regarding social issues. The positive way of taking decision is like the behavior of the philanthropic to consider the minorities, targets for women. The negative way of dealing is that only consideration for the competition in industry takes place without focusing the environmental assessment and remediation activities (Logsdon and Wood, 2002; Waddock and Graves, 1997).

Traditional way is used to cope with the social issues such as Carroll’s (1979) outlined economic, legal, ethical, and discretionary issues. These activities change the decision (McWilliams and Siegel, 2000, 2001). The argument holds that while taking the decision if social issues are considered than financial and operating performance boost (Seifert et al., 2004; Waddock and Graves, 1997).

Attitude influences the decision towards social issues. Weber and Wasielewski (2001) expresses that personal attributes count, age and gender plays no significant difference, but industry and type of work influences much. May and Pauli (2002) concluded that moral intensity with similar situation affects the behavior of the person who is about to take a decision.

Decision itself and the behavior make the issues easy and on the other part difficult. For instance, both individual Policemen and the law mutually determine the fairness experienced by citizens. Consistent with this idea, justice is also another factor (Cobb et al., 1997; Greenberg, in press; Masterson et al., 2000; Rupp and Cropanzano, 2002). We refer “formal” decision on the particular issue but on the other hand some individuals prefer “informal” decision regarding social issues. Formal decision-making involves procedural fairness and the informal decision-making gives different ways to handle the social issues (Bies, 2001; Bies and Moag, 1986) and these are important part to evaluate as well (Moorman, 1991; Tyler and Bies, 1990).

Social issues are more influenced by the extreme attitudes and attitude name as resistance is one of them (Ewing, 1942; Osgood and Tannenbaum, 1955). Individuals with extreme attitude, when making a decision regarding the issue, and amount of information is given, they evaluate the situation and more biased towards the specialized decision (Lord et al., 1979; Miller et al., 1993).

**Resistance**

Resistance occurs when the stakeholders view point is different in terms of solving the issues related to the activities. Quality of relationship between internal and external stakeholders deviates in terms of organizational goodwill (David et al., 2005; Randel, 2002). There is sometimes conflict among the stakeholders and the organizational goals. In many circumstances, the various stakeholders have their own values, interest and aims and the rules related to the processes in the organization differs (Skinner, 2005).

Structural arrangement within the organization opposes and creates the difference between the stakeholders and the corporation, and this thing relates to the outcomes and the issues in the organization (Jones and Fleming, 2003). Research related to the Attitude, focuses on the attitude strength. It includes various aspects ranging from knowledge, the individual possess to the importance of the issue in individuals mind. Researchers now concur that, behavior that leads to resistance to change, are more suitable while talking about the attitude strength (Abelson, 1988; Chaiken et al., 1995; Eagle and Chaiken, 1993, 1995; Krosnick et al., 1993; Olson and Zanna, 1993; Petty and Krosnick, in press).

Management hierarchy establishes the environment within the organization. The barriers are there to support the traditional way of resolving the activities instead of counterparts. Education barriers, more involvement in managerial experiences and relations support the behavior (Weber and Schaper, 2004). Confidence and personality characteristics resist the working inside the organization (Forbes, 2005). Discrimination like female with risk takers, confidence are related with those who are not taking part in the process of resistance (Krueger, 2000). Formal education have an influence on the attitudes and with this, resistance can be overcome to solve the social issues (Certo and Certo, 2005).

**Transparency**

Transparency in the procedures and outcomes is the
focus of many stakeholders. Organizations are often pressured to have the activities fair, having standards that show to different stakeholders about justice, and as Schepers (2006) expresses, stakeholders have conflicts in their own networks. Transparency in the rules and principles, across different levels has a great impact on the psychological dimensions (Skitka and Crosby, 2003).

Transparency in selection process is traditionally focused by organizational perspective. Researchers also find that selection process also concerns by the personnel’s who are or will be the part of the organization. This is because; personnel’s are more willing toward the organizations that have transparency in their procedures (Rynes, 1993).

Procedural transparency has a very significant role in the progress of the organization. If the system is not clear, then the organization may lose the competent personnel’s who are afterwards become the asset of the organization. It is very important for the companies to maintain transparent procedures for the image and growth (Murphy, 1986).

Other issue that might be raise in case of invasive procedures is the potential applicants that might be hesitated from looking employment with these kinds of organizations (Smither et al., 1993). Organizations that adopted the selection procedures blur, than they also give perception to others about the unsuitableness of the organization (Macan et al., 1994). Transparency in procedures is very important in legality aspects. Those who finds the process inappropriate, they may file legal complaints in the court (Smither et al., 1993).

Justice in organizational procedures includes, the outcomes should be allocated with fairness and equally. Procedures and rules are very much clear and transparent so that decisions based on these rules are applicable. Organizational personnel’s have their own prestige and respect. Transparency in procedures assists organizations to maintain and retain their employees. Individuals make themselves clear about the positions they have and the briefings the management give in case of discrepancies (Greenberg, 1993).

Transparency related to procedures like rules and regulations and outcomes related transparencies like rewards and punishment have great focus in the management (Folger and Greenberg, 1985; Folger and Konovsky, 1989; Niehoff and Moorman, 1993). Greenberg (1990) focuses on fair formal procedures as a tool to cope social issues and the level of transparency shows the organizational attitude towards the issues, decisions with large issues are easily handle in a way to satisfy stakeholders.

Leventhal (1980) consider standards as a fair procedural process and specified criteria like consistency and accuracy. These criteria’s are not of strong evidence (Lind and Tyler, 1988). Conversely, Thibaut and Walker’s (1975) are in a view that transparency based on people concerns and the desired outcomes. Procedural fairness defined as criteria such as status recognition, trust in the management and non-biasness (Tyler et al., 1996). Procedural transparency involves fairness in the decision-making that are related to the outcomes (Brockner, 2002; Gilliland, 1994; Schroth and Shah, 2000).

Brockner and Wiesenfeld (1996) express that procedural fairness and implementation has two different dimensions and treatment is based on decision-making (Bies and Moag, 1986). The difference between procedural treatment and decision-making perceived differently by different stakeholders (Bales, 1958). Social issues are treated, according to the groups involved (Forsyth, 1999). And these issues also depends upon relations in a groups (McGrath, 1991), because decisions are perceived differently.

Literature review seems to demonstrate that the social issues have an impact on the way of conducting the management affairs and with due care these issues can be overcome, but by ignoring those issues creates hurdles and seems to be the pinching issue in the concerned areas. There are various ways to resolve the issues, but it depends upon how the management perceived about the issues.

THEORETICAL FRAMEWORK

Figure 1 shows the theoretical framework.

H1: Decision making dimension is positively related to the social issues in management.
H2: Resistance dimension is positively related to the social issues in management.
H3: Transparency dimension is positively related to the social issues in management.

METHODOLOGY

Research design

“Convenience Sampling” is used in this research project as the data is gathered from different personnel’s related to business field.

Population and sample

Population is businessmen, managers and employees. Sample size is 25 people from the business world. Data is collected from the managerial level employees. Questionnaire is developed in order to collect data. Targeted respondents belong to Lahore city.

Research tools

Questionnaire

Questionnaire was developed and distributed among managers and employees in order to collect data from them. 25 questionnaires
were filled and data was put into analysis. 7 point Likert scale questionnaire was distributed for data collection where “1” was strongly Disagree and “7” was strongly Agree highest on the scale.

Data presentation and Ethical concerns

Data is presented in the forms of tables and narrative explanations. During the entire research project, every effort was made to keep the identities of individual participants confidential. Results will be shared in cumulative form.

Reliability

The highest reliability is of the factor competition (0.821), there are seven items measuring it. Decision-making, resistance and transparency have the reliability more than 7. It confirms that the reliability of the items is satisfactory (Table 1).

RESULTS

Correlations

Table 2 shows correlation between variables. The relationship amongst independent variables (decision making, resistance, and transparency) with dependent variable, (Social Issues) is tested through correlation. Table 2 shows that there exists strong relationship between the variables involved in the study. The significance level is 100% which means these results can be applicable to whole population.

The value of co-relation of decision-making with social issues is 0.905 which shows strong relationship among them. The value of co-relation of transparency with social issues is 0.782 which shows positive relationship among them.

Regression

The value of correlation co-efficient is 0.96 which shows that there is strong relationship between independent variables (decision-making, resistance, and transparency) and social issues (dependent variables). The standard error of estimate shows that the amount of scatter of the observed value around the regression line which in this case is 0.11149. The Co-Efficient of Determination shows that 92% of the variation in the social issues is explained by its linear relationship with the independent variables and the rest of the variation 8% is due to some other independent variable not included in study (Table 3).

The slope (b₁) 0.416 indicates that if the decision-making variable increase by one unit, the social issues increase by 0.553 units. The standard error of estimate shows that the amount of scatter of the observed value around the regression line which in this case is 0.11149.

The slope (b₂) 0.477 indicates that if the Resistance variable increase by one unit, the social issues increases by 0.384 units. The standard error of estimate shows that the amount of scatter of the observed value around the regression line is 0.11149.

The slope (b₃) 0.132 indicates that if the transparency variable increase by one unit, the social issues increases by 0.140 units. The standard error of estimate shows that the amount of scatter of the observed value around the regression line is 0.11149 (Table 4).
Table 1. Reliability between variables.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Cronbach’s alpha</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social issues</td>
<td>0.821</td>
<td>7</td>
</tr>
<tr>
<td>Decision making</td>
<td>0.808</td>
<td>6</td>
</tr>
<tr>
<td>Resistance</td>
<td>0.793</td>
<td>6</td>
</tr>
<tr>
<td>Transparency</td>
<td>0.781</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 2. Correlations between variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Social issues</th>
<th>Decision making</th>
<th>Resistance</th>
<th>Transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social issues</td>
<td>1</td>
<td>0.905**</td>
<td>0.636**</td>
<td>0.582**</td>
</tr>
<tr>
<td>Decision making</td>
<td>0.905**</td>
<td>1</td>
<td>0.772**</td>
<td></td>
</tr>
<tr>
<td>Resistance</td>
<td>0.636**</td>
<td>0.772**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td>0.582**</td>
<td>0.772**</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant At 0.01 level (2-tailed).

Table 3. Model summary.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Standard error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.960a</td>
<td>0.922</td>
<td>0.911</td>
<td>0.11149</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Transparency, Resistance, Decision's.

Decision making dimension is explaining 90% of social issues, the beta is 0.416 and there is high significance level between them and H₁ is accepted because P<0.001.

Resistance dimension is explaining 81% of social issues and the beta is 0.477 and p>0.001 so H₂ is accepted.

Transparency dimension is explaining 78% of social issues and the beta is 0.132 but the significance level is p = 0.165 and hence H₃ is rejected.

DISCUSSION

This research study used a model that was highly conforming to western society, when the same model was applied and researched in Pakistan. It shows significant relationship among all independent and dependent variable except for one variable, that is, transparency (Appendix). The significance of the entire model is 100% when it was applied on population. The difference between R and R² is of about 0.038 which shows that there is a significant relationship between independent and dependent variable (Appendix).

Result obtained by analysis conducted previously shows that data which was collected from respondents through questionnaires is highly reliable. Western researches showed that above mentioned hypothesis are mostly accepted in their society whereas the regression analysis we conducted reflected that those entire hypothesis are also accepted in Pakistan.

When decisions are about to be taken, then the eastern values affects in respect of the consequences while taking the care of social issues. This is because, when decision-making takes place, consideration of the welfare of the beings, related to the working of the organization, kept in mind. Besides their eastern way of decision-making, business studies helps higher management to keep perform such decisions that are suitable for employees and motivates them to perform better. In case of resistance, intensity varies from business to business, but normally the resistance is from the higher management. Due to the mutual care of the people, they enjoy benefits that reduce the bad influence of the social issues.

Multination companies are moving towards the developing countries, this thing assist a lot, to maintain standards that are used worldwide, norms and values that are helpful for employees for promotion and satisfaction, and form the system that reduces the social issues in management. As in developing countries, the organizational procedures are not so clear and step wise separated, hence they formed confusion among the system, and as a result of this, social issues arises.
Eastern culture is now moving towards the business focus leaders and will soon find their ways, experiencing the modern dimension of procedural transparency.

Procedural as well as transparency in outcomes have the influence on the procedures to be taken to solve or get the incentives and promotional purposes. But yet transparency has no concerned with the issues a lot, because eastern culture accommodates the impact. This is because the eastern culture has its own way of handling the social issues and if the transparency is not present, the management or sole proprietors taking care of the employees by their own way and give comforts, as a result of this, there is no such discrepancy occurs among the employees, and the system in which they are operating.

This research shows that social issues have a very significant impact on managerial activities conducted in Pakistan. Taking the concept of social issues in eastern culture, these areas have a soft corner for the discrepancies being involved in the organization. Eastern style has their own values, norms, personal and emotional criteria's that influence a lot to satisfied the social issues. Studies related to the business environment gaining more focus in eastern environment. This thing has an impact for the consideration of taking the social issues that creates resistance for the organization. After scrutinizing all the factors, it has been demonstrated that western model can be used in Pakistan in order to find out the relationship of all previous mentioned independent variable with dependent variable but in a different way according to the culture prevailing that supported the eastern norms.

REFERENCES


Table 4. Coefficients*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Standard error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.273</td>
<td>0.336</td>
</tr>
<tr>
<td>Decision’s</td>
<td>0.416</td>
<td>0.078</td>
</tr>
<tr>
<td>Resistance</td>
<td>0.417</td>
<td>0.087</td>
</tr>
<tr>
<td>Transparency</td>
<td>0.132</td>
<td>0.092</td>
</tr>
</tbody>
</table>

Dependent variable: Social issues.


