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THE SMART WAY OF GROUP DECISION MAKING

Seeking for the practicability in the organization

Master's Thesis in
Public Management

VAASA 2012

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Master's Thesis: The smart way of group decision making: Seeking for the
practicability in the organization
Degree: Master of Administrative Sciences
Major Subject: Public Management
Year of Graduation: 2012   **Number of pages:** 84
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ABSTRACT:

Through our lives, we experience action "choose and decide" all the time both in daily lives as an individual and in some organizations as a group. Organizations for instance societies, schools and workplaces give us opportunities to experience groups' choose and decide. Therefore, it is necessary to learn not only how to make own decisions but also how to make group decisions. This study focuses on group decision making. It seeks for particularly the effectiveness of group decision making with ideal conditions where it could be applied in organizations. In order to find out such group decision making, there are two objectives: the first objective is to study the ideal conditions of group decision making and the second is to study what are the suitable places to apply group decision making. They are the fundamental assignments for this study.

Two research tasks help to achieve the two objectives. The first task is to study group decision making deeply: group decision making is studied from various points of view, group decision making and individual decision making are compared, the positive and negative elements of group decision making are examined, and the relationship between group decision making and strategic decision making are analyzed. The second task is to find the ideal conditions of group decision making which in this study will be called the smart way of group decision making. This task helps to understand the Top Management Team (TMT) model and to find out the ideal conditions through studying organizational styles and cultures.

In this study, references, which include books and scientific articles, help to suggest the ideal model of group decision making. I insist that in case of formal situations, group decision making with group harmony and homogeneity would have a positive effect for organizations' efficiency. In addition, I can say that group decision making can be applied both in collectivistic cultures and individualistic cultures. I believe that the smart way of group decision making which I suggested in this study can help to improve the decision making effectiveness in organizations.

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1. INTRODUCTION

In our lives, there is a continuity of making decisions. We experience many things through our lives. In modern societies, when a baby is born, he enters human society, meets his family for the first time of his life. He slowly grows up in his community. During learning period, he goes to schools to acquire how to survive in the society. He has to choose the future to contribute his efforts toward his society. Through his life time, he also faces the life turning points; marriage, defeat, success and failure. In the life process, he repeats to act "choose and decide" all the time. In the daily life, he decides what he eats, what he buys. In the learning places, he chooses the subject which he is interested in. In the turning point of his career, he should choose what kind of job he should apply for, or he may think whether he marries or not and so on. Thus, although decision making is very common issue, it is important to think about how to decide the matter. It is connected with our lives directly.

This "choose and decide" acting is taking place without exception at the organization level. Since an organization is a group of people who form a business, club, etc. together in order to achieve a particular aim (Oxford Advanced Learner's Dictionary 2000), decision making is mandatory for everyone, in every organization. In order to contribute to people, group decision making would be the key element for the organization. Then, what are the differences of "choose and decide" between an individual and a group? What I mentioned the beginning was just the example of the individual process of decision making. There are many possibilities to answer to this question but I can point out two main answers.

The first difference between individual and group decision making is the degree of responsibility. If a person decides to do something for him/herself, it influences only individual or relative relationship level in some cultures. At least, it is difficult to see the individual decision's influence on the group. Naturally, responsibility for decision is small and it is only personal level. On the contrary, the degree of responsibility of the group is more influential than the individual. As many people belong to groups, people have ponderous responsibility when the group decides goal, rule or custom for them.

For instance, few years ago, one person worked in a Japanese bank and took charge of inputting currency data for the stock market. He made an error and put wrong currency information to the market. The market was stopped on that day. In this case, it could be regarded as an error of not only his decision making but also this bank's decision making. It is not any more responsibility for individual, but for the whole organization.

The second difference between individual and group decision making is the process of decision making. At the individual level, the process of "choose and decide" is his/her responsibility. Although a person may ask for suggestions from friends or family, final selection and decision are held by obvious the said person, no one else. When the person chooses a job which suits for him, do his parents choose for him? The answer is absolutely no. On the contrary, the process of decision making in the group is more complicated. It is not the matter for only one person so it cannot be decided by alone from his own authority. Back to the example of an error in the stock market, it could not be just this worker's mistake. It must have happened through the process of decision making in the bank company.

1.1. Objectives, research tasks and thesis statement

There are two objectives of this study. The first objective is to study the ideal conditions of group decision making. The second objective is to study what are the suitable places are to apply the group decision making which is suggested in this study. As I mentioned in the introduction, group decision making can be the key in the situation of organization decision making. If people are looking for rational decision making all the time in certain groups or organizations, group decision making is the key for realizing effectiveness. However, of course, group decision making can be categorized into different styles. I would like to study these different types of group decision making, and then focus on finding out what the ideal conditions of group decision making are.

In studying group decision making, it is important to find out the suitable places where it can applied. Necessarily, the group decision making which I suggest in this study is

not the best way for all organizations. Sometimes it might be more efficient way to practice individual decision making in some small branches or organizations. Thus, it should be considered about the right strategy in the right place. The second objective of this study – to study what are the suitable places are to apply group decision making – is worth of thinking assignment for the aspect of practical reason. In detail, after I have conceptualized what the group decision making is, I would like to suggest applying my ideal group decision making in the organization with suitable conditions.

In order to realize the objectives of this study, research tasks will be performed through three different aspects of approaches: to study the meaning of collective decision making, to distinguish group decision making from individual decision making, and to study the group decision making itself deeply. When we only examine the differences, virtue and demerit between individual and group decision making, we never know the meaning of decision making. Apple trees are not only trunks, branches, leaves and flowers but also roots. Roots are almost under the ground so they cannot be seen well but they have very important roles. We have to focus on the definition of decision making at first and then, start to consider about the ideal conditions of group decision making and what places are suitable for this decision making style.

Now, I tell about my thesis statement. My thesis statement is that in case of formal situations, group decision making with group harmony and homogeneity will help for organizations' efficiency. I would like to insist that group decision making what I suggest in this study can help to improve decision making effectiveness in organizations. I demonstrate what group decision making is and what the effective conditions for it are in order to prove this thesis statement.

I describe the process of attaining my objectives and the research tasks in figure 1.

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│   │           of group decision making              │   │
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│   │   Objective 2: to study what are the suitable   │   │
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│           │   Research task 2: to suggest    │           │
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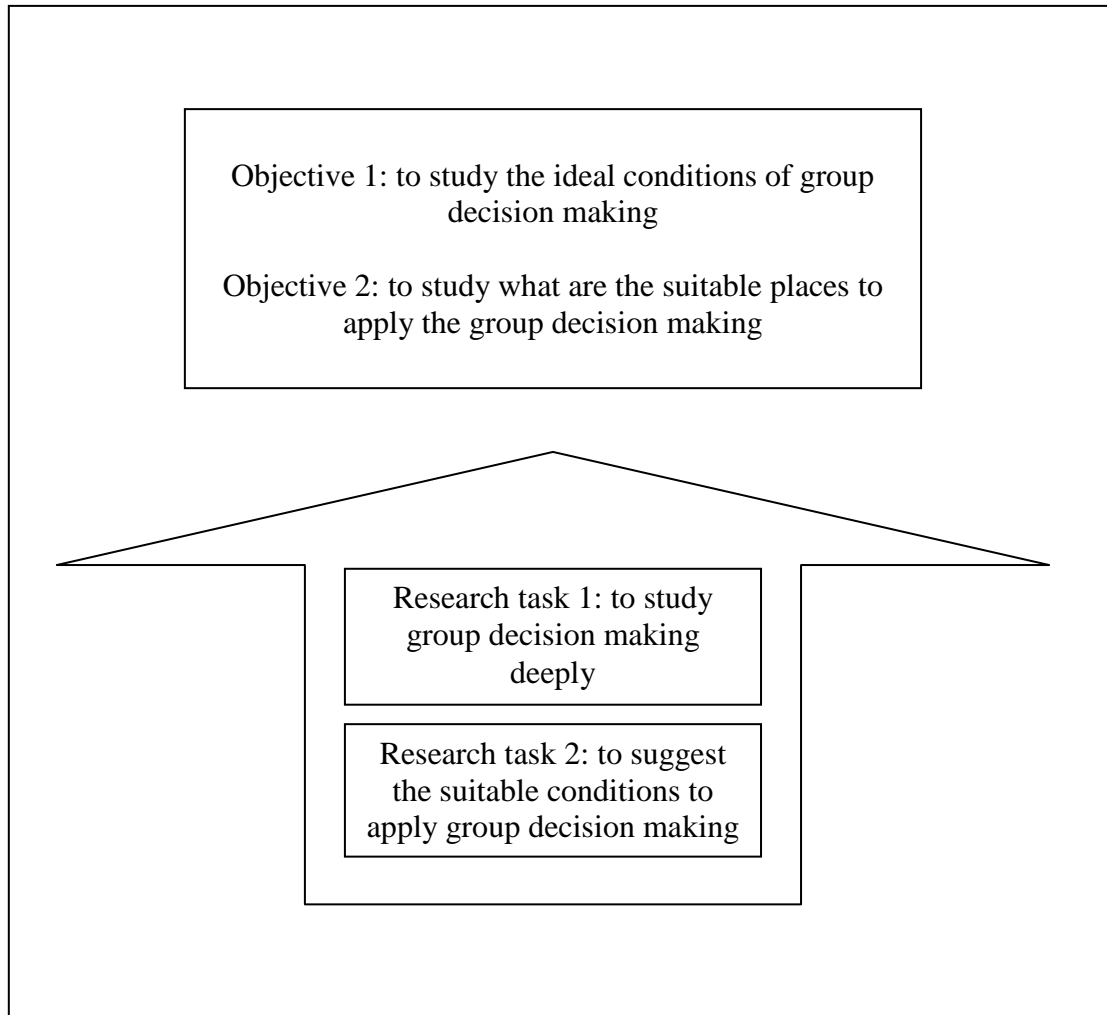
Figure 1. Process of attaining the objectives and the research tasks.

1.2. Perspectives and the related special features of the study

The two perspectives of this study are: first to study the ideal conditions of group decision making, and second to study what are the suitable places apply group decision making. There are three steps to realize the first perspective. The first step is to form an understanding of the group decision making. In this stage, it is necessary to effectively describe the definition and usefulness of group decision making. The second step is to look for what kinds of conditions are needed for group decision making. I review and introduce three group decision making styles in the second chapter. Through these decision making styles, I would like to especially focus on group decision making by a

team. When decision making is performed by a team, what kinds of conditions are needed, what essential elements are required? After conceptualizing the ideal group decision making (in chapter two) it will be shaped into a practical suggestion. The third step is to suggest this approach, the smart way of decision making as a model: group decision making with ideal conditions and situations (in chapter three).

This study seeks to understand group decision making deeply. First of all, I would like to conceptualize what group decision making is. In this stage, the differences between individual and group decision making are discussed. Thereafter, group decisions making in organizations, especially, different decision making styles are researched. Also, it is important to study the criticism of group decision making so as to understand its nature deeply. After that, the study will consider about the efficiency of group decision making in order to prepare for the third chapter. Then I want to focus on team style of group decision making based on what was studied in the previous chapter. The chapter introduces where this original concept was studied, what kinds of studies are ongoing nowadays about team style of group decision making and so on. After that, the study will make a step to seek for the ideal conditions of group decision making. Finally, I would like to introduce the ideal model of group decision making which I call the smart way of group decision making.

Next I describe the research task two in more detail. The feature of this study is to suggest what the suitable places are for group decision making to satisfy with the practical reasons. By the grace of this feature, this leads to not only underlining effectiveness of group decision making but also organizational to the further research. If it is applied for this study, there are three anatomizing viewpoints. *Firstly*, it can be found how this group decision making is useful in the organization. When it is just talking about ideal way of decision making, I feel it misses for the practical aspect to apply in actual situations in organizations. Therefore, it is worth to examine how it fits in organizations. *Secondly*, it can be noticed where the organization/branches can use this group decision making. Although what I am suggesting is smart way of group decision making, it cannot be said that all the organizations or branches can apply this.

It should be analyzed what kinds of organizational styles would suit for this group decision making.

It happens in the same way as in our ordinary lives. For instance when we choose clothes in shops, we choose our own size. Same thing is needed in the organizations. Is it small or large organization? Is it bureaucratic or non-bureaucratic organization? Is it a flat type of organization? Can we the group decision making model suggested in this study be applied in such conditions? It is necessary to consider such things carefully. *Thirdly*, what is the weak point of smart way of group decision making? We need to keep in mind that although this is the ideal way in this study, there are some difficult features of practicing. Time, space and capacity of organizations are also limited. When it is focused on such physical limitations, the weakness of this smart way of decision making becomes clear. There are no perfect methods of acting in the organization because human is not perfect so we just continue to seek the ideal ways of decision making eternally.

To conclude, in order to study the ideal condition of group decision making and to study what are the suitable places to apply group decision making, there are some aspects that should be kept in mind. First of all, so as to fulfill the former perspective, it is necessary to analyze three viewpoints. *Firstly*, to form a deep understanding of group decision making. *Secondly*, to look for what kinds of conditions are needed for group decision making. *Thirdly*, it should be suggested that what the ideal group decision making is. To fulfill the latter perspective it is also necessary to analyze three viewpoints. *Firstly*, to study how this group decision making is useful in the organization to help us to understanding where this method can be applied. *Secondly*, to study where the organization/branches can use this group decision making. After that, *thirdly*, to study when or what is the weak point of smart way of group decision making to get more objective viewpoint. Therefore, this study has two perspectives and both of them have three key viewpoints. This study contributes to not only understanding of group decision making in organizations but also suggesting for the smart way of group decision making.

1.3. Background and material of the study

First of all, I started this study in February 2009. At that time, I had three options: the study of educational administrations, employment bureaus, and this group decision making in organizations. The research of educational administration was easy to perceive since my second major was a teaching course and I wrote bachelor thesis about introducing fresh teaching methods of English education in Japan. I also lightly criticized the process of Japanese educational system in my thesis. Thus, I wanted to continue to study the gap of Japanese educational model in order to improve the situation by comparing between Japanese and Finnish educational systems. However, it might become an ambiguous comprehensive subject; in addition, there is no guarantee of getting enough materials about this subject. Thus, I abandoned this topic. Next, I approached an idea about employment bureaus in the current era of economic recession. It is a global problem because many people who were working for companies are fired and are looking for new jobs. In these days, a lot of Japanese people go and hunt for jobs from employment bureaus because of this mischief. Japanese employment bureaus are paralyzed now. Long queues continue and continue in front of them and some people cannot get the service from employment bureaus. In order to solve this situation, my study could focus on new policies to improve the situation of unemployment. Such new policies would be compared with previous policies for the similar situation in 1990s. Yet, this topic is too fluid so it is difficult to collect the credible data and many references.

Finally, I ended up to selecting the topic of decision making in organizations. To begin with, I decided to set my intention to study such a topic that is close to people' lives. The topic of decision making is close to our daily life. We experience all the time decision making through our daily behaviors. Decision making, especially group decision making is also close to us because we spend almost all the time social lives, with family or friends, in schools, workplaces and so on. Naturally, we decide something as "a group". In addition, I am from Japan and it is important to understand the process of group decision making due to my background culture. In Japan, not only in formal places like government or companies but also in private life like communities

have customs of group decision making. Therefore, group decision making is familiar issue for me and I would like to examine and review it more carefully. Also I chose this topic for the practical reason. Organizational group decision making is always developing and needs to seek for efficiency. Compared with other two options which I had, study of group decision making in organizations is practical. Still more, this subject can be applied in many different occasions.

Final choice was to carry out research on group decision making in organizations. Although I had additional two choices; the study of educational administrations and employment bureaus, the topic of group decision making is significant and meaningful for organizations which make important decisions. Besides, decision making is very close to, and essential for our daily lives. Therefore, this is the journey that led me to choose the topic of decision making in organizations.

Next the materials of the study are described. References are mainly used in chapter two (conceptualization of group decision making) and in chapter three (approach to smart way of group decision making). References include books and scientific articles. I decided to choose the references from a wide range of fields. For instance, I chose some references from the fields of management, political science, cultural studies, and from sociology. Besides, I have compiled both classical and modern theories. I believe that the mixture of new and old knowledge will inspire new ideas.

To conclude, my approach of this study started from spring 2009. I had two other choices. However, due to the concept of the study which is close to people's lives, I decided to write about efficiency of group decision making in organizations. The material of this study is books and scientific articles.

1.4. Outline of the study

The structure of following chapters – chapter two to four – are organized to have three questions in each chapter (Figure 2). The questions are linked to the objectives.

Chapter two focuses on the conceptualization of group decision making. The chapter aims to understand group decision making deeply. In order to do that, I prepared three questions. *The first question* is: what is decision making? Here, the definition of decision making process from main theories will be discussed. First of all, decision making can be classified personal and organizational decision making. Starting from saying clearly the meaning of decision making, this chapter distinguishes individual and group decision making. *The second question* is: what are the criticized problems of group decision making? Here, group decision making will be criticized by the way of groupthink theory. This section will analyze Janis's (1985) theory "Sources of Error in Strategic Decision Making" to find out what is the danger zone of decision making. *The third question* is: which more efficient way, individual or group decision making? In order to compare them, I examine the rationality of group decision making in the organization. Thus, group decision making has the risk of groupthink, but if organizations have a cooperative attitude for making decision, it would be rational way to practice policies.

Chapter three focuses on the "approach to the smart way of group decision making". As I said in the previous chapter, group decision making, in particular, the Top Management Team (TMT) model is considered the ideal way of group decision making in this study. In chapter three, I concentrate on TMT model to realize the second objective of this study. In addition, the latest studies of TMT model are also worth inspecting. At the same time, I want to review the theory from where the original ideal of TMT model originates. This issue is based on the book "The New Leadership" written by Vroom and Jago (1988). Both these new and classic theories of TMT help to understand and find the ideal group decision making better. In order to approach the smart way of group decision making, I would like to add and organize some other elements too. I examine organizational and cultural aspects. Here, I introduce Theory Z suggested by Ouchi (1981). In the end of this chapter, I will propose the ideal model of group decision making through the digest of both chapters two and three. This decision making style is called the smart way of group decision making.

Chapter four presents conclusions of the study. First, looking back from chapter two to four, I have to examine how the objectives were achieved. The objectives of this study are: (1) to study the ideal conditions of group decision making and (2) to study what are the suitable places to apply the group decision making. Have I managed to answer these objectives? If I would manage, would it be the satisfactory level of answering the objectives? Then I would like to make conclusions about the practicability of group decision making in the organizations. As I mentioned, my thesis statement is: in case of formal situations, group decision making with group harmony and homogeneity will help for organizations' efficiency. After that, I would like to discuss further findings from whole materials. It is also interesting to discuss what further research can be done based on this study. For example, it may be found that the new process or effects of group decision making through mixture of theories.

CHAPTER 1.   Introduction
- What are objectives, research tasks and thesis statement?
- What are perspectives and the special features of this research?
- What are the approaches and material of this study?

CHAPTER 2.   Conceptualization of group decision making
- What is decision making?
- What are the criticized problems of group decision making?
- Is group decision making efficacy and efficiency?

CHAPTER 3.   Approach to the smart way of group decision making
- What is the detail of TMT model?
- What other elements are needed for smart way group decision making?
- What are the ideal conditions of group decision making?

CHAPTER 4.   Conclusions
- To examine how the objectives of this study were achieved.
- To suggest places where group decision making model is suitable.
- To give suggestions for future research.

Figure 2. Structure of the study.

2. CONCEPTUALIZATION OF GROUP DECISION MAKING

2.1. What is decision making?

2.1.1. General definition

Decision making process means that a series of things which are acted by person or organization are for the sake of achieving an object. We are engaged in making decisions all the time and are at the mercy of decision making. People's decision making in everyday life is categorized as personal decision making. Vecchio (2006: 182) emphasizes that personal decision making directly affects us, rather than others. Considering about the personal level, a person's daily life is one example. A person wakes up and he thinks that he is very sleepy today, so he wants to still stay in the bed and get up 15 minutes later. 15 minutes later, he realizes that a very important meeting will start at 9 am this day. He hurries up to get out from the bed and he regrets making a decision to oversleep. Then, during the meeting time, he had to explain the progress of his selling achievement to executives. He carefully chose the words to illustrate about that. It was successful so he is satisfied with his behavior. In his lunch time, he decides to take the fish dish because he did not want to choose boring meat dishes. Yet, after eating, he thought that meat dishes are tastier so he decided to choose a meat dish next day. There are examples of decision making which are categorized as personal decision making. When people do something, they have to choose the process of doing. Non-personal decision making, in other words, organizational decision making is defined in the next section.

2.1.2. Decision making in the organization

As it was mentioned above, personal decision making is directly connected with individual lives. Now, the topic shifts from personal to organizational level. What is the organizational level of decision making? Vecchio (2006: 182) expressed organizational decision making involves decisions that pertain to the problems and practices of a given organization. At the organization level, almost all of policies are decided by a group of

planners. When we talk about a decision which is decided by a "group", there might be at least two different types of group that make decisions. The first type of group is a group without any leaders. This type of organization might be sometimes certain non-profitable governance or some other organization, for instance, group of people just connected by the Internet. If such a group would make some decisions, those decisions are the final decisions. This type of organization could be less united than different types of organizations.

The second type of group is a group with leaders who make decisions through discussion with group members. For instance, the government of the USA begins to practice the new reform of employment. As the reform itself is declared by the president, it is planned by planners who support the president. In my study, the term of group or collective decision making refers to this meaning. The head of the person has an image and ideal of the new policy. He/she explains this idea to the members of the group and then, the idea would be embodied by them. The condition of the group would be designed as this: members are professionals in their fields; the size of the group is quite small, about maximum ten persons. I believe that this way of group decision making is the most effective, rational way in the organization.

When we think about an example of the above type of the group, the process of making movies would be similar to making policies in the sense of the journey. On the process of producing the movie, first of all, a director makes for the whole image and idea − they are quite ideal and abstract images. Considering about his/her mind, actors and actresses act in the screen, film takers take the story, a photographer takes pictures all the time to be checked by the director, costume designers and interior decorator design clothes and buildings to produce the real atmosphere. Of course sound makers and takers, musicians are taking charge for sound. As a final perfection, editors proofread the whole flow of the movie. The director checks the finally completed of the movie. Then, it is provided to the customers. Although film making is the dispersing roles and separate types of a group work, there can be noticed common thing in making the policy: the importance of group work.

Simon (1997: 178) mentioned that a plan of action is developed for the group, and this plan is then communicated to the member of the group. We experience group decision making at least once a life. In the school time, students prepare for school festivals and they have to choose what they perform. They may choose the topic for them, not only for one student. When people start to work in organizations, they are tied with some aim; achieving their goal. Organizational members have their opinions and get the conclusion for what is the best decision for their organization. Therefore, people who belong to society experience the group decision making and it is important for us to maintain the existence of society.

2.1.3. Definition of strategic decision making

Earlier in this chapter, the general definition of decision making was pointed out. In addition, decision making were categorized into individual and group level of decision making. Next I will concentrate on the group decision making, especially on strategic decision making.

Strategic decision making means that organizational members engage in acting what they desire systematically and carefully in order to achieve or accomplish their purpose. Next the detailed meaning of strategic decision making is presented starting with the concept of strategy. According to Pennings (1985: 1) organizations such as those involved in heath care, education, arts, government, and welfare often establish a distinct posture toward their environment, which is the decisive feature of strategy. Organizations can apply this posture for strategic decision making.

Moreover, Pennings (1985: 2) noted about the definition of strategy. Indeed, organizational strategy is an elusive concept that is surrounded by a good deal of ambiguity. Strategy has acquired numerous meanings: (1) it is a statement of intent that constrains or directs subsequent activities (*explicit strategy*), (2) it is an action of major impact that constrains or directs subsequent activities (*implicit strategy*) and (3) it is a "rationalization" or social construction that gives meaning to prior activities (*rationalized strategy*). (Pennings 1985: 2)

Explicit strategy is based on the future plan. Explicit strategies have clear objectives and to accomplish them will lead to the desirable results in the future. Pennings (1985: 2) states that explicit strategy is a proactive behavior; strategy is typically a plan, often formalized in some document that contains a mission statement and a set of objectives. Explicit strategies frequently spell out a game plan with specific allocation of resources.

On the contrary, implicit strategy mainly focused on the past. This strategy is linked to the organization's the history. In other words, it is a quite experienced measure. Pennings (1985: 3) expressed that the implicit view, which is more recent, seeks to uncover a pattern of choices, a configuration of moves, from examining an organization's history or from comparing the behavior of various organizations.

In my study, studying collective decision making in public organizations is the rationalized strategy. Rationalized strategy is the group of members pools their ideas and discusses the problems, issues or direction of policies.

> *"There is no "objective strategy" out there, but only a cognitive representation, residing in the heads of people. It is associated with phenomenological or interpretative schools of thought, which have become increasingly in vogue. A common assumption holds that organizations consist of people whose collective experience leads to convictions that represent their image of their organization and its strategy."* (Pennings 1985: 3.)

As we can notice that although concepts of an explicit and inexplicit strategy seem to be established, rationalized strategy is relatively latest in the 1980s. It is recognized as a strategy because there were some historical affairs in the world. For example, attack of Pearl Harbor in 1941, the Cuban Missile Crisis in 1962, and Vietnam War in 1960–1975 contributed to understand group decision making's positive and negative aspects.

There is also another theory about the strategy. Mintzberg, Ahlstrand, and Lampel (1998: 9) simply defined the meaning of strategy: it is part of human nature to look for a definition for every concept. Compared to Pennings (1985), their concept of strategy can be interpreted that seeking strategy seems instinctive and spontaneous for us. If Pennings's concept of strategy expresses the meaning of strategy, intention or means

can be control and choose, the presupposition of Mintzberg et al. (1998) maintains that we have the strategy, but we cannot control it.

According to Mintzberg et al. (1998) the strategy has five aspects: strategy as a plan, strategy as a pattern, strategy as a position, strategy as a perspective and strategy is as a ploy. Next these aspects are briefly described. Strategy as plan means that we look at the future and make a plan. Mintzberg et al. (1998: 9) emphasized that plan is a direction, a guide or course of action into the future, a path to get from here to there. Now, it can be realized that Pennings's explicit strategy has a quite similar meaning than the plan concept. Strategy as pattern means to look back past from the presence. Mintzberg et al. (1998: 9) argue that a pattern is looking at past behavior. Thus, we reflect what we did before and we use that experience for the future decision making. Pennings's (1985) implicit strategy has similar meaning than the strategy as a pattern.

When people judge the strategy itself, it is "strategy as a position". For example, who could have predicted Barack Obama's Nobel peace prize? You just think it is worth for him because he did the excellent speech about the abolition of using nuclear in Prague in 2008? Or, do you think there are some other intentions from the viewpoint of Europe? If you think like this, this is "strategy as perspective". It means that we read the backside meaning of that strategy. Finally, strategy is a ploy, that is, a specific "maneuver" which intends to outwit an opponent or a competitor (Mintzberg et al. 1998: 14). This means that all human people have the nature of competitive mind in order to survive. It might be interesting to study in the future the relationship between a ploy and human defense reactions.

Through getting a glimpse of meaning of strategy by Mintzberg et al. (1998), it can be realized that Pennings's (1985) first two definitions still exist 13 years later. What is the Pennings's (1985) third definition of rationalized strategy? According to Pennings (1985) the group of head staffs in organizations are discussing and giving ideas to reach the final decision. Still recently, other researchers like Arendt, Priem, and Ndofor (2005) and Carpenter, Geletkanycz, and Sanders (2004), have studied the concept of rationalized strategy.

According to Arendt et al. (2005), strategic decision making can be divided into three models: (1) the CEO model, (2) the Top Management Team (TMT) model and (3) the CEO-Adviser model. Although research by Arendt et al. (2005) is based on the organization, especially companies, it can be transposed for public organizations. The TMT model will be discussed more deeply and in detail in chapter three.

Arendt et al. (2005: 682) state that the CEO is the strategic decision maker in the CEO model: the CEO gathers and processes information, develops a strategy, and then directs implementation throughout the firm. The CEO model is about the autocracy of CEO, the top of the company or organization. Not only the final decision maker but also the process and understanding of decision making are depending on the top. The main jobs of managers are to provide information with the CEO effectively.

The TMT model is means that the gathering of information, decision making and implementing of the decisions are practiced together with the top managers and the CEO. Arendt et al. (2005: 684) pointed out that when viewed as a collective decision making body, TMT members bring key information to the group, develop and evaluate alternatives together, resolve disagreements to reach consensus, and jointly participate in implementing the strategy. Moreover, according to Arendt et al. (2005) to be a "team", a group is expected to have a relatively stable composition of individuals whose skills and abilities are linked to the team's purposes and performance challenges.

Carpenter et al. (2004: 753) state that the top team construct and team membership are often identified using the measurement heuristic of senior hierarchical level, as indicated by title or position, since individuals at higher levels are expected to have greater influence on decisions that are strategic nature. Therefore, managers prepare information individually in advance, so as to meet with CEO and discuss about the issues. The TMT model is popular and the mainstream of strategic decision making because of the pursuing the efficiency.

The CEO-Adviser model is located between the CEO model and the TMT model.

> *"... the model's characteristics include the CEO as the principal decision maker, both internal and external advisers, CEO selection of advisers, and dyadic communication between the CEO and advisers. ... The CEO-Adviser model also involves a complex social information search to identify strategic advisers and considerable CEO-Adviser trust and collaboration. Thus, the CEO-Adviser model is an intermediate model of strategic decision making."* (Arendt et al. 2005: 685.)

The three strategic decision making models proposed by Arendt et al. (2005) are presented in figure 3.
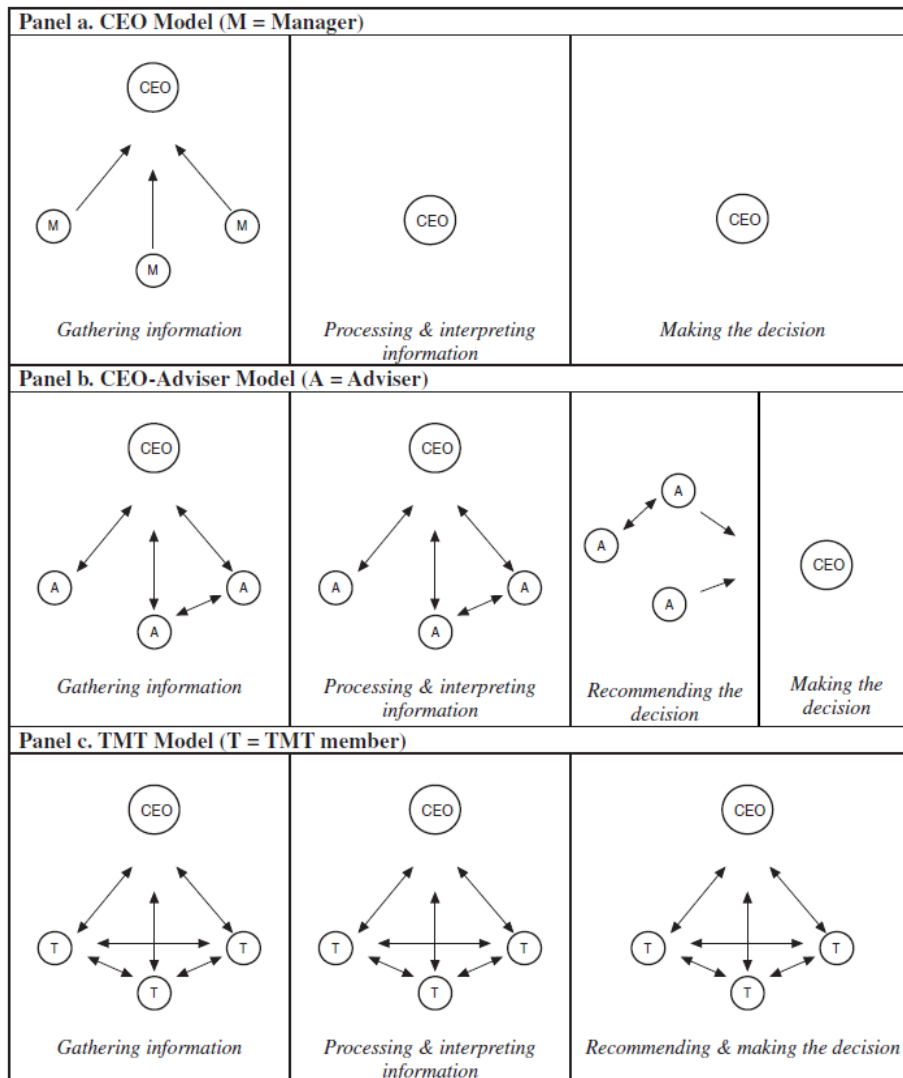

Figure 3. Models of involvement in the strategic decision making process (Arendt et al. 2005: 683)

2.1.4. Group decision making

Earlier I introduced Pennings's (1985) three definitions of strategic decision making: explicit strategy, implicit strategy, and rationalized strategy. Moreover, I pointed out the similarities between Pennings's (1985) and Mintzberg et al.'s (1998) views of strategy. After that, I showed the view of rationalized strategy by Arendt et al. (2005). As a result of these comparisons it can be concluded that the rationalized strategy is one part of strategic decision making. Rationalized strategy means that the team is engaged in making decision to attain their aim. As I defined the organizational level of decision making earlier in this study, here, it will be said that the group decision making is probably the nearest definition of strategic decision making, particularly, the rationalized strategy. Therefore, I call rationalized strategy as group decision making in this study.

I presented earlier the three models of strategic decision making by Arendt et al. (2005). Next the CEO model, the TMT model and the CEO-Adviser model are further discussed from the group decision making point of view.

The TMT model has been further advanced. For instance, Carpenter et al. (2004: 749) in their theoretical research review about the TMT model pointed out the importance to analyze the individual and group cognitions and behavior. According to Carpenter et al. (2004: 749) the heads of organizations are composed of board and they have important roles for making strategic decisions. Carpenter et al. (2004: 749) call the heads of the organizations is "upper echelons". The TMT model can be said to be one of the most efficient way to maintain organizations.

In that connection, Carpenter et al. (2004) compared 30 different types of studies on upper echelons from 1996 to 2003 and analyzed them from the viewpoint of TMT through their theoretical framework. Moreover, Brockmann and Anthony (2002) focused on the literature about TMT studies. They realized that using tacit knowledge in the strategy planning stage provides better effect and results with organizations. As pointed out by Brockmann and Anthony (2002):

"Strategic planning requires learning a new environment, forecasting competitor actions, and making educated guesses. Our intent is to show how tacit knowledge can be beneficial in helping make sense of the complex and fill in the missing gaps." (Brockmann & Anthony 2002: 441.)

Carpenter et al.'s (2004) study focused on the theoretical framework whereas Brockmann and Anthony's (2002) study focused on the literature. Mueller, Mone, and Barker III's (2007) study was an empirical research on the TMT. Mueller et al. (2007) found that in both high and low dynamism environments, the instrumental use of information in decision processes were positively linked with organizational performance (2007: 853). Mueller et al.'s (2007) study was based on the data of top management teams in 42 organizations. The TMT model is the key way of group decision making in my study. It will be studied more deeply in chapter three.

However, Arendt et al. (2005) suggest that CEO-Adviser model is the most relevant model of group decision making. This model is sometimes called in psychology or communication fields as the Judge-Advisor model. Compared to the TMT model, this model has not yet been studied so much.

To conclude, group decision making is one part of the strategic decision making, especially rationalized strategy. Also, there are three different models of group decision making: the CEO model, the TMT model and the CEO-Adviser model. Naturally, when group decision making are ramified into these categories, two questions arises. The first question is: which model is the most suitable and applicable for the organizations? Although this question will be inspected in chapter three, the TMT model might be the nearest for it. The second question is: if the TMT model is one of the ideal ways of group decision making, which type of the group decision making is better, cooperative or collective?

Oxford English Dictionary (1989) defines the word cooperative as "having the quality or function of co-operating; working together or with others to the same end; of or pertaining to co-operation" and the word collective as "1. formed by collection of individual persons or things; constituting a collection; gathered into one; taken as a whole; aggregate, collected. 2. of, pertaining to, or derived from, a number of

individuals taken or acting together (Oxford English Dictionary 1989). By the conceptions of these definitions and Arendt et al.'s (2005: 684) description, the CEO-Adviser model is cooperative work with CEO and advisers so that the word "cooperative" is appropriate for the CEO-Adviser model. On the other hand, the word "collective" is the appropriate for the TMT model. Therefore, group decision making can be paraphrased as the collective decision making in my study.

2.2. What are the criticized problems of group decision making?

It was earlier discussed what the group decision making is. It was also suggested that the group decision making, especially the TMT model is one of the most effective way of decision making style in organizations. However, although it is the effective decision making style; are there any defects or shortcomings? Moorhead, Neck & West (1998: 332) point out that despite the popularity of teams, the use of teams has potential drawbacks. Actually, there are lots of apprehensions and criticized views about the group decision making. This subchapter focuses on the criticism of group decision making. Next the judgments based on the Pennings's (1985) criticism are presented. After that, specific criticism theories are discussed with their empirical cases.

According to Pennings (1985: 25–35), there are five problems that strategic decision making should take into account: (1) the nature of strategic decision making, (2) the identification of the proper unit of analysis, (3) the multidisciplinary character of pertinent research, (4) the distinction between positive and normative sciences, and (5) the choice of research strategies.

Firstly, the nature of strategic decision making is understood as series of behavior. It cannot be seen just as one part of the moment or position. It should be seen as the whole flow of decision making. Pennings (1985) states that:

> *"Any theoretical development must recognize that strategic decisions are unstructured, complex, collective, and consequential. We should also recognize that strategic decision making can be conceived of as a process, a structure, and an outcome."* (Pennings 1985: 26.)

Secondly, Pennings (1985) pointed out the proper unit of analysis. When the strategic decision making is studied, it is necessary to choose a suitable topic, level and size. For example, my study focuses more on group level of decision making and on the processes of decision making than the structure of decision making. Moreover, the focus in not only on the unit of strategic decision making but also on the context of decision making. Pennings (1985: 27) noted that most of the prevailing models in the relevant literature focus on organizational or sub organizational levels of analysis and either ignore or "bracket" the organization's context.

Thirdly, Pennings (1985) points out the problem of the multi-disciplinary character of pertinent research. Pennings (1985) suggests that the issue of strategic decision making is so broad that it is difficult to be compacted to say one certain unit as well as some other subjects. This subject is related for instance to psychology, sociology, economy, political science and so on. Thus, it can be said that the field of strategic decision making is inherently interdisciplinary (Pennings 1985: 28).

Fourthly, Pennings (1985) criticizes the quality of decisions. He warns that the theory might not be possible to practice. To borrow his words, the problem is the interface between the world of research and praxis of strategic decision making (Pennings 1985: 30). Although we have a perfect plan and think that it must be succeeded, we never know what happens before implementing. Taking this into consideration, it is important to analyze the empirical cases in a practical field.

Finally, the fifth problem pertains to research strategies. Generally, strategic decision making tends to be got the spotlight of outcome. Thus, people dismiss from their thinking about the why and how this strategy was practiced. It might be said that the focusing on outcomes is one of the human's habit. For instance, schools have tests to find out to what extend students understand the subjects. Students or parents just see the grades and judge how own study is going on. In such situations the process of study should also be taken into consideration. Pennings (1985: 32) says that the notion of process is the emphasis on the time ordering of the antecedents of the decision outcomes.

The following subchapters (from 2.2.1 to 2.2.3) present the concrete criticism of the group decision making theory. The criticism is categorized as groupthink, group cohesion, hidden profiles, risky shift, and intragroup conflict.

2.2.1. Groupthink

The groupthink theory was pioneered by Janis in 1972. He concluded that moderately or highly solid groups tend to fall into a concurrence-seeking tendency. Vecchio (2006: 190) noted that Janis had identified a fascinating phenomenon that can lead groups to commit serious errors in decision making. Janis (1985: 169) said when this tendency is dominant, the members use their collective cognitive resources to develop rationalizations in line with shared illusions about the invulnerability of their organization or nation and display other symptoms of concurrence seeking (referred to as "the groupthink syndrome").

Looking back to five historical affairs, Janis (1985) conceptualized this group psychological theory: (1) Neville Chamberlain's inner circle, whose members supported the policy of appeasement of Hitler during 1937–1938, in spite of the repeated warning and events indicating that it would have adverse consequences; (2) Admiral Kimmel's in-group of naval commanders, whose members failed to respond to the warnings in the fall of 1941 that Pearl Harbor was in danger of being attacked by Japanese planes; (3) President Truman's advisory group, whose members supported the decision to escalate the Korean War in 1949 despite firm warnings by the Chinese Communist government that the United States entry into North Korea would be met with armed resistance from the Chinese; (4) President John F. Kennedy's advisory group, whose members supported the decision to launch the Bay of Pigs invasion of Cuba in May 1961 in spite of the availability of information indicating that it would be an unsuccessful venture and would damage the United States' relations with other countries; and (5) President Lyndon B. Johnson's "Tuesday luncheon group", whose members supported the decision to escalate the war in Vietnam during the mid-1960s though intelligence reports and other information indicated that this course of action would not defeat the

Vietcong or the North Vietnamese and would entail unfavorable political consequences within the United States (Janis 1985: 169–170).

Next the symptoms of the groupthink are discussed. There are eight symptoms (Janis 1985: 170–171):

"1. All illusion of invulnerability. Group members may develop a sense of powerfulness that leads them to ignore obvious danger signals. They may take extreme risks as a result of being overly optimistic.

2. Rationalization. The members may discredit or ignore evidence that contradicts the group's consensus. Sources of disagreeable information may be attacked, or elaborate rationalization may be offered to explain away the information.

3. An assumption of morality. Group members may view themselves as highly ethical and above reproach. The views of outsiders are then defined as intrinsically immoral or evil. Adopting a stance of self-righteousness makes it easier for the group to follow a course of action that is morally questionable because the members view themselves as pursuing a higher morality.

4. Negative stereotyping. Groups that suffer from groupthink may come to view opponents and people outside the group in simple negative stereotypic terms. By casting outsiders in negative terms, the group makes them easier to ignore because their opposition is to be expected.

5. Pressure to conform. The expression of dissent is suppressed by the group's members. Persons who voice objections or express doubts may be ostracized or expelled.

6. Self-censorship. Each member of the group may carefully monitor his or her own thoughts and suppress personal objectives, in essence withholding dissent.

7. An illusion of unanimity. As a result of self-censorship, no reservations are expressed. The consequence of this lack of dissent is the apparent unanimous endorsement of proposals.

8. Mindguards. Certain individuals in the group may take it upon themselves to serve as mindguards, protecting a manager's thoughts in the same way a bodyguard protects a leader's personal safety. These mindguards will act against sources of information or dissenters by deflecting them or their objections."
(Janis 1985: 170–171.)

2.2.2. Is groupthink theory valid now?

The answer is yes. Groupthink is one of the most influential theories in the criticism of group decision making. The groupthink theory has had an influence to various fields of research. Although Janis (1985) has build up this concept making use of historical cases, in these days, it is applied for the empirical cases to demonstrate the effect of groupthink. Auer-Rizzi and Berry (2000: 264–288) who wrote the article "Business vs. Cultural Frames of Reference in Group Decision Making: Interactions Among Austrian, Finnish, and Swedish Business Students", worked on inspecting Janis's groupthink of in the context of multicultural groups. Moreover, Scharff (2005) analyzed the empirical case, the accounting fraud of bankrupted American company, based on the Janis's concept of groupthink. Janis (1985: 172) also tells about the processes of breaking out groupthink from theoretical viewpoint (Figure 4).

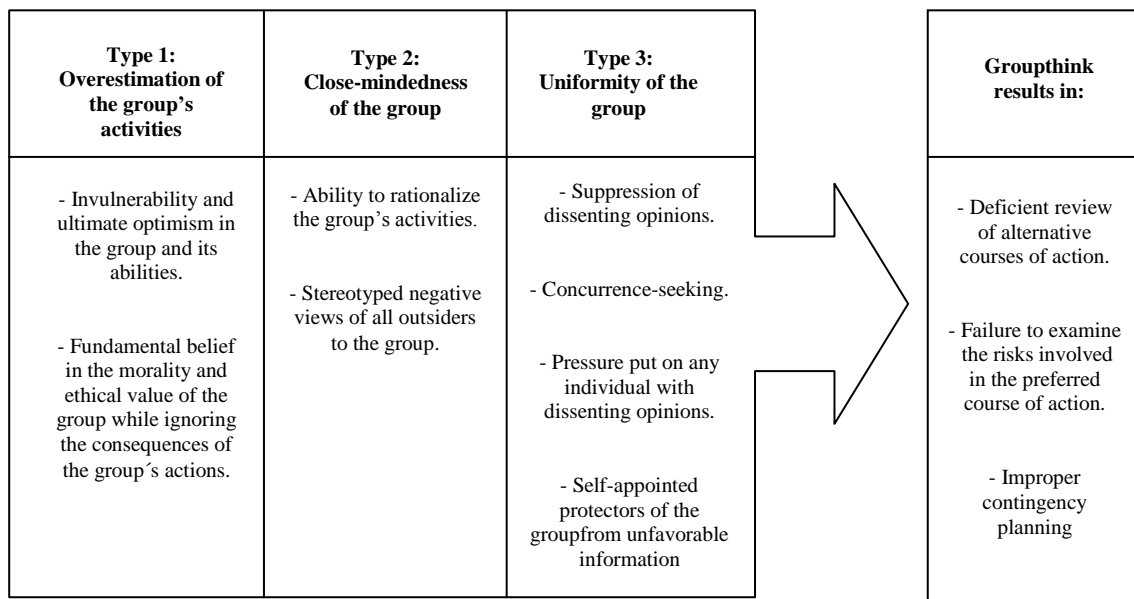| Type 1: Overestimation of the group's activities	Type 2: Close-mindedness of the group	Type 3: Uniformity of the group	Groupthink results in:
- Invulnerability and ultimate optimism in the group and its abilities. - Fundamental belief in the morality and ethical value of the group while ignoring the consequences of the group´s actions.	- Ability to rationalize the group's activities. - Stereotyped negative views of all outsiders to the group.	- Suppression of dissenting opinions. - Concurrence-seeking. - Pressure put on any individual with dissenting opinions. - Self-appointed protectors of the groupfrom unfavorable information	- Deficient review of alternative courses of action. - Failure to examine the risks involved in the preferred course of action. - Improper contingency planning

Figure 4. Processes of groupthink (Scharff 2005; Hellriegel, Slocum & Woodman 2001; Janis 1982).

Next four different studies on groupthink are presented reviewed in order to show that the groupthink theory is still valid now. The first study is by Whyte (1998) who suggested "the recast of groupthink processes". When comparing the groupthink model with recasting model, it is easy to find differences; the difference is the process of

breaking out of groupthink. First of all, he eliminated group cohesiveness because it is not enough reason to occur groupthink syndrome according to critics of groupthink (e.g. Longley & Pruitt 1980; Steiner 1982). He replaced the group cohesiveness with the high collective efficacy. In addition, he removed the provocative situational context from the original figure because if this model is seeking for the high collective efficacy, it is unnecessary.

From the critic theories of groupthink, Whyte (1998: 190) concluded that situational stress elements are not sufficient or even necessary causes of groupthink. Moreover, the conception of the high collective efficacy covers the deletion of provocative situational context, including psychological stress, since the high collective efficacy means also including wariness and critical thinking mind may be reduced by groupthink. Thus, Whyte maintains that provocative situational context is not needed. Whyte (1998) told about provocative situational context that:

> *"This category is unnecessary in a groupthink model based on high collective efficacy because people's beliefs in their capabilities determine not only their level of motivation, but also how much stress they experience in threatening situations."* (Whyte 1998: 191.)

Next is my own example of negative decision framing. Negative decision framing is one kind of viewpoint. For example, a city starts a new environmental policy to reduce the water consumption from each household. The aim is to prevent chemical pollution of the sea and get the new ecological budgets from the local government. Then, city officers made one project for this policy. The project (group) started discussing the new policy for saving water. They have researched the situation of water consumption in this city. After that, they have noticed that starting to check not the water charge but discharge can be reduced pouring drainage. Therefore, in their policy, the water fee is how much they flush away. After the result, the first year, there is 500,000 euro expenditure for practicing the policy on the whole city. Then, there is 100,000 euro profit from the local government. There are two options to interpret this result. The first option is that the project members judge this case failure because there is the face that 400,000 euro would be lost. The second option is that the use of water has actually reduced and as they got 100,000 euro from the local government they keep going to

enforce this project. If the group just sees only the negative point and still continues to get the concurrence conclusion, this is the one process to fall into groupthink. Whyte called this attitude as negative decision framing.

In 1989, Whyte stated that both concurrence seeking tendency effect and the group polarization into the process of groupthink. Whyte (1989) used these ideas to suggest that the excessive risk seeking observed in decisions resulting in fiascoes could be better explained by the prospect theory combined with the notion of group polarization than by groupthink (Whyte 1998: 193). Whyte conceptualized these ideas in the groupthink recast theory (Figure 5).
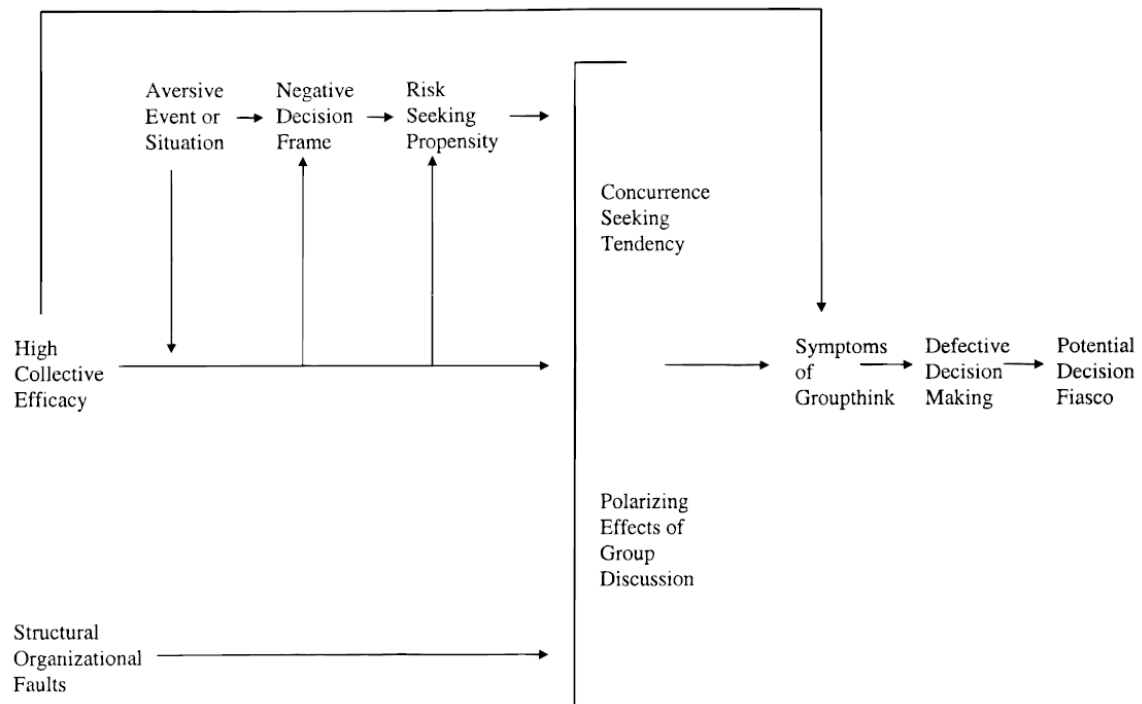
Figure 5. Recast of groupthink processes (Whyte 1998: 191).

The second study on groupthink presented here is by Flippen (1999). Flippen's (1999) study focuses on the elucidation of proceeding why groupthink happens. Janis had pointed out that groups are seeking for consensus to fulfill the goal. However, Flippen (1999) suggested focusing on the group members' individual psychological level rather than on group level. He noted that the reason of occurring groupthink is needed to

examine the self-regulatory model of motivation. Self-regulatory models examine behavior in terms of the goals the behavior is trying to achieve and in terms of the feedback the individual received about the progress toward that goal (Flippen 1999: 142). Moreover, self-regulatory models have most often been used to understand behavior in an individual context, but they have also proved useful for understanding the behavior of individuals in groups (Abrams & Brown 1989; Diener 1980; Mullen 1983; Prentice-Dunn & Rogers 1989; Flippen 1999).

The third study on groupthink presented here is by Moorhead, Neck, and West (1998) who studied the relationship between self-managing teams (SMT) and groupthink. The presupposition of self-managing teams means a group which is composed of four to twelve persons, and the responsibility of tasks is shared among the group members equally. According to Moorhead et al. (1998), in this condition, possibility of occurring groupthink is high. Moreover, they suggested that there are five characteristics or conditions of SMT and under such circumstance SMT tends to fall into groupthink. The five conditions are: (1) task assignment, (2) decision making autonomy, (3) skill requirements, (4) compensation and performance feedback and (5) supervision of the team. Next the aforementioned five conditions are presented one by one and the relationships between these characteristics and groupthink are pointed out.

The first condition, the task assignment, should be clear to recognize. It means that the group members can easily identify what their tasks and outcomes of judgment are. In this situation, Moorhead et al. (1998) warned about group cohesion and insulation of group from experts. In the SMT environment, team members work exclusively with their current team members to complete the team's duties. This level of interaction is likely to result in a team that is highly cohesive (Moorhead et al. 1998: 333). Also, the assignment of a whole task creates a self-contained environment surrounding the SMT and this self-containment can lead to group insulation and the consultation of fewer outside sources (Moorhead et al. 1998: 334).

The second condition is the decision making autonomy. Moorhead et al. (1998) mentioned that team members have more decision making responsibility and have

discretion over decisions traditionally made by management (Moorhead et al. 1998: 330). Thus, although each member of the group has own autonomy and responsibility, it is presumed that they are controlled by management. In this high autonomy situation, often SMTs engage in significant decisions. In addition to this high pressure situation, members are often busy so they also have pressures due to constraints of time. Under these, Moorhead et al. (1998) admonish the danger of groupthink.

The third condition concerns skill requirements. Moorhead et al. (1998: 331) suggested that team members perform many job activities and members must possess a variety of skills necessary to complete a product or perform a service. Therefore, the members are required a lot and they should be proficient and active. These requirements of skill lead to homogeneity of group members, high stress from external threats and temporary loss of self-esteem due to recent failures. Moorhead et al. (1998: 336) said that as team members learn all of the task duties required in completing the team's work, the team's homogeneity increases regarding task ability. When this situation comes, there are high risks of groupthink. Besides, in this condition, they mentioned that high stress from external threats which is found in the figure 6 occurs. Continually, temporary loss of self-esteem due to recent failures is appearing. Management may view a team's mistake as a learning opportunity, but team members may be motivated to avoid future mistakes (Moorhead et al. 1998: 337). Naturally, they drop into groupthink.

The fourth condition is compensation and performance feedback. The compensation is based on two criteria; individual skill-based pay and group-based gain-sharing plans. The former is that standards are based on what the individual can do and he/she can get payments the certain amount. The latter is that how much the group administer to the organization they are working in. Moorhead et al. (1998: 331) described that organizations may use gain-sharing plans to reward SMTs that contribute to the organization's productivity and profitability. However, this individual and the group components sometimes lead to groupthink. As a skill-based pay structure depends on how extent the person can do the work, there are sometimes coming up the gap between an individual and an evaluator. If his/her evaluation is low and he/she gets lower payment what he/she thought, this situation connects with low self-esteem for him/her.

Besides, at the group level, it is supposed that compensation improves if the group could get success result. In this situation, Moorhead et al. (1998: 338) warned that team members are likely to view each other as instrumental in achieving gain-sharing payments, thus enhancing team task-based cohesion.

The fifth condition is that the SMTs should have supervision of the team. It has already been discussed in second condition but group members have their own autonomy so they are not controlled by a manager but themselves to handle the situation. Therefore, supervision of the team should be including self-assessment system; self-evaluation, self goal-setting and so on. Yet, this self-regulating system has also risk of groupthink. In many cases of the SMT situation, there are internal team leaders who take care of team members in the SMT. In addition, there are external team leaders and they supervise check the outcomes of SMTs. Under these circumstances, Moorhead et al. (1998: 336) told that this form of leadership has the potential to result in the groupthink antecedent condition, which is lack of impartial leadership in decision making.

To sum up, the aforementioned five conditions of SMT are the reasons groups fall into groupthink.

The fourth study on groupthink presented here is by Esser (1998). Esser (1998) studied and digested groupthink on the bases of both case analyses and laboratory tests. Esser (1998) analyzed 17 different case studies (including two Janis's studies) about groupthink. These case studies focused mainly on five occurrences' issues: North Korea (1948), the Marshall Plan (1948–52), Bay of Pigs (1961), Watergate (1972), and Challenger (1986). Especially, Watergate's six groupthink symptoms were studied by Raven (1974) and seven symptoms by Janis (1982) himself (Esser 1998: 118, 119).

Besides, Tetlock, Peterson, McGuire, Chang, and Feld (1992) examined 10 cases relating to groupthink. They suggested that Watergate is the best example of groupthink (Esser 1998: 121; Tetlock et al. 1992). Esser (1998: 123) referred that these results (the research of Tetlock et al.) confirmed the importance of structural and procedural faults of the organization as antecedents of groupthink, but revealed no support for two other

antecedents in the groupthink model: group cohesiveness and a provocative situational context.

Above two paragraphs introduced the case studies on groupthink. Next some laboratory tests of groupthink are introduced. Esser (1998) carried out 11 cases of laboratory tests and experiments substantiated by the theory of Janis. Frequently, laboratory tests focus on what case analyses cannot be taken up. For instance, the topic of cohesiveness is often picked up as a laboratory tests' issue. Researchers like Esser (1998: 128–130), Flowers (1997), Courtright (1978), Fodor and Smith (1982), Callaway and Esser (1984), Leana (1985) and Turner, Pratkanis, Probasco, and Leve (1992) have mainly studied cohesiveness.

Particularly, Turner et al. (1992) concluded that cohesive groups were more confident in their decisions and perceived their decisions to be less risky than noncohesive groups did (Turner et al. 1992; Esser 1998: 130). There are also other subjects which are related to groupthink theory: for instance, group insulation, lack of impartial leadership and lack of methodical decision making procedures. According to Esser (1998: 129, 131), Moorhead and Montanari (1986) have analyzed group insulation. Moorhead and Montanari's analysis suggested that, consistent with groupthink theory, insulated groups consider fewer alternatives and make poorer decisions that groups which are not insulated (Esser 1998: 131). This topic, group insulation, has been studied in only laboratory study, not in case analyses.

Many researchers have studied the lack of impartial leadership. According to Esser (1998), at least Fodor and Smith (1982), Leana (1985), Flowers (1977) and Richardson (1994), Moorhead and Montanari (1986) were involved in the study of impartial leadership. Laboratory studies have yielded relatively consistent support for groupthink predictions concerning the relationship between leadership practices and groupthink (Esser 1998: 132). According to Esser (1998), there are four laboratory investigations about the lack of methodical decision making procedures: Callaway, Marriott, and Esser (1985), Callaway and Esser (1984), Courtright (1978) and Kameda and Sugimori (1993). Their studies examined the effect of decision making procedures on groupthink. The

first research did not find effects of decision making procedures. Yet, other three studies could demonstrate groupthink prediction in some extent.

2.2.3. Criticism of group decision making

In chapters 2.2.1 and 2.2.2, the main theory of groupthink and four different studies on groupthink were reviewed. Yet, are there any other theories about criticism of group decision making? Here, next four different criticisms related to groupthink are shortly introduced one by one. They are: a) group cohesion, b) hidden profiles, c) risky shift, and d) intragroup conflict. The digest and categorization of the criticism is presented in figure 6.
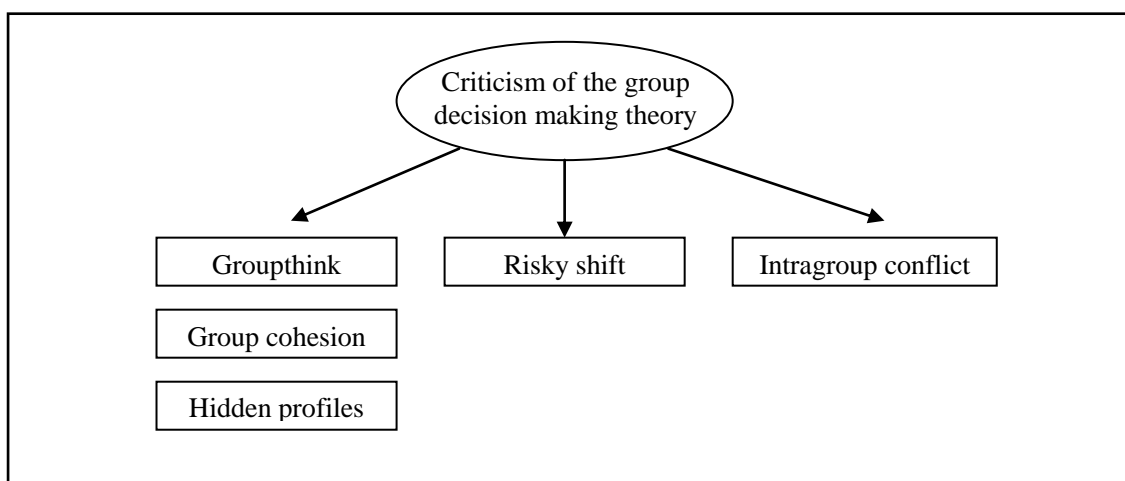

Figure 6. Criticism of the group decision making theory.

a) Group cohesion

Group cohesion itself is an element that leads to groupthink. It is a dynamic process that is reflected in the tendency for a group to stick together and remain united in its pursuit of instrumental objectives and/or for the satisfaction of members' affective needs (Ravio, Eskola, Kozub, Duda & Lintunen 2009: 422; Carron, Brawley & Widmeyer 1998: 213). Basically, cohesion means the act or state of sticking together (Oxford Advanced Learner's Dictionary 2000) so when this concept is applied for the group

decision making, there are positive and negative potentialities to work for the group efficiency. Here, in my study the focus is on negative effect. According to Paskevich, Estabrooks, Brawley, and Carron (2001), cohesion may be associated with pressure to conform, groupthink, and deindividualition (Ravio et al. 2009: 423).

b) Hidden profiles

Hidden profile means the concept that when one individual provides the information associated with a decision making hint in a team, the idea is as if it were the ideal answer for the decision even though it is only one of the choices to be decided in the final decision. For example, if the team of city officers has to decide where the suitable place for the new incinerator is, one of them says the one particular place. Although there are many other options to choose, they think that this place is the most suitable. According to Henningsen, Henningsen, Eden, and Cruz (2006: 43), in many ways, the hidden profile is reminiscent of compliance pressure in groupthink. Thus, it can be thought that this symptom is also caused by seeking concurrence. By using empirical research, Henningsen et al. (2006) demonstrated that the hidden profile is possible to be caused in teams under the condition that teams could not get all of the available information concerning the decision alternatives.

c) Risky shift

According to Vecchio (2006: 193), James Stoner found that individuals tended to take a less risky route, while groups favored riskier actions. If individuals belong to the group, they prefer to choose the risky propositions. This tendency is what is called as risky shift. In order to prove it, many studies have been carried out. Thanks to these studies, there are several explanations: diffusion of responsibility, cautious shift and group polarization. Diffusion of responsibility is easy to imagine: individuals gather and they start lacking consciousness about responsibility. This concept is often experienced in our daily life. When we sometimes happen to see the person who is falling down in the platform, people notice that person but do not do anything. People think like that at heart: somebody will help so I can pass this situation. Similarly, group decision making

may sometimes reflect this sense of personal anonymity in endorsing a course of action (Vecchio 2006: 193).

On the contrary, cautious shift was found in other studies. It is the tendency of groups to move in a more conservative direction than individuals would (Vecchio 2006: 193). Finally, group polarization is the inclination to head off the extreme conclusion and the group member does not notice that. Also, Rovio et al. (2009) and Deaux, Dane, and Wrightsman (1993) pointed out it as a shift towards the opinion of the majority in the group's decision making. Therefore, the group members rush into the one certain conclusion unconsciously. Rovio et al. (2009) have studied that this tendency in a junior ice-hockey team that included three adult coaches and 22 players aged 15 to 16 years old.

> *"During the autumn, this was shown in the conformist comments made by the players when assessing the team's performance… Finally, in the meeting held after their defeat, the players realized the true level of their training and playing. A significant of its performance had become too positive during the autumn."*
> (Rovio et al. 2009: 430.)

According to this record of their research, the team was faced with self-complacency and they did not realize it. This is one of the typical examples of group polarization.

d) Intragroup conflict

In simple words, intragroup conflict means the conflict between most notably task and relationship. This subject has been much studied. The recent studies of conflict in organizations have placed an increased emphasis on intragroup conflict (Korsgaard, Soyoung Jeong, Mahony & Pitariu 2008: 1227). Devine (1999: 612) stressed that researchers focus on the cognitive conflict in order to compensate one of the defects of group decision making. According to De Dreu and Weingart (2003: 741), conflict interferes with team performance and reduces satisfaction because it produces tension, antagonism, and distracts team members from performing their task. It seems that conflict in teams has generally negative effect on the group decision making.

There are many studies on intragroup conflict. These studies can be divided into two types: studies that seek to find out the differences between "interpersonal conflict" and "group's task" and studies that seek to find out how and to what extent to influence relationship conflict and task conflict. Jehn (1997) stated that interpersonal conflict is an affective conflict, and that group's task conflict is a substantive conflict. Relationship conflict means the emotional friction between persons in a same team. Also, task conflict includes the negative influences for the quality or quantity of their works. Some studies have shown that both of relationship conflict and task conflict negatively affect to group decision making, whereas other studies have shown that only relationship conflict has negative influence for the team decision making. There are many interesting controversial studies in the field of intragroup conflict. Next studies about this issue are introduced.

According to De Dreu and Weingart (2003: 742), in these days, management and organizational behavior textbooks have adopted the view that the task conflict is one aspect of functional feature in group decision making. On the contrary, relationship conflict is dysfunctional so it interrupts the proper way to decision making. The notion that task conflict may be productive and that relationship conflict is dysfunctional is strongly reflected in management teaching (De Dreu & Weingart 2003: 742). Besides, some empirical research has showed that task conflict is working positively when the groups are working on no routine tasks.

Next four different studies about intragroup conflict are introduced. The first of such studies are the works by Jehn (1997, 2001) who is the pioneer of the intragroup conflict research. Jehn's (1997) study is based on the empirical data; six different organizations were interviewed and examined about the everyday conflict in international division of the firm, domestic divisions and government divisions. She found that groups with norms that accept task but not relationship conflict are most effective (Jehn 1997: 530). This means that task conflict does not work for negative but, relationship conflict is inefficient for group decision making. Jehn (1997) also suggested that task conflict can help for organizational decision making so as to get different and creative types of opinions. Therefore, task conflict plays a positive role in group decision making. This

research reveals that organizational members have relationship, process, and task-related conflicts that can be highly emotional, can have little potential for quick resolution, and can be very important to the group's members (Jehn 1997: 554).

The second study on intragroup conflict introduced here is a joint work by Jehn & Mannix (2001). They studied further the topic of Jehn's (1997) study (which focused on the positive or negative conflict in different types of organizations). Yet, the work of Jehn and Mannix (2001) clearly concentrated on analyzing how conflict affects group without an international aspect. Jehn and Mannix (2001: 238) found that higher group performance was associated with a particular pattern of conflict. Teams performing well were characterized by low but increasing levels of process conflict, low levels of relationship conflict, with a rise near project deadlines, and moderate levels of task conflict at the midpoint of group interaction. They got this result from a class consisting of 51 three-person functioning groups during the comparable organizational task of the semester. It was held by three different schools and part time MBA students. They analyzed four different aspects: process, relationship, task and antecedents of conflict.

They stressed that high task conflict is needed the midpoint process of decision making. This midpoint activity allows groups to adopt new perspectives, leveraging the synergy provided by moderately high levels of task conflict (Jehn & Mannix 2001: 247). Yet, they also warned that task conflict should be lower level after the midpoint process. Also, it is stressed that generally, all types of conflict were lower in high-performing groups than in low-performing groups, with the exception of task conflict during the middle time periods (Jehn & Mannix 2001: 247).

Korsgaard et al. (2008) study focused on the within-level relationships of Jehn's (1997) work. Korsgaard et al. (2008) did not use empirical cases. They carried out theoretical analysis of how to study the intragroup conflict. They suggested that the research measurement should be not only focused on conflict at the interpersonal or dynamic level, but also on integrating conflict at individual, dyadic and intragroup levels of analysis. It is stressed that understanding intragroup conflict requires and awareness of processes occurring at lower levels of analysis (dyadic and individual) and how

processes at these three levels interact (Korsgaard et al. 2008: 1225). In order to achieve this, Korsgaard et al. (2008: 1227) demonstrated what the model of conflict has been studied during the last 15 years (Figure 7). Then, they suggested that the multilevel method of studying the intragroup conflict (Figure 8). (Korsgaard et al. 2008: 1230).
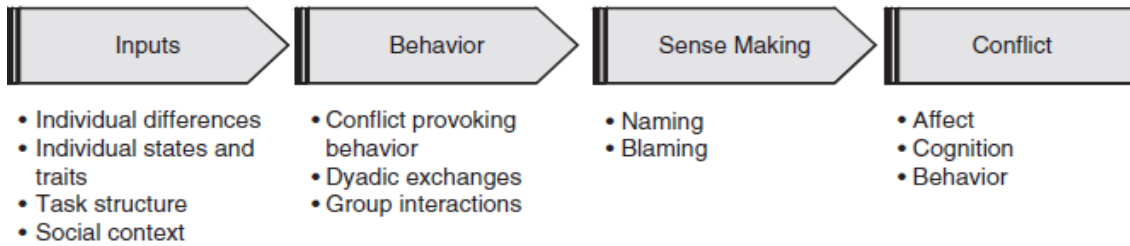

Figure 7. Korsgaard et al.'s (2008: 1227) conflict episode.
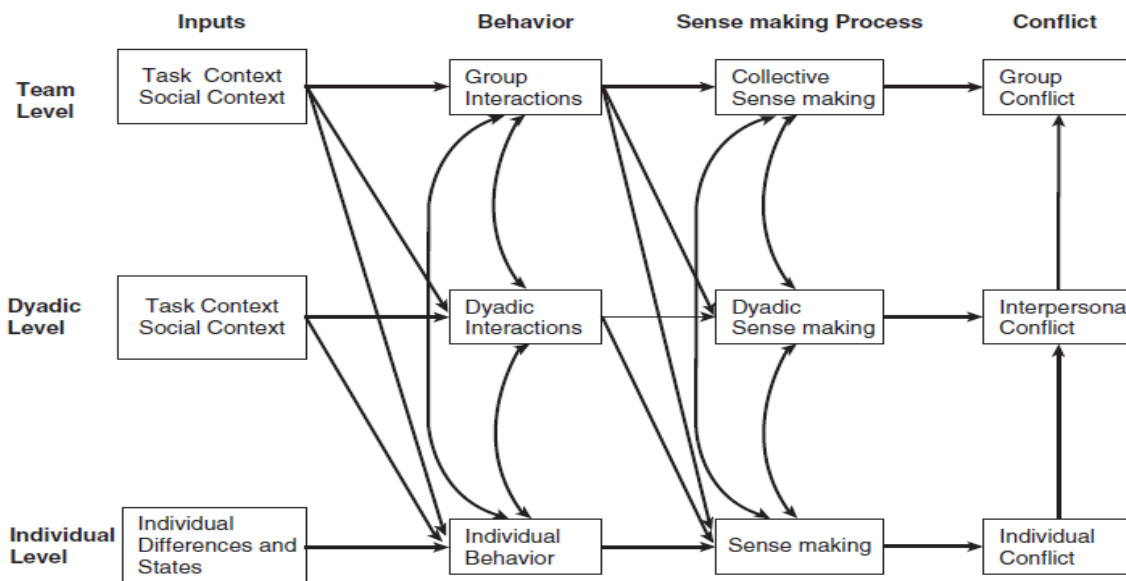
Figure 8. Multilevel model of intragroup conflict (Korsgaard et al. 2008: 1227).

The fourth study on intragroup conflict introduced here is the research by De Dreu and Weingart (2003). It is based on literature search by using meta-analysis method and studied about the connection between relationship conflict, task conflict, team performance, and team member satisfaction. The interesting thing is that the meta-analysis result of De Dreu and Weingart (2003) shows that both task and relationship

conflicts have equally negative effect on team performance. As it was mentioned in the beginning of c) intragroup conflict, task conflict is not so harmful, a functional aspect. Moreover, works of Jehn (1997) and Jehn and Mannix (2001) supported the idea that task conflict has a positive effect on team performance if it is occurred until the midpoint of decision making. However, according to De Dreu and Weingart (2003: 748), no differences between the two types of conflict were detected, and both have a moderate and negative correlation with team performance.

2.2.4. Summary

The discussion in chapter 2.2. has concentrated on the criticism of group decision making. First of all, five problems of Pennings (1985) were introduced: the nature of strategic decision making, the identification of the proper unit of analysis, the multidisciplinary character of pertinent research, the distinction between positive and normative sciences and the choice of research strategies. After these critical indications, the five criticisms of group decision making were studied. They are groupthink, group cohesion, hidden profiles, risky shift, and intragroup conflict.

Through looking back these researches, it becomes clear the shortcomings of group decision making in organizations. For instance, groupthink revealed that there are eight negative symptoms so as to get unanimity in the group. It is still worth to study the criticism of team decision making because there are possibilities to find new negative aspects of group decision making in the future research. When they are distinguished from each other, they can be divided into three main categories (Figure 6). One is groupthink and the others are risky shift and intragroup conflict. Inspired by Janis's idea, the concepts of group cohesion and hidden profiles have been developed a lot. Moreover, in these days, it is not too much to say that intragroup conflict which is criticized team decision making also gets the spotlight. Of course, it is important to take into account that whole five theories are based on psychological field of research.

2.3. Is group decision making efficacy and efficiency?

Earlier, in chapters 2.1. and 2.2., it was discussed what group decision making is. Frankly speaking, group decision making is a necessary process of decision making in organizations. Moreover, group decision making can be classified one of the strategic decision making, especially rationalized strategy. However, after the definition of group decision making, it was pointed out that there are many criticisms and possibilities for further research about the weak points of it. Especially, it is concentrated on five theories; groupthink, group cohesion, hidden profiles, risky shift and intragroup conflict. In this section, the effectiveness of group decision making will be inspected. Although there are many critics for group decision making, it can be said that group decision making is one of the most effective way to make decision in organizations.

2.3.1. Which is effective, group or individual decision making?

The answer based on this study is that group decision making is more effective than individual decision making. Decision making by consensus has been the subject of a great deal of research in Europe and the United States over the past twenty years, and the evidence strongly suggests that a consensus approach yields more creative decisions and more effective implementation than does individual decision making (Ouchi 1981: 43). Hambrick and Mason (1984) noted that as a more practical level, study of an entire team increases the potential strength of the theory to predict, because the chief executive shares tasks and, to some extent, power with other team members.

Yet, in spite of many critics of group decision making, why it is still regarded as one of the effective strategies of decision making? How to measure which one is better? Vecchio (2006: 194) has pointed out that compared to individual decision making, group decision making typically relies on one of the two approaches: (1) individuals initially work alone on a problem and subsequently work on similar problems in groups (and vice versa), or (2) some individuals work alone on several problems, while other individuals simultaneously work in groups on the same problems. According to him, in spite of different designs and samples, most of research showed similar results. By and

large, groups will outperform individuals working in isolation (Vecchio 2006: 194). Thus, in this sense, group decision making is more reasonable way to make decisions.

Besides, Surowiecki (2004: 29) suggested that diversity helps because it actually adds perspectives that would otherwise be absent and because it takes away, or at least weakens, some of the destructive characteristics of group decision making. It means that compared to individual decision making, the group one can get broad view of thinking, become careful to make decision, and expect desirable results. Add to this, Devine (1999: 609) mentioned that as small groups are more frequently used to make important decisions in organizations, it becomes all the more important to understand why these groups sometimes fail and how their chances of success can be improved. The mainstream of decision making in organizations is done by the small number of groups. Also, it can be said that even though the group decision making would be failed, organization would like to use this way and better the situations. Surowiecki (2004) described that the nature of decision making is as follows:

> *"there's no real evidence that one can become expert in something as broad as "decision making" or "policy" or "strategy". Auto repair, piloting, skiing, perhaps even management: these are skills that yield to application, hard work, and native talent. But forecasting an uncertain future and deciding the best course of action in the face of that future are much less likely to do so. And much of what we've seen so far suggests that a large group of diverse individuals will come up with better and more robust forecasts and make more intelligent decisions than even the most skilled "decision maker". "* (Surowiecki 2004: 32.).

If keeping in mind and regulating the criticism, group decision making is the effective way to make decisions. Thus, it cannot be too much to say that group decision making is the essential element in the organizational decision making.

2.3.2. Benefits of group decision making

Next two studies which support the efficiency of group decision making are discussed. The first study is by Bonner, Baumann, and Dalal (2002) who studied the effects of member expertise on group decision making. The second study is by Tasa and Whyte (2005) who studied the relationship between collective efficacy and Janis's aspects of

analytic or vigilant problem solving in the context of group decision making. After the analysis of these two studies on the benefits of group decision making, I will examine Van Ginkel and Van Knipperberg's (2009) study to understand the benefits more deeply.

The study by Bonner et al. (2002) is one of the suitable examples of the research on group versus individual decision making. This research can be classified as belonging to the approach (1) by Vecchio (2006: 194): individuals initially work alone on a problem and subsequently work on similar problems in groups (and vice versa). Three-person cooperative groups and three independent individuals solved either an easy or moderately difficult version of the deductive logic game Mastermind (Bonner et al. 2002: 719). Total of 360 university students belonging to social psychology field participated. Bonner et al. (2002) proved two things through this experiment.

The first thing is that the group members tend to obey the member who is an expert or knows well about the problem. Bonner et al. (2002: 731) pointed out that groups working on a moderately difficult task used the ranking information provided to them to adjust their decision making procedure with the result that problem-solvers who were identified as the best members in their groups wielded more influence within their group than did other group members.

The second thing is that groups performed the best result at the suitable number of people and they had better results than individuals (not groups). Bonner et al. (2002: 733) referred briefly that groups performed at the level of the best individuals and significantly better than the second and third individuals. In addition, they proposed that not only making just groups to solve the problems but how to choose the group member for decision making are important elements that lead to the effective decision making in organizations. Borrowing their words, group coordination involves how the group members pool their various resources to successfully complete the task at hand (Bonner et al. 2002: 720).

Now, the second study on the benefits of group decision making is examined. Tasa and Whyte (2005) studied the relationship between collective effectiveness and the type and

quality of procedures when the organization makes important decisions. They referred that the conception of group efficacy is based on self-efficacy. But, whereas self-efficacy refers to beliefs that individuals hold about themselves, collective efficacy refers to group members' perceptions about the capacities of the group (Tasa & Whyte 2005: 121). In order to attain their research purpose, they analyzed three different aspects of hypotheses with using an experimental method.

The first aspect is that moderate level of collective efficacy is better than very high or very low of collective efficacy. This leads to reveal that what kind of the group type is suitable for group efficacy. *The second aspect* is that the quality of decision making outcome would be positively related to solve certain number of vigilant problems. According to Tasa and Whyte (2005), when group decision making is administered to conflict and minority situations, the relationship between decision process and outcome is important for both theoretical and practical point of views. Therefore, the difficult problems are positively related to the quality of decision outcomes. *The third aspect* is that vigilant problems help to understand the relationship between collective efficacy and decision outcomes. The sample was 162 university students. Their statistical result showed that these three suppositions were supported. Tasa and Whyte's (2005) study with experimental method is one of the main examples of studies that seek to understand the relationship between collective efficacy and type, extent and process of group decision making though using the vigilant problems.

Both Bonner et al.'s (2002) and Tasa and Whyte's (2005) studies contribute to support the understanding of the efficiency of group decision making. Both studies emphasize the importance of group decision making in organizations. The studies were introduced in order to understand the benefits deeply. The studies support group decision making by examining the aspects of collective effectiveness, group tendency, and group decision making processes. These are important aspects to understand the edge of the group decision making itself.

Next my study will focus on studying other aspect of this matter. When the efficiency of group decision making is postulated, how is the desirable condition of group? Is just

people gathering and thinking enough to produce the best solutions for organizations? Van Ginkel and Van Knippenberg (2009) found out that when group members know information which other members have in advance, it can get better result than when nobody knows about others' info beforehand. They held the experiment for 375 students and divided three persons for one group, so totally 125 three-person groups.

According to Van Ginkel and Van Knippenberg (2009), their experimental task was the situation where groups have to exchange and integrate the distributed information to reach an optimal decision, so called "hidden profile" decision making. From their statistical data, Van Ginkel and Van Knippenberg (2009: 224) realized that knowledge about the distribution of information and knowledge about who knows what has consistently been shown to have a positive effect on group information exchange and the quality of group decisions.

In order to demonstrate the effectiveness of group decision making, it has been shown that there are many studies that to support it. It means that even though there are many theories to criticize about group decision making, these criticisms help to improve the quality of group decision making.

The next chapter focuses on studying group decision making, especially the TMT model deeply. As I was said that in chapter one and also in the title of paper, this study focuses on seeking and suggesting the useful style of decision making in organizations. Chapter three insists that collective decision making, particularly the TMT model is the ideal group decision making model in this study. Therefore, chapter three concentrates on understanding the TMT model intensely, close to the ideal situation of group decision making.

3. APPROACH TO THE SMART WAY OF GROUP DECISION MAKING

In this study, the most effective way of group decision making will be called the smart way of group decision making. Forming this, the Top Management Team (TMT) model, certain conditions and cultural observations are the key elements. As I pointed out briefly in chapter two, the TMT model is one of the collective decisions making styles. Next, the conditions are concretely analyzed. Does this group decision making suit for public or non-public organizations? What kind of organizational structure or hierarchy suits well? Is this group decision making used in strategic or daily decisions? Cultural aspects are also one part of understanding the smart way of group decision making. Finally, it is necessary for the smart way of group decision making to take harmony into consideration.

3.1. What are the details of Top Management Team (TMT) model?

As chapter one stated clearly the objective of this study; this research focuses on seeking for the ideal conditions of group decision making. In order to prepare for attaining this objective, chapter two showed the relationship between group decision making and strategic decision making, and criticism of group decision making were also important aspects. Besides, chapter two defined CEO model, CEO advisor model and TMT model. Actually, this chapter is directly connected with the above objective. The aim of this chapter is to form the ideal conditions of group decision making with considering about the TMT model and the latest research on it. Next the focus is on the TMT model to reach this objective.

3.1.1. What is the origin of TMT model?

Two turning points of group decision making research are introduced in this subchapter. The first is the management theory which was advocated by Vroom and Yetton (1973) and the second is the approaching theory of TMT model proposed by Hambrick and Mason (1984).

Vroom and Yetton (1973; cited in Vroom & Jago 1988) defined the differences between "individual problems" and "group problems" with symbols. Those symbols are often used in the flow diagrams. The symbols and their definitions are shown in table 1.

Table 1. Types of management decision methods and group problems (Vroom & Yetton 1973, cited in Vroom & Jago 1988: 33).

SYMBOL	DEFINITION
AI	You solve the problem or make the decision yourself using the information available to you at the present time.
AII	You obtain any necessary information from subordinates, then decide on a solution to the problem yourself. You may or may not tell subordinates the purpose of your questions or give information about the problem or decision on which you are working. The input provided by them is clearly in response to your request for specific information. They do not play a role in the definition of the problem or in generating or evaluating alternative solutions.
CI	You share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then *you* make the decision. This decision may or may not reflect your subordinates' influence.
CII	You share the problem with your subordinates in a group meeting. In this meeting you obtain their ideas and suggestions. Then you make the decision, which may or may not reflect your subordinates' influence.
GII	You share the problem with your subordinates as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of chairperson, coordinating the discussion, keeping it focused on the problem, and making sure that the critical issues are discussed. You can provide the group with information or ideas that you have, but you do not try to "press" them to adopt "your" solution, and you are willing to accept and implement any solution that has the support of the entire group.

As shown in table 1, the concept of TMT model suits for GII in this table. Top management team is one of the forms of group decision making and adopted consensus harmony with CEO and group members. Also, Arendt et al. (2005: 684) described that when viewed as a collective decision making body, the TMT members bring key information to the group, together develop and evaluate alternatives, resolve disagreements to reach consensus, and jointly participate in implementing strategy. From the suggestion of Vroom and Yetton in 1973, it can be said that their model is one of the origin of conceptualizing the TMT model.

Next the focus is placed on the upper echelons theory which directly devoted to the TMT theory. Hambrick and Mason's (1984) article "Upper Echelons: The Organization as a Reflection of Its Top Managers" triggered studies concentrating on the TMT model. In this article, Hambrick and Mason (1984) proposed seven different aspects of upper echelon characteristics: age, functional tasks, other career experiences, education, socioeconomic roots, financial position and group characteristics. In this article, the most interesting topic for my study is group characteristics. Hambrick and Mason (1984: 203) have three propositions of group characteristics, particularly, group heterogeneity:

> *"- Homogeneous top management teams will make strategic decisions more quickly than will heterogeneous teams.*
> *- In stable environments, team homogeneity will be positively associated with profitability.*
> *- In turbulent, especially discontinuous, environments, team heterogeneity will be positively associated with profitability."* (Hambrick & Mason 1984: 203.)

Affected by these propositions, research is developing also nowadays. For instance, Priem at al. (1999) suggested how to improve the quality of TMT research. In order to develop the study about TMT, they proposed two things. One is incorporating more substantive heterogeneity constructs, such as within-TMT power distributions, psychographic variances, and judgment differences. The other is integrating qualitative research with the quantitative as a base for developing research questions that are more informed, salient, and interesting (Priem at al. 1999: 935). Also, Lin and Shih (2008) have pointed out that TMT is positively worked in the competitive situation of strategic decision making, especially in human resource management. Moreover, Nielsen (2009) focused on differences between homogeneity and heterogeneity of TMT to find what kinds of conditions is suitable for the heterogeneous TMT style. Through analyzing 165 Swiss listed companies, she found that international or dynamic industry environments have heterogeneity TMT style. These studies proved the Hambrick and Mason's propositions.

3.1.2. Latest research on TMT model

TMT model is studied in wide range of fields; in the service organizations, human resource area, and domestic/international companies and so on. For instance, Carmeli (2008) devoted to find the role of TMT decision making processes in service organizations. Carmeli (2008: 712) showed by survey data of TMTs from 96 organizations that TMT behavioral integration is positively associated with both human resource performance and economic performance. Although this study was held in the economic field, not only profitable organizations but also non-profitable organizations had adopted TMT style. Actually, Perkins and Fields (2010) studied the TMT style decision making in Christian churches. In this study, they found that:

> *"diversity in the church TMT's may pay off in organizational growth, increased constituent learning, and better operating efficiency, but it may have negative impacts on growth in revenues. The findings related to efficiency suggest that TMT diversity may have different effects within nonprofit settings than it does within commercial business organizations."* (Perkins & Fields 2010: 825.)

Based on the studies by Hambrick and Mason (1984), Finkelstein and Hambrick (1996) and Boal and Hooijberg (2001), they argued that there are two key streams of findings in TMT research. *The first one* is that top managers' backgrounds are important elements to reach strategic decision makings. Boal and Hooijberg (2001: 523) suggested that the specific knowledge, experience, values, and preferences of top managers influence their assessment of the environment and thus the strategic choices they make. In brief, their research focuses on top managers' psychological conditions to seek for effectiveness of decision making in organizations. *The second one* is to focus on processes of decision making of top management team. Boal and Hooijberg (2001: 523) have pointed out that strategic leadership theory examines the psychological make-up of the top manager and how this influences information processing and strategic decision-making. Utilities of TMT are analyzed by processes throughout their environment, organizational conditions and outcomes. Next two examples which cover these issues are discussed.

Hambrick and Mason (1984) proposed the overall upper echelon perspective (Figure 9). The primary relationships portrayed by the single horizontal arrows first suggest that upper echelon characteristics are in part a reflection of the situation that the organization faces (Hambrick & Mason 1984: 197). After that, it goes to the strategic choices, finally, to the performance decision making time. It is quite obvious that focusing point is rather upper echelon characteristics than performance.

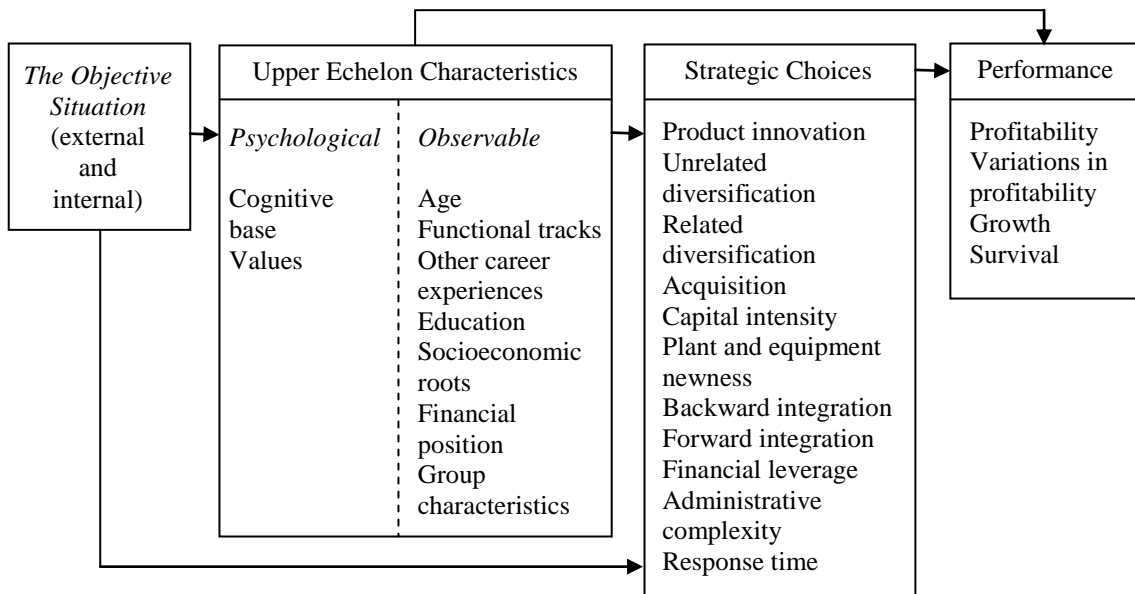| *The Objective Situation* (external and internal)	Upper Echelon Characteristics		Strategic Choices	Performance
	Psychological	*Observable*	Product innovation	Profitability
	Cognitive base	Age	Unrelated diversification	Variations in profitability
	Values	Functional tracks	Related diversification	Growth
		Other career experiences	Acquisition	Survival
		Education	Capital intensity	
		Socioeconomic roots	Plant and equipment newness	
		Financial position	Backward integration	
		Group characteristics	Forward integration	
			Financial leverage	
			Administrative complexity	
			Response time	

Figure 9. Upper echelons perspective of organizations (Hambrick & Mason 1984: 198).

Kisfalvi and Pitcher (2003) studied how the CEO character and emotions have an impact on TMT. Kisfalvi and Pitcher (2003) interviewed 15 members of the organization including the CEO and TMT members about 1–2 hours for each. There are three main findings. *Firstly*, they concluded that because behavior is but the visible here-and-now manifestation of profound genetic, experiential, neural, and chemical processes originating in the then-and-there, emotions may have a more pervasive and profound impact on TMT functioning than hitherto imagined (Kisfalvi & Pitcher 2003: 59). Shortly say, emotion is strong influence for decision making. *Secondly*, compared to individual, a diverse team with the wills of its limited number of members makes higher quality of decisions than an individual decision making. Kisfalvi and Pitcher (2003) particularly focused on seeking bounded rationality in order to understand the true nature of strategic decision making. When emotions, both the CEO's and in the

TMT, are taken into account as the factors at play in strategic decision making processes the decision making framework itself is extended (Kisfalvi & Pitcher 2003: 60). The figure 10 demonstrates the points of influences of CEO character and emotions.
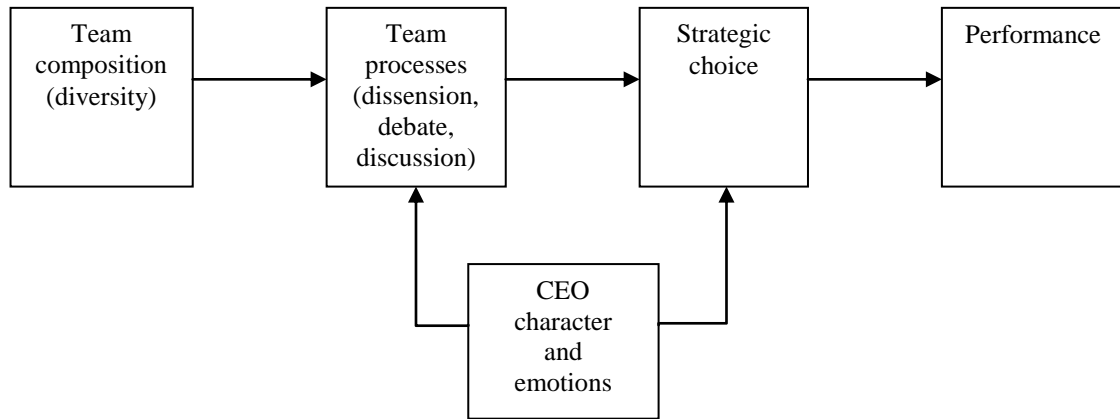

Figure 10. The influence of CEO character and emotions on TMT dynamics (Kisfalvi & Pitcher 2003: 46).

Next, the processes of TMT model are taken into consideration. Research on the processes of TMT is newer trend in group decision making studies. Carpenter et al. (2004: 759) mentioned that the most recent decade of upper echelons research is characterized by several important, and at the same time distinguishing, themes. Their stylized model inspired by the original Hambrick and Mason (1984) framework is presented in figure 11.

The figure 11 shows the processes of the TMT model. Carpenter et al.'s (2004) study concentrated on processes and results of organizations. Compared to Hambrick and Mason's (1984) model (Figure 9), Carpenter et al.'s (2004) model seems more focusing on external environment or organizational characteristics than on psychological or upper echelon's individual and internal characteristics to fulfill strategic decision making.

According to Carmeli (2008) the behaviorally integrated TMT decision making style positively affects both human resource performance and economic performance. The TMT behavioral integration emphasizes the harmony of TMT members and the leader of the organization. Carmeli (2008: 718) mentioned that specifically behaviorally

integrated TMTs are likely to produce more quality decisions than those with low behavioral integration. This is because a behaviorally integrated TMT works as a team, namely, a group of people who realize the nature of integration and the value of exploiting complementary personalities, values, skills, experience, and knowledge for making optimal strategic decisions. Also, according to Carmeli (2008), the study of behaviorally integrated TMTs does not concentrate on psychological aspect of TMT but on its processes. This means that Carmeli's (2008) main interest is rational rather than emotional. Data was collected with questionnaire from 375 organizations in Israel.
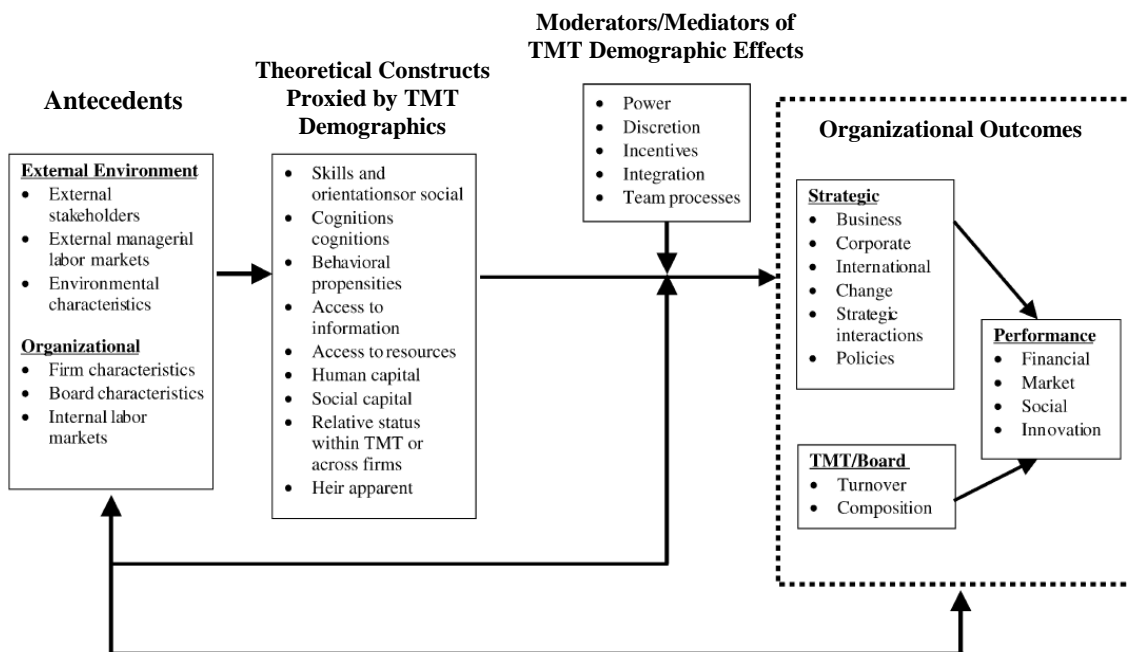

Figure 11. Carpenter et al.'s (2004: 760) stylized model of the upper echelons perspective.

After analyzing the data, Carmeli (2008) concluded that the TMT model of decision making is effective for the organizations. Because the TMT serves as a role model for all the organization's members, during periods when TMT members are working less constructively together, the organizational work context may reflect this and also deteriorate.

> *"Along with the leader's personality, attitudes and behaviors, this is an interesting and untapped avenue of research that can advance our knowledge*

about the ways organizational leadership develops an enabling work context that enhances organizational outcomes." (Carmeli 2008: 729.)

3.2. What elements are needed for the smart way of decision making?

Earlier in chapter 3.1., the main interest was to understand group decision making, especially the TMT style. In order to suggest the smart way of decision making, it is also necessary to explore other aspects of decision making, first structural and then cultural environments.

3.2.1. Public vs. non-public organization

The research of group decision making, including TMT has developed rapidly in the field of studies on non-public organizations. Thus, many researchers have collected data from private organizations. For instance, Carmeli (2008) found out that behaviorally integrated TMT decision making style positively affects both human resource and economic performance. Also, Carpenter et al. (2004) have got inspiration for their TMT processes model from the Hambrick and Mason's (1984) model. Therefore, naturally, the question comes up: can we apply TMT decision making style in the public organizations?

The answer is yes. The study by Perkins and Fields (2010), discussed earlier in my study, noted that in non-profitable organizations, TMT model is an efficient way even though there are negative impacts on growth in revenues. However, next three more studies are introduced to demonstrate TMT decision making in public organizations. The studies are by Hambrick and Mason (1984), Vroom and Jago (1988), and Millors and Copperthwaite (1987).

First of all, Hambrick and Mason (1984), who originally suggested the TMT model, described their objectives as below:

> *"This paper has three primary aims. The first is to propose a model of how upper echelon characteristics may become reflected in organizational outcomes. The second is to review literature that has addressed the upper echelons perspective. The third is to provide a foundation and stimulus for empirical research into the links between managerial backgrounds and organizational outcomes…"* (Hambrick & Mason 1984: 194.)

According to the above referenced sentences, it is clear that they did not limit for only non-public organizations. If the first and second aims help to construct TMT model, the third aim offers the suggestion of collecting data organizations in general. Thus, the model can be applied to both public and non-public organizations. Moreover, Vroom and Jago (1988), who were introduced earlier in my study as the pioneers of group management diagram and types of management decision methods, mentioned as follows:

> *"The kinds of decision problems in which we are interested include the following:*
> *- A president of the United States must decide how to respond to a diplomatic initiative from another chief of state.*
> *- A college professor is approached by a student who suggests that classes be held off campus during a strike of campus clerical personnel that has produced a picket line ringing campus buildings.*
> *- A director of an emergency ward during the Christmas-New Year holiday period when most of the staff are seeking time off.*
> *- A mayor of a major U.S. city learns that he must deal with public protest stemming from the unexpected departure of a major league football team for another city.*
> *- A chief operating executives is concerned about a progressive loss of market share in one of the product divisions for which she is accountable."* (Vroom & Jago 1988: 31–32.)

The aforementioned subjects (a president, a college professor, a director, a mayor, a chief) contain both public and non-public organizations' positions. Based on work of Vroom and Jago (1988), it is also considered that the TMT model can be applied for public organizations.

Next, group decision making in public organization is examined based on the study in the book "Local Government in the Community" written by Millors and Copperthwaite (1987). They introduced four local government models – from basic to applied models. The four models are simple local authority structure, the Maud model, and two Bains

models. Particularly, one of the Bains models (Figure 12) seems to be satisfied with the condition of TMT model.
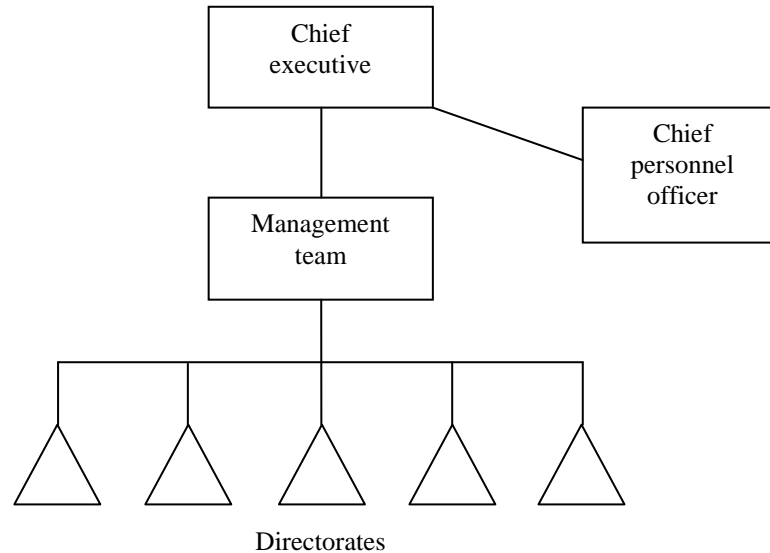

Figure 12. The Bains model – organization of officers (Millors & Copperthwaite 1987: 178).

Millors and Copperthwaite's (1987: 180–182) Bains model maintains that there is a partnership between the chief executive and the chief personnel officer. Besides, each of them has own major area of responsibility. Chief executives are the authorities of management teams. From figure 12 and their statements, it seems that the Bains model has a similar concept of Vroom and Yetton's (1973) types of management decision making (Table 1): the definition of GII. As defined earlier (chapter 3.1.1.) the idea of GII is TMT model in this study. Therefore, the Bains model proves the utilization of TMT decision making style in public organization.

3.2.2. Organizational structure and hierarchy

Each organization has an aim to attain its goals. Aims are sometimes profits or sometimes service and so on. In order to realize their own goals, organizational structure also affects on decision making and on outcomes. Next three points of analysis related to organizational structure are discussed. They are (1) symmetry or asymmetry of groups, (2) homogeneous or heterogeneous groups and (3) formal or informal groups.

First of all, organizational structure's symmetry or asymmetry should be taken into account. Probably, there are organizations which provide opportunities to discuss and take in staff's opinions to improve the quality of organizations. There are also organizations where the head person decides the matter without any opinions from subordinates. When examining organizations from many different viewpoints, it can be found that there are some key conditions to realize the ideal way of group decision making. For instance, on the national political level, there are different types of political systems: democratic, republic, absolutism or the monarchy. Besides, on the organizational structure level, the structure can be vertical long or width long.

Weber's (1970) three types of authorities, rational-legal authority, traditional authority and charismatic authority are well-known social categories. Our modern society is, also, based on these three elements. For rational-legal authority, regulations are the main authority without any emotional bonds. It is clearly seen in modern administrational bureaucracy or in companies. Traditional authority consists of people's own accord to support those who rule. Traditions are considered holy so they should succeed. The male-ruled society, the feudal system or monarchy are examples of the traditional authority.

Charisma means an outstanding and impressive personality to attract other people. Using of this power, rulers rule other people. For example, Christ, Napoleon, Lenin and Castro can be examples of persons having such power. The power of charisma cannot be inherited. However, the position can be inherited. An example of this is Japanese tea ceremony: the Sen Family that continues the tradition. In the case of Roman Pope or Dalai Lama the person must have own charisma. Considering these concepts from the viewpoint of the requirements of the smart way of group decision making, it can argued that it cannot be absolutism or too vertical organizational structure. It should rather be democratic political system and width long organizational structure. Moreover, considering about Weber's social categories, the smart way of group decision making is more rational-legal authority than traditional authority.

Of course, organizations consist of organizational staff and their thinking tendencies are one of the most influential elements to build organizations. In this sense, the issue of homogeneous group or heterogeneous group cannot be ignored. Janis's (1985) and Hambrick and Mason's (1984) studies pointed out this issue. If we think about how to form decision making group in the organizations, there are two options to gather members: members who have same style of thinking or members who have different type of thinking. Choosing between homogeneous or heterogeneous group is an important topic for organizations.

The issue of homogeneous or heterogeneous group was already examined earlier in chapter two (Janis's groupthink). It was shown that homogeneous groups tend to fall into cohesiveness which leads to wrong decisions. Hambrick and Mason (1984) gave examples of two studies about heterogeneous group, especially from the sociological viewpoint, cohort. A cohort is a group of individuals that have some relevant date in common: year of birth, year of marriage, entry into the job market, and so on. What categorize a cohort are the societal experiences that have been imprinted on its members and have helped to shape their values and perceptions (Hambrick & Mason 1984: 202).

As pointed out by McNeil and Thompson (1971) cohort makes up difficult organization because the gap between younger- and older-cohort members leads to conflict. Younger-cohort members could become quickly peers, rather than with older-cohort members of subordinates. This type of heterogeneity causes to clash and difficulty management. Also Pfeffer (1981) has studied the gap between cohorts that leads to the conflict.

Homogeneous group can quickly make strategic decisions. Moreover, it works well in constant environments. In very fast changing situations, a heterogeneous group would be preferable. Inspired by Hambrick and Mason (1984), there are many studies about this issue. For example, the studies by Priem, Lyon, and Dess (1999) and by Nielsen (2009) which were introduced earlier in my study are about homogeneous and heterogeneous groups. Priem et al. (1999) noted in the studies of heterogeneous groups more substantive elements, such as TMT power distributions, demographics variances

and diverse ways of judgments, should be taken into account. Moreover, they suggested that integrated qualitative and quantitative research would be preferable. Nielsen (2009) found that in case of the efficiency of group decision making, multinational companies, homogeneous TMT is more suitable than heterogeneous TMT. Nielsen (2009) preferred heterogeneous groups.

A very controversial question is: which is better solution, homogeneous or heterogeneous groups? In the heterogeneous group, group would get broad opinions. Members might find the effective and rational decision quickly. On the other hand, group has a risk to be in discord because members have too different viewpoints. The homogeneous group could be faster to get all consensuses than the heterogeneous group with their satisfactions. The negative thing is that group members tend to fall into group think. To conclude, back to basic, organizations are composed of members who want to attain the same goal. In this sense, homogeneous group would be as a main concept. Yet, groups should be flexible for changing situations, so they can choose which would be suitable for the situations. Therefore, homogeneous group is the main and heterogeneous group is the sub alternate approach.

Finally, in the analysis of organizational structure, formal or informal groups are also significant issues. Formal groups make decisions on official situations in organizations. For example, annual meetings of a city administration, quarterly meeting of a telephone company are formal groups. Sometimes, it can be executives' emergency meeting to avoid the company's bankruptcy. On the contrary, informal groups exist on causal or daily situations in organizations. Informal groups are formed in the coffee break in the company or during Christmas party of certain institutions. However, it is possible that informal groups appear after the official meetings.

Vroom and Jago (1988) told the issue of formal and informal groups it in their book "The New Leadership: Managing Participation in Organizations". Before focusing on formal and informal groups, they defined the meaning of participation in groups. They referred to French, Israel and Ås (1960) and of Vroom (1960) and maintained that participation in this context is the influence that results from a person's active role in a

decision making processes (Vroom & Jago 1988: 15). Moreover, Vroom and Jago (1988) distinguished the difference between actual and perceived participation. Actual participation is subjective role; he or she suggests strategies or ideas to contribute making decisions. Perceived participation is passive. Members are listening, thinking about what other members said. According to Vroom and Jago (1988: 15), the individual feels that he or she has influenced the decision. Sometimes perceived participation is much larger than actual participation. In such instances, people believe that their impact on the decision is substantially greater than it is in fact.

Next we will focus again on the issue of formal and informal groups. The formal group makes decisions that are usually limited by rules, laws, and regulations and so on. Vroom and Jago (1988: 16) said that legislated participation involves the creation of formal social systems for the purpose of making specified kinds of decisions. Legal statutes cover such issues as the name of the decision making body, who is eligible for membership, how members are selected and replaced, and how differences of opinion will be resolved (for example, by majority vote). Also, formal groups have opportunities to experience both direct and indirect participation. In this situation, official members of the decision making body directly can participate making decision. Non-official members are participating and influencing behind the official members. Maybe, sometimes, CEO joins to the TMT members and suggests new strategies even though his wife has come up with that idea talking with him in their house.

It can be easily imagined that informal groups exist in the casual situations. According to Vroom and Jago (1988) informal groups are shaped particularly with managers and their subordinates. In this condition, informal groups are unlike legal statutes. Besides, the relationship between managers and their subordinates is individual. Informal groups are always voluntarily initiated by managers. This helps to solve problems or erase friction between managers and subordinates. Here, Vroom and Jago (1988) stated an interesting matter:

> *"Interest in formal or legislated systems of participation in the workplace is most common in Europe. In contrast, the informal face-to-face variety is more characteristic of North American and Japanese management. ... One reason for*

this is that the types of decisions with which informal face-to-face participation deals are more likely to correspond to most workers' interests and to their beliefs about appropriate sharing of managerial power. A second reason for the greater potential of informal participation is the greater ease with which it can be made situational. By this we mean that participation of the second variety can be more effective because it can be tailored to the time, place, and circumstance. There is no need for a manager to consult equally on all problems with all subordinates or under all circumstances. There is room within nonlegislated participation for it to vary intelligently with situational demands, and for the amount and form of participation to evolve with changing relationships and tasks." (Vroom & Jago 1988: 17–18.)

3.2.3. Strategic decisions vs. daily decisions

Strategic decisions include planning or aiming to decide plans in official occasions. Such occasions can be considered to be tense and formal situations. Examples of them are directors' meetings, parliamentary meetings and so on. On the contrary, in daily decisions unexpectedly coming up ideas or small matters can be handled without any plans. The surroundings of decision making can be an easygoing, casual atmosphere. Daily decision can take place for instance during the coffee breaks between meetings or companies' small Christmas party, and the dinner after presidents' meeting.

Here, start to build the definition of smart way of group decision making. The name, smart way of group decision making includes meaning of ideal conditions of group decision making. Then, which style can be required for the smart decision making? Strategic decisions would be more suitable for this study than daily decisions. Compared to strategic decisions, daily decisions happen by coincidence. Strategic decisions are organizational planned issue, and it should be a group decision making which is what it is called in this study – the smart way of decision making.

3.3. What is the preferable organizational culture for group decision making?

In chapter 3.2, group decision making's ideal conditions were explored. To summarize, the conditions should be rational-legal authority, formal situation and rather homogeneous group. Yet, it does not matter public or non-public organizations so it is

very flexible. Next the focus is placed on the relationship between culture and organization.

3.3.1. Organizational culture – individualism and collectivism

It is the basic idea for organizational members to have and achieve organizational aims together. Public organizations search for supplying citizens with comfortable lives – this is one example of public organizations aims and purposes. In non-public organizational level, seeking for profit can be one important purpose. However, when we think about international point of view, are there any differences in the aims in different societies' organizations? It is clear that the formation of organization is affected by societies. Scott et al. (1994: 17) described:

> *"We employ a broader conception in which culture is more than vague ideas about the moral or natural environment of society. Culture includes the institutional models of society itself. The cultural structure of these models defines and integrates the framework of society, as well as the actors that have legitimate status and the patterns of activity leading to collective goods. Lines of thought treating culture as only rules of value and technique at the moral and natural boundaries of society ignore the fact that the central cultural myths of modern society are those giving meaning and value to society and its components. Beyond sociology of religion or of science, a proper analysis must focus on institutions – the cultural rules of society itself."* (Scott et al. 1994: 17.)

Above quotation revealed the cultural influence on organization. Talking about culture, what kinds of aspects influence the formation of organization or the aims of institutions? In order to answer these questions, the concepts of individualism and collectivism are introduced to understand organizational styles. As stated in the beginning of this chapter, culture has a big role for societies and of course, for the organizations.

According to Triandis (1994: 164–165), collectivism can be divided into two aspects: one aspect emphasizes interdependence and oneness, which might be called horizontal; the other aspect emphasizes serving the group, which might be called vertical. For example, in Japanese culture, interdependence is usually expected. Sakamoto and

Naotsuka (1982) pointed out that the message of Japanese New Year's greeting card is almost always started with "*Kotoshi mo doozo yoroshiku*". Nancy Sakamoto cannot translate it into English directly because this sentence means that "I depend on you this year also". American culture or other individual cultures does not have such expressions. On the contrary, people in individualistic cultures often give priority to their personal goals, even when they conflict with the goals of important in-groups, and this is especially important among vertical collectivists (Triandis 1994: 165). Table 2 assists us to understand the differences between individualistic and collectivistic cultures.

Table 2.   Contrasting attributes of people in collectivistic and individualistic cultures (extract from Triandis 1994: 167–172).

IN-GROUPS

Horizontal collectivists	*Individualists*
Facet 1: Interdependent Self	*Independent Self*
- Few, but relationship to them is close, with much concern for their integrity.	- Many; relationships are casual; little emotional involvement.
- Large families; rapid population growth. - Self-sacrifice for group is "natural".	- Small families; static population.
- In-group perceived as more homogeneous than out-group	- Less willingness to self-sacrifice for in-group. - In group perceived as more heterogeneous than out-group.
- In group harmony is required.	- Debate and confrontation are acceptable.
- Conflict with out-groups is expected.	- Conflict with out-groups is accepted but not desired.
- In group influences many behaviors and influence is deep.	- In-group influences a few narrowly defined behaviors.

DETERMINANTS OF SOCIAL BEHAVIOR

Horizontal collectivists	*Individualists*
Facet 1: Interdependent Self	*Independent Self*
- In group norms more important than attitudes.	- Attitudes more important than norms.
- Ascribed roles (e.g., based on gender, age, family relations).	- Achieved roles.
- Shame organizes social life more frequently than guilt	- Guilt is more common than shame.
Facet 2: Same Self	*Different Self*

Moreover, from historical point of view, the influence of individualism and collectivism for the structure of organizations cannot be denied. As pointed out by Lukes (1973: 43–44) quoted from Arthur O. Lovejoy and Max Weber:

> *"It is not, perhaps, superfluous to remark also that the doctrines or tendencies that are designated by familiar names ending in –ism or –ity, though they occasionally may be, usually are not, units of the sort which the historian of ideas seeks to discriminate. … terms, which one sometimes wishes to see expunged from the vocabulary of the philosopher and the historian altogether, are names of complexes, not of simples – and of complexes in two senses. They stand, as a rule, not for one doctrine, but for several distinct and often conflicting doctrines held by different individuals or groups to whose way of thinking these appellations have been applied, either by themselves or in the traditional terminology of historians; and each doctrines, in turn, is likely to be resolvable into simpler elements, often very strangely combined and derivative from a variety of dissimilar motives and historic influences."* (Lovejoy)

> *"The term "individualism" embraces the utmost heterogeneity of meanings … a thorough, historically–oriented conceptual analysis would at the present time be of the highest value to scholar ship."* (Weber)

From above citations, under collectivistic culture, the group is more priority than the individuals. Besides, group harmony and interdependence are other important elements to understand collectivistic culture. Lukes (1973) maintains that the basic ideals individualism is included; the dignity of man, autonomy, privacy, self-development and so on. Although group decision making is actually needed organizations or societies, it should be kept in mind that different backgrounds, culture or history, have an effect on the organizational decision making.

3.3.2. Is Japan a group decision making country?

> *"WA… Shootoku Taishi, who in 604 A.D. compiled Japan's first constitution – called the Seventeen Article Constitution – wrote in Article I, "Harmony is to be valued." … The document was compiled on Confucian and Buddhist fundamentals, and it later formed the intellectual foundation for Japan's national laws. In those days, rice agriculture was the basis of the nation's economy, and wa was considered the most important cooperative work required to cultivate and harvest rice. With this historical and cultural background, the Japanese people feel that wa is more important than self-assertion, argument or confrontation."*
> (Sugiura & Gillespie 2004: 31.)

Japan is known as a group decision making country. As above citation, "harmony is to be valued" – simply says, *harmony* is the key word to understand Japanese culture and society. Comparing to Western societies, of course, Japan is a collective society. In many occasions, for example, in schools, work places and living places, people are required to do group decision making and to be accustomed to working as a team. Moreover, because of *harmony*, groups almost always come prior to individuals. Because of this cultural background, group decision making is often applied in many places and organizations.

Japanese group decision making process is well known and much studied in western societies. For example, Ouchi (1981) studied the details of Japanese society. He compared Japanese society and companies with American society and companies to understand the efficiency of group decision making in Japan. Next, Ouchi's (1981) theory is introduced and summarized.

First of all, according to Ouchi (1981), the concept of collectivism is difficult to understand by people from individualistic cultures. For example, he pointed out that compared to American companies, the Japanese companies' mottos and goals are much more ambiguous and difficult to understand quickly or clearly. However, in Japan the organization structure is well-considered, highly disciplined and demanding although it is very flexible. In many American companies, the mottos and goals are clearly mentioned to employers: for instance the products' share should be increased ten percent more than the last quarter or the cost should be reduced at least five percent more than the previous month. But, in Japanese companies, the goal is more basic: for instance how the companies feel they should deal with their customers and own employees, how they should deal with their competitors, and what their role should be in the world at large. Company executives hope that the employers will find these goals themselves. These examples illustrates that the basic mechanism of control in a Japanese company is embodied in a philosophy of management (Ouchi 1981: 41).

Moreover, the organization culture consists of a set of symbols, ceremonies, and myths that communicate the underlying values and beliefs of that organization to its employees. Ouchi described Japanese organizational ritual "*ringi*" as below:

> *"These rituals put flesh on what would otherwise be sparse and abstract ideas, bringing them to life in a way that has meaning and impact for a new employee. The value of cooperation is expressed through the ritual of ringi, a collective decision making in which a document passes from manager to manager for their official seal of approval, then the neophyte experiences the philosophy of cooperation in a very concrete way. Slowly individual preferences give way to collective consensus. This tangible evidence shows true commitment to what might otherwise be an abstract and ignored value."* (Ouchi 1981: 41–42.)

In an additional annotation about *ringi*, Ouchi described that *ringi* goes to the manager to the other managers. But, *ringi* concerns often not only managers but also to other staff who read contents or decisions. For example, Japanese organization is typically divided into many sections, and *ringi* goes through all section members; they read and check or put their personal seals, and then *ringi* goes back to the head of that section. After that, all head of sections decide the decision. Through this system, the group decision making is practiced in Japan.

Moreover, Ouchi (1981) noted the profoundness of Japanese group decision making. Probably the best known feature of Japanese organizations is their participative approach to decision making (Ouchi 1981: 43). American or other individualistic culture counties are used to divide the roles and also divide the responsibilities so there is no need for group decision making. Yet, according to Ouchi (1981):

> *"When an important decision needs to be made in a Japanese organization, everyone who will feel its impact is involved in making it. In the case of a decision where to put a new plant, weather to change a production process, or some other major event, that will often mean sixty to eighty people directly involved in making the decision. A team of three will be assigned the duty of talking to all sixty to eighty people and, each time a significant modification arises, contacting, all the people involved again. The team will repeat this process until a true consensus has been achieved. Making a decision this way takes a very long time, but once a decision is reached, everyone affected by it will be likely to support it. What is important is not the decision itself but rather how committed and informed people are. The "best" decisions can be bungled just as "worst" decisions can work just fine."* (Ouchi 1981: 44.)

This description exaggerates a bit, but it is quite near to the Japanese style of decision making. In Japan, "group works" are very important and evaluated skill to survive in society. As above quotation and example showed, *ringi* also collect all the staffs voices and get the consensus. Although some people are not satisfied with the decision sometimes, they take the decision patiently because of their cultural background – the spirit of *wa* can be applied to this situation.

To conclude, it can be said that collective values, especially harmony thinking, also helps to realize the group decision making. The previous subchapter dealt with organizational culture, and individualistic and collectivistic culture which also affect the concept of values. Japan is famous for its collectivistic culture and collective values. In the Japanese mind, collectivism is neither a corporate or individual goal to strive for nor a slogan to pursue. Rather, the nature of things operates so that nothing of consequence occurs as a result of individual effort. Everything important in life happens as a result of teamwork or collective effort (Ouchi 1981: 20).

3.3.3. What is the logic of collectivistic decision making?

Previous subchapter stated what kind of organizational culture is proper for the smart way of group decision making. Under the collectivistic culture with the concept of harmony, group decision making may be quite easy to adapt. In this subchapter, the logic of collectivistic decision making will be studied deeply.

According to Yamaguchi (cited in Kim et al. 1994), in collectivistic cultures like Japan, three tendencies can be found. *First*, collectivists are expected to hesitate in making unique personal choices on their own. This is because the definition of collectivist, they have priority to group goals, not to individual goals. *Second*, the collectivist tendency would also affect individuals' perceptions of locus of control. In order to achieve the group consensus, collectivists are supposed to withhold personal opinions and choices in favor of those of the group. Besides, they do not gain a feeling that reinforcements are the results of their own choices. Thus, collectivists are expected to acquire the expectation that reinforcement is not depending on their own actions. *Third*,

collectivism among individuals should make them sensitive to the needs of other group members. If they are inattentive to the needs of other group members, collectivists will be unable to gain favorable reputations as group members. Thus, collectivists are expected to regulate the expression of their opinions and emotions so that they will not make fellow group members unhappy (i.e. they emphasize harmony in the in-group) (Yamaguchi 1994: 179, cited in Kim et al. 1994). The figure 13 illustrates the above logic of collectivism.
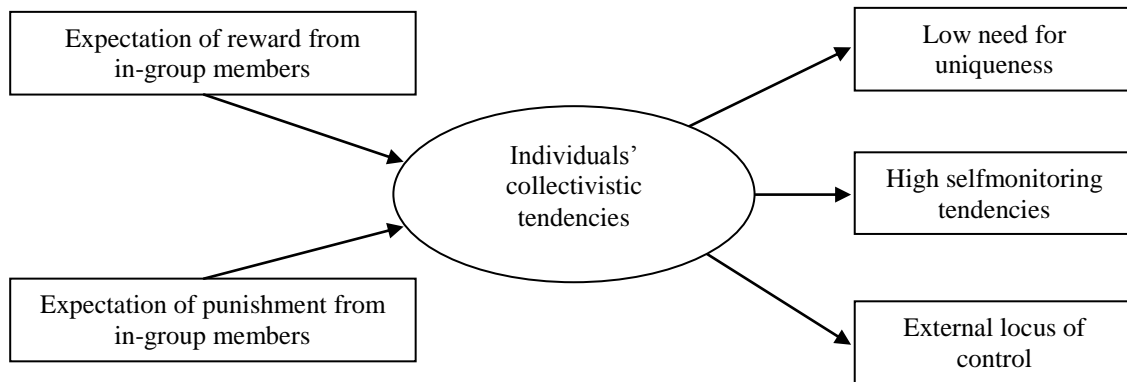

Figure 13. Hypothesized antecedents and consequences of persons' collectivism (Yamaguchi 1994: 180, cited in Kim et al. 1994).

3.4. Summary

This chapter studied what kinds of conditions are suitable for realizing the smart way of group decision making. The smart way of decision making is sought for achieving organizational decision making efficiency or better outcomes. The smart way of decision making is near to TMT model. If TMT model of decision making is effective, is it possible to apply it for public organizations? Or, in what situations this strategic decision making style can be used? Is it for formal situations or for daily situations of decision making? Is there any influence based on cultural reasons? Considering these questions, figure 14 is the summary of this chapter.

This chapter pointed out that the smart way of group decision making is required rational-legal authority, democratic administration and organizational structure would

be width long. Moreover, group would prefer to homogeneity. This decision making body can be used for formal decision making, better than casual decision making. Also, it cannot be forgotten that culture has an influence on decision making style. Group decision making, as it was mentioned in chapter 3.3.2., is adopted in Japan. In such culture, harmony is an important concept. Harmony is an important and essential element in the smart way of group decision making. Harmony refers to a state of peaceful existence and agreement (Oxford Advanced Learner's Dictionary 2000). It is easy to imagine with such cultural background to practice group decision making.

Below is the suggestion of the smart way of group decision making (Figure 14).
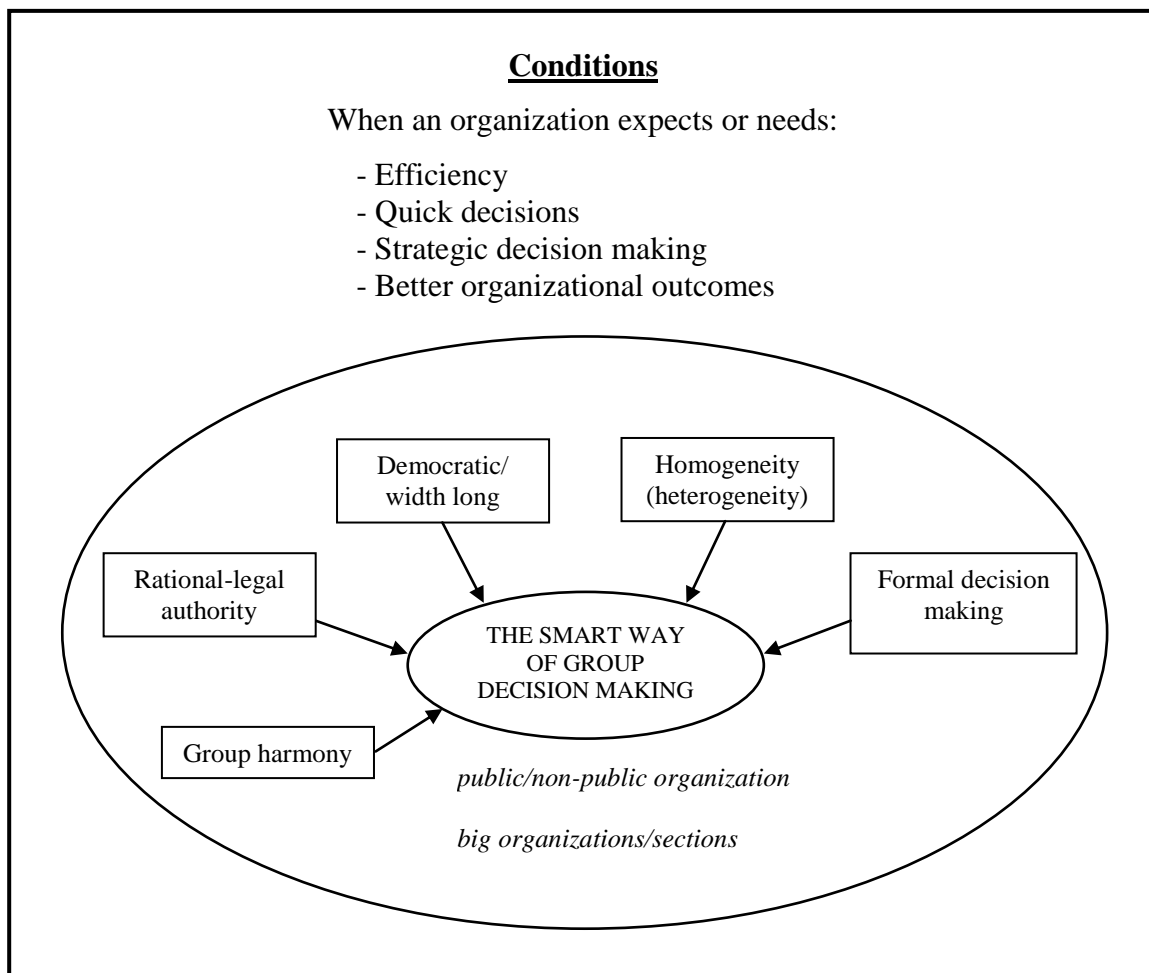

Figure 14. Suggestion for the smart way of group decision making.

4. CONCLUSIONS

My thesis statement is that in case of formal situations, group decision making with group harmony and homogeneity will help for organizations' efficiency. I believe that the smart way of group decision making, what I suggested in this study can help to improve decision making effectiveness in organizations. In order to accomplish my thesis statement, I demonstrated my research tasks in chapters two and three. It cannot be forgotten that my two thesis objectives help to enforce my statement.

4.1. Could this study achieve the objectives?

Here, I would like to observe my objectives are achieved or not. As I mentioned in chapter one, I had two objectives: the first objective is to study the ideal conditions of group decision making and the second objective is to study what the suitable places are to apply the group decision making. I believe that I could accomplish these objectives as I intended to.

The first objective was to study the ideal conditions of group decision making. This topic is directly synchronized with chapter two. In chapter two, I defined the group decision making, the differences between group and individual decision making, and the positive and negative effects of group decision making. Group decision making is one of the most effective way to make decisions in organizations. Of course, there are many different styles of group decision making. In this study, the collective way of group decision making, particularly, the Top Management Team (TMT) model was mainly analyzed. In addition, I found that group decision making has similarities with strategic decision making. Moreover, the other ideal conditions of group decision making are collective and cooperative type of decision making.

The second objective was to study what are the suitable places to apply the group decision making. The aim was to seek the ideal environment in the ideal situations. I called this ideal group decision making as the smart way of group decision making. This issue was carefully studied in chapter three. In chapter three I examined two aspects of

the smart way of group decision making: the organizational aspect and cultural aspect. I studied the organizational aspect from three different viewpoints: (1) organizational styles, (2) organizational structure and hierarchy and (3) occasions of group decision making. I found out that the organizational style is better to be open, homogeneous, rationally administrated and width long. This type of group decision making can be used for both public and non-public organizations. This type of group decision making suits better for larger organizations or sections than for smaller ones. This group decision making style has a strategic element so it can be used for formal situations.

I studied the cultural aspect. As I pointed out in chapter three, this group decision making style tends to be easier to apply in collectivistic cultures. I introduced the cultural division between collectivistic and individualistic cultures by Triandis (1994). Furthermore, I used Ouchi's (1981) Theory Z and took an example from Japan, where group harmony decisions are valued more than individual decisions. In such situation, this group decision making is more quickly to adapt for collectivistic organizations than individualistic organizations. However, based on my suggestion for the smart way of group decision making an interesting question arises: is it possible to apply the smart way of group decision making not only for the collectivistic cultures but also for individualistic cultures?

I believe it is possible. Although cultures are different, organizational cultures can be created by organizations by the means of their choices. Chhokar, Brodbeck, and House (2008: 1030) state that there is a distinction between in-group collectivism and institutional collectivism. In-group collectivism is the degree to which individuals express pride, loyalty, and cohesiveness in their organizations, families, circle of close friends, or other such small groups. Institutional collectivism is the degree to which institutional practices encourage and reward collective distribution of resources and collective action. Based on their concept, institutional collectivism exists and it can be applied for collective action, including decision making.

4.2. Suggestions for future research

Chapter two was the introduction into group decision making. The positive and negative aspects of group decision making were studied. Moreover, strategic decision making was studied. In chapter three, I studied group decision making deeper to form the smart way of decision making: I analyzed group decision making history, especially the TMT model, and also some conditions to realize the smart way of group decision making, for instance, scale of organizations, and cultural effects and so on. When I cast back to whole these chapters, I found out that there are at least three possibilities to continue to further study the decision making theory.

The first possibility to continue is to study group decision making vs. individual decision making as the main issue in future research. In chapter two I discussed that individual decision making, which simply said is the decision making by only a head person in an organization, would be less effective than group decision making. However, the situation is different, in particular, in very small organizations/sections: it could be better to apply individual decision making because group decision making might cause less effectiveness. For example, one small section like somewhere in local government with only five staffs. In this case, is it effective way to practice group decision making? I believe the answer is no. Therefore, when this topic would be studied, there are at least three essential points that should be compared and inspected intensely.

Firstly, what kinds of organizations suit for group decision making and for individual decision making? This understanding would help to find suitable methods for suitable places. Secondly, what kinds of situations could be appropriate for group and individual decision making? This matter is also important question in order to find out the competence for organizations. Thirdly, it is important to examine the possibilities of individual group decision making. In this study, I studied about group decision making intensively. Yet, if the topic would be group decision making vs. individual decision making, it would be also required to research individual decision making as equally amount as the group decision making matter.

The second possibility to continue would be to shift from theoretical research to empirical research. In this study, I demonstrated to build the model of the smart way of group decision making. The next step would be to apply this model empirically, in order to inspect whether this model works or not. The research method could be qualitative: to collect interviews to analyze the actual situations in organizations. Particularly, I would like to collect data at least from two different countries of organizations/sections. Then, by carrying out cross cultural analysis to find out which kinds of decision making would be trend for each country. Moreover, with that type of data I could analyze countries' administration styles. I believe such empirical research would assist the reliability of this decision making model.

The third possibility to continue is to analyze how this model could be applied in various sizes of organizations, at different levels of organizations, and within different types of organizations. Chapter two and three concentrated on understanding group decision making and on forming the smart way of group decision making. Perspective of organizational size, ideas of this study could be analyzed not only States' and Governments' organizational level but also at smaller institutional level, for instance, local government or non-profitable governance. From the viewpoint of organizational types, it might be an interesting topic to apply the model for all kinds of organizations, including profitable and non-profitable organizations. I hope that this study opens and becomes a bridge for the interest for group decision making on administrative fields.

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