

ORIGINAL

Decision-making styles developed by commercial enterprises in the municipality of Barrancas

Estilos de toma de decisiones desarrollados por las empresas comerciales del municipio de Barrancas

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Cite as: Romero Velazquez MDC, Nava Chririnos AA, Vidal Brito A. Decision-making styles developed by commercial enterprises in the municipality of Barrancas. Management (Montevideo). 2024; 2:35. <https://doi.org/10.62486/agma202435>

Submitted: 01-12-2023

Revised: 21-03-2024

Accepted: 30-07-2024

Published: 31-07-2024

Editor: Misaël Ron 

ABSTRACT

The objective of this research was to explain the decision-making styles developed by the commercial enterprises of Barrancas, La Guajira. It was based on the positivist paradigm, with a descriptive non-experimental design. The population included seven commercial enterprises registered in the Chamber of Commerce, with 11 informant units. A survey with a validated and highly reliable instrument was used. The most commonly used decision-making styles are analytical and managerial, probably influenced by the search for the greatest benefit for the organization. The research concludes that the analytical style predominates, in which managers evaluate different contexts, focus on uncertain situations and clearly analyze alternatives. This approach is characterized by information gathering and consideration of multiple scenarios before making decisions.

Keywords: Decision Making; Managers; Styles; Firms.

RESUMEN

La investigación tuvo como objetivo explicar los estilos de toma de decisiones desarrollados por las empresas comerciales de Barrancas, La Guajira. Se basó en el paradigma positivista, con un diseño descriptivo no experimental. La población incluyó siete empresas comerciales registradas en la Cámara de Comercio, con 11 unidades informantes. Se utilizó una encuesta con un instrumento validado y altamente confiable. Los estilos de toma de decisiones más utilizados son el analítico y el directivo, probablemente influenciados por la búsqueda del mayor beneficio para la organización. La investigación concluye que predomina el estilo analítico, en el cual los gerentes evalúan diferentes contextos, se centran en situaciones inciertas y analizan con claridad las alternativas. Este enfoque se caracteriza por la recopilación de información y la consideración de múltiples escenarios antes de tomar decisiones.

Palabras clave: Toma de Decisiones; Directivos; Estilos; Empresas.

INTRODUCTION

In today's dynamic business environment, decision-making is critical to organizational success. However, these strategic decisions are not generated in an isolated vacuum; instead, they are inherently influenced by various factors, including the individual styles of the managers leading the companies. In the realm of technical services companies, where speed, accuracy and efficiency are imperative, understanding the different decision-making approaches of managers takes on exceptional relevance.

First, it is essential to recognize that decision-making styles can vary considerably among managers, from those who opt for intuitive and agile decisions to those who take a more analytical and thoughtful approach. In addition, experience, business environment and organizational culture significantly influence the formation of these decision-making styles in the specific context of business enterprises, where effective problem-solving and customer satisfaction are crucial, and managers face unique challenges. On the one hand, they must make quick and effective decisions to satisfy customer needs and maintain service excellence. On the other hand, they must be able to meticulously assess risks and opportunities to ensure the company's long-term viability.

However, a pressing need has arisen for entrepreneurs or managers not only to exercise control, evaluation and supervision over organizational activities but also to become involved in decision-making as an integral process that identifies problems, selects alternatives for their resolution and evaluates the effectiveness of such decisions, recognizing the inherent risk that these may imply for the success of any organization.

Similarly, Saldarriaga et al. (2020) describe decision-making as a fundamental process within business management aimed at improving the quality of the functions performed. This process involves providing the opportunity for the people involved to express their points of view and offer reasonable alternatives, which, in turn, contributes to satisfying basic needs and fostering tremendous enthusiasm in the execution of the plans formulated.

However, in practice, many organizations make routine decisions quickly, without prior analysis or a detailed process, which could result in failures when it comes to complex, critical or important decisions. When made by untrained or unauthorized personnel, these decisions can lead to a series of disadvantages, such as loss of potential business, customer dissatisfaction, employee demotivation, loss of market positioning, decreased sales and even the possible failure of the company, among others.

Managers need more effectiveness, efficiency and efficacy in decision-making to ensure the fulfilment of established goals, which can perpetuate poor decision-making and erode the organization's confidence, position and leadership in front of its customers, as well as demotivate personnel. All this can lead to actions that do not contribute to the promotion of organizational efficiency and effectiveness.

The primary purpose of research is to elucidate the decision-making styles of managers in commercial companies. Understanding how these styles influence the effectiveness and operational efficiency of the company is essential, highlighting the direct connection between the strategic decisions of managers and the final results of the organization. The relevance of understanding and properly managing these styles to achieve business success is emphasized.

Ultimately, this study aims to contribute to developing a comprehensive framework for decision-making in business enterprises, offering valuable insights for managers, executives and practitioners interested in improving the effectiveness and efficiency of their decision-making processes.

Decision making

According to Saldarriaga et al. (2020), decision-making represents one of the fundamental processes in business management, the purpose of which is to improve the quality of the functions performed by allowing stakeholders to express their points of view. This contributes to generating reasonable alternatives that satisfy basic needs and encourage more significant commitment to implementing decisions.

Chiavenato (2022, p. 101) states that decision-making constitutes the core of managerial responsibility since managers must constantly determine what actions to carry out, who should carry them out, and when and where. This task is very relevant in technical services companies, where the work of a group of individuals is coordinated to execute specific activities or procedures.

In this sense, Romero and Ramírez (2018) emphasize that decision-making requires collaborative action that fosters cooperation among subordinates, leading to higher productivity levels. Consequently, those in charge of making decisions must possess a deep understanding of the organizational environment, where levels of interdependence demand constant exchange for decision-making.

Decision-making styles

According to Robbins and Coulter (2018, p. 87), value orientation represents a person's focus on the task and its technical aspects or interpersonal relationships and social aspects when making decisions. The second dimension, tolerance for ambiguity, indicates the degree to which a person needs structure or control in his or her life. Combining these dimensions results in four decision-making styles: analytical, directive, conceptual, and behavioural. It is important to note that these styles appear to be independent, as most leaders or individuals in charge of decision-making exhibit characteristics of more than one style.

In this regard, Munch (2017) suggests that managers' decision-making styles differ along two dimensions. The first is thinking, where some individuals process information more rationally, following an orderly and logical process before making decisions. These styles require perseverance and careful structuring of information to minimize ambiguity. Thus, when considering these dimensions, four decision-making styles are identified:

directive, analytical, conceptual and behavioural, developed within the organizational context.

Managerial Style

According to Robbins and Coulter (2018, p.181), people with this style possess a low tolerance for ambiguity and are task-oriented and technical when deciding. That is, their problem-solving approach is effective, logical, practical, and systematic. Individuals with this style are management-oriented, entrepreneurial and like to be fact-oriented.

However, in search of speed, the managerial style implies the use of authority for organizational change and is more effective when people respect authority; the coercive style, on the other hand, implicitly or explicitly involves the use of power between managers and members of the organization, is oriented towards autocracy, they exercise power, control and tend to be directed in the short term. Munch (2017) expresses that in managerial styles, the manager makes decisions on behalf of the group, i.e., does not allow the participation of others nor gives them the path to follow to achieve the common objectives. However, there may be cases where the opportunity to voice and vote is granted.

Analytical Style

For their part, Robbins and Coulter (2018:133) expose that decision-makers with an analytical style tolerate ambiguity much more than managerial types, require much more information before making any decision, and reason more alternatives than the managerial style. Daft (2015:155) expounds that managers with an analytical style like to consider complex solutions by relying on as much data as he or she can gather. These individuals consider alternatives carefully and often base their decisions on objective and rational acts from administrative control systems and other sources.

In summary, according to the above, the authors refer to the analytical style as tolerant of ambiguity, with managers being much more analytical when considering information and alternatives to make a decision. This type of person is more self-confident and has the capacity for certainty and security when making a decision, so the decision-maker with this style seeks to win with total certainty.

Conceptual Style

According to De Hellriegel and Slocum (2018, p. 106), the conceptual style is characterized by a high tolerance and patience for ambiguity and a preference for focusing on personal or social aspects within work contexts. Individuals with this style have a broad view of problem-solving and tend to consider numerous options and future possibilities. This implies a long-term approach based on obtaining information through conversations with other individuals.

However, this style can have a disadvantage because it fosters an idealistic and hesitant approach to decision-making. According to Robbins and Coulter (2018, p. 179), those who adopt a conceptual style have a broad perspective, focused on the long term, and are skilled at generating creative solutions to problems.

Behavioural Style

According to Franklin (2019), individuals with this profile demonstrate high collaborative ability and enjoy social interactions that encourage the open exchange of opinions. These individuals are characterized by their ability to offer support, dynamism, receptiveness to suggestions, enthusiasm, sociability, warmth, open-mindedness, and optimism. In addition, they prefer verbal communication and possess remarkable influencing skills. Although they value camaraderie, they tend to avoid conflict and show excessive concern for the welfare of others.

According to Robbins and Coulter (2018, p. 179), this decision-making style is defined by its integrative approach. Individuals approach problems holistically, drawing on contributions from diverse sources and considering multiple courses of action that could be adapted over time as circumstances change. Notably, this creative style manifests itself in a participatory manner in public settings.

METHOD

The present research is developed considering the various authors associated with the research area to locate, collect and describe the main attributes found within the context under study; the purpose is to point out the type of information needed and the level of analysis to be performed. Research is the process in which a series of stages or phases are established to analyze a given problem, situation, or fact in reality, the problem, situation, or fact being its typology description. For Tamayo (2012:179), descriptive research consists of the description, recording, analysis and interpretation of the actual nature and composition or processes of phenomena as they are presented in reality.

According to Hernández, Fernández and Baptista (2016:100), who state that the design indicates to the researcher what he must do to achieve his study objectives, answer the questions he has posed and analyze the

certainty of the hypotheses formulated in a particular context, where he adopts the following classification: in Experimental Research (which is divided into pre-experiments, pure experiments and quasi-experiments) and Non-Experimental Research (which is divided into transactional or transversal designs and longitudinal designs).

In conclusion, the present study is established within the non-experimental design since the variable is not manipulated directly; the researcher is limited to observing the phenomena in their natural environment and then analyzing them. At the same time, the design is established as transversal because the data collection process was carried out in a single period and in terms of the present time where the activities are executed.

The population of this research is constituted by the seven (07) commercial companies that develop their activity in the geographical limits of the municipality of Barrancas, La Guajira. The units of analysis are integrated by the directors, administration managers, and coordinators of the companies, who select three (3) persons for each company to total twenty-one (21) informant units. These subjects will be responsible for answering the questions contained in the data collection instrument.

Finally, it is established that since the population is considered small, finite and accessible, the use of the population census technique will be used, which, according to Tamayo (2014:309), is the sample that all the members of the population enter being the most representative type of sample. According to the authors, the population census is applied in the study because the population is finite.

On this basis, and for this research, the interview will be used as a data collection technique, which will allow us to know the position of the people who were part of the population; this will be achieved through a questionnaire developed and applied by the researchers, which for the cited authors “represents the means that allows the researcher to know what people think and say about the object of study”.

For this research, two questionnaires structured under the Likert scale with a total of 45 items, with five alternative answers, were used as a data collection instrument. This same questionnaire is directed and will be applied to the informant units that develop their functions in the (7) commercial companies located in the municipality of Barrancas, La Guajira.

As indicated by Hernández, Fernández and Baptista (2016; 202), the validity of a measurement instrument refers to “... the degree to which it measures the variable it is intended to measure” under these perspectives before applying it; its content validation will proceed with the purpose of verifying the congruence between the research objectives and the theoretical bases; presenting it to 10 expert judges in financial management, budget management, and research methodology who will issue their judgments and recommendations, which will be taken into account for the final drafting.

About reliability, Chávez (2011; 136) states, “...this is done to determine the accuracy of the results obtained when an instrument is applied in similar situations”. To estimate it, the questionnaire will be applied to a sample of 10 subjects with similar characteristics to those of the population under study who will not participate as the study population, estimating Cronbach’s coefficient, which is adjusted to tests with response alternatives and requires a single administration for its measurement.

The results obtained to respond to the objectives of the study were processed using descriptive statistics; in this sense, Chávez (2011) points out that descriptive statistics are used when it is desired to obtain a global vision of the whole set of data quantitatively the whole set of data quantitatively.

The statistics will allow for determining the behaviour of the studied variable. To obtain these results, on the one hand, an analysis of each dimension of the variable was performed by calculating absolute frequencies, percentages, measures of central tendency (mean, mode, median), standard deviation and also descriptive analysis of each dimension of the variable.

RESULTS AND DISCUSSION

Table 1. Decision-making styles dimension

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Answer Category		Always		Almost always		Sometimes		Almost never		Never		Weighted Average	Category
Indicators	Ítems	5		4		3		2		1			
		Fa.	%	Fa.	%	Fa.	%	Fa.	%	Fa.	%		
Management	34 - 36	3	14,29	5	23,81	3	14,29	8	38,10	2	9,52	2,95	Moderate level
Analytical	37 - 39	6	28,57	7	33,33	3	14,29	2	9,52	3	14,29	3,52	High level
Conceptual	40 - 42	2	9,52	5	23,81	3	14,29	9	42,86	2	9,52	2,81	Moderate level
Behavioral	47,61	0	0,00	3	14,29	11	52,38	5	23,81	2	9,52	2,57	Low level
TOTAL	34 - 45	11	13,09	20	23,83	20	23,81	24	28,57	9	10,71		
Dimension Average		2,96											
Dimension Category		Moderate level											

According to the analysis presented in table 1, the results of the variable “decision making” and its discussion about the dimension of decision-making styles are presented. The results of the “Managerial” indicator reveal that 38,10 % answered “rarely”, 23,81 % “almost always”, while 14,29 % answered similarly for the options “always” and “sometimes”. This yields an average for the indicator responses 2,95, indicating a moderate application level. This style is characterized by its methodology and rationality in the managers’ approach to situations. This implies that business enterprises may opt for a managerial approach in certain circumstances, although they may also be open to other approaches and this implies that business firms may be open to other approaches and collaborative decision-making in different contexts, which means they accept a certain flexibility in this process.

This contrasts with what is pointed out by Robbins and Coulter (2018), who state that people with a directive style must have a tolerance for ambiguity when making decisions and that their thinking must be rational. They are characterized by their efficiency and logic, making quick decisions and focusing on the short term. Their ability to make decisions quickly and effectively allows them to perform this function with minimal information and to evaluate alternatives efficiently.

About the “analytical” decision-making style indicator, the results indicate that 33,33 % of the respondents chose the option “almost always”, 28,57 % selected “always”, and 14,29 % indicated “sometimes”. The average of these responses was 3,52 %, which denotes this style’s high level of presence. These data suggest that the analytical style is widely used within technical services companies. In this approach, managers analyze different contexts to respond more effectively to uncertain situations, which implies a greater need for information before making decisions that may impact the company’s future results. This style is characterized by a greater tolerance for ambiguity and considering a wide range of alternatives before deciding.

This is in line with Robbins and Coulter (2018), who highlight that those who adopt an analytical style tend to tolerate ambiguity, require more information before deciding and consider more alternatives than those with a managerial style.

Regarding the “conceptual” decision-making style indicator, it is observed that 42,86 % of respondents answered “rarely”, 23,81 % opted for “almost always”, and 14,29 % indicated “sometimes”. This yields an average response rate for the indicator of 2,81 %, suggesting a moderate level of implementation. In general, the decisions made by managers are focused on the short and medium term to address the usual issues of the organizational environment, which contrasts with the organizational environment, which contrasts with the description of Robbins and Coulter (2018), who point out that those who make decisions with a conceptual style have a broad vision, focusing on the long term and looking for creative alternatives. Conceptual decision-makers are not limited to the short or medium term, implying that their decisions have long-term benefits.

Regarding the results of the behavioural decision-making style indicator, 52,38 % of the respondents answered “sometimes”, 23,81 % opted for “rarely”, and 14,29 % indicated “almost always”. This resulted in an average response rate for the indicator of 2,57 %, reflecting a low level of implementation. These data suggest a low frequency of teamwork and a need for more responsiveness to suggestions from managers. In addition, it is observed that decisions are primarily focused on solving short and medium-term problems within the organizational environment.

These findings contrast with the approach of Franklin (2019), who suggests that people with this decision-making style tend to collaborate effectively with others, enjoy social interactions where opinions are shared openly, show support and warmth, and prefer verbal over written communication. However, they avoid conflict and show excessive concern for others.

Regarding the dimension of decision-making styles, it is observed that 28,57 % of the responses were in the “rarely” option, 23,83 % in “almost always”, and 23,81 % in “sometimes”. This dimension’s average number of responses was 2,96 %, indicating a moderate presence. This suggests that companies in this sector have several decision-making styles, but the most commonly used are analytical and managerial. This behaviour could be conditioned by the need to seek the best benefit for the organization in terms of the decisions to be made.

These results coincide with what was mentioned by Munch (2017), who argues that the decision style reflects the combination of the individual’s perception and understanding of the stimuli and how he or she decides to respond to that information.

CONCLUSIONS

It stands out that the use of the analytical style prevails. This means managers and decision-makers in these companies tend to Evaluate different contexts, focus on uncertain situations and analyze alternatives. This implies a focus on information gathering, detailed analysis and consideration of multiple scenarios before making decisions. This information provides a clear picture of how decisions are approached in these organizations and how carefully considering alternatives is prioritized.

The diversity of decision-making styles within business enterprises indicates the importance of adapting to different approaches depending on the problems and the particular circumstances. This suggests that

organizations can benefit from fostering flexibility and the ability to effectively change approaches to address the diverse situations they face.

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FINANCING

None.

CONFLICT OF INTEREST

None.

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