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# A Study on Impact of Decision Making Styles and Organisational Effectiveness With Reference to Textile Industry in Virudhunagar District

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**ABSTRACT**

*Decision making is a part and parcel of executive's life. Organisational decision makers adopt appropriate decision styles to make decisions for various situations. Organisational effectiveness is usually termed as efficient utilisation of resources, return on investments, output, cost benefit approach and the like. It is measured by the variables like environment, technology, organisational structure and people independently, jointly and simultaneously. It is a combination process of both the intellectual information and social information. Thus decision making styles and organisational effectiveness are assumed to influence each other. The present study shows the role of employees in decision making and its effectiveness on Textile Industrial units in Virudhunagar district.*

**KEYWORDS : Textile Mill, Virudhunagar District, Decision making styles**

**Introduction:**

Decision making at the top level is not a single function but a series of interrelated and continuing activities. Decision making is a part and parcel of executive's life. Organisational decision makers adopt appropriate decision styles to make decisions for various situations. Organisational effectiveness is a multi – dimensional concept and is influenced by several variables independently, jointly and simultaneously. It is a combination process of both the intellectual information and social information. Thus decision making styles and organisational effectiveness are assumed to influence each other. The researcher has made an effort to assess the role of employees in decision making and its effectiveness on Textile Industrial units in Virudhunagar district.

**Review of Literature:**

Sashkin, M. (1976), in their study concluded that 'participative method' helped the management a lot to improve both the organization and the employees.

Locke, E.A., & Schweiger, D.M. (1979), in his empirical study discussed that, the organizations had followed five different styles of decision making. But more importance was given only to the 'Prior consultation' style of decision making. It could lead all the people to go in the right path to achieve the goal.

Spreitzer, G.M. Kizilos, M., & Nason, S.(1997), have found that decision making is the role of internal groups in developing attitudinal values of the human assets of the organisation.

Kemelgor, B.H. (2002), in his study noted that the groups are superior to individuals in solving the problems, when they are being raised among the employees.

**Objective of the study:**

To study the impact of decision making styles on organizational effectiveness.

**Hypotheses:**

The following hypotheses are framed for the purpose of analysis at 5 per cent level of significance.

$H_o$(i) The opinion with regard to discussion on operational matters taken after having a consultation with the employees does not vary due to the experience of the respondents.

$H_o$(ii) The opinion with regard to awareness of problems at lower level in the organisation does not vary due to the experience of the respondents.

$H_o$(iii) The opinion with regard to the role played by staff groups in decision making does not vary due to the experience of the respondents.

$H_o$(iv) The opinion with regard to the goal setting at different levels in the organisation does not vary due to education level of the respondents.

$H_o$(v) The opinion with regard to review control of performance in the organisation does not vary due to age level of the respondents.

**Methodology:**

The study is descriptive in nature. Simple random sampling method is adopted. Primary data were collected from 200 selected respondents of the textile industrial units at Aruppukottai and Rajapalayam in Virudhunagar District. The respondents were the managers and the senior employees of the industrial units.

**Statistical tool used:**

**Analysis of variance.**

**Results and discussion:**

The one way classification model is used to analyse the significance of variation between the variables taken for the study.

$H_o$ (i) Consultation with the employees and experience of the respondents

Experienced persons could easily understand various problems faced by the executives in the organisations. They can give a number of ideas to the top level management with a view to help them to take decisions on important matters related with investments. Hence an attempt is made to analyse whether there is any significant variation between the experience and the opinion of the respondents on decision making style.

**TABLE 1 consultation with the employees**

| Experience | Inviting Opinions | Informal discussion | Sending a note to Subordinates | Total |
|---|---|---|---|---|
| Below 5 years | 6 | 10 | 4 | 20 |
| 6 years to 10 years | 20 | 20 | 20 | 60 |
| 11 years to 15 years | 24 | 10 | 16 | 50 |
| Above 15 years | 54 | 12 | 4 | 70 |
| Total | 104 | 52 | 44 | 200 |

In order to ascertain whether there is any significant variation between the variances a test of analysis of variance is calculated.

**Analysis of variance Table**

| Sources of variation | Sum of squares | D.F | Mean squares |
|---|---|---|---|
| Between samples | 530.67 | 2 | 265.335 |
| Within sample | 11592 | 9 | 1288 |

Table value for F (2,9) at 5 per cent level of significance is 4.2585. The calculated value is 0.206.

The calculated value is less than the table value, hence it is accepted that there is no variation in the opinion to have a consultation with the

employees due to experience of the respondents.

$H_o$ (ii) Awareness of the problems of the employees and experience of the respondents

Experienced people have a very good knowledge on all the situations which their executives meet out in the organisation on each and every day while comparing with the new entrants. The executives believe on the suggestions given by the senior managers, while making decisions on project investments and others. Hence an attempt has been made to analyse whether there is any significant variation between the experience of the employees and the opinion on awareness of the problems at lower level.

**TABLE 2**
**Awareness of the problems of the employees at lower level in the organisation**

| Experience | All important Problems | Some important Problems | Un aware of the problems | Total |
|---|---|---|---|---|
| Below 5 years | 4 | 2 | 14 | 20 |
| 6 years to 10 years | 16 | 38 | 6 | 60 |
| 11 years to 15 years | 30 | 20 | - | 50 |
| Above 15 years | 50 | 20 | - | 70 |
| Total | 100 | 80 | 20 | 200 |

In order to ascertain whether there is any significant variation between these aspects, a test of analysis of variance is calculated.

**Analysis of variance Table**

| Sources of variation | Sum of squares | D.F | Mean squares |
|---|---|---|---|
| Between samples | 1866.67 | 2 | 933.335 |
| Within sample | 13466.67 | 9 | 1496.296 |

Table value for (2,9) at 5 per cent level of significance is 4.2585. The calculated value is 0.6237.

The calculated value is less than the table value, hence it is accepted that there is no variation in the opinion on awareness of problems at lower level in the organisation due to experience of the respondents.

$H_o$ (iii) Role played by staff groups in decision making and experience of the respondents

Some of the leading organisations make use of their employees while making decisions on investments in physical assets and also employee recruitment. This type of the encouragement leads the employees to work for the concern till their end. But usually the organisations, in order to avoid the domination of employees, they do not use them. Hence an attempt has been made to analyse whether there is any significant variation between the experience and the role played by the staff groups in decision making.

**TABLE 3 Role played by staff groups in decision making**

| Experience | Staff make Decision | Advisory capacity | No role | Total |
|---|---|---|---|---|
| Below 5 years | - | 8 | 12 | 20 |
| 6 years to 10 years | 4 | 20 | 36 | 60 |
| 11 years to 15 years | 4 | 6 | 40 | 50 |
| Above 15 years | 22 | 26 | 22 | 70 |
| Total | 30 | 60 | 110 | 200 |

In order to ascertain whether there is any significant variation between the above two aspects, a test of analysis of variances is calculated.

**Analysis of variance Table**

| Sources of variation | Sum of squares | D.F | Mean squares |
|---|---|---|---|
| Between samples | 816.67 | 2 | 408.335 |
| Within sample | 13266.67 | 9 | 1474.07 |

Table value for (2,9) at 5 per cent level of significance is 4.2585. The calculated value is 0.277.

The calculated value is less than the table value, hence it is accepted that there is no variation in the opinion on role played by staff groups in decision making due to experience of the respondents.

$H_o$ (iv) Goal setting at different levels and the education of the respondents

Education makes the people to improve their standard of living. When the organisations recruit the people with high level education, it gets success in all through its life. Educated employees make plan for the future. On the basis of reasonable ground and they never assume any work without any reason. Hence an attempt has been made to analyse the significance of both variances.

**TABLE 4 Goal setting at different levels**

| Education | Chief executive | Top Management | Group of Managers | Total |
|---|---|---|---|---|
| Graduate | 46 | 40 | 4 | 90 |
| Post graduate | 42 | 24 | 4 | 70 |
| Diploma | 20 | 16 | 4 | 40 |
| Total | 108 | 80 | 12 | 200 |

In order to ascertain whether there is any significant variation between these aspects, a test of analysis of variances is calculated.

**Analysis of variance Table**

| Sources of variation | Sum of squares | D.F | Mean squares |
|---|---|---|---|
| Between samples | 1624.89 | 2 | 812.445 |
| Within sample | 13763.56 | 6 | 2293.927 |

Table value for (2,6) at 5 per cent level of significance is 5.1433. The calculated value is 0.354.

The calculated value is less than the table value, hence it is accepted that there is no variation in the opinion on goal setting at different levels in the organisation due to the education level of respondents.

$H_o$ (v) Review control of performance in the organisation and the age level of the respondents

Age is an important factor and is always considered by the executives in any of the organisations at the time of making decisions. Aged employees can give more ideas on the economic progress and due to their experience in the job they provide standard services. Their suggestions on the critical problems are always welcomed by the learned and intelligent executives. Hence an attempt has been made to analyse the significance of both variances.

**TABLE 5**
**Review control of performance in the organisation**

| Age | Top management alone | Senior manager | All manager | Total |
|---|---|---|---|---|
| 25-35 | 15 | 10 | 25 | 50 |
| 35-45 | 25 | 25 | 70 | 120 |
| 45-50 | 10 | 5 | 15 | 30 |
| Total | 50 | 40 | 110 | 200 |

In order to ascertain whether there is any significant variation between these aspects a test of analysis of variance is calculated.

**Analysis of variance Table**

| Sources of variation | Sum of squares | D.F | Mean squares |
|---|---|---|---|
| Between samples | 580.67 | 2 | 290.335 |
| Within sample | 17574.67 | 9 | 1952.741 |

Table value for (2,9) at 5 per cent level of significance is 4.2585. The calculated value is 0.149.

The calculated value is less than the table value, hence it is accepted that there is no variation in the opinion on review control of performance in the organisation due to the age level of the respondents.

**Suggestions:**

1. Professionalism can be given more importance rather than petty politics
2. A feeling of belongingness can be developed among the employees.
3. Management can pass better information then and there to the employees in the organisation.

**Conclusion:**

The style of decision making in an organisation is the result of a complex interaction of several factors, the nature of decisions and the attributes and preferences of the decision maker.

Organisation as purposive entities are established and managed so that certain needs of the employees can be satisfied. Success and survival of the organisations depend on the human assets whom they recruit for the concern.

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