The Leadership of Managers in Decision-Making:
A Case Study in a Multinational Company

Maria C. Tavares

https://orcid.org/0000-0002-6077-6359
Higher Institute for Accountancy and Administration, University of Aveiro (ISCA-UA), Portugal

José Vale

https://orcid.org/0000-0001-8406-0462
Porto Accounting and Business School, Polytechnic Institute of Porto, Portugal

Andreia Costa

Higher Institute for Accountancy and Administration, University of Aveiro (ISCA-UA), Portugal

EXECUTIVE SUMMARY

This research aims to understand what motivates and guides the actions of top managers and decentralized managers towards their subordinates, according to their leadership styles and based on the theories of behaviour and contingency. The methodology used to carry out this research is an exploratory, qualitative case study applied to a large industrial company. Semi-structured interviews were conducted with Organisation X's top manager and decentralised managers for its development and implementation. Based on the results of this research, it was identified that, based on the theoretical framework presented, the top manager and decentralised managers follow style three and laissez-faire leadership style, with a high orientation towards both production and people. This study contributes to more significant theoretical and practical knowledge of leadership styles in organisations and the motivations of decentralised managers, particularly in decision-making, thus filling a gap in the literature on their influence on decision-making according to the leadership style presented.

INTRODUCTION

We live in an institutionalised society comprising organisations (Chiavenato, 2004; S. Teixeira, 2005), encompassing people and physical material, financial and technological resources, among others. Like social entities, organisations are heterogeneous and diverse, with different characteristics and sizes, hierarchical structures and objectives (Bilhim, 1996). Organisations must be able to adjust and expand to survive and grow, renew themselves, innovate, learn, adapt to internal and external changes, transform information into knowledge, solve problems, and add value (Ribeiro, 2008).

Human resources, the engine of knowledge, increasingly impacts business results and strongly influences operational and strategic decision-making (Marguerita, 2022). People are strategically crucial to the success of organisations (Wright et al., 2001). Thus, more and more people are being tasked with making decisions that are likely biased due to too much information, simultaneous choices, pressure, or another constraint.

The current functioning and the development of each organisation depend on the characteristics of its leaders. Managing an organisation requires both vision and efficient communication of that vision and skills related to motivating people (Piwowar-Sulej & Iqbal, 2023). Leaders play a vital role in organisations. To keep the organisation functioning efficiently, leaders must take on essential functions such as setting goals, motivating subordinates, participating in decision-making and giving feedback (Bass & Bass, 2009; Zhang et al., 2023). Leaders can encourage followers to perform effectively by creating an environment of collaboration and teamwork where subordinates can work diligently and creatively (Alwali & Alwali, 2022).

The flow of information from the bottom to the top in organisational structures suffers from the opinions of multidisciplinary and interdimensional individuals, who increasingly play an essential role in the leadership's decision-making process (Wang et al., 2022). However, this information-sharing depends on the trust, openness and proximity between decentralised managers and the top managers (Vaz et al., 2021). Decentralised managers are at the centre of organisational hierarchies (Harding et al., 2014) and have taken on the role of *business partner*, influencing more concrete and informed decision-making processes that will contribute to the organisation's success.

The decision-making process is central to organisations, and managers make decisions at all levels of the organisation based on the information received according to the organisational structure, the behaviour of individuals, and the groups that make it up. Therefore, in a global economy, making likely biased decisions, whether due to the volume of information, simultaneous choices, pressure, or other constraints, will have societal implications (Milkman et al., 2009). Research into decision-making

27 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/the-leadership-of-managers-in-decision-making/339669

Related Content