

THE DECISIONAL PROCESS AND THE LIABILITY FACTOR IN THE KNOWLEDGE-BASED SOCIETY

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Abstract: *In the modern organization any worker is a „liability factor” if, in virtue of his/her status or of his/her knowledge, he/she is responsible of something that substantially affects the organization’s capacity to work properly and to achieve any results. For every little thing that the worker does, he/she has to take decisions and not just fulfil orders. He/ she can be rejected, relegated or fired but as long as he/she works, the purposes and standards must be accomplished. In the following article, we will focus on the realities of the liability factor, the effectiveness engagement and the elements of the decisional process. By doing so we will approach and develop every step of the decisional process and we will all understand that the knowledge-based work is not defined in quantitative terms, but in its results.*

Key words: *decisional process, liability factor, effectiveness, manager, knowledge-based work*

1. INTRODUCTION

In the modern organization any worker is a “liability factor” if, in virtue of his/her status or of his/her knowledge, he/she is responsible of something that substantially affects the organization’s capacity to work properly and to achieve any results. It can be the capacity of a business to make a new product or to obtain a bigger rank on the market. It can be the capacity of a hospital to take care of its patients and so on. The worker must take decisions; he cannot just simply fulfil orders.

He/she must take responsibility for everything that he/she does, supposing that, in virtue of his/her knowledge is better prepared than anyone else to take the right decisions. He/ she can be rejected, relegated or fired but as long as he/she works, the purposes and standards must be accomplished.

Most managers are liability factors, but in the modern society, most workers become liability factors too because the society needs “managers” and “individual professionalists” in the positions that imply responsibility, the ability to decide and authority.

On the other hand there are many managers who are not liability factors. In other words, many people have a higher position than others but do not significantly influence the organization’s capacity to work properly. Literally speaking, they are “supervisors”.

They are “managers” only because they coordinate other people’s work, but they do not take responsibility, nor they exercise their authority regarding the direction, content and the quality of the work and its realization methods.

Despite this, their work’s efficacy and quality may be evaluated by using the instruments that we created for measuring the human work efficiency.

From the opposite point of view there may be a worker who can be a liability factor no matter if he/she is or is not the leader. For example, in a company the one in charge with the market research may lead two hundred employees while his competitor from another company leads just one secretary.

Of course, two hundred people can accomplish a bigger amount of work than just one person but this does not mean that they contribute more to the firm’s activity.

The knowledge-based work is not defined in quantitative terms, but in its results. Having two hundred people studying the market may bring an increase of understanding, imagination and quality which can ensure the company’s growth and success. In this case, two hundred people do not represent any hindrance.

There are still chances that the manager is overwhelmed by the people’s problems with which they come to work.

He/she may be so concerned to “lead” the people so that he/she will not have the necessary time to study the market. This leads to the manager not noticing the important changes that had occurred on the market, the critical consequence being the bankruptcy of the company.

We called “liability factors” the knowledge-based workers, managers who, in virtue of status or in virtue of knowledge, are expected to influence the efficiency of the entire company. They do not represent a majority between the knowledge-based workers. In the field of knowledge-based work, like in any other field, there is routine and unqualified work.

They represent though a bigger part of the knowledge-based workforce than the facts that the organizational scheme shows. We now know that the manager who is situated below the hierarchical ladder can do the exactly same work as the one made by the president of the company.

Consequently, any person who takes decisions does the same kind of work that the president of the company does. The sphere of action may be very limited, but that person is a liability factor even though his /her status or name does not appear in the organizational scheme, or in the phone book. Regardless of being the chief or the beginner, the person must be efficient.

2. THE REALITIES OF THE LIABILITY FACTOR

The realities that the liability is facing with forces him to be efficient, on one hand, and on the other hand makes it hard for him to be efficient. In fact, if liability factors do not work hard to be efficient, the realities of their work will baffle all their efforts. To understand the aspects of this matter we need to shortly analyze the realities that the worker is facing with, by referring to the situation from outside the company. A doctor does not have, generally speaking, any problem concerning efficiency. The contribution that the doctor is expected to have is clear.

What is important and what is not important depends on the patient’s injuries. Every little thing that causes pain to the patient determines the doctor’s priorities. The purpose, the objective is well known from the beginning: the patient’s recovery. Doctors are not recognized by their capacity to organize their work. A few of them though have problems concerning efficiency.

The liability factor from a company is facing a very different situation. The factor faces major realities. It cannot influence in any way these realities. Each of these realities pressures the liability factor and pushes it to the loss of efficiency.

The available time for the liability factor is tends to belong to the others. If it is to give a definition referring to the activities that the liability factor does, we might say that he is a prisoner of the company.

Liability factors are forced to “function” further on if they do not take action so that they change the reality. If liability factors will not take action, they will definitely lose strength by operating. The liability factor needs contributions and results that will allow him to deal with the most important matters.

Another aspect that determines the liability factor’s inefficiency is the fact that it is a part of the organization.

This means that the liability factor is efficient only when other people harness its own contribution. Knowledge-based workers rarely synchronize between them because they have their own abilities, concerns.

Finally, the liability factor is found inside the organization. Inside the organization results do not exist. All the results are found outside. This outward, which is the real reality, is far outside the control of the ones that are inside. In the best case, the results are determined by the ones from the inside and by the ones from the outside too.

For the liability factor the most noticeable aspect is represented by the facts that happen inside the organization. For the factor, the “inside” has a direct character. Relationships, contacts, problems, challenges, whispers affect the factor from every point of view.

If the factor will not make any effort to gain access to the external reality, he/she will become more and more headed to the "inside".

As the factor goes up in the organization's hierarchy, his/ her attention will be attracted by the problems and challenges from the "inside".

The release of computer, the release of high technology, the release of systems that process data quickly, precisely led to the attainment of a significant quantity of quantifiable information that had been impossible to achieve until now.

Despite this, we can only quantify what happens "inside" the organization- the charges, the manufacture's value and the statistics .

This is not due to the fact that the computer's potentials overcome our capacity to pick up information related to the external facts.

If this would be the only alarming aspect for us, we would only have to put more effort regarding statistics- the computer itself could help us overcome this technical limit. In fact, the problem is that the most significant events from the "outside" often have a qualitative character and cannot be quantified.

The events are not "a fact" yet because a fact is an event that somebody has defined, has classified and has endowed with elegance. Firstly, to make quantification, we need to have a concept.

For the beginning we need to draw out from a countless mass of phenomenon a concrete aspect that can be defined, and finally, counted.

The events that are really important are not the trends which happen "outside" but the changes that the trends bear.

The changes determine the success or the failure of a company. Despite this, these changes must be perceived; they cannot be counted, defined and classified.

In conclusion, these realities, which the liability factor is facing with, cannot change.

These are essential conditions for the factors existence. Therefore he/she must assume that he/she will be inefficient if he/she will not put considerable effort in learning to be efficient.

3. THE EFFECTIVENESS ENGAGEMENT

The growth of effectiveness may be the only field where we can hope for the increase of the professional level, the achievement level and the satisfaction level of the liability factor.

Books that approach the matter of the manager's improvement, for example, take into account a "man of all times" when talking about "tomorrow's manager". We were told that a senior manager should have the attributes of an analyst. He/she should know how to work with people. He/she should understand the organization, should be good at math, should have artistic ideas and should have creative imagination. It seems that the manager should be a universal genius and universal geniuses have always been uncommon.

We must learn to "build" the organization in such a way that any person who holds an advantage in some field can harness that advantage. Despite this we cannot expect to achieve the results that we want from the liability factor by raising the skills standards. It might be a great idea to enlarge the field of competence through the instruments with which the liability factors work. A sudden jump regarding the growth of skills is not appropriate.

The same thing applies more or less to knowledge. No matter how much we need people with better knowledge, the required effort for the achievement of a major improvement may be bigger than any possible benefit.

Less ambitious training programs for managers aim for the achievement of "top knowledge" in many fields like: accountancy, marketing, economic analysis, behavioral sciences (Psychology) and natural sciences, from physics to biology and geology. We definitely need people who understand the dynamics of modern technology, the complexity of modern economy.

Each of these represents a vast field, maybe too vast even for people who do not deal with anything else. Scientists often tend to specialize on narrow sections of these fields and they do not pretend that they have more knowledge in that field than any other employee.

In this case we may talk about something completely different from the universal expert, who is unlikely to show up like a universal genius. Instead of trying to find that person, we should learn to “use” better the people that are well prepared in each of these fields.

This implies the growth of effectiveness. If we cannot increase the existing quantity from a resource, we must increase the efficiency of its use. Effectiveness is the only instrument that is able to determine the resources that are represented by ability and knowledge to produce superior results in terms of quality and quantity.

Efficiency deserves to have priority because of the needs that the organization has. It deserves to receive even a bigger attention, as it is an instrument that belongs to the liability factor.

What all these liability factors have in common are the practices that determine the effectiveness of what they have and of what they are. These practices are the same, no matter if the liability factor works in a company or in a governmental agency, as a manager of a hospital or as a rector of a university.

Efficiency is, in other words, a multitude of practices. Practices are simple, but the right application of practices is always a very hard thing to do.

Therefore, there is no reason why a person that has all the attributes cannot achieve capacity to exercise these practices.

It is possible that the person will not attain perfection; for this he/she may need special qualities, attributes. In case of efficiency, the necessary thing is competence, and essentially, the 5 practices (5 mental practices) that must be learned to become a liability factor are:

Effective liability factors know how their time is wasted. They are concerned with the organization of that small part of their time, which they can control. They concentrate on the external contribution. They adapt their efforts to results, and not to the activity that must be delivered. They begin by asking themselves “what results are expected of me?”

These people are fond of their qualities. They do not start things that they cannot do.

Effective liability factors focus on some important areas where efficiency will produce considerable results. They try to establish priorities and to stay faithful to the decisions made concerning priorities. They know that they do not have another option but to put priorities on the first place. The alternative is not accomplishing anything. Finally, these people take efficient decisions. They know that is a problem of the system-it is about performing the right steps in the right order. They know that an efficient decision is always a wisdom based on “adverse opinions”, and not based on “consensus on layout”. They also know that quickly making more decisions means making wrong decisions. Few but solid decisions are required. A right strategy is required.

4. THE ELEMENTS OF THE DECISIONAL PROCESS

Taking decisions is just one of the duties of a liability factor. This takes a small amount of time. What defines the liability factor is the fact that from him/her are expected decisions that have a great effect on the entire organization, on the activity and on the results of the organization.

Efficient liability factors know when a decision must be based on a principle and when a decision must be made considering the substance of the issue. They know that the most difficult decision is the one to choose between the right compromise and the wrong one. They learned to difference. Liability factors know the longest step in this process is not the making of the decision but the application of the decision.

The most important features of decisions are neither their newness, nor their controversial nature but the:

- The understanding of the fact that the problem has a general character and that it can be solved only through a decision that consecrates a rule, a principle;

- The recognition of what is “right” – the solution that will fully satisfy the specificities before paying attention to compromises and to concessions necessary for the decision to be accepted;

- The “feedback” which assays the validity and efficiency of the decisions in relation to the current course of events.

The events that are truly unique are uncommon though. Every time that one appears we must ask ourselves: is this an exception or is just the first manifestation of a new kind of events?”

All the events beside the ones that are truly unique require a general solution. They claim the application of a rule, of a policy, of a principle. Once a proper principle is found, all the manifestations of the same general situation may be treated in a pragmatic manner, more precisely by adapting the rule to the concrete circumstances of the problem. Despite this, the events that are truly unique must be approached separately. There are no rules for tremendous cases. If the event is truly unique, the expert decisional factor suspects the fact that it announces a new basic problem. The factor also suspects that what appears to be unique will eventually prove to have been just the first manifestation of a new generic situation.

That also explains why efficient decisional factors always try to provide a solution to the highest level possible. Efficient liability factors do not make many decisions. The reason is not that making decisions takes too much time-in fact, a decision, which is based on principles, does not take more time than the one based on utility.

Another important part of the decisional process is the making of some clear specificity regarding the aspects that the decision must achieve. What are the aims that the decision must propose to itself? What are the conditions which the decision must satisfy? In science, they are known as “boundary conditions”. To be efficient, a decision must satisfy these boundary conditions. It must be appropriate to the purpose.

The more precisely the boundary conditions are established, the better the chances are that the decision could be truly efficient. On the other way round, any shortcoming regarding the establishment of these boundary conditions causes the inefficiency of the decision, no matter how bright the shortcoming may seem.

“What is the minimum for solving this problem?” is the way in which boundary conditions are studied. “Can our needs be satisfied by giving up the autonomy of the heads of division?” – this is the question that Alfred P. Sloan seemed to have asked himself when he took leadership of General Motors in 1922. The answer was negative. The boundary conditions of his problem claim power and responsibility from the ones that are in leadership positions. They were as necessary as cohesion and control. Boundary conditions claimed a solution to a problem of structure.

The turning of the decision in action is another important element of the decisional process. If the observation of the boundary conditions is the most difficult step in this process, the turning of the decision in action is the step that requires the most time.

In conclusion, a decision must contain a feedback because it assures a continuous control of the expectations underlying the decision. To have a feedback, systematic information is required.

5. THE DECISION-MAKING PROCESS

The decision-making process is about choosing some means of action out of many other possible means in order to achieve an aim.

The decisional process can be defined as, an ensemble of activities which a person/more persons develop, the aim being the choosing of a version that fulfils the value system of the person/persons [1].

This process involves going through several distinct steps:

- General briefing – the phase when all the problems that occur in the organization are analyzed. The purpose is the recognition of the causes that lead to a situation and also the recognition of the consequences. Usually it includes: detecting the problem and framing the problem in a typology;

- Conceiving – the phase when means of action are established for solving the problem;

- Choosing a criteria for a selection - the criteria describes the degree of acceptability of a solution;

- Giving means of action(alternatives);

- Establishing the result of the means of action;

- Choosing- the most important phase of the decision-making process when all the results from the previous stages are materialized. During this phase we look for the best action to be taken.

- Heuristic searching – decision rules that manage the way to solve problems. (Euristikos = art of discovering);

- Deployment- the actual starting of the chosen action

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