Do gender, age and education influence the major decisional values? The case of Romanian organizations*

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ABSTRACT

The present study attempts to build an *exploratory model of leadership analysis*, based on which the organizational leaders and managers can answer three critical questions for leadership practice: 1) which are the core decisional values the top management should take into account when adopting critical decisions? 2) which *latent attitudes* (constructs or factors) might generate these values in CEOs' and followers' behavior? 3) do the latent attitudes differ with the respondents' *gender*, *age* and *educational background*? The research belongs to the field of *value based leadership theories.* The data is collected from a *sample* of 94 CEOs and 599 direct followers from three *complex fields of activity*: mining and forestry, manufacturing and construction, respectively, services.
The main *outcomes* are: 1) the most important *decisional values should be* (in order): customer satisfaction, firm's profitability, product/service quality, sales volume growth and cost control; 2) these values are generated by the following *latent attitudes* (of CEOs and followers): social responsibility for community and environment; ethical responsibility for minorities and women; responsibility for organization's market performance and, respectively, responsibility for employees and customers; 3) responsibility for organization's market performance significantly differs according to respondents *gender*; social responsibility for community and environment significantly differs with respondents *age,* while both types of responsibility significantly differ according to respondents *educational background*.

Key words: core decisional values, gender, age and educational background influences

INTRODUCTION

It is axiomatic any leader or manager decides based upon some *cultural values* which have the highest relevancy in a certain decisional process. What is not clearly known is *which* are those values, what individual or organizational behavioral *attitudes* led to them and how are they *transmitted* to the organizational members (Gold 2003), business environment, organization's markets, national and local communities, institutions and to extended public. Which of them have *higher* importance and, respectively, *lower* importance in decisional process? Do they *change* according to managerial position (CEO vs. middle manager) or to demographic (age, gender) or educational background (profession)?
The aim of our study is to gain a better understanding of management and leadership mechanisms through which some might answer questions such as the above ones. In Romania there is a lack of scientific concern about the decisional cultural (value) *substratum*. Or, knowledge about this *substratum* might become a leadership tool in wording the mission statement and designing the strategies leading to its accomplishment. This instrument might be used by leader in building a decisional value system specific to his organization and thus, asserting the organization's self identity. In the real decisional process the leader might *maximize* certain values importance and, respectively, *minimize* other values importance (Lord, Brown 2001). Additional, knowing and internalizing the decisional value system could be an outstanding communication tool with the

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company's external stakeholders. We believe, for instance, that displaying the core decisional values on the company's web site could lead to a significant competitive advantage for that company. In the same time, because an organization's decisional values are generated by certain *latent attitudes* of its members, the leader might influence his followers' behavior toward values *vibrating* both to his vision and followers individual characteristics (including demographic and professional ones).

THEORETICAL CONSIDERATIONS

In this study a *decisional value* has the meaning of leader and his direct followers *believe* that a critical decision should be based on a decisional attitude *preferred* to a reverse one. For instance, in taking the decision of sales increase, assuring *customer satisfaction* is preferred to an attitude of increasing the product price. This meaning is consistent with Rokeach approach (1973). It is obvious not any believe is, in the same time, a value. In becoming a decisional value, that believe should be *important* (possible to be ranked), *efficient* (having significant effects), *behavior shaper* (model for other deciders), *measurable, projective* (able to be the basis of projects with well defined goals), and *human relationship generator* (expressing itself only in comparison with other deciders believes (Lord, Brown, 2001; Mankoff, 1974). When the values generating certain individual and organizational get to a solid *structure* (Ross et al, 1999; Yukl, 1992) they become a value *system*. The solid structure is given by the fact that the system strengthens each separately taken value. In the system organization each value has its *rank* (Rokeach 1973). For instance, a certain organization decides firstly on the value of "increasing the profit"; another one might position itself on the value of "increasing the quality", etc. But, no matter how important is the "number one value", it is nothing else but a *unit* in the system. More than that, in time its place is taken by another value. The leadership can *activate* (maximize) or *deactivate* (minimize) any component value (Bechtel, Abrahamson, 1991; Lord, Maher, 1991). For instance the global crisis developed in 2007 re-ranked the decisional values in most of the organizations. After a number of activation/deactivation cycles (leadership processes), theoretically, leadership might get to a *strategic pattern* (optimal) of values (Lord, Brown, 2001; Schwartz, 1999). Such an *optimal* pattern (solid, balanced, coherent in ranking) is able to shape the managerial decisional attitudes. Through specific tools, the leader can influence the process of values *internalization* (Maio, Olson, 1998) aiming at getting a value pattern compatible with his vision and organizational mission. In this way, the organization's *decisional self identity* is created. This self identity might be given by *pragmatic* or *ideological* values (House, Delbecq, Taris 1998), *moral* or *performance centered* (Rokeach 1973), *central* versus *protected* versus *created* (Wenstop and Myrmel, 2006). There is some empirical evidence for such specific identities. For instance, it seems that pragmatic values are more predictive in organizations belonging to individualistic societies, while ideological ones are indicators for some organizations belonging to collectivistic societies (Andolsek, Stebe 2004; Eddy 2008). In Central and East European emergent countries, after finalizing the transition from centralized socialism to social democracy (Catana, Catana, Miskolc 2009), the decisional pragmatism is very fashionable.
In the present study we design a *model* of grouping decisional values based upon *factorial analysis*. The model is presented and commented in the following paragraphs.

METHODOLOGY

The sample. Our research is an exploratory one, on a sample of 94 organizations from three complex fields of activity: mining and forestry, manufacturing and construction, respectively, services. The respondents are 94 top managers (CEOs and entrepreneurs) and 599 executives (CEOs' direct followers).
Questionnaire and measurement scale. Data was collected through 17 items used in GLOBE III (Global Leadership and Organizational Behavior Effectiveness) questionnaires. The items ask the manager and executives to asses what importance *should be given* to 17 *core decisional values* in their organization. The questions have the following form: "what importance should have the cost

control". The importance of each decisional value (variable) is measured on a 7 points scale (1=none, 4=moderate, 7 = most important than all the others).
Statistical methods. Data processing has been performed in *SPSS 13*. After ranking the decisional values based upon their means, the *factorial analysis* with Kaiser-Meyer-Olkin (KMO) and Bartlett test was used to discover the *latent factors* of scores given to the 17 decisional variables. The *factors indexes* were determined based upon the *Structure Matrix*. The item "Pleasing, respecting, not offending a divine being, such as a god" has been *excluded* from the analysis, due to the undefined impact of all determined factors on it. Because the variation intervals of weighted factor indexes were different, the indexes were *standardized* (transformed in Z scores). The impact of respondents' *gender* and *educational background* is determined using ANOVA analysis, while of *age*, using the bivariate correlation. Model testing was performed through determining the correlation coefficient between the 17 decisional values and the Z score factors (standardized values of latent attitudes).

FINDINGS

Table 1 displays the rank of the top ten core decisional values the CEOs and followers should take into account. All give "very high" and, respectively, "high" importance to the following values (in order): customer satisfaction, profitability, product/service quality, sales volume, cost control. In turn, ethical considerations and, respectively, decision effect on environment have only a "moderate" importance in critical decisions.

Table 2 (*Structure Matrix*) shows the core decisional values are generated by four *latent factors*: 1. organization social responsibility for community and environment; 2. ethical responsibility for minorities and women (including "effects of supernatural forces"); 3. responsibility for organization's market performance, and 4. organization's responsibility for its relationships with employees and customers.

Table 3 (Total Variance Explained) gives support for stopping at the four factors mentioned above, because they explain 52.4% of the total variance in the sample, with *KMO* coefficient of .788.

Table 4 (Factor Correlation Matrix) shows there are strong, positive correlations between the four latent factors, indicating a high level of consistency between the theoretical model and the data base.

Table 5 displays the significant differences between respondents answers and the Z scores of latent factors, according to *explanatory variables*: gender, age and educational background. Specifically, it shows that: 1) CEOs and followers *age* significantly correlates with social responsibility for community and environment (Factor 1: Pearson correlation= .77*; sig= .044); 2) CEOs and followers *gender* significantly correlates with responsibility for the firm's market performance (Factor 3: F=7.213; sig.=.007); 3) CEOs and followers *educational background* has significant correlations with social responsibility for community and environment (Factor 1: F=4.938, sig. =.001) and, respectively, responsibility for the firm's market performance (Factor 3: F=8.176, sig.=.000).

Table 1: Rank of decisional values

Values	Sample (N=693)			CEOs (N=94)			Followers (N=599)		
	Mean	St.dv.	Rank	Mean	St.dv.	Rank	Mean	St.dv.	Rank
Cost control	5.73	.886	**5**	5.82	.718	**4**	5.72	.910	**5**
Customer satisfaction	6.25	.733	**1**	6.31	.549	**1**	6.24	.758	**1**
Employee rel. issues	5.55	.897	**6**	5.53	.667	**7**	5.56	.929	**6**
Employee professional growth and development	5.46	.838	**7**	5.52	.684	**8**	5.45	.860	**7**
Effects on the environment	5.00	1.268	**9**	4.89	1.205	**10**	5.02	1.277	**10**
Ethical considerations	4.95	1.333	**10**	4.12	1.813	**14**	5.08	1.191	**9**
Effect on the long term competitive ability of organization	5.46	.895	**7**	5.55	.697	**6**	5.45	.922	**7**
Effect on rel. with other org. with which you do serious business	5.34	.888	**8**	5.31	.855	**9**	5.35	.894	**8**
Effect on firm profitab.	5.89	.751	**2**	5.87	.779	**3**	5.89	.747	**2**
Effects on product quality	5.86	.686	**3**	5.95	.398	**2**	5.84	.720	**3**
Effects on sales volume	5.77	.868	**4**	5.73	.642	**5**	5.78	.899	**4**

Table 2: Structure Matrix

Core decisional values	Factors			
	1	2	3	4
Contribution to economic welfare of the nation	**.881**	.437	.466	.403
The welfare of local community	**.820**	.437	.383	.388
Effects on environment	**.489**	.466	.385	.443
Pleasing, respecting, not offending a divine being	.322	.278	.211	.218
Effect on of minority employees	.466	.853	.332	.322
Effect on female employees	.405	.848	.366	.330
Ethical considerations	.325	.406	.352	.372
Effects of supernatural forces		.300		
Effect on relationships with other organizations with which you do serious business	.393	.328	.703	.457
Effect on the long term competitive ability of the organization	.289	.264	.647	.496
Effect on profitability			.458	.386
Cost control			.356	.287
Employee professional growth and development	.466	.372	.497	.672
Employee relations issues	.431	.351	.454	.591
Effects on product quality			.369	.513
Customer satisfaction	.212		.386	.469
Effects on sales volume			.426	.397

Extraction Method: Maximum Likelihood.
Rotation Method: Oblimin with Kaiser Normalization.

Table 3: Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.289	25.227	25.227	3.523	20.726	20.726
2	2.097	12.335	37.562	1.185	6.971	27.697
3	1.421	8.359	45.921	1.768	10.397	38.094
4	1.103	6.489	**52.410**	.507	2.985	41.079
…						
17	.197	1.159	100			

Extraction Method: Maximum Likelihood

Table 4: Factor Correlation Matrix

Factor	1	2	3	4
1	1.000	**.686**	**.638**	.588
2	.686	1.000	.553	.492
3	.638	.553	1.000	.802
4	.588	.492	.802	1.000

Extraction Method: Maximum Likelihood.
Rotation Method: Oblimin with Kaiser Normalization

Table 5: Correlations between demographic variables and latent constructs (factors)

Latent construct (Factors)	Demographic variables		
	Age (Bivariate correlation)	**Gender (ANOVA)**	**Educational background (ANOVA)**
Social responsibility for community and environment (Zscore FACT_1)	Pearson correl.= .077* Sig: .044		F= 4.938 Sig= .001
Ethical responsibility for minorities and women (Zscore FACT_2)	Insignificant correlation	Insignificant correlation	Insignificant correlation
Responsibility for organization's market performance (Zscore FACT_3)	Insignificant correlation	F=7.213 Sig=.007	F=8.176 Sig=.000
Responsibility for employees and customers (Zscore FACT_4)	Insignificant correlation	Insignificant correlation	Insignificant correlation

DISCUSSION

Discussion concerns strictly some significant differences between the respondents in the sample along with the three *demographic variables: gender, age and educational background.* Discussion is also limited to *significant correlations displayed in Table* 5, concerning the *decisional values generated by the latent factors with which the three demographic variables of the whole sample are significantly correlated.*

1.CEOs and followers gender. There are 321 females in the sample (13 CEOs) and 371 males (81 CEOs). Respondents' gender impacts their opinion about the importance of the decisional values influencing the management responsibility for market performances (Factor 3). It seems that the males in the sample are more attentive with this factor importance than women. Males in the sample harder believe that any critical decision should contribute (in importance order) to: increasing profit, increasing sales volume, cost controlling, increasing long term competitive capacity and strengthening partnership and alliances with whom the organization has serious business.

2.CEOs and followers age. There are 454 respondents within the age range of 31 to 50 years (54 are CEOs). 122 respondents have between 51 and 70 years (31 are CEOs). 114 respondents are 20-30 years old (4 are CEOs). Obviously, the dominant note of the answers is given by the age interval 31-50. Respondents age impact their opinion about the importance of decisional values

having effect on organization responsibility to community and environment (Factor 1). It seems the subjects believe that the highest importance should be given to responsibility to environment, without being too concerned with its situation (the scores are in the span of "moderate" to "high"). With aging, the subjects believe the organization should be less responsible for the nation welfare and local community welfare.

3.CEOs and followers educational background. There are 313 engineers (52 CEOs), 202 economists (21 CEOs), 57 medical doctors (10 CEOs), 63 other specialists with university degree (5 CEOs) and 52 high school graduates (6 CEOs) in the sample. The respondents educational background impacts their opinion about the importance of those decisional values having effect on social responsibility (nation, local community and environment – Factor 1) and, respectively, on responsibility for market performance (Factor 3). Deciders concern for environment is getting again, the highest scores. Absolutely surprising is the finding that those not having academic degrees are more attentive both with the ecologic impact of their decisions and the organization's citizenship (nation and local community welfare).

CONCLUSIONS AND FUTURE RESEARCH

Our study has built an explanatory model for analyzing the core decisional values which should be set at the bottom of critical organizational decisions in the opinion of 693 respondents from 94 organizations. We discovered that the core decisional values are generated by four latent factors (attitudes) concerning the organization: social responsibility, moral responsibility, market performance responsibility and responsibility for employees and customers. In the same time, we found that managers' responsibility for market performance are significantly correlated with respondents gender and age, while social responsibility is significantly correlated with respondents age and educational background.

In the future, the authors would like to deepen the research, applying the exploratory model on a larger sample, which will allow hypotheses formulation about the correlations between analyzed demographic variables and discovered latent factors.

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