

Three Questions: (1) Mobility Pattern Related to Executives' Values and Decision-Making, (2) Behavioral Decision-Making Model, (3) Conflict and Cooperation

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(1) Mobility Pattern Related to Executives' Values and Decision-Making

The American executive is a mobile man. In spite of the limitations to mobility existing in United States, there is no doubt that occupational, territorial and social mobility characterizes the executive in America. He is a man always moving vertically and horizontally, upward and downward. This fact has been already extensively studied. We must now ask how this mobility pattern affects executives' values and decision-making.

In order to answer this question we will start from a basic assumption. Men do not propose themselves, or better, society does not propose itself goals or values which it has no chance to achieve. The goals a society sets up, the value system a society holds are an answer to the needs existing in this society. This answer must be effective, it must have at least some elements of viability in order to be accepted by the society, in order to have an actual meaning for its members.

This established, the basic relation between the mobility pattern existing in American society and the executives values becomes clearer. The opportunity to upward mobility transformed success (a value that comprehends an answer to needs of prestige, power, money, self-realization, acceptance, etc.) into an outstanding value. As a chance to satisfy these needs

appeared, as social mobility became possible in the occidental civilization, success was transformed into a basic goal of the individual and into a fundamental value of society. And this is particularly true in relation to the executive, whose possibilities of vertical mobility are always present.

In reality this transformation of success into a basic value is not peculiar to the American society, neither it is exclusive to the American executive. Rather, it is a value which acquired importance with the rise of capitalism in the world. While a feudal system dominated the occidental civilization, there was no opportunity to such value system. In the moment that bourgeoisie took power, this began to become possible. Before, typically religious values as ascetism, poverty, lack of ambition, sacrifice had much more chance to develop, and actually they were the outstanding values for most of the people. Today these values are losing their importance. As the opportunity to social mobility increases – and in United States it is increasing constantly, though slowly –, success becomes a more spread value.

Certainly we are summing up and simplifying a very broad problem, but this paper is not the appropriate place for a more developed analysis. Besides this effect of transforming, or better, underlining success as an outstanding value, the mobility pattern existing in America allows us to derive other secondary values. Since the basic values, while working to the corporation, these personal secondary values are shaped according to the existing routes to mobility. They are in constant change, as the routes to mobility change. Today we observe in American society a shift from an individualistic way of success to a bureaucratic one. Its present value system reflects this change. In few words, we may say that three groups of secondary values are observed today in the American executive. The first group comprehends some typical values of the Protestantism ethic that are now losing part of their importance. Values as individualism itself, risk, competition belong to this group. The second group is formed by values as cooperation, security, idea of authority, planning, organization, prudence, whose importance is increasing today, as the bureaucratic route to success becomes dominant. The third group is formed by values which are shared by the two systems, as ambition, decisiveness, initiative, sense of reality, etc.

Notice that we are always speaking about the value system of a society, and we are assuming that the value system of each individual (executive) is directly related to the values of his system of interactions. So, in order to specify a little more this relation between mobility and executives values, we may say a few words about the direct relation between the executive goals and the mobility pattern of his corporation. What happens when the junior executive enters the corporation? The first question he asks himself is: “Who moves in this corporation, and how do they move?” In other words, he wants to know which the routes to mobility and their correlated values are. Then he will be able to shape his personal values to the values of the corporation. Depending on his ability and capacity in this shaping process, he will have more or less opportunity of achieving success in this corporation.

The relation between the mobility pattern and the executives’ decision-making belongs to the same set of ideas. The personal goals are one of the basic elements that the executive takes into account in each of his decisions. Since, among these goals, success is a fundamental one, his decisions will be always influenced by the possibility of upward (and downward) mobility. In this case, the motivating principle is clear. This problem, however, will be more broadly studied when we will answer the second question of this examination.

(2) Behavioral Decision-Making Model

An executive decision is the result of the interaction of a number of personal and organizational values or goals with some set of alternatives and their respective consequences. Actually what we are saying is a tentative of simplifying a very broad problem. The decision is provoked by a stimulus, which puts in action this process of adjustment of alternatives to goals. This kind of reasoning, however, may lead us to incur in the same mistake the economists incurred, when they assumed the economic man. In this paper we will try to take the opposite direction. We will assume that executive decisions are made exclusively as a consequence of behavioral influences. In other words, we will assume that executive decisions are based exclusively on conscientious and unconscientiously personal values. The organizational goals – the goals of the corporation – will interest us exclusively while they are consistent with the personal goals of the executives. This may seem an exaggeration, but

really it is not. Actually this process of identification, according to which the executive transform the organizational values into his own values, is the only way that permits the executive to take into account the goals of the organization in his decisions. We will also assume that the alternatives the executive perceives and its consequences are only beliefs without necessary correspondence to reality. Notice that we are not meaning that these beliefs are always the result of a misunderstanding of reality. Men are reasonably able to be objective at least about the more simple facts. We are only underlining the existence of subjective and objective limitations to the process of perception of the alternatives.

Summing up, we will deal only with beliefs and personal goals or values in our decision-making model.

What determines the personal values? The value system of the executive is primarily a function of the value system of his society, of his social environment. Life is a continuous learning process. The perception of the social values by the individual is accomplished through a long process. The family, the school, the neighborhood play the first roles in this teaching system. As his system of relationships broadens, the value system becomes more complex. Priority orders and conflicting values begin to appear. Within the corporation the executive will also learn its organizational values.

But, why does society and each of the groups that constitute it set up a value system? Shortly, in order to satisfy its social needs. These needs and specially their priority system (which will determine which and whose needs will be first transformed into goals in order to be satisfied) will be determined by the social structure (the power system, the opportunity system, the status system, etc.). And this social structure will be basically a function of the system of production.

The individual accepts these social values because he was taught to accept them, and because these values are at least supposed to exist in order to satisfy his personal needs (needs of power, prestige, self-accomplishment, approval, creation, etc.). Certainly conflict may arise – and it often does arise – but that does not change the whole picture. What is necessary to underline is that the social values and the personal needs are intimately related and in mutual dependence.

Besides the direct influence of the social values and the indirect influence of the personal needs, the personal values will be also affected by the personal traits of the individual. These personal traits are a result of the interaction of social influences with biological and hereditary tendencies of the individual. There are hundred of personal traits (as inclination to introversion or to extroversion, or cyclothymia and schizothymia). Psychologists made several classifications of these traits. For our model it is enough to remember their existence. The personal traits will naturally affect the individual's perception of the social values, and so, they will influence the formation of his personal values.

But, the corporation values are not supposed to be the basis of the executive decision? As we said before, this will only be true so long as the executive transform the corporation goals into his own goals. Certainly he will be highly motivated to do so. It is important to underline, however, that the corporation values, as the family values, are directly related to the social values. Actually they are probably the two major elements which constitute the social values of the executive, besides the overall class values. The corporation values specially must be emphasized, since they will have a direct influence on the personal values of the executive. Since the social values depend basically (not exclusively) upon the social structure, the corporation values, as a subdivision of the social values, will depend fundamentally upon the corporation structure (authority system, mobility pattern, role system, control system, etc.).

Besides the personal goals we must add a second element to our model: the personal beliefs. Notice that we understand the word "belief" as not including a value connotation. The belief system of the executive – a non-value perceptual system about the world and himself – will suffer the same set of social influences as the value system suffers. However since the beliefs (in our case the alternatives and their consequences) deal with the real world and not exclusively with social and personal needs and personal traits, as the values do, they will depend also upon the development of science. Actually even the social structure is directly dependent upon the development of science (especially upon the development of technology).

The decision, according to this approach, will be the result of the interaction of conscient, sub-conscient and unconscient personal goals and beliefs the executive holds. In

order to simplify this decision-making process, the executive may build a set of attitude toward facts. These attitudes, acting as frames of reference for each decision, will be constituted of the belief and value system of the individual.

After setting up this broad model, we observe that would be difficult to predict executive behavior on the basis of such a model. Would be necessary a full knowledge about the social and personal values and beliefs. More, would be necessary to know thoroughly the social structure in which the decision-makers behaves, and his personal traits. However, it would not be entirely impossible to make some predictions, since the tools of the behavioral sciences are being refined each day.

(3) Conflict and Cooperation

Why does conflict arise? On one hand, because men (and groups) have different goals and different perceptions of reality. So, their decisions are conflicting. On the other hand, because the means to satisfy needs are limited. Then, the belief (implicit in the reasoning of many human relation practitioners) that conflict may be eliminated or highly reduced through persuasion and minor changes in the work environment has no basis on reality.

But, should conflict be eliminated? So long as conflict leads to competition, no. So long as conflict tends to destruction, it depends. Even this kind of conflict may have – and often it has – good effects. Since it does not actually leads to destruction, it will become a spring to social change. A society without conflict tends to be a stagnate society. The corporation, naturally, will try to reduce this type of conflict to small proportions. Its own survival may depend upon that. But, event to the specific organization, this kind of conflict may bring benefits, as long as its acts as a strong motivating principle.

On the other hand, the role of cooperation is not always positive, as it may seem under a bureaucratic standpoint. Identity of goals and perceptions of reality may be excellent in order to get a routine job done, but his identity may become harmful when change or innovation is required.