

Chapter 26

Impact of Socialized Uncertainty on Group Decision Making: An Experiment With Emerging Executives

Kenneth David Strang
University at Albany (SUNY), USA

Narasimha Rao Vajjhala
University of New York Tirana, Albania

ABSTRACT

Many stakeholders in society are concerned about the effectiveness of decision making behavior for our future generation of leaders. Risk taking behavior has been studied in the context of cultural factors (including gender) or decision making but rarely have both of these dimensions been examined simultaneously especially with emerging business leaders. Decision making behavior has not been studied at the group level of analysis in the context of socialized culture using samples of young emerging executives. Therefore, the authors conducted a controlled experiment with senior university students to test the impact of risk taking culture and gender on group decision making behavior in a complex project. In their experiment gender did not impact decision making behavior but the socialized uncertainty was a statistically significant casual factor. The authors conducted a controlled experiment with senior university students to test the impact of risk taking culture and gender on group decision making behavior in a complex project. Although their results agreed with the literature, one finding was completely opposite from their hypothesis. In the authors' experiment, the participant's gender did not impact decision making behavior but the socialized uncertainty factor was statistically significant in the logistic regression models.

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INTRODUCTION

The world has changed so much since the 2007-2008 global fiscal crisis that we wonder how today's university students will cope with complexity when they become our decision makers. Current executives will eventually retire leaving organizations to be managed by these emerging leaders. Will this new population of leaders be socialized with a risk-taking culture focused on free choice and flexibility or will they become socialized to govern through rules and military force? How will future decision makers react in complex situations? We explored these research questions by studying the impact of socialized culture on the decision making behavior of future leaders while they are accessible to us in university as students.

We recognized that there was a large body of knowledge about social culture and how those factors impact individual behavior (Bell, 2007; He & Freeman, 2010; Adekola & Sergi, 2007; Bevelander & Page, 2011; Caca, 2010; Chen, Sun, & McQueen, 2010; Cooper, Edgett, & Kleinschmidt, 2009; Fujita, 2002; G. J. Hofstede, 2009; Kirkman, Lowe, & Gibson, 2006; Michailova & Hutchings, 2006; Pheng & Yuquan, 2002; Siakas, Georgiadou, & Balstrup, 2010; Strang, 2012; Vajjhala & Strang, 2014).

On the other hand we found there were many gaps in the literature concerning how the cultural factors impact decision making behavior. According to a landmark meta-analysis of the global culture research by Kirkman et al. (2006), they cited only four studies out of 180 during the preceding 25 years that examined culture in the context of decision making. Kirkman et al. (2006) cited a study by Steensma, Marino, and Weaver (2000), another by Steensma, Marino, Weaver, and Dickson (2000), an article by Mitchell, Smith, Seawright, and Morse (2000), a manuscript by Nooteboom, Berger, and Noorderhaven (1997) as well as a paper by Ali (1993). Another shortcoming with the above studies was that the samples were experienced business executives and entrepreneurs. Thus, there was a need for research investigating how the social culture factors impact the group decision making behavior of young emerging, future business leaders.

In this paper we used an experiment with students to measure the impact of social culture on group decision-making behavior for an important university assignment. The sample consisted of senior business and economics students at the State University of New York, USA. We collected demographic and social culture data from the participants by using the survey method with an a priori instrument. The group decision making dependent variable was developed by manipulating complex project alternatives.

PROBLEM STATEMENT AND RESEARCH OBJECTIVES

Taking too many risks decreases the effectiveness of decision making behavior which we know was a causal factor in the 2007-2008 global financial crises. Many stakeholders in society are concerned about the effectiveness of decision making behavior for our future generation of leaders. Risk taking behavior has been studied in the context of cultural factors (including gender) or decision making but rarely have both of these dimensions been examined simultaneously especially with emerging business leaders.

Decision making behavior has not been studied at the group level of analysis in the context of socialized culture using samples of young emerging executives. Therefore, we conducted a controlled experiment with senior university students to test the impact of risk taking culture and gender on group

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