

Jussi Ahlgren

DEVELOPING CLEAR AND EFFICIENT DECISION-MAKING
PROCESS IN MULTINATIONAL CORPORATION

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Ahlgren, Jussi

Satakunta University of Applied Sciences

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Supervisor: Kimmo Kallama

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The purpose of this master's thesis was to provide answers regarding the case company's current decision-making process. The main objective was study how to create clear responsibilities in case company's decision-making. Other study objectives were to seek answers to questions: what the key factors behind the descending results in decision-making responsibilities in case company were and why isn't the decision-making transparent and how to improve it.

The theoretical part of the thesis focused on decision-making process. Besides decision-making itself the theory reviewed change management, matrix management and organizational communication, including knowledge management and advanced ICT services. All the elements were relevant to the subject. The framework indicates the relations between all the relevant aspects regarding efficient decision-making process.

The core of the empirical part of this thesis is framed on the results of a survey conducted in the case company. The survey measured the current state of the decision-making process in case company. The survey was designed in the way it covered all the elements regarding decision-making process, in order to receive deeper knowledge of the weak spots in current state of decision-making.

The results of this research endorsed the fact that the case company's decision-making process is in need of developing. The three lowest points in the decision-making survey were all strongly related to change management. The time table of the low results in decision-making process survey refers that the weakest points are during and after the decision has been made.

The research was extremely topical for the case company and throughout the research process it was highly supported by the personnel of the entire Oras Group. Without the outstanding supportiveness and patience by the company, this research wouldn't been as successful as it was. With this research the company was able to start developing its decision-making elements towards more efficient decision-making.

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1 INTRODUCTION

This research will be implemented for Oras Group which was originally established in 1945 in Rauma. Oras Group is owned by Oras Investment, a family company and an industrial owner in Finland. This research's implementer has started working for the company in February 2018. Company's headquarter is still located in Rauma. In year 2013 Oras Ltd. bought German sanitary fitting company Hansa Armaturen. Therefore, Oras Group now includes two strong brands and this research will be implemented including both brands in all operating countries. Group's net revenue was 249,5 million euros in year 2017 and it had total of 1413 employees. (Oras Group 2016.)

The case company in this master's thesis has completed Employee Engagement Surveys or EES annually, covering the whole corporation. This detail can be seen as an advantage in this research since there's plenty of data available for the implementer throughout the study alongside with professional advising group in the company. This advising group consists of Oras Group's HR Vice President Sakari Toivonen, who's also a member of the Executive Committee, Group HRD Specialist Kaisa Huunonen and implementer's supervisor Virpi Autio, Intercompany Support Manager.

Together, the implementer and the advising group have been able to define the research area of this study and to verify the most important study related objectives. By analyzing the EES results and becoming familiar with the theoretical background the implementer of this study should be able to create a well-controlled and fully balanced research of the topic. If the research is successful it is able to provide new development ideas for Oras Group's managers and management system.

2 ORAS GROUP

Today, Oras Group is a significant European sanitary fitting manufacturer; it is a market leader in the Nordics and a leading company in Continental Europe. Group has total of four manufacturing sites in Europe; Burlengenfeld (Germany), Kralovice (Czech Republic), Olesno (Poland) and Rauma (Finland). (Oras Group 2016.)

Organization figure (Figure 1) indicates Oras Group's Executive Committee's job descriptions and responsibility areas. The President and CEO has six direct subordinates who are all part of the Executive Committee, excluding executive assistant and corporate communications employee. Besides CEO, Executive Committee has following members from fields as indicated:

- Operations
- Technology
- HR
- Controlling and Finance
- Quality
- Purchasing and Logistics
- Sales

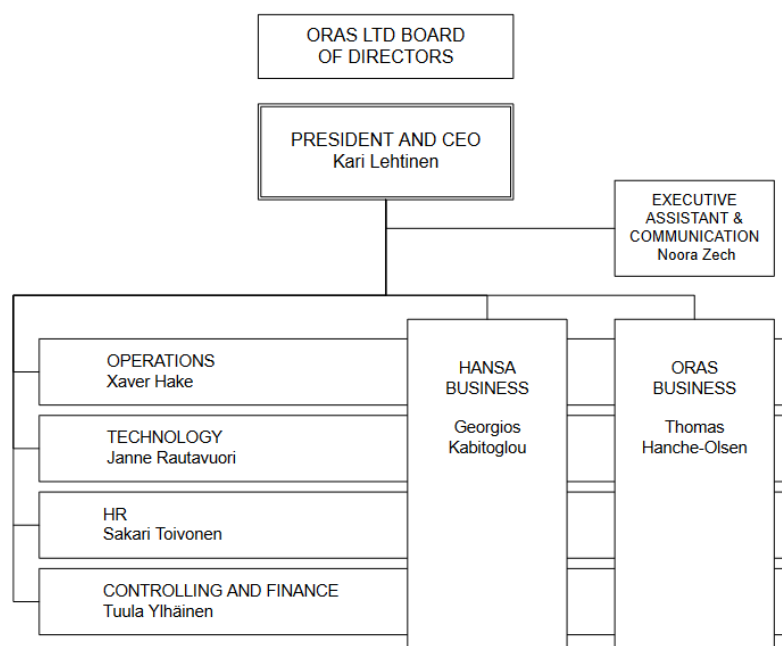


Figure 1. Executive Committee of Oras Group. (Oras Group 2019.)

Oras manufactures high-end sanitary fittings to kitchens, bathrooms, showers, utility rooms, gardens and technical environments. Group’s products are also used in public Green Building and Health Care -environments all over the world. Oras’ brand promise “We make living better” is delivered by following five core brand attributes: Quality, Modernity, Partnership, Ease and Well-being. It brings this promise to reality through the “Live More” concept, by being present in people’s lives and enabling them to make more out of it. (Oras Group 2016.)

Oras Groups values are:

- **Courage.** Open-minded approach to new things.
- **Fairness.** Fairness in decisions and in behavior.
- **Effectiveness.** Achievement by doing the right things.
- **Openness.** Trust for each other, honesty.

Corporate responsibility at Oras Group is divided into three different main categories: Social, Environmental and Economic Responsibility. All of the group’s factories can be seen as significant employers in their own respective communities. In addition, Oras Group is a significant partner to suppliers of investment goods, materials

and components. It's goal in long-run is to strengthen the company to enable profitable growth and with better decision-making that target can be reached more easily. (Oras Group 2016.)

Company's management system is constantly maintained effectually and evaluated periodically by DNV GL. DNV GL is a Norwegian business assurance company which evaluates Group's operations yearly. Oras Group's management system includes:

- Quality
- Environment
- Health and Safety
- Energy Management

Oras Group actively monitors the legal requirements, as well as it monitors continually other requirements by its' stakeholders and authorities, and to ensure that all of its operations meet requirements. (Oras Group 2016.)

The group is highly investing to its personnel wellbeing and safety and it is truly a priority for Oras Group. It provides multiple tools for developing the skills of its employees and managers. Managers, for example receive constant leadership training. Every year, the company measures its personnel's wellbeing and satisfaction by a annual survey, the EES. Based on the results of survey Oras Group develops its working environment, the cooperation and other important issues that rise from the survey, for example this master's thesis is one of the development actions by the company regarding the latest results in decision-making in EES survey. Oras Group highlights in their webpages:

“We treat all employees equally and respectfully and do not tolerate discrimination based on gender, age, religion or national origin. We offer equal opportunities for all our employees, also in recruitment.” (Oras Group 2016.)

The case company wants to research the reasons behind the latest results in decision-making process that is measured in EES survey annually. The main object of this research in this thesis is to study what are the key factors behind the current results in the EES survey and how to improve them in the future. More specifically this research is focusing on question number 13: “Clear responsibilities in decision-making”. This part had the most negative result in the EES survey earlier this year, with a result -0.24 compared to the norm in a scale from -0.25, negative to +0.25, positive, as demonstrated in the figure 2.

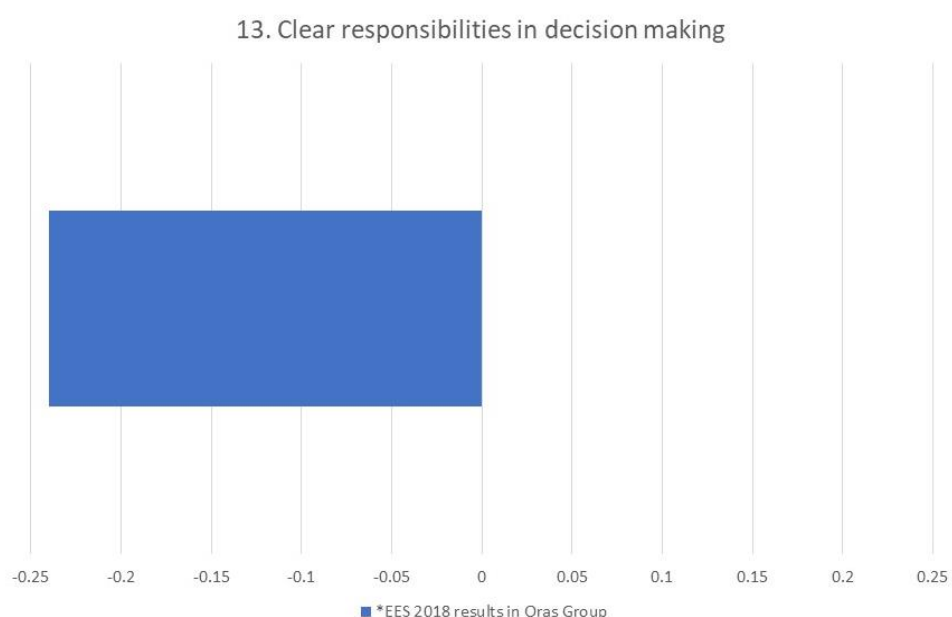


Figure 2. EES result for question number 13 in Oras Group 2018.

According to the EES interpretation, the poor result is a significantly remarkable compared to the norm and therefore it is highly current topic to be researched. The above-mentioned phrase regarding clear responsibilities in decision-making arose more than the other results in the EES survey and therefore it was a natural choice to be the main objective of the research. Other significant challenges in the compared to the norm in the EES survey are all closely related to decision-making, for example question number 45. “Changes are implemented well” with a result of -0.13 as demonstrated in the figure 3.

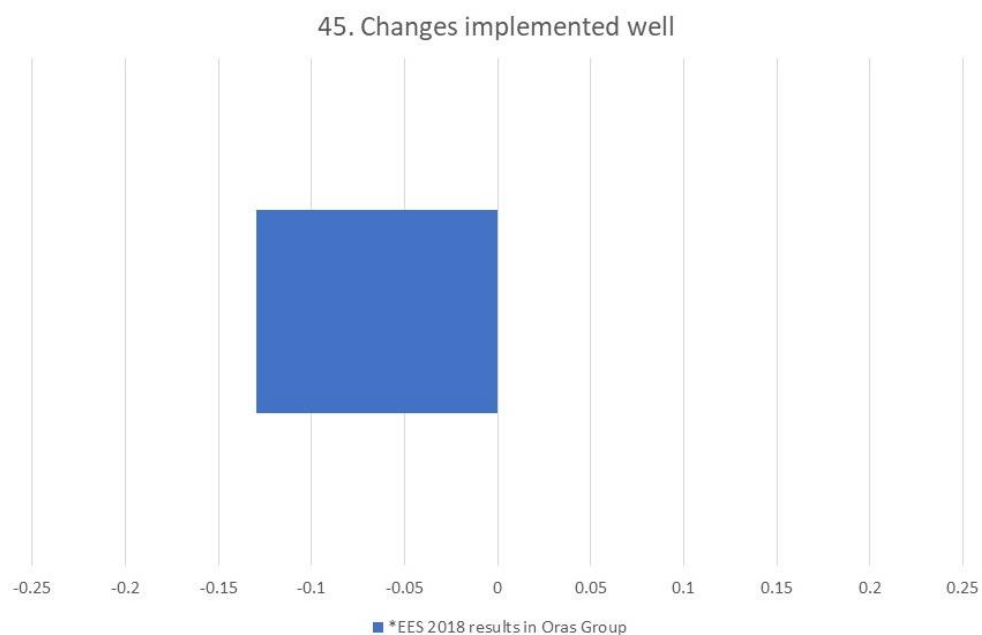


Figure 3. EES result for question number 45 in Oras Group 2018.

Also question number 46: “Efficiency in decision-making” with a result of -0.04 in a scale of -0.25 to +0.25 was remarkable in the survey as demonstrated in the figure 4. Therefore, all of the topics were closely related to the research.

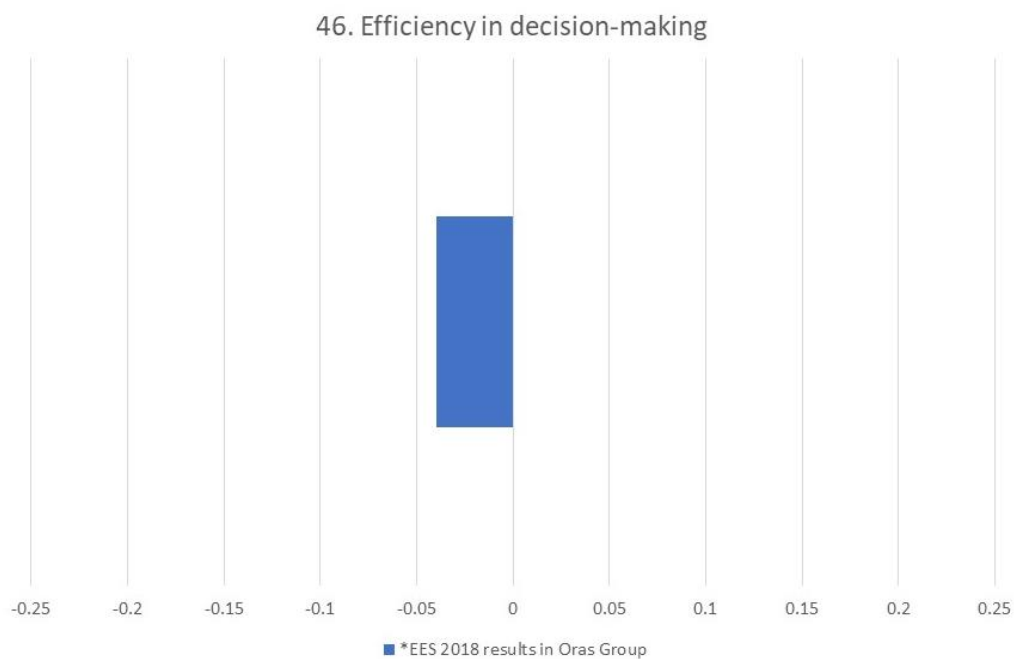


Figure 4. EES result for question number 46 in Oras Group 2018.

Before this research Oras Group has not investigated this specific result further which makes this research extremely topical for the company.

2.1 Objectives of the research

The aim of this research is to find answers to the question: How to create clear responsibilities in decision-making process? This question is relevant to all the objectives of the research. The Vice President of the Oras Group's Human Resources has decided that this master's thesis is the main action to research the reasons behind the low results of the latest EES results. This subject can also be seen effecting one of the Group's values, Effectiveness and therefore it's highly important to research the subject immediately. Decision-making in organizations is about choosing from more than one different alternative courses of action, but in a way it's also a paradox, meaning it can also include inaction. It has been stated that over half of the decisions made by managers within organizations will fail eventually (Nutt 1999, 75-90; Nutt, 2002; Ireland & Miller 2004, 8-12). Therefore, the increasing effectiveness in decision-making is becoming increasingly more and more crucial part of maximizing the entire organization's effectiveness at work. If the decision-making process isn't clear and effective, it will undermine performance within the entire organization. After all, a company's value is just the sum of decisions it makes and executes in a long-run. Its' assets, competence and organization are unproductive unless executives and managers in the organization are making the crucial decisions right more constantly than not (Blenko, Mankins & Rogers, 2010).

The ability of making good decisions in daily basis is the defining attribute of a high performing organization. The challenge is to assure that well-working decision-making policies fill up the entire organization. Every growing company has employees that are making decisions in an increasingly complex, ambiguous and insecure environment. The formal policies within the organization enable employees to make

decisions that are important to the stakeholders and guide their behaviors to adjust with the company's strategic plan as well as its values and norms. (Michel, 2007.)

Other questions that this master's thesis is seeking answers are:

1. What are the key factors behind the descending results in decision-making responsibilities?
2. Why isn't the decision-making transparent and how to improve it?

All the above-mentioned questions were created based on the latest unsatisfying EES survey results. By this master's thesis Oras Group desires to get more information and reasons behind those unsatisfying results. The main question in this master's thesis is: "Why?". All the questions in this study are closely related to Oras Group's four values. The study is implemented, and results will be received with open-minds. With successful research result the group is able to improve and add value to its values in daily basis. By improving the decision-making in the corporate level, it will eventually develop courage, fairness, effectiveness and openness.

2.2 Theoretical framework

According to theory (Harvey 2007; Juneja 2018; Kim 2018.), effective decision-making can be defined throughout the final result of selected alternatives and then managing through implementation to achieve corporate targets. The theoretical framework (Figure 5) below demonstrates this study's key elements and practices. The core of the study is to recognize, understand and implement the decision-making in organizations.

In today's modern-day organizations, the decision-making as a function demands a use of a small group of professionals or influential individuals inside the organization. The group is able to reach a consensus and conclusion reasonably quickly. Compared to a larger group, the smaller group is able to avoid excessive discussions and therefore excessive debating and extra consideration. Managing a decision in large groups often demand more time and also involve more issues. Every decision leads to change in organizations. To make a successful transition inside an organiza-

tion, change should be ushered in with precise communication, for example via ICT and daily face-to-face communication. The more employees know about the decision and the upcoming change, the less there appears fear and resistance. Much of the resistance to change can be avoided if the change management is effective and performed correctly from the beginning. Change management isn't only a tool to manage the resistance inside an organization; it is also the most effective tool for activating and engaging the people involved in a change. (Prosci 2018; Saylor Academy 2018.)

According to Litvaj and Stancekova (2015), the knowledge management is a major part of the modern-day management systems and decision-making. It is continuously becoming more and more fundamental to the most efficient companies in the markets. Today's companies which are using the knowledge management can be roughly divided into two basic groups:

1. **Level 1 – lower level:** Companies which are only managing their daily basic activities only.
2. **Level 2 – higher level:** Companies which are reaching out to above the standard level in knowledge management. These companies are constantly seeking additional knowledge regarding the internal and also external operations. The higher-level companies using knowledge management as a part of their management system and decision-making, are receiving additional advantage in comparison with its competitors. (Litvaj & Stancekova 2015, 467-472.)

When it comes to change management, the goal of every company should be to reach the higher level of management and decision-making. Standard companies (level 1) using knowledge management are covering only two out of four knowledge levels: *know what* and *know how*. The effective companies (level 2) are also covering: *know why* and *care why*. The *know why* is answering to the question why the knowledge is used in the company and why is it important. The *care why* is targeted to care after the spirit of the employees by using the knowledge in the way it supports people's passion and spirit in work environment. (Litvaj & Stancekova 2015, 467-472.)

Companies cannot be managed in 21st century the same way they were managed in 20th century. The business is changing every day and the conditions are developing even faster. The decision-making as a part of the managing process, in the current conditions of unpredictability, generates a lot of pressure on companies' management, managers and their abilities. All the management systems should be continually implemented and by adding the knowledge management into the system, the process itself will positively and efficiently improve the decision-making process automatically. (Litvaj & Stancekova 2015, 467-472.)

During the times of change in organizations, managers frequently modify their customary style in decision-making in order to conduct the volume and adversity of the decisions they are obligated to make. According to Litre and Rogers (2013), companies that rely on consensus decision-making, often discover that the consensus doesn't work during a transformation in organizations, in other words when managing a change. This can be explained with the people working in organizations; the employees are too emotional and approaching consensus takes too much valuable time. (Litre & Rogers 2013.)

The ones leading the change are facing the most challenges since their desire is to accomplish success in change and the goal is ultimately build upon multiple different decisions affected by many. By creating superior strategies on how to implement the change won't automatically guarantee the success of change management. Although, poor decision-making and implementation are certainly weakening even the most carefully planned change in organizations. (Litre & Rogers 2013.)

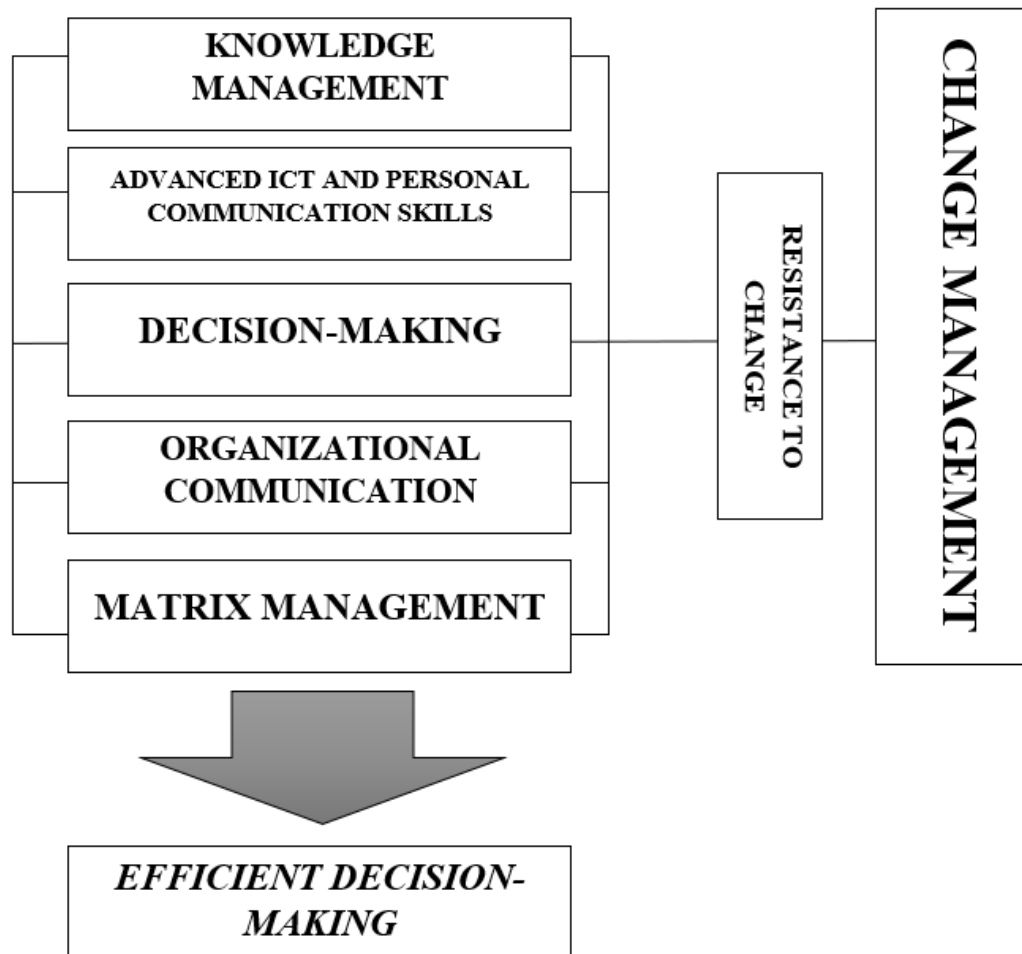


Figure 5. Theoretical framework. Adapted key elements of the effective decision-making in modern-day organizations. (Harvey 2007; Juneja 2018; Kim 2018; Litvaj & Stancekova 2015; Litre & Rogers 2013; Prosci 2018; Saylor Academy 2018.)

At first, the theory will describe about “what is decision-making?” and “when are the decisions made?” in organizations. Secondly, the theory will follow the decision-making process with the surrounded elements; what are the essential elements in the process, in order to seek for better decision-making and how all these elements effect decision-making. Theoretical part will also cover the management structure of the case company. This way theory stays true to the facts of the structure; it’s benefits and challenges.

“If empowerment is truly valued, why have so many companies failed to make it happen?”, asks Kim (2018) in his article regarding decision-making in modern-day

organizations. Fundamentally empowerment after the made decision is basically the act of distributing power inside organizations. It's rather easy to understand why it's made and what for, but the most relevant element is very often highly complex; who has the power to make and what kind of decisions. The decision-making authority doesn't automatically turn everyone into great decision-makers, nor it doesn't all of a sudden equalize the differences in skills and experience. The tightrope of the central challenge in organizations is that how should the organization balance the management authority and employee influence. (Kim 2018.)

Well-working and efficient decision-making is one factor which successful organizations commonly share. By digging deeper into organization strategies and structures, efficient decision-making can be determined no less than a competitive advantage. It can even define how the organization can expand in the future, measure its difference and defensive ability in the markets. (Boudreau & Ramstad 2008, 76-78.)

It is extremely important for the implementer to being able to interpret all the data diversely and the upcoming research findings to be objectively treated towards. Recently started employment by the researcher is an advantage since there are no pre-conceptions towards the company, its managers and employees and management system. In addition to improve the liability of this research the implementer has not participated in any EES survey yet in the company.

This master's thesis became familiar with the company's current management system and seek alternative management models and most of all tries to find answers for the wanted questions. The main themes of the research are: Well-working decision-making structures and efficient and transparent decision-making. By familiarizing to both themes this research is aiming to provide development tools for the company and therefore even provide the possibility to achieve company's long-term goal: "To ensure a solid foundation for profitable growth" (Oras Group 2016).

3 DESIGN OF THE STUDY

3.1 Methodology

Decision-making as a research subject is highly associated with management and organizational behavior, but also with change management and communicational behavior. Each individual employee and manager has a considerable impact in the company's decision-making. Therefore, it is rather obvious that the empirical part of this master's thesis ratifies the philosophy of interpretivism. Interpretivism, also known as interpretivist involves every researcher to interpret the elements of the study, and in addition interpretivism unifies human interest into studies. (Research methodology 2018). This particular research philosophy is endorsed specifically for business and management research. (Saunders, Lewis & Thornhill 2012, 106-107).

The approach towards the research questions is inductive. The desire is to receive more feedback regarding the corporate's decision-making and create an idea about how are the employees feeling about the process. Therefore both, pros and cons of the current decision-making process are highly expected. After the answers of the survey have been received, the aim is to create more transparent and balanced responsibility areas in decision-making process in Oras Group, based on the given results by the employees. In this research, the researcher doesn't define, but the target group will, which factors and elements are the most relevant for the research. (Saunders, Lewis & Thornhill 2012, 118-120.)

Figure 6 below demonstrates the research strategies, choices and time horizons of this master's thesis. This master's thesis' strategy is chosen to be a case study with partly aspects of the survey approach. Case study approach is the most ideal strategy for the research, since its object is to describe and identify effects and create new observations. A case study aims to answer questions as; "why?", "what?" and "how?", which makes it an ideal strategy for this particular research. (Saunders, Lewis & Thornhill 2012, 131-138.) In this case study, the research is completed for a single case company and the data is collected with using qualitative method.

In this master's thesis the data will be collected by using mono-method. There will be completed a survey in the corporation, which will cover all the white-collar employees of the company. This survey will present both quantitative and qualitative data. All the data will be deeply analyzed, which makes the research a mixed model research. For this kind of research model that produces both, qualitative and quantitative data, is common to combine the data collection techniques and analysis. For example, during the different stages of the research like developing the upcoming research questions. This means that part of the collected data can be quantitative and qualities it by applying it into narrative form, which then can be analyzed qualitatively and other way around as well. (Saunders, Lewis & Thornhill 2012, 144-147.)

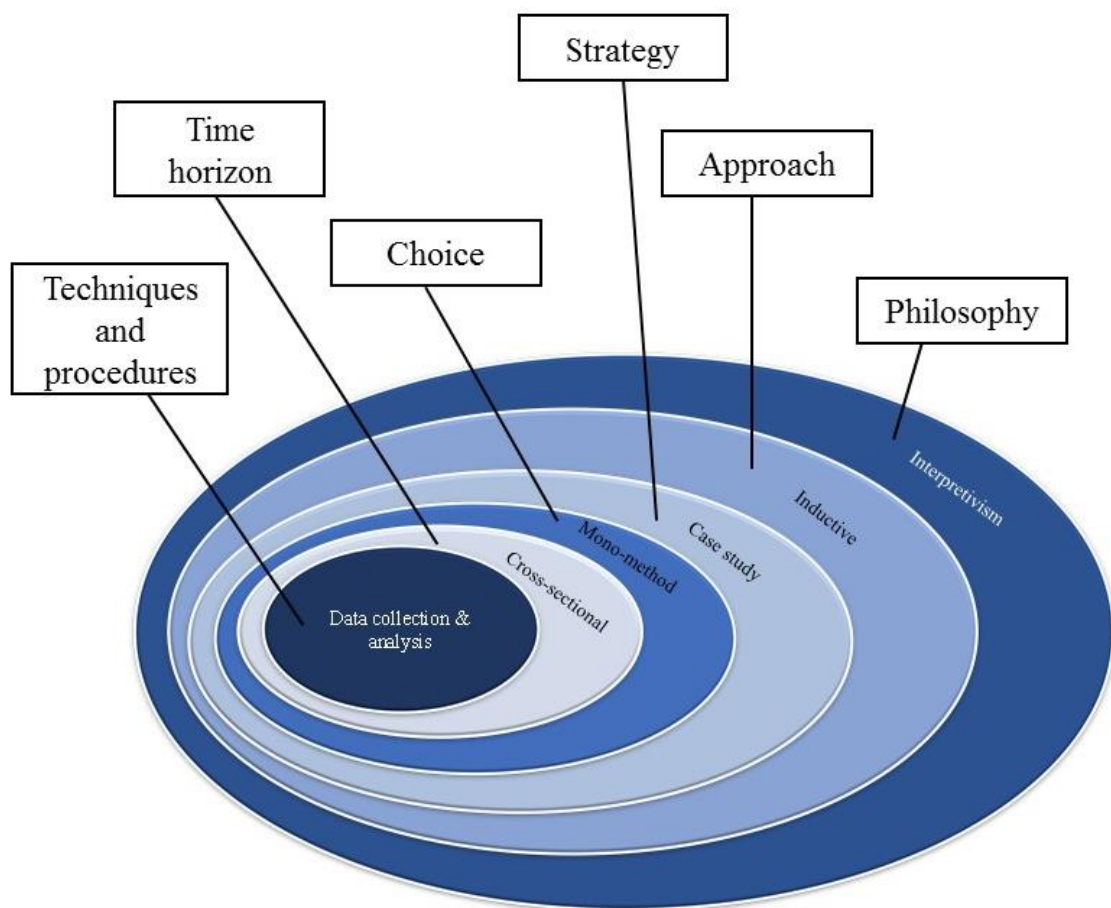


Figure 6. Research design – adopted by the Research Onion by Saunders, Lewis & Thornhill (2012, 108).

The next layer in the Research Onion represents the time horizon of this research. This research uses cross-sectional time horizon, since it focuses on a specific limited

time frame when the data is collected (Saunders, Lewis & Thornhill 2012, 142). Although this master's thesis aims to be descriptive, more or less the issues will be handled with testing the theory by using hypotheses.

3.2 Data collecting

This master's thesis utilizes both, primary data and secondary data. The primary data will be collected via survey in the case company. A survey is a form of interview, in which the material is collected standardized and in which the target group forms a sample of the universe. A standardized survey means that the questions are all asked in the same way and form from all the receivers. A survey type of data collecting fits very well when the study is descriptive or explanatory research, exactly for this master's thesis. Surveys can be either self-administrated or interview-administrated. This master's thesis is self-administrated, Internet-mediated survey. (Hirsjärvi, Remes & Sajavaara 2015, 192-194; Saunders, Lewis & Thornhill 2012, 360-364.) The secondary data of this master's thesis has been collected in the beginning of the year 2018, in case company's online survey Employee Engagement Surveys or in other words EES.

For all the research objectives; 1 (How to create clear responsibilities in decision-making process?), 2 (What are the key factors behind the descending results in decision-making responsibilities?) and 3 (Why isn't the decision-making transparent and how to improve it?) the chosen method will be an online survey in case company's intranet. The survey will be aimed for the entire corporate and will be used as primary data. This master thesis' survey will round up data by using both structured and open-ended questions. All the open-ended questions are extremely highlighted in the survey results because those will reflect the honest feelings. In addition, quantitative data will be utilized in a qualitative way for those questions which structured part of the research questions.

Concerning the research objective 2 (What are the key factors behind the descending results in decision-making responsibilities), the research method will be testing theory. According to theory, clear decision-making reduces organizational frustration and

improves organizational efficiency, clear decision-making improves the organizational performance, well implemented change management improves the decision-making efficiency. (Bazigos & Harter 2016; Boudreau & Ramstad 2010, 49-50; Harvey 2007; Blenko, Mankins & Rogers, 2010; Michel 2007; Webster & Webster 2018; Pohanková 2010.) Theory will be tested with following yes or no hypothesis pairs:

H₁: Unclear decision-making process generates frustration in organization

H₀₁: Unclear decision-making process doesn't generate frustration in organization

H₂: Current decision-making process improves organizational performance

H₀₂: Current decision-making process doesn't improve organizational performance

H₃: Decision-making loses efficiency if the following change is not implemented well in the organization

H₀₃: Decision-making doesn't lose efficiency if the following change is not implemented well in the organization

All of the three hypothesizes will be tested with using opinion variable as variable type. Opinion variable demonstrates how respondents are truly feeling about the matter or what they think or believe is true or false. (Saunders, Lewis & Thornhill 2012, 368.)

In this master's thesis the author has decided not to take any advantage of personal observations made in the case company within the year 2018. Author's opinion is based on the idea that it then adds more value to the researched data and the research will be fully objective.

4 DECISION-MAKING – THE BRAIN AND THE NERVEOUS SYSTEMS OF ORGANIZATION

According to Chuck Williams (2017), “Decision-making is the process of choosing a solution from available alternatives”. The process of choosing appears when there’s a gap between a desired result (what is wanted) and an existing state (what’s the situation you’re actually facing). It’s a dynamic process which begins with the accumulation of existing evidence. Sadly, even a clear recognition of an existing gap doesn’t always trigger a start for the process. The desired end of the process is the adjustment of belief. (Quain, 2018; Juneja 2018; Usher, Konstantinos, Yu & Lagnado 2014, 6; Kim 2018; Williams 2017, 102-103.)

Decision-making is a major part of management work. “It is easily one of the most challenging and also the most important management functions” (Pohanká, 2010). All managers are aware that decision-making is in a central part of their daily jobs. Easily understandable models of decision-making feature; problem definition, generating and evaluating possible options, selecting one and finally fully implementing it. Unfortunately, in reality, decisions are unfrequently made in such a rational manner for multiple different reasons. Reasons are often for example lack of information, complexity of the problem, rush or conflicting preferences among the decision makers. (Buehrins, Cassell, Johnson, & Symon, 2006, 276; Daft 2016, 450-451; Juneja 2018; Kauhanen 2016, 125; Quain, 2018; Williams 2017, 92-93.)

4.1 Decision-making in a nutshell

Decisions are made constantly in organizations at every different level. Every level requires a different kind of decision-making, from strategic decisions to managerial decisions and routine operational decisions. Effective decision-making can be defined throughout the final result of selected alternatives and then managing through implementation to achieve corporate targets. (Harvey 2007; Juneja 2018; Kim 2018.)

Decision-making as a process is a major part of the four functions of management (Figure 7) according to Henri Fayol, a managing director (CEO) of a large steel

company in France in the early 1900's. He is often stated as one of the founders in the field of management, as well as Fredrick Taylor and Max Weber. (Williams 2017, 4.)

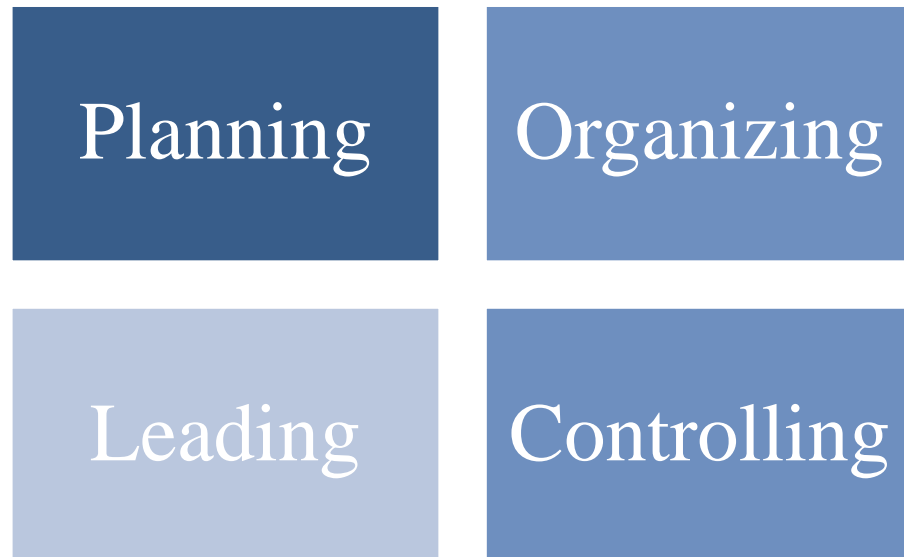


Figure 7. The Four Functions of Management by Henri Fayol (Williams 2017, 4.)

As indicated in the figure above, these four functions of management are closely related to decision-making process. Planning can be seen as defining the problem. Generating and evaluating possible options is more or less like organizing the possible solutions. Leading the choice, meaning selecting one of the alternatives and at last implementing it; controlling the chosen process all the way. On the other hand, it is easy to realize that every one of these functions contain decision-making in themselves. (Buehrins, Cassell, Johnson, & Symon, 2006, 276; Juneja 2018; Williams 2017, 94.)

To fully understand the decision-making process of a human brain, we must dig very deep into humans' neuroscience. It's a proven fact that most of the decisions in everyday life are based on incomplete information and uncertain consequences. To handle these ongoing real-life situations successfully, the nervous system has to estimate, represent and eventually resolve uncertainty at various levels frequently. A common tradeoff in such decisions contains those between the dimension of the expected rewards and the uncertainty of obtaining the rewards afterwards. (Preuschhoff, Mohr, Hsu 2015, 5; Usher, Konstantinos, Yu, Lagnado 2014, 241.)

4.2 The modern-day decision-making in organizations

The modern-day globalization enables companies to access to compete of similar resources from all over the world. This leads to a situation where business processes are converged on similar standards. Thereby, the effective decision-making is becoming the remaining basis of competitive advantage which is able to generate remarkable returns for shareholders. (Harvey 2007; Juneja 2018.)

Why is decision making so important?



Figure 8. The importance of decision-making. (CIMA, Harvey, 2007.)

It is an undeniable fact that decision-making today is becoming the basis of competitive advantage and the key to add value for organizations. The ability of making good decisions in daily basis is the defining attribute of a high performing organization. As mentioned before, the increasing effectiveness in decision-making is becoming increasingly more and more crucial part of maximizing the entire organization's effectiveness at work. By developing the decision-making process, organization is able to high-caliber it's business performance in today's globalized field of business. The quality of decision-making in organizations could even become the key differentiator and an essential link in the value chain as shown above. (Harvey 2007; Blenko, Mankins & Rogers, 2010; Michel 2007.)

Multiple companies have a strict strategic planning process and administration process on board level. Anyhow, the planning process usually generates reports for the company rather than decisions. The board's role in decision-making is very often just to accept and supervise. It's very common that so called routine operational decisions, for example, credit management, have entirely documented processes. Mul-

tiple decisions are actually taken by line management outside proper processes. (Harvey 2007; Juneja 2018.)

According to Quain (2018) and Juneja (2018), modern-day organizations should implement a process that all the employees would be able to follow when making decisions. This plan contains seven different stages of the process:

1. **Understanding the decision.** The first stage might seem as an obvious step, but the realization of the decision is necessary. By identifying and defining the type of decision that needs to be made and the consequences that it will change the work process, improve a product or service.
2. **Collecting all the available information.** A proper decision-making demands an evaluation of all the data and information that's available. In most cases the needed information is internal, and, in some cases, even external information sources are required.
3. **Identifying the alternatives.** After all the provided information is analyzed, the next stage is to develop several possible different options regarding the decision. When developing the different options, consultation from different departments can and should be asked, for example a finance point of view.
4. **Evaluating the pros and cons.** By deeply analyzing each alternative's pluses and minuses, it's easier to eliminate which possible decision is not the correct one. The target of the stage is to identify the options that are giving the best chance of success and the least chance of possible failure. Consultation from a specific field's specialist is advisable.
5. **Selecting the best alternative.** After ranking all the possibilities, one must be chosen, which has the strongest chance of achieving the target. In some cases, combining multiple alternatives can be possible.

6. **Making the decision.** A decision is only a choice until it's actually put into action. This stage requires several meetings with different groups of participants and going through the needed resources and future targets.
7. **Evaluating the impact of the decision.** It's crucial to evaluate the decision afterwards, when enough time has passed to being able to see the difference in actions and did the choice increase the effectiveness in work. The most relevant question to be asked is: did the decision resolve the problem? If the answer is "Yes", the work is done. In case the answer is "No", the identification of what went wrong is necessary and starting again from stage one.

The decision-making process can be visualized as a proposal examined by decision makers in the context of the organization and its key positions. Different alternatives, risks and possible results are first considered and then a final decision can be reached. In some cases, audits and feedback loops are provided for the decision makers by the organization. The decision-making process can be illustrated as a subject to human error. This point of view is explained by the differences, prejudices and self-interest favoritism. It is very much about the decision-making person, since we all have different attitudes towards the risks. (Harvey 2007.)

4.3 The transparent decision-making

Decision-making transparency is highly important in every organization. The transparency in decision-making means that the employees are able to know how the decisions are done, by whom and why? Thereby, it's meaningful for employees since by that they're able to participate and hold the leaders accountable (Darbshire, 2018). The lack of transparency in decision-making in Oras Group might have caused declining results in the previous EES results, for example in areas such as "effectiveness in decision-making". This might have caused frustration and inefficiency within the organization, because by implementing the decision-making process to be more transparent, all the managers in organizations are helping their subordinates to develop ongoing projects continually which automatically enhances the efficiency. By opening up the processes in the projects and making them more transparent builds

managers credibility and highly enhances trust within team members. It forces managers to be more transparent in ways that might challenge their assumptions or comfort levels. It's important to notice that this kind of action does create additional work, especially in the beginning of the process, but in the end it's worth it. Ultimately it works well for holding managers accountable to subordinates and that way creates more consistency. (Knuth 2017.)

Transparency in decision-making process requires fostering, producing and managing distributed dialogues and communications between everyone affected by the decision and the decision makers. Since most of the decisions are requiring fostering and managing, change management as a part of the managing is highly relevant, especially when it comes to successful decisions. All the issues mentioned in the dialogues won't refer only to questions of technical efficiency, but to the ethics and fairness as well. Also, one of the most important factors in developing decision-making to become more transparent is the need of taking communicative action. By simply adding the internal communication in organization, decision makers are highly increasing the probabilities of a decision becoming more transparent (Knuth 2017.)

According to Phillips (2018), smarter use of information, data and analytics is demanded at the moment in order to transform asset-rich businesses and boost efficiency in organizations. Today's key point is to create transparent and evidenced decision-making. It's crucial to make better decisions and use the available data better to create knowledge inside the organization. Large companies have not been doing well in keeping the line of sight unbroken, many times with paying too much attention to reactive maintenance and forgetting the strategic vision. Generally strategic decisions are made inside the boardroom, but unfortunately those are not clearly communicated to the operation teams and managers. It can be months or even years later when the asset performance, or the lack of it becomes clear to everyone.

The transparency in decision-making has also its downside. According to Gradwohl and Feddersen (2018), managers should always think twice before implementing anything, for example radical transparency. The information that people see in organizations depends on what the executive committee members are willing to reveal, but

transparency itself contributes to suppress the willingness to reveal the information inside the committee and therefore to the final decision maker. According to Gradwohl (2018), if the committee is aware that the upcoming decision is going to be transparent, the members will more or less manipulate the information that will be shared to the employees. For that reason, sometimes backroom discussions and other private conversations can be more helpful in getting people to share information within organizations than more or less manipulated decisions.

4.4 Decision-making straitjacket

In the figure 9 below, Kim (2018) demonstrates how the absence of clear and transparent structure around empowered decision-making, as discussed in the chapter 4.3 above, can outcome as a consensus decision-making straitjacket. The consensus decision-making straitjacket can be best described as a spiral of ever-increasing resentment in the eyes of employees and simultaneously escalating levels of stress and paralysis in the head of the manager. The next figure (9) demonstrates how the unwanted result of unclear and non-transparent decision might lead in organizations.

As demonstrated below by Kim (2018), if the decision-making process is not working well inside the organization, the process itself will become an unwanted circle of compulsion. This will after all lead into a point where decision makers are very unsure and not willing to make decisions lightly. If the decision-making is working well in the organization, the strait jacket is fully open and loose, in other words it will not exist in sight. Clear and transparent decision-making along with well executed change management and international communication are reducing the probability of the straitjacket's existence in all stages.

CONSENSUS DECISION-MAKING STRAITJACKET

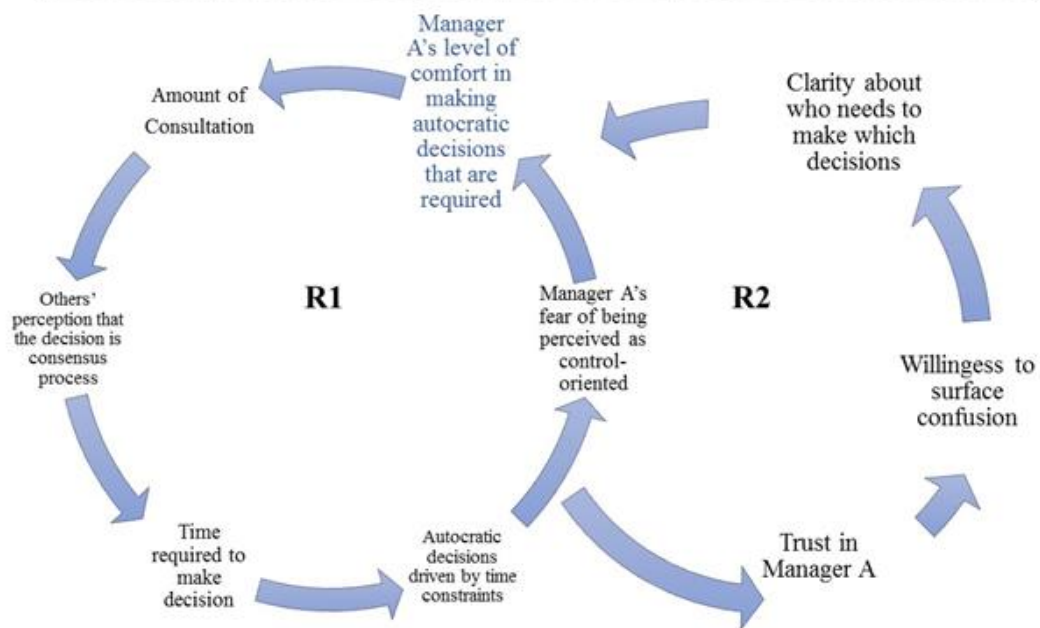


Figure 9. Consensus Decision-Making Straitjacket by Kim (2018.)

As shown in the figure 9, Manager A is aware that a decision must be made quickly but feeling extremely uncomfortable taking the step alone because other ones related are now actively engaged in the process. Although, the time always arrives when decision must be made, and the following actions must be taken. Under pressure as everyone in today's hectic business environment, Manager A makes the decision even though the loop has not been closed with everyone. Afterwards the Manager A thanks everyone that was related or influenced by the decision and then explains the reasons behind the actions. In this case, theoretically thinking the decision that was made was a good one, but Manager A is left with a slight fear of being seen as control-oriented manager. This would furtherly reduce the comfort level when making decisions alike and ultimately leads to more unclear decision-making in future (R1). (Kim 2018.)

The circle on the right hand (R2) presents all the people that are related to the decision. All of them are presumably cynical towards Manager A's true commitment to empowerment and the value that's placed on their involvement. Thus, it's clear that their willingness to reveal their confusion about the unclear decision-making process decreases, and the clarity about the decision-making authority in similar situations

never gets established. Organizational silence further reduces Manager A's comfort level as well. Thereby, both of the circles can lead to an infinity spiral of ever-increasing irritation and doubtfulness on the part of employees and at the same time escalating the levels of stress and paralysis on the part of the manager. (Kim 2018.)

4.5 The new science of decision-making

The new decision-making science was founded in United States around the year 1999. It was founded by Professor John Boudreau from University of Southern California's Marshall School of Business. The decision-making science is viewing modern-day organizations through three different departments; finance, marketing and HR. None of the previously mentioned departments can ensure strategic success for organizations alone, but together they are an inseparable part of the entire organization's success when making decisions. (Boudreau & Ramstad 2010, 48.)

In his book *Retooling HR: Using Proven Business Tools to Make Better Decisions About Talent*, Boudreau claims that it's very rare that behind a failed minor decision is directly one specific organization department, but almost every time a manager with a goodwill but with simply a lack of knowledge or information. By having a well-connected organization beyond the department borders which shares information is one way to improve the common success in decision-making. It should be extremely important to invest into the knowledge of an entire organization and not only into the ones making the decisions. More point of views in every decision are causing positive synergy towards the wanted result. (Boudreau & Ramstad 2010, 49-50.)

Deciding is always a new opportunity to think in a new way. When the decision-making theory is part of the organization's decision-making process, it truly generates new positive synergy for all the participants involved. In his book Boudreau (2010, 72-74) lists three examples of taking steps into decision-making science in modern-day organizations:

1. Make a clear difference between relevant and non-relevant decision topics:

This action brings more added value to the deciding process' result by clearly focusing into the important topics instead of all the topics. If all the topics are handled equally, the most important ones can easily stay in the bottom of the list too long.

2. Performance diagrams should be adjusted to the context:

This action helps the organization to concentrate onto the most essential parts of the entire organization. It helps in reviewing the spots where the organization should aim to the standard level and in which it should aim to develop its operations to higher level. By using the diagrams intelligently organization can avoid the goodwill mistakes which are made based on the incorrect information or consumptions.

3. The aim of the decision-making is to optimize, not maximize:

This action creates a safe environment where different ideas and views can be discussed with less feelings attached. According to professor Boudreau, feelings are often in the way of good decisions and easily lead to decisions which can be justified by saying "Let's apply this the way it's fair for all". The fundamental assumption of optimizing the decision-making is that it sets higher expectations to the wanted results by concentrating to the analytics and open communication.

5 DECISIONS LEAD TO CHANGE MANAGEMENT IN ORGANIZATIONS

Change management is one of the main assignments of managers alongside with making decisions. Leading a change in organizations on everyday basis is a critical part of the job. It's not always the most pleasant task but it's something that a manager has to deal with in modern-day organization. After the industrial revolution between the 1700's and 1800's when the demand crossed over the supply are now long gone. The competition in every business field is now harder than ever and most of

the goods and services have oversupply in the markets. This fact pushes organizations to change themselves in order to being able to serve their customers satisfyingly. All this leads into two things in every successful organization; constant organizational change and renewable rationalization projects of processes. (Salminen 2017, 303; Juuti 2011, 35-37.)

It has been said that the most difficult task for a manager is to execute changes in organization without unnerving the entire business. Therefore, the decision-making is the most important and critical function of management. Some decisions may mean more or less change in organization is needed in order to achieve the set goal. Sometimes the needed change is rather small, for example installing a new software program. Other times it can be massive, such as moving operations to another country and laying off employees. The only thing that's definite is that no change can always please everyone. Every change has its supporters and protestors. A good manager can see the point of views from both sides. A successful manager is prepared for the upcoming reactions and truly focus on effective communication. (Saylor Academy 2018; Pohanková 2010.)

“The only thing that is constant is change”

- Heraclitus

According to Slovakian researcher Andrea Pohanková (2010), the great emphasis in decision-making is to accomplish changes in the organization to improve the competitiveness and profitability. Changes are made to survive in the markets, an organization must frequently adapt to changing circumstances and events that constantly occur in the near and distant surroundings. It's not only significant to the survival of the organization, but also its supplementary progress, it is crucial to take actions towards the problems associated with change.

Changes don't appear alone, but through people. Since the beginning of our history, a humankind has always been forced to adapt to quick changes in our lives. Our operational environment is constantly changing, whether we wanted it or not. The de-

mand of our customers is changing rapidly, and our competitors are developing their operations continually – which leads us to a conclusion: if we want to survive – we must make changes ourselves. Sadly, in some cases, we are too blind to see that there's a need for a change in our own operations. This can be explained since we are too used to run in the principles and procedure satisfactory. Today, after all, requires a change in the way we think, since it's the first thing that triggers the change process in organizations. (Ferris 2015; Kauhanen 2018; Pohanková 2010; Salminen 2017, 303-305.)

Starting point of a change in organization is based on managing and the change itself. The more familiar description of above-mentioned elements together is: change management (Kauhanen 2018; Tuominen 2016, 124; Williams 2017, 153). Change management is a very different kind of management compared to the other forms of management. In continuous management we are used to manage through a hierarchical organization. The everyday tools we use in managing the ordinary consists of goals, responsibilities, authority and delegation. When managing a change, a manager must creatively modify these tools to fit better. (Kauhanen 2018; Tuominen 2016, 124.)

By being a special kind of management, makes managing a change genuinely difficult to handle in reality. It requires true knowledge and experience from a manager to reach the level of satisfaction. The absolute key factor in change management is open and plentiful communication throughout multiple channels. When the management announces of an upcoming change, the message should contain a strong signal of what kind of change is expected. (Kauhanen 2018; Palmer 2003, 8-9; Tuominen 2016, 154.)

Each change is different from another and should be treated differently. Major changes are very much different from regular everyday development. Minor changes, i.e. local changes should be highly separated from global changes. Even the minor changes are not accomplished overnight and most definitely not by itself. It takes true dedication, time and properly executed policy. (Kauhanen 2016, 124-126.)

5.1 The role of resistance – a friend or a foe?

In each organization every single improvement requires a change. It doesn't matter how well the change is designed and planned, not everyone will be singing its praises. All changes inflict a predictable resistance. Especially by the people who are affected by the change. It is unfortunate that this impulse which can be recognized as the lack of acceptance of the change often causes a breakdown of the project. This happens even if the desired change is perfectly logical and necessary for the organization. (Ferris 2015; Jabe 2017; Palmer 2003, 6; Pirinen 2014; Salminen 2017, 308.)

“Change has a considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better.”

- King Whitney Jr.

Resistance to change is a function that truly complicates manager's intentions to make a change. It tests every manager's pressure handling skills and expertise of executing. It's a function which cannot be fully erased. As a matter of fact, it can sometimes be for good. Very often if a change fails, the resistance is the first one to blame. (Ferris 2015; Jabe 2017; Pirinen 2014; Salminen 2017, 309.)

Resistance to change in organizations can appear in many ways. We humans are highly social creatures which means that we are very often influenced by our surroundings. Very often there are three different kinds of resistance of a change in organizations. Some people criticize the change open and loud. This is called over resistance. They bring all the negative aspects of a change to everyone's awareness. They can spread rumors and try to convince other people to join them and share their ideology of the common change. They take plenty of managers time and attention with spreading the negative atmosphere all over the organization. (Ferris 2015; Pirinen 2014; Salminen 2017, 308.)

Then there are the quiet ones, the covert resistors. The ones that are against the change as much as the loud ones, but do not share their ideology out loud. They re-

sist the change out of manager's sight but even as strongly as the loud ones. They criticize the change but not when the manager is present. (Ferris 2015; Pirinen 2014; Salminen 2017, 250.)

The third shape of change resistance is the passive resistance. In passive resistance people act passively against the change and do nothing for the change. This puts brakes on the managers wheel of change management. The passive ones are a major burden for the manager since they demand a lot of extra time and work in order to cooperate, even with their own colleagues. Therefore, the passive ones are very often a burden for the whole organization when their passivity requires extra covering by other colleagues. (Ferris 2015; Pirinen 2014; Salminen 2017, 250.)

For employees the resistance of change is a very natural reaction. They don't want to change their daily working routines. A sincere willingness and passion of a manager to help and assist subordinates reduces the resistance majorly. When the manager keeps repeating the targets and positive outcomes of the ongoing change, subordinates slowly start to believe in those as well. A manager should always fight against the resistance but not too long – sometimes the resistance lasts all the way to the next change. (Ferris 2015; Pirinen 2014; Salminen 2017, 250.)

According to change management and managing coach Helka Pirinen (2014) and author, speaker, coach and mentor of organizational change, Karen Ferris (2015), there are few reasons for a subordinate's resistance to change, for example:

- Ignorance
- The fear of abandonment
- Poor management
- Fear of unknown
- Incompetence
- The bad experiences of the previous change
- Uncertainty
- Prejudices
- Beliefs
- Fatigue
- Conflict of the values

The main reason behind the resistance to change is very often if not always fear of the unknown. Subordinates often feel that they receive sky-high expectations towards changing their routines and receiving new assignments. When the subordinate doesn't know why this is happening, the beginning of the resistance is reached. This is totally understandable since who would like to work in total unconsciousness? No one. Unaware person is fearful, vigilant and doubtful just like a wild animal in a wild. It's the only way to survive. (Ferris 2015; Jabe 2017; Pirinen 2014; Salminen 2017; 308.)

From a manager's point of view a resistance of change can also be a good thing. Firstly, it tells the manager that the resisting subordinates have started their change journey. They're not anymore in the denial stage in which they forbid the change, but in the stage where they have recognized that they're going to need to change and adopt the new routines. (Ferris 2015.)

Resistance is not necessarily a bad thing per se. Resistance of change is the employees way of challenging a change as a mistake or pointing out possible downfalls. In the stage of resistance employees might be right in their objections to the change. With their experience they're able to recognize the issues that their managers have not necessarily foreseen. The employees are closer to the daily actions and have observations that their managers don't have. A significantly strong resistance to a change may in fact mean that the change isn't a good idea and should not be accomplished in order to avoid a major failure. (Ferris 2015; Salminen 2017, 308-309.)

5.2 How to overcome a resistance to change in organization

Employee's attitude towards the upcoming change depends on their willingness to change. If organization is innovative it doesn't only adapt to change but also actively implements its actions on daily basis. The active implementing in change requires continuing regeneration of the employees. (Jabe 2017.)

A specialist organization immediately creates tensions inside the company. It highlights its employee's competence very highly. Status quo is seen positively but the expectations in a change are rather unclear and employee's willingness to change is less positive. After all the change is still possible to manage with suitable tools. It's clear that for a specialist organization it's easier to implement a new product than whole new way of working. A change in the everyday work routines or responsibility areas regenerate slowly. Employees rather concentrate on their own work, not on the whole company's success which easily creates tensions between the departments. (Jabe 2017.)

In the middle of a change management, some organizations resistance to change is not visible at all. Everything seems to be running smoothly. Not necessarily efficiently, but very smoothly. Targets are clear, and support is provided when needed. The invisible resistance to change is like no-showing iceberg; massive and very hard to tackle. Even the slightest changes are hardly managed through and demand tons of work. Employees are extremely stressed and won't get along under the pressure. As mentioned before, the most important thing in change management is to get people involved and communicate well. In this case the solution is to give the employees the power to design the operations and set targets themselves. Very often this scenario happens in factories in which production engineering is complicated and changes are troublesome to execute. (Jabe 2017; Salminen 2017, 309.)

The fear of unknown can be tackled by manager in the beginning of a change. Discussing openly ahead when the change has not yet started and genuinely listening their thoughts and opinions regarding the upcoming change. This way the manager can receive good ideas and is able to add shared understanding to the situation. This also allows subordinates to process the change in advance, which at some point leads to situation when the change starts it doesn't seem too strange and frightening. By simplifying the targets of a change, a manager is possible to increase the knowledge of the subordinates. A good target is understandable, simple and most of all reachable. By setting up different levels of the targeting change, subordinates are capable to understand the main target in the end, the bigger picture. (Ferris 2015; Pirinen 2014; Salminen 2017; 311.)

According to Marjatta Jabe (2017) there are seven tasks for a manager when managing a change:

1. **Change yourself.** No one can change anyone else if not already changed themselves.
2. **Finding the change agents.** Choosing the right people to implement the change in daily basis.
3. **Creating a vision.** The vision is not managing the organization but managing the change.
4. **Creating a network.** A network which keeps the organization running during the change.
5. **Creating a streamlined customer service process.** Top level management's mission is to combine all the minor processes into a one major one.
6. **Create customers for everyone.** Well-working communication creates genuine energy and every process or department should be linked to the customer. Different internal departments can also be customers to each other.
7. **From "I" to "We".** Teamwork - everyone has responsibilities but also can take control when needed.

By changing the point of view from "I" to "We" is also a critical part of the change from the manager's point of view. Long gone are the days when managers were supposed to concentrate to the problems of the whole organization such as sales, marketing, product development or competitors. Now a days the number one thing for a manager to concentrate is to make sure that their own organization is working and running smoothly. By building-up a solid "we-spirit" to the organization, manager convinces to the employees that it's actually them who made the change possible, not "I". (Jabe 2017.)

According to Forbes Magazine's (2015) Dr. Gregory LeStage, one of the most influential change management books was written by Dr. John P. Kotter. Kotter's book "Leading Change" was written in 1996 but is still used in many ways even today. The guide in the book regarding change management included an 8-step process for leading a change within an organization. Even though the business world has sped up greatly, Kotter's process is still very accurate.

There are multiple different theories about “how to do change” in the existing literature. Very often John P. Kotter’s name comes up when organizations are originating about leadership and change management. In the figure 10 below is presented Kotter’s 8-step process for leading a change within an organization (Mind Tools 2018):



Figure 10. Kotter’s 8-Step process for leading a change within an organization. (Kotter 1996.)

Step 1: Create urgency

The change is easier to complete when there’s an authentic need for it. By developing a sense of urgency in an organization the change manager can more easily spark the initial motivation to get things starting. For example, identify potential threats and examine the possible opportunities. (Kotter 1996.)

Step 2: Form a powerful coalition

It’s important to convince the people around that the change is necessary. This action often requires strong leadership skills by the implementer since managing the change is not enough – it must be lead. The coalition can be from various departments with

various job titles and expertise levels, but the most important thing is that the group is fully into the change and truly shares the same vision as the leader. (Kotter 1996.)

Step 3: Create a vision for change

In the beginning of the change there might be many great ideas and solutions in the air regarding the process. Those ideas and solutions should be tightened together and create an overall vision that everyone is easily able to grasp and remember. For example, determine clear values that are fundamental for the change and create a strategy of how to fulfill the determined values. (Kotter 1996.)

Step 4: Communicate the vision

The success of the vision will be determined after creating it by the following actions. The following messages very often must compete strongly with other day-to-day information in the organization, which means that the vision must be communicated extremely well and with power. The previously created vision should be included in everyday situations, for example when making decisions or solving problems. When the vision is constantly repeated, the people will start to remember it and respond to it better. It's urgent to "walk the walk" because it's far more important what's done than what's said. (Kotter 1996.)

Step 5: Remove obstacles

After following the first four steps above, the next stage is about facing the obstacles. Hopefully the people are excited about the change and are adapting the new ways of doing things. Sadly, it's almost certain that there is at least some resistance to change. Sometimes resistance to change can be tackled by simply identifying the resisting people and helping them to see the positive side of the change, the opportunities. (Kotter 1996.)

Step 6: Create short-term wins

Success is the biggest motivation in change. If the organization can feel the success even at an early point of the change, it helps to win the critics and negative thinkers to the side of the change. By creating multiple short-term targets instead of one long-term goal. (Kotter 1996.)

Step 7: Build on the change

According to John P. Kotter, very often change projects fail because victory is declared too early. In reality the real change runs deep, and quick wins are only the tip of an iceberg. If the change is working with one process, it should be applied for ten more. Then it can be really seen if the change is victorious. After each short-term win, it's important to analyze the process about what went right and what needs to be improved in the next step. (Kotter 1996.)

Step 8: Anchor the changes in corporate culture

Finally, if a change is something that should stick into the organization, it must become the core of the organization. The corporate culture often defines what gets done, which means that the vision of the change should be seen every day in actions. If the change is not around daily, something needs to be done. The change should get a solid place in the culture of the organization. In the last step, it's also important to get the leaders of the change to continue the support because if the supporting people are lost, the steps might start again from the first one. (Kotter 1996.)

According to Williams (2017, 153) there are also few other fundamental actions which a successful manager could follow when leading and facing resistance in change management which are similar to Kotter's (Kotter 1996.) 8-steps:

1. **Open education and communication**; always more and never less.
2. **Participation**; supportive attitude towards the subordinates.
3. **Negotiation**; willing to negotiate when needed.
4. **Top management support**; receives authentic support from higher level.
5. **Forcing**; the last option - only if truly necessary.

According to Gleeson (2017) successfully leading lasting change in any organization is more complicated than ever before. The modern-day working environment has become more digital, more varied and furthermore reliant on advanced ICT, i.e. information and communication technology. Although the leaders of the organizations have not necessarily fully understood how to leverage these new ways of working and therefore increase efficiency and agility of the organizations.

Today's business organizations that are successful, are continually rethinking and generating their definitions of leadership and management. Those organizations are redesigning current structures and cultures to adjust with the business world as it is today. Those organizations are breaking up old hierarchies and replacing them with new networks and ecosystems of empowered teams and managers at all levels. This equals more nimble and adaptive team environment, which improves collaboration, communication and engagement inside the organization. With a formula as mentioned above, organizations are rapidly turning it into improved speed, efficiency and therefore growing profitability. (Gleeson 2017.)

6 EFFICIENT INTERNATIONAL COMMUNICATION IN ORGANIZATIONS

Outstanding leadership always requires superior communication. There is simply no other way to manage people. Communication is a dialogue between at least two persons or more. It can be either written, spoken or even mimic. Skillful communicating is all about getting the opposite side attracted to the message and truly understanding the concern of the message. Communication is also the best way to create communality in organizations. Communication is actually manager's one of the most important know-hows. Although, a skillful speaker without core competence doesn't guarantee success in organizations. (Huuhka 2010, 117-119; Salminen 2017, 247; Williams 2017, 321.)

The essential need of organizations is to develop the decision-making process as clear and transparent as possible. This often means multiple meetings and formalities, electronic and printed documents and finally a big amount of time. According to Nassehi (2005) this can be described as the communication of decisions. It's one and only target is to communicate the decision for others. The process is becoming a necessary part of every modern-day organization. (Nassehi 2005, 186.)

But why is high quality communication so important for organizations? Simply because subordinates can only commit and take responsibility to matters that are com-

monly known. According to the “old-school” managing paradigm, the management level’s only mission is to consider matters deeply and the employees’ only mission is to achieve those decisions’ targets and the communication is authoritarian. By sticking to the “old-school” paradigm, no organization can take full advantage of its human resource capacity. If employees don’t fully realize the targets of their work, it’s extremely difficult for them to work creatively, efficiently and committedly. Luckily the “old-school” paradigm of managing is coming to the end of its road in the modern-day organizations and new managers are leading their organizations differently. (Huuhka 2010, 117; Salminen 2017, 248.)

Communication is a tool which is used to make people feel important. By using communication each organization can feel important. It’s a tool to organize the employees to reach to the same target. For example, innovative decisions can be reached more easily if the communication is open and over bounds between different departments. It brings added value to the company by itself, even financial benefits. The University of Michigan conducted a scientific study regarding the relationship between open communication in organizations and possible financial benefits. There were 350 organizations in the study, of which 35 had clearly open communication culture, and the rest were managed with the “old-school” paradigm – strictly authoritarian executed communication. According to the study, the 35 organizations with open communication culture were able to double the profit of the tied-up capital compared to the rest of the organizations. (Huuhka 2010, 117.)

When a manager is communicating any made decision, it is extremely important to be fully aware that the basic message of the decision is communicated successfully to the people involved and even broader if possible. It’s also important to get everyone involved to share an understanding of what the target results are. That eases every upcoming unknown event when everyone knows how to react and what is expected to be done in order to solve the problem. Every manager’s nightmare is to find out that everyone’s not on the same page after communicating a decision and tasking the upcoming implements regarding the decision. (Jones 2014.)

If the communication isn’t handled properly, the resistance to change will rise, at least in silence. It might create an illusion that the communication in a change has

been well executed. The change will begin effectually in the eyes of management and everything seems to be working as planned without resistance. In reality, the whole organization is resisting the change, which takes away a huge amount of employees' working time. This illusion is often created because of one specific reason: nobody wants to report the negative matters of a change to the management because of fearing lowering. And because of the illusion, management level isn't aware of the ongoing problem and therefore it's unable to fix the situation efficiently. (Salminen 2017, 250.)

According to Jones (2014) decision communication failures take place when:

- The objective of the decision, desire and what is to be achieved are not clearly communicated.
- The expectations are not made clear. A manager should always have a clear vision of implementing the decision, but the introduction to the related employees is not clear and then has a great possibility to fail.
- The used words within the involved employees in daily basis. For example, some words have double meanings and different shortenings can be easily misinterpreted.
- The amount of communication is not enough. Course corrections are supposed but get missed.
- The presumption of assuming that the communication has been effectively performed.

The amount of communication in organizations is not a unit of measure. The increased communication doesn't promise that the receiver is informed better by the extended volume. A message without a link between the substance and the receiver is a wasted message. The evolution of communication is still very opposite: quantity overrides the quality. According to Dr. Passila (2009,80) this can easily be expressed with a simple example:

“In the bible the Ten Commandments contains approximately 300 words. The declaration of independence of United States contains approximately 1300 words in its original format. The European Union’s turkey eggs’ exporting directive contains over 26 900 words.”

The example above indicates that the message isn’t always clearer with more words. The key in the messaging is transparency. Especially if the message is shared within different cultures, the transparency of the message is always on point. According to Dr. Passila (2009) a transparent message should always contain answers to the following questions:

1. **What?** What’s the purpose of the message?
2. **Who?** Who’s the sender?
3. **For whom?** For whom the message is intended?
4. **When?** When was the message sent?
5. **From where?** From where the message is coming?
6. **How?** How was the message sent?

All the questions above are helping the receiver to decide whether the message is important or not. In a modern-day business world, the flow of incoming emails for example is endless. The receiver subconsciously chooses between reading further or deleting the message within few seconds. If the message isn’t transparent enough it can be easily mistaken. It can also be understood very differently in different cultures. Multi-national corporation must pay attention very much to every little detail in their messages because of the cultural differences. (Passila 2009, 81-83.)

6.1 Advanced tools for better collaboration in change management

The importance of communication is very much highlighted in today’s organizations. The developments in the ICT field have made it easier and cheaper to store, reuse and share the beneficial information than reinventing it as it is often needed. (Hedelin & Allwood, 2016) Very often when the topic is on table, the real issue does not concern the ICT systems, but personal communication skills. Not manager nor employee

are able to succeed without acceptable communication skills. According to Dr. Huuhka (2010) and Dr. Williams (2017) from 60 to 90 percent of the managers' time is purely communicating, depending on the title. Whether the communication is written, verbal or performed in any other way, the percentage is rather high. (Ferraro 2017, 122.)

The most critical part of the daily communication is performed in line management. The most powerful way of communicating doesn't require emails, intranets, announcements or message boards – it's simply face-to-face from person to another. It's the most powerful tool to spread the information across the organization. (Ferraro 2017, 122; Huuhka 2010, 119; Williams 2017, 330.)

The revolution in Information and Communication Technologies, ICTs, has transformed our social and professional lives. There are as many opinions of the revolutions as there are answerers. Some say the modern-day ICT, including email, online discussions, networking websites and other high-speed information formats will lead to more informed, committed and strong global business world. Other ones feel that the tools are making the world and people to become more impressionable, superficial and easily manipulated. No matter the debate regarding the internet's and ICT's impact on us, one thing is for sure: the new ICT tools are a very powerful vehicle for change in the way people communicate and share information. (Ferraro 2017, 122; Williams 2017, 337; Hedelin & Allwood, 2016.)

It can't be denied that face-to-face communication is important to managers, but they must be also capable of communicating effectively with a larger number of people throughout an organization. All the modern ICT tools, such as emails, intranets, recorder videos and conferences and voice mails are making it easier for the managers to communicate and get the message out throughout the whole organization. Although, there's huge difference between one-on-one personal discussion and an email that was sent with a one click of a button to 1000 people. (Williams 2017, 337-338.)

It can be presumed that decision-makers' approach towards the advanced ICT as a helping tool in their decision-making process purely depends on how they identify the functionality and usability of the provided ICT tools regarding the daily decision-

making. Therefore, it can be assumed that the effectiveness and efficiency which the advanced ICT is able to support to decision-makers are, to a wide scope of users, driven by the usability of the ICT tools. (Hedelin & Allwood, 2016.)

Organization-wide communication is not only about CEOs and top-level managers getting their message through to people in the company. It also means finding ways to hear what other people in the whole organization feel and think. Organization-wide communication is extremely important since most employees and lower-level managers are unwilling to share their thoughts and feelings with top managers. According to Dr. Williams (2017) only 29 percent of first-level managers feel that their companies are encouraging employees to share their feelings and opinion openly. Another study found out that 70 percent of the surveyed employees were afraid to speak about problems they knew existed in their work. (Williams 2017, 338-339.)

By withholding information about organizational problems or issues is called organizational silence. This instance occurs when employees believe that speaking to management about existing issues won't make a difference or are afraid of being punished in some way for sharing such information. (Williams 2017, 339.)

Business organizations are like every social system; effective communication is required to operate efficiently and to achieve their objectives. International business organizations are requiring more powerful communication in every level. The communication must be performed well and actively with its' employees, customers, suppliers and stakeholders. Effective communication with people whose native language is the same is often quite difficult, but when people with differential native languages are trying to communicate effectively, it's almost if not almost impossible. Additionally, in that case the same people are sharing different ideas, attitudes, assumptions and perceptions, simply the ways of working. All this increases the chances of miscommunications greatly. (Ferraro 2017, 95.)

6.2 Knowledge management

Knowledge, in the broad sense, including know-how, constitutes an intangible benefit, has become one of the most crucial competition targets for organizations. Companies are competing highly with every individual professional in the markets. For many high technology companies, the lack of know-how and knowledge are the most critical reducers of developing own operations. Knowledge is nowadays extremely important capital for every organization. The knowledge management was created after the rise of knowledge importance in the 1990's. (Ben Chouikha 2016, 7; Sydänmaanlakka 2012, 175; Hedelin & Allwood, 2016.)

The knowledge management was created for a simple reason; because all the modern-day organizations are full of information. The organizations don't even know what they know. All the information is provided somewhere, but it's rather hard to locate. The other problem is that the organizations don't know what they should know. The third problem, which is very common for big organizations is that how to spread and share the information for everyone. Every big organization would be highly more efficient if everyone knew what they were supposed to know. It takes a lot of employees' time when they must search through all the shared information. By managing their knowledge, organizations can raise their effectivity and make their management more rational. (Ben Chouikha 2016, 7; Sydänmaanlakka 2012, 176; Hedelin & Allwood, 2016.)

The primary objective of knowledge management is to enable information usage in decision-making situations. The better the knowledge is, the better decisions are made, which are leading the operations of an organization. According to Dr. Sydänmaanlakka (2012) knowledge increases efficiency in decision-making. The information itself is quite secondary but it has to be meaningful to the context. The information can be old or new, quoted or original, but it must be easy to apply in daily operations. It also needs to be easily available for everyone. (Sydänmaanlakka 2012, 182-184.)

There are multiple central objects in knowledge management and one of the most crucial ones is ICT, i.e. Information and Communication Technology. All the ICT

tools that organizations use in their daily operations are extremely important for the whole organization architecture. The ICT tools should be beneficial for all the users and should serve the whole organization in a supportive way. If the architecture is executed properly, the ICT tools are a major advantage in decision-making. (Ferraro 2017, 122; Sydänmaanlakka 2012, 185; Hedelin & Allwood, 2016.)

It is beneficial for teams and individuals that they have ability and willingness to learn and change, share and adjust. Many times, it's more about the willingness and not the ability. Unfortunately, many times individuals and teams are seeing the process of sharing the knowledge as a power-move. More knowledge is more power, which in many cases holds true. On the other hand, are the individuals and teams willing to change if the knowledge is shared? Various organizations are carrying a NIH-syndrome, i.e. Not Invented Here, which is related to resistance to change. (Sydänmaanlakka 2012, 186.)

According to Hedelin & Allwood (2016) knowledge management demands far more than the movement of data or the information transfer. In a big picture it demands integrating across the department boundaries, open sharing, accessing, accumulating and reusing of the internal knowledge and know-how. After all knowledge management is about recollecting and developing of expertise throughout the organization.

6.3 Cross-cultural leadership is required in today's organizations

Almost every project today involves cultural diversity, at least in every international organization. These diversities can be for example personal, societal, group and business. Immigration in countries has seen to be the factor that even organizations within the borders of a single country has diversity inside of it. Today's globalized business world is a kind of place where every organization outsources goods and services, many projects are taking the full advantage of competition on price and quality. The true demand of a skillful project manager is now days a must for organizations, especially with cross-cultural leadership competency is increasing rapidly. (Grisham 2010, 101-102.)

The cross-cultural leadership is also one of the key points in the case company's management system. After the year 2013, when Oras acquired German Hansa Armaturen, the cross-cultural leadership has been required in the Group in everyday actions. Hansa Armaturen alone has offices in 10 different European countries with more than 1500 employees from different cultures and backgrounds. As stated above, the globalized business environment has taken over also in Oras Group and therefore demands the deep knowledge and implantation of cross-cultural leadership in order to become more efficient organization in the market field.

According to Grisham (2010) there's a presumption of a cross-cultural leadership intelligence called XLQ. XLQ means effectiveness regardless of culture in leadership. The figure 11 below indicates XLQ model as wheel which implies movement, change and relationship among the multiple components.

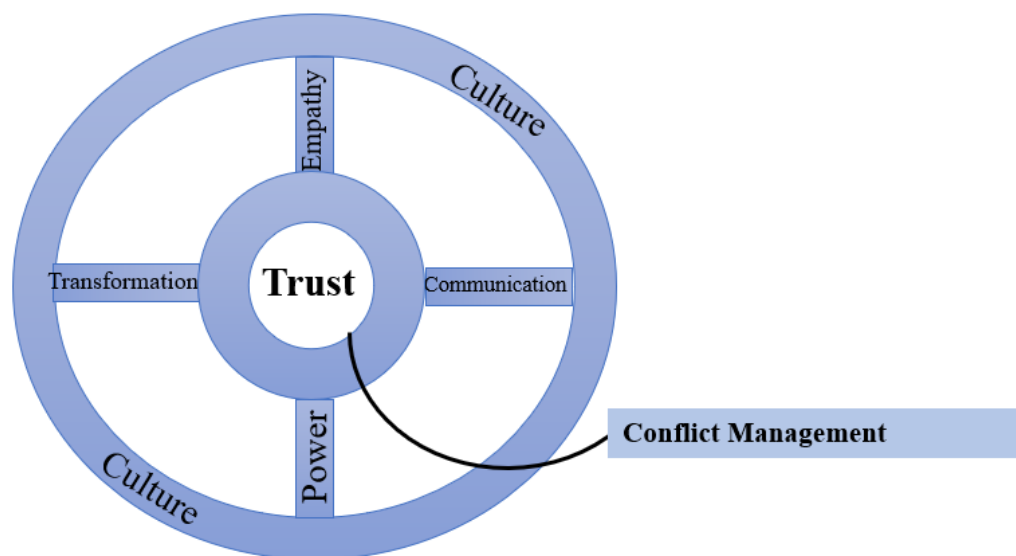


Figure 11. XLQ Model (Grisham 2010, 102).

The model should be understood to point in a direction, sort of like a compass. The blend of attributes in the figure are highly complex and the organizational culture today is such diverse, that the spokes in the wheel are providing guidance, not strict standards. The complexity of the business world today demands that project managers have more than just the skills shown in the XLQ wheel above, but more important they know when to use which one in which situation. It's essential that man-

agers that lead projects in international organizations are able to adapt to their environment. (Grisham 2010, 102.)

According to Grisham (2010) leadership can be learned. A word leadership can be defined in many ways, but commonly it's defined more or less as "the ability to inspire the desire to follow and to inspire achievement beyond expectations". In reality, the leader is defined by the followers. The XLQ model proposes that leadership can be presented in different levels. If one spoke is weaker than the other for a leader, another spoke can be stronger and that way balance the wheel in total. Therefore, leadership itself isn't an "either/or" proposition, but more like a scope of possibilities. For example, some attributes of the wheel need to be highlighted and some need to be minimized depending the situation. Different personalities and cultures demand different kind of approach from the leader. However, a wheel without a rim doesn't move too far. Cultural intelligence, i.e. CQ is also essential for the wheel in order to work properly. In the figure 11, trust is the hub of the wheel and the lubricant is conflict management, and the spokes are Empathy, Communication, Power and Transformation. The rim of the wheel is culture. (Grisham 2010, 103.)

All the international projects and organizations are constantly changing, and the leader must be able to create a culture that enables implements participants to strive to achieve more than what's expected by themselves and others, and most importantly fail safely. If employees aren't feeling safe to fail, they cannot ever reach for something beyond expected. When the atmosphere and the culture is approbative, leader also builds the trust of the employees, demonstrates empathy for others and shows transformation skills. (Grisham 2010, 103.)

7 OPPORTUNITIES AND WEAKNESSES OF A MATRIX MANAGEMENT IN DECISION-MAKING

The very often used mantra "act locally, think globally" isn't nowadays only a suggestion to everyday operations but truly a fundamental challenge for every international organization all over the globe, for Oras Group as well after the fusion with

Hansa Armaturen in 2013. Organizations are built in the way that there are multiple individual professionals with a wide range of responsibility areas, areas that have most likely at least some interdependence within the specific organization's entity. This combination connects the dual challenge of organizations; how to take advantage of the specialization of labor and coordinate the needed efforts. Therefore, these two forms are conflicting each other on daily basis. Organizational hierarchies are beneficial by economizing managerial bounds and responsibility areas by segregating many of the details of lower-level subsystems within wide international organization. (Ferraro 2017, 127; Levinthal 2018, 4-5; Project Management Institute 2018.)

When exploring the basic organizational structures, which are according to Levinthal (2018) often highlighted as functional and multidivisional. As today the modern business environment require, more complex structures are commonly in use, such as matrix organization. A substantive feature of this complex structure form is the presence of multiauthority relations inside the organization, i.e. many managers have multiple bosses. A matrix organization is one of the common forms of organizational structures which is also the structure in the Oras Group's organization. This structure commands the horizontal flow of skills and information. The structure was developed by NASA, The US National Aeronautics and Space Administration in association with its' suppliers. The structure got its name by resembling a table, in which each element is included in a row as well as a column as demonstrated in figure 12 below. Matrix structure is commonly used when managing large corporations or projects. Perhaps the most common scenario when matrix management is used, is when a group of individuals from different departments coordinate under a project manager to create something that was never done before, which fits Oras Group perfectly. In matrix management, the management structure is a multiple command and control structure, where employees have dual responsibilities and dual bosses. Employees report different information for different bosses, for example day-to-day operations to another and functional matters to a different boss. In matrix management managers' jurisdiction flows sideways crosswire all the departments. (Reh 2018; Project Management Institute 2018.)

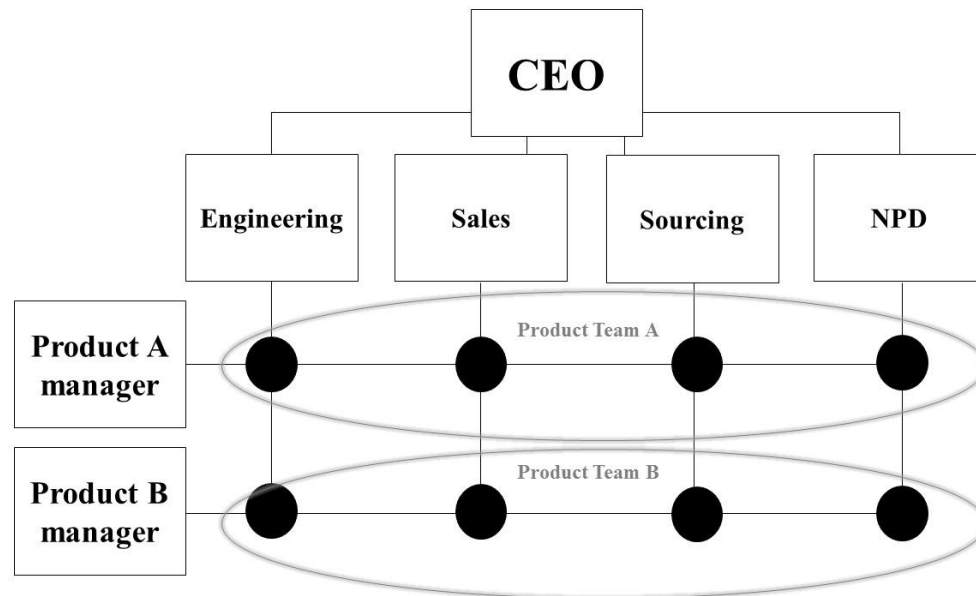


Figure 12. The matrix organizational structure. (Webster & Webster 2018)

The matrix organizational structure was created for the demand of many organizations and is implemented by Oras Group as well. Line management and process management are roughly based on function and resource supply but not on the demands of resource to delight the distribution of projects or broad organizational change. Since today's business environment insists continual developing in organizations, the usage of project teams is rather broad, which results in a merger of project and line management in a form of a matrix. Unless the structure is accurately established, the matrix management has its risk that employees are receiving conflicting instructions in day-to-day operations. The dual reporting can easily lead to a conflict and confusion, and even cause loss of liability from overlapping responsibilities. (Hamburger 1985, 82-83; Johnson & Geal 2016; Reh 2018; Webster & Webster 2018; Project Management Institute 2018.)

The fundamental diversity between the effective and less-effective matrix management is whether the balance between different perspectives is creative or destructive. All the various processes, ICT systems and tools are providing comfort but if the top management isn't doing what expected and the information flow isn't running through the organization flawlessly with clear targets, accountabilities, live team interactions and team-building transparency and behaviors the structure doesn't work. According to Bradt (2017), the only way to get matrix management to work effi-

ciently is to get the structure to adjust with organization's culture. The key components of a culture can be summed into behaviors, relationship, attitudes, values and environment. (Bradt 2017; Project Management Institute 2018.)

Matrix organizations have existed for many years now, and ever since the organization structure was created there has been an on-going debate between its' supporters and detractors. The debaters remain in large companies that are trying to bring functional centers of greatness alongside with business-specific people and processes. According to a survey implemented in United States, employees in matrix organizations are feeling both, benefits and obstacles of the structure. For example, collaboration has been seen as an advantage of a matrix. At the same, the survey indicates that the employees are insecure about their responsibility areas within the organization unlike their non-matrixed counterparts do. (Bazigos & Harter 2016.)

It's true that the difference between more and less effective matrix organizations flows from top to bottom, essentially via managers' attitudes. The communal spirit is everything in matrix management. One of the most difficult parts of the matrix management is the above-mentioned clarity of accountabilities and responsibilities, which is also one of the hallmarks of an effective organization. If people are focusing more on decision rights and arguing about control, the staff mainly spends time on turf battles. When the staff is functioning correctly, the focus is directly in collaborating, influencing and succeeding together and realizing the shared purpose. (Bradt 2016.)

According to Bradt (2016) effective managers are using different tools in different day-to-day situations. That way these managers are able to know when to work towards consensus and also when it's time to end the discussion and make decisions. Managers that are working like this:

- *Seek input*: Get together with others who know more regarding the issue. The knowledge can be general or specific, as long as the perspective is different. Very often this seems to be the action which separates confident and less confident managers. Less confident ones feel that seeking input is a sign of

weakness. More confident managers are happy to receive any help that's provided in order to fully see the shared target.

- *Provide input to others:* "Happiness is good". As a matter of fact, there are three goods for a manager: doing good for others, doing things you're good at and finally, doing good for yourself. If the idea for example in change management fits to one of the above-mentioned goods, then it's good for influencing people. One of the managers' tasks is to help subordinates to understand that important ideas and changes are good for them.
- *Make decisions when needed:* It's not telling someone what to do. The most effective managers are able to gather a wide input and involve people in discussions which are eventually leading into a major decision. Sometimes the gathered group isn't able to reach consensus and that's when the effective manager steps up, makes the decision and provides the needed direction. If the group doesn't instantly follow the direction, it doesn't mean that they'll never follow it. It might take more time for others to see that the direction was made in order to cause the best interest.
- *Follow others' decisions:* Decisions made by others, who have more experience, independent of their rank or formal status, makes them better qualified to make decisions. Effective managers follow others' decisions like their own, with support and energy.

7.1 Opportunities of the matrix management structure

As stated previously, the matrix was originally developed as a natural evolution of organizational structures as an answer to a very definite demand. An organization which uses matrix management offers the advantage of flexibility, greater security and better control of projects. It also provides great opportunity for employee development inside the organization. Since for example the area of responsibilities in line management structure is tending to be permanent, organizations are more and more seeking for more flexible management structures, which matrix management pro-

vides. (Bazigos & Harter 2016; Webster & Webster 2018; Project Management Institute 2018.)

According to Webster & Webster (2018) any organization that's planning to implement a change inside the organization can receive help from the matrix management structure:

- Project teams are created on a temporary and limited basis for the fulfilment of customers' needs. After the project target is reached, all the members of the team are reassigned to other work and projects. This way knowledge and expertise is managed and retained by the organization.
- Project teams are remarkably fitted to employees working on a common task or project for example when new processes and associated information systems are introduced.
- By having organization's specialists simultaneously in a project, leaders can view common problems with project teams which are dynamic and innovative. Every individual in the team is chosen to fulfil the needs of the project.
- Project managers are precisely responsible for achieving the set-up targets of the project within promised term and resources. If the manager can't lead the project, it might fall apart when people are pulling in different directions. Empowering through decision-making responsibility makes it less painful for the project manager to reach targets and make a project successful.

Matrix management is truly ideal for sharing talents and skills across the different departments of the organizations. The ability of sharing information inside a diverse skilled team of specialists strengthens the overall project team (Reh 2018). With matrix management organizations are more capable of managing very large and very complex ICT programs, projects and problems. The traditional hierarchical management organizations cannot function well with the extreme complexity and the enormous amount of information that must be processed in large multinational organizations today. (Project Management Institute 2018.)

7.2 Weaknesses of the matrix management structure

As the coin, the matrix management also has two sides. While there are multiple potential benefits for large international organizations by managing with matrix, there are some circumstances where it's not the most ideal managing structure (Reh 2018). In other words, there are multiple potential benefits of the matrix structure, but also several potential problems and challenges that it's downside creates (Webster & Webster 2018; Strategic Agility Institute 2015).

The common dilemma with matrix management is the assumption that the matrix management structure is only an organizational structure. This particular structure of management can only be applied for a true demand. It doesn't work if it's set up without the necessary demand. The structure impacts everyone in the organization, every manager and every professional, the skilled ones and semi-skilled ones. If the entire organization doesn't follow the guidelines, it soon becomes disgruntled, inefficient and ineffective. By having multiauthority relationships within the organization, managers often face the challenge of which authority should be followed when the guidance and recommendations of different bosses conflict between each other. For example, the matrix management shouldn't be used when there are initiative demands of autonomy and long-term focus and commitment. (Johnson & Geal 2016; Levinthal 2018; Reh 2018; Strategic Agility Institute 2015.)

Very often the authority is undermined when an employee receives instructions from more than one manager. One of the matrix management's biggest threats is the dual commanding in daily basis. It's a source of conflict that leads to a loss of discipline and therefore threatens the entire organization's order and stability. Another challenge that employees are daily facing is the conflict of loyalty. The conflict of loyalty is between managers and project managers in the same project, sharing the same resources. It goes around the other way as well since many project managers are experiencing problems of authority as well over their team members. This occurs especially when members are from different department. (Bazigos & Harter 2016; Webster & Webster 2018; Strategic Agility Institute 2015.)

Perhaps the most familiar authority conflicts that employees face, are those between functional managers and project managers, when the discussion regards project priorities, administrative procedures, technical perfection versus performance trade-offs, personnel resources, cost estimates, scheduling and even personalities. In matrix management structure, individual employees are working daily across various projects under different managers from various departments. This situation creates multiple reporting relationships, conflicting and confusing expectations and even excessive demands towards the employee. (Bazigos & Harter 2016; Strategic Agility Institute 2015.)

The challenge of multiauthority relationships appears when employees in projects are facing a dual reporting relationship. Having multiple bosses generally leads to situations in which an employee has to satisfy multiple conflicting directives. The most valuable lesson about dual reporting in matrix management is that reporting lines aren't simply channels that relay information across the organization, but also direct and even obligate the actions of the employees, and therefore often resulting in employees receiving conflicting directives. (Bazigos & Harter 2016; Levinthal 2018, 5-6.)

It is no surprise that studies indicate that employees in matrixed organizations are more likely compared to employees in non-matrixed counterparts to say they're spending their days responding to their colleagues' requests and attending meetings within the organization. Such conclusions are results of an environment where employees receive instructions and demands from multiple different managers and work with a wide range of people to complete ongoing projects. These previously mentioned challenges are probably factors in the eyes of the critics', which are easily slowing decision-making, blurring lines of communication, suffocating productivity, and disturbs organizational responsiveness and agility. (Bazigos & Harter 2016.)

According to Johnson and Geal (2018), the biggest challenge regarding the matrix management in organizations isn't after all about building and executing matrix management. The biggest challenge that organizations are facing is about how to create a matrix into the minds of the employees. The so-called inbuilt conflict inside a matrix structure sort of pulls managers in several directions in the same time. Pro-

gressing a matrix via flexible perspectives and open relationships within each manager's mind achieves an entirely different result in the long-run. It then allows individuals people in the projects create judgements and negotiate the daily trade-offs that guides the entire organization towards the set-up targets.

7.3 The managing paradox

The definition of “paradox” according to Cambridge Dictionary (2018) is “a situation or statement that seems impossible or is difficult to understand because it contains two opposite facts or characteristics”. If a situation is called paradox it requires a balanced tension across varied courses of action. The ongoing development of finding a balancing point, changing stability alongside with moving priorities over time. There's a lot of similarities between change management and paradoxes. (Garner 2018; Robbins 2017, 566.)

Change management is like riding a bike. A manager must maintain the forward momentum at all times or the change fails, just like a bike falls if not riding forward. There's no such thing as a single discipline of change management since every kind of management is dealing with continual change and development. Managers are able to learn a lesson by thinking about managing as a paradox. The key paradox in management is that there's no final optimal status for an organization. The whole organization is constantly moving, for example people change, statuses change, different elements take on more or less importance. For example, companies must sometimes acknowledge past success and figure out how it worked but sometimes looking back can actually slow the on-going processes. According to Robbins, there are some evidence, that managers who can see the bigger picture and recognize the importance of balancing paradoxical factors are more effective. This effectiveness transpires especially in generating adaptive and creative behavior in those they are managing. (Garner 2018; Robbins 2017, 567.)

Everyday management holds multiple different kinds of paradoxes that every manager has to deal with. According to Garner (2018) there are at least seven very common paradoxes that every manager faces during their career:

1. *Individuals & Teams*: Individual employees give their best effort when they're working in teams; teams can succeed when every individual is working their best.
2. *Success & Failure*: Everyone must be first allowed to fail in order to succeed in the future.
3. *Work & Rest*: To reach the highest efficiency, employees must rest well and enough.
4. *Hard & Soft Skills*: A skillful manager can handle both sides; emotional and logical intelligence.
5. *Efficiency & Effectiveness*: Customer is always served the best when the entire organization is efficient; the organization is effective when the customer comes first.
6. *Control & Freedom*: Employees need control to feel free. Freedom can be reached with restraints.
7. *Change & Stability*: In order to change safely, organization need stability. To be stable, organization must continually change.

8 RESEARCH PROCESS

The aim of this master's thesis was to seek out answers for the reasons behind the low results of the latest EES results in the case company and the primary data collecting method was a survey, which was completed for all the white-collar employees of the Oras Group.

Before starting the main survey in Oras Group, there was a common decision between the researcher and the advising group that the research process should also include interviews besides the survey. The vision was to make sure that the survey will be easily understandable and eliminate ambiguous questions before sharing and also ask if there was something missing in the survey according to the experience of the interviewees.

In order to get the best visions regarding the survey questions, the researcher and the advising group together chose four employees from different departments inside the Oras Group. The aim was to interview long-term employees with a passion to improving daily processes. Three out of four interviewees were managers with subordinates and one of the interviewees was a specialist and had no direct subordinates. All the interviews were completed separately and commonly agreed that those were not strictly documented. This decision was made because of the low number of respondents and the interviews were more as discussions than interviews – ideas and visions were openly shared and discussed.

These interviews took place during the week 45 of the year 2018. All the interviews were highly beneficial and eye-opening since each of the interviewees had a different kind of approach to the survey questions regarding their position in the company. Some of the survey questions' structures were changed in order to avoid misunderstandings with a help from the interviewees. The survey questions were all in English for everyone in the personal interviews and also in the real survey.

After the interviews the survey was released on Monday, November 12th. The survey was published in Oras Group's intranet as the headline of the news as shown in the appendix 1. The survey was addressed for all the white-collar employees of the case company. The survey group was specifically chosen because the questions were highly related to the positions in the company and therefore blue-collar employees were not seen as relevant to the subject. White-collar employees include specialists, managers, team leaders and the Executive Committee.

The response time was set to one eight days, which was a carefully planned decision: time is highly valuable thing for everyone involved and if one is willing to take the time to answer the survey, it will be most likely completed within a week from the beginning. There was one reminder published in the intranet two days before the ending also. The survey was closed on Monday, November 19th at 12:00 (CET) and all the submitted answers were counted and the analyzing started immediately.

8.1 Research results

The number of white-collar employees in Oras Groups was 568 in October 2018 and out of those 568, 102 employees answered the decision-making survey during the set time range. Therefore, the survey results represent 18% of the target personnel, meaning one fifth of the entire white-collar personnel as indicated in the figure 13 below as blue. None of the public holidays, sick leaves or personal holidays were not excluded from the number of the potential respondents, which declined the respondent number. This number of respondents included employees from all the different positions in the company, including several responses from the Executive Committee as well. The rather low level of responses can also be explained with the complexity of the English language. Many of the white-collar employees speak English as their third or fourth language and the survey consisted some difficult but mandatory English words regarding the topic.

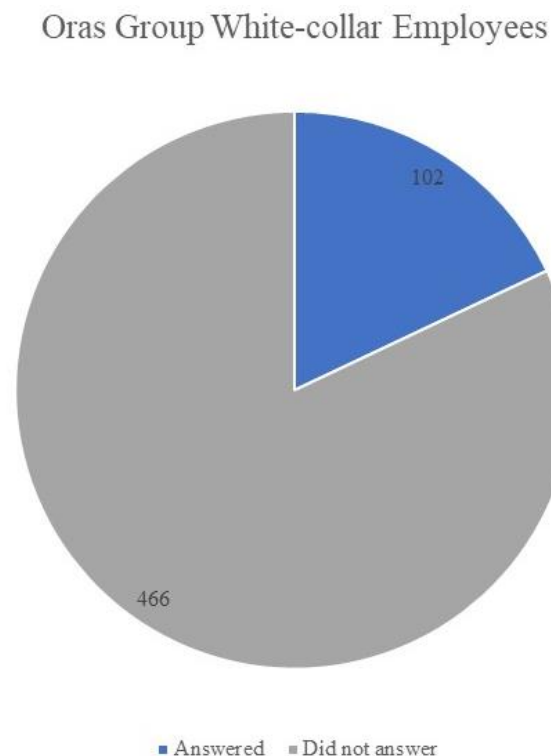


Figure 13. Oras Group White-collar Employees who answered the survey.

Even though the respondent level is rather low, the respondents did represent many different countries, including Finland, Germany, France, Belgium, Austria, Czech Republic, Netherlands, Sweden, Norway and Denmark. Most of the answers were

given from Finland with the number of 48 answers, meaning 47% of all the answers. The second biggest respondents group was Germany with the number of 39 answers, meaning 38 % of all the answers. The rest 15 answers meaning 15%, came from various countries and therefore to protect the anonymous identity of the respondents the third group will be referred as “other countries” as indicated in the figure 14 on the next page.

The diversity of the respondents between the countries

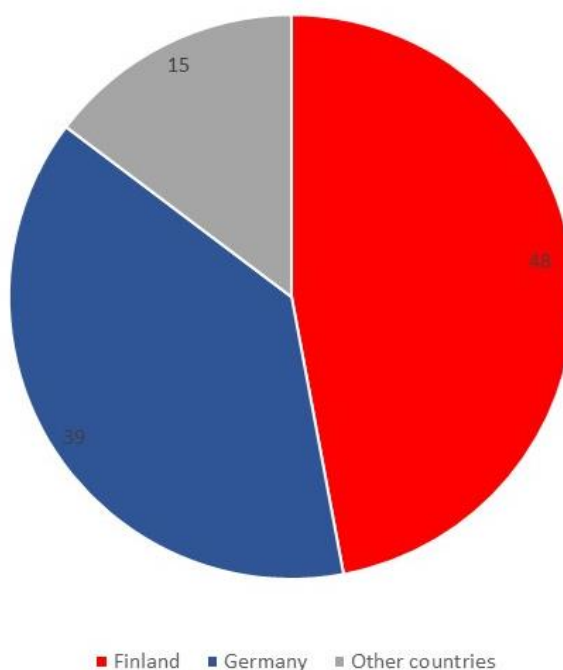


Figure 14. The distribution between countries which answered the survey.

The distribution of the respondents' positions was divided into three different categories: Executive Committee, Managers and Specialists. Other categories are easily understandable but the last category “Specialists” included for example, engineers, buyers, HR, product development, sourcing and accounting. The following figure 15 indicates the distribution between the different positions. The biggest respondent group were specialist with the total of 67 answers, meaning 66% of all the answers. The second biggest group was managers with the total of 33 answers, meaning 32% of all the answers. The smallest group, Executive Committee had 2 answers, meaning 2% of the overall answers.

The Distribution of the respondent positions

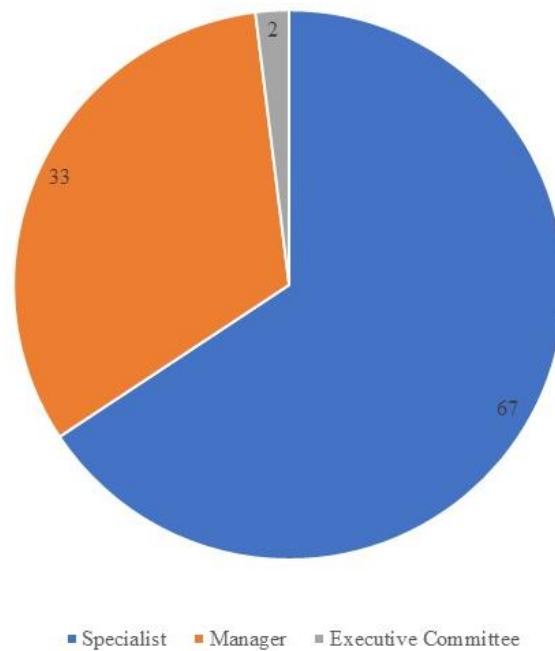


Figure 15. The Distribution of the respondent positions.

The distribution of respondents' positions is logical, since the personnel's position distribution in Oras Group can be described as in any other big corporation. When viewing the structure of white-collar employees in Oras Group, the biggest number of employees are working as specialists. The second biggest group are the managers and the smallest individual group is the Executive Committee as indicated in the figure 16 on the next page.



Figure 16. The white-collar employees personnel structure in Oras Group by the quantity of employees in number.

8.2 Decision-making survey questions

The decision-making survey (Appendix 1) was completed in Oras Group during the week of 46. The survey was an online survey and was created with Microsoft Forms. The survey platform was easy to use with proper guidance by Kaisa Huunonen, a specialist from Oras Group's HR department. The survey included 19 different questions regarding decision-making in Oras Group.

All the questions were carefully chosen and structured after the pre-interviews were held before the survey kickoff. The number of questions was a bit high but every one of the questions was evaluated to be critical in order to receive all the necessary information regarding the current status of decision-making in Oras Group. The grading scale of the survey was similar to the EES that was completed in Oras Group earlier this year. This specific grading scale was chosen to reduce ambiguousness within the respondents, meaning that a familiar scale would be easier to complete.

The grading scale of the decision-making survey in Oras Group 2018			
1.Disagree fully	2.Tend to disagree	3.Tend to agree	4.Agree Fully

Table 1. The grading scale of the decision-making survey in Oras Group 2018.

It was an aware decision to set the grading as uneven. If there was a middle possibility, or so called neutral answer, such as “don’t know” or “no opinion”, it would have been diluted the results of the research. All the questions were structured in the way they are easy to understand and did not include any double-meanings. There was no option to skip a question in the survey, meaning that every respondent was required to answer in all question in order being able to submit the answers.

8.3 Decision-making survey results

The decision-making survey (appendix 1) included all together 19 questions. The survey was structured in the way that it would be logical for the respondents to answer the questions, meaning that the first questions were based on decision-making before making a decision, the middle ones were based on decision-making when making a decision and the third part of the questions were regarded to the time after the decision has been made. The last three questions were strictly related to the Oras Group’s company values.

Question number	Decision-making timetable
1-7	Before making a decision (B)
8-12	During the decision-making (D)
13-16	After the decision is made (A)
17 – 19	Oras Group company values regarding decision-making (V)

Table 2. The question structure in decision-making survey regarding the timetable.

All the parts of the timetable are necessary since the research was about a decision-making process in the case company. The process itself contains the preparing, executing and the aftercare of the decision when the decision is made.

The next figure 17 indicates the survey results average by each question. The scale being between 1 (Disagree fully) and 4 (Agree fully) the neutral zone is 2.5 meaning the average. As can be seen in the figure 17, only one question is above the neutral zone, question number 15 (Q15 – I am fully aware of which decisions affect my

work) with the average result of 2.65. Even though the result is not even nearly the wanted kind of result, the respondents felt that it the area in Oras Group decision-making process was the most clearest one.

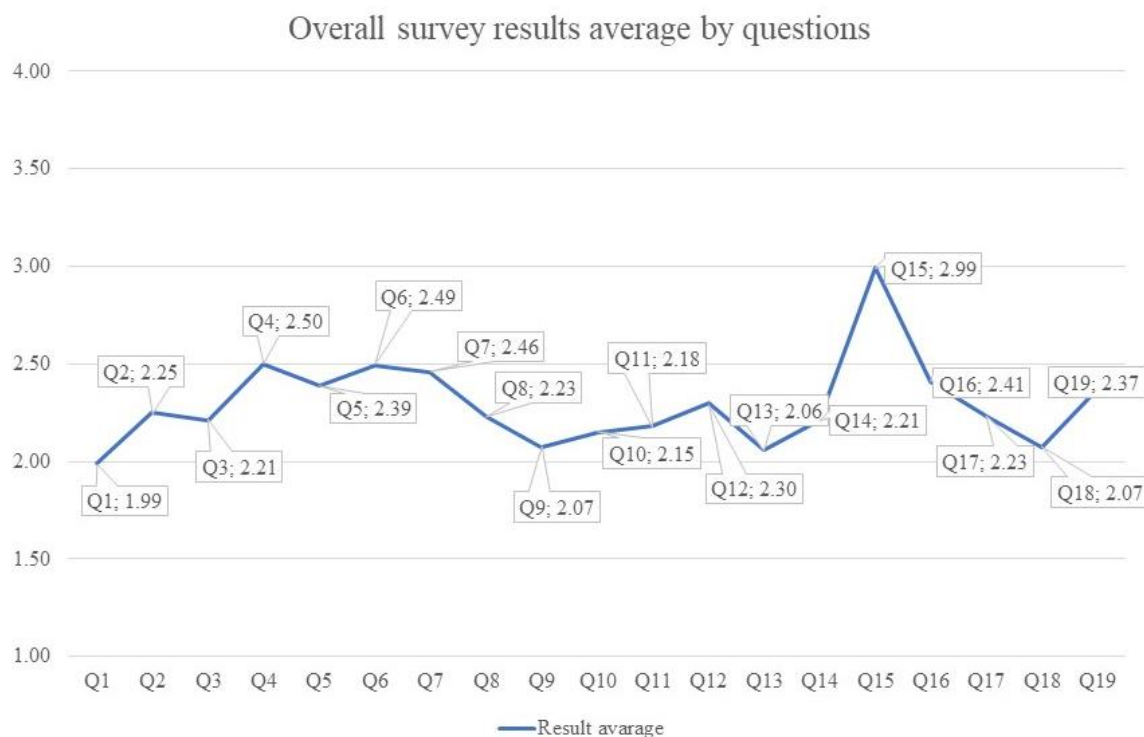


Figure 17. Overall survey result average by questions

The next table 3 demonstrates the survey results one by one, above and below the neutral zone, meaning the result of 2.5. The results above the neutral zone are marked in green by the stage and the results below are marked in red by the stages per 1.

Question number	The result by stage per 1
1 (B)	1.99
2 (B)	2.25
3 (B)	2.21
4 (B)	2.50
5 (B)	2.39
6 (B)	2.49
7 (B)	2.46
8 (D)	2.23

9 (D)	2.07
10 (D)	2.15
11 (D)	2.18
12 (D)	2.30
13 (A)	2.06
14 (A)	2.21
15 (A)	2.99
16 (A)	2.41
17 (V)	2.23
18 (V)	2.07
19 (V)	2.37

Table 3. Overall survey results below and above the neutral zone, marked by the colors.

The previous table 3 demonstrates the status quo of the decision-making process in Oras Group. The unfortunate results are indicating that almost every are of the decision-making process has been experienced in the company to be as rather poor than in good condition, as 17 of the survey results were below the average and only one (Q15) has been experienced to be in a rather good condition and one result (Q4) was rated in the neutral zone.

8.3.1 The diversity between the responding countries in the survey results

When analyzing the decision-making survey results, it was a striking observation that there was a relatively big difference between the responding countries inside the Oras Group. The survey results were submitted from 10 different countries in Europe, as mentioned in chapter 8. In the next figure 14, the respondent countries are divided by the countries. As can be seen, two of the biggest country groups are Finland and Germany. The rest of the respondents' countries are marked as one, "other countries".

The diversity of the respondents between the countries

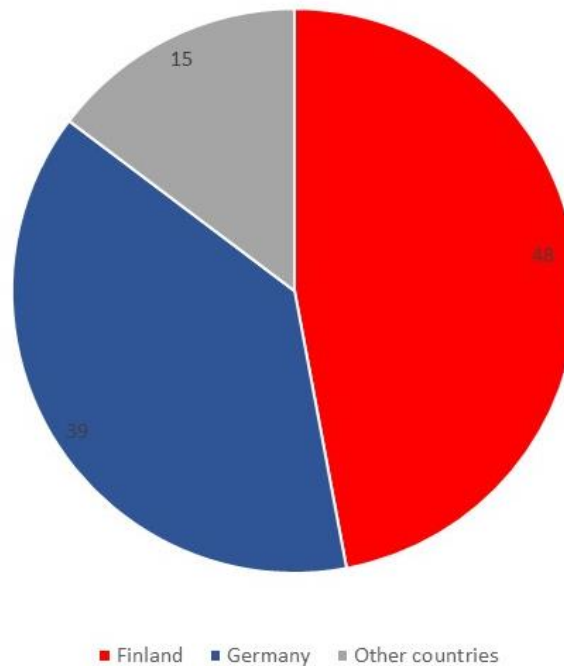


Figure 14. The diversity of the respondents between the countries

Since the quantities of the submitted answers were rather small inside the other countries, it is highly difficult to analyze the results by a single country and therefore the other countries' survey results will not be furtherly analyzed in single level. The reliability of the submitted answers are probably not indicating the whole country's experiences regarding decision-making, for example there was only one respondent per country from 3 different countries.

When analyzing the two biggest respondents' countries, Finland and Germany, the remarkable difference between the country results can be easily seen. The next table 4 indicates the difference between the results of the countries one by one and the difference between the countries.

Question number	Finland average result	Germany average result	Result difference in average FIN VS. GER
Q1 (B)	1.81	2.10	-0.29
Q2 (B)	2.00	2.31	-0.31
Q3 (B)	1.98	2.21	-0.23
Q4 (B)	2.15	2.72	-0.57
Q5 (B)	2.19	2.46	-0.27
Q6 (B)	2.35	2.51	-0.16
Q7 (B)	2.31	2.59	-0.28
Q8 (D)	2.06	2.28	-0.22
Q9 (D)	1.85	2.13	-0.28
Q10 (D)	1.88	2.21	-0.33
Q11 (D)	2.08	2.10	-0.02
Q12 (D)	1.85	2.59	-0.74
Q13 (A)	1.94	1.95	-0.01
Q14 (A)	1.79	2.49	-0.70
Q15 (A)	2.65	3.21	-0.56
Q16 (A)	2.23	2.41	-0.18
Q17 (V)	2.06	2.26	-0.20
Q18 (V)	1.92	2.03	-0.11
Q19 (V)	2.23	2.38	-0.15

Table 4. Survey results of Finland and Germany compared – difference is marked with colors green and red.

As the table 4 indicates above, Finland has been more critical in its' answers during the survey. In every question Finland has given more poor answer than Germany has and in some questions the difference has been highly significant. For example, questions number; Q4, Q12, Q15 have the difference with over 0.5 units, which in the scale of 1 to 4 is highly meaningful as can also been in the next figure 18. The figure 18 demonstrates that the submitted answers between these two countries are mostly going to the same direction in each question.

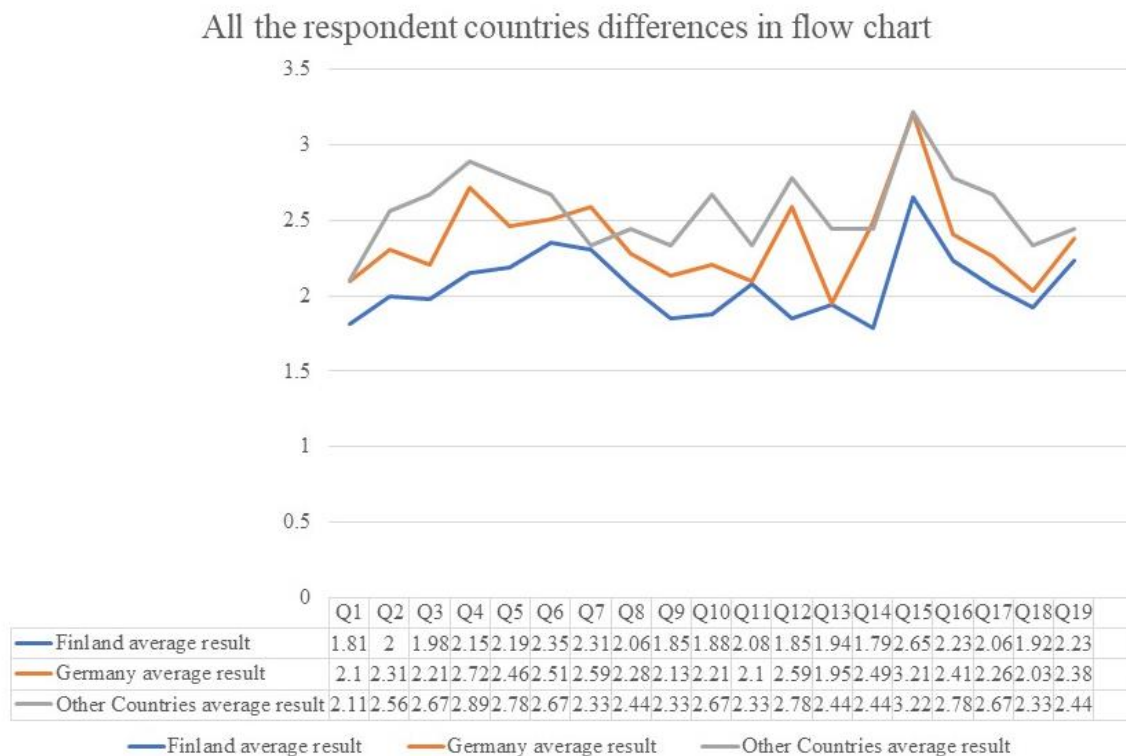


Figure 18. All the respondent countries decision-making differences in flow chart.

By looking into the figure 18 above, it can be easily noted that Germany is sharing the same experiences in decision-making with Finland but is not seen in such radical manner. The group of other countries are alike with German answers and therefore won't be further analyzed separately. This is because of the various answering countries and the alike answers with Germany, which can be analyzed alike as well. It can be stated that this research is more valuable if mostly viewing the survey answers from the Finland's point of view.

8.3.2 The diversity between the responding positions in the survey results

In the decision-making survey, there were respondents with three different titles:

Position	Subordinates
Specialist	No
Managers	Yes
Executive Committee	Yes

In the previous figure 17 in chapter 8.2 included all the respondents non-regarding the position, meaning that the average results are the same. Since the low number of respondents from the Executive Committee, the position will not be included in the following analyzes regarding the respondents' positions.

Question number	Specialists	Managers	Difference S. VS M.
Q1 (B)	2.0	2.03	-0.03
Q2 (B)	2.18	2.47	-0.29
Q3 (B)	2.18	2.32	-0.14
Q4 (B)	2.55	2.44	+0.11
Q5 (B)	2.39	2.41	-0.02
Q6 (B)	2.55	2.32	+0.23
Q7 (B)	2.48	2.41	+0.07
Q8 (D)	2.20	2.26	-0.06
Q9 (D)	2.11	2.00	+0.11
Q10 (D)	2.17	2.12	+0.05
Q11 (D)	2.02	2.44	-0.42
Q12 (D)	2.32	2.29	+0.03
Q13 (A)	1.98	2.26	-0.08
Q14 (A)	2.21	2.24	-0.03
Q15 (A)	2.95	3.06	-0.11
Q16 (A)	2.44	2.35	+0.09
Q17 (V)	2.24	2.18	+0.06
Q18 (V)	2.00	2.24	-0.24
Q19 (V)	2.33	2.44	-0.11

Table 5. Survey results regarding respondents' position in Oras Group. The difference between specialists and managers calculated separately.

As the table 5 indicates above, there were rather big differences when comparing these two white-collar positions in Oras Group. It can easily be analyzed that specialists are less satisfied in the current status of decision-making in the company, especially when the timetable of the decision-making process is before the decision. Spe-

cialists experienced the current status 4 times poorer out of 7 questions when compared to managers experience.

Question number	Finland managers average result	Germany managers average result	Finland specialists average result	Germany specialists average result
Q1 (B)	1.69	2.25	1.88	2.12
Q2 (B)	2.06	2.50	1.97	2.32
Q3 (B)	1.94	2.33	2.00	2.24
Q4 (B)	1.88	2.75	2.28	2.76
Q5 (B)	2.13	2.50	2.22	2.48
Q6 (B)	2.06	2.25	2.50	2.56
Q7 (B)	1.94	2.75	2.50	2.52
Q8 (D)	1.88	2.50	2.16	2.16
Q9 (D)	1.56	2.08	2.0	2.16
Q10 (D)	1.69	2.17	1.97	2.24
Q11 (D)	2.13	2.50	2.06	1.84
Q12 (D)	1.81	2.42	1.88	2.72
Q13 (A)	1.88	2.33	1.97	1.84
Q14 (A)	1.69	2.42	1.84	2.60
Q15 (A)	2.63	3.17	2.66	3.24
Q16 (A)	1.94	2.42	2.38	2.40
Q17 (V)	1.75	2.50	2.22	2.12
Q18 (V)	1.88	2.25	1.94	1.96
Q19 (V)	2.13	2.42	2.28	2.36

Table 6. Survey results between German and Finland's managers and specialists. The highest result of each question marked in green and the poorest in red.

In the previous table 6, the survey decision-making survey results are clearly indicating the following: the worst experience of the current decision-making process is dealt with managers in Finland. Overall of 16 out of 19 questions, the worst results were submitted by the managers in Finland.

The best survey results in decision-making survey were the opposite. Overall 12 out of 19 questions, the best results were submitted by the managers in Germany. As indicated in the next figure 19, Finland's specialists in grey are almost in every question located in the middle of the results between German and Finnish managers.

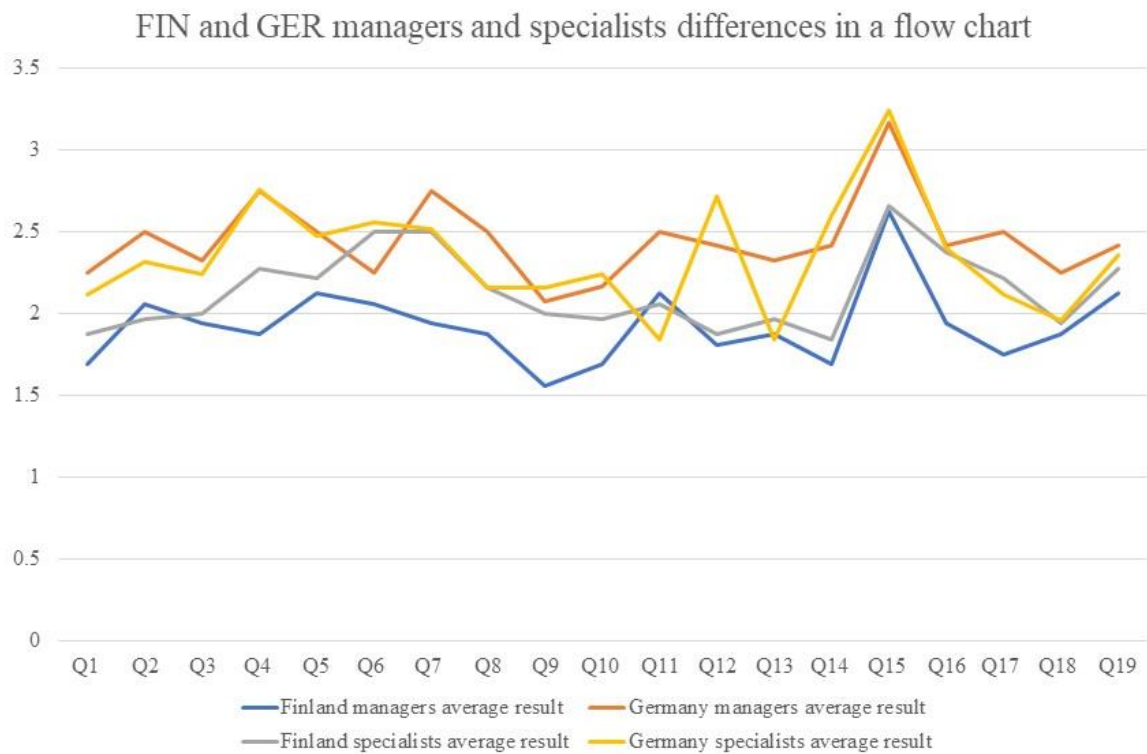


Figure 19. Finland's and Germany's managers and specialists differences compared in a flow chart.

The survey results in the figure 19 above is indicating that both German, managers and specialists have submitted together the highest results in almost every single question. Therefore it is rather easy to come to a conclusion that the main problems regarding the decision-making is experienced in Finland and especially within employees in manager positions.

8.4 Current decision-making process hypotheses

The aim of this research was to find answers to the question: How to create clear responsibilities in decision-making process? This question is relevant to all the objectives of the research. This objective was approached with three different hypotheses:

H₁: Unclear decision-making process generates frustration in organization

H₀₁: Unclear decision-making process doesn't generate frustration in organization

H₂: Current decision-making process improves organizational performance

H₀₂: Current decision-making process doesn't improve organizational performance

H₃: Decision-making loses efficiency if the following change is not implemented well in the organization

H₀₃: Decision-making doesn't lose efficiency if the following change is not implemented well in the organization

All the above-mentioned hypotheses were created purely based on the theory in chapters from four to seven. The following results will either verify or invalidate the theory of this research by testing the all three previously presented hypotheses. This also helps the case company to get to know more about the answers regarding these questions.

The presented hypotheses were tested with decision-making survey questions 1, 3 and 5. These questions will be interpreted as:

4 – agree fully = yes

3 - tend to agree = yes

2 – tend to disagree = no

1 – disagree fully = no

H1: “yes” \geq 50% of total number of responses (102)

H0: “yes” < 50% of total number of responses (102)
--

This research will use the plain one-tailed hypothesis testing, which is rather easy to interpret. In one-tailed testing, the H₁ hypothesis is valid when the result in the sur-

vey indicates “yes” with more than half of the total answers, or exactly the half of the amount. Thus, if the survey results indicated “no” for more than half of the overall answers, the H_{01} is valid.

8.4.1 Decision-making process doesn't generate frustration in Oras Group

This research's first hypothesis claimed that the current decision-making process doesn't generate frustration in the case company, Oras Group. The question number 1 (Q1) was created to seek answers for verifying this claim by stating “Decision-making process doesn't generate frustration in Oras Group”. As the figure 20 is stating below, almost 79% (80/102) of the respondents in Oras Group are experiencing that the current decision-making process is generating frustration inside the organization.

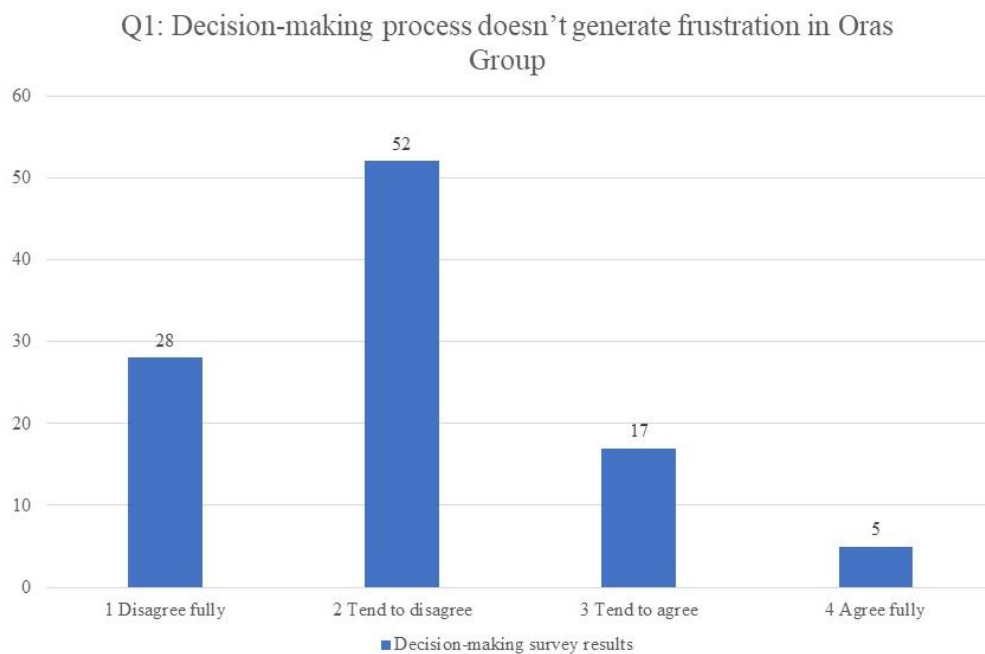


Figure 20. Decision-making survey question number 1: “Decision-making process doesn't generate frustration in Oras Group”.

Based on the results demonstrated in the figure 20 above, it can be easily stated that the organization is rather strongly experiencing that the current decision-making process is creating organizational wide frustration in Oras Group. The next table 7 presents the testing of the hypothesis H_{11} : “Unclear decision-making process generates

frustration in organization”.

Answer choice	Nbr of responses	% of overall	Yes/No	Combined nbr of responses	%
Agree fully	5	5 %	Yes	23	21 %
Tend to agree	17	16 %	Yes		
Tend to disagree	52	51 %	No	80	79 %
Disagree fully	28	28 %	No		
Total	102	100 %			

Table 7. The total amount of the answers in question number 1 (Q1) in the decision-making survey “Decision-making process doesn’t generate frustration in Oras Group”.

As the table 7 above indicates, the total amount of answers “Yes” was 23 out of 102, meaning 21 percent of the overall answers and “No” answers represented 79 percent of all answers with the total 80 responses out of 102. Therefore, the hypothesis H_1 is valid with more than 50 percent answers of total amount and the confirmation can be done: “Unclear decision-making process generates frustration in organization”.

8.4.2 Clear decision-making is currently improving company’s organizational performance

The second hypothesis of this research claimed that the current decision-making process improves organizational performance in the case company, Oras Group. The question number 3 (Q3) was created to seek answers for verifying this claim by stating “Clear decision-making is currently improving our organizational performance”. As the next figure 21 is stating, almost 67% (68/102) of the respondents in Oras Group are experiencing that the current decision-making is not currently improving the organizational performance inside the organization.

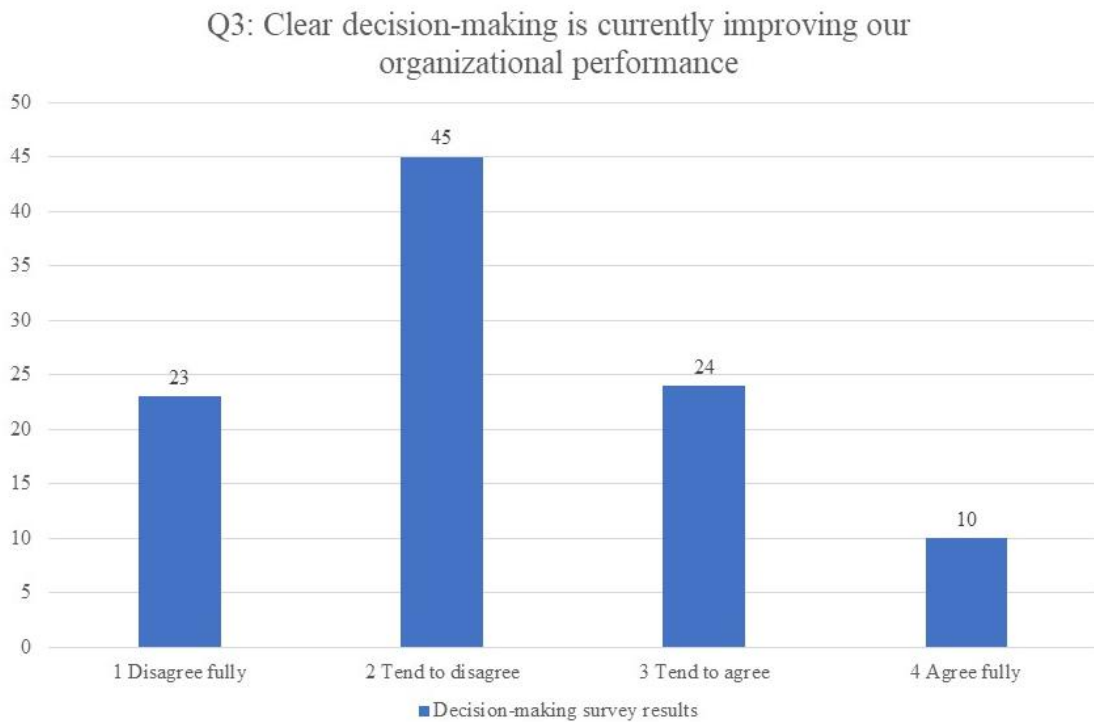


Figure 21. Decision-making survey question number 3 (Q3): “Clear decision-making is currently improving our organizational performance”.

Based on the results demonstrated in the figure 21 above, it can be stated that the organization is experiencing that the current decision-making process is not currently improving the organizational performance inside the Oras Group. The next table 8 presents the testing of the hypothesis H₂: “Clear decision-making process improves organizational performance”.

Answer choice	Nbr of responses	% of overall	Yes/No	Combined nbr of responses	%
Agree fully	10	9 %	Yes	34	33 %
Tend to agree	24	24 %	Yes		
Tend to disagree	45	44 %	No	68	67 %
Disagree fully	23	23 %	No		
Total	102	100 %			

Table 8. The total amount of the answers in question number 3 (Q3) in the decision-making survey “Clear decision-making is currently improving our organizational performance”.

As the table 8 indicates, the total amount of answers “Yes” was 34 out of 102, meaning the total of 33 percent of overall answers and “No” answers represented 67 percent of all answers with the total 68 responses out of 102. Therefore, the hypothesis H₀₂ is valid with more than 50 percent answers of total amount and the confirmation can be done: “Current decision-making process doesn’t improve organizational performance”.

8.4.3 The change after decision is managed effectively in the company

The third and last hypothesis of this research claimed that the decision-making loses efficiency if the following change is not implemented well in the organization. The question number 13 (Q13) was created to seek answers for verifying this claim by stating “The change after decision is managed effectively in Oras Group”. As the figure 22 is stating below, almost 74% (75/102) of the respondents in Oras Group are experiencing that the change after decision is managed effectively in the company.

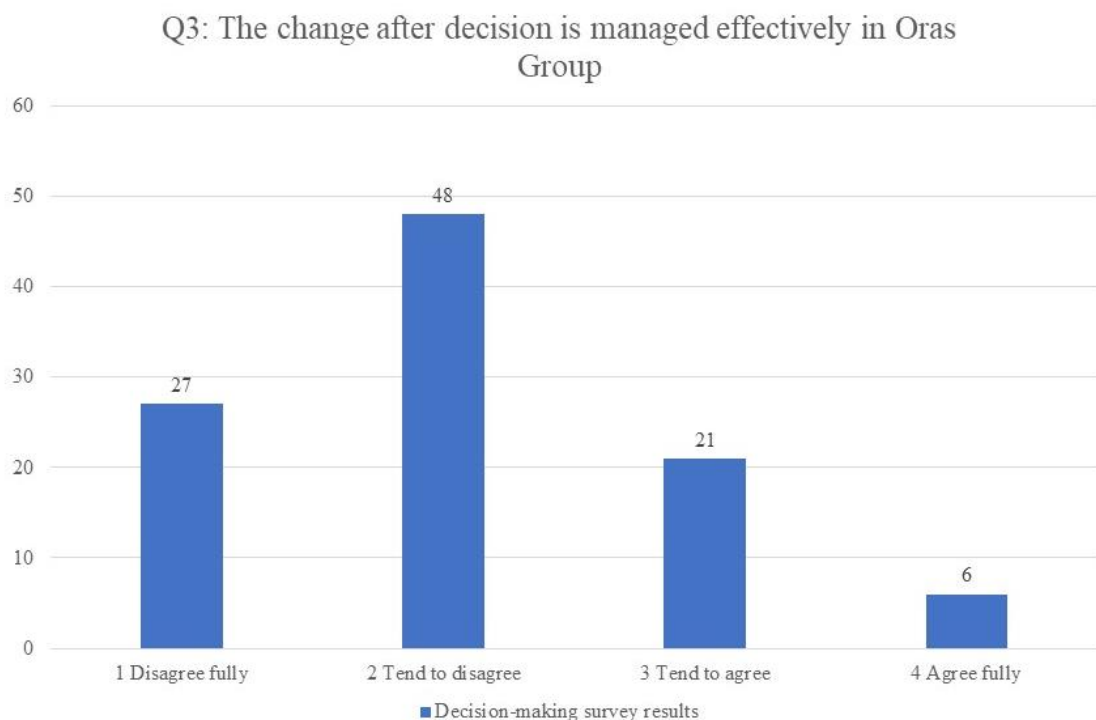


Figure 22. Decision-making survey question number 13 (Q13): “The change after decision is managed effectively in Oras Group”.

Based on the results demonstrated in the figure 22 above, it can be stated that the organization is experiencing that the current decision-making process is not currently improving the organizational performance inside the Oras Group. The next table 9 presents the testing of the hypothesis H₃: “Decision-making loses efficiency if the following change is not implemented well in the organization”.

Answer choice	Nbr of responses	% of overall	Yes/No	Combined nbr of responses	%
Agree fully	6	6 %	Yes	27	26 %
Tend to agree	21	21 %	Yes		
Tend to disagree	48	47 %	No	75	74 %
Disagree fully	27	26 %	No		
Total	102	100 %			

Table 9. The total amount of the answers in question number 13 (Q13) in the decision-making survey “The change after decision is managed effectively in Oras Group”.

As the table 9 indicates, the total amount of answers “Yes” was only 27 out of 102, meaning the total of 26 percent of overall answers and “No” answers represented 74 percent of all answers with the total 75 responses out of 102. Therefore, the hypothesis H₀₃ is valid with more than 50 percent answers of total amount and the confirmation can be done: “Current decision-making process doesn’t improve organizational performance”.

9 RELIABILITY ANALYSIS

In research, all the errors are intended to be dodged, but still very often the results’ reliability and qualification are highly variable. Among the other matters, for the previous reason especially, all the researches are focusing on evaluating the completed research and its reliability when complete. There are many ways of evaluating the reliability of the research with multiple different measuring and examination tools. (Hirsjärvi, Remes & Sajavaara 2015, 231.)

In simple terms the reliability of the research means its degree of repeatability. In other words, it's the research's application to measure the same results number of times. It can also be seen as the capability of generating non-random research results. The reliability of the study can be diagnosed in various different ways. For example, if two different reviewers end up into a same result, the result is reliable. Also, if a single research is conducted by two different researches and the result is the same, it can be seen as a reliable result. (Hirsjärvi, Remes & Sajavaara 2015, 231.)

Another research related matter regarding the reliability is the validation of the research. Validation contains assembling and analyzing the previously researched data to assess the accuracy of the research mechanism. It sort of measures how well the data is measured in the research and its' validity to the content. For example, a survey receives answers to the asked questions, but the respondents have understood the questions differently than the researcher has intended. Therefore, if the researcher undergoes the survey results as he or she first intended and not the way the respondent intended, the results are not validated and therefore true. (Hirsjärvi, Remes & Sajavaara 2015, 231-233.)

This master's thesis' survey regarding the decision-making process in Oras Group was carefully planned and implemented throughout the research process. To make sure the survey questions were clear and in order to reduce the misinterpretations, the carefully chosen group of four employees from different departments inside the Oras Group were interviewed before the survey was published. All the interviews were extremely helpful, and the intentions of the actions were truly reached. Also, the researched has precisely tried to let the research to move into the direction it should naturally go. All kinds of bias and controlling of the study has been tried to be avoided throughout every step of the research. It is impossible to verify in what kind of circumstances the decision-making survey was made since it was fully executed online. The only speculation can be done via the overall average answering time, which was over 10 minutes, which truly indicates that the respondents highly invested their time to consider their opinions in the survey. Nor feedback or questions were sent during or after the survey in Oras Group.

10 SUMMARY, RECOMMENDATIONS AND FURTHER PLANS FOR ORAS GROUP REGARDING DECISION-MAKING PROCESS

The research was a success in the case company. All the survey results were more or less as expected, and the theory of this thesis supported all the elements of the topic. Oras Group's personnel have not been satisfied with the current decision-making process and the main reasons behind the poor results in EES were found with this research. The survey had a warm welcome inside the corporation and the investment of this master's thesis was many times praised. Without the support of all the Oras Group personnel this master's thesis would have not been this successful. There were multiple people involved in this research and countless working hours were spent to being able to reach the best possible result of this research.

Ever since the kickoff of this master's thesis in April 2018, there has been a lot of faith and expectancy regarding the final results of this research. All of the personnel, including members from the Executive Committee, managers and specialist level employees have been extremely supportive towards the researcher in every stage of the process.

However, even though the results of this research were satisfying regarding the thesis, the results of the decision-making survey were not in satisfactory level. As stated in the chapter 8.2; only one question was ranked in the neutral zone, and only one survey result was positive. All the rest 17 survey results were rather poor or poor. It can be quite easily stated that regarding the timetable of the decision-making process in Oras Group, none of the stages were working in the required level that is expected in the company.

The overall survey results indicated the fact that Finland has given the most critical answers in the survey, as stated in the figure 18 (*All the respondent countries decision-making differences in flow chart.*). When those results were compared to Germany's and other countries results, the conclusion was rather clear as can be seen in the previous table 4 (*Survey results of Finland and Germany compared – difference is marked with colors green and red.*) The difference in results might be cultural re-

lated, since the results are much different when compared to Finland. There's also a big possibility that the decision-making process is simply in better condition in Germany. As the table 6 (*Survey results between German and Finland's managers and specialists.*) stated in the chapter 8.2.2, the most satisfied group of employees were manager level employees in Germany. From the total of 19 questions in the survey they have submitted the highest scores in 12 questions. This simply cannot be coincidence, especially when also viewing the same table 6, The rest seven questions were scored highest by the German specialists.

On the other hand, Finland's managers and specialists have submitted the lowest results in the survey for 17 questions all together. The time table regarding decision-making has no effect when comparing these two countries' survey results. After analyzing the survey results, few main points stood up significantly:

The top three lowest survey results	The top three biggest differences between FIN & GER	The top three highest survey results
1. Q9 – 1.56 (FIN)	Q14 – 0.91	Q15 – 3.24 (GER)
2. Q10 – 1.69 (FIN)	Q12 – 0.91	Q4 – 2.76 (GER)
3. Q14 – 1.69 (FIN)	Q4 – 0.88	Q7 – 2.75 (GER)

Table 10. The different top three results in decision-making survey.

As indicated in the table 10 above, the three top three survey question results with the worst scores were question numbers 9, 10 and 14. All of the questions are strongly related to change management. Those will be analyzed furtherly in this chapter. The top three biggest differences will also be analyzed furtherly, meaning question numbers 14, 12 and 4. The best scored survey questions will not be as deeply analyzed as the worst ones, since this this master's thesis main objective was to research the questions behind the low results in Oras Group's decision-making process.

Concerning the lowest result in the survey was question number 9: *Internal communication in Oras Group is working well regarding decision-making.* The low result was submitted in Finland by the manager level employees. The first observation can be done when comparing the result to the Germany's results including managers and specialists; both of them scored considerably higher in the survey. In Oras Group,

many times managers' bosses are the members of the Executive Committee as stated in the figure 1. The figure 1 doesn't show, but many of the members are not continuously located in Finland office. As discussed in the chapter 5, the superior leadership always requires outstanding communication, especially when executing a change inside an organization. If employees don't fully realize the targets of their work, it's extremely difficult for them to work creatively, efficiently and committedly. (Huuhka 2010, 117; Salminen 2017, 248.)

Even though the communication can be written, in some cases the face-to-face meetings are highly suggested. As stated in the chapter 5; *“if the communication isn't handled properly, the resistance to change will rise, at least in silence. It might create an illusion that the communication in a change has been well executed. The change will begin effectually in the eyes of management and everything seems to be working as planned without resistance. In reality, the whole organization is resisting the change, which takes away a huge amount of employees' working time. This illusion is often created because of one specific reason: nobody wants to report the negative matters of a change to the management because of fearing lowering. And because of the illusion, management level isn't aware of the ongoing problem and therefore it's unable to fix the situation efficiently. (Salminen 2017, 250.)”*.

The previous quotation from chapter 5 (Salminen 2017, 250), is strongly related to the next two most poor question results in the decision-making survey, questions number 10 (*Decisions in Oras Group are well-explained for everyone involved*) and 14 (*I have not witnessed resistance of change against the made decisions inside Oras Group*). Both questions were strongly committed to the change management. According to Saylor Academy (2018) and Pohanková (2010), *“it has been said that the most difficult task for a manager is to execute changes in organization without unnerving the entire business. Therefore, the decision-making is the most important and critical function of management”*. Both previously mentioned poor resulted questions are connected to each other: if the change is not managed well and the tasks in the organization are not well-explained after the decision, there will begin a resistance to change.

In chapter 6.3, Helka Pirinen (2014) and Karen Ferris (2015), listed few reasons for a subordinate's resistance to change, which in this change management related case could be:

- *Ignorance*
- *The fear of abandonment*
- *Poor management*
- *Fear of unknown*

“The main reason behind the resistance to change is very often if not always fear of the unknown. Subordinates often feel that they receive sky-high expectations towards changing their routines and receiving new assignments. When the subordinate doesn't know why this is happening, the beginning of the resistance is reached. (Ferris 2015; Jabe 2017; Pirinen 2014; Salminen 2017; 308.)”

Finally, the success of any change inside the organization is depending on the behavior of people; the ones it concerns the most. The acts performed by the employees reflects directly how well the company communicates its decisions. The communication should be brief, positive and if possible delivered face-to-face by trusted managers. The decision and therefore the change should be timely, in order to influence employees' perceptions ahead of the possible solidifications into beliefs. (Litre & Rogers 2013.)

Change managers shouldn't ever be surprised by the resistance to change. Even if the planned change is clearly presented and its intention is to positively improve the current status of problems that previously have stand out by the employees, will eventually face resistance to change. The comfort with the status quo is remarkably high inside the organizations. The fear of change generates anxiety and stress, even though if the current state would be hurtful. According to Prosci (2018), resistance to change can be reduced by improving the change management with three steps:

Step 1 – Preparing for change:

When planning the change management strategy, the assumed points of possible resistance should be carefully reviewed and the readiness on tackling the issues should be effectively generated.

Step 2 – Managing change

By creating a resistance management plan for the upcoming resistance, the organization is able to minimize the possible harm by the resistance. If the plan also covers communication plan, sponsorship roadmap, coaching plan and a training plan, the organization has done its best to support every individual in the change. A successful resistance management plan breaks barriers into the way of success after the made decision.

Step 3 – Reinforcing change

The last step when improving the change management is to collect feedback from the employees and truly understand the brand-new workflows and processes influenced by the change. By collecting the honest feedback from the employees, managers are able to identify and manage the appearing gaps in the change that may occur.

By improving the change management in Oras Group, it will more or less effect all the other poor resulted questions. The improvement of change management should be taken as a major part of the daily routines in the manager level or higher. Another additional improvement act could be that the organization would adopts Kotter's (1996) 8-step process for leading a change within an organization, as demonstrated in the figure 10 in chapter 4.7.

Chapter 4.7 also includes Jabe's (2017) seven critical tasks for a manager when managing a change. All the seven tasks would improve the current change management in Oras Group, which are from the manager's point of view:

1. *Change yourself.*
2. *Finding the change agents.*
3. *Creating a vision.*

4. *Creating a network.*
5. *Creating a streamlined customer service process.*
6. *Create customers for everyone.*
7. *From “I” to “We”.*

When developing decision-making in organization, the role of the ICT is obvious according to Ramey (2012). The decision-making involves multiple different processes which are influenced by technology. The advanced ICT provides useful tools for example to share information throughout the organization and facilitate decision-making tasks which demand considerable effort and analysis. The technology purely simplifies the way of making decisions in organizations. (Ramey 2012.)

Not all the decisions are as easy as others. Other ones require more *intelligence, design, choice* and *implementation*. Every decision should be put into consideration when making a decision by reviewing the four previous aspects. The roles of ICT when developing decision-making can be for example:

- **Data processing capabilities**

ICT eases the decision maker by giving the ability to search and define the needed information through the massive amounts of data. An existing mining tool of a data warehouse is a highly useful tool to computerize the decision-making process in organizations.

- **ICT provides speed**

The advanced ICT is capable of processing great amount of sophisticated information data in seconds which is a great tool in decision-making. The ICT itself provides a great power itself, but the user must know which information is demanded and how the needed answers to the asked questions can be found.

- **ICT supports organization-wide decision-making**

There are various different decision-making support systems available for organizations. All the support systems are created to help in different kinds of situations, for example: Group decision support system (GDSS), Decision

support systems (DSS) and Expert systems. By using these tools in correct situations organizations can truly benefit from the advanced ICT. (Ramey 2012.)

For the questions with the biggest differences in the decision-making survey and the questions which Germany scored the highest, the recommendation would be that the Oras Group should perform an internal audit regarding the issues. Since Germany as a country has experienced the matters much better than other countries, the best answers to improve these specific areas in decision-making can be found from German employees. Even though Oras Group is a solid one company, some differences in the management can be seen throughout the survey results. The reason for the internal auditing is that the actions taken in Germany have been working well and therefore should be performed in other countries as well. In the auditing other countries, especially Finland should ask at least two specific questions from the Germans:

1. *What?* What is the current decision-making operating model in Germany?
2. *How?* How is the current decision-making process performed?

According to Bazigos and Harter's survey (2016), most of the employees working in matrixed organizations are not committed with their work. Beneath the survey surface, Bazigos and Harter were able to find that some matrixed organizations were performing better than others, especially when the matrix wasn't rather strong. There were clear differences in employee's commitment to work in more and less matrixed organizations that are highly suggesting the opportunities and challenges that might cancel one another out. (Bazigos & Harter 2016.)

A key for a better functioning matrix organization lies in collaboration or in other words, mutual communication. According to their study (Bazigos & Harter 2016), the employees in supermatrixed organizations were less likely to state that "I know what is expected of me at work" when compared to a non-matrixed organization's employees. This clearly reflects a mutual criticism about modern day matrixed organizations: the structure itself raises the lack of clarity about one's responsibilities, expectations and simply whose supposed to report to whom. (Bazigos & Harter 2016.)

Bazigos and Harter (2016) are stating that the managers should be given more importance of role clarity and accountability when it comes to organizational performance. If the managers would be able to continually and frequently upkeep a conversation with their subordinates, that would improve the clarity of the roles and expectations that have been set to the employees. Different kinds of leadership practices can contribute meaningfully to accountability. (Bazigos & Harter 2016.)

The matrix structure itself is notoriously known for its nonspecific lines of accountability, meaning that all the leaders and managers should assure that every employee understands to whom they should report to and the clear duties for which they are responsible for. A continual and frequent conversations between the subordinates and managers is highly advisable in every matrixed organization. (Bazigos & Harter 2016.)

The results of this research indicate that the decision-making process demands renovation inside the organization. The researcher's only subjective vision in this master's thesis is that: the change in the decision-making process should be executed in the near future, and with the right kind of tools and proper amount of support, it will be a success. By making the change the company is able to reach cost savings, since the current decision-making process will be more efficient and streamlined.

The recommendation for the Oras Group is to create a well-flowing change management process after decision-making and truly invest to executing the change in the organization. All the most critical survey results were more or less based on change management and closely related issues to the matter. When executing the change management efficiently and effectually in the future, the company will automatically improve all its current issues in its decision-making process. All the preparations regarding the improvement of the change management process inside the organization should be planned and executed carefully.

Change is generally a complex and extremely difficult process to execute, but more often it is unavoidable. The number one reason for failing a change project is due people. Time after time organizations are only investing to the technical side of the change instead of leading the people. The beginning of the journey towards the up-

coming change is simply to understand the way of managing the change through the individuals and their upcoming experiences. It requires new thinking and innovations from the organizations. One of the tools that focuses on leading the people in a change is called the ADKAR model as shown in the figure 23 below. (Prosci 2018.)



Figure 23. The ADKAR change management overview model. (Prosci 2018)

- A** – *Awareness* of the urgency
 - D** – *Desire* to support the change
 - K** – *Knowledge* of how to change
 - A** – *Ability* to prove skills and behaviors
 - R** – *Reinforcement* to make the change extend
- (Prosci 2018.)

The ADKAR model is designed to support individuals to move through a change and improve organizational outcomes. The fundamental to the model is that a change occurs as a process and not as an event. By classifying the change into dissimilar aspects (figure 24) benefits the leaders to understand the process of the change more easily and therefore generates efficiency in executing. (Prosci 2018.)

STATES OF CHANGE

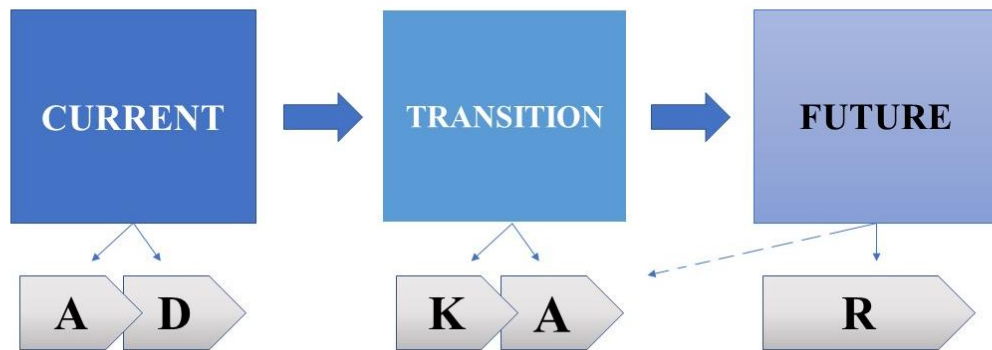


Figure 24. The ADKAR change management states of change. (Prosci 2018)

By dissimilating the states of change into three different parts; current, transition state and future state, the leaders are better able to have a process-oriented concept of the change process: (Prosci 2018)

Current – To begin the journey from the current state an individual employee requires *awareness* of the need for a change and a *desire* to take a part and support the change.

Transition – In order to take improvement steps in the process, transition state demands *knowledge* on how to implement the change and the *ability* to carry out the needed skills and behaviors.

Future – In the last state, all the employees require ability and reinforcement to maintain the change.

The ADKAR change management model expresses plainly how an individual employee shifts through the process. The model provides an insight of the journey from the current state to the future state. With the provided insight, organizations are more likely to accomplish a successful organizational change. (Prosci 2018.)

All the previously mentioned states require organizational communication. According to decision-making survey results, the internal communication in Oras Group is

not in satisfactory level regarding decision-making (question number 9). According to Ohio University (2015), the time and effort that organizations use on internal communication can be seen as an investment in the company's health. When the communication is strong and well-working, all the employees are feel engaged in the decision-making process and experience that their personal opinions do matter and most of all, the efforts they put on are highly appreciated by the company. Strong, clear and frequent communication keeps employees concentrated on the goal and therefore dedicated to the company's vision. (Ohio University 2015.)

Very often both, managers and subordinates recognize the urgent need of improving the internal communication. Both groups are also recognizing that the entire company needs renovation when it comes to internal communication. Many times, manager level employees struggle with improving the communication by finding the indicators that express transparent returns on time and energy invested when communicating through different ICT programs. Lower-level employees generally feel that too much of the communication is not related to their tasks or the communication is purely ineffective. (Ohio University 2015.)

The Ohio University (2015) provides seven steps plan for sophisticated modern-day organizations on how to improve internal communication. Over-communicating feels dictatorial and on the other hand, too little communication generates distance inside the organization. By finding the right balance in organization, the effectiveness of the communication improves itself:

1. Choose the right medium

The type of the communication should be considered carefully. The importance of the matter should determine the way of communicating; Posters in the hallway are working well when communicating the upcoming summer parties but are not the appropriate way to communicate on how to improve the customer service of the company.

2. Include interactivity

Good communication always goes both ways. There should always be a possibility for everyone involved to be able to communicate about the topic. For example, discussion boards are becoming more and more popular within interactively communicating companies.

3. Communicate with a purpose

Keep the message as short as possible. Another golden advice is that a message should always include only one topic at a time. Purely because people will more like read the shorter message than a longer message.

4. Eliminate generalizations and drive-by accusations

There is nothing that makes an employee more defensive than an unreasonable attack against his or her working performance. If there is a problem with performance, a manager should always discuss this with the employee one-on-one in private. Performance reviews should never be seen other than the manager and the regarded subordinate.

5. Plan first

Always take time to plan the meetings and organization-wide emails. It is disrespectful towards the receivers if the message has not been presented clearly and effectively. Also, planning of the communication should include the time framing of the communication.

6. Dedicate time

The communicated information requires time to process. Everyone that the information involves need time to adapt to the message. If the message is an agenda of an important meeting, it should be sent early enough for everyone to get familiar with the message and even the slow responders should always have a chance to get their opinions heard.

7. Follow up

According to University Ohio (2015), most of the internal communications suffer from a lack of follow up. For example, management sends out an organization-wide message but does not ever follow up the implementation of the message. Communication has to be continuing in order to be effective in the long term.

(Ohio University 2015.)

“Do not attempt a change until you have demonstrated your organizations readiness for the upcoming change.” (Palmer 2003.)

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Decision-making survey in Oras Group 2018

APPENDIX 1

DECISION-MAKING SURVEY

Dear Oras Group employee,

It is an undeniable fact that decision-making today is becoming the basis of competitive advantage and the key to add value for organizations. The ability of making good decisions in daily basis is the defining attribute of a high performing organization and is the next previous step before distributing the company strategy, which is one part of the Oras Group's long-term goal.

I am studying a Master of Business Administration degree in Satakunta University of Applied Sciences and will be specializing in management. In my master's thesis I am researching decision-making in Oras Group and the aim of the research is to find answers to the question: How to create clear responsibilities in decision-making process? This master's thesis is the main action to research on Oras Group level the reasons behind the low results of the latest EES regarding decision-making.

You now have a great opportunity to take part in a survey, which results will be later analyzed, and the improvement objectives will be presented to management. The survey will take approximately 5 minutes of your time.

Please submit your answers on Monday November 19th at the latest by 12:00 (CET).

The answers given by any specific person will not be disclosed to anyone outside of the survey researcher at any stage, and all the answers will be stored on the company's own server. The report on the survey results consists primarily of average figures. The results of the survey will be utilized in developing the operation of the entire organization.

Please answer the questions on the scale of 1-4:

1=Disagree fully, 2=Tend to disagree, 3= Tend to agree, 4=Agree fully

Thank you for your time and effort!

Sincerely, *Jussi Ahlgren*

1. Decision-making process doesn't generate frustration in Oras Group

1	2	3	4
---	---	---	---

2. Clear decision-making is currently improving our organizational competitiveness

1	2	3	4
---	---	---	---

3. Clear decision-making is currently improving our organizational performance

1	2	3	4
---	---	---	---

4. It is clear who has the authority to make decisions in Oras Group

1	2	3	4
---	---	---	---

5. Openly shared information and communication is currently improving our decision-making

1	2	3	4
---	---	---	---

6. Knowledge is shared openly for decision makers before making a decision

1	2	3	4
---	---	---	---

7. Documented information is easily accessible for decision makers before making a decision

1	2	3	4
---	---	---	---

8. It is clear on what decisions are based in Oras Group

1	2	3	4
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17. Decision-making is open in Oras Group

1 2 3 4

18. Decision-making is effective in Oras

1 2 3 4

19. Decision-making is fair in Oras Group

1 2 3 4