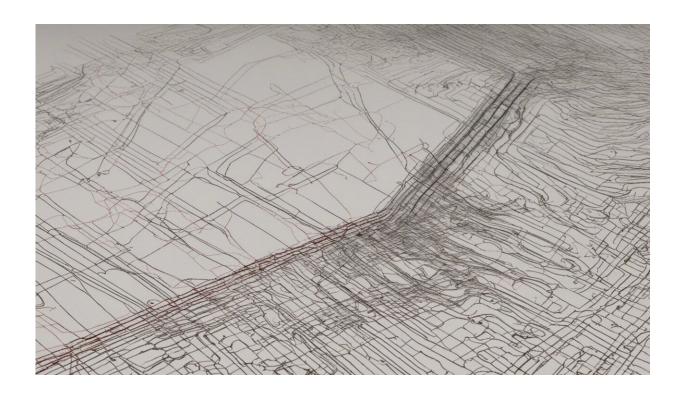


Study with 950 managers from a public institution investigates frequency and causes of defensive decisions

August 20 2019



Credit: AI-generated image (disclaimer)

Despite their better judgment, decision-makers such as managers often don't pick what is objectively the best option. Instead, they opt for a safer alternative that protects them against negative repercussions. A research team from the Max Planck Institute for Human Development



has investigated how often decision-makers make such defensive decisions and how this behavior is fueled by a negative error culture and a lack of open communication. To this end, they surveyed 950 managers from the public sector. Their findings have been published in the journal Business Research.

Whether in private corporations or in the public sector, managers are constantly making decisions that have implications for their colleagues, the organization and, of course, themselves. Ideally, they will choose the option that is best for the organization. But that's not always what happens. Often they decide on an alternative that is suboptimal from the organization's perspective in order to cover their own back. This alternative may be more convenient, meet with less resistance, or ensure that someone else will get the blame if things go wrong.

To investigate the frequency and causes of such defensive decisions, a team from the Max Planck Institute for Human Development surveyed 950 managers from all hierarchy levels of a public sector organization. Around 80% of respondents reported that at least one of the ten most important decisions they had made in the past 12 months had been defensive. On average, some 25% of the most important decisions made were not in the organization's best interest. What's more, preliminary findings from private corporations show that defensive decisions are even more widespread there.

"Defensive decisions are common in many organizations—whether in the <u>public sector</u>, in private companies, or in hospitals. Even at the highest levels of management, there are decision-makers who make many <u>important decisions</u> not in the organization's best interests, but to protect themselves against negative repercussions. In our study, we also found a link between the organizational culture and the frequency of defensive decisions," says Florian Artinger, researcher inthe Center for Adaptive Rationality at the Max Planck Institute for Human



Developmentand cofounder of Simply Rational GmbH, a spin-off company of the Institute.

The <u>decision</u>-makers were asked how they felt about the error and communication culture in their team, both of which constitute important elements of any <u>organizational culture</u>. Those who rated the error culture as negative made far more defensive decisions than those who felt it was positive. Given the complex and dynamic environment in which many <u>decision-makers</u> operate, the best alternative is often associated with the risk of failure. In a positive error culture, there is no stigmatization of failure but people support each other when things go wrong. The research team also found defensive decisions to be associated with the communication culture of an organization. In a positive communication culture, all employees in a team feel free to express their ideas, opinions, and concerns without fear of negative repercussions. Decision makers who reported working in teams with a positive communication culture were less likely to make defensive decisions.

"Defensive decisions are not only very costly—they also have detrimental effects on innovation, leadership, and customer satisfaction. If managers are to make the best decisions for their organizations, we need to cultivate a positive error culture rather than a <u>culture</u> of covering your back," says Gerd Gigerenzer, co-author of the study and Director of the Harding Center for Risk Literacy at the Max Planck Institute for Human Development and co-founder of Simply Rational.

More information: Florian M. Artinger et al. C. Y. A.: frequency and causes of defensive decisions in public administration, *Business Research* (2018). DOI: 10.1007/s40685-018-0074-2

Provided by Max Planck Society



Citation: Study with 950 managers from a public institution investigates frequency and causes of defensive decisions (2019, August 20) retrieved 3 May 2024 from https://phys.org/news/2019-08-frequency-defensive-decisions.html

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