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Article

The Role of Decentralised Managers in Decision-Making in a Large Industrial Company

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Abstract: The importance of decentralised managers in the organisational decision-making process has been the subject of studies advocating different concepts. This study aims to comprehend the role of decentralised managers in the decision-making process of a large industrial company. To this end, the case study method was adopted. Semi-structured interviews were conducted with the organisation's top manager and decentralised managers. Based on the results of this investigation, it was possible to see that the organisation's decentralised managers have a high degree of influence on the decision-making process and are responsible for adapting strategies and decisions according to the specific needs of their areas of activity. Therefore, this study significantly contributes to the theoretical and practical understanding of organisational decision-making processes. Furthermore, it provides a valuable foundation for further research into the decision-making processes of decentralised managers, thereby addressing a gap in the existing literature on their influence on organisational decision-making.

Keywords: case study; decentralisation; decision-making; decentralized management; middle managers; Stoner and Freeman



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1. Introduction

In a knowledge-based economy, there is increasing concern about knowledge and what it can bring to organisations. Knowledge has become one of companies' most important strategic resources, and people are its driving force (Milkman et al. 2009). Therefore, analysing human resources impacts business results and strongly influences operational and strategic decision-making (Marguerita 2022). People are strategically important to the success of organisations (Wright et al. 2001). As social entities are heterogeneous and diverse, with different characteristics and sizes, as well as different hierarchical structures and objectives (de Bilhim 1996), organisations must be able to adjust and expand in order to survive and grow, have the ability to renew themselves, innovate, learn, adjust to internal and external changes, transform information into knowledge, solve problems and add value (Ribeiro 2008).

Managers increasingly need useful, reliable, real-time information for good decision-making (Ferreira and Otley 2009; Merchant and Van der Stede 2017). To manage an organisation, the vision and its efficient communication are necessary, as well as the skills to motivate people (Piwowar-Sulej and Iqbal 2023).

Regarding organisational structure, decentralisation refers to the level at which decision-making power is assigned to its lower echelons. In contexts of disruption and crisis, the impact of decentralisation on the speed of action is recognised. However, this action is

not automatic and depends on the quality of the decisions, which is directly related to the workers' competencies at the lower levels (Adana et al. 2024). Decentralised governance is complicated in theory and practice (Anthony 2023).

Decentralised managers are at the centre of organisational hierarchies (Harding et al. 2014) and have taken on a business partner role, influencing more concrete and informed decision-making processes to contribute to the organisation's success. Thus, the decision-making process is central to organisations, and managers are the ones who make decisions at all levels of the organisation based on the information received according to the organisational structure, the behaviour of individuals and the groups that make it up. Therefore, in a global economy, making likely biased decisions, whether due to the volume of information, simultaneous choices, pressure or other constraints, will have societal implications (Milkman et al. 2009). It would be unrealistic to expect that, in times of crisis, one or two managers would guide all people and information in a large organisation, thus aiming for decentralisation (Adana et al. 2024).

Research into decision-making has expanded to include not only top managers but also decentralised managers whose behaviours influence the decision-making process and the organisation's success (Harding et al. 2014; Wooldridge et al. 2008).

Helping to understand the influence of decentralised managers in large organisations with complex organisational structures can be a determining factor in their success, innovation and creativity. For example, the study carried out by Mintzberg and Westley (2001) aroused even more interest in tackling the subject of decision-making when they finalised their article by asking: "Isn't it time, then, to go beyond our limited thinking about decision-making: to get in touch, to see another point of view?" (p. 93). On the other hand, Adana et al. (2024) point out that future research could carry out case studies and interviews to investigate the internal and external dynamics that affect an organisation's level of decentralisation. It is necessary to understand the existence of decentralised managers (Dolores and Martins 2016) and extend the study to lower levels of management. It is, therefore, essential to study the influence of decentralised managers on the decision-making process in organisations. In general, the aim is to understand whether or not decentralised managers in the organisation influence the decision-making process. It is therefore important to conduct studies that aim to reach structures with an impact on society and help to understand the influence that decentralised managers can have on organisations and their performance.

This study aims to comprehend the role of decentralised managers in the decision-making process of an industrial organisation. More specifically, it aims to answer the following research questions:

RQ1: *How is the decision-making process conducted from the decentralised managers' point of view?*

RQ2: *What factors condition the decision-making process?*

A single case study was carried out in a large industrial organisation. Semi-structured interviews were conducted with the top manager and decentralised managers, along with document analysis and direct observation. It was found that decentralised managers influence the organisation's decision-making process considerably. In addition, all the decentralised managers stressed the presence of different interconnected factors conditioning decision-making.

The findings suggest that, considering their high level of autonomy, decentralised managers greatly influence the decision-making process, relieving top managers from some decisions-related tasks. It was found that decentralised managers consider themselves fundamental in the decision-making process, and indeed, they are influential and have a strong influence on the process. Furthermore, the findings also suggest that Stoner and Freeman's (1995) model is suitable for application in a setting such as the one presented in this study (with a complex organisational structure) and that feedback must be considered along all stages of the decision-making process. Finally, the findings show that a review

stage should be conducted. Regarding the factors that condition the decision-making process, several were suggested and synthesised on a framework.

With a focus on decentralised managers, this study contributes to theory by extending [Stoner and Freeman's \(1995\)](#) model and also by presenting a framework with factors conditioning decision-making, something essential for organisational innovativeness, creativity, and success. The study contributes to practice in the sense that managers can thus maximise the organisation's efficiency, namely in large companies with complex organisational structures.

In Section 2, the literature review is presented, followed by the methodology. Then, in Section 4, the findings are presented and discussed. Finally, some concluding remarks are offered in Section 5.

2. Literature Review

2.1. Decentralised Management

Organisations determine the tasks that need to be carried out, who will carry them out, who will be responsible for them, who will report to them, and where decisions should be made ([Robbins and Decenzo 2004](#)). In order to achieve organisational goals, the different levels of management have different degrees of power, authority and responsibility ([Rezvani 2017](#)). Each decentralised manager is responsible for their department, guiding and delegating tasks to those they supervise. Thus, decentralisation means delegating authority for most decisions to lower hierarchical levels, with the top retaining control of the decisions deemed essential to organisations ([de Bilhim 1996](#)). One of the limitations of studies related to leadership is that most examine decentralisation at a single organisational level, whereas understanding it requires going beyond leadership at just one level ([Hannah and Lester 2009](#)).

Many organisations, whether small or large, opt for decentralising authority. However, its benefits come at a cost, and organisations that cannot afford these costs resort to centralising authority ([Gibson et al. 2006](#)). Also, [Chiavenato \(2004\)](#) and [Gibson et al. \(2006\)](#) argue that training subordinates to delegate authority entails costs that do not outweigh the benefits. Firstly, many managers are used to making decisions and are reluctant to delegate authority to their subordinates. Secondly, new administrative costs arise for implementing performance measurement systems and the responsibilities of decentralised managers. Finally, decentralisation duplicates functions. In short, greater autonomy and decentralisation of responsibilities require considerable investment in the qualifications of decentralised managers ([Meyer and Hammerschmid 2010](#)).

[Rego \(1997\)](#) also mentions other reasons why managers do not tend to delegate: lack of confidence, lack of skills, subordinates' unwillingness to do so, the centralised organisational culture, the manager's perfectionist attitude and fear of subordinates' mistakes, which could damage their reputation and prepare competitors for their position. Several company-specific or internal factors, such as organisational culture, impact the organisation ([Alphun et al. 2023](#)). For example, some studies reveal that organisational culture significantly moderates knowledge management's or organisational factors' impacts on innovation. ([Gui et al. 2024](#)). Consequently, during the 1980s, decentralised managers had a negative connotation, as they were seen as obsolete in the organisation, something which was due to the reduction of hierarchical organisational structures ([Dopson and Stewart 1990](#)). However, a study by [Schilit and Locke \(1982\)](#), also in the 1980s, recognised the importance of the upward influence of decentralised managers. Decentralised managers have increasingly been seen as individuals with the capacity and power to act ([Feldman and Pentland 2003](#)).

As a general rule, due to their proximity, decentralised managers can have greater influence over their subordinates than senior management ([Sun and Anderson 2016](#)), expecting new opportunities in the organisational environment and using them to initiate and defend new initiatives ([Raes et al. 2011](#)). Decentralised managers guide their work team, facilitating collective development and participation, guaranteeing the implementation

of tasks, leading their subordinates towards desired behaviours, and enabling them to be participative in change (Kombate et al. 2021). Wooldridge et al. (2008) concluded that there is a positive relationship between the involvement of decentralised managers and organisational results.

In their study, Bukh and Svanholt (2020) assessed lower levels of management, thus incorporating decentralised management. They discussed how controls at lower and higher levels of management are coupled. According to Wooldridge et al. (2008), it is essential to include the perspective of decentralised managers in identifying and generating new ideas, continuously positioning themselves between the top-down and bottom-up processes of organisations. Meyer and Hammerschmid (2010) carried out a study in Europe in which the decentralisation of decision-making involves the lower hierarchical levels. They concluded that a greater degree of decentralisation does not strictly imply greater overall autonomy for individual managers. However, it does imply the involvement of all decentralised managers, translating into a greater degree of group decision-making. In this sense, it is necessary to find an appropriate level of autonomy that defines which decisions should be centralised and which should be decentralised (Lohmer et al. 2022), with delegation of authority deemed crucial.

Adana et al. (2024) call for organisations to create functional teams dedicated to decentralised decision-making that react promptly to disruptions and uncertainties. Only in this way can these teams leverage their knowledge and experience quickly and efficiently, regardless of their position in the hierarchy. Leaders decide to whom they should delegate functions and specific positions, so employees no longer need to ask for approval and have the right to make decisions. Delegation of authority is a process whereby authority is distributed in a hierarchically decreasing manner within an organisation (Gibson et al. 2006).

Due to the role they occupy in the structure of organisations and the responsibilities they are given, decentralised managers must be able to simplify situations, adapt communication and, above all, apply different types of knowledge when carrying out their duties. These situations apply to both top-down and bottom-up interaction and decision-making, considering the congruence of goals with organisational objectives (Ribeiro 2008). One of the main challenges decentralised managers face is the ability to successfully manage all these functions simultaneously (Bryant and Stensaker 2011) and with the capacity for innovation and creativity (Ecker et al. 2013).

Decentralised managers act as a channel and filter, collecting and interpreting information and passing it on to the top manager to facilitate decision-making (Nonaka and Takeuchi 1995; Wooldridge et al. 2008). In this sense, decentralised managers are crucial to explaining key organisational results (Wooldridge et al. 2008). Greater decentralisation results in less variability over time in the quality of managers, bringing major beneficial effects to the organisation's economy (Sah and Stiglitz 1991).

In short, in a decentralised organisation, decision-making takes place at the lowest levels. The modern trend towards decentralisation is to make better use of human resources. However, decentralisation depends on the circumstances. According to Chiavenato (2004), four elements cause decentralisation to increase: the complexity of organisational problems; delegation of authority when seen as an aid to survival and continuous expansion for organisations to survive and grow; change and uncertainty; and times of stability. Decentralisation allows managers to make decisions at lower levels of organisations, promoting increased efficiency and considering its advantages (Chiavenato 2004; Rego 1997).

Delegating authority promotes the development of professional managers. In fact, through authority decentralisation, employees are empowered to make important decisions, acquire skills and progress within the organisation. A high delegation of authority can lead to a favourable climate of competition within the organisation. It can also have the opposite effect and make the environment so competitive that it can lead to unfavourable behaviour and performance (Chiavenato 2004; Gibson et al. 2006).

In short, decentralised managers who help and are willing to provide all information to their top managers to improve the decision-making process are increasingly prevalent (Elton and Gruber 2004). However, this information-sharing depends on trust, openness and proximity between the decentralised and top managers (Vaz et al. 2021). Employees need to feel emotionally safe to act innovatively, which happens if trust is cultivated (Adams et al. 2018).

According to Raes et al. (2011), when the relationship between decentralised managers and the top manager is poor, both can start to diverge, follow different courses of action or act against each other. This poor relationship can lead to different alignments with objectives and different strategic implementations.

2.2. Decision-Making

The decision-making process is central to organisations, and managers are the ones to make decisions at all levels of the organisation based on the information received according to the organisational structure, the behaviour of individuals and the groups that make it up. In modern organisations, decision-making processes are increasingly managed by systems of rules in order to reduce risks in business management (Lugli and Bertacchini 2020). They are increasingly complex due to the entire organisational environment (Merchant and Van der Stede 2017). The organisation's employees are sometimes reluctant to take risks, given how errors are handled. Change must be supported by the management team so that employees behave creatively, innovatively and freely (Adams et al. 2018).

Speed in decision-making and the ability to make the right decision is imperative for adapting and reconfiguring resources to respond to disruptions. As such, decentralisation makes it critical for employees to be more proactive in monitoring potential disruptions (Adana et al. 2024).

Top managers are sometimes too isolated to be able to recognise opportunities and threats. Bottom-up initiatives (from production to management) help organisations to be more flexible and adaptable (Yukl 2009). Organisations with highly centralised hierarchical structures may increasingly be replaced by decentralised management environments (Meyer and Hammerschmid 2010).

The flow of information from the bottom to the top in organisational structures suffers from the opinions of multidisciplinary and interdimensional individuals, who increasingly play an important role in the decision-making process (Wang et al. 2022). Decentralised managers are at the centre of organisational hierarchies (Harding et al. 2014) and have taken on the role of business partner, influencing more concrete and informed decision-making processes that will contribute to the organisation's success.

For decision-making, it is important to note whether the organisation is centralised, i.e., whether the authority to make decisions is allocated near the top of the organisation's hierarchical structure, or whether the organisation is decentralised, i.e., whether the authority is shifted to lower levels. In this sense, the concepts of centralisation and decentralisation concern the hierarchical level at which the decision will be made (Chiavenato 2004). Antons and Arlinghaus (2022), in their study on the distribution of authority in decision-making in the manufacturing sector, highlight the lack of centralised and decentralised approaches as a gap in the research.

The fact that all business decisions are not the same means that decision-making is a continuous process in which different degrees of complexity and importance are intertwined (Ferreira et al. 2011; Stoner and Freeman 1995). In this way, management must establish leadership, creating a coordinating body that leads to a viable analysis before implementing a decision (Fernandes 2003). Therefore, making a decision is a process of choices (Sotomayor et al. 2021) to be considered, aiming at identifying the greatest possible number of alternatives that have the highest probability of success or effectiveness and simultaneously aligned with the company's objectives (de Bilhim 1996; dos Reis 2018; Robbins and Decenzo 2004).

Managers make decisions at all levels of the organisation, which is a process through which they try to achieve a certain organisational objective, bearing in mind that various factors influence this process.

Decision-making can be deemed a process of choosing between various alternative options, including the importance of the objectives, alternative options, assessing the probabilities, and the relative importance of the results towards the objectives (Fernandes 2003). Regardless of the variation in organisational characteristics, managers will be responsible for the consequences of the decisions made, which means that they are faced with situations involving several alternatives, and their decision must be based on comparing the options and assessing their consequences.

2.2.1. Stoner and Freeman's Decision-Making Process Model

According to Herbert Simon (Simon 1965), the decision-making process consists of three stages: information, design and choice. This approach is considered dynamic, as it is always possible to return to the previous stage. Also, the process sequence can be interrupted for various reasons (Bernardo 2006).

Many models focused on the decision-making process have been developed. However, they are only extensions of Herbert Simon's model (Bernardo 2006). The models are adapted according to the existing problems and with different degrees of importance and complexity for each solution. It is up to the decision-maker to find the right strategies to solve the organisation's problems. An example is the model of Mintzberg et al. (1976), in which they carried out a study that involved observing twenty-five decision-making processes. This model involves the following steps: identifying the problem, searching for information and possible solutions, evaluating alternatives, and selecting and implementing the decision. The author found three central stages: identification, development and selection. In the identification stage, there are two processes: recognising and diagnosing the decision. The second stage—development—is considered the main one. It focuses on setting tasks behind developing solutions to the identified problem. The last stage, called selection, is a process that involves investigating the various alternatives (Mintzberg et al. 1976).

Like Simon's model, Mintzberg's model is also considered a dynamic decision-making process. Both are common decision-making models with three central stages applied to most decision-making processes (Bernardo 2006).

Stoner and Freeman (1995) present a decision-making model that combines the previous ones and involves four stages: identifying the problem, developing alternative solutions, evaluating the alternatives and selecting the best one, and implementing the chosen alternative. These four stages help managers weigh the alternatives and choose the one with the highest probability of success. However, this process is only considered complete with feedback on whether or not the identified problem has been solved (Sotomayor et al. 2021; Teixeira 2005), as seen in Figure 1.

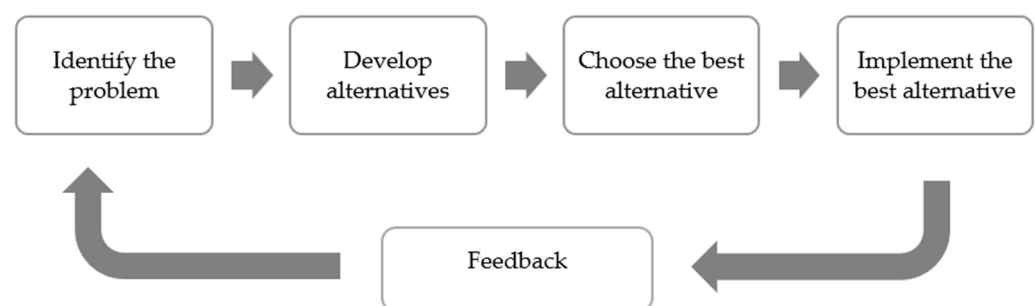


Figure 1. Decision-making model (Stoner and Freeman 1995).

A decision is the result of a dynamic process influenced by various factors. Although Figure 1 shows a decision-making process, it is not a fixed procedure, as the decision is based on a sequential process (Nutt 1984). As a rule, this decision-making process applies

more to non-planned decisions than planned ones. In unplanned decisions, managers need to evaluate the entire decision-making process. Conversely, in programmed decisions, if there is a procedure in place, managers do not need to create and evaluate alternatives whenever problems of this nature arise (Gibson et al. 2006).

During the decision-making stages, some employees feel that their team does not support their ideas or points of view, often caused by the virtual hierarchy formed by elements with years of experience and service (Adams et al. 2018). However, Stoner and Freeman's (1995) decision-making model addresses the complexity of the decision-making process in organisational environments and suggests clear and organised steps to reach an informed and rational decision.

Identifying the problem is the first stage and the *raison d'être* of a decision-making process. For this reason, decision-making is often called problem-solving. It is essential not to confuse problems with opportunities because, often, what may be a problem for the manager is an opportunity for the company (Teixeira 2005).

According to Gibson et al. (2006) and Sotomayor et al. (2021), the potential problem is the gap between the organisation's goals and objectives and real performance data.

The development of alternatives is a list of different ways to solve a problem that has been identified and needs a solution. Management problems that only have one possible solution are rare. Although some are better than others, the one considered best is chosen at the end of the process. At this stage, it is necessary to analyse all possible solution hypotheses, although this is often conditioned by time, importance, the quality of available information and the tendency to make decisions. All of these conditions can contribute to reducing the list of alternatives. If insufficient detailed and varied alternatives exist, unnecessary expenditure of both resources and time may occur (Teixeira 2005). The more important the decision, the more attention is directed to developing alternatives (Lunenburg 2010). At this stage, brainstorming is suggested to be carried out to create all possible alternatives (Sotomayor et al. 2021). Choosing the best alternative can be done in several ways, the most advisable being: (1) Listing the potential effects of each alternative; (2) Calculate the probability of occurrence of each of the potential effects; (3) Compare the expected effects of each alternative and their respective probabilities, taking into account the organisation's objectives. Therefore, the alternative that appears to be the most advantageous for the organisation will be the one chosen to be implemented. In this way, implementing the best alternative is the transition to action. However, more than giving appropriate orders, managers must establish budgets and schedules for the actions they have decided and for which they will be responsible. After applying the best alternative, periodic measurement of results is necessary, that is, comparing actual results with those predicted and, if there are deviations, it is necessary to implement changes (Teixeira 2005).

The decision-making process is only considered complete after mechanisms for controlling the evolution of corresponding actions are established, i.e., when feedback is obtained on the resolution of the problem at its origin. For managers, decision-making is a continuous (Stoner and Freeman 1995) and challenging process, with feedback becoming a motivational factor in this process (Teixeira 2005). Organisations permanently receive information from their environment, which helps them to adjust, take corrective actions, and, if necessary, adjust deviations from what was initially planned. This process is called feedback (de Bilhim 1996), essential in a decentralised organisation (Borralho 2018).

After implementing a decision, if the results are not as expected, it may be related to an incorrect definition of the problem, poor evaluation of alternatives and/or inadequate implementation. The most common and serious error is an inadequate definition of the problem, resulting in the choice of alternative and implementation not corresponding to the intended results (Lunenburg 2010). The quality of an organisation's decision-making is subject to the appropriate selection of goals and the identification of the means to achieve them (Gibson et al. 2006).

2.2.2. Decision-Making and Some Key Factors

The decision-making process can be carried out individually or in a group. In the case of being carried out individually, individuals tend to decide based on their interests, with their choices revealing their preferences. When carried out in a group, it also presents problems that affect the organisation and the people who work there, such as time spent, prolonged indecision and the fragmentation of responsibilities. However, greater precision in deliberations, transmission and sharing of information, greater motivation, greater coordination and control of subsequent actions can also be presented as advantages (Ferreira et al. 2011; Robbins and Decenzo 2004; Teixeira 2005).

Most organisational decisions are analysed and implemented by groups within the organisations, generally by the people involved in implementing the decision (dos Reis 2018). It is worth noting that organisational context factors may affect both the process and the result of the decision, regardless of whether it is made individually or in a group.

Unprogrammed decisions tend to be better analysed in groups because several people know how to reach a solution. As a rule, they are analysed by top managers and some decentralised managers (Gibson et al. 2006). In this way, many of the decisions that are taken in groups reach higher quality levels than those made individually since the effectiveness of the group decision depends on the individual capabilities of its members, the quality of the information shared, the size/structure of the group and the nature of the problem (Teixeira 2005).

In organisations, brainstorming is increasingly being used so that a group of individuals can produce a large number of ideas and creative and imaginative solutions to organisational problems without criticism (Akdere 2011; Gallupe et al. 1991; Rego 1997; Teixeira 2005). This technique can be used at any stage of the process, being more effective at the beginning, which is when the problem arises (Teixeira 2005). Therefore, group decision-making can minimise the limitations of individual decision-making, as it allows contributions from different elements to enrich the available information and increase the production of alternatives (Robbins and Decenzo 2004).

A wide range of factors influences managers' decision-making process. Teixeira (2005) highlights the following aspects as conditioning factors in the decision-making process:

- Time available to decide and implement the decision, which implies that sometimes managers have to decide without having gathered all the information they wanted and sometimes under pressure;
- Critical nature of the work, which reflects the importance that a function performed by a given manager represents in the success of the decision to be made;
- The existence of written regulations could translate into a different degree of complexity in the decision-making process;
- The company's attitude towards the decision-making process, that is, the courage to make systematic decisions, using evolved techniques or methods or in the traditional informal way of approaching the decision-making process;
- The amount of information available. If there is none, it will require the need to update the relevant data that the manager must collect and manage;
- The manager's ability as a decision-maker, related not only to his intuition but also to his ability to learn and obey a process of preparation, decision and implementation;
- The leader's creativity and innovation to generate innovative and functional ideas, especially when decisions are not routine.

According to Smith (2020), those who make decisions need information to support their qualitative or quantitative choices. Real-time information can help decision-makers make the best choices. Decision-making is considered an essential process in leadership (Akdere 2011).

3. Methodology

This study aims to comprehend the role of decentralised managers in the decision-making process of a large industrial organisation: Organisation X. These managers are placed on the second line of the organisation's hierarchy. They are leaders in different departments, such as sales or production. In terms of organisational structure, Organisation X has ten departments: two related to the 'Operations' function (departments with tasks related to the production process) and ten related to the 'Support' function. This can be seen in Figure 2. Each department is led by one decentralised manager.

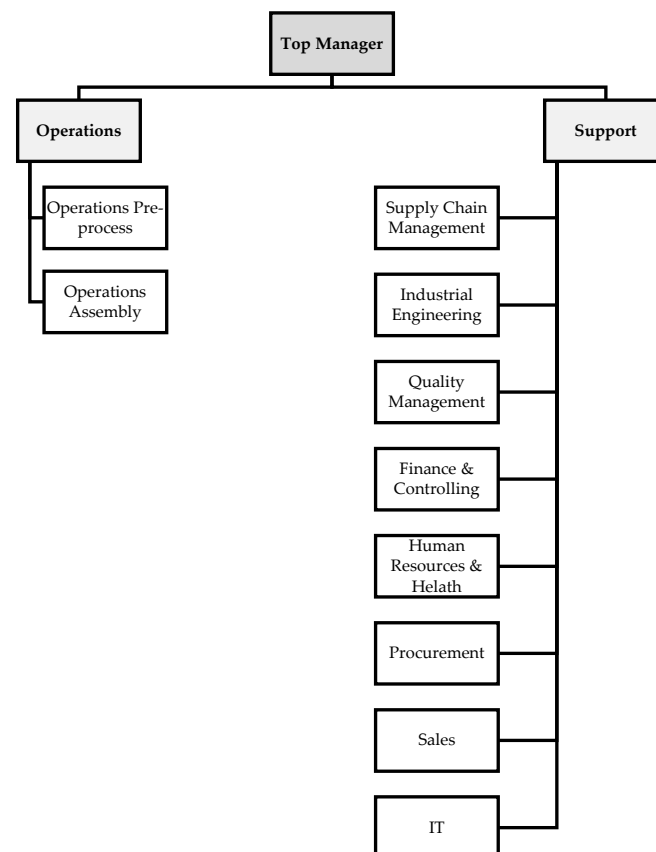


Figure 2. Organisation X's departments.

This article adopted the in-depth single case study method to provide a deep understanding of the decision-making phenomenon by decentralised managers in a specific context (see Yin 2018; Baxter and Jack 2015). According to Dyer and Wilkins (1991), the in-depth study of a single case can allow a better understanding of the research context, while using multiple cases can neglect important aspects of such context. Despite acknowledging that multiple case studies can potentially allow the comparison of contrasting instances, it is also a fact that much qualitative research examines single cases (Miles et al. 2014). Therefore, in this study, attention is paid to the specific characteristics of the organisation under study. Organisation X is an industrial company located in Portugal and owned by a German multinational. It is a leader in developing, producing and commercialising sanitary components, among other products. According to Directive 2013/34/UE, article 3, companies are considered as large when their balance sheet dates exceed at least two of the three following criteria: (a) balance sheet total: EUR 20,000,000; (b) net turnover: EUR 40,000,000; (c) average number of employees during the financial year: 250. Hence, Organisation X is classified as a large company. In 2022, it had a balance sheet exceeding EUR 70 million, a net turnover of over EUR 200 million and employed over 800 employees. It is an innovative company that uses cutting-edge technology in its business area and is characterised by

having a complex organisational structure, both horizontally and vertically, something which is fundamental for the phenomenon under study.

Eleven semi-structured interviews were conducted: one interview with the top manager and ten interviews with the decentralised organisational managers (one per manager) (see Yin 2003), so every department was considered. In a qualitative study such as the one presented, nonprobability sampling was used, emphasising purposeful selection. The interviews were conducted during the second quarter of 2022 and lasted approximately forty minutes each. Most interviews were audio recorded to facilitate subsequent analysis of the results obtained. Before the interviews, one script was created, which was divided into different themes: assessing decentralised managers' importance in decision-making; identifying how organisational goals are disclosed; assessing each stage of Stoner and Freeman's (1995) model, as well as providing suggestions for improvement; assessing the factors conditioning decision-making.

The interviews were complemented by the analysis of organisational documents, such as management reports, organigrams, service orders, briefing documents or newsletters, and by direct observation of the setting. Data collection continued until no new insights emerged.

Regarding the data analysis, we followed the five stages of analysis suggested by Yin (2011): compiling, disassembling and reassembling data, and then interpreting and concluding.

4. Findings and Discussion

4.1. Decentralised Manager's Self-Awareness

In order to assess the role of decentralised managers in the decision-making process in Organisation X, it was first analysed if they consider themselves fundamental in the decision-making process. Our findings suggest that decentralised managers consider themselves to be fundamental in the decision-making process from the moment they feel they have enough autonomy to resolve most situations within the organisation, only turning to the top manager when the issues are deemed critical. The claims of different decentralised managers attest to this fact: "We are fundamental until we are no longer. However, I am fundamental, especially in my area of expertise. (...) In addition to my experience in this organisation, I consider that the fundamental support is how I evaluate a given situation, what risks may be associated, and the appropriate opportunities. I contribute to these aspects without undermining my colleagues, which is why we are a team" (INT 2); "I am important because I know the organisation's processes, and I know the tools that can favour the best way to make a decision. Good knowledge of the organisation is an added value for decision support for senior management" (INT 3); "I support all the top manager's decisions, so I think that is important. However, someone else will have to do it if I am not in this role. That is, the role exists and is important" (INT 6); I consider that (...) my experience, my contribution is important in defining the strategy and its implementation" (INT 4); I consider myself fundamental from the moment I achieve my goals and tasks. When I do that, I am supporting senior management, and they do not have to worry about me or my area" (INT 8); I consider myself important because, in addition to my experience, I am part of a team, and we must all contribute. We are important because we are all very different" (INT 9).

Although most decentralised managers say that they are fundamental, they also say that they are not essential. In other words, everyone has a clearly defined role in the organisation, seeing themselves as people like anyone else, but with the role of leading and supporting the top manager in decision-making. Decentralised managers are essential for identifying and generating new ideas and must continually position themselves between the organisation's top-down and bottom-up processes, in line with Wooldridge et al. (2008).

4.2. Decentralised Manager's Awareness towards the Organisation's Goals

Furthermore, everyone must be aware of the proposed objectives to achieve them (Jordan et al. 2015). In Organisation X, the objectives are disclosed and shared with all employees through different means, namely: the Balanced Scorecard (BSC); an annual meeting aimed to disclose information about goals for the following year; a monthly meeting convened by the top manager with the aim of publicising the organisation's results and the objectives for the following month; a fixed day when the top manager meets with everyone who reports to him (usually every fifteen days); briefings which are usually held twice a week and in which any member can participate; a newsletter published and disseminated once a month, containing the main objectives proposed in the previous month, showing whether they were achieved; televisions spread throughout the organisation presenting internal information on any topic. Finally, it should be stressed that decentralised managers are a very important means for sharing information due to their greater proximity to their subordinates.

According to INT 3, "The objectives are disclosed and monitored daily. If necessary, improvement actions are reviewed and taken". Therefore, the organisation's objectives are set and monitored, as referred by Ferreira and Otley (2009) and Merchant and Van der Stede (2017).

After knowing that the organisation's objectives are disclosed and shared with all employees, it is important to know whether decision-making is based on these objectives (see de Bilhim 1996; dos Reis 2018; Robbins and Decenzo 2004). Regarding this point, all interviewees claimed that all decisions are grounded on the organisation's objectives. In INT 10 words, "If there is a certain decision on a particular issue that you have to decide, you have to keep in mind the objective". The decisions made "must have, as a final consequence, the fulfilment of the objectives defined for the organisation" (INT 7). In fact, the decisions are based on goals set for the year, allowing managers to "see how far [they] can go and what [they] can do without compromising the goals", as put by INT 9. According to the Top manager, the main objectives are defined in a BSC that is visible to the entire organisation. The BSC compiles the organisation's objectives, and "all [employees] move towards them" (INT 7). Also, "There are annual and monthly macro goals. These can undergo adjustments, and it is necessary to make some decisions (complying with the organisation's objectives) which are discussed in meetings with [other colleagues] and the top manager, once a week" (INT 1).

Consequently, given that objectives are disclosed and decision-making is based on these objectives, we are in a position to analyse the decision-making process.

4.3. Decision-Making Model

To understand how the decision-making process occurs in Organisation X and to answer RQ1, we first followed the different stages of Stoner and Freeman's (1995) decision-making model before we expanded it.

4.3.1. Problem Identification

It is important to know whether decentralised managers accept a problem and how they accept the problem. Hence, it is worth highlighting that all decentralised managers stated they accept identifying existing problems, something which can occur through different means such as oral and written communication (if there is documentary support) or weekly meetings they hold with their teams. According to INT 9, "reporting a problem (...) reveals openness, availability, involvement and concern of the people in the situation". This claim is in line with Vaz et al. (2021), who consider that information sharing depends on the trust, openness and proximity between decentralised managers and the top manager. Decentralised managers may, thus, have greater influence over their subordinates than senior management due to their proximity (see Sun and Anderson 2016).

Furthermore, many decentralised managers claim to help their subordinates solve and analyse identified problems. If the decentralised managers, together with their team,

cannot resolve an identified problem, such an issue is then forwarded to be assessed in meetings with all decentralised managers and the top manager. The top manager confirmed that he is informed when there is a problem that his subordinates cannot resolve individually. Therefore, decentralised managers collect, interpret and transmit information to top managers to facilitate decision-making (see [Nonaka and Takeuchi 1995](#); [Wooldridge et al. 2008](#)). In short, decentralised managers are crucial in the decision-making process because they are the ones who report the most critical problems, which require a deeper and more detailed analysis.

4.3.2. Development of Alternatives

The development of alternatives is a list of different ways to solve a problem that has been identified and needs a solution. At this stage, it is necessary to analyse all possible hypotheses for a solution ([Teixeira 2005](#)).

The top and decentralised managers come together to create alternatives and the best solutions for the potential problems. However, decentralised managers state that they only report such problems to top management if they cannot solve them. As INT 2 claimed: “I only [report a problem] in case the identified problem has broader implications for the organisation and/or it is not entirely within my power to implement the solution. In most cases, I resolve problems that arise independently”. Likewise, INT 5 reports a problem “only when support for resolution is needed, or it significantly affects the company’s performance/image”. In some cases, decentralised managers report problems when these are considered critical or when higher authority is required. INT 10 argued that he turns to the top manager when there is “a critical matter and his support and authorisation are essential (. . .). [In some cases] that are no longer within my reach, I have to escalate the problem or subject and talk to him”.

The top manager confirms that he usually analyses the problem identified with decentralised managers through problem information and helping in the decision process. At this stage, it is necessary to analyse all possible solution hypotheses despite often being conditioned by factors that will impact the decision-making process ([Teixeira 2005](#)).

4.3.3. Choosing the Best Alternative

Choosing the best alternative involves several meetings between decentralised managers and the top manager, who listens and welcomes the opinions of all his subordinates when defining joint actions. According to INT 1, the top manager “invites us (decentralised managers) and asks for our opinion”. This opinion is shared by INT 10, who states that the Top manager “always asks for opinions and tries to guide in the best direction according to the directives he has for the group”. He “brings the team together to analyse and define actions” (INT 2). There is a “shared decision” (INT 9).

In cases that do not depend on the Top manager but on the group, it becomes more difficult to implement any decision. As the Top manager says, “I almost always approve decisions. When I do not approve, it has to do with budget issues and restrictions on the part of the group”. Therefore, the alternative that appears to be the most advantageous for the organisation will be the one chosen to be implemented, corroborating [Teixeira \(2005\)](#).

4.3.4. Implementation of the Best Alternative

Implementing the chosen alternative is the transition to action ([Teixeira 2005](#)). As INT 4 claims, “If we characterise a problem, define an action plan, all we have to do is advance”. At this stage, accomplishing tasks is fundamental and, thus, decentralised managers, who consider themselves to be more task-motivated rather than people-motivated, have a fundamental role. In fact, task-motivated managers tend to be more focused on developing and concluding such tasks (see [Shala et al. 2021](#)).

4.3.5. Feedback

Feedback is the most important stage in the decision-making process. At this stage, managers can understand whether decisions have been made well and positive effects are felt throughout the organisation (Teixeira 2005). In this study, feedback is considered in two different ways: the top manager gives feedback to his subordinates (and they receive it), and decentralised managers give feedback to the top manager (and he receives it).

On the one hand, it is important to know whether the top manager communicates any feedback to his subordinates after completing a task. According to the top manager, he gives feedback to his subordinates in their weekly meeting, something confirmed by the decentralised managers. Similarly, decentralised managers state that it is common to receive feedback from their top manager on identified problems and all matters concerning them. On the other hand, all decentralised managers state that they give feedback to the top manager. Depending on the subject, this feedback can be given in bi-weekly or weekly meetings where all decentralised managers and the top manager are present. Likewise, the top manager also states that he receives feedback from his subordinates so that if there are deviations, he can take action.

It should be stressed that this process, especially the feedback between decentralised managers and top manager, only occurs when problems are more critical and require more attention and emphasis from all involved. If there are less critical problems or issues, decentralised managers can solve them autonomously and only communicate them to the top manager if they feel it is necessary. INT 2 acts in such a way. As he puts it, “I only report if the identified problem has broader implications for the organisation and/or it is not entirely within my power to implement the solution. In most cases, I resolve problems that arise independently”. In fact, according to INT 1, decentralised managers “have much autonomy”.

In summary, these findings are in line with Chiavenato (2004), who sees the relief of top managers by delegating less important decisions (to decentralised managers) as an advantage of decentralisation. Hence, there is an alignment between both parties, favouring the organisation and improving the decision-making process. Managers are open to listening to others, accepting and solving problems, which greatly benefits the whole organisation. Decision-making is considered decentralised because it occurs between the top manager and decentralised managers. Also, these findings show that decision-making is a process of selecting alternatives, i.e., identifying as many as possible that have a higher probability of success or effectiveness and are consistent with the organisation’s objectives (see de Bilhim 1996; Robbins and Decenzo 2004).

Organisation X’s decision-making process is decentralised, with the various meetings between decentralised managers and the top manager showing the existence of communication, the exchange of opinions and the openness of the top manager to listen to his subordinates. For example, INT 1 considers himself “an element that is heard in decisions, especially when it comes to people, to know what is happening on the ground, why things are not happening, whether there is discontent or not and what feedback [he is] getting from these people. (...) meetings and briefings are also important for the rest of the organisation to know what is happening”.

Stoner and Freeman’s (1995) decision-making model is widely used in administration and management to guide decision-making. It is a model that emphasises the importance of a structured and systematic approach to decision-making. It ensures that all critical steps are considered and the final decision is well-informed and rational, helping managers make effective decisions.

In this study, we extend Stoner and Freeman’s (1995) model by showing that each stage of the decision-making process is embedded with feedback. More specifically, we suggest collecting and considering feedback at each stage to ensure that the process is continually improved and adjusted as necessary. As some interviewees considered, feedback is a continuous and essential component, implicit at each stage of the process. Organisations can continually adjust and improve their approaches and decisions by incorporating

feedback at each stage. In our framework, we suggest that each step is clearly defined and related to the next, with feedback as an integral part of each process step. Furthermore, at the end of each process cycle, it is necessary to review what needs to be improved, develop procedures to attain unachieved results, and/or define objectives to update practices to ensure the introduction of necessary improvements to the process cycle. This stage of the process helps to identify possible weaknesses and areas for improvement. It helps the organisation to adapt quickly to internal or external changes, such as market, regulatory or technological changes (see Figure 3). During the review stage, it is possible to identify deviations from established targets to redefine corrective actions with process managers to optimise results. Hence, decentralized managers act as facilitators for the continuous improvement of the decision-making process.

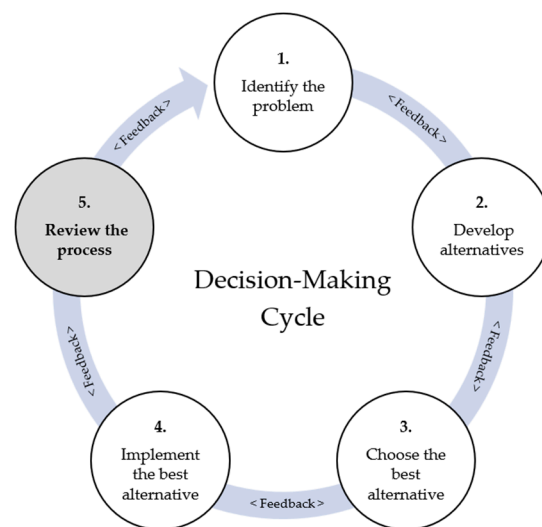


Figure 3. Decision-making cycle.

4.4. Factors Conditioning Decision-Making

With **RQ2** we aim to assess the different factors that condition the decision-making process. According to the interviews, the factors most frequently seen as conditioning in the decision-making process are time, external factors, poor communication, lack of resources and lack of information.

Time is considered a conditioning factor when deciding and implementing decisions (Teixeira 2005), and some interviewees agreed that time can be a constraint. According to INT 9, “time is a conditioning factor because many times, when unforeseen events occur, immediate decisions must be taken. However, I think this is slightly starting to change because we must take time to stop, think strategically and do things differently, adapt, readjust and move forward”. Furthermore, INT 10 argued that “If we have more time, we can have a certain approach, delve deeper into the topics, prepare better, etc. In contrast, if we do not have it, we have to decide faster and we have to be more effective and less detailed”. Conversely, some interviewees felt that time was not a conditioning factor because they had already changed their mentality from the moment they took on more managerial positions. In the words of INT 1, “If a person does not pay attention and care, time is a justification for everything we cannot do”. According to INT 8, “There can be much pressure, which is normal, but it cannot be used as an excuse not to do what I think is right to make a decision”.

Decentralised managers also cited external factors as being a condition for decision-making, such as dependence on the group (INT 7), legal and/or tax restrictions (INT 9), or market uncertainty (INT 1). Other aspects were considered to impact decision-making. According to INT 1, “If there is no honest, accurate and real communication, decision-making will never be the best”. The lack of resources was also considered an issue. INT 2 claimed that “not carrying out a critical analysis of the resources needed to resolve the

problem can influence decision-making". Similarly, INT 3 argued that "if we know the solution to a problem, but we do not have the resources to do it, then it conditions the decision". The lack of ability to decide as a team and lack of all critical information to assess problems were added by INT 5. The amount of information available is an important conditioning aspect in decision-making, according to [Teixeira \(2005\)](#). INT 7 added the following constraints: uncertainty and risk (along with dependence and time), while INT 8 stressed the importance of knowledge. As he puts it: "Decisions are often made, but there is no knowledge of people, no knowledge of how things work. It is not enough to just have general knowledge". Finally, it should also be noted that the organisation cannot control some of these factors.

It seems that all decentralised managers showed different conditions for decision-making, all of which are interrelated. The fact that decisions are made individually was shown to be a condition for decision-making since, in Organisation X, decisions are usually made in groups and through brainstorming. Time was the most controversial factor in the analysis of the results. While some interviewees claimed that time was a condition for decision-making, others did not. The latter felt that they could manage their time. Despite different perspectives, time pressures often require decisions to be made and implemented quickly. Even without all the desired information, managers need to respond quickly to the challenges they face. Other conditioning factors included external factors, communication, analysis of the causes of the problem, resources, quantity and quality of information, the existence and complexity of regulations, the organisation's attitude and willingness to adopt new processes and techniques, the manager's capacity and ability as a decision maker and the manager's ability to generate ideas creative, innovative and functional, uncertainty and knowledge. Also, organisational procedures are crucial for success. They establish the necessary structure for the use of the BSC. They also ensure that deadlines for decision-making are met or that cyclically organised meetings are conducted, allowing progress monitoring and potential adjustment of strategies. The use of the BSC also acts as an effective internal communication tool by translating the strategy into clear and objective terms. It makes it easier for people to understand what is expected of them and how their activities contribute to the organisation's overall success, even in the face of constraining internal factors.

Consequently, based on the literature review and the case study, we wrap up the different conditioning factors in the decision-making process (see Figure 4).

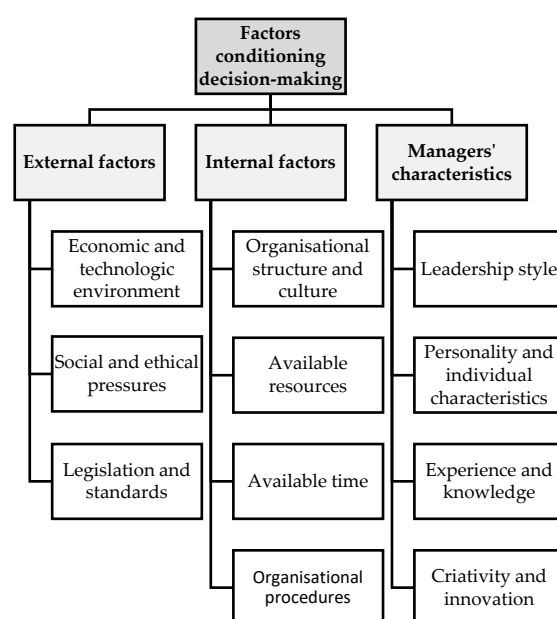


Figure 4. Conditioning factors in the decision-making process.

Understanding these factors is crucial to improving the effectiveness of the decision-making process. Understanding the dynamics involved in such a process and improving managers' ability to deal with complex and challenging situations is also essential.

5. Concluding Remarks

This study aims to comprehend the role of decentralised managers in the decision-making process of a large industrial organisation. To understand leadership and decision-making, it is necessary to go beyond leadership at a single level (Hannah and Lester 2009). This paper analyses decision-making at two interrelated levels: centralised managers and top management, focusing on the former. Decentralised managers are increasingly seen as individuals with the capacity and power to act (Feldman and Pentland 2003).

Regarding how the decision-making process was conducted from the decentralised managers' point of view, it was first found that decentralised managers perceive themselves as fundamental to identifying and developing new ideas and explaining the main organisational results. They also consider themselves fundamental in decision-making since they have enough autonomy to resolve most organisational situations. They only turn to the top manager when matters are characterised as being critical. It was discovered that they are influential and have a strong influence on the decision-making of the organisation. In addition, the organisation's goals are set, monitored, published and shared with all employees. Consequently, given that decisions are based on these goals, the decision-making process can proceed.

Furthermore, the findings suggest that Stoner and Freeman's (1995) model is suitable for application in a setting such as Organisation X (with a complex organisational structure). The findings also suggest that feedback can be deemed crucial in such contexts regarding all matters involving the organisations. Thus, it must be considered a constant factor along all stages of the decision-making process. It allows for ongoing information transfer throughout all the stages of such a process. Finally, the findings also show that a review stage should be conducted to end a decision-making cycle and, potentially, start a new one. This stage is crucial for identifying possible deviations from the proposed goals so as to implement the necessary corrective actions.

Regarding the factors conditioning the decision-making process, all decentralised managers showed different decision-making conditions, all of which were interconnected. Time was the most controversial factor in this analysis. Some interviewee claimed that time is a conditioning factor in making decisions, while others said no, claiming to be able to manage their time. Other factors were considered as conditioning: external factors, communication, analysis of the causes of the problem, resources, information, uncertainty and knowledge. Decentralised managers are influencers through their meetings with their superiors, alerting them to problems occurring in the organisation. Problem identification becomes an accessible process because, as everyone in the organisation knows the objectives, decentralised managers can easily identify the deviations and alert top management when a problem deviates from these objectives.

Several contributions emerge from this study by filling a gap in the literature on the role of decentralised managers in the decision-making process. First, the study contributes theoretically by extending Stoner and Freeman's (1995) model, specifically by adding a review stage and stressing the importance of feedback being conducted throughout the process. We propose a model where the decision-making process is viewed as a cycle. Furthermore, we also theoretically contribute by developing a framework with factors conditioning decision-making, something which is crucial for organisational success. Finally, some practical contributions are also offered. Organisations can maximise their operational efficiency by highlighting the role of decentralised managers, namely in large companies with complex and decentralised organisational structures. Understanding the influence of decentralised managers in organisations can determine their success, innovation, and creativity.

This study is not without limitations. The main one is that a single case study was carried out in a specific scenario: a large industrial organisation. Hence, generalisation can only be done in a theoretical fashion. We believe that further research should address the lower levels of the organisation. We also consider that carrying out case studies in other large organisations in Portugal and internationally might provide comparable data and new insights.

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