

Risky Decision Making Styles of Working and Non-working Females in Mauritius.

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Abstract- The study was undertaken with the purpose of studying Risk-Taking levels and Decision-Making styles of working and non-working females (aged 18 to 35) in Mauritius. The sample comprised of 50 working and 50 non-working females. It was a quantitative research and they were assessed through “Decision-Making style” and “Risk-Taking” questionnaires. Results showed significant difference in risk-taking and decision-making levels of both groups. Non-working subjects take more risk than working subjects. Sensation and Thinking Decision-Making styles are mostly used by both groups. Both groups did not differ significantly regarding Decision-Making style.

Index Terms- Risk-taking, Decision-taking, Working females, Non-working females.

I. INTRODUCTION

Decisions persuade our lives. We are continually faced with alternative course of action, each of which must be evaluated for its relative merits. Sometimes, the decision depends upon the reaction of others; sometimes chance factors are involved. Often, decision-making is accompanied by perplexing mixture of success and failure.

Risk-taking and decision-making are important functioning in every human being's life. These two terms bear special relevance to Organisational Behaviour, since they are related to productivity. However, risk-taking and decision-making styles are not limited to organisational behaviour only; they play an important role in the day-to-day functioning in all aspects of life, be it workplace, relationships, family life, academic field, choice of career, illness, entertainment, upbringing of offspring, planning, etc.

II. LITERATURE REVIEW

Decision and Decision-making

A decision is “any verbal overt action which is socially defined as a commitment to carry out a specified task or to adhere to a particular course of action in the future” (Janis, 1959, p.199). Decisions are in fact, those instances where a person has informed others of his choice and perceives himself as committed to it.

Decision-making is almost universally defined as choosing between alternatives. However, viewed as a process, the actual choice activity is preceded by gathering information and developing alternatives.

Human happiness is intimately related to the decision competency of individuals where an individual is acting based on personally conceived goals that are at the conscious level. He is able to experience the thrill and positive effect from perceived goal progress an infinite number of times, over and over again; for unconscious goals there is only a minimum of personal effect that is, derived from tissue needs being met only for a single time. The morale and happiness of the individual is inextricably related to one's own decision-making competing (Cassel, 1954; Allport, 1961).

The seat and nucleus of personal motivation in man remains the decision-making process for the election of the choices is the basis of personal motivation. When an individual makes a personal decision it serves as the “blueprint” for his action, and his decision identifies the personal choice or alternatives of behaviour to pursue.

Decision Risk and Decision-taking

Decision-making and risk-taking are two sides of the same coin. Every decision a human being makes involves risk at different levels (low, moderate, high). Decisions under risks as defined by Kellogg (1995), “refer to the case in which each state of nature is likely to occur with a known probability (e.g.10% chance of perfect, 80% chance of fair, 10% chance of bad).”

“Our lives improve only when we take chances - and the first and most difficult risk we take is to be honest with ourselves,”
Walter Anderson.

A single decision can be quickly characterized by its frequency of occurrence, its costs, its discontinuity with previous issues, and its risk. Risk refers to the predictability of outcome whereas cost is the investment needed to produce the outcome, and discontinuity is defined as the dissimulating with previous decision issues. Not unexpectedly these three attributes tend to covary. The high risk decision is not only one where the outcome is uncertain but where cost is high and experience is limited because the decision occurs infrequently and usually there is a considerable discontinuity with previous strategic decisions. In general, the major kind of non routine and high risk decision is the production of a new output that at the same time requires a new production process and technological change.

Decision risk refers to the chance that making a decision in a particular fashion will result in an awful decision, that is, one that is exceptionally ineffective. Sometimes alternative ways of making the decision will reduce the decision risk, and sometimes not.

Several writers have developed some kind of vivid imagery to try to portray the complexity and intricacy of strategic decision-making. Weick (1976) for example, claims that it is an “unconventional soccer match” with the players coming and going as they like, the field sloping and round and goals scattered about apparently at random. Hickson (1987) likens it to an American football game; the players are the participants in the decision-making. Scores are made by the powerful who define the rules, that is the rationality of the game.

Any analysis of decision-making and rationality must begin with and then discard the notion of “economic man”. “Home Economics is characterized by the following: acting only in his self-interest, possessing full information about the decision problem, knowing all the possible solutions from which he has to choose as well as the consequences of each solution, seeking to maximize utility, having the ability to rank out in order of likelihood of maximizing outcomes (Zey, 1992).

There is actually a very limited amount of rationality available in the decision-making process. As Simon (1957) has ably pointed out, decisions are made on the basis of “bounded rationality”. An analysis of decision-making during the Cuban Missile crisis led to the conclusion that decisions were made to avoid failure, rather than to achieve success (Anderson, 1983). Top decision-makers make their decision and then develop the rational-sounding reasons for the decisions after the fact.

Decision-making Styles

People differ in the way they go about making decisions, and the same person may make decisions in different ways in different circumstances. Arroba (1978) identified six decision-making styles from her sample of managers and manual workers:

1. No thought
2. Compliant - with expectations from outside
3. Logical - careful, objective evaluation of alternatives
4. Emotional - decision made on basis of wants or likes
5. Intuitive - the decision simply seemed right and/ or inevitable
6. Hesitant - slow and difficult to feel committed.

Janis and Mann (1977, 1982) identified five styles which are directly related to decision quality. They argued that decisions by definition involve psychological conflict, and people have different ways of dealing with that. Specifically, these are:

1. *Unconflicted adherence*: the decision-maker continues with the existing course of action, ignoring potential risks
2. *Unconflicted charge*: the decision-maker embarks on whatever new course of action in his or her mind at the time without evaluating it
3. *Defensive avoidance*: the decision-maker avoids the decision by delaying it or denying responsibility

4. *Hypervigilance*: the decision-maker desperately searches for a solution, and seizes on the first one that seems to offer quick relief

5. *Vigilance*: the decision-maker searches carefully for relevant information and weighs it up in an unbiased fashion.

Carl Jung first developed the theory that individuals had each a psychological type. He believed that there were two basic kinds of functions which humans used in their lives: how we perceive things, and how we make decisions. He believed that within these two categories, there were two opposite ways of functioning. We can perceive information via 1) our senses, or 2) our intuition. We can make decisions based on 1) objective logic, or 2) subjective feelings. Jung believed that we all use these four functions in our lives, but that each individual uses the different functions with a varying amount of success and frequency. He believed that we could identify an order of preference for these functions within individuals.

Do we trust our five senses (Sensing) to take in information, or do we rely on our instincts (Intuitive)? The third type of preference, how we prefer to make decisions, refers to whether we are prone to decide things based on logic and objective consideration (Thinking), or based on our personal, subjective value systems (Feeling). These first three preferences were the basis of Jung’s theory of Personality Types.

Sensing individuals will be more likely to pay attention to facts, details, and reality. They will also tend to select standard solutions that have worked in the past. Persons with intuition preferences, on the other hand, will more likely attend to the meaningfulness of the facts, the relationships among the facts, and the possibilities of future events that can be imagined from these facts. They will exhibit a tendency to develop new, original solutions rather than to use what has worked previously.

Individuals with a thinking preference will tend to use logic and analysis during problem solving. They are also likely to value objectivity and to be impersonal in drawing conclusions. They will want solutions to make sense in terms of the facts, models, and/or principles under consideration. By contrast, individuals with a feeling preference are more likely to consider values and feelings in the problem-solving process. They will tend to be subjective in their decision-making and to consider how their decisions could affect other people.

Isabel Briggs Myers developed the theory of the fourth preference, which is concerned with how we deal with the external world on a Day-to-day Basis. Are we organized and purposeful and more comfortable with scheduled, structured environments (Judging), or are we flexible and diverse, and more comfortable with open, casual environments (Perceiving)? From a theoretical perspective, we know that if our highest Extraverted function is a Decision-Making function, we prefer Judging. If our highest Extraverted function is an Information Gathering function, we prefer Perceiving.

Although it is a common assumption that people are largely goal-oriented and know what they want, research on decision-making has shown that our preferences are actually quite

malleable - especially when we encounter something new. What affects decision outcomes most is the actual *context* in which people make decisions. All kinds of things affect decision making - the type of decision someone is making, the decision maker's level of expertise, the number of options available, the way and order in which options are presented, and many others.

Studies have shown that people do like to have choices. Decades of psychological theory and research have demonstrated that giving people the ability to choose increases their intrinsic motivation, perceived control, task performance, and overall life satisfaction and happiness. But many people are offered only a limited number of options, which they could easily differentiate and evaluate.

Current research shows that, as the number of options increases, so does the level of complexity of the decision itself. Although people are inherently attracted to having lots of choices, when it comes to actually choosing from among a large number of options, people often find themselves paralyzed and unable to make a decision.

According to a research article published by Shrivastava, A (January 14th, 2007) in *Times of India*, the following were the conclusions:

- Tall people are more prepared to take risks than short ones.
- Women are more careful than men.
- The willingness to take risks markedly decreases with age.
- Children of educated parents are more likely to take risks.
- Smokers are more willing to take risks than non-smokers.

Jins (2004) studied risk-taking during decision-making in respect to age. It was found that with age people took longer time to take decisions and the quality of decision making and risk taking would also reduce. However, highly intelligent people could make quick decisions and risk-taking level varied. As far as gender is concerned, both men and women were found to be same in their decision making, while males varied in their levels of risk taking in competitive situations.

III. METHODOLOGY

Research Questions:

- Whether working females take more risk while making decisions or non-working ones?
- Is there any difference in decision-making styles of working and non working females in Mauritius?
- What are the risk taking levels of subjects in comparison to those having different styles in making decision?

Aim

To study the risk-taking levels and decision-making styles of working and non-working Mauritian females.

Objectives

1. To compare the risk-taking levels of working and non-working females in Mauritius.
2. To compare the decision-making styles of working and non-working females in Mauritius.
3. To analyse decision-making styles and risk-taking levels of both working and non-working subjects.

Sample

The sample comprised of 50 non-working Mauritian females, aged 18 - 35 and 50 working Mauritian females aged 18 - 35.

Tools

1. Decision-making style Questionnaire, adapted from the Myers-Briggs Type Indicator and a Scale developed by D. Hellriegel, J. Slocum, and R.W. Woodman, "Organizational Behaviour", pp. 127-41. By Robbins, S.P (1996).
2. Risk-taking Questionnaire, adapted from N. Kogan and M.A. Wallach, Risk-Taking. By Robbins (1996)

IV. RESULTS

Table I shows percentages of subjects having High, Moderate and Low levels of Risk-Taking.

	High	Moderate	Low
Non working subjects	24	60	16
Working subjects	22	70	8

Table II shows number of subjects having High, Moderate and Low Risk-Taking levels.

	High	Moderate	Low	Total
Non-working subjects	12	30	8	50
Working subjects	11	35	4	50
Total	33	65	12	100

$X^2_{cal} = 46.94$, $X^2_{crit} = 5.99$, at 0.05 level, the difference is significant.

Table III shows percentage of subjects in their Decision-Making styles, in the category of Sensation and Thinking (ST), Sensation and Feeling (SF), Intuition and Thinking (IT), Intuition and Feeling (IF), Sensation Intuition and Thinking (SIT), Sensation Intuition and Feeling (SIF), Intuition Thinking and Feeling (ITF) and Sensation Thinking and Feeling (STF).

	ST	SF	IT	IF	SIT	SIF	ITF	STF
Non-Working	50	26	8	6	6	0	2	2
Working	60	20	2	2	6	4	2	4

Table IV shows number of subjects in their Decision-Making styles in the category of ST, SF, IT, IF, SIT, SIF, ITF, STF.

	ST	SF	IT	IF	SIT	SIF	ITF	STF	Total
Non-Working	25	13	4	3	3	0	1	1	50
Working	30	10	1	1	3	2	1	2	50
Total	55	23	5	4	6	2	2	3	100

$X^2_{cal} = 187.34$, $X^2_{crit} = 14.07$, at 0.05 level, the difference is significant.

Table V shows percentage of Non-Working and Working subjects in different categories of Risk-Taking levels and Decision-Making styles.

	ST	SF	IT	IF	SIT	SIF	ITF	STF
	NW W	NW W	NW W	NW W	NW W	NW W	NW W	NW W
High Risk-Taking	10 14	8 2	- -	- -	2 2	- 4	2 -	- -
Moderate Risk-Taking	36 40	12 18	2 2	6 2	4 4	- -	- 2	2 2
Low Risk-Taking	10 6	- -	6 -	- -	- -	- 2	- -	- -

Table VI shows overall percentage of subjects (Non-Working and Working) in the category of Risk-Taking levels and Decision-Making styles

	ST	SF	IT	IF	SIT	SIF	ITF	STF
High Risk-Taking	54.55	22.72	-	-	9.09	9.09	4.55	-
Moderate Risk-Taking	57.58	22.72	3.03	6.06	6.06	-	1.52	3.03
Low Risk-Taking	66.67	-	25	-	-	8.33	-	-
Average	59.6	15.15	9.34	2.02	5.05	5.81	2.02	1.01

Interpretation and General Discussion

- The study shows significant difference in Risk-Taking levels between working and non-working females in Mauritius.
- Both groups (working and non-working) have obtained a high percentage in the moderate level of Risk-Taking. However, the non-working subjects show a slight increase in percentage towards high Risk-Taking levels. Therefore both groups measure the pros and cons of choices before taking decision, and none of the groups want to take high risk and prefer to take moderate levels of risk instead, where the loss is not extreme.
- The Sensation and Thinking combination of Decision-Making style is mostly preferred by both working and non-working subjects under the Moderate Risk-Taking level.
- However, there is a greater percentage of subjects in the Low Risk-Taking level category of both groups. Both prefer the Sensation and Thinking combination. The low Risk-Takers therefore are more realistic, practical and use a highly logical and analytical approach to decision-making.

The decision-making process is stressful. A decision always involves two or more competing alternatives of action. Usually each alternative has several pros and cons associated with it. The decision-maker has to choose the "best" alternative. Although decision-making starts with the awareness that a problem exists, it differs from traditional problem solving in that there is no single correct solutions. The difficulty is in judging which alternative is best. Usually decisions have to be made with missing information and involve guesses and predictions about future events.

Decisions come in all sizes and shapes. It is a mistake to think of decision-making as a rational and clearly calculated process. It is also a mistake to think of decision-making as simply a random process.

Risk-taking is not first for the intuitive - any decision with an uncertain outcome involves some elements of risk and even people who are totally logical in their thinking take risk, much of the difference between the two methods of reaching a decision is in the mental approach. Intuitive thinkers back an option that they are convinced is a certainty, although it may seem to others as a long shot, while logical thinkers calculate all the odds and only then make their decision to go for the best option. Either way, seek to maximize the degree of risk involved.

Interestingly, research suggests that intuitions can indeed have value as valid early signals. There is growing evidence that if one has repeated experience making certain decisions, the brain might establish connections that essentially bypass consciousness. Then, when one encounters particular decision situations, the brain in effect rapidly receives subtle signals mediated by the emotions, crudely saying either it is right or it is wrong. One's intuition then may in fact derive a great deal of information from past experiences, all outside one's awareness. Intuition should not be summarily dismissed. Instead, it should be taken as a signal that something may be there. The decider experiencing such an intuition has the obligation to ask others to independently seek evidence that corroborates or refutes that intuition.

Human beings have an exceptional ability to choose appropriate means to achieve their ends. Significant intellectual achievement is a mixture of both automatic and controlled thought processes. For example, business executives often claim their decisions are intuitive, but, when questioned, demonstrate that they have systematically thought through the relevant alternatives quite deliberately before deciding which institution to honour. We often think in an automatic way when making judgments and choices, that these automatic thinking processes can be described by certain psychological rules (e.g., heuristics) and that they can systematically lead us to make poorer judgments and choices than we would by thinking in a more controlled manner about our decisions. This is not to say that deliberate, controlled thought is always perfect or even always better than intuitive thought.

According to Gittler, (1994), the process of making decisions does not happen only by analysis of facts, but it also contains some influence of the gut feeling. The gut feeling would make the person aware that enough information is available to take the decision and has a minimum level of risk.

Janis and Mann (1977) were among the first to propose a framework in which conflict is central. Because choosing one option means giving up another, it implies an internal conflict in which the decision-maker expects to experience regret regardless of what is decided. A decision can thus be described as a competition between different selves, each advocating one of the possible options. Such an internal conflict may have the decision-maker torn between normative considerations, on the one hand, and contradicting emotions, on the other hand (e.g. Slovic, 1996; Haidt, 2001). While the conflict model has no clear prescriptions and offers mainly a descriptive, a judge who follows the conflict model understands that powerful emotions may, under some circumstances, override rational considerations. Although relatively little is known about how exactly emotions affects the decision process, it is nevertheless widely accepted that much behaviour is (to some degree) non-volitional, even after substantial deliberations (e.g. Loewenstein, 1998). While emotions may compete with logical decision-making, they may also contradict each other.

There are various other factors that may influence decision-making and just as Lubinski and Humphreys (1997) rightly said that a neglected path would not stop operating just because it is ignored.

V. CONCLUSION

- Non-working Mauritian females aged 18 to 35 take higher risks than those working Mauritian females of the same age group.
- Maximum number of subjects in both groups takes moderate level of risk.
- Both working and non-working subjects prefer the Sensation and Thinking combination of Decision-Making style, while taking moderate risk.

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