Decision Making in the Age of Uncertainty: a Sociological Analysis

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Abstract: This essay presents an analysis of the structural and cultural characteristics of postmodern society’s new capitalism, underscoring the fact that uncertainty, flexibility, mobility and risk are the latest categories of contemporary life, with which we need to interact and communicate constantly. It is necessary to aim at governing uncertainty by activating a new logic of the diffused empowerment of people aimed at promoting value for all the stakeholders by sharing objectives, development plans and the joint redesign of technologies, structures and processes. This is a perspective which places the person at the centre of strategic action, relaunches a New Humanism, invests in the cultural dimension, enhances that of value with a view to surpassing the utilitarian and technocentric paradigm while asserting a new anthropocentric.

Keywords: Postmodern society, flexible capitalism, innovation, uncertainty, mobility, risk
1. Introduction

With the emergence of modern society’s second industrial revolution, the capitalist economic system was strongly influenced by bureaucratic and military culture, decisive at the time, since, at the end of the nineteenth century, the language of decision-making regarding investment assumed the characteristics of military jargon, for the first time. It was then that concepts like “investment campaign”, “strategic thinking”, even “analysis of results” (one of General von Clausewitz’s favourite expressions) appeared within this sphere, as American sociologist Richard Sennett (2006, p. 21) pointed out.

A tendentially deterministic conceptual paradigm, operating in a market oriented towards stability and predictability is now outdated, since it is no longer capable of comprehending the phenomena that determine new patterns of personal, organisational and institutional behaviour.

Postmodern society, on the contrary, is characterised by the spread of flexible capitalism, a new order of economic and social structures, (Piore & Sabel, 1987; Sennett, 2001; Piketty, 2014; 2019; Cocozza, 2015; 2018; 2019; 2020a; 2020b) which produce a profound and continuous transformation of the global scenario, associated with a series of emerging phenomena. This means a growing complexity of processes; the spread of systemic uncertainty and consequential unexpected action (Cocozza, 2020b); the extreme pervasiveness of technological innovation; the redefinition of the very system of reference values which had guided production choices, as well as the organisational and cultural models that have established themselves during the third and fourth industrial revolutions.

2. Profound transformations and the end of the “grands récits”

Within this new conceptual framework, questions arise regarding the purposes, position, place and times of strategic and organisational action. Bauman (2002) keenly observed that it was probable that Rockefeller’s wish was to build immense factories, railways and oil pipelines and possess them for as long as possible (for eternity, if time were measured on the basis of the life span of a man or a family). Bill Gates, on the other hand, had no qualms about breaking away from what he had created with such immense pride only one day before. Today it is the mindboggling speed of circulation, recycling, obsolescence, disposal and replacement that produces profit.

We are witnessing, therefore, a considerable change in our society, a phenomenon that Lyotard explained by introducing the concept of “postmodern” into his essay La condition postmoderne (1979), where he argued that the contemporary age had reached its end with the delegitimization of the “grands récits” [grand tales], of the philosophical and ideological perspec-
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tives which, starting from the Enlightenment, had inspired and conditioned the beliefs and values of Western culture, oriented towards continuous progress, a phenomenon affected today by a structural crisis, one of a cultural nature, in particular.

The time limits of the policies and actions of the markets, governments, communications, businesses, families themselves, our mental attitudes have all been shortened.

Over the past twenty years, a representation of public policies and economic strategies, based on a sort of “sailing by sight” and flawed by “shortness of vision”, has emerged.

From this perspective, the postmodern age is no longer linked to the elaboration of large-scale plans, the outcome of a vision “capable of looking ahead”, but is characterised, rather, by a plurality of actions whose validity is simply instrumental and contingent, born of an attitude that often risks providing the problems of individuals, businesses, institutions and society with pragmatic and unsystematic answers.

This is a situation which has not permitted and does not make the extreme pervasiveness of technological and organisational innovation to adequately governable, as it has been allowed to impose itself upon us by means of a series of particularly innovative phenomena, like the digitisation of processes; the spread of the Internet of things and its application to productive processes, logistics, info-mobility, remote assistance, optimisation of energy and environmental protection; the potential inherent in experimenting with new materials and the impact on production processes; the use of robotics and three D printing in areas ranging from processes of production to telemedicine; the extension of 5G video communication systems through iCloud and a series of new-generation devices; the use of artificial intelligence and the exploitation of Big Data in production, study and research contexts.

In line with this perspective, one might argue that we are facing a profound bouleversement, an upheaval, which Beck (2017) called a process of metamorphosis. In actual fact, the German scholar (Beck, 2017), believed that our world was traversed by a true process of metamorphosis, that it was not a matter of social change, of transformation, of evolution, revolution, discontinuity or crisis. Metamorphosis meant changing the very nature of human existence. It called into question our very way of being in the world. It was undeniable, he posited, that we were living in a world increasingly difficult to decode. It was not simply changing but undergoing a metamorphosis. What was previously excluded a priori, because totally inconceivable, was happening now. These were global events, he held, that generally went unnoticed and asserted themselves, beyond the sphere of politics and democracy, as secondary effects of radical technical and economic modernisation.
In reality we are witnessing a profound transformation of international markets, of the very division of labour and the consequent redistribution of roles played by the various players. On the global market, goods/services or companies no longer compete; but the country systems do. They no longer compete with each other, and not only on the basis of economic performance indicators, but, above all. With regard to the ability to “create a system”, a mind-set and network of alliances, with a view to fostering positive international and global exchanges.

These transformations have also led to greater market segmentation and new ways for companies to compete. In some cases, these ways appear as “collaborative competition”, while, following the 2008 crisis and the Covid-19 threat, they have designed a different role for public participation in the economy. This role aims at assuming an increasingly regulatory, less managerial function, even if the current economic crisis, born of excessive laissez faire and behaviour not informed by the ethics of responsibility, has relaunched newfound respect for the rules and public intervention as a form stabilisation of critical situations, prejudicial to the progress of the economic system and a danger to social well-being and the national public interest.

In this new scenario, public welfare policies tend to diminish, bureaucracy to resist though reduced; while the economy becomes more dynamic and unscrupulous and by increasing as far as possible the pervasiveness of Smart Working, in response to the Covid 19 pandemic. The spread of Smart Working assumes an important strategic function aimed at pursuing the following objectives: better social, economic and environmental sustainability; the development of an effective 360-degree digitalisation of processes; a relaunch of the role of Human Resource Management (HRM) in the governance of the digital revolution; correct application of the work-life balance, aimed at pursuing a fair balance between professional and personal life, paying particular attention to the needs of family care.

We no longer find the stability and loyalty to the company which were the strength of the old capitalist system; now we have uncertainty, unexpected behaviour, perennial innovation and greater, albeit different, affirmation of forms of power, control and inequality. In many companies there is a return to a hierarchical relational setup, not oriented towards authentic transparency, involvement and participation, variables which, on the other hand, are fundamental if the business system is to be led out of the crisis. This economic crisis is associated with the evolution of the traits of globalisation, which bring with them the 5.0 technological revolution of industry and the inexorable digitisation of processes. It is, above all, a crisis of strategy and perspective, which can be reshaped more consistently by redefining the corporate mission, renewing the reference value system and relaunching correct interaction with all internal and external stakeholders.
On the basis of this framework, an in-depth analysis of the structural and cultural characteristics of postmodern society’s new capitalism has begun, highlighting, in the first instance, the fact that uncertainty, flexibility, mobility and risk are the new categories of contemporary life, with which to enter into constant dialogue.

3. Flexible capitalism and the overcoming of Taylor-Fordism

To frame the new phenomenon of the economy of flexibility and the new rationality of human and organisational action which accompanies this transformation, Sennett (2001, p. 9) held that, nowadays, in America, the expression flexible capitalism was being used more and more frequently to indicate a system representing something more than a variation on an old model. All the emphasis, he believed, was on flexibility. Bureaucratic rigidities were being blamed; the same regarded the harm produced by blind routine. Workers were now being asked to behave with greater versatility, to be ready for change at short notice, to run continuous risks, to rely less on formal regulations and procedures.

Sennett (2001, p. 50) actually observed and acutely so that deeper motivations were pushing modern capitalism towards decisive and irreversible changes, however disorganised or unproductive they might be, and that in this, they were associated with the volatile nature of consumer demands, which produced another distinctive trait of flexible regimes, flexible production specialisation. To put it simply, flexible specialisation was seeking to deliver a greater variety of products to the market and more swiftly.

In The Second Industrial Divide economists Michael Piore and Charles Sabel (1987) described how flexible specialisation has affected relations between small businesses in northern Italy. It was this kind of specialisation which enabled these companies to respond rapidly to changes in consumer demand. Companies began to collaborate and compete at the same time, seeking market niches that each of them might occupy for a short period rather than permanently, by adapting themselves to the shorter productive life cycles typical of clothing, textiles or mechanical components. (...) Piore and Sabel said that the system they studied was “a permanent innovation strategy: we adapt to constant changes, rather than trying to control them”.

To be clearer, the model of flexible specialisation represented the antithesis of the production system and organisational culture of Taylor-Fordism. With the global spread of these profound changes, the organisational action which appeared on the scene no longer responded to a hierarchical, prescriptive, utilitarian or opportunistic logic, only, but presented itself as a new relational modality capable of uniting and promoting dialogue, competition and cooperation within a single strategy, in a perspective of Coopetition, or as
the Oxford Dictionary put it Collaboration between business competitors, in the hope of mutually beneficial results.

Sennett (2008, p. 39) pointed out that the history of mobile phones enlighteningly revealed the superiority of collaboration over competitiveness. The mobile phone was the outcome of the metamorphosis of two technologies, radio and telephone. Before the fusion of these two technologies, telephone signals were transmitted through fixed cables, while radio signals travelled over the air. In the 1970s, a form of mobile telephony existed in the military field; it involved the use of big, bulky, cumbersome radio sets with wavebands reserved for specific communication; some civilian versions of mobile phones were used in taxis, but their range was limited, their sound quality poor. The fixed nature of the cable phone was its major weakness, clarity and security of transmission its strength. At the heart of this technology lay circuit-switched technology, which had been developed, tested and refined over many generations of use. It was this technology which needed to change so that radio and telephone might blend. The problem was clear, the solution too. The difficulty lay, however, in how have them collaborate. Examining the companies that first studied the transformation of circuit-switched technology, economists Richard Lester and Michael Piore discovered that, in some cases, collaboration between them and with other companies had favoured breakthroughs capable of solving the problem, while, in other instances, internal competitiveness reduced the enthusiasm of the technicians who were expected to improve the quality of the switches. The conflict between the business sectors were deliberately ambiguous, because, to enter into the problem, mere technical knowledge was not sufficient: lateral thinking was mandatory. To overcome the challenge, Motorola and Nokia found a new way of involving the technicians and engineers who were clashing with the management by introducing the idea of collaboration, thus achieving excellent results. Ericsson and other firms Sennett (2008, p. 39) tells us proceeded, apparently, with greater linearity and discipline by breaking the problem up into segments. It was expected that the birth of the new switch would take place thanks to an exchange of information between one office and another, rather than by increasing the interpretative community. Ericsson’s rigid organisation led to failure. In the end, the problem was solved, but with greater difficulty. The various offices cultivated and defended their own little orchards.

In other words, faced with these profound transformations, as well as with the many experiments in “unregulated flexibility”, a quest for meaning regarding new modes of behaviour had begun. This quest attempted to un-

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1 The reference here is to Sensemaking, a term introduced by Weick (1997) in Senso e significato nell’organizzazione [Sensemaking in organization].
understand this structural, cultural revolution that was taking place, along with
the absolutely unforeseeable consequence involving, on the one hand, so-
cial and institutional actors—entrepreneurs, firm management, trade unions,
workers and public institution—on the other, economic and social scientists
bent on explaining these emerging phenomena. These innovative phenome-
na were changing the rational logic directing the redesign of work processes,
the configuration of structures, the use of technology and the skills neces-
sary to meet the new roles.

The latter is quite different from the performance of rigid, prescriptive
tasks requiring basic operational knowledge and no specialisation, to which
workers and bosses had been accustomed in the twentieth century, an era
dominated by the affirmation of the second industrial revolution which the
Fordist economy’s organisational and cultural model had imposed; a highly
prescriptive, stable and immutable system, not at all capable of adapting to
market changes.

The innovative process, therefore, nurtured the need to set in motion new
organisational roles and behavioural patterns requiring continuous acquisi-
tion of new skills, involving an increase in individual sensemaking within
organisational action and the need to be acknowledged as bearers of a par-
ticular vision of the world of production.

4. Uncertainty, the structural characteristic of postmodern society

In this direction, had never taken for granted, as Morin observed, referring
to the characteristics of individual and organisational action in postmodern
society, in the volume Les Sept Savoirs nécessaires à l’éducation du future
[Seven complex lessons in education for the future] (2001, p. 81)², that “We
have not yet assimilated Euripides’ message: expect the unexpected. How-
ever, the end of the twentieth century was propitious for an understanding
of the irremediable uncertainty of human history. Previous centuries have
always believed in a repetitive or progressive future. The twentieth century
discovered the loss of the future, that is, its unpredictability. This awareness
must be accompanied by another, retroactive and correlative one, according
to which human history has been and remains an unknown adventure. Fi-
nally, one great achievement of human intelligence will be that of getting rid
of the illusion that we are capable of predicting human destiny. The future
remains open and unpredictable”.

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² The seven complex lessons identified by Morin are: the blindness of knowledge: error and
illusion; the principles of relevant knowledge; teaching the human condition; teaching our
terrestrial identity; addressing uncertainties; teach understanding; the ethics of mankind.
In other words, confirming the assumptions that “reality is increasingly multifaceted” and that “the future remains open and unpredictable”, while the society of risk and uncertainty asserts itself, at the same time, a new personal, organisational, institutional action has begun to spread; it finds space for itself within the organisation of learning, in lean and network organisations, going beyond the traditional utilitarian, conflictual and prejudicial logic of opposition to open the doors to a virtuous pathway of Coopetition. In reality, it is increasingly difficult to make predictions, since as Keynes prophesied: “The inevitable never happens, the unexpected always”.

One actually needs to recognise the fact that in the history of humanity, unexpected events have often played a crucial role in the development of civilisation, as Tabucchi (2006, p. 72) asked, “Did the pagan world expect Christ to be born? Did the Roman Empire expect the Barbarians to arrive? Did the Church of Rome expect Luther to be born? Was the Tsar expecting an assault on the Winter Palace? Did republican Spain expect General Franco’s Moroccan invasion? Did the United States expect the attack on Pearl Harbour? Were the Japanese expecting the atomic bombs in Hiroshima and Nagasaki? Was President George W. Bush expecting terrorists to bring down the twin towers of the World Trade Center?”

Even more recently, had any of the economists predicted the crisis of 2008? or had any Head of State foreseen the insidious Coronavirus pandemic? No. As we know only too well, in some countries, the danger deriving from the spread of this viral infection was underestimated, obliging the population to pay an extremely high price.

This problematic perspective allows us detect a certain degree of convergence, also from another scientific point of view. Bodei (2015, p. 235), while critically rethinking the development of philosophical thinking concerning the profound ethical, social and cultural transformations which took place during the second half of the twentieth century, made the following useful observation, “Alongside the impetuous development of information technology, artificial intelligence, neuroscience and social networks, two novel elements, above all, characterise the panorama and, consequently, philosophical reflection. These are the impact of biotechnology and the rise of bioethics; our changed attitude towards history and the future as a result of traumatic and unexpected events (such as the fall of the Berlin Wall, the dissolution of the Soviet Union, the destruction of the Twin Towers and the spread of terrorism justified in religious terms, with the consequent multiplication of conflict)”.

In other words, thanks to the development of the debate on bioethics and biotechnologies and the political and cultural “disorientation” produced by the fall of the Berlin Wall, we are witnessing the affirmation of a direction not always sought after, of a change of era which determines a global
transformation of the economic, social and cultural system. This is a transformation which is producing a profound metamorphosis, that is becoming increasingly clear and needs to be addressed by means of a collaborative and supportive spirit, since it is increasingly evident, even more so as regards unexpected events, that “no one can save him/herself alone”.

Paradoxically, in a turbulent, increasingly unpredictable and highly unstable environment, the more the illusion that technical competence and skills will lead, deterministically, to the “government” of events grows, the more important the role of values, as well as of social and the relational matters, becomes. This means that in order to address these new challenges effectively and with greater awareness, culture rather than structure, needs to interact and cooperate at institutional, organisational and individual level, on the basis of a paradigmatic perspective evoking Coopetition and a spirit of community. We are experiencing a similar situation during the present fight against the spread of the Corona-virus epidemic and the consequences this unexpected event has produced and will produce in our society, to the point of evoking a possible comparison with real-war scenarios. A complex event that affects the entire planet and proposes the need to rethink the logic guiding inter-state relations, as well as a form of “global governance” which to oppose conflict needs to be grounded in solidarity and driven by a sense of community. The transformations produced by these emerging phenomena, into which it is necessary to carry out an in-depth sociological investigation, have led to reconsiderations of the strategic role played by the essential public services in advanced societies, in particular at times of calamity, starting from the public health-care, education, welfare and civil-defence sectors integrated, necessarily, with the private sector.

Furthermore, the fight against the spread of the Corona virus and the government measures adopted, have foregrounded a series of phenomena, driven by a dialectical logic supporting political decisions concerning the enhancement of expertise and scientific skills; the development of social networks; the redefinition of virtual socialisation processes and the re-evaluation of real interaction; the affirmation of a new approach in the management of these tools, based on a reconsideration of the deleterious role played by fake news and the need to consult authoritative sources; the quest for a new reference base, aimed at redesigning the organisation of employment and production processes, with the widespread experimentation and expansion of smart working, towards a post-Fordist perspective oriented towards a paradigm of flexibility typical of the Net economy or Gig economy (economy on demand) (Cocozza, 2020); the redefinition of the mission, structure and value tendencies of the economic system, according to the constitutional principle of social utility (Article 41 of the Italian Constitution); the need to elaborate and implement innovation aimed at introducing distance learning
on a large scale in schools and universities, going beyond the present experimental phase, by investing in the entire education and training system, which should aim at training teachers and spreading the use of innovative technology and interactive teaching methodologies.

5. Conflict and hierarchy or participation and collaboration

These reflections lead us to question which, within a new competitive scenario, might be the most effective ways of responding adequately to structural uncertainty, of having people involve themselves and participate actively in the life and management of companies, an issue which does not always obtain an effective response when it comes to human-resource management policies in our postmodern society. Faced with this process of profound transformation of work and the logics guiding new modes of organisational behaviour, Sennett sustained a relaunch of the culture of the artisan, making it clear that the goal of that culture was (2008, p. 122) to know how to do things well for one’s own pleasure, a simple and rigorous rule of life which has fostered the development of highly refined techniques and the birth of modern scientific knowledge. Blacksmiths, goldsmiths, luthiers combined material knowledge and manual skill, so that the mind and the hand worked and reinforced each other, one taught the other and vice versa; it was not, however, only manual work that benefitted from synergy between theory and practice.

Sennett argued that those who knew how to govern themselves and calibrate their autonomy with respect for the rules, were able not only to build a wonderful violin, a clock with a perfect mechanism or a bridge capable of resisting for millennia, but were also just citizens. Artisans tell the story of Roman engineers and Renaissance goldsmiths, of eighteenth-century Parisian printers and factories of industrial London, a historical journey through which Sennett reconstructs the fault lines between technique and expression, art and craftsmanship, creation and application. In this sense, the best example of modern “know-how” is to be found in the group which created Linux, the artisans of the modern “IT cathedral”.

To implement this innovative process, Sennet’s artisan, presented with integrated decision-making processes not separated bureaucratically according to skills, in order to be able to proceed following an innovative type of logic, needs to be able to distinguish between “know-how”, that is, the ability of the individual to performs prescribed operations in simple situations, in a repetitive and purely executive manner, and “knowing how to act”, meaning the ability to manage complex and unexpected situations, where the individual takes initiatives of a novel kind (Le Boterf, 2000).
With regard to possible challenges, starting from Beck’s analysis of the old and new risks that postmodern society increases, in particular within the sphere of business which needs to accept challenges of its own, Bauman, in the volume Voglia di comunità [Missing Community] (2008, p. V) stated, appropriately, that insecurity grips all of us, immersed as we are in an intangible and unpredictable world made of liberalisation, flexibility, competitiveness and endemic uncertainty. Yet, each of us consumes his own anxiety by experiencing it as an individual problem, the result of personal failure and a challenge to individual talents and abilities. We are led to seek, as Ulrick Beck caustically observed, personal solutions to systemic contradictions, individual salvation from common problems. This strategy has very little hope of achieving the desired effects, since it does not affect the very roots of insecurity. Moreover, it is precisely this resorting to our individual resources and abilities that feeds the insecurity we strive to shun.

6. Rethinking the aims and decision-making processes of the economic system in the twenty-first century

In the era of the circular economy, we need to go beyond the belief that only utilitarianism is capable of governing the market. This heuristic effort, as Becchetti, Bruni and Zamagni S. (2019) suggest in their latest work, Economia civile e sviluppo sostenibile. Progettare e misurare un nuovo modello di benessere [Civil economy and sustainable development], in order to design and calibrate a new model of well-being, needs to re-evaluate the ideas of Antonio Genovesi who drew up a theory of Civil economy (1765), theorising that certain elements like reciprocity, fraternity, gratuitousness, practically unknown if not actually forgotten today, were necessary to promote social well-being. At that same time, from an opposite perspective, his contemporary, Adam Smith, father of classical economics, stated that the regulation of commercial exchanges was in an “invisible hand” capable of automatically balancing the market by transforming “private vices” into “public virtues”, thus, benefiting the whole of society. According to a form of logic inspired by the famous statement by the progenitor of utilitarianism who held that it was not certainly not from the benevolence of the butcher, brewer or baker that we might expect our lunch, but from the fact that they cared about their own interests.

In order to understand fully the symbolic, affective or communicative parameters of this new type of rational action based on this novel perspective, it is necessary to pay attention to the analysis of relational processes of a negotiating type, which include, simultaneously, conflictual potential and a competitive and collaborative bent (Cocozza, 2012). It provides a new way of analysing the behaviour of the actors, starting from a “problematic” situ-
ation, where different objectives reside alongside the common need to reach an agreement, which can find a possible solution in a style of behaviour oriented towards principles of responsible freedom (Cesareo, Vaccarini, 2006) and aimed at experimenting inclusive social governance (Cocozza, 2014; 2019).

In other words, with the spread of uncertainty and the profound transformations occurring at global level, a rational type of action appears on the scene which no longer responds only to a utilitarian, prescriptive or bureaucratic logic, but presents itself as a new relational modality, inspired by the paradigm of the homo civicus, capable of establishing a multiplicity of personal, social and community interactions, aimed at encouraging conflict, competition and cooperation to coexist and engage in dialogue within a shared strategy.

In this sense, as has been explained (Cesareo, Vaccarini, 2006, p. 287): “the homo civicus was qualified in terms of responsible freedom, that is, responsibility freely assumed and, as such, capable of taking on the bonds of solidarity inherent to the social ties in which it is involved”.

The homo civicus (in the society of citizens) appears as a person aware of his/her role and responsible towards the other actors involved in the network of social relations. He/she is able to understand the hyper-complexity of the innumerable variables involved, based on a new set of concepts inspired by the values of responsible freedom, in a context where legitimate individual interest can only be acted upon according to the logic of altruistic exchange (Sen, 1988; 1990; 1994; 2004; Nussbaum, 2012; 2013; 2014) and direct his/her actions towards the principles of Coopetition (Cocozza, 2014).

Ultimately, in line with this paradigmatic approach, Bauman also pointed out that old and new individualism could not function as an effective solution upon a large scale, since, if we are to address systemic problems, we need to have a vision that takes into consideration, simultaneously, society and the community, given that, today, there is a glaring dearth of community (2008, p. V), because we lack certainty, an element vital to happiness and more and more incapable of providing us with it, increasingly reluctant to promise it. Yet, the community remains obdurately absent, constantly getting out of hand or continuing to disintegrate, because the direction in which this world thrusts us in an attempt to have our dream of a safe life come true, does not bring us any closer to that goal. Instead of being mitigated, our insecurity increases day by day, and so we continue to dream, strive and fail- Yet, were we to succeed in creating a friendly collectivity, the community would require unconditional loyalty and we would lose “freedom and autonomy”.

It emerges clearly from these considerations that, in a scenario characterised by structural uncertainty and the impossibility of making reliable forecasts, classical (top-down) decision-making processes can no longer be
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Effective; so, to overcome this criticality, it is absolutely necessary to acquire series of disseminated data and information and create an organisational network based on collaborative relationships and explicit commitment, at all levels of decision-making.

As regards this point, if we reflect on what classical scholars of organisations have posited, we discover that Barnard’s theoretical development of organisational cooperation has played a particularly significant explanatory role, when it comes to the current global scenario too. He was an author who had a strong influence on Simon’s work and thinking when he analysed decision-making processes. By elaborating on The Function of the Executive (1938), Barnard helped explain the reasons why people (specifically managers, shareholders, employees, suppliers and customers) decide to adopt collaborative action within organisations. This happened, not so much by virtue of an essentially utilitarian individual tendency (respectively share profits, advantages and benefits derived from status, remuneration, discounts), or thanks to the internalisation of prevailing value systems on the part of those involved (Parson’s functionalistic approach), but due to a third factor represented by an attempt to reconcile the rationality (needs) of organisation with those of the individual subjects affected. This was an attempt that was possible to make, according to that scholar, by means of a series of managerial tools and by fielding fundamental variables like those characterising a policy of incentives and persuasion, aimed at producing, in a “structurally precarious” way, reconciliatory collaboration between interests, which, “naturally” tended to pursue a divergent trajectory.

Barnard strongly criticised top-down decision-making processes and recalled that, from the point of view of the analysis of the rationality of an actor’s action, the net satisfactions that induced a person to contribute actively in favour of an organisation derived from the comparison he/she made between the advantages and disadvantages that the effort might bring (1970, p. 17). The benefits, to which Barnard referred were material, but might also be moral, that is, deserving of social and professional acknowledgement, capable of generating a positive relational climate and leading to career prospects. In this regard, he added, the material rewards that went beyond subsistence level were ineffective except for a limited number of people, even within strictly economic organisations where this was supposed to be true. Money without distinction, prestige and position was so clearly ineffective that it was rare that greater material gain might act as a stimulus if accompanied by loss of prestige (ibid., pp. 133-134). In other words, the legitimacy of Barnard’s theoretical scheme, based on a harmony between personal expectations and those of the organisation, found its raison d’etre in the logic of a proper relationship between contribution, rewards and incentives. This theoretical framework was the basis from which Simon moved in his
Administrative behavior (1958) when pointing out that the decisions characterising rational human action within organisations and in private daily life, were, essentially, attributable to a logic of limited rationality. This important concept foregrounded the fact that the actors, when making public or private decisions, could not resort to schemata foreseen by formal and absolute rationality (oriented to the purpose, based on the evaluation of all possible alternatives), but resorted rather to a limited form of rationality, which involved, necessarily, a margin of risk, due to the acquisition and evaluation of alternatives (considering the costs associated with these operations), to conjecture, or subjectivity. The limits posed to conditioned rational decisions, to which Simon referred, were not physical, but mental and cultural, since the human being was not, as classical economic theory hypothesised, formally rational, that is, he/she did not possess information regarding all the possible alternatives and their consequences; above all, they did not possess a system of preferences that was secure and unchangeable over time. As Simon noted, the choice of the optimal alternative required processes of a far more complex nature than those applied normally when choosing a satisfactory alternative. Think, for example, of the difference that passes between rummaging for the sharpest needle in a haystack and rummaging in the same haystack for a needle sharp enough to sew with (1958, p. 176).

In other words, in addition to the limitations caused by the inability to be aware of all the alternatives possible and, as a result, the inability to base one’s judgement on them, the human being, as a cognitive entity, expresses his/her preferences also on the basis of his/her own system of values, ethical, cultural convictions and family traditions, elements that tend to reduce the number of alternatives taken into strong consideration.

Within this theoretical framework, Simon believed that organisations (to some extent people too) on the basis of their knowledge and experiences, might activate a learning process of use when making the necessary decisions, from instrumental (intermediate decisions ), to final ones, having taken the following steps: examination of the results deriving from decisions already taken in the past (in comparable situations), identification of the criticalities encountered and the errors committed, as well as a consequential evaluation of the means and methods used to solve them. Ultimately, on the basis of Simon’s theoretical scheme, the rationality of human action, even more so that of organisations, needed to be sought in limited rationality, significantly influenced by the subjectivity of the actors involved (decision makers and the people engaged in the decision-making process) and the degree of coherence between the available means and the goals chosen.

The activity of decision-making, thus delineated, is capable of reaching high levels of effectiveness, when benefitting from past knowledge and experience capable of activating a selective learning process, and delineating a
shareable way of reducing uncertainty and intrinsic complexity within the reality where we act.

It is a matter, therefore, of studying new relational modalities and different organisational actions, which may be observed at empirical level by “measuring” the degree of confrontation between the actors, the weight of responsibility towards other actors and the community, as well as the effectiveness of coordinating the dimensions of personal, organisational and institutional action. This perspective of social action, particularly in organisations and institutions, aimed at improving the relational climate, reducing utilitarian or free-rider behaviour, informed by an individualistic kind of logic, by increasing rates of mutual trust and favouring the achievement of results of mutual satisfaction, is an objective which, to date, has always been unthinkable and unimaginable.

In a similarly significant perspective of planning, the system of reference values plays a strategically decisive role, as Sen argued far-sightedly in his The Wealth of Reason, in Economic Action, when he held that values played an important role in determining economic performance while varying from area to area sufficiently, thus explaining economic successes and difficulties. Differences in values, however, were not immutable, and he claimed, the importance of studying this topic lay partly in understanding the world we live in, but also in selecting material useful for analysing and debating on the nature and merits of our values, adding that we needed to develop theories, not slogans.

In line with a perspective of redefinition of the role of the values that guide individual and organisational action, it is necessary to rethink a strategic repositioning of our economic system within the global market, by adopting a policy favouring sustainable development, a reform of the fiscal system in favour of greater equity and in support of a relaunch of productive activities, the streamlining administrative apparatuses and a reduction of the hegemony of bureaucracy. At the same time, the current welfare model also needs to be renewed so that it may play a role in the redistribution of resources and provide concrete help to the less well-off classes, with a view to countering the rampant polarisation of wealth and the spread of new forms of poverty, like that of the working poor. This challenge should envisage positive interaction between the education system (education, training and lifelong learning) and active employment policies, aimed at enhancing individual skills, increasing and spreading the empowerment of the person within the employment market and boosting human capital. Likewise, it is necessary to contribute to fostering the diffusion of social capital by the creation of networks and a system of interaction between local and regional institutions and the economic, social and cultural actors present in the area, in order to promote active involvement in a logic of endogenous development.
In reality, in order to propose these objectives, it is necessary to implement a cultural quantum leap and an innovation of technology, methods and roles, structures and processes, based on a paradigm that fosters “thinking in the long term and acting in the short term”.

This is a paradigm, which, as Bennis suggested in his famous essay On becoming a Leader (2009) is needed to facilitate the transition from a management culture to one of effective leadership, since, it is within a clear distinction of roles that the manager administers, the leader innovates; the manager supports, the leader develops; the manager focuses on systems and structure, the leader on people; the manager is bent on control, the leader on inspiring confidence; that the manager accepts the reality, the leader questions himself and seeks new realities and situations; that the manager has a short-range view, the leader a long-range one; the manager asks how and when, the leader what and why; the manager always has his eye on the bottom line, the leader on the horizon; the manager accepts the status quo, the leader the challenge”.

This perspective provides an exciting, no longer postponable challenge to scholars of organisations informed by an interdisciplinary logic, but also to the leaders of the various organisations who will need to implement a mandatory synergy of cultures, skills and experiences, stemming from different roles, if they are to govern the growing uncertainty of the present scenario more effectively.

Ultimately, it is a matter of trying to govern uncertainty by activating a new logic of widespread accountability aimed at promoting value in favour of all stakeholders, by sharing objectives, co-planning development and jointly redesigning technology, structures and processes.

This is a perspective which places people at the centre of all strategic action, relaunches a New Humanism, invests in the cultural and value dimension in an effort to overcome the utilitarian, technocentric paradigm and affirm a new anthropocentric one.

In keeping with this new paradigmatic approach, it is necessary to be daring and go beyond consolidated paradigms, since, especially within the current continuously transforming historical and social context, as Weber so acutely quipped (1966, p. 121), “The possible would not be achieved if the world did not always attempt the impossible”.

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