

| Tomasz Copp

# The Determinants of Decision-making among Polish, German and Chinese Managers in Managing a Shipping Company in China

## Abstract

*Objective:* The article specifies the determinants of management decision-making in the shipping industry and examines the similarities and differences in decision-making by Polish, German and Chinese managers managing a shipping company.

*Research Design & Methods:* The research was conducted by means of direct interviews with managers from Poland, Germany and China as well as the observation of participants.

*Findings:* HR, planning, setting priorities and delegating tasks are necessary for effective decisions, as are balance, courage and self-confidence. Cultural differences determine the decisions taken by managers from Poland, Germany and China, who will differ in the solutions that grow out of the decisions management makes. Polish managers more often refer to financial results and decision-making freedom. German managers also count the freedom to adjust their decision-making as a vital factor, as well as the ability to make quick decisions. Chinese managers, meanwhile, more frequently indicate that planning, guidelines, avoiding conflict and good cooperation are the most important factors promoting good decision-making.

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*Implications/Recommendations:* The key areas of managerial decisions in the industry include administration, finance, technology, shipping, safety and digitalisation. A manager's character and system solutions are the most important factors in decision-making.

*Contribution:* The comparison of Polish, German and Chinese managers in the scope of their decision making in shipping companies is a new approach to the shipping industry, one that reveals new knowledge. The results will be the basis for further research and contribute to the development of the discipline.

**Keywords:** management decisions, management, entrepreneurship, human resources, shipping industry.

**JEL Classification:** F23.

## 1. Introduction

According to data from the International Chamber of Shipping, the shipping market is served by fifty thousand ships and is responsible for 90 per cent of global transport volume (Simbulman 2020 p. 26; <https://www.ics-shipping.org/explaining/>, accessed: 28.04.2021). According to the Maritime Industry Foundation's Maritime Knowledge Center, there are approximately 1.3 million people currently employed at sea in the maritime industry, with Chinese and Filipino seamen comprising about half of all mariners. In international markets, social and cultural conditions play an important role in decision-making. The culture of western civilisation based on Christianity, Roman law and Greek philosophy differs from Chinese culture, which is generally built upon Confucianism, Legalism and Maoism, among others. According to the widely quoted anthropologist Geert Hofstede, the following dimensions of national cultures affect decision-making: power distance, collectivism and individualism, masculinity and femininity, uncertainty avoidance, long-term orientation and short-term normative orientation (Hofstede & Hofstede 2007). In Hofstede's typology, Chinese culture is more masculine than western culture, with larger power distance and hierarchy, while also featuring a higher degree of collectivism and long-term orientation.

The purpose of this article is to specify determinants of management decision-making in the shipping industry and to explore the similarities and differences in decision-making by Polish, German and Chinese managers managing a shipping company. It consists of an introduction, five chapters and a summary. The first chapter describes conditions influencing management decisions making. The second chapter looks at decision-making in shipping companies after the outbreak of COVID-19 pandemic. The third chapter outlines the research methodology. The fourth chapter presents the results of scientific research obtained on

the basis of direct interviews with managers working in shipping companies with branches in China. The fifth and final chapter analyses determinants of management decisions taken by Polish, German and Chinese managers in the shipping companies in China.

Management decisions dictate the efficiency of shipping company operations. The following detailed research questions were formulated:

What are the determinants of management decisions?

What are the key areas affecting management decisions?

How are the behaviours of Polish, German and Chinese managers similar and different?

What factors increase the effectiveness of management decisions?

There are two main hypotheses. First, there are differences in the decision-making behaviour of Polish, German and Chinese managers. Second, Polish, German and Chinese managers choose different solutions to increase the effectiveness of the decisions they make (Kotarbiński 1957).

The article is based on in-depth studies of the literature and an analysis of data acquired based on direct interviews the author conducted among managers working in international shipping companies in Poland and China.

## **2. Conditions Influencing Management Decision Making**

Decision-making has been described as “the heart of management processes in companies and the most important management activity” (Shenghua, Reb & Gigerenzer 2019, p. 3). According to Max Weber, action is defined as sensible behaviour, hence behaviour including a substantive goal. The smallest particle of action is “a simple act”– that is basic movement caused by a single free impulse (Zieleniewski 1969, p. 167). It is recommended that decisions be broken down into basic elements (Fletcher, Wagner & Bourne 2020). The following stages of a decision may be distinguished: classification the problem, define the problem, formulate assumptions to help solve the problem, specify the method of action that will best lead to meeting boundary conditions, link the decision to a specific action enabling implementation, verify the rightness and effectiveness of the decision on the basis of data on the current situation and how it is developing (Jakubowska & Grabowska-Powaga 2015, p. 317).

Numerous studies have shown that selecting one from among many potential variants is a crucial step. Decision-making is equated with solving problems and looking for optimal solutions (Brockmann & Anthony 2016, p. 436). In decision-making in business, it is important to analyse the hierarchy of goals in terms of their usefulness for the company. It often pays off to bear even considerable

cost in preparing a decision in order to reduce the risk of an error being made. With some key decisions, however, risk is inevitable due to the dynamically changing circumstances that surround making them. There are two types of decision-making method: intuitive and analytical (Dane, Rockmann & Pratt 2012). The assumed standard for management decisions is often economic or logical rationality (Highhouse, Dalal & Salas 2013). However, rationality should be complemented by management's intuition (Matzler, Uzelac & Bauer 2014, p. 31). Both qualitative research (Bingham & Eisenhardt 2011, p. 1437) and simulation research (Davis, Eisenhardt & Bingham 2009, p. 413) have confirmed that using simple principles for making strategic decisions is very effective.

Managers make problem-solving decisions under three different conditions: certainty, risk, and uncertainty. A decision is made under certainty when the manager has perfect knowledge of all the information they need to make it. The conditions influencing managerial decisions can be both external (those that influence the company from the outside) and internal (those that come from within the enterprise), the latter of which can to some extent be created by the manager. Conditions that influence managers' decision-making include past experience (Juliussen, Karlsson, & Gaerling 2005), cognitive bias (Stanovich & West 2008), age and individual differences (Bruine, Parker & Fischhoff 2007) and belief in one's personal relevance (Acevedo & Krueger 2004). Understanding the factors that influence the decision-making process is important to understanding the decisions that are made. That is, the factors that influence the process may impact the outcomes. Decision planning should take into account the goals set and circumstances one expects them to be taken in. It is necessary to obtain and properly organise the resources needed. It is important to acquire team members and assign actions and allocate resources to them so they can carry out the plan, and to organise the company's structure, ensuring goals are attained. The implementation stage is often the most significant in the entire management process. It is paramount that a team understand and follow goals, and be properly motivated. When acting in an international team whose members come from various cultures, open communication and building trust are of particular importance to eliminate barriers. Additionally, it is important not to take everything too seriously and approach issues with some degree of humour (Terry 2007, p. 42). The last stage is controlling – that is, comparing the implementation with a relevant model and drawing conclusions from the comparison. In general, getting “feedback” is also essential in decision-making. Furthermore, decisions should be transparent and consulted with experts where needed (Fletcher, Wagner & Bourne 2020).

### 3. Decision-making in Shipping Companies after the Outbreak of the COVID-19 Pandemic

The market for the transport of investment, oversized cargoes and the market for the transport of bulk cargoes are closely correlated to the state of the world economy. The investment cargo transport sector usually reacts more slowly to changes such as crisis or economic growth. This is because investments are based not only on decisions that require time to be made, but funding, manufacturing and transport as well. One factor that directly impacts the shipping market is the price of petroleum, which can dictate the overall cost-effectiveness of an investment and transport. An example from 2020 is the precipitous decline in oil prices from 2019 levels caused by the coronavirus epidemic. This led many shipping companies to book considerable profits. However, oil prices are now rising again, reaching nearly 500 USD per tonne in May 2021.

In the first half of 2020, also as a result of the pandemic, production of many global exports was limited or even ground to a halt (Ketchen & Craighead 2020). All shipping companies faced difficulties, and some collapsed. The situation was particularly dire in the first half of 2020. On the back of falling petrol prices, increasing rates, and changes in supply chains, things changed in the second half of the year. Many shipping companies, especially those operating routes to and from China, boosted revenues as the container transport market exploded. Chinese exports grew in the second half of 2020 and in the first Quarter of 2021 (*China, Incidentally, Has Been...* 2021). As many sources have indicated, the coronavirus crisis had a substantial negative impact on global trade in 2020. However, China's exports recovered quickly (Trading Economics 2021). As an example, according to China's customs agency, the value of exports rose 30.6% in March 2021 from a year earlier (<https://www.cnbc.com/2021/04/13/exports-cant-help-china-grow-as-much-this-year.html>, accessed: 29.04.2021). Meanwhile many small transportation companies collapsed, as for example in European countries like Poland collapsed (Mitreġa & Choi Tsai-Ming 2021). Because of these factors, the shipping industry began carrying ever more cargo. This general state of affairs has been related by numerous shipping managers and also by some of the managers interviewed as described in the article. As a manager working in a German shipping company in China said, "Covid is still influencing the shipping market due to unreliable schedules, congestion, infrastructure limitations and short-term changes. The business is working more on short-term agreements without stability in rates and volumes. In general, the workload has grown for all participants in the supply chain".

Another long-term trend in the shipping market is related to environmental protection and reducing emissions (Weintraub 2018, p. 1). According to estimates, by 2050, 60% of energy powering ships will come from low-emission sources

(Orbeck-Nilssen 2020, p. 12). Trends in environmental protection affect types of cargoes transported and shipping transport law. They also show more and more of the ships being built are powered by LNG fuel (Hine 2018, p. 29). According to experts, changes in the fuel market will make heavy fuel oil (HFO) the cheapest available fuel (Hine 2018, p. 29; Kock 2018, p. 11). Presently, growing technological capabilities enable the use of once hard to reach sea lanes including the northern route, significantly shortening the voyage. Ships travelling the Yamal Peninsula to China make the traverse in as few as 38 days, 27 fewer than those using the Suez Canal. In the first three quarters of 2020, the Northern Sea Route Administration (NSRA) received 900 applications for transit, 845 of which were granted permission (Hine 2020, p. 23). To sail the northern route, a ship must have a Classification Association certificate indicating that it is adequately prepared for such a journey, e.g. it has a reinforced hull structure, the ship contains the necessary equipment, the crew has undergone training with a specialist, etc.

Table 1. Key Decision-making Areas and Scope in Shipping Companies

Area of Decision-making	Scope
Management and administration	human resource management, strategic plans, organisation of activities, administration, strategic decisions concerning development of transport technologies including mass, container tonnage, cargo projects
Finance	ensuring and servicing loans, ensuring financial services for ships, administration and management
The area of technology	ensuring technical inspections, repairs, new ship construction, servicing of fleets
The shipping area	market analysis, including competition, acquisition structure, acquisition of new freight markets, customer procurement and service, logistics, monitoring of new technologies
Safety	ensuring all matters related to safety, special COVID-19-related safety measures, crew exchanges-related problems during pandemic, etc.
Computerisation	ensuring IT service, monitoring of IT systems

Source: the author.

Key areas of decision-making at the shipping companies involved include the following. The area of management and administration, finance, technology, shipping area, safety, and computerisation. Table 1 presents key decision-making areas in shipping companies and their scope.

### 4. Scope and Methodology of Scientific Research

The empirical research consisted of direct interviews and observation of the study’s participants. Interviews were done with 20 managers from Poland, Germany and China working in four Chinese branches of German shipping companies, one Sino-Polish company located in China, and one Chinese shipping company located in China. The countries were chosen because Chinese and German shipping companies predominate in China. The Polish managers came from a Sino-Polish shipping company operating in China. The criterion for enterprise was to be involved in global shipping business carrying goods to more than two continents. The criterion for the managers interviewed was their professional position. Only general managers, branch general managers, department directors or department managers were interviewed. The interviews were conducted from February until the end of April 2021. All enterprises in which interviews were done operate on the global market. The respondents were aged 30 to 65. 19 men and one woman, including six Poles, four Germans and 10 Chinese participated in the interviews. Table 2 presents a list of respondents divided by nationality.

Table 2. Sex and Nationality of Respondents

Sex and Nationality	Number of Respondents
Polish men	6
German men	4
Chinese men	9
Polish women	0
Chinese women	1

Source: the author.

The group of respondents contained five general managers of shipping companies, 12 directors of departments in shipping companies and three managers of departments in shipping companies. General managers were individuals managing a company. Directors of departments were responsible for operation of a department, including they took personnel and financial decisions. Departments managers were directly subordinated to department directors and they were responsible for areas assigned to them. Table 3 presents a list of respondents divided by level of management.

Through direct interviews, respondents were asked the two following questions: what is the most important factor for managers making decisions and what are the determinants of decision-making in shipping companies? During meetings with the interviewee, I asked the questions and noted and translated the answers, which

Table 3. Respondents' Level of Management

Level of Management	Number of Respondents
General managers	5
Directors of departments	12
Managers of departments	3

Source: the author.

were given in Polish, German and Chinese. There were three hypotheses: first, that there are differences in behaviour in the decision-making of Polish, German and Chinese managers; second, that Polish, German and Chinese managers will differ in solutions of taken management decisions; and third, that cultural differences determine the decisions made by the managers from Poland, Germany and China.

## **5. Decision-making Determinants on the Basis of Interviews with Polish, German and Chinese Managers from the Shipping Companies Located in China**

The managers' responses are as follows:

1. When making decisions one should take into account the conditions of the area in which a given manager works. It is important to know the mentality of people from the culture. A manager must adapt his/her decisions to the place where he/she works, and must also have an understanding of the industry. Everyone works toward the end result. Decisions are balanced and discussed, which allows problems to be avoided.

It is also necessary not to react too emotionally. Emotions can be shown at home, within four walls, when you are alone. You need to be flexible to a certain extent at work. Often conflicting interests must be skilfully reconciled in order to avoid problems. Difficulties are eliminated through discussion and analysis. It is important that a manager is equable and does not raise his/her voice (a Polish general manager in a Sino-Polish shipping company in China, previously in Germany and Singapore).

2. An in-depth analysis, the basis for making decisions, and well-thought-out risk are the foundation of a manager's decisions. One can say in one sentence: *Nec temere nec timide* – without fear but with caution. It is important to take into account where the given international business is located and how dependent it is on the environment, e.g. the sea element. The North Atlantic is dangerous, especially in winter. So is the South Atlantic. The area below 40 degrees is called "the roaring forties" because there is no land there and the waves flow practically



around the world. A kind of a snowball effect occurs. A manager's experience and education are important in decision-making.

The degree of freedom to make decisions also depends on the form of ownership. Private business can give you more freedom. There are more regulations and rules in a state-owned one. It is also important whether the decision is made in the face of financial difficulties, or there is a large financial reserve. Luck also plays a role, but it can also be the result of the above-mentioned factors. When preparing a SWOT analysis, one should consider marine risk as a distinguishing factor. The conditions under which a manager makes a decision can cause uncertainty to emerge. The margin of freedom also affects this. Due to COVID, the first half of 2020 was difficult for the industry, but the second half and the first 4 months of 2021 have been better than even the last several years. Supply Chains have changed. Companies in China stopped production first but soon resumed producing even more than before. The nature of a manager is an important factor in decision-making. It is important that a manager is self-confident and that there is a good selection of the crew. A good selection of the crew will have a positive impact on decisions made. A manager should have leadership qualities (the director of the shipping department in a shipping company working in an Sino-Polish company, China, Polish managing director of a company from the shipping industry in Poland, previously in Syria).

3. Employees implementing a manager's decision should believe the manager's decisions are certain, unambiguous and good. If the decisions turn out to be wrong, the manager should take responsibility for them. While decisions are never made in the absence of doubt, others should not be blamed when they prove poor. If the boss instructs you to take a certain course of action and you feel they have made the decision without fear, it reduces your stress, and you also know that he will take responsibility for his/her decision. A manager should, as far as possible, give decision-making freedom to his/her employees and support them. Support from the team is essential. Even a very intelligent manager will lose with a mediocre team for the simple reason that the team has the majority (a Polish director of a technical department in a Sino-Polish shipping company in China).

4. In decision-making, analysis is crucial. A decision should be made with strategic goals in mind and with respect for values. Analysis, experience and, where necessary, consultations with experts are all helpful in decision-making. The shipping industry struggled at the beginning of 2020. After the factories resumed production, the shipping industry had to carry more cargo worldwide. This was due to rising demand for specific goods as well as difficulties many small and medium transportation companies faced. Nonetheless, decision had to be made quickly. It is important to leave decision-making freedom to managers and employees consistent with their competence. Employees' greater decision-making

freedom will increase their motivation. A lack of experience, insufficient analysis of a situation, injustice, and shortcomings in character will negatively affect decisions (a Polish director of a management and administration department in a Sino-Polish shipping company in China).

5. The most important thing is to prioritise tasks. To achieve a goal, you need to effectively manage a team. Taking into account the competence of employees, it is necessary to delegate tasks in an appropriate manner and monitor the fulfillment of tasks on an on-going basis as well as support the team. You should ensure that decisions are implemented on time. Taking care of everything instead of the most significant things can negatively influence the decisions you make (a Polish financial director in a Sino-Polish shipping company in China).

6. Openness is important when making management decisions. Listening to what people have to say. It should not be that you know best. You need to be flexible. Creativity and the ability to sell ideas are important, and winning people over is vital. It is important to be goal-oriented through motivation. Imbalance can lead to failure. Good relationships should be maintained. I have no problem making decisions (a Polish manager of a shipping department in a Sino-Polish shipping company in China).

7. Decision-making in logistics: as working in the service industry you have to find the right ratio between the needs of the customer, supporting your team, remaining compliant and finding a good mix to find the most appropriate commercial decision for your company. I make decisions quickly, following consultations with a few experts. I try to make decisions which help the customer to keep up their shipping schedule but always with the aim of building up a long-term relationship founded on trust. There needs to be an understanding that we are helping each other out even if one takes a financial loss in the short term or delays cannot be prevented.

In my case the fear of decisions has to do a lot with experience. I make decisions for my customer and my team by taking full responsibility for the outcome. I need to explain delays or financial losses to the customer as well as my own company's top management. But I have learned that making mistakes but admitting and learning from them broadens your decision-making horizons and gives you credibility in the eyes of stakeholders. I have learned, especially in China, that decisions and the responsibility for the outcome have to be made quickly and efficiently. After all, no one is really keen to make a decision as there is fear over the outcome and the potential punishment and loss of face involved. I keep honest, solution-oriented and strive to remain credible, which has had a positive influence on my career development to this point (a tradelane manager China-Germany/Central & Eastern Europe working in a Chinese branch of a German shipping company).

8. Decision-making efficiency: Decisions have to be made quickly in today's logistics. To increase efficiency, the industry needs to stay vigilant and constantly updated not only on the logistics industry itself but also the economic movements in each country with customer demands rising in almost all countries. Through new concepts in the decision-making process, as well as appropriate risk mitigation, each manager should be able to make decisions based on hard and soft skills. The sharing of past experiences can be a big plus but can also lead the decision in a different direction. This makes it crucial that each manager charged with making decisions stick to their own principles (a business development director in a Chinese branch of German shipping company).

9. I always make my decisions based on compliance regulations and in the interest of the company while following international rules and regulations governing logistics. Second, I work and trade in the interest of my customer and try to protect and support them to maximise their benefits. I do that internally in my organisation and externally when dealing with other stakeholders on the supply chain. The current logistics situation with no spaces or only limited space on all means of transport has made immediate decisions all the more necessary and time very much the equivalent of money. Rates whipsaw and increase daily. If criteria 1 and 2 are fulfilled, I make decisions and take 100% of the responsibility for any success and failure. All logistics entities I know have increased their profits, just like shipping companies. There is more M&A, but definitely no more bankruptcies among global logistics companies. Chinese exports are booming, yes, but the demand for global transport demand has skyrocketed, and there is also the transport of masks, test kits, and gloves from China, in immense volumes and which bring in large margins (branch general manager, German shipping company with its branch in China).

10. Experience, preparation, networking, a good team loaded with resources and sometimes gut feeling or instinct are the most important factors in making effective management decisions in a shipping company. I am not afraid to make decisions because I have experience and preparation before decisions as well as alignment with my teams and stakeholders prior to the decision. In some cases I do not have a chance to do this because I have to push a decision coming from top management through to my teams. COVID continues to influence the shipping market due to unreliable schedules, congestion, infrastructure limitations and short-term changes. Furthermore, there have been short-term factory closings, changing demand for certain products. Business also works more on short-term agreements without stability in rates and volumes. In general, the workload is heavier for participants up and down the supply chain. To make matters worse, projects, events, and meetings are postponed due to COVID-related travel restrictions (German Product Head, German shipping company with its branch in China).

11. Decision-making is a highly complex matter. The plan is important when making a decision. First of all, I consider a company's strategy and then work out plans based on that. We have short-term plans (from one to two years), medium-term plans (three to five years) and long-term plans (five to ten years). In the next step, in relation to the plan, I issue decisions to all of the company's departments. I am like a designer. I pay attention to teamwork. When building a team to implement a plan, I first look for key specialists inside the company, and when we do not have such specialists, I look for them on the market. One issue that is crucial to growth is innovation. Here, passion is important and motivation essential. Employees should be provided with a fundamental base. Good living conditions for them and their families. People get into a routine after working for a long time, which does not promote their innovativeness. When I worked for 19 years as the boss of my previous company, key employees had shares in it. This had a positive impact on their motivation as they treated the company as their own. It created passion. The results of work should be linked to the income of employees. The better the result, the higher the salary. In order to avoid problems in making decisions, I analyse facts and details related to decisions. I convince the team to do what I want without fear (Chinese managing director in a Sino-Polish shipping company in China).

12. The first issue is to build a hierarchy. Values are of the utmost importance for a company's success and the decisions made within it. I would divide them into two groups. Company values and employee values, both of which I take into account when making a decision. Company values include long-term development and the company's "health" and harmony. Concerning the building of "healthy" companies, good rules and regulations should be followed, and transparency and fairness honored. Profits generated by a company should be shared with employees, but in private companies, management often does not share profits with employees.

As regards harmony, the sun and stars are in the sky, and grass is on the ground: everything has its place and order. A company is good for employees and employees are good for a company. If a small river flows somewhere, it must not be littered. In terms of employee values, I would mention the following: employee development, self-esteem and self-confidence, being fair to them and ensuring equal treatment. Employees should be happy, relaxed. Each week, I invite one employee for a coffee and devote two hours of my time. I ask about his/her family, problems, personal matters and ideas. I am strong and can help with various matters. This makes employees more relaxed. A motivated employee works more eagerly. Regulations are significant. Various crisis scenarios, regulations for various situations. It is important to enforce the work. It is not just about employees being relaxed, but they should perform the tasks entrusted to

them. They may call me at any time there is a problem. If someone works well and deserves a bonus, I grant a bonus. I am not a man who is afraid despite the fact that I have a lot of “pressure” at work and a lot “on my mind”. I look at the team, not at myself. I believe in my capabilities and skills. If I am afraid, it means I do not have appropriate skills. If a young employee replaced me, he/she would be afraid because he/she would not know what to do. Experience, knowledge and management skills lessen difficulties with decision-making.

Let me give you an example. Every year you should earn more than you spend. Profits must exceed costs. So in the years when there are higher profits, we save and have funds for “hard times”, when, for example, the year is not good and I have only 80% coverage of costs. Crisis procedures are paramount. For example, if a customer does not pay for a long time. There are procedures regulating working conditions and the need to collect receivables. Young managers do not like regulations. They are the bosses themselves; that is, they regulate matters. However, with time, as a company grows, regulations become necessary. A vital aspect of management decisions helping the company become and remain creative. There are two rules ensuring creativity. First, the mechanisms that promote creativity, which should be ensured. Employee incentive mechanisms should be implemented. I create their needs for them. I tell them, for example, what car model is good, what country is interesting. They later want such a car, and to visit that country. This motivates them to develop themselves. Bonuses for good work, promotions and training are also important.

Secondly, it is important to be fair. Ensuring equal treatment of employees without nepotism in promotions and remuneration. Innovation and hard work lead to results for the company. You can learn from everyone, including young people. Knowledge of the prevailing rules is important because it introduces certainty. At my place everyone knows how much I earn. I run my company in such a way that I deserve this remuneration. And if someone thinks otherwise, I tell that person to sit in my chair for a week and run the company. Openness and keeping employees informed lead to equal treatment, a key issue. The lack of knowledge and withholding information from employees in various respects will only cause a “feeling of equality”, but it is not equality (Chinese president of management board in a Sino-Polish shipping company in China).

13. Analysis is the basis of decisions and is essential for achieving goals. It is important to act as a group, not alone. The first element is to establish the goal of a company’s development. An analysis precedes planning and is an indispensable element. Good preparation eliminates difficulties in decision-making (Chinese director of a management and administration department in a Sino-Polish shipping company in China).

14. Decision-making depends on the details of a situation, which should be identified. It is difficult to say unequivocally what is the most important circumstances and factors, as any numbers come to bear on decisions. Knowledge and understanding of the situation will have a positive effect on made decisions (Chinese manager in an administration department in a Sino-Polish shipping company in China).

15. It is important to listen to the ideas of subordinates, implement practical experiences and check the circumstances related to a decision as well as consult experts. It is essential to distinguish between decisions made jointly and those made individually. Effectiveness can be increased through consulting and the team's acceptance for the manager's decisions. Inner peace and a good disposition are important. You do not need to make every effort to participate in everything (Chinese director responsible for relations in a Sino-Polish shipping company in China).

16. A manager's decision should be consistent with a company's long-term strategy. It is important to get employees' support for decisions. If there is no such support, efforts should be made to explain all circumstances of the decision to employees and obtain the greatest possible support. Adequate resources are needed to make decisions. A safe financial situation and good relations in the company will help reduce difficulties in decision-making (Chinese financial director of a in a Sino-Polish shipping company in China).

17. The order followed in decision-making should be consistent with the structure of a company and the scope of duties. If that order is amiss or inconsistent, chaos will result. People should be clearly assigned to handle particular activities. If that does not happen, a mess will ensue. Regulations and rules are essential, as is keeping separate the private and the corporate. It is important to tailor resources to needs. A clear working framework and order inside a company facilitate decision-making. Everyone knows what to do, what they are responsible for and how everything should be arranged. You should ensure that there is no chaos in a company (retired Chinese manager of driver department in a Sino-Polish shipping company in China).

18. The basis of a decision is the analysis of its probable effect. It is crucial to choose from all available decision options, as well as to calculate and compare different scenarios for how to manage cargoes. You should analyse the market and competitors on an on-going basis. Concerning people, it is important to consider their needs. Different people work in different fields of business and have different experiences. You should listen to their opinions and then make your own individual decision. It is also important to build relationships with some people. The political situation should be taken into account in decision-making. Analysis, experience and a cheerful disposition will help eliminate difficulties in

decision-making (Chinese shipping director in a Sino-Polish shipping company in China).

19. Different levels of decision-making call for different things. A company's managing director should take into account the company's strategy. Profit has the second-highest priority. Risk and technical issues must be assessed. Check the availability of resources – are there enough of them or not. Human resources are essential. A managing director should balance the company's individual departments in terms of bonuses and remuneration. If he/she does not, cooperation in the company will not be good. Concerning technical issues, safety comes first. Then, budget control. Shipbuilding, for example, should be controlled at every stage. Bonuses and remuneration should be adjusted so that people do not fight each other. Training plays a vital role. Every year I formulate goals; what must be done. Next, we work out a plan and implement it. Human resource management is paramount. As a priority, we should manage people, organise the company structure and devise a plan. In order to achieve a goal, costs must be controlled. Make sure the right people are in the right positions and are up to the job.

We evaluate employees in our company every quarter, with an appropriate point system. For example, points are awarded for whether the employee carries out instructions, whether the budget is correct, whether there are problems, whether he/she is hard-working or lazy. I always protect my department. I utilise and manage the company's resources. A managing director should maintain good relations with the authorities and banks. He/she should also reduce friction and bring balance to the company. A manager should not worry too much about matters beyond his or her control. It is important to maintain self-distance and detachment to many issues. Many things are not as serious as they seem at first glance (Chinese technical director in a Sino-Polish shipping company in China).

20. When making a decision, listening to others' ideas is essential. I choose the best of those. I also consult with a managing director before making a decision, and only then begin to act. I try to adjust my employees' work based on their abilities. Problems can be discussed with other departments. Decisions are supported by others. Generally, cooperation is of cardinal importance. Good relationships and the absence of problems help avoid difficulties in decision-making (Chinese corporate relationships manager in a Sino-Polish shipping company in China).

## **6. Determinants of Management Decisions according to the Polish, German and Chinese Managers in the Shipping Companies**

Managers make decisions under conditions of certainty, risk, and uncertainty. Both the external and the internal situations are important determinants of

management decisions, as are the manager's past experience, cognitive biases and individual differences. The following key areas of decision-making in shipping companies are indicated: the area of management and administration, finance, the area of technology, the shipping area, safety, and computerisation.

The research showed differences in the decision-making of Polish, German and Chinese managers arising out of different cultures and experiences. The differences also resulted from the fact that the respondents belonged to different management levels as well as to different departments in their respective companies. Senior managers were usually older and also more likely to give longer responses than middle managers. They seemed to enjoy sharing their experience and seemed confident in what they were saying. This also correlates with higher self-confidence among senior managers than their junior counterparts, which was confirmed by other additional research I have conducted. Managers of technical divisions from the shipping industry paid more attention to the rules and regulations and the need to secure resources in a company. This tendency was also observed among senior managers. Managers from financial divisions pointed to the greater significance of decisions affecting the company's financial results and the oversight of both employees and costs. General managers more often spoke of strategic decisions and were more willing to share anecdotes and examples from their professional lives. On the other hand, managers of divisions dealing with relationships were more likely to point out that when making decisions, it is important to discuss and reach agreement with others about your decisions. General managers from the shipping industry often indicated that it is important to convince the team of the propriety of their decisions. They further mentioned that the function of general managers consolidates and integrates individual departments through, for example, fair distribution of profits in the form of bonuses and elimination of conflicts within the organisational structure, and also discussed the function of motivation. Some general managers also indirectly referred to values and virtues such as moderation, prudence, justice, bravery, and industriousness as key in management decision-making.

When analysing the role cultural differences played in decisions made by managers from Poland, Germany and China, Polish managers often pointed out the need to properly carry out tasks as they relate to decisions that have been made. They emphasised the importance of setting priorities in tasks and decisions. They also noted the need to analyse facts and circumstances related to decisions made. They referred to the importance of achieving good financial results. In their opinion, decisions should be concrete and justified. Lastly, they pointed to the importance of directness and openness in relationships.

German managers also pointed to openness and directness. They mentioned that the decisions should be quick and indicated the importance to delivering goods on



time. German managers also mentioned the importance of managerial experience and long-term relationships with client as crucial. German managers seem to have a lot of decisive freedom, so the decision can be done quickly and the manager feels safe in taking decision risks on himself.

Chinese managers more frequently indicated the importance of following a plan, strategy and guidelines, which kept them oriented and able to more easily make decisions. Chinese managers indicated that their companies from the shipping industry work out annual and five-year plans, as well as multi-year development strategies. In Chinese culture, a long-term perspective on decisions and action plays an important role. The Chinese managers mentioned that when making a decision, many factors should be taken into account, while various aspects and determinants related to decisions should be analysed as well. They also often indicated that avoiding conflict was crucial, as was team harmony and cooperation. Chinese managers also referred to the issue of linking the workload of individual employees and departments, and the financial results achieved by a company with a bonus system. Some Chinese managers maintained that equality in a company should not be disturbed, including in terms of remuneration and activities performed by various positions, as doing so can lower the effectiveness of both a team and company.

One can get the impression that all Polish, German and Chinese managers, while engaged in global competition, make decisions under great pressure to achieve strong financial results. Polish and Chinese managers both emphasised the importance of preparing to make decisions, while German managers held that decisions should be made quickly. Chinese managers tend to make decisions according to a plan and guidelines, while German and Polish managers prefer the freedom to adjust their decision-making. Most managers admitted that appropriate personality traits – balance and emotional control, courage and self-confidence – are sufficient for decision-makers. However, they added that consultations with others will serve to increase decision-making efficiency. As the interviews revealed, the essential features of a manager include composure, courage, prudence, orientation on results and self-confidence. They also revealed that there are differences in the decision-making behaviour exhibited by Polish, German and Chinese managers, while cultural differences and previous experiences determine the decisions taken. That is why managers from Poland, Germany and China will differ in the solutions that grow out of management decisions.

## 7. Summary

The shipping industry is unique, as are the decisions germane to it. Key areas where decisions must be made include the area of management and administration, finance, technology, shipping, safety and computerisation. It may go without saying that the COVID-19 pandemic affected the industry influencing the decisions taken. Proper selection of human resources, strategic planning and supervision of the plan's implementation are essential, as are the organisation of activities, observation of external conditions and following the development of technology. It is necessary to ensure funding, analyse the market on an on-going basis and observe freight markets. A manager's experience and character are important. It is also vital that decisions be planned and prepared. Prioritising and delegating tasks will increase decision-making efficiency. Similarly, transparent procedures and good relations will ensure that employees and the company are safe. As the interviews revealed, the personality traits that favour decision-making efficiency include balance, courage and self-confidence.

Polish and Chinese managers emphasised the need for a thorough analysis of the facts and circumstances, as doing one is beneficial for decision-making efficiency. Chinese managers relatively more frequently indicate that acting in line with a long-term plan and guidelines are important in decision-making. They mention that avoiding conflicts and good cooperation are important for management decisions. Chinese managers seem to be used to action that is planned for a long-term perspective. German managers indicate it is important to make the decision quick and have decision freedom. They value a long-term connection with clients and are ready to accept short term losses in order to acquire a later win. Polish managers, in turn, more often refer to the importance of achieving good financial results. They also point out decision-making freedom as a motivating factor. The article formulates implications for further research, including a more detailed study on the impact of the pandemic on supply chains.

Finally, the research revealed differences between managers from Poland, Germany and China that lead to different decisions being made. In spite of this, the similarities the managers shared are the determinants of their successes.

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## **Determinanty decyzji podejmowanych przez polskich, niemieckich i chińskich menedżerów dotyczące zarządzania przedsiębiorstwem żeglugowym w Chinach**

(Streszczenie)

*Cel:* Celem artykułu jest określenie determinantów podejmowania decyzji menedżerskich w branży żeglugowej oraz wskazanie podobieństw i różnic w podejmowaniu decyzji przez polskich, niemieckich i chińskich menedżerów, zarządzających przedsiębiorstwami żeglugowymi.

*Metodyka badań:* Badania przeprowadzono metodą wywiadu bezpośredniego z menedżerami z Polski, Niemiec i Chin oraz metodą obserwacji partycypacyjnej.

*Wyniki badań:* Na skuteczność decyzyjną wpływają dobór kadr, planowanie, doświadczenie oraz priorytetyzowanie i delegowanie zadań, a także zrównoważenie, odwaga i pewność siebie. Różnice kulturowe determinują decyzje menedżerów z Polski, Niemiec i Chin, którzy różnią się, jeżeli chodzi o pojmowanie rozwiązań względem decyzji zarządczych. Polscy menedżerowie częściej odwołują się do wyników finansowych i swobody decyzyjnej. Niemieccy menedżerowie również jako istotną wskazują swobodę podejmowania decyzji oraz zwracają uwagę, że kluczowa jest szybkość tego działania. Chińscy menedżerowie częściej wskazują na istotność planu, współpracy oraz unikania konfliktów.

*Wnioski:* Kluczowe obszary decyzji w omawianej branży stanowią: zarządzanie i administracja, finanse, obszar techniczny, żeglugowy, bezpieczeństwo i informatyzacja. Cechy charakterologiczne menedżerów oraz właściwości systemowe decydują o sukcesie decyzyjnym.

*Wkład w rozwój dyscypliny:* Porównanie polskich, niemieckich i chińskich menedżerów z branży żeglugowej pod względem podejmowania decyzji stanowi nowe podejście i wnosi do literatury przedmiotu nową wiedzę. Wyniki dają podstawę do dalszych badań i stanowią wkład w rozwój dyscypliny.

**Słowa kluczowe:** decyzje menedżerskie, zarządzanie, przedsiębiorczość, zasoby ludzkie, branża żeglugowa.