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## **The Effect of Group Cohesion, Loyalty, Leadership on The Quality of Organizational Decision Making: Literature Review**

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### ***Abstract:***

*The quality of management decision-making plays a vital role in determining company strategy and achieving company performance. There are various factors that may affect the quality of management decision-making such as group cohesion, loyalty, and leadership will be discussed in this article. This article aims to review and present a structured overview of the most recent studies concerning group cohesion, loyalty, leadership, and decision making quality. It delves into an analysis of relevant studies published between 2014-2022. This article analyzes previous research through the perspective of employed research methodologies, research findings, and a critical review. The analysis results of this article would bring problems' alternative, research topic ideas and opportunities for further research related to group cohesion, loyalty, leadership, and decision-making quality. The implication of this research for practitioners or managers is to increase information and knowledge about various factors that must be considered in order to make quality decisions.*

**Keywords:** *Group Cohesion, Loyalty, Leadership, Decision Making Quality*

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### **1. Introduction**

The decision-making process is one of the most important activities which are performed by leaders in every organization. Good and proper decisions will help the company to achieve its pre-planned goals, while bad decisions may lead to detrimental losses and operational disruptions to the organization's operations. The quality of decision making made by organizational leaders is influenced by many factors, including factors related to the group. Factors such as decision-making process include group cohesiveness, loyalty, and leadership significantly impact decision-making.

Group cohesion refers to a sense of belonging to a group, as well as the thoughts and emotions within group membership. A highly cohesive working

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group demonstrates a coherent and organized leading unity di (Hotze, 2020). Group cohesion had a different meaning to the group and it showed when the group perceives group cohesion as stimulating, pleasurable and satisfying, the members of the group can produce better quality decisions. On the other hand, when time pressures are perceived as distracting, discouraging, and disappointing, the quality of group making and decisions does not seem to be affected (Lohan et al., 2014).

Employees are a core component of an organization and the success or failure of the organization is determined by the employees' performance. Employees who are loyal to an organization tend not to actively pursue outside employment opportunities or explore alternative job options (Murali et al., 2017). In general, loyalty denotes an affective commitment and steadfast devotion either to another individual, a group of people, an ideal, a task, or a goal (Murali et al., 2017).

Leadership is developed formally or informally in groups and it is an important role of the leader to organize, motivate and assign tasks in the group towards its achievement (Opoku, 2016). Some theories of leadership focus on the nature of the leader, its personality and traits; whereas other theories emphasize defining the various roles and behaviors of leaders rather than their characteristics (Opoku, 2016). The most consistent definition of leadership is the process of influencing others, with that influence potentially stemming from individuals both within and outside the organization (Yukl, 2008). The conceptualization of leadership characterizes leadership as the process of shaping an organization's direction and vision by fostering an influential relation between the leader and their followers (Taylor et al., 2011). According to (Northouse, 2015), leadership entails influencing individuals to go beyond their short-term selfish interests, to contribute to the long-term performance of the entire group.

The researcher is interested in conducting literature reviews related to the topic of Group Cohesion, Loyalty, Leadership and Decision Making Quality in organizations. These subject matters remain relevant and applicable within modern-day companies. The phenomenon often encountered in organizations is that members may hesitate to share their views, thoughts, or ideas due to fear of rejection from co-workers. In addition, the cohesion within a group can lead to better decision-making due to the cohesiveness among members. Loyalty of organizational members strengthen the quality of decision-making because of the commitment of members to the group's goals ensuring the implementation of the decisions. Additionally, loyal group members exhibit a sense of responsibility for the outcomes which results from the decisions made. Leadership naturally impacts the quality of decision-making in

organizations. Effective leaders have the ability to establish a work environment that fosters effective decision-making. Therefore, a conducive work environment enables group members to express their ideas, opinions, and ideas without interference from others.

This article aims to review and present a structured overview of the most recent studies concerning group cohesion, loyalty, leadership, and decision making quality. The second objective is to show future researchers research opportunities that can be developed related to the topics of Group Cohesion, Loyalty, Leadership and Decision Making Quality in organizations. Research Questions discussed in this article are as follows

RQ 1: How do previous research developments relate to Group Cohesion, Loyalty, Leadership, and Decision-Making Quality?

RQ 2: How do potential future research opportunities relate to Group Cohesion, Loyalty, Leadership, and Decision-Making Quality?

## **2. Theoretical Background**

### **Group Cohesion Theory**

According to (Aziz, 2019) study titled "Groupthink and the Decision-Making Process Quality Among Top Managers in Public Universities of the Kurdistan Region", it is noted that Groupthink had led a team of competent members to make a decision with poor outcome. Nevertheless, it remains uncertain whether the team can effectively counter group-think in organizations with better structures. Additionally, in the study, (Aziz, 2019) explained that the indicators of group-think occur not only in college committees but also within corporate organizations. The researchers found that how a group behaves is linked to how well it performs, and this is shaped by the social context of the group. They assume that the way a group works together or called as group cohesion, is crucial for making dynamic groups stick together (Love, 2018). The cohesiveness of a group connects its members within a network of relationships based on interactions, shared goals, interdependencies, and organizational structures (Love, 2018). In addition, (Van Knippenberg, 2007) supported this statement that similarity of values-based beliefs held by group members plays a role as a contributing factor to increase group cohesiveness.

### **Loyalty Theory**

For organisations, loyalty has become a concern, especially when dealing with the 'psychological contract' between employers and employees among economic pressures (Naus et al., 2007). From an employee's point of view, loyalty is seen as a factor that does not necessarily provide financial benefits but can cover their weaknesses (Murali et al., 2017). Furthermore (Murali et

al., 2017) that an employee may not achieve targets but be loyal to his organization and work hard to achieve his targets, so the loyalty shown by employees to his organization should allow the employee to cover his shortcomings. Although there are symptoms of Groupthink, an effective decision-making could still be achieved by fostering loyalty and sense of belonging towards the group; where each member has different skills, knowledge and demographic were put to use (Aziz, 2019).

### **Leadership Theory**

The definition of leadership came from general vocabulary which integrated into the technical vocabulary of a scientific discipline without being properly redefined (Yukl, 2008). While (Doh, 2003) argues that leadership is an executive position in an organization and is a process that has an influence on others. Both leadership and decision-making are terms that are considered essential in the operations of any organization, society, and country. These terms have been a major topic of research in both psychology, social sciences, and other disciplines for nearly a century and have resulted in thousands of empirical and conceptual studies (Obioma, 2015). However, leading the members of an organization can be more than just a process; it can be something that can result in human discovery and development, while the individual is committed to achieving the goals of the organization (Tabassi, 2010). From the above definition of leadership, all members of an organization have the potential to become leaders when they are involved in processes that engage in encouraging and influencing sustainable practices (Taylor et al., 2011).

### **Decision Making Quality Theory**

The decision-making process is a process that involves the creation of new content and the replacement of existing content (Abubakar et al., 2019). Decision making in the working group environment is considered to be through important aspects such as creativity and quality (Zaidi, 2010), while creativity in decision making is innovative ideas that may arise in the decision-making process. Therefore, leaders and employees in every organization must be influenced by their policies and decisions while working together to achieve strategic goals and objectives (Obioma, 2015).

## **3. Methodology**

The methodology employed in this research involves qualitative methods and literature review to analyze research developments related to the topics of Group Cohesion, Loyalty, Leadership, on Decision Making Quality. This involved gathering data from various journals, totaling 12 articles published between 2014 and 2022, relevant to the research's title. The data analysis

process started by collecting articles related to the topic which are Group Cohesion, Loyalty, Leadership, towards Decision Making Quality. This was followed by an analysis of the selected articles, focusing on their methodologies, findings, and critical review. Subsequently, deductions were drawn regarding potential directions for future research. The complete process, spanning from the initial identification to the formulation of conclusions, is depicted in Figure 1, as delineated by Fitriastuti et al. (2019). The entire procedure, from initial identification to the formulation of conclusions, is illustrated in Figure 1, as outlined by (Fitriastuti et al., 2019).

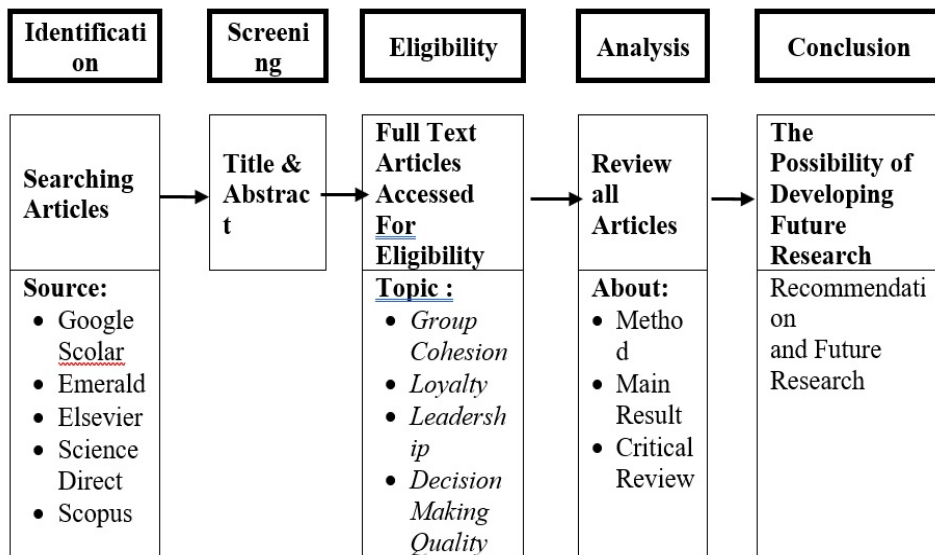


Figure 1. Review Method

#### 4. Empirical Findings/Result

Table 1 shows a summary of the results of previous research related to the theme of Group Cohesion, Loyalty, Leadership towards Decision Making Quality in terms of methods, findings, and critical review.

Table 1. Summary Of The Study Reviewed From Methods, Findings, And Critical Review

No	Author and Title	Methods	Findings	Critical Reviews
1	(Aziz, 2019) Groupthink and Quality of Decision-Making Process Among the Top Managers of the Public Universities of Kurdistan Region, International Conference on	The study used quantitative methods and collected primary data using questionnaires. The data were analyzed using Pearson correlation, one-way ANOVA, and linear regression.	The results showed that symptoms of thinking in groups cannot be separated from demographic factors Team, having team members with qualified academic backgrounds and	Pearson correlation analysis was sufficient to measure the relationship between Groupthink and Quality of Decision-Making, regression because it does not test influence.

	Accounting, Business, Economics and Politics		rich and relevant experience can contribute to the quality of the decision-making process.	Further research development could add variables of organizational culture, leadership, and work experience.
2	(Lohan et al., 2014) An Investigation into Time Pressure, Group Cohesion and Decision Making in Software Development Groups, Australasian Conference on Information Systems	This study used a quantitative method in conducting investigations into Time Pressure, Group Cohesion, and Group Decision Making. A survey was done to 119 software developers.	The results showed that time pressure and group cohesion have a positive influence toward decision-making, whereas the strict time limits do not significantly affect the general agreement reached by the group in decision-making.	The hypothesis suggested that group cohesion might influence the relationship between the variables. However, supporting evidence was not found within the analysis.
3	(Hotze, 2020) The Effects of Servant Leadership on Group Cohesion and Employee Engagement	This study employed quantitative methods. It entailed conducting a survey among 459 bank employees in the United States and analyzed the data using regression analysis.	The results of the study reveal that servant leadership has an influence on direct and indirect engagement through group cohesion. In addition, it has a strong impact among employees.	The data processing results are not clear and complete in the presented tables. This can be enhanced by incorporating aspects of psychology to provide a more comprehensive and coherent presentation.
4	(Tarmo et al., 2022) An analysis of groupthink and decision making in a collectivism culture: the case of a public organization in Tanzania.	This study used quantitative methods of simple random sampling and purposive sampling in analyzing group thinking and decision-making in the culture of collectivism. The participants who participated effectively amounted to 97 people.	The existence of groupthink, characterized by high trust, conformity, and promotional leadership, was observed in the decision-making groups within the organization.	Other important factors could be role in group decision making including the influence of African cultural characteristics. Future research can be expanded by conducting studies outside of Africa, involving different cultural contexts.
5	(Abubakar et al., 2019)	The methods in this study used qualitative analysis	The results of this study proposed that decision-	This study only used qualitative methods

	Knowledge management, decision-making style and organizational performance.	and literature studies to look at the relationship between the supporting factors of knowledge management (i.e., collaboration of organizational members, T-shaped skills, IT learning and support) and organizational performance, and the mediating effects of the knowledge creation process.	making styles (i.e., intuitive and/or rational) will moderate the relationship between the knowledge creation process and organizational performance.	and literature studies. The study did not specify the respondents or companies, as it was focused on introducing a conceptual framework and possible propositions.
6	(Zaidi, 2010) The effect of workgroup heterogeneity on decision making: An empirical investigation	This study used quantitative stratified sampling methods and linear regression analysis processed with SPSS to explore the relationship of work group heterogeneity and effective decision making in organisasi.	The result of this study is that there is heterogeneity of groups. Work has a significant impact on creativity and the quality of decision making.	The heterogeneity studied is limited to only gender and age. It can be developed for future research by including variables such as workforce generation, cognitive diversity, and others.
7	(Cerutti, 2020) Leadership and Decision-making Styles: Are They Relevant for Employee Retention?	The quantitative research methods applied in this study included surveys, factor analysis, linear regression analysis, and a mean difference test to examine leadership style and decision-making. The analysis involved 324 respondents.	The study results showed that in relation to leadership, the transformational style is the most prominent in the perceptions of employees, and also the leaders are aware of each of their team members, their ambitions, personal values, preferences, and limitations.	The results of data processing are not presented in complete and clear tables.
8	(Nahum & Carmeli, 2020) Leadership style in a board of directors: implications of	This study used a qualitative research method by conducting semi-structured interviews.	The results of this study were evidence from several cases where high leadership	The results of qualitative analysis could be strengthened by accompanying them with quantitative

		involvement in the strategic decision-making process.	involvement in HR data processing, produces solutions that will significantly increase the Company's output, and also higher involvement will always provide benefits for company.
9	(Azemi et al., 2018)	This study used qualitative methods that examine the quality of Information in Organizations used for quality Decision Making processes.	The result of this study is that with the existence of information audit which is an important process to develop and maintain the quality of information in an organization that affects quality decision making.
10	(Obioma, 2015)	The Influence of Decision Making in Organizational Leadership and Management Activities.	This study used qualitative methods that emphasize understanding through observation, documentation to explore the influence of decision making in organizational leadership and management activities that have an impact on creativity, growth and effectiveness, success, and achievement of goals in organizations.
11	(Murali et al., 2017)	Employee loyalty, organizational performance & performance evaluation—a critical survey.	Loyalty plays a key role in evaluating an employee's performance, not only from the employer's perspective but



		utilizing a sample of 411 respondents.	also from the employee's point of view.	
12	(Nguyen et al., 2020) Factors affecting employee loyalty: A case of small and medium enterprises in Tra Vinh province, Viet Nam.	This study used quantitative methods through data collection with direct interviews linear regression model with loyalty-bound variables.	The loyalty of employees can be influenced by six factors: coworkers, leaders, job characteristics, remuneration policy, organizational culture and work environment.	It focused on variables that affect loyalty only.

Based on the investigation result and filtration process, 12 articles were identified focusing on group cohesion, loyalty, leadership, and decision making quality. This research could serve as an initial study for both academic and practical researchers. The review process included 18 articles from Google Scholar, Emerald, Elsevier, Science Direct, and Scopus databases. Following the guidelines outlined in Figure 1, the researchers identified 12 articles and established a systematic categorization based on authorship, titles, research methods, findings, and critical review.

Table 1 shows a summary of various previous research titles related to the topics of Group Cohesion, Loyalty, Leadership and Decision Making Quality which have been carried out in various organizations in several countries with research years from 2014 to 2022. Based on the research focus, it indicates that the results of research on Decision Making Quality are used to gain a complete understanding of how Group Cohesion, Loyalty, and leadership affect Decision Making Quality. Based on the research focus, it shows that the findings on Decision Making Quality are utilized to comprehensively understand how Group Cohesion, Loyalty, and Leadership impact Decision Making Quality. The research analysis includes eight articles using quantitative methods, four qualitative methods, and no mixed methods were involved. Only articles written in English were considered, books and magazines were excluded.

Some findings of the previous research in table 1 indicate that Groupthink positively contributes to the quality of decision-making process. Group cohesion has a positive influence on decision consensus. This is confirmed by Groupthink considerations such as high trust conformity, and promotional leadership in decision-making groups within organizations. In addition, the heterogeneity of working groups has a significant impact on the creativity of decision-making quality. Furthermore, the quality of decision-making is influenced by information audits. It is emphasized that decision-making

processes should accommodate technology, diversity, globalization, policy, teamwork, and leadership effectiveness.

Based on critical reviews, it is suggested that further research could focus on variables of organizational culture, leadership, and work experience. Additionally, these studies could be further expanded by integrating psychological aspects. Variables such as labor force, cognitive diversity should also be considered. It has been noted that some studies do not present their data processing results in comprehensive and clear tables. Integrating qualitative analysis with the existing quantitative research could lead to a more in-depth analysis.

## **5. Conclusions**

This article has provided a unique contribution to practitioners and subsequent research because it has been able to provide a comprehensive review of literature related to the topics of group cohesion, loyalty, leadership, and decision making quality that has never been made by previous researchers. This research's findings can serve as a direction for future investigations by focusing on the existing potential problems. Previous research indicates that group cohesion, loyalty, leadership are related to and influence decision-making quality are correlated and have an impact on decision-making quality. Several studies have discovered and provided insights that various factors influence the quality of management decision-making, such as cognitive diversity, organizational culture, work experience, technology, diversity, globalization, policies, teamwork, and leadership effectiveness. Additionally, there are numerous methodological choices, including the use of qualitative and quantitative analysis, mixed methods, research subjects, respondent selection, and so forth. This article can serve as a starting point for new researchers to develop topics without repeating previously researched areas, thereby yielding diverse research outcomes.

This article has the methodological limitation of only being in the form of a review article. Therefore, there are opportunities for further research to link variables into a conceptual framework or also test the influence of Group Cohesion, Loyalty, Leadership on Decision Making Quality by looking for empirical data in the field and testing it statistically to become more interesting research.

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