Management Decision

A process perspective on strategic decision making

E. Frank Harrison

A process perspective on strategic decision making

E. Frank Harrison Professor of Management, San Francisco State University, San Francisco, USA

Posits that a process perspective on strategic decision making is more likely to yield a successful outcome. Conceives the strategic decision-making process as a composite of the concept of strategic gap and the managerial decision-making process. Presents six examples of real-world strategic decision in support of a process approach to the making and implementing of such decisions. The evidence in support of a process perspective on strategic decision making suggests a need for further research and exposition of this critically important subject.

Management Decision
34/1 [1996] 46–53

[ISSN 0025-1747]

In discussing decision making, it is customary to focus on a decision-making process or the decision itself. Focusing for a moment on the decision itself, it is useful to note the variety of definitions for the term *decision*. One definition, for example, avers that "to make a decision means to make a judgment regarding what one ought to do in a certain situation after having deliberated on some alternative course of action"[1]. In a classic work on the science of management decision making, Herbert A. Simon treats it as a process synonymous with the whole process of management. In his words: "Decision making comprises three principal phases: finding occasions for making a decision; finding possible courses of action; and choosing among courses of action"[2].

Another definition views a decision as only one step in an intellectual process of differentiating among relevant alternatives. The decision itself is the point of selection and commitment when the decision maker chooses the preferred purpose, the most reasonable task statement, or the best course of action[3]. Still another definition notes that in making a decision the decision maker has several alternatives and the choice involves a comparison between these alternatives and an evaluation of their respective outcomes[4]. For purposes of this article, "a decision is defined as a moment, in an ongoing process of evaluating alternatives for meeting an objective, at which expectations about a particular course of action impel a decision maker to select that course of action most likely to result in attaining the objective"[5]. This definition is generally accepted in the literature of managerial decision making[6]. It also tends to confirm the basic thesis of this article: that managerial decision making takes place within a process composed of identifiable decision-making functions.

Decision making is the most significant activity engaged in by managers in all types of organizations and at any level. It is the one activity that most nearly epitomizes the behaviour of managers, and the one that clearly distinguishes managers from other occupations in the society. Drucker notes, for example, that "to make the important decision is the specific executive task. Only an executive makes such decisions"[7]. "Of all the managerial functions that executives perform … the act of making a decision is without equal in importance"[8]. To be sure, managers and executives do many things besides make decisions. Nonetheless, the current and lasting impact of managerial performance is centred in the efficacy of executive choices. The primary focus in this article is on strategic decisions made by managers at the top of the organization. These decisions trigger dozens or even hundreds of other decisions of lesser magnitude at descending levels of management. Strategic decisions, therefore, set the tone and tempo of managerial decision making for every individual and unit throughout the entire organization. If the decision making at the top of the organization is ineffective, then the choices made at lower levels of management will be the same. Similarly, if top management's strategic choices tend to be successful, it reflects favourably on choices made in other parts of the organization.

Strategic decisions are highly complex and involve a host of dynamic variables. Their pre-eminent characteristic is significance; "Strategic decisions deal with the long-term health of the enterprise"[9]. "Strategic decisions are those which normally fall within the purview of top management"[10]. Strategic decisions constitute the critical variable in strategic management[11]. They are the means by which perennially scarce resources are rationally committed to fulfil managerial expectations for success. Following are five criteria for use in identifying and making a strategic decision:

1. The decision must be directed towards defining the organization's relationship to its environment.
2. The decision must take the organization as a whole as the unit of analysis.
3. The decision must encompass all of the major functions performed in the organization.
4. The decision must provide constrained guidance for all of the administrative and operational activities of the organization.
5. The decision must be critically important to the long-term success of the total organization[12].

E. Frank Harrison
A process perspective on strategic decision making
Management Decision
34/1 [1996] 46–53

The concept of strategic gap

As noted earlier, strategic decisions are oriented towards the relationship between a given organization and its external environment. This relationship is epitomized by the concept of *strategic gap*, which focuses on the fit between the capabilities of the organization and its most significant external entities. The strategic gap is conceptualized in Figure 1. Stated most simply, the strategic gap reflects the imbalance between the current strategic position of the organization and its desired strategic position[13]. The strategic gap is determined by comparing the organization's inherent capabilities with the opportunities and threats in its external environment[14]. In one sense, the strategic gap is a measure of the perennially imperfect fit between the organization and its external environment. If the capabilities of the organization were fully committed to exploiting all perceived opportunities and warding off all discerned threats, there would be no strategic gap. For reasons to be discussed subsequently, this eventuality is most unlikely[15].

This relationship is epitomized by the concept of *strategic gap*, which focuses on the fit between the capabilities of the organization and its most significant external entities.

The profile of strategic gap

For the simple reason that strategic decisions based on a balance of internal weakness seem certain to fail, a gap analysis begins properly with an assessment of the major capabilities of the total organization in the principal categories of management, technology, policies and resources. This approach involves the development of a *capability profile* to ascertain principal areas of strength and weakness.

Organizational assessment

There are at least three reasons why a capability profile of strengths and weaknesses is important in measuring the strategic gap of a given organization:

1 Capitalizing on external opportunities usually signifies effective use of internal strengths.
2 Protecting the organization from environmental threats requires a knowledge of internal weaknesses.
3 Few organizations excel in all areas[16].

"Thus [strategic decisions] ultimately are a compromise between offence and defence with the optimum balance dependent on awareness of external conditions and skillful utilization of internal resources"[16].

The principal categories of organizational capability to be assessed for areas of strength and weakness in developing a capability profile are as follows:

- *Management*. The primary focus here is on the decision-making track record of top management. Have the recent successes outnumbered the failures in sufficient quantity to constitute a measurable organizational strength?
- *Technology*. If the organization uses an advanced technology, does it keep up with the state of the art in its field, and is this new knowledge regularly transposed into new products or services? If the organization uses a routine technology, does it regularly avail itself of applicable external technological developments to enhance its efficiency and productivity?
- *Policies*. Are there written statements to provide governance and guidance at all levels and in all major activities of the organization?
- *Resources*. Are the human, fiscal, physical and institutional resources of the organization available in proper kind and sufficient quantity and are they utilized effectively in maintaining a competitive advantage in the external environment?

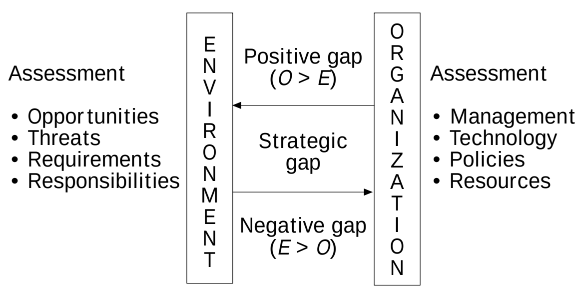
If the aforesaid questions can be answered affirmatively, the organization's strengths exceed its weaknesses and it is ready to pursue the opportunities in its external environment. Conversely, if there are areas of weakness in the basic capabilities of the organization, corrective action should be taken to transform such weaknesses into strengths, at which point opportunities may be developed and exploited through the distinctive competence reflected in the capability profile.

Environmental assessment

Like the organization itself, the external environment is composed of several principal aggregates:

- *Opportunities*. Opportunities represent situations with a potential to enhance the long-term competitive advantage of the organization. Opportunities presume that the organization has the capability for capitalizing on them. The litmus test of management is to recognize an opportunity

Figure 1
The concept of strategic gap



and to exploit it for the benefit and gain of the total organization.
- *Threats*. Threats include all external forces with a potential for intruding on the organization in ways that work to its disadvantage. The most common threats are competition and technological obsolescence.
- *Requirements*. Requirements include statutory requirements, legal codes and other governance mechanisms that act to limit the strategic choices of management.
- *Responsibilities*. Responsibilities constitute expectations on the part of some stakeholder group or external entities that the strategic decisions of management will not work to its disadvantage. Included here is the pervasive concept of social responsibilities.

Strategic gap analysis

There are three conceivable variations of strategic gap: positive strategic gap; negative strategic gap; and zero strategic gap. The first two variations reflect the actual condition of a given organization at different points in time. The third variation exists only in theory.

Positive strategic gap

If a concurrent assessment of the organization and its external environment reveals that the sum of internal capabilities is clearly greater than its principal environmental aggregates, a positive strategic gap exists. In other words, as shown in Figure 1, if $O > E$, the strategic gap is balanced in favour of the organization. In this state, the management, technology, policies and resources of the organization are more than adequate to exploit any opportunity, cope with any threat, or meet any requirement or responsibility emanating from the external environment.

Negative strategic gap

As shown in Figure 1, the second variation of strategic gap occurs when its principal environmental aggregates are greater than the internal capabilities of the organization. This variation, symbolized by $E > O$, means that the organization is unable to exploit available opportunities, deal with perceived threats, meet its legal requirements, or fulfil its expected responsibilities. It is called a negative strategic gap; and it means that the organization is at a significant disadvantage *vis-à-vis* its external environment. In general, a negative strategic gap must be transformed into a positive strategic gap before management can avail itself of the opportunities in the external environment.

Zero strategic gap

There will always be a strategic gap between the organization and its external environment. Factors such as imperfect information, time delays in responding to externally-induced change, technological breakthroughs and managerial incompetence all contribute to the unavoidability of a strategic gap. There is, in other words, a level of strategic gap, hopefully on the positive side, that is irreducible for any organization. When, in the judgement of management, the organization has reached this irreducible minimum, it has achieved a good strategic fit. This is an optimal state for an effectively managed organization to make strategic decisions.

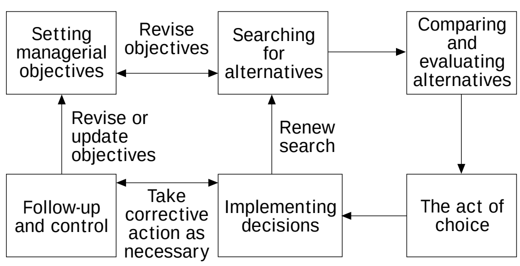
The managerial decision-making process

There is an increasingly abundant literature that places the moment of choice within an integrated process of managerial decision making[17-21]. According to this view, managerial decisions result from a set of decision-making functions logically connected to constitute a managerial decision-making process. This process is depicted in Figure 2.

Decision-making functions

The components of the decision-making process are the functions of decision making. These functions are:
- *Setting managerial objectives*. Decision making starts with the setting of objectives, and a given cycle within the process culminates on attaining the objectives that gave rise to it.
- *Searching for alternatives*. Search involves scanning the internal and external environment of the organization for relevant information from which to fashion a set of alternatives likely to fulfil the objectives.
- *Comparing and evaluating alternatives*. By formal and informal means, alternatives are compared based on the perceived relative uncertainty of cause-and-effect

Figure 2
The managerial decision-making process



relationships and the preferences of the decision maker for various probabilistic outcomes.

- *The act of choice*. Choice is a moment when, in the ongoing process of decision making, the decision maker chooses a given course of action from among a set of alternatives.
- *Implementing the decision*. Implementation is that point in the total decision-making process when the decision is transformed from an abstraction into an operational reality.
- *Follow-up and control*. This function is intended to ensure that the implemented decision has an outcome coincident with the objectives that gave rise to its occurrence.

The interrelatedness of decision making

As shown in Figure 2, the functions of decision making are highly interrelated within the decision-making process. The process begins with the setting of objectives, the attainment of which invariably requires a search for information from which to develop a set of alternatives. These alternatives are compared and evaluated using applicable criteria; and the alternative which gives greatest promise of attaining the objectives is normally chosen. The selected alternative is then implemented through existing structures, systems and processes, after which it is subjected to existing follow-up and control procedures to ensure an outcome compatible with the initiating objectives. The functions of decision making proceed sequentially through the process. The process provides an organizational framework within which the functions are accomplished to produce a successful result. The literal interrelatedness of the process can be demonstrated easily by considering the adverse consequences attendant on disregarding a function or altering the straightforward sequencing of all the functions. In the event that a given alternative once selected and implemented does not appear to produce the desired result, the decision maker may consider any one of the subprocesses shown in Figure 2: corrective action, renewed search, or revised objectives.

The dynamics of decision making

The dynamics of the managerial decision-making process result from the effects of the decision-making functions on one another and in combination:

> Decision making is a dynamic process: complex, redolent with feedback and sideways, full of search, detours, information gathering, and information ignoring, fueled by fluctuating uncertainty, fuzziness, and conflict; it is an organic unity of both predecision and postdecision stages[22].

The principal manifestation of the dynamic nature of the managerial decision-making process is the synergy that is produced by the interrelated functioning of the total process. The presence of synergy means that the decision-making functions have more value as components of the process than as functions in their own right. In this context, synergy is analogous to decisions more likely to result in the attainment of the objectives. The synergistic results of the process mean for the most part that decisions made within the process have a greater potential for success. This is the essence of the dynamics of decision making within the process conceptualized in Figure 2.

The strategic decision-making process

The strategic decision-making process is a composite of the concept of strategic gap (Figure 1) and the managerial decision-making process (Figure 2). It is depicted in Figure 3.

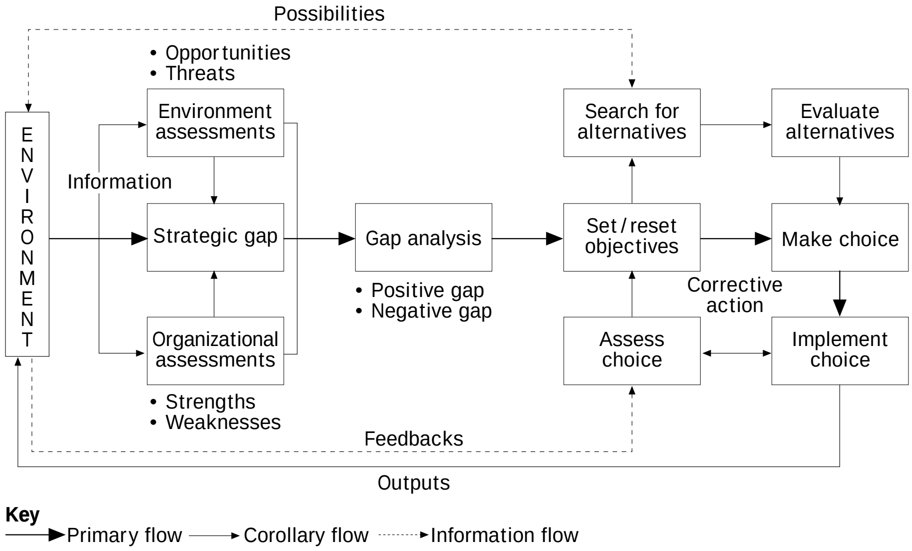
Varieties of process flows

There are three types of process flows in Figure 3, each of which contributes to the final outcome of the total process.

Primary flow

The primary flow encompasses the main functions of the strategic decision-making process. These functions cannot be circumvented without seriously compromising the integrity of the total process. Information received from the external environment is used to assess the strengths and weaknesses of the organization along with the opportunities and threats in the external environment. A gap analysis is performed to ascertain the size and positive or negative nature of the resultant strategic gap. The results of the gap analysis are used by management to set or reset the managerial objectives that trigger the managerial decision-making process. The managerial objectives constitute the ends for which a strategic choice is made and implemented. The outputs of the implemented strategic decision elicit feedback from the external environment permitting management to assess the outcome of its choice and to take corrective action as necessary, thereby ensuring attainment of the managerial objectives. A continuous evaluation of the implemented strategic decision is supplemented by periodic comprehensive reviews with annual

Figure 3
The strategic decision-making process



updatings of the gap analysis and the managerial objectives.

Corollary flow

The corollary flow constitutes the ancillary functions of the process conceptualized in Figure 3. These functions can be abridged or bypassed but not without some impairment of the total process. For example, a search may be circumscribed but possibly at the cost of an inadequate set of alternatives; or the assessment of an implemented strategic decision may be accomplished less frequently at the price of a less successful outcome. In combination with the primary flow, the corollary flow enhances the prospects for a successful strategic decision.

Information flow. Information flow constitutes the exploration of possibilities in the search for alternatives or the feedback of information from the external environment signifying the acceptance or non-acceptance of the implemented strategic decision. As such, information flow makes its own specialized contribution to strategic decision success.

A continuous evaluation of the implemented strategic decision is supplemented by periodic comprehensive reviews with annual updatings of the gap analysis and the managerial objectives.

Dynamics of the total process

The dynamics of the total process set forth in Figure 3 are centred on three principal relationships:

1. The pervasive influence of the external environment on the total process of strategic decision making.
2. The pivotal coupling of strategic gap with managerial decision making ensuring that managerial objectives reflect the current gap analysis.
3. The continuous flow of information throughout the process commencing with the initiation of gap analysis, continuing with the search for information from which to develop a set of alternatives, and following with an evaluative flow from the external environment as corrective action is taken and current cycles are replaced by future cycles.

Strategic decision applications

For purposes of this article, a successful strategic decision is one that results in the attainment of the objective that gave rise to the decision within the constraints that had to be observed to bring about each attainment. Because objectives constitute the foundation of the strategic decision-making process, and because such objectives are set based on the results of a comprehensive strategic gap analysis, it seems reasonable to posit that a formal decision-making process is conducive to strategic decision success. The real-world applications of the strategic decision-making process set forth in this section are intended to validate this hypothesis.

A profile of successful strategic choice

Successful strategic choices tend to manifest a common set of characteristics:

- The managerial objectives are compatible with and reflective of the current strategic gap of the organization.
- There is an open search for alternative courses of action that encompass the principal stakeholders of the organization and

which consider applicable time and cost constraints along with the cognitive limitations of the decision maker.

- There is an objective comparison and evaluation of a set of alternative courses of action with a principal emphasis on probabilistic consequences attendant on the selection of a given alternative.
- There is a tendency to select that alternative most likely to result in the attainment of the objectives within the boundaries of rational choice.
- The implementation of a chosen alternative proceeds within the established way of doing business and is reflective of propitious timing and balanced risk and reward factors in relation to the expected outcome.
- There is no presumption of success following implementation and continuous measurement and evaluation of emerging results is accompanied by timely corrective action to ensure an outcome that attains the objectives.

There is no presumption of success following implementation and continuous measurement and evaluation of emerging results is accompanied by timely corrective action to ensure an outcome that attains the objectives.

These characteristics will be used to evaluate the success or failure inherent in the following real-world applications of strategic decision making.

Successful strategic decisions

The first successful strategic decision considered here is the decision made in 1980 by the Carter administration and the US Congress to save the Chrysler Corporation from bankruptcy. The first and foremost objective was to save Chrysler. The company's capability profile reflected huge weaknesses in management, technology and resources. The search for alternative courses of action considered all possibilities; and it was conducted within pervasive time and cost constraints. The resulting decision was manifested in the Chrysler Corporation Loan Guarantee Act of 1979 which provided the company with $2 billion in matching loan guarantees. The successful implementation of this financial bailout made it possible for Chrysler to become profitable again in 1983. The vital state of Chrysler's finances and market position in 1995 attest to the success of this strategic choice made within the framework of the strategic decision-making process.

The second example of a successful strategic decision was made by Philip Morris Companies in 1984 to reduce its dependency on profit from tobacco products. The means to accomplish this objective was diversification; and Philip Morris considered several alternatives before settling on the food processing industry. Philip Morris had a very positive strategic gap to finance its strategic objective which was to be accomplished within ten years. In 1985, Philip Morris purchased General Foods for $5.5 billion, followed by the acquisition of Kraft Foods in 1988 for $12.9 billion, and the subsequent acquisition of Swiss-based coffee and confectionery company Jacobs Suchard AG in 1990 for $4.1 billion. In 1984, income from tobacco products accounted for 92 per cent of Philip Morris' income from operations. By 1992, this proportion had declined to 68 per cent with further reductions in prospect. Clearly, Philip Morris has achieved its long-term strategic objective; and its strategic decision affords another positive example of the benefits inherent in the process set forth in Figure 3.

The last example of a successful strategic decision involves the acquisition by the Wells Fargo Bank of Crocker National Bank in 1986 for $1.08 billion. This acquisition created the nation's tenth largest holding company with about $42.5 billion in assets. Wells' objective was to establish a major presence in the rapidly growing banking market in southern California. Wells had a positive strategic gap and conducted a comprehensive search for alternatives before the opportunity to purchase Crocker materialized. The acquisition of Crocker promised the immediate realization of Wells' objective. Implementation of the decision was facilitated by compatible banking technologies, complementary policies and procedures, and continuous follow-up by the management of Wells Fargo. Implementation was essentially completed within one year.

Unsuccessful strategic decisions

Nearly everyone has a list of unsuccessful strategic decisions. The three failures presented here are simply illustrative of management's partial or complete disregard of the strategic decision-making process conceptualized in Figure 3.

In 1978, General Motors set a strategic objective to reinvent itself through the expenditure of $40 billion. At that time, GM had 49 per cent of the US automobile market. By 1993, GM had spent over $60 billion in pursuit of its objective and its market share had declined to 32 per cent. Even today, in 1995, GM is in a kind of organizational free fall. For example, the company is still trying to earn an operating profit from its North American operations. What went wrong?

GM's capability profile in 1978 revealed strength in all areas except management. GM's management was characterized by a bloated, bureaucratic structure that resisted any attempt to improve the corporation. Objectives were poorly defined, lines of authority were obscure; accountability for results was non-existent, and the personal interests of GM's managers took precedence

Management Decision
34/1 [1996] 46–53

over the long-term best interests of the corporation. Essentially, GM had a serious negative strategic gap that was not apparent to its decision makers. Consequently, its strategic objective was unattainable from the outset. In the context of Figure 3, GM took several alternative actions in pursuit of its objective. In 1983, GM entered a joint venture with Toyota; in 1984, GM purchased Electronic Data Systems from Ross Perot; also in 1984, GM underwent a vast internal reorganization; and finally, in 1986, GM commenced production of the Saturn automobile. None of these alternatives was successful; nor was GM's exorbitant expenditures on plant modernization and advanced technology. In fact, GM's objective was flawed by the very management that set it; and no amount of strategic decision making will reinvent GM until its management is completely changed.

In fact, GM's objective was flawed by the very management that set it; and no amount of strategic decision making will reinvent GM until its management is completely changed.

The second example of unsuccessful strategic decision making concerns the Northrop Corporation. In 1980, the Carter administration asked the Northrop Corporation to design, develop and produce a low-cost fighter aircraft for sale overseas. Northrup's strategic objective in accepting this offer without the usual formal contract was to protect its industry position as a producer of high-technology military aircraft. Basically, Northrop erred in not demanding a written contract and in assuming that a change of administration would not jeopardize its verbal agreement with the Carter administration. Alternatives were not considered and negative consequences were not envisioned. There were no safeguards to protect Northrop once the decision was implemented and costs were incurred. Essentially, it was a high-risk strategic decision with rewards contingent on continued government advocacy of exclusive sales of Northrop's aircraft to foreign governments. After five years and over $1 billion in development costs, the F-20 fighter programme at Northrop was cancelled in 1986. Implementation of this strategic decision during the Reagan administration did not result in the sale of a single aircraft to the export market or any of the US armed forces.

On 23 April 1985, after 99 years, the Coca-Cola Company decided to abandon its original formula in favour of a sweeter variation designated "New Coke". The strategic decision to substitute new Coke for old Coke failed and less than three months later the company brought back old Coke under the name "Coca Cola Classic". It was then decided to compete with Pepsi using both Cokes. The explanation of Coca-Cola's failure is simple and straightforward. The company completely disregarded its principal stakeholders in deciding to precipitously jettison old Coke in favour of new Coke. Alternatives such as a gradual implementation of new Coke or a tandem marketing of both Cokes were not considered. It was either old Coke or new Coke with no middle ground. Essentially, proceeding on the basis of some very limited and tenuous taste tests, Coca-Cola's management decided to summarily dump the crown jewel of its product line. Once the premier product was withdrawn, there was an incredibly negative aftermath such that the company had to reverse itself with considerable embarrassment. Clearly, the strategic decision-making process was circumvented by a total disregard of the external environment and a lack of consideration for alternative ways of introducing a new product. The primary criteria were quantitative measures of sales, profits and market share. These criteria caused the company to disregard the image of a product that had been part of the US's folklore for nearly a century. As such, this application affords a prime example of how not to make a strategic decision.

Summary

This article has set forth a process perspective on strategic decision making. The process begins with the concept of strategic gap (Figure 1) which focuses on the fit between the capabilities of the organization and its most significant external entities. Gap analysis begins with a capability profile depicting the principal strengths and weaknesses of the organization. If the organization's strengths exceed its weaknesses, it has a positive strategic gap and it is ready to exploit the opportunities and protect itself from the threat in its external environment. If the weaknesses outweigh the strengths, the organization has a negative strategic gap and corrective action is required to remedy the negative imbalance before pursuing external opportunities. The external environment of the organization is composed of opportunities, threats, requirements and responsibilities which must be dealt with from a position of organizational strength.

The managerial decision-making process (Figure 2) constitutes the second major part of the strategic decision-making process. The former process is composed of six major decision-making functions which are both interrelated and dynamic in their cycling through the process. The strategic decision-making process (Figure 3) is composed of three types of process flows each of which contributes to the benefits inherent in the overall process. The strategic decision-making process is highly dynamic in its own right. This dynamism is centred on the external environment; the continuous flow of information throughout the process; and the pivotal coupling of the concept of strategic gap with the managerial decision-making process.

This article posited that a successful strategic decision is one that results in the attainment of the objective that gave rise to the decision within the constraints that had to be observed to bring about such attainment. It was also posited that a formal decision-making process is conducive to strategic decision success. A profile of strategic decision success with six principal characteristics was advanced as a basis for evaluating real-world strategic choices. Three examples of successful strategic decisions revealed that the decision makers had followed the three varieties of process flows conceptualized in Figure 3. Three other examples of unsuccessful strategic choices showed that the decision makers had disregarded all or some part of the process flows set forth in Figure 3. Based on an evaluation of six strategic decisions in a cross-section of major US corporations, it may tentatively be concluded that a process approach to strategic decision making is more likely to culminate in strategic decision success. Hopefully, the significance of this subject along with the content of this article will elicit additional research in this critical area of management.

References

1 Ofstad, H., *An Inquiry into the Freedom of Decision*, Norwegian Universities Press, Oslo, 1961, p. 5.
2 Simon, H.A., *The New Science of Management Decision*, Harper & Row, New York, NY, 1960, p. 1.
3 Emory, C.W. and Niland, P., *Making Management Decisions*, Houghton Mifflin, Boston, MA, 1968, p. 12.
4 Eilon, S., "What is a decision?", *Management Science*, December 1969, p. B-172.
5 Harrison, E.F., *The Managerial Decision-making Process*, 4th ed., Houghton Mifflin, Boston, MA, 1995, p. 4.
6 Gore, C., Murray, K. and Richardson, B., *Strategic Decision Making*, Cassell, London, 1992, p. 19.
7 Drucker, P.F., "The effective executive", *Harvard Business Review*, January-February 1967, p. 98.
8 Cornell, A.H., *The Decision Maker's Handbook*, Prentice-Hall, Englewood Cliffs, NJ, 1980, p. 13.
9 Bass, B.M., *Organizational Decision Making*, Richard D. Irwin, Homewood, IL, 1983, p. 16.
10 Hambrick, D.C. and Snow, C.C., "A conceptual model of strategic decision making in organizations", in Taylor, R.L. *et al.* (Eds.), *Proceedings of the Academy of Management*, University of Colorado, Colorado Springs, CO, 1977, p. 109.
11 Child, J., "Organizational structure, environment, and performance: the role of choice", *Sociology*, Vol. 6, January 1972, pp. 1-22.
12 Shirley, R.C., "Limiting the scope of strategy: a decision-based approach", *Academy of Management Review*, April 1982, pp. 264-5.
13 Harrison, E.F., *Policy, Strategy, and Managerial Action*, Houghton Mifflin, Boston, MA, 1986, p. 383.
14 Hofer, C.W. and Schendel, D., *Strategy Formulation: Analytical Concepts*, West Publishing, St. Paul, MN, 1978, p. 47.
15 Harrison, E.F., "The concept of strategic gap", *Journal of General Management*, Vol. 15 No. 2, Winter 1989, pp. 57-72.
16 Leontiades, M., *Policy, Strategy and Plans*, Little, Brown, Boston, MA, 1982, p. 123.
17 Witte, E., "Field research on complex decision-making processes – the phase theorem", *International Studies of Management and Organization*, Summer 1972, pp. 156-82.
18 Schrenk, L.P., "Aiding the decision maker – a decision process model", *Ergonomics*, Vol. 12, July 1969, pp. 543-57.
19 Janis, I.L., "Stages in the decision-making process", in Abelson, R.P. *et al.* (Eds), *Theories of Cognitive Consistency: A Sourcebook*, Rand McNally, Chicago, IL, 1968, pp. 577-88.
20 Eilon, S., *Management Control*, 2nd ed., Pergamon, New York, NY, 1979, pp. 135-62.
21 Fredrickson, E.B., "Noneconomic criteria and the decision process", *Decision Sciences*, Vol. 2, January 1971, pp. 25-52.
22 Zeleny, M., "Descriptive decision making and its applications", in Schultz, R.L. (Ed.), *Applications of Management Science*, Vol. 1, J&I Press, Greenwich, CT, 1981, p. 333.

Application questions

1 Are your strategic decisions successful for the most part?
2 Are your strategic decisions made after an objective gap analysis of your entire organization?
3 Do your strategic choices regularly embody the common set of characteristics advanced for the profile of a successful strategic choice set forth in this article?
4 Do you regularly employ a process approach to your strategic decisions?

This article has been cited by:

1. Carlton E. Sapp, Thomas Mazzuchi, Shahram Sarkani. 2014. Rationalising Business Intelligence Systems and Explicit Knowledge Objects: Improving Evidence-Based Management in Government Programs. *Journal of Information & Knowledge Management* 1450018. [CrossRef]
2. Fabio Musso, Barbara Francioni. 2012. The Influence of Decision-Maker Characteristics on the International Strategic Decision-Making Process: An SME Perspective. *Procedia - Social and Behavioral Sciences* **58**, 279-288. [CrossRef]
3. Zouhayr Hayati, Nilofar Barahmand. 2012. Managerial skills needed for academic library managers: The case of Iran. *The International Information & Library Review* **44**:2, 53-64. [CrossRef]
4. Theo J. M. van der Voordt, Iris de Been, Maartje MaarleveldPost-occupancy Evaluation of Facilities Change 137-154. [CrossRef]
5. Jane McKenzie, Christine van Winkelen, Sindy Grewal. 2011. Developing organisational decision-making capability: a knowledge manager's guide. *Journal of Knowledge Management* **15**:3, 403-421. [Abstract] [Full Text] [PDF]
6. Gangcheol Yun, Dohyoung Shin, Hansoo Kim, Sangyoub Lee. 2011. Knowledge-mapping model for construction project organizations. *Journal of Knowledge Management* **15**:3, 528-548. [Abstract] [Full Text] [PDF]
7. Jane McKenzie, Nick Woolf, Christine van Winkelen, Clare Morgan. 2009. Cognition in strategic decision making. *Management Decision* **47**:2, 209-232. [Abstract] [Full Text] [PDF]
8. Nadia A. Tzschentke, David Kirk, Paul A. Lynch. 2008. Going green: Decisional factors in small hospitality operations. *International Journal of Hospitality Management* **27**:1, 126-133. [CrossRef]
9. S. Salem, O. Paez, M. Holley, S. Tuncel, A. Genaidy, W. Karwowski. 2007. Performance tracking through the work compatibility model. *Human Factors and Ergonomics in Manufacturing* **16**:2, 133-153. [CrossRef]
10. Robert Demir, Sten Söderman. 2007. Skills and complexity in management of IJVs: Exploring Swedish managers' experiences in China. *International Business Review* **16**:2, 229-250. [CrossRef]
11. Nikos Karacapilidis, Emmanuel Adamides, Christina Evangelou. 2006. A computerized knowledge management system for the manufacturing strategy process. *Computers in Industry* **57**:2, 178-188. [CrossRef]
12. Alberto Carneiro. 2005. How technologies support winning strategies and productivity. *Handbook of Business Strategy* **6**:1, 257-263. [Abstract] [Full Text] [PDF]
13. Graham Jocumsen. 2004. How do small business managers make strategic marketing decisions?. *European Journal of Marketing* **38**:5/6, 659-674. [Abstract] [Full Text] [PDF]
14. Soner Taslak. 2004. Factors restricting success of strategic decisions. *European Business Review* **16**:2, 152-164. [Abstract] [Full Text] [PDF]
15. Alberto Carneiro. 2001. The role of intelligent resources in knowledge management. *Journal of Knowledge Management* **5**:4, 358-367. [Abstract] [Full Text] [PDF]
16. E. Frank Harrison, Monique A. Pelletier. 2001. Revisiting strategic decision success. *Management Decision* **39**:3, 169-180. [Abstract] [Full Text] [PDF]
17. E. Frank Harrison, Monique A. Pelletier. 2000. The essence of management decision. *Management Decision* **38**:7, 462-470. [Abstract] [Full Text] [PDF]
18. E. Frank Harrison, Monique A. Pelletier. 2000. Levels of strategic decision success. *Management Decision* **38**:2, 107-118. [Abstract] [Full Text] [PDF]
19. E. Frank Harrison, Monique A. Pelletier. 1997. Managerial attitudes towards strategic decisions: maximizing versus satisficing outcomes. *Management Decision* **35**:5, 358-364. [Abstract] [Full Text] [PDF]