Gordon Institute of Business Science
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**Balanced Scorecard: A tool to uncover paradoxes and reduce tension in strategic decision making**

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## Abstract

Strategic decision making within organisations have become increasingly complex, due to organisations having to address multiple needs simultaneously. Paradoxes within the overall strategic decision making process add to this complexity, and at times increase the level of tension within the process. This study aims to explore the key influences of paradoxes and tension, as well as determine if the balanced scorecard can be used as a framework to help uncover these paradoxes, and as a result reduce tension.

A qualitative and explorative research method was used, due to its ability in assisting with the formation of new insights derived from constructed themes. Data had been collected through thirteen, semi-structured, in-depth interviews with senior strategic decision makers working in large multinational organisations.

The study uncovered various factors contributing to paradoxes and tension, as well as ways in which these could be addressed. The use of the balanced scorecard within the overall strategic decision making process, as a measurement and predictive framework, was explored and was found to have the ability to reduce paradoxes and tension. The findings of this study contributed to the formation of a conceptual six-step model, which was designed as a practical framework that could be used by strategic decision makers.

**Keywords**

balanced scorecard, strategic decision making, paradoxes, tension

## Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Signature: ________________________________

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# Chapter 1: Introduction to Research Problem

## 1.1 The problem and need for the research

Strategic decision making (SDM) in organisations have become increasingly complex due to an increased amount of paradoxes faced by senior decision makers within organisations. This is due to decision makers not being able to merely choose between alternatives, as long-term performance is dependent on the strategy as a whole (Smith, 2014). In order to improve SDM, it is necessary to uncover paradoxes by measuring the holistic effect that a strategic decision may have across various parts of an organisation. Managing these paradoxes have become increasingly challenging for senior management due to decisions that are made needing to maximise strategies simultaneously, despite often having to choose between alternate strategies to allocate resources and guide the organisation (Smith, 2014). In addition, paradox theory highlights the presence of constant tension, resulting from the need for ongoing responses to various competing strategies (T Reza-Ullah & Kock, 2014).

The balanced scorecard (BSC), designed by Kaplan and Norton in 1992, has been used by many companies as a strategic planning, execution and management framework (Hoque, 2014), however, there is limited research on its use to predict the outcome of strategic decisions. This study aims to explore how the four different perspectives of the BSC could predict the outcome of a strategic decision in various areas of an organisation (Drury, 2016). The study aims to further explore how this multi-perspective performance measurement framework could be used to uncover SDM paradoxes to alleviate tension, which contributes to SDM being highly complex.

## 1.2 Relevance of the research problem

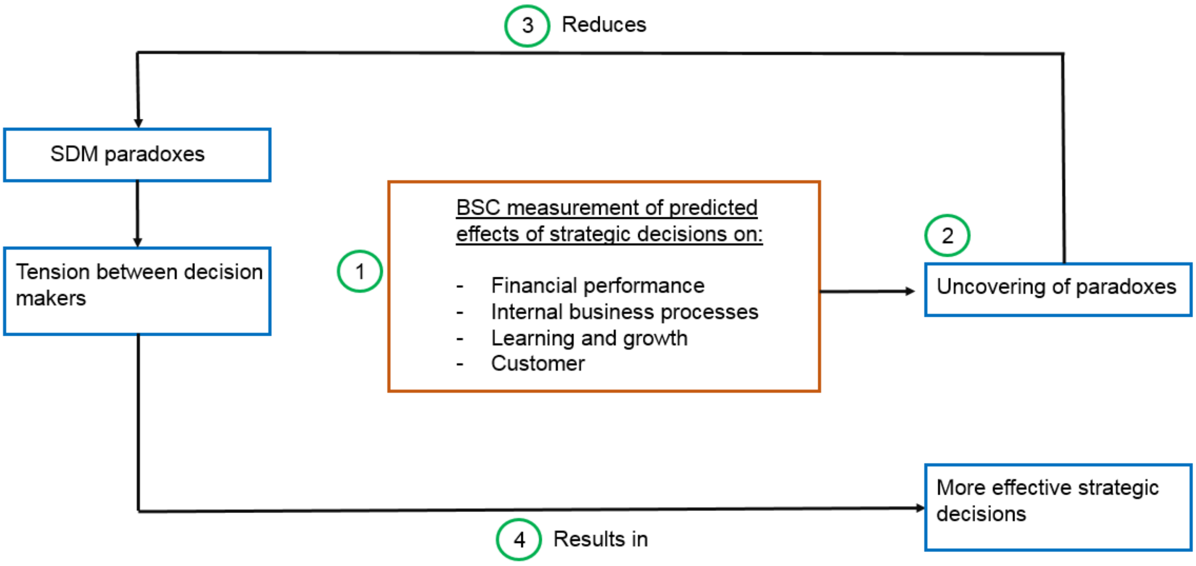
Through the collection of qualitative data, this study attempts to prove if the BSC together with its associated strategy maps, could be used as a predictive SDM framework. If found true, the results of this study could assist companies and their leadership in implementing the BSC in a manner that would improve their overall SDM process, through greater transparency achieved by uncovering paradoxes and through the reduction of related tension. The research further aims to determine if such a measurement framework would result in an increase in synergies, which could be achieved from the integration of competing subsystems within a single decision making process (Lewis & Smith, 2014). The research problem is therefore relevant to organisations as it may help to provide a new prescription for the use of the BSC beyond what it was originally intended for, and in doing so contribute to solving the ongoing challenge of paradoxes and tension, which management and leadership need to deal with throughout the SDM process.

### 1.3 Business need for the study

For the BSC to be successfully used in the implementation of organisational strategy, leaders need to have an unambiguous measurement tool at the time when strategic decisions are being made, with a clear focus on the company's growth as a whole. Having a complete view of the effect that decisions taken has on the different measurement perspectives may assist in uncovering paradoxes and reducing tension when choosing between alternatives. Through an understanding of what the paradoxes in strategic decision making are, it is possible for leaders within an organisation to accept these, resulting in reduced tension and accommodation of alternative views within the different strategic demands (Smith & Lewis, 2011). If found effective, this could result in the alignment of the strategies within a company to the four perspectives of the BSC and an overall improvement of SDM. The study also aims to validate the effectiveness of the BSC as a framework to predict the impact that current strategic decisions would have on an organisation, rather than only reporting the effects of historic decisions.

Due to the BSC's measurements expanding across various areas within an organisation, it may be possible to uncover paradoxes by measuring the holistic effect that a strategic decision may have across these areas. By uncovering paradoxes, there could be reduced tension due to a decrease of the unknown, resulting in more aligned and integrated strategic decisions within organisations. The study aims to use the thought processes found within Figure 1 below to meet the research objectives.

Figure 1: Thought process used to test SDM, with a view of the BSC, paradoxes, and possible resulting tension




1. Understanding the predicted effects that strategic decisions would have on the four BSC perspectives, based on input received from experts within each area.
2. Through the results, analysis will be conducted to determine if the explicit nature of the predicted effects on the four BSC perspectives would result in the uncovering of paradoxes.
3. The study then seeks to understand if the uncovering of paradoxes would reduce SDM paradoxes, and possible resulting tension, which arises between strategic decision makers.
4. Finally, it will be tested if the above process leads to more effective strategic decisions, with synergistic benefits arising between the four perspectives.

In addition to the above, the study aims to produce a detailed understanding of factors which affect the overall SDM process within organisations. Understanding what influences SDM as well as the different SDM styles will provide more context, resulting in a more complete understanding of the SDM processes and how the BSC can be implemented to improve the overall process.

## 1.4 Theoretical need for the study

Prior studies on SDM have not been homogeneous, which has resulted in scholars measuring various dimensions in varying ways, as a result, executives do not have a clear prescription of what to follow (Garbuio, Lovallo, & Sibony, 2015). It is still largely unknown if the BSC can be used as a tool to predict the effect that strategic decisions would have on an organisation. It currently remains unclear if the BSC can be used as a framework to uncover paradoxes and as a result reduce tension in strategic decision making. This study therefore adds to literature through combining SDM, paradoxes, related tension, and the BSC into a single model, which will add a new context to current academic work.

### 1.5 Scope of the research

The scope of the research will be limited to large multi-national corporations or corporations that are wholly owned by large multi-national corporations. This is due to the heightened complexity of SDM processes within large multi-national corporations, due to their large-scale operations and complex structures. For the purposes of this study a multi-national corporation is defined as an organisation that operates in more than one country, and a large corporation is defined as having more than 500 employees within the group.

The scope of the research will be limited to organisations within the private and public sector; this will ensure that the ultimate and overall strategic goal of being profitable is consistent amongst all respondents interviewed. Data will be collected through interviews with managers and leaders, it is essential that all respondents are influential within their organisations and have a direct impact on the making of strategic decisions.

# Chapter 2: Literature Review

## 2.1 Introduction:

The overall purpose of this literature review is to explore relevant and recent literature that pertains to the research problem and purpose. The literature review is split into three parts directed towards gaining a deeper understanding of paradoxes and tension, the BSC, and SDM.

a) Part one of the literature review aims to provide an understanding of what paradox theory and tension is within organisations, extending to contributors and leadership within this context.

b) Part two introduces theory and literature on the BSC, an exploration of the four perspectives, the shortfalls, and the hidden benefits of the framework.

c) Part three focuses on SDM together with contextual variables that may influence the outcome of decisions made. This section continues with the exploration of two key decision making styles, i.e. rationality and intuition, and concludes with a review of how the BSC can and has been used as an SDM tool.

## 2.2 Part 1: Paradox theory and tension

### 2.2.1 What is a paradox in the context of this study?

With the complexities within organisations increasing, leaders are under immense pressure to address “competing strategic demands” simultaneously (Jarzakowski & Sillince, 2007, p.270). Smith (2014, p.58) defines the paradox in dynamic decision making as being “contradictory yet interrelated”, because of the varying effects on organisations’ overarching goals and strategies. This is where the paradox in SDM arises – one cannot merely choose between alternatives, as long-term performance is dependent on the strategy as a whole (Smith, 2014). Paradoxes arise when contradictory but interrelated elements in decision making seem logical when discussed in isolation, however, when considered simultaneously they are seen to be absurd (Lewis, 2000).

Lewis and Smith (2014) highlight that in order for organisations to thrive in our interconnected and developing world they need to exploit and explore, improve both their financial and social performance and meet demands locally as well as globally. Addressing these competing demands requires organisations to have leaders who are “autocratic and democratic”, an organisational culture that allows for flexibility, the encouragement of learning and high performance, as well as thinking that is both forward and backward looking (Lewis & Smith, 2014, p.128). Despite vast amounts of research being available on how organisations can meet conflicting demands and the challenges thereof, a prevalence of paradoxes still exists, which needs to be managed. Addressing these paradoxes have become increasingly challenging for senior management, due to decisions made needing to maximise strategies simultaneously, despite often having to choose between alternate strategies in order to allocate resources and guide the organisation (Smith, 2014). In addition, research has shown that the existence of paradoxes can raise uncertainty and anxiety, which results in defensive responses from decision makers, leading to a detrimental and vicious cycle (Sundaramurthy & Lewis, 2003).

### 2.2.2 Why the increase in paradoxes?

Paradoxes are amplified due to the interplay between highly complex, dynamic and ambiguous systems that arise from industries and firms, to teams and human beings (Katz & Rhan, 1966). Despite various subsystems that exist within a system, the success of the overall system often depends on their interdependencies. This causes paradoxes within the overarching system, which is due to a limited understanding of subsystem interactions and their consequences (Katz & Rhan, 1966; Merton & Barber, 1976).

Organisations are often faced with two distinctive options when making decisions; the first being the effective exploitation of existing products or services, and the second the exploration of new products and services. Lewis and Smith (2014) established that managers use convergent thinking, disciplined implementation, and risk avoidance when exploiting existing products and services, however, when exploring new products and services they tend to use divergent thinking, experimentation, and risk taking. These differences in approaches within decision making result in challenges through their competition for scarce resources (Smith, 2014). The ever-prevalent uncertainty in performance within exploitation and exploration strategies increases the prevalence of paradoxes, which places substantial pressures on senior leadership to make decisions that seek holistic synergies (Smith & Tushman, 2005).

### 2.2.3 Institutional complexity and tension

Paradox theory highlights the presence of constant tension, resulting in the need for ongoing responses to various and competing strategies (Lewis, 2000). This stems from the existence of compounded tension arising from choosing between profitability or purpose, and global integration versus local distinctions (Smets, Jazabkowski, & Buuke, 2015).

Smith and Tracey (2016) describe how organisations address competing demands through three spheres, all of which result in institutional complexity that can be correlated to paradoxes. These institutional complexities contribute towards tension within organisations and are described and elaborated on below:

1. Sources of competing demands – Societal-level expectations have contributed greatly to the existence of competing demands, which are mainly due to complexities that arise by organisations when faced with multiple incompatible logics within demands simultaneously and within the same time period (Smith & Tracey, 2016). These complexities result in an increase in tension due to differences in individual sense making and rationalisation, heightened scarcity due to limited resources resulting in conflict between opposing demands, as well as plurality of multiple stakeholders (Smith & Lewis, 2011).

2. Nature of competing demands – Institutional theory describes that, due to organisations needing to adhere to multiple logics simultaneously, there is an increased risk of pressure (Smith & Tracey, 2016). Studies on institutional theory allow us to identify themes that can be related to institutional complexity, which are by definition incompatibilities which result in contradictory prescriptions for actions, heightening the risk for the formation of conflicting relationships (Greenwood, Raynard, & Kodeih, 2011). Quirke (2013) identified possible approaches to reduce institutional complexities and as a result tension within organisations, these include the need to make trade-offs and in certain situations the need to conform to pressures exerted by others.

3. Challenges and responses to competing demands – Due to increased tension resulting from paradoxes and institutional complexities, there is a need to identify the inherent challenges in order to allow for response formulation. In extreme cases, tension and resulting conflict can lead to organisations faltering, or in some cases their demise, the risk is compounded when there is added external pressure to

choose from a set of incompatible demands (Battilana & Dorado, 2010). Smith (2014) established that hi-tech organisations, which choose to explore new products and services whilst at the same time exploiting current products and services, experienced ongoing conflict and tension among senior management teams due to their varying objectives. The results of prior work have further shown how top management teams which adopt approaches that are aimed at facilitating multiple strategies simultaneously achieved both short-term and long-term improvements, achieved through the creation of distinct structures, roles, rewards, and disclosure of activities (Smith & Tracey, 2016).

There are many causes of organisational tension, with paradoxes and institutional complexity being significant contributors. Acknowledgment of tension within organisations is beneficial as it allows for organisational actors to begin to understand the nature of the tensions, allowing for the pursuit of potential strategies to manage the tensions (Hahn, Jonatan, Preuss, & Frank, 2015).

### 2.2.4 Leadership through paradoxes and tension

Paradoxical tension is prevalent throughout the development of leadership skills, providing leaders with the ability to overcome evolving dilemmas (Lavine, 2014). One of the core dilemmas or challenges that leaders face is the need to project consistency in order to earn trust, as well as the opposing need to be able to adapt to changing circumstances (Lavine, 2014). Leaders need to manage the paradox of holding two opposed ideas whilst having to deal with them as a pair, with the need to consider both without immediately rejecting either, thus resulting in the act of paradoxical leadership (Waldman & Bowen, 2016).

Lavine (2014) argues that leaders need to acknowledge and make use of paradoxes in order to alleviate tension from competing demands. This tension often results in “strong, defensive reactions among organizational leaders”, which can lead to a detrimental outcome (Lavine 2014, p.191; Lewis, 2000). Smith and Lewis (2011, p.394) state that management of paradoxical tensions can help “individuals, groups, and firms to be flexible and resilient”, achieving dynamic decision making. From prior research we see that when understanding and leading through paradoxes, and resulting tension, organisations can in fact produce better results, however, where these paradoxes and tensions are ignored there are potentially detrimental risks.

Paradoxes are increasing and becoming ever more common within organisations, this has resulted in its relevance to leaders increasing (Waldman & Bowen, 2016). Leaders are now faced with an increase in contradictory demands, which frequently turn to being paradoxical (Zhang, Waldman, Han, & Li, 2015). It is necessary for leaders to be able to bring together or integrate these complex and diverse elements, resulting from a number of paradoxes relevant to the organisation and its leaders (Waldman & Bowen, 2016).

### 2.2.5 Nature of leadership through a paradoxical environment

Despite leaders needing to have a strong sense of self, in terms of self-concept and self-efficacy, overdoing these qualities can be taken to the extreme, resulting in destructive and ineffective leadership (Chatterjee & Hambrick, 2007). Recent evidence has suggested that leaders can have a strong sense of self whilst at the same time displaying humility, in order to ensure that the organisation's needs are put first (Waldman & Bowen, 2016). Humility in leadership is an important quality when leading through paradoxes, this is due to leaders needing to "put their strengths into perspective" and admit to their incompleteness, utilising the strength of others within the organisation (Ou, Tsui, Kinicki, Waldman, Xiao & Song, 2014, p.38).

Tension can allow leaders to have a bolder vision, which is necessary for organisations to transform and change within complex and dynamic environments (Galvin, Waldman, & Balthazard, 2010). For leaders to take advantage of the benefits that paradoxes and tension may bring, they need to give up control, whilst at the same time maintaining control. Management can do this by filtering down some of the components that are often handled by senior staff, which include decision making power, information such as company strategy and financials, business knowledge, and provide performance-based rewards and benefits (Bowen & Lawler, 1995). Empowerment is essential in today's dynamic and complex environment, due to the increasing of paradoxes leaders are unable to stay on top of and control the various complex elements that affect their organisations without the help from others (Waldman & Bowen, 2016).

Leaders are faced with the dilemma of making decisions based on the present or to ensure sustainability and growth in the future. Organisations and leaders need to be reactive to demands in the present, whilst at the same time being proactive about the need for broad changes in the future, resulting in a continuity or change paradox (Waldman & Bowen, 2016). Kotter (2012) argues that leaders work in highly bureaucratic hierarchies, which are not well suited to driving longer-term strategic initiatives or change. Davila and Epstein (2014) describe innovation paradoxes as those that arise when leaders pursue the near-term gains, reducing the emphasis of larger break-through innovations that leaders actually want. This reconfirms that leaders are constantly faced with the issue of incremental or exploitative change, with one focusing on the current and the other on the future.

### 2.2.6 The challenges in leading through paradoxes

Waldman and Bowen (2016) identified various leadership challenges that arise when there is a prevalence of paradoxes:

1. Leaders are under pressure to retain control due to them being accountable for the outcome of decisions.

2. Short-term pressure and short-term wins are often dealt with first due to leaders being accountable for short-term results.

3. It is difficult to let go of control whilst still maintaining control, in order to ensure that the best decisions are being made by the people who are most capable to make those decisions. The result is that leaders need to decide in which situations they should maintain control and in which situations they can let go of control.

4. There is difficulty in determining whether to have a centralised or decentralised structure, which can affect the extensiveness of strategic decisions being made.

5. Leading through paradoxes presents a risk of being stuck in the middle, whereby decision making is done through an overuse of consultation and underuse of more traditional decision making styles.

To be a paradoxical leader, there is a need to be able to identify and overcome the above challenges. It is essential for leaders to be able to combine apposing strategies in the pursuit of reaching balanced and innovative decisions (Gabert, Boerner, & Kearney, 2010).

## 2.3 Part 2: Balanced scorecard

### 2.3.1 History and background of the balanced scorecard:

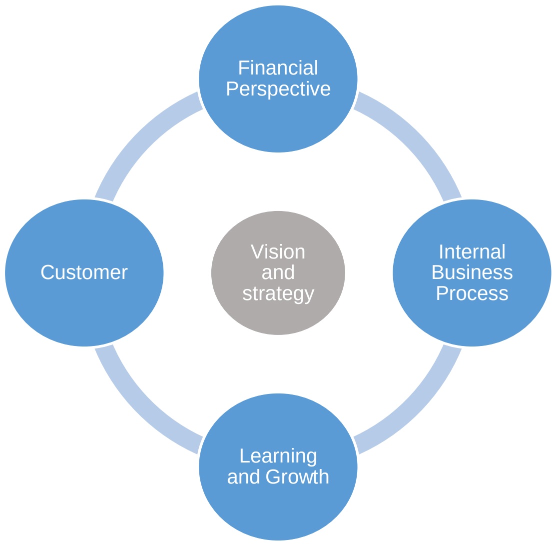
The BSC has been described as one of the most significant management accounting performance measurement frameworks, which is used by a vast number of companies globally (Taylor, 2010). The authors of the BSC, Kaplan and Norton, argue that measuring company performance should be more than just financially focused, and suggested that non-financial measures should also be measured so that organisational performance is more balanced and complete (Drury, 2016). Kaplan and Norton (1996, p.149) state that strategy can be viewed as “a set of hypotheses about causes-and-effects”, thus enabling a scorecard to tell the story of a business unit’s strategy through a “sequence” of “cause-and-effect relationships”. The use of the BSC is therefore aimed at understanding and measuring the different paradigms in an organisations strategy through four different perspectives, as well as the interrelated effects strategic decisions made would have between the perspectives.

Geoffrey, Johnson, and Reckers (2014) relate the BSC to a performance measurement system that can translate an organisations strategic goals into a set of interlinked financial and non-financial objectives. A multidimensional focus, such as that of the BSC, is consistent with the international emergence of strategic management accounting, which has become a major contributor to strategy formation and achievement (Cadez & Guilding, 2008). The BSC provides senior management and leaders with a tool to communicate strategic goals across the organisation, by linking these goals to performance targets and evaluating performance based on those targets (Geoffrey, Johnson, & Reckers, 2014).

### 2.3.2 The four balanced scorecard perspectives

Figure 2 present a graphical illustration of the four BSC perspectives, with each discussed through theory presented by Colin Drury, the author of Europe’s best-selling management accounting text book - *Management Accounting for Business* (Drury, 2016).

Figure 2: Balanced scorecard perspectives adapted from Drury (2016)




### 2.3.3 Financial perspective

The financial perspective is specific to financial performance, with an emphasis on how well the organisation is doing financially. It considers the anticipated and expected financial performance through the achievement of objectives, in relation to the other perspectives. Financial measurements have typically been characterised by three core themes: revenue growth, cost reductions, and asset utilisations. Examples of generic financial objectives and measures are presented in Table 1 below:

Table 1: Financial perspective: objectives and measurements adapted from Drury (2016)

| Objectives: | Measures: |
|---|---|
| Revenue Growth: | |
| - Increase the number of new products | - Percentage of revenue from new products |
| - Develop new customers and markets | - Percentage of revenue from new customers/markets |
| - Change to a more profitable product mix | - Sales growth percentage for targeted segments |
| Cost Reduction: | |
| - Reduce products/services cost per unit | - Percentage reduction in cost per unit |
| - Reduce selling/general admin costs | - Percentage to total revenues of selling and admin costs |
| Asset Utilization: | |
| - Improve asset utilization | - Return on investment and Economic value add |

### 2.3.4 Customer perspective

Identifies the target customers and market segment that the organisation's business units aim to compete within. The customer perspective aims to drive the creation of customer value through the provision of products or services at the right price and quality, in order to increase customer value and retention. Examples of generic customer objectives and measures are presented in Table 2 below:

Table 2: Customer perspective: objectives and measurements adapted from Drury (2016)

| Objectives | Measures |
|---|---|
| Core: | |
| - Increase market share<br>- Increase customer retention<br>- Increase customer acquisition<br>- Increase customer satisfaction<br>- Increase customer profitability | - Percentage of market share<br>- Percentage growth in business from existing customers<br>- Total sales to new customers<br>- Customer survey satisfaction rating<br>- Customer profitability analysis |
| Customer value propositions: | |
| - Improve product functionality<br>- Decrease price relative to competitors<br>- Improve product/service quality<br>- Improve delivery time | - Customer survey product functionality rating scores<br>- Price relative to competitors<br>- Percentage returns from customers<br>- Percentage on-time deliveries |

### 2.3.5 Learning and growth perspective

In order for an organisation to have loyal and satisfied customers, it needs to make "excellent use of its resources, ensuring that their employees continue to develop and evolve through constant learning" (Drury, 2016, p.432). The learning and growth perspective emphasise the need of organisations to create long-term growth and improvements, through investment in their employees and enabling infrastructure such as information technology. To ensure that employees are effective in today's highly competitive environment there is a need to invest in employee development, provide employees with accurate information on their customers, and ensure that employees understand internal process and financial consequences of their decisions. Examples of generic learning and growth objectives, as well as measures are presented in Table 3 below:

Table 3: Learning and growth perspective: objectives and measurements, adapted from Drury (2016)

| Objectives | Measures |
|---|---|
| Innovation: | |
| - Increase number of new products | - Percentage of sales from new products |
| | - New product introductions vs competitors |
| - Develop new markets and customers | - Percentage of sales from new markets |
| - Decrease time to develop new products | - Development cycle time, time-to-market |
| Operations: | |
| - Increase process efficiencies | - Outputs and inputs ratios |
| - Increase process quality | - Total quality costs as a percentage of sales |
| | - Percentage of defective products |
| - Decrease process costs | - Unit cost trends |
| - Decrease process time | - Manufacturing cycle efficiency |
| Post-sales service | |
| - Increase service quality | - Percentage of customer requests handled within a single call |
| - Increase service efficiency | - Output vs Input ratios |
| - Decrease service time | - Cycle time in resolving customer problems |
| - Decrease service costs | - Unit cos trends |

### 2.3.6 Internal process perspective

Requires that organisations identify their critical internal processes, which need to be excelled at to meet strategic objectives. Organisations must identify what their customer needs are within the development of products and services and improve their operations to deliver greater efficiencies and higher quality outputs. It is critical that customers receive the targeted post-sales service to ensure that they are continuously happy with their purchase – this includes: warranty and repair activities, treatment of defects and returns, and the administration of the payment processes. Examples of generic internal process objectives and measures are presented in Table 4 below:

Table 4: Internal process perspective: objectives and measurements, adapted from Drury (2016)

| Objectives | Measures |
|---|---|
| Increase employees' capabilities | |
| | - Employee satisfaction survey ratings<br>- Annual percentage of key staff leaving<br>- Sales revenue per employee |
| Increase information system capabilities | |
| | - Percentage of processes with real-time feedback capabilities<br>- Percentage of customer facing employees with online access to customer and pricing information |
| Increase motivation, empowerment and alignment | |
| | - Number of suggested improvements per employee<br>- Number of suggestions implemented by employee<br>- Percentage of employees with personal goals aligned to the BSC<br>- Percentage of employees who achieve personal goals |

The above discussion and identification of the four perspective objectives and measures are necessary to enable a more complete understanding of the BSC. The central focus of the BSC is vision and strategy, this is because the four BSC perspectives aim to aid the performance evaluation of organisational strategies through predetermined performance measures (Drury, 2016). The objectives and measurements discussed above should be seen as a guidance and are not exhaustive, these should be adapted and implemented in accordance with specific organisational strategies and needs.

### 2.3.7 Shortfalls of the balanced scorecard

Despite the BSC's early success, there have been many criticisms of the framework, which helps to measure performance and drive organisational strategy. Some of the shortfalls in using the BSC derived from literature are:

a) In practical applications, the BSC's measurements appear loosely connected to each other, reducing management's ability to identify which factors should be further developed, and as a result limiting its ability to enhance SDM (Hoque, 2014).

b) There is ambiguity as to the cause-and-effect relationships within the BSC's measurements. It is critical to resolve this misunderstanding or ambiguity, as an understanding and linkage to the different perspectives within the scorecard are fundamental to its successful implementation (Hoque, 2014).

c) There is an absence of a time dimension, which is required to determine if the subject had the ability to increase or influence performance within the given amount of time. It is also difficult to evaluate the cause and effects due to the missing of time linkages (Geoffrey, et al., 2014).

d) The usability of the BSC is weakened due to some non-critical measures being reported and some critical measures not being reported, simply because they did not fall within the four perspectives of the scorecard (Laitinen, 2003).

e) Non-financial performance measures continue to be discounted or ignored by evaluators, with the focus still being on financial performance measures through which senior management's performance is most significantly evaluated (Geoffrey, et al., 2014).

Shortfalls and limitations of the BSC have been extensively researched, which challenges the idea that the framework can be used as a strategic tool. Hoque (2014) highlights that the original authors of the BSC, Kaplan and Norton, together with other notable academics, have constantly evolved the framework, resulting in mass adoption of its principles. As a result, one can infer that there is a great deal of value to be attained by organisations if the BSC is implemented correctly (Hoque, 2014).

### 2.3.8 Hidden benefits of the balanced scorecard

The BSC may have its shortcomings and may not always deliver what it originally intended, however it generates additional effects beyond what its creators had expected (Busco & Quattrone, 2015). Research has shown that the BSC, together with its measurement through key performance indicators (KPI's) and its four perspectives, has improved managers cognitive abilities in assessing performance (Wiersma, 2009). The BSC has also enabled creativity within the creation of new strategic imperatives, as it provides organisations with a more holistic view of its implemented strategies (Busco & Quattrone, 2015). Wiersma (2009) indicated that the multidimensional usage and perspectives of the BSC have played a positive role in helping the rational decision making and coordination process, which may indicate the potential of the tool to not only measure results of past decisions, but to also help drive SDM going forward.

These benefits are likely due to the constantly changing rationales and continuous evolution in research of its uses, allowing for the performance measurement tool to evolve into a framework that can be applied to enhance the abilities of managers and strategic implementations (Qu & Cooper, 2011). The evolution of the BSC has resulted in its ability to become a tool that can provide strategic vision, an instrument to generate organisational action, and the adaptability to be tailored to meet organisational goals and user needs (Busco & Quattrone, 2015).

## 2.4 Part 3: Strategic decision making within the context of this study

### 2.4.1 What is strategic decision making?

SDM has been described as "non-routine, uncertain and pervasive", with decisions generally cutting across organisational functions, requiring significant financial outlays and having a profound long-term implication for the organisation (Shepherd & Rudd, 2014, p.340). Strategic decisions are likely to be effective if they involve extensive analysis, occasional complex analytical techniques, availability of information, and knowledge of constraints (Garbuio, et al., 2015). Goll and Rasheed (2005) describe the SDM process as being a set of different characteristics such as rational, comprehensive, and political sequence of activities, which involve the collection of information from which alternatives can be developed and chosen.

Despite there being uncertainty as to how strategic decisions ultimately affect an organisation, research conducted by Shepherd and Rudd (2014) identified specific strategic decision making characteristics that have an impact on the SDM process, as well as the outcome of these strategic decisions:

1. Matter – Defined as being the complexity and politics inherent within a strategic decision being made, these have a direct impact on the SDM process and outcomes (Shepherd & Rudd, 2014).

2. Uncertainty – An increased level of uncertainty results in diminished levels of rationality and promotes higher levels of flexibility, politicisation, and problem solving (Papadakis, Lioukas, & Chambers, 1998).

3. Motive – The motive behind a strategic decision, characterised by the need originating from an opportunity or a threat, often results in the manner in which organisations form their SDM response (Shepherd & Rudd, 2014). Papadakis et al. (1998) further explain that where a strategic decision is made in response to a threat, there is an increase in hierarchical decentralisation as an increased level of middle management becomes involved.

4. Importance – Increased levels of importance of a strategic decision result in pervasive implications for both the organisation and its operations, leading to SDM processes making use of increased levels of financial information, multiple levels of management, as well as cross-functional communication (Papadakis, et al., 1998).

5. Time pressure – The level of time pressure within a decision results in an increased level of problem-solving dissension, a reduction in hierarchical decentralisation, and restricted levels of communication (Shepherd & Rudd, 2014; Papadakis, et al., 1998).

The abovementioned characteristics are formed because of directly related factors, which may change depending on the form of strategic decision. Other influences that should be considered within SDM are:

1. The external environment – The current state of the environment has a direct impact on how strategic decisions within organisations are made. Prior literature highlights that two specific types of environments have a significant effect on the SDM process:

    a. Hostile environments which are threatening and dangerous, decision makers are less likely to gather new information and are less receptive to receiving new information (Shepherd & Rudd, 2014).

    b. Dynamic environments arise when there is a high level of unpredictability, unstable rates of change, and high levels of uncertainty – resulting in inaccuracy, unavailability, and obsolesce of information (Mitchell, Shepherd, & Sharfman, 2011).

2. Firm characteristics have also been highlighted as key influencers of SDM, the key characteristics being (Shepherd & Rudd, 2014):

    a) Power centralisation – Directly results from the distribution of SDM authority within an organisation, and failure to adequately distribute power which may lead to the formation of coalitions and pursuit of individual agendas, which may become detrimental to strategic decision making (Shepherd & Rudd, 2014).

    b) Structure – Organisations that exhibit fewer rules and operating procedures have increased levels of participation from a more diverse group of stakeholders within their SDM process (Ashmos, Duchon, & McDaniel, 1998).

    c) Size – The size of the organisation is often determined based on the number of permanent employees. Larger organisations generally have a more comprehensive SDM process (Papadakis, et al., 1998).

    d) Performance – Papadakis et al. (1998) found that the level of performance and nature of performance have an impact on SDM, organisations that have high return on assets tend to have a more comprehensive, centralised and financially focused SDM process, whereas organisations that have high levels of growth tend to have a more decentralised SDM process as there are often resources available to invest. Organisations that are not performing well tend to have a more rational and cautious SDM process due to the potential destructive effect of an incorrect strategic decision (Elbanna & Child, 2007).

In addition to the above, top management has the responsibility of setting the overall direction of the organisation and often has the final say on strategic decisions being made. It has been identified that educational level, cognitive style, demographic diversity, and risk propensity play a significant role in how top management makes decisions (Shepherd & Rudd, 2014).

Strategic decisions are only effective to the extent that they meet desired outcomes at the time that they have been made, therefore, an understanding of factors that may affect the outcome needs to be undertaken. Making the correct choice throughout SDM is vital as it ultimately contributes to organisational success or failure. It is concerning that the effects of strategic decision making on organisations remains unclear, due to the success of individual strategic decisions being troublesome to identify and measure (Shepherd & Rudd, 2014).

The above highlights the complexities that exist within SDM, organisations need to consider a variety of factors both within their control and outside of their control. The literature review highlights that strategic decision makers need to identify the landscape in which they operate in order to implement an affective SDM process, taking into account the various influences that may impact the overall success of the decision.

### 2.4.2 Rationality and intuition in strategic decision making

Cabantous and Goud (2011) regarded SDM as being a rational process that is analytical, linear and follows a step-by-step process. Rational decision making is therefore rule based and includes the identification and formulation of a problem, through the assessment of information derived from the evaluation of different alternatives together with the associated cost of those alternatives, before ultimately choosing a logical choice based on that deliberation (Calabretta, Gemser, & Wijnberg, 2017).

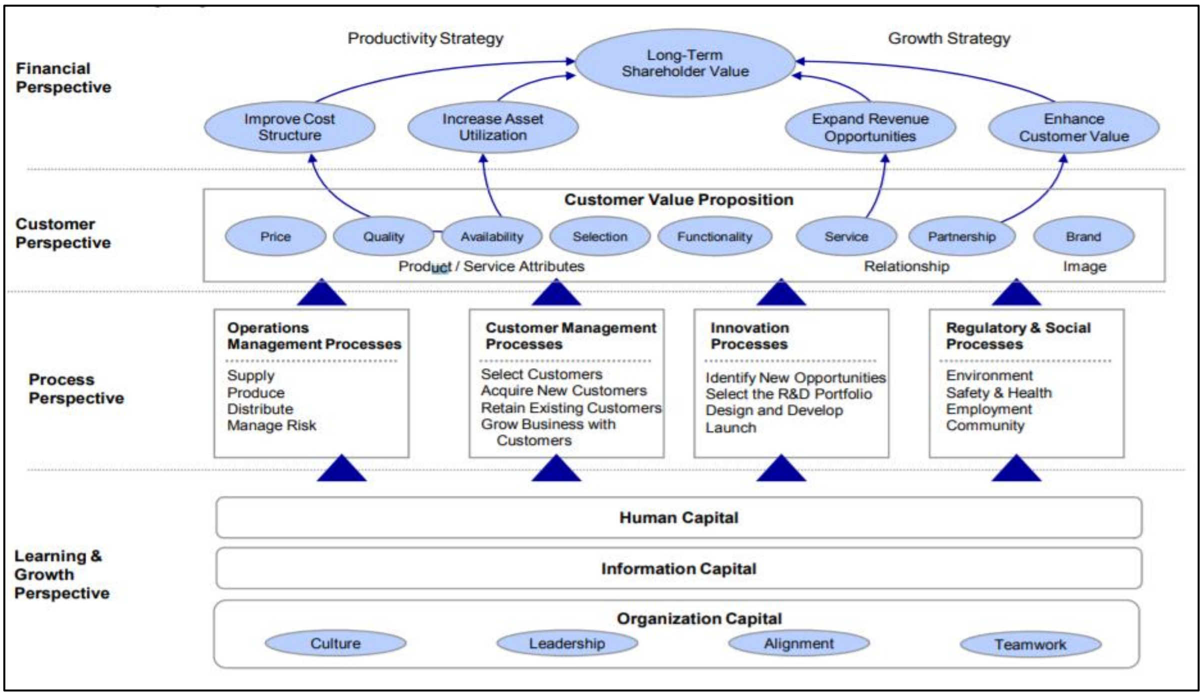
Intuition is commonly conceptualised as being a “rapid, non-conscience recognition of patterns and associations to derive effectively charged judgements” (Calabretta, et al., 2017, p.366). SDM by means of intuition helps to overcome uncertainties and stimulates creative cognitions, which is essential in the generation and exploration of solutions to problems (Calabretta, et al., 2017). Intuitive decision making also results in a feeling of certitude and the perception that the decision made will be correct despite the absence of rationality, however it has been argued that the absence of rationality is reduced through experience and a solid understanding of the underlying problem on which the decision is based (Calabretta, et al., 2017).

In order to solve tension, rational decision makers often reject ideas from intuitive decision makers based on the shortcomings of intuition, and as a result disregard any benefit that can be achieved (Calabretta, et al., 2017). The effect is that further tension develops due to the rejection of one idea in favour of another without proper care, which is contradictory in being a paradoxical leader and will result in decisions made being suboptimal (Smith & Lewis, 2011). Rational and intuition related tension is a contributor to organisational paradoxes, such as the tension that results between financial and non-financial goals (paradox of performing) and creativity versus efficiency (paradox of organising) (Jarzakowski & Sillince, 2007; Lewis, 2000). There is a vast difference between rational and intuitive decision making styles, however, organisations need to recognise that both styles are valuable in SDM despite their fundamental differences. Leaders need to ensure that underlying tensions are managed and not just eliminated, this can be achieved through finding complementary solutions which would drive synergistic benefit from the tension between the various strategic decision makers and their proposed ideas.

### 2.4.3 Strategic decision making using the balanced scorecard

One of the key aims of the BSC and management accounting in general is to help to inform decision makers so that they are able to make more effective decisions (Humphreys, Gary, & Trotman, 2016). Kaplan (2009) introduced the strategy map to the BSC in order to evolve the framework into one which can help to drive strategic decision making. The strategy map includes performance measures and linkages between strategic goals that fall within the four BSC perspectives (Figure 3). The aim of the strategy map was to assist managers with the development of their strategies and allow for transparency between different linkages such as intangible assets, critical processes, customers, financial perspectives, and the overall value proposition of the organisation (Kaplan 2009). Furthermore, the aim of strategy maps was to allow managers to translate their strategies into a set of performance measures which could be used to facilitate decision making (Humphreys, et al., 2016).

Figure 3: Strategy map with imbedded linkages (Kaplan, 2009)




Time delays between when decision have been made and when their associated effects on the business can be measured, causes uncertainty in decision making and is one of the limitations of the BSC and strategy maps (Humphreys, et al., 2016). Due to the ever-changing modern-day environment in which organisations operate, they need to have the ability to react quickly, SDM therefore requires that information on linkages and performance measures be available with limited delay. Time delays slow down decision maker's ability to accumulate experience in managing the business, test hypotheses about the business environment, and improve performance (Kaplan, 2009).

It has been argued that strategy maps provide organisations with a valuable starting point in strategic learning and SDM. Through the incorporation of more complex features such as time delays, the BSC and its strategy map may prove beneficial in guiding an organisation's long-term strategy, and its related decision making processes (Kaplan, 2009).

## 2.5 Summary of literature review

From literature, it is clear that a large contributor to tension within organisations originates from the existence of paradoxes and complexities within SDM. These vary in nature depending on the situation and are likely because of organisational structures, which may add complexities, the increasing varying demands within the high-paced environment that organisations compete in, as well as social constructs through which individuals originate (Smith & Tracey, 2016). Paradoxes in SDM contribute to this tension, which frequently emerges between subsystems that have different and changing goals, expectations, as well as functions (Lewis & Smith, 2014).

The literature review has highlighted a number of key characteristics that affect the outcome of strategic decisions, these should be considered when trying to predict the success of a decision at the time it is being made. There is a clear difference in approach to SDM between being rational and being intuitive (Calabretta,et al., 2017), further research on how these two approaches can be combined using the BSC may result in synergistic benefits due to the potential ability for the four measurement perspectives to be designed in a manner which accommodates both styles.

The BSC has been a central theme to the literature review, with history and background forming a foundation. An overall understanding of the BSC perspectives and its measurement criteria has been undertaken to provide substance on how strategic decisions can be measured using the framework. It has been noted that there are various shortfalls of the BSC as a framework, these provide areas of improvement that can be achieved through additional research. Traditional benefits and uncovered hidden benefits provide a basis of value that can be achieved using the BSC, which this study aims to expand on.

## Chapter 3: Research questions

The research questions have been formulated to provide a deeper understanding of the challenges within SDM, the prevalence of paradoxes and resulting tensions, as well as the effectiveness of the BSC as a predictive SDM framework. The reviewed literature has been used in the formulation of three individual Research Questions.

### 3.1 Research Questions and their individual objectives

**Research Question 1 (RQ1):** What are the main styles and drivers of SDM within organisations and how are these linked to the overall organisational goals?

- The first research question aims to uncover the main drivers and SDM styles that strategic decision makers face within their SDM processes. A greater understanding of what the current SDM process is, as well as the influences that affect this process will be acquired and analysed. Research Question 1 aims to identify how organisations measure strategic decisions made, and if these decisions have imbedded linkages between different organisational goals.

**Research Question 2 (RQ2):** What impact would the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, have on the overall process?

- Research Question 2 focuses on how the prevalence of paradoxes and tension affect the SDM processes. An understanding of the extent to which paradoxes and tension exist as well as an exploration of the main contributors within SDM will be conducted. Further data will be collected to understand how the uncovering and measurement of these paradoxes and tension would assist in the SDM process.

**Research Question 3 (RQ3):** With a focus on the uncovering of paradoxes and resulting tension, how effective would the BSC be as a predictive framework within SDM?

- Research Question 3 aims to uncover the usefulness of the BSC in its traditional state. The question also aims to determine if the BSC could be used to uncover SDM paradoxes and the possible resulting tension. Making use of the BSC as a predictive framework to uncover these paradoxes and resulting tension, together with the effect that this would have on the overall SDM process will then be studied.

## 3.2 Overall objective of the research questions

Through answering the above three Research Questions, the aim is to identify if the BSC could operate as a predictive framework to uncover paradoxes and possible resulting tension at the time that strategic decisions are being made. A further aim is to determine if this would improve the overall SDM process, and if this would result in synergistic benefits between different organisational goals. In addition, the research aims to form an understanding of the key influences within the SDM process, together with possible steps to improve the overall process - with a focus on SDM paradoxes and tension.

# Chapter 4: Research methodology

## 4.1 Introduction

The purpose of this chapter is to elaborate on the chosen research methodology that was felt to be best suited to achieve the desired outcome of the Research Questions and overall study. The Research Questions presented in Chapter 3, which were derived from the literature review, formed the basis for the determination of the research methodology chosen. This chapter discusses the population, sampling method and size, unit of analysis, data collection techniques, measurement instrument used, and finally the resulting limitations. The research adopted is classified as qualitative and exploratory in nature.

## 4.2 Research methodology and design

The research philosophy adopted was interpretivist, this is due to this philosophy allowing for the understanding between different humans and their roles as social actors (Saunders & Lewis, 2012). The interpretivist philosophy allowed a deep understanding of senior employees who are involved in SDM (being social actors), and how their behaviour changes due to an increased tension arising from paradoxes in SDM. Understanding the behaviour of social actors and the resulting changes in behaviour when adding the BSC has provided rich data to analyse.

The research approach chosen was deductive in nature, this approach was most suitable as it allowed for the testing of theoretical propositions through the design of a research strategy that helped to answer the key Research Questions (Saunders & Lewis, 2012). Inductive research has not been chosen due to the overall research problem and theoretical frameworks being predefined.

Methodologies considered for this research included mono and multiple (multi/mixed) methods. Due to data collection being done through in-depth interviews with qualitative data analysis procedures, a mono method was selected (Saunders, Lewis, & Thornhill, 2009). A mono method is most appropriate as it allows one to focus on the rich themes from the interview data, leading to the results and conclusion of the study.

An explorative research design allowed for the BSC to be viewed in a new light, based on new insights, through questions asked in relation to the framework being used as a predictor for SDM. Explorative research is well suited for qualitative studies involving in-depth interviews with experts on the subject matter being studied, and is therefore also well suited to the deductive and qualitative nature that was adopted in this study (Saunders & Lewis, 2012).

In order for the research strategy to be appropriated, it was required to be suitable in answering the aforementioned Research Questions, meeting the research objective of concluding if the BSC is a suitable framework to address issues relating to SDM and its inherent tension (Saunders & Lewis, 2012). A case study is a research strategy that can provide rich detail of the context relating to the Research Questions, this strategy is also well suited to the qualitative and explorative nature chosen through the undertaking of investigations into real-life contexts based on multiple sources of evidence (Saunders & Lewis, 2012).

The time horizon used for the research is cross-sectional and the aim was to understand how paradoxes in SDM could be reduced through using the BSC as a predictive framework at the point in time when the study was being conducted. A longitudinal time horizon was not chosen as the aim of the research was to answer the Research Questions and draw conclusions that are most relevant at the time that the research was conducted. Cross-sectional time horizons are also suitable where interviews over a short period of time are to be used for data collection (Saunders, et al., 2009).

The aim of the research was to gain an in-depth understanding of the overarching Research Questions and to achieve this, interviews had to be conducted. A semi-structured interview process was considered to be the most appropriate, as this technique allowed for some flexibility on the questions being covered based on relevancy, and also allowed for the possibility to probe and add new questions that facilitated richer discussion (Saunders & Lewis, 2012).

## 4.3 Unit of analysis

The unit of analysis for this research was individuals who are involved in SDM within their organisations, operating in private or public sectors. The individuals were limited to senior employees, due to their overall impact in SDM being greater than that of more junior employees. It was also assumed that senior employees are more likely to have a greater understanding of the overall activities of their organisation, which allowed for questioning of how the four BSC perspectives could be used to reduce paradoxes in SDM and its resulting tension (Lewis, 2000). Data was collected from 13 participants, of which 6 had been at the level of manager or senior manager and the remainder at the level of head of department or executive.

### 4.4 Population

The population was limited to senior staff who are involved in SDM that directly affects an organisation's strategy within the private and public sectors. These two sectors were chosen in isolation due to the differing strategic directions that companies within other sectors may have. The population was not confined to a single industry as the BSC and findings on SDM paradoxes and possible resulting tension can be applied generically, which leads to the population being heterogeneous. The population was, however, limited to organisations in isolation or that are part of a group, which operate in more than one country and with an employee base of more than 500 people - this is due to the expected heightening of complexities throughout the SDM process.

The use of the BSC in its traditional state of being a measurement framework was not a prerequisite in selecting the population as the questions were designed in order to gain an understanding of whether the BSC would be effective based on its underlying principles (the framework had been briefly explained to participants). The population was however split between decision makers who currently make use of the BSC and those who do not, this allowed for the determination of whether a correlation exists between the use of the framework and the results of the research. It was essential to ensure that the population covered senior strategic decision makers and leaders whose activities stretch across all four perspectives of the BSC, lowering the risk of biases and providing greater confidence in the validity and reliability of the outcome of the research as well as its relevance to the complete group of members within the population (Saunders & Lewis, 2012).

### 4.5 Sampling method and size

Due to the impracticality of collecting data from all members within the population, it is essential that the sampling method chosen will provide a fair representation of the population as a whole. It is also unpractical and possibly impossible to acquire a list of all senior employees who are involved in SDM within the given timeframe of this research, which leads to the sampling technique being non-probability sampling, as this technique does not require a complete list of the members within the population (Saunders & Lewis, 2012). Non-probability sampling techniques are best used for qualitative studies, as there is no need to analyse data statistically, which suits the research methodology chosen for this study (Saunders & Lewis, 2012).

The non-probability sampling technique chosen was two-layered and includes quota sampling as well as pervasive sampling. Quota sampling was chosen to ensure that the interviewees represent different areas within an organisation that are affected when strategic decisions are being made, which can be linked back to the four main perspectives of the BSC, which are finance (financial), human resources (learning and growth), operations (internal processes) and sales (customer perspective). As a second step, the pervasive sampling technique was used to apply judgement in selecting individuals from the quota sample based on who is most suited to provide data that can be used to answer the Research Questions (Saunders, et al., 2009). Given that the focus of this study is fairly narrow, a sample size of 13 participants was selected. This provided enough data to understand commonalities and identify themes in responses and therefore reach saturation (Guest, Bunce, & Johnson, 2006). The 13 members of the sample who were interviewed consisted of managers, heads of department, and executives from six different industries - with the average interview time being 30 minutes (Table 5 and Table 6).

Table 5: Sample of participants interviewed

| Participant number | Position | Industry | Large multinational organisation? | Involved in SDM? |
|---|---|---|---|---|
| 1 (Piot) | Principle Engineer | Heavy Engineering | Yes | Yes |
| 2 | Regional Business Manager | Pharmaceuticals | Yes | Yes |
| 3 | Finance Executive | Retail | Yes | Yes |
| 4 | Business Unit Manager | Financial Services | Yes | Yes |
| 5 | Mobile Division Manager | Retail | Yes | Yes |
| 6 | Head of Digital Transformation | Financial Services | Yes | Yes |
| 7 | Risk and Sustainability Executive | Automotive | Yes | Yes |
| 8 | Head of Regional Centre | Automotive | Yes | Yes |
| 9 | Senior Manager | Audit and Assurance | Yes | Yes |
| 10 | Finance Manager Operations & Compliance | FMCG | Yes | Yes |
| 11 | Senior HR Manager | Audit and Assurance | Yes | Yes |
| 12 | Head of Division | Automotive | Yes | Yes |
| 13 | Head of Product Development & Marketing | Financial Services | Yes | Yes |

Table 6: Participant use of the BSC and mapped area of focus

| Participant number | Position | Currently uses BSC? | BSC focus area |
|---|---|---|---|
| 1 (Piot) | Principle Engineer | Yes | Internal process |
| 2 | Regional Business Manager | Similar | Customer |
| 3 | Finance Executive | No | Financial |
| 4 | Business Unit Manager | No | Internal process & customer |
| 5 | Mobile Division Manager | No | Customer |
| 6 | Head of Digital Transformation | Yes | Internal process |
| 7 | Risk and Sustainability Executive | Similar | Financial |
| 8 | Head of Regional Centre | Yes | Customer |
| 9 | Senior Manager | Similar | Customer |
| 10 | Finance Manager Operations & Compliance | No | Financial |
| 11 | Senior HR Manager | Similar | Learning & growth |
| 12 | Head of Division | Yes | Internal process |
| 13 | Head of Product Development & Marketing | Yes | Customer |

## 4.6 Measurement instrument

The measurement instrument is in the form of semi-structured interviews that have all been conducted face-to-face. Questions focused on the current challenges that strategic decision makers face as well as how the existence of paradoxes contribute to tension and its effect on the SDM process. Questions structured around the BSC as a predictor for SDM were then asked in order to collect data that can be used to identify relationships between paradoxes in SDM, tension and the use of the BSC, to improve the overall SDM process within an organisation.

Golafshani (2003) states that validity and reliability have changed to now encompass trustworthiness, rigour, and quality within the qualitative research paradigm. It was therefore essential that the measurement instruments were constructed to ensure that the removal of biases and use of triangulation was achieved, to ensure that the research remains valid and reliable (Golafshani, 2003). Interview questions and analysis were therefore constructed using theory and qualitative research methodology guidelines. This was to ensure that the research outcome follows a process that has been proven to achieve an acceptable level of reliability and validity.

## 4.7 Data gathering process

The research method used was qualitative in nature and primary data was collected by means of semi-structured interviews. A predetermined list of questions was created and can be seen in Appendices 1. The order in which the questions were answered may, however, vary depending on the responses from the interviewees (Saunders & Lewis, 2012). The interview questions were not limited to those on the predetermined list and additional questions were added impromptu, so as to ensure that an open dialogue was achieved (Zikmund, Babin, Carr, & Griffin, 2013). All questions were covered in order to analyse and uncover themes in responses, without compromising the validity and reliability of the study. Pre-qualifying questions were asked to ensure that the participants meet the population requirements, such as what the participants level of seniority within the organisation, whether their organisation or group of companies was seen to be large and a multinational, and if the participants were involved in the SDM processes within their organisation.

Prior to the commencement of the interviews a pilot interview was conducted and used within this study, this was to ensure that the questions being asked deliver data that is relevant to answer the Research Questions. The pilot interview was necessary to ensure that the questions will be understood by the participants and where not leading, this is to ensure validity and reliability of responses (Saunders & Lewis, 2012). All interviews had been face-to-face interviews and in the form of a discussion with participants to reduce the risk of non-responses to certain questions, the interview dates and durations can be seen in Table 7 below. With the participants consent, data was collected in the form of voice recordings and were transcribed by a third party prior to being analysed, in order to provide a written account of questions and answers occurring in the interviews (Saunders, et al., 2009).

Table 7: Interview date and duration

| Participant Number | Position | Interview Date | Interview Duration (Minutes) |
|---|---|---|---|
| 1 (Piot) | Principle Engineer | 22/07/2018 | 19 |
| 2 | Regional Business Manager | 27/07/2018 | 19 |
| 3 | Finance Executive | 06/08/2018 | 18 |
| 4 | Business Unit Manager | 15/08/2018 | 31 |
| 5 | Mobile Division Manager | 19/08/2018 | 31 |
| 6 | Head of Digital Transformation | 21/08/2018 | 40 |
| 7 | Risk and Sustainability Executive | 22/08/2018 | 32 |
| 8 | Head of Regional Centre | 23/08/2018 | 45 |
| 9 | Senior Manager | 26/08/2018 | 23 |
| 10 | Finance Manager Operations & Compliance | 26/08/2018 | 35 |
| 11 | Senior HR Manager | 26/08/2018 | 25 |
| 12 | Head of Division | 27/08/2018 | 36 |
| 13 | Head of Product Development & Marketing | 27/08/2018 | 20 |
| Average Duration | | | 30 |

The semi-structured interview guideline followed a three-part process, which was formulated based on the section of data that had to be acquired. Each section consisted of five formal interview questions, forming a guideline for the interviewer. Each interview question was subsequently mapped to the Research Questions described in Chapter 3. This was to ensure that data collected would be relevant and that there was consistency between the literature review, Research Questions, and interview questions. Table 8 below illustrates the three-part guideline and corresponding sections, the allocated questions, and their alignment to each of the Research Questions:

Table 8: Mapping of interview schedule to research questions

| Interview parts: | Sections covered in interviews: | Interview questions: | Link to research question: |
|---|---|---|---|
| Part A | What are the key challenges affecting strategic design making? | 1) Can you briefly explain your current process which is followed in SDM?<br>2) What are the key influences to strategic decision being made within your organisation?<br>3) Do those involved in SDM have different approach, such as being rational or being intuitive?<br>4) How do you measure the outcome of strategic decision which have been made in the past?<br>5) Does your organisation currently make use of a strategy map which has imbedded linkages between different organisational goals, does this or would this add value to the current SDM process? | **RQ1:** What are the main styles and drivers of strategic decision making within organisation and how are these linked to the overall organisational goals? |
| Part B | How does the prevalence of paradoxes and its resulting tension affect Strategic Decision Making? | 6) Do you experience a prevalence of paradoxes throughout the SDM process?<br>7) If yes, what are the main contributors to these paradoxes and how do they affect SDM within your organisation?<br>8) Do paradoxes within SDM contribute to tension, can you provide examples of how they do or why they do don't contribute to tension?<br>9) How do you address these paradoxes and the resulting tension within your organisations SDM process?<br>10) Do you believe that, if uncovered and measurable, paradoxes and tension could improve the SDM process within your organisation | **RQ2:** What impact would the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, have on the overall process? |
| Part C | How effective would the BSC be as a framework to improve decision making through the uncovering of paradoxes and possible reduction in tension? | 11) Do you believe that the BSC is a useful framework within its traditional state of being a performance measurement tool that considers financial and non-financial measures?<br>12) Do you currently use the BSC within your SDM process, if yes do you use it to measure results or predict outcomes?<br>13) The BSC has four perspectives, financial, customer, learning and growth, and internal processes, if we could measure the outcomes of a strategic decision on all four perspectives at the time they are made could it result in the uncovering of paradoxes within SDM?<br>14) If you were able to see the measurements of the balanced scorecard at the time of making strategic decision would it result in more effective decisions?<br>15) In your opinion do you believe that synergies between different departments within your organisation can be achieved through the use of the BSC as a predictive SDM framework? | **RQ3:** With a focus on the uncovering of paradoxes and resulting tension, how effective would the BSC be as a predictive framework within SDM? |

## 4.8 Data analysis process

Saunders and Lewis (2012) highlight that computer-aided qualitative data analysis software (CAQDAS) can be used to analyse qualitative data such as that generated by this study, the chosen analysis software was ATLAS.ti. Data retrieved from the in-depth interviews was transcribed and consistently prepared in a format that ATLAS.ti could read prior to being uploaded into the software (Saunders & Lewis, 2012).

Thematic analysis is a method for “identifying, analysing and reporting patterns (themes) within data” (Braun & Clarke, 2006, p.6). Thematic analysis is highly regarded for qualitative studies due to its flexibility and ability to identify themes through a six-phase process, which can be seen in Table 9 below (Braun & Clarke, 2006):

Table 9: Phases of thematic analysis (Braun & Clarke, 2006)

| Phases | Description of phases in relation to the study |
|---|---|
| Phase 1: Familiarising yourself with your data | Involved the immersion into the transcribed data, through this process a familiarisation of the data and insight into its meanings as well as patters had been achieved. A list of initial ideas together with thoughts on what was interesting about the data was subsequently completed. |
| Phase 2: Generating initial codes | Codes had been generated based on what appeared to be most interesting and most common within the raw data gathered. |
| Phase 3: Searching for themes | Themes had been identified through the sorting of identified codes and grouped them into a "broader level of themes", together with the relevant data relating to the themes. |
| Phase 4: Reviewing themes | Involved two levels of review with the use of a thematic map:<br><br>1. Review at the level of the coded data extracts<br>2. Review of the validity of individual themes in relation to the data set |
| Phase 5: Defining and naming themes | An analysis to gain a deeper understanding of each theme identified in phase 4, together with its correlation to the data, had been performed. Further analysis of the themes was concluded to identify and understand the "story" that s told about the data. |
| Phase 6: producing the report | Involved the final analysis and write-up of the research report through the use of the final themes generated. The final report included evidence extracted from the data to ensure the validity of the themes and analysis in relation to the research questions and literature review. |

Through the process described in Table 9, codes were developed and grouped to highlight different categories of data that relate to the Research Questions and purpose (Appendix 3)

(Braun & Clarke, 2006). The codes where then sorted into a logical list and grouped together to form different themes, which were counted and ranked according to relevancy. Where there was a large number of common themes between participants, these had a greater weighting in concluding the research, based on their higher degree of validity and reliability over the population. The themes where then analysed and used to produce a report of the results based on the data collected (Zikmund, et al., 2013). It was important to analyse the data independent of the Research Questions, this was done to remove unwanted biases of all involved. Conclusions on how the prevalence of paradoxes and possible resulting tension affected SDM, and the use of BSC to help reduce these to improve SDM, were drawn through the analysis approach.

### 4.9 Limitations

The research was conducted within South Africa and therefore the research outcomes may be limited to South Africa, and may not be universally relevant. The population selected for this research is confined to management-level employees involved in SDM within the private and public sector. This may limit the usability of the research through the exclusion of lower-level employees and other sectors that may have a high level of exposure to the research objective.

Zikmund et al. (2013) highlight the likelihood of the existence of biases when using qualitative research due to possible biases that all involved may have, efforts had been made to ensure that the validity and reliability of the study is not compromised (Saunders & Lewis, 2012) . A sample size of 13 interview respondents may increase the risk of bias and may lead to concerns that theoretical saturation has truly been reached (Creswell, 2007).

It is possible that strategic decisions are being made that do not fit into one of the four BSC perspectives, this may limit the outcomes of this study to strategic decisions that only relate to the BSC perspectives. The use of quota sampling results in the interview participants being selected within roles that suit the BSC perspectives, which may limit the universal usability of the study for areas other than the four perspectives discussed in this research.

A further limitation is that of time, the research had been conducted as an MBA thesis and therefore the time allocation for the study was limited to roughly six months. The allocated time may have limited the ability to go into greater levels of depth, which can be seen in other research papers, which take a significantly longer period to complete. A lack of extensive experience within academic research, as well as limited resources, may have limited the study to a degree.

# Chapter 5: Results

## 5.1 Introduction to results

This chapter discusses the second stage of the research, namely that of the data collected using face-to-face narrative-style interviews. A total of 13 face-to-face narrative-style interviews were conducted with various industry professionals. The interview matrix was created prior to conducting the interviews and indicates the linkage between objectives constructed from literature, the Research Questions and the interview questions (Table 26). The objectives were constructed to understand how the BSC can be used as a tool to uncover paradoxes and reduce tension in SDM.

The mapping of the interview questions to the Research Questions as presented within the interview matrix found within Table 8 and Appendix 1 was as follows:

- Research Question 1: Interview questions 1-5 aimed to determine the main styles and drivers of SDM and how these are linked to the overall organisational goals.
- Research Question 2: Interview question 5-10 aimed to determine the impact of uncovering and measuring paradoxes and tension, at the time of making strategic decisions, would have on the overall process.
- Research Question 3: Interview question 11-15 aimed to gain an understanding of the effectiveness in using the BSC be as a predictive framework within SDM.

## 5.2. Findings from the interviews

The interview questions presented qualitative data which was analysed by using a content and frequency analysis, a technique wherein common themes in the data are identified and grouped together into constructs. The constructs serve as a taxonomy, which was then used to analyse the frequency of certain themes that are reoccurring throughout the data, frequency values have been tabulated further down in this chapter. Themes were ranked from highest to lowest in each table, which provided an idea of the perceived importance that respondents attributed to specific constructs or themes. The content analysis was performed utilising an Excel spreadsheet, where a summary of all the interview data was be captured.

All data from the interviews had been captured next to one another and common themes were identified in the data. These common themes were derived with the literature in mind, but in some cases directly from the data itself, as no direct relation to specific literature could be identified for some newly observed constructs.

## 5.3 Results for Research Question 1

RQ1: What are the main styles and drivers of strategic decision making within your organisation and how are these linked to the overall organisational goals?

Research Question 1 aims to gain an understanding of what the main styles of SDM within organisations are, and aims to determine if organisations currently considerer the linkages that SDM has within the overall organisational goals. Understanding the different styles and linkages has provided an in-depth view of what drives SDM and how these decisions are transferred to other goals that should be considered.

The following rank-ordered tables demonstrate the main constructs, after some related constructs were collapsed and aggregated to remove theme overlapping and to reduce the complexity of the tables. To gain insight into the main Research Question, sub-questions were used to help lead to more conclusive answers.

### 5.3.1 Factors influencing strategic decision making

In attempting to answer RQ1, the respondents were probed to suggest and elaborate key factors that influence the SDM process within their organisations. Responses varied, the main constructs identified are shown in Table 10.

Table 10: Frequency table of factors influencing strategic decision making

| Rank | Factors influencing strategic decision making | Count |
|---|---|---|
| 1 | Economic, political and market conditions | 6 |
| 2 | Business needs or requirements | 5 |
| 3 | Global influences – decisions from top down | 4 |
| 4 | Internal finances | 4 |
| 6 | KPI’s | 2 |

Six out of the 13 respondents interviewed identified the economic, political and market conditions as major factors influencing strategic decisions that are made. Respondent 6 voiced that, *"…the economic viability of South Africa, where we're going to in terms of our acquisitions…" (D6 1:19)* is what influences the SDM process within their organisation. Respondent 12 further emphasised that the economic situation has a large bearing on the decisions that are made within an organisation*, "so obviously economic conditions at the end of the day" (D12: 3:4).* The sentiment was shared by respondent 11, who was also certain that the economic situation had a big impact on decisions made, *"the biggest thing that I've already mentioned that affects us is economics, what's happening out in the world" (D11 2:2).*

Respondents 1, 8 and 10 talked about the political structure of the country, and the influence that it has on SDM from the economic front. Respondent 8 emphasised that politics, economics and market conditions go hand in hand, i.e. *"…fortunately, or unfortunately, politics drives economics in our country. So, we would use a lot of economical, technological or political decisions or information to help us make those decisions…" (D8 3:4).* Respondent 10 shared the same sentiments mentioning that his organisation needs to determine, *"What are your government policies in entering a specific market?" (D10 1:3).*

Respondents 3, 5, 6 and 10 specifically mentioned that one needs to be aware of the market conditions that the organisation or company caters to, these conditions are also a key to the strategic decisions made. Respondent 6 emphasised that, *"…you need to understand the market. You need to make sure that everything fits within the current spec of your organisation" (D6 2:1).* Respondent 7 added that, *"…if you look at the automotive industry, you're importing vehicles, the big issue is forex and exchange rates. So, if an external market factor hits us then we have to take a decision on whether we buy currency or not, that needs to go through a proper process and then a decision will be made immediately" (D7 2:3).*

An interesting finding was how the perception of strategic decisions made within the market have an influence on the decisions made within the organisation, as it plays a role in the stakeholders' view of the organisation. This was confirmed by respondent 3 stating, *"… the perception of what the decision is becomes very important, also the manner in which a decision is communicated internally ...Because those can have significant impacts to the business as a whole…" (D3 3:2).* Respondent 13 reiterated this point and elaborated that customers needs and wants could potentially play a role as well, in addition to the economic conditions and perceptions, mentioning that, *"…I think most importantly it's what the customers wants and needs, which drives strategic decision making within organisations i.e. market and economic conditions" (D13 4:3).* Overall, there was a consensus that economic, political, market conditions, and stakeholder perceptions are interlinked and contribute to the SDM process within organisations.

The next major influencer of SDM was thought to be the "business need/requirement*",* five out of the 13 respondents expressed this view. The business needs and requirements were also said to be influenced by the economic, political and market conditions that the organisation faces. Respondent 6 stated that it *"…all depends on the decision or the requirement, the decision that you're trying to make…" (D6 2:1).* This point was further reiterated by respondent 7, who highlighted the need for meeting organisational objectives or goals, *"…influences of decisions that need to be made are, what objectives do we need to actually meet" (D7 2:20).*

Four of the 13 respondents interviewed emphasised that being in a global organisation meant that they had to conform to the norms of the global entity, which influenced the decisions made at a local level. Respondents 2 and 13 provided an interesting take on the situation by implying that global companies are more likely to be influenced into taking decisions by internal factors, due to a *"lot more red tape, what slows you down a bit in terms of getting a call to actions or products to market" (D13 4:4).* Respondent 2 mentioned that, *"…it's hard because we're a multinational, we're dictated to by the global standards" (D2 2:2).*

Respondents 3, 5, 9 and 12 believed that the financial situation of a company plays a role in the decisions that are made. This sentiment can be highlighted by respondent 5's response, *"…the decisions that we make at the moment are primarily driven by margin as well as efficiencies over all. So, when we look at any decision or strategic decision that we're going to make… the first thing we need to realise is how it is going to impact our margin…" (D5 5:17).* However, respondent 4 aired a counteractive view and expressed that financial influencers, or how the bottom line is impacted, is not necessarily the main factor influencing the strategic decisions that are made within the organisation. Respondent 4 felt that it is rather about how driven the leader is, *"so, one of the greatest influences is how driven that particular CEO is or that business head gets a decision made and push something till you get traction" (D4 4:2).* Respondent 8 noted that KPI's and performance are also influencers driving decisions made within an organisation.

Overall, the largest influencer of the SDM process was found to be the economic, political and market landscape an organisation finds itself in. further to this, the business needs or requirements also play a role in the strategic decisions made within organisations. Internal finances, although mentioned, were not seen as the major cornerstone of the decision making process, despite still being relevant within the process.

### 5.3.2 Are decision makers rational or intuitive?

It was investigated whether those involved in SDM have different approaches, i.e. rational thinking or being intuitive. This is an important aspect in determining how any future framework would need to be created to address the SDM approaches within organisations. The results highlight that a combination of being rational and intuitive is most commonly present (Table 11).

Table 11: Frequency of SDM styles

| Rank | Being rational or being intuitive in SDM | Count |
|---|---|---|
| 1 | Combination – both intuitive and rational | 7 |
| 2 | Intuitive | 3 |
| 3 | Rational | 3 |

Seven out of the 13 respondents felt that having one more than the other is not helpful and that it was rather necessary to have a combination of both rational thinking and intuition to successfully make and carry out strategic decisions. Respondents 1, 2, 3, 6, 8 10 and 11 had exceptionally strong views about the need to use a combination of rationality and intuition in SDM. According to respondent 1, the *“organisation lacks the skill to synthesise external information appropriately. So, a lot of times it’s an intuitive decision” (D1 1:2).* Further to this, the respondent indicated that there is generally some form of available data that is used to substantiate decisions that are made through rationality, however, this data is not “*…emphasised, and second to an intuitive level, especially by senior decision makers” (D1 1:2).*

Respondent 2 opined that a leader/CEO of the company needs to use his/her intuitive nature, while benchmarking against international practices to bring about rationality in the decisions and strategies being executed. Respondent 2 stated that *“the director/CEO is definitely intuitive… in terms of best practice sharing, that’s what we benchmark against. When we make decisions we always need to back it up rationally with facts. So, data* *becomes our benchmark. So, if we have a decision or we brought a business case or need to do something differently… it needs to be supported through data" (D2 2:4).* Respondents 3 and 6 also shared similar sentiments to that of respondent 2, respondent 3 elaborated on the fact that decision making is generally a difficult task, *"the stark contrast between the styles of leadership between the two halves of the management team does make decision making a lot more difficult" (D3 3:16).* This, according to respondent 3, must be both intuitive (using emotional intelligence) and rational, "*it is very emotional on the one side versus the practical and enforceable on the other side, and I suppose that getting to middle ground is what's important in that aspect…" (D3 3:4).*

Respondent 8 attested to the use of intuition and practical measures as a main driver of strategic decision making within their organisation. Respondent 8 stated that they have a *"rational set of data that we use… we couple that with intuition. If you call it intuitive, we call it gut feeling… we use a combination of the two, I would say. Not strictly one and not strictly the other" (D8 3:5).* Respondent 10 viewed it from a slightly different angle in that people are either rational or intuitive, however, stated that SDM needs to be a combination of both these drivers, i.e. rational thinking and intuitive processes*, "…people that we consult with are either rational or intuitive. It also comes with a lot of experience as well" (D10 2:5).*

Respondents 4, 5 and 9 believed that being intuitive was more necessary for strategic decision making than being rational. Respondent 5 stated that SDM is mostly about being intuitive, even though rationality plays some sort of role, *"So rationality plays a part in some of our decision making, but not all of our decision making" (D5 5:16).*

Three respondents felt that being rational was more necessary than intuition when it came to SDM. Respondent 7 said, *"I think rational, you need to actually sit back and think… in these uncertain times I think the rational route is the right route to go down, because with the rational route you actually take cognisance of exactly what's happening. You do more of an analysis. You understand your environment before you make a strategic decision. While intuitive is based on complete gut feel" (D7 2:4).* Respondent 12 highlighted the need for rational decision making due to the uncertainty within the environment in which they operate, stating that, *"with South Africa now being quite difficult to predict what will come next and what will the future bring as such, you have to have certain beliefs that we are doing the right thing. And implementing it accordingly … 90/95% it's rational and 5% only gut feel and intuitive" (D12 4:5*). Respondent 13 believed that the complexities within SDM made it such that a rational approach is required, *"…strategic objectives are always* *important in that it becomes a lot of rationality and a lot of complex problem solving. And that requires a lot of focus, a lot of research and a lot of debating and consulting to reach those conclusions, so yes I would say definitely a rational mind-set…" (D13 4:20).*

Overall, the majority (7 out of 13) of the interviewees stated that SDM requires a combination of intuitive thinking and rational thinking; i.e., the two go hand in hand. Despite the consensus, there are compelling arguments for intuitive and rational approaches in SDM, the results highlight that there is likely to be a variety of cognitive approaches to SDM and that these need to be considered holistically within the process.

### 5.3.3 Measuring outcomes of strategic decisions

By asking this question, the aim was to understand how the success of strategic decisions made were evaluated within each organisation. A few key themes emerged from the data (Table 12).

Table 12: Frequency of measuring parameters used within SDM

| Rank | Measurement parameters | Count |
|---|---|---|
| 1 | Business and financial growth/benefits | 5 |
| 2 | Customer and employee satisfaction surveys | 4 |
| 3 | Balanced scorecards | 2 |
| 4 | Studying data gathered after implementation | 2 |
| 5 | Meeting KPI's | 2 |
| 6 | Platforms and business tools such as Pestle, Houston Model, Swot | 1 |

According to five of the 13 respondents, the success of strategic decisions is measured by observing the financial benefits and growth of the business, including production and improved efficiencies. Respondent 7 highlighted that profitability was the best measure stating that, *"the best way to measure it is from a profitability perspective" (D7 2:19).* He further went on to say that if profitability is not the key measure for the strategic decision, then one needs to look at what was brought about from the strategic decision within the organisation, *"If it's not financially related, you can see from the embeddedness of a certain decision that you've made in an organisation" (D7 2:19).* Respondent 11 further emphasised the need to measure strategic decisions from a financial perspective, *"the operational side it's your financial reward for it" (D11 2:17)* Overall, these respondents believed that the effectiveness of strategic decisions made can be measured by observing the financials and growth of the organisation.

Four of the 13 respondents talked about surveys that were provided as a measurement tool. Customer satisfaction, level of employee engagement and satisfaction were also used as measures to understand the impact of strategic decisions. Respondent 11 believed that measuring the effect of a strategic decision ties back closely to how the customer felt about that decision, stating that it is also about *“customer satisfaction” (D11 2:17).* Respondent 9 elaborated that employee satisfaction and customer satisfaction is one way to realise the effectiveness of decisions made, *“…from an internal perspective we look at employee satisfaction, we have employee surveys that are run. We also have customer surveys that are run from a customer perspective to see how happy our customers are with our services” (D9 4:15).* Respondent 11 stated that they use audits to assess their levels of customer satisfaction. Overall, these four participants use employee and customer satisfaction to measure effectiveness of strategic decisions being made.

Two respondents said that they use scorecards as a measurement tool to measure the effectiveness of new strategic decisions and initiatives within their organisation. Respondent 13 stated, *“We’ve got a scorecard which we monitor on a monthly basis. And based on that we can see what initiatives we have taken on and how that that affects the scorecard” (D13 4:21).* Respondents 6 and 12 stated that achieving company or organisational KPI’s are a way to measure the success of strategic decisions made. Respondent 6 mentioned that they have *“…strategic pillars where these are formally measured in terms of KPI’s. This is something that provides efficiencies to the organisation. So, as an efficiency driver, it’s something tangible that we are able to measure” (D6 1:18).* One respondent, respondent 8, mentioned that they make use of various models, such as the Houston Model, PESTLE, and SWOT, to carry out strategic decisions as well as to measure the effectiveness of a strategic decision taken.

From the results of this sub-question, most organisations do not have a BSC system in place to measure the effects of the decisions that have been made in the past. With that being said, the growth of the business, financial indicators, employee and customer satisfaction, and KPI’s, highlight that there are various aspects of the BSC that are used to measure the effectiveness of strategic decisions made in isolation.

### 5.3.4 The use of strategy maps

The aim was to understand if the organisations that the respondents worked for had any form of strategy maps linking different organisational goals, this was done to understand what value it would add to the overall SDM process.

Table 13: Frequency of respondents who use and don't use strategy maps

| Rank | Strategy maps | Count |
|---|---|---|
| 1 | No strategy maps in place – no linkages | 9 |
| 2 | Have strategy maps with linkages | 4 |

Four out of the 13 respondents mentioned that their organisation make use of strategy maps, with imbedded linkages, as a framework within their organisations SDM process. Respondent 4 said that although they do not have a formal term strategy map, *"… as with every organisation, there's this strategy off sights" (D4 4:3).* Respondent 6 mentioned that their organisation makes use of a digital road map, which is their equivalent of a strategy map within their organisation, he stated that *"…the digital country road map process allows each organisation to be heard, breaking down silos, understanding exactly what the pragmatic requirements are for creating this fully digitised interface that would support the customer" (D6 1:7).* Respondent 10 stated that they have a strategy map as there is no value acting in silos, according to this respondent, *"you have to involve all your necessary people and as I mentioned earlier, your finance must talk to marketing, which then talks to everybody around the firm. And marketing must talk obviously to your franchise guys, etc. So, in resourcing it's also important. So yes, definitely you have a map and from there you make sure you all move towards the same goal" (D10 1:16).*

The remaining participants mentioned that they did not have a strategic map, however, they could see the value that it could potentially add. Three out of the 13 respondents emphasised that their organisational style was to act within silos with no linkages, and further elaborated on the value-add of having such a strategy map in place. According to respondent 11, a linked strategy map would be beneficial, *"I don't think they have a formalised one that's followed. And I think it's something that would help. Because people need to know what the processes are being followed in terms of deciding. How we are balancing and basically looking at the scores of a decision, what's the effect of it" (D11 2:6).* Respondent 8 voiced similar views and respondent 9 elaborated on the fault with the silo approach, according to the respondent, *"for different functions in our organisation we* *often fall into the trap of what we call a silo approach, thinking we make decisions to benefit one part of an organisation at the detriment of another part and then ultimately at the detriment of the entire organisation. So, we are working very hard on trying to fix that. And I think that's where something like a strategy map linking between different organisational goals would add a benefit" (D9 4:6).* Respondent 7 believed strategic maps are a better fit in centralised organisations as opposed to decentralised ones such as the firm he was working in, *"…I see it fitting well within a centralised structure where strategic objectives are based on certain outcomes of the business from a centralised level. And thereafter you go in and you make those decisions where you can link the different strategies to those objectives that you're trying to map" (D7 2:6).*

### 5.3.5 Conclusion of results for Research Question 1

This Research Question intended to uncover the common subthemes amongst the respondents regarding the main styles and drivers of SDM and how these are linked to the overall organisational goals. There were individual subthemes uncovered, also relating to each respondent differently. The objective of prompting the participants to think about various styles and drivers of SDM was achieved. Seven major influencers of SDM were identified from the results obtained, of which the three main ones were (1) economic conditions, (2) the business need or requirements, and (3) global influences. Overall, all organisations did have some sort of measurement system in place to measure the effects of strategic decisions that were made. Two of the 13 participants mentioned scorecards used as one of the measurement tools, the most popular measure being the financial or business growth identified post implementation of strategic decisions.

The results presented an interesting finding that the majority of the respondent's organisations do not currently make use of strategy maps with imbedded linkages between organisational goals. These respondents believed that such a tool would provide a great deal of value, emphasising the current shortfall within their SDM process, mainly due to a silo approach adopted within organisational departments.

## 5.4 Results for Research Question 2

<u>RQ2: What impact would the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, have on the overall process?</u>

The Research Question aimed to gain an understanding of the level of paradoxes that organisations face within their SDM processes, followed by an investigation into whether or not these responses would result in tension between strategic decision makers. Respondents were questioned on factors that may contribute to paradoxes and tension. To conclude Research Question 2, the aim was to understand if the uncovering of paradoxes and possible resulting tension at the time of making strategic decisions could help to improve the overall SDM process within organisations.

The results obtained for Research Question 2 have been derived directly from aggregating the relevant interview answers to the applicable questions and sub-questions asked across the whole sample of respondents.

### 5.4.1 Prevalence of paradoxes throughout SDM processes

Table 14: Frequency of prevalence of paradoxes within SDM

| Rank | Theme | Counts |
|---|---|---|
| 1 | Yes | 11 |
| 2 | No | 2 |

Eleven out of the 13 respondents interviewed agreed that paradoxes were prevalent throughout their SDM process, only participants 12 and 13 felt that this was not necessarily the case. Paradoxes in terms of this study were explained to respondents as being the unknowns that result from strategic decisions taken. The results highlight that the vast majority of respondent's experience paradoxes within their SDM process, this finding is interesting as it infers that most organisations do not fully understand what the final effect of their strategic decisions have on various other areas within their organisations.

### 5.4.2 Contributors to the prevalence of paradoxes in SDM

The study attempted to gain insight into the main contributors towards paradoxes that are prevalent within organisations SDM processe. Respondents were questioned on how paradoxes arise within their organisations, it is believed that having a good understanding of the causes of paradoxes is crucial in understanding their origins, which could later be addressed by those involved in SDM. The main contributors identified are indicated in Table 15 below:

Table 15: Frequency of factors that contribute to paradoxes

| Rank | Contributors to paradoxes | Counts |
|---|---|---|
| 1 | Knock-on effects and uncertainty of decisions made | 6 |
| 2 | Economic and political landscape | 5 |
| 3 | Lack of foresight/long-term vision | 4 |
| 3 | Geographic and cultural landscape | 4 |
| 4 | Client/customer satisfaction | 3 |
| 5 | Poor prioritisation | 2 |
| 6 | Technological advancement | 1 |
| 6 | Lack of communication | 1 |
| 6 | Stark contrasts in leadership styles | 1 |

The three main contributors of paradoxes within organisations were found to be (1) the lack of understanding of the effects of decisions made; (2) the economic and political landscape of the country; and (3) the lack of foresight and long-term vision of the objectives/goals of the organisation.

Respondents 3, 4, 7, 8, 11 and 12 highlighted that paradoxes are ultimately the result of the knock-on effects of decisions that are made, without proper certainty as to how it will affect the organisation in the long term. According to respondent 7, there is a risk element of uncertainty, *"I think a lot of work has gone into making the strategic decision. So, there might be effects on the strategic decision that might not have been seen upfront, and this lack of understanding or uncertainty is what eventually creates the paradoxes" (D7 2:16).* Respondent 8 shared an example of when a decision was taken with risk, *"So the decision was to sell the customer another product... I think the paradox, or the unknown was would this actually work" (D8 3:14),* implying that uncertainty in decision making is a cause for paradoxes.

From the angle of economic and political landscapes, respondents 2, 3, 6, 10 and 12 shared these as another contributor to the creation of paradoxes. According to these respondents, the economic and political landscape influences the decisions that are made, and consequently the paradoxes that play out in the organisations. The respondents further believed that the current political landscape within South Africa is increasingly uncertain and that the unknown element of the extent or timing of the next political action resulted in paradoxes in SDM, which can't be addressed or controlled, *"because of our regulation, our price points, our low economic status…" (D2 2:6).* Respondent 12 elaborated on the uncertainty of the economy and government policies, stating that even if organisations are clear around their strategies and the decisions that are made, ultimately the economic and political uncertainties are going to impact and create paradoxes, *“the uncertainty around our industry, the future that it holds and the role that perhaps policy making changes in the economic environment, governmental decisions, I guess at the end of the day, policies” (D12 3:17).*

When it came to the influence of vision and foresight, respondent 1 shared that *“the lack of a long-term view is a source”,* and this in turn was the result of the lack of prioritisation, *“the ability to challenge the sacrificing of short-term profitability for long-term sustainability” (D1 1:14).* Respondent 3 also shared a similar view, and expressed that decisions need to be made to ensure the long-term success of the organisation and that decisions need to be made that are *“critical in terms of continuity of business and long-term longevity of the business” (D3 3:6).* Respondent 9 emphasised the need to invest for the long term, as a major contributor of the paradoxes experienced was the lack of foresight, *“… it might look like you’re actually throwing money away by doing certain things for customers, which ultimately in the long run would benefit you…” (D9 4:13).* Respondent 11 also commented on the lack of foresight as a contributor to paradoxes, while another respondent, respondent 12, also touched on the notion of improved prioritisation in decisions that are made. Respondent 11 elaborated on the need to have foresight and be sure of the decision that is made so that it avoids or limits the development of paradoxes. He mentioned that in order to avoid paradoxes within a strategic decision, *“you have to consider all parts of it before. So, your financial, your clients, your internal, all of that. And I think it’s to have that clear conscience that you have to go through all those tick boxes before making a decision” (D11 2:16).* Respondent 12 also expressed similar views.

The theme of geographic and cultural landscape ranked the same as that of lack of foresight, with a total of four frequency counts attributed to it. According to these respondents, the type of geographical environment and culture, be it societal culture or culture of work within the organisation, creates uncertainty in the strategies that are in play, which could then contribute to the creation of paradoxes. Respondent 2 explained that taking a strategy from a global perspective to the local perspective can have an influence on the paradoxes that arise because of the political and economic landscape of the country. The respondent believed that the result of their decision often was unsuccessful, purely because of different economic or political influences that may be present between the different geographical locations.

Other factors or contributors to paradoxes which came up in the findings were also of interest in the research, because they influenced SDM and hence were mentioned. These contributors include: client or customer satisfaction, poor prioritisation, technological advancements, a lack of communication, and stark differences in leadership styles.

### 5.4.3 Paradoxes and their contribution to tension

All but two (11 out of the 13) respondents felt strongly that paradoxes within SDM contribute to tension (Table 16). This finding was important as it allowed for respondents to be probed on how they believed that paradoxes could be addressed, as well as if addressing these paradoxes could alleviate SDM tensions.

Table 16: Frequency of respondents believing that paradoxes cause tension

| Rank | Do paradoxes in SDM cause tension? | Counts |
|---|---|---|
| 1 | Yes | 11 |
| 2 | Not so such | 2 |

Understanding why the two respondents did not feel that paradoxes resulted in tension was also important in ensuring that all views had been considered. Respondent 2 felt that paradoxes do not create tension as such, but rather *"confusion", "a bit of anxiety", and "frustration".* Respondent 8 believed that one could not assume that tension was a direct result of paradoxes, as it *"depends on the paradox" (D8 3:18).*

### 5.4.4 Addressing paradoxes to mitigate tension

This sub-question was asked to understand if there was indeed tension associated with paradoxes, and how these paradoxes can then be addressed to mitigate the tension. When asked about how these paradoxes, if responsible for creating tension within organisations can be addressed, a few key themes emerged and have been listed in Table 17 below:

Table 17: Frequency of aspects that can address paradoxes

| Rank | How to address paradoxes | Counts |
|---|---|---|
| 1 | Constant communication | 5 |
| 2 | Alignment and agreement to goals | 4 |
| 2 | Making informed decisions | 4 |
| 3 | Transparency | 2 |
| 3 | Reflecting on past and change management | 2 |

The major theme brought up was the need for constant and continuous communication to alleviate tension. Respondent 3 stated, *"it's continuous communication, it's always important" (D3 3:17). A* similar sentiment was shared by respondents 11 and 13, according to respondent 13, *"communication is the most important in terms of understanding the tension and also resolving it".* Respondent 11 says, *"I think all major decisions lead to tension of some sort. Because big decisions obviously have big effects in your organisation (D11 2:18). So, uncertainties and people getting anxious about what the outcome is leads to tension. But it's communication and having discussion with those who are directly affected, to explain the process and what the thought process behind the decision is, and what the expected effect of the decision is" (D11 2:7).* Respondent 7 reiterated this notion and highlighted that communication is an important element in any SDM process, stating that, *"you need to make sure that you communicate it down to the operational level, on why you're doing it and try to make sure you get their buy in" (D7 2:17)* This implies that communication is also a factor in ensuring that there is alignment and agreement to the strategy or plans that are being made.

The theme of "making informed decisions" had a frequency count of 4 and appeared as the joint second highest way in which paradoxes can be mitigated or addressed. Respondent 8 believed that it is important to *"request for information to enable us to make a better decision" (D8 3:19).* The respondent further implied that by consulting and making better-informed decisions, paradoxes can be addressed. Respondent 12 believed that having a sufficient amount of information within SDM is crucial in addressing paradoxes, however he believed this was difficult to always achieve, *"I think in this time and age to get all the relevant information, to get any degree of certainty out of this stuff is quite difficult. And therefore, we still must be a company which makes a decision that moves forward in a particular viewpoint in order to continue with our objectives" (D12 3:18).* Alignment and agreement were the other joint second themes with a frequency count of four, highlighting the need for decision makers to be aligned and in agreement with the goals set out. Respondent 2 went on to say that, *"my understanding is you know, how far we go to adjust global strategy? Are we still aligned or not aligned?" (D2 2:16).*

Transparency was brought up by respondents 3 and 6 to address paradoxes that arise, with responses closely correlating to alignment and agreement. According to respondent 3, in addition to having agreement and alignment to a strategy put forward, the strategy needs to be clear and transparent, i.e., *"It's always important, making sure that when you do put together something it is as black and white and as transparent as you can be, and it's fully supported" (D3 3:12).* Respondent 6 stated that tensions should not stop new initiatives from happening, rather they should encourage transparency*, "…where there are tensions that arise, does this mean we will drop progressing forward in terms of new initiatives? No, does it mean that we will try to be a bit more transparent in terms of how we approach the initiatives? Yes" (D6 1:17).*

Finally, being reflective of what has happened in the past and effective change management was another theme that emerged. Respondent 4 says, *"Looking at it in hindsight, if we've known what we know now, we would've fixed it upfront. And not gone down the line of having all of these impacts…" (D4 4:7).* Only respondent 1 felt that paradoxes cannot be addressed, *"It's not addressed really, because there is no avenue for that… So, what you try to do is just operate within those constraints… So, I don't think it's addressed at all" (D1 1:13).*

### 5.4.5 Uncovering paradoxes and tension to improve SDM

The final sub-question under Research Question 2 endeavoured to understand whether uncovering paradoxes would help in the SDM process. Table 18 below presents the results within a simple yes or no construct.

Table 18: Frequency of respondents who believe uncovering paradoxes can reduce SDM tension

| Rank | Uncovering paradoxes to reduce tension in SDM | Counts |
|---|---|---|
| 1 | Yes, this would reduce tension. | 12 |
| 2 | No, this would not reduce tension. | 1 |

There was unanimous consensus amongst the participants that uncovering paradoxes would indeed improve the SDM processes through reduced levels of tension. Twelve out of the 13 respondents felt that there is a positive contribution to uncovering paradoxes. Respondent 6 opined that uncovering paradoxes opens up avenues for discussion and different perspectives, while mitigating tension, *"I think tensions are negative, but I think that paradox discussions and a little bit of negotiation is important. You want people with different mind-sets, different viewpoints and different ways of looking at things on your board/management team or involved in a process such as a strategic decision making process. Because one person is not going to have all the answers. However, the moment tension start coming into it, I think it becomes a distraction, rather than a contribution towards the raw process" (D6 1:1).*

Some respondents believe that the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, would make the business/organisation more agile. Respondent 3 believed that tension *"makes us a little bit less agile than we would like because there is this continuous, almost negotiation to come to a settlement… where if you had more experience on the one side and a better understanding of the dynamics on the other side of the company you'd be able to come to a decision a little bit quicker then what we currently do…" (D3 3:5).*

Respondent 5 believed that there was no way to completely uncover paradoxes and tension and therefore it could not contribute to improved strategic decision making, stating that, *"in terms of overcoming it, I mean it's just a constant battle. I don't think we overcome it completely" (D5 5:18).* Despite being the only respondent who did not see much value in uncovering paradoxes and, as a result, reduce tension at the time that strategic decisions are being made, the respondent's view is relevant in that there is never likely to be a mechanism to completely eradicate these from an organisation's SDM process.

### 5.4.6 Conclusion of results for Research Question 2

In attempting to understand what impact uncovering and measuring paradoxes and tension would have, the research provided some interesting insights. Most participants agreed that paradoxes are created with the SDM process and that these paradoxes are the result of the economic landscape, political landscapes, and uncertainties which comes with SDM. Consensus was reached that these paradoxes in turn do actively contribute to tension rather than conflict within organisations. The results highlighted that if SDM paradoxes are uncovered through effective communication, aligning to organisational goals, and being transparent, there would be an alleviation of inherent tension created between strategic decision makers. What is interesting to note is that the uncovering paradoxes, which creates tension, could alleviate a lot of downstream work that is not necessary - resulting in organisational processes being improved. Respondent 8 also mentioned that by uncovering paradoxes one is more aware of the strengths and weaknesses within the organisation's SDM process, which creates more knowledge. Based on the results of Research Question 2, it can be conferred that SDM processes can be improved substantially by addressing paradoxes and mitigating their resulting and inherent tensions.

## 5.5 Results for Research Question 3

RQ3: With a focus on the uncovering of paradoxes and resulting tension, how effective would the BSC be as a predictive framework within SDM?

The results obtained for Research Question 3 are derived directly from aggregating interview questions across the whole sample of respondents. A similar method used in Research Questions 1 and 2 was used to analyse the results of Research Question 3. The use of rank-ordered tables to demonstrate the main constructs was conducted. The main constructs have been aggregated to remove overlapping themes, as well as to reduce the complexities within the results.

The objective of Research Question 3 was to gain an understanding of what the perceived usefulness of the BSC is, within its traditional state of being a measurement framework. The Research Question is then extended to see if the BSC could be used as a tool to uncover paradoxes, due to its multiple organisational perspectives design, and as a result reduce the emergence of inherent tensions. The question finally aims to determine if the BSC could be used as an effective predictive framework for SDM, which could in turn uncover paradoxes and reduce tension. If found true, an adapted version of the BSC could prove useful within the SDM process, providing strategic decision makers with a new framework that may greatly improve the overall process.

### 5.5.1 Balanced scorecards within their traditional state

The sub-question aimed to determine how useful the BSC is within its traditional state of being a performance measurement tool, that considers financial and non-financial measures. Table 19 below ranks the number of respondents who believed that the BSC was useful within its traditional state. Understanding the usefulness of the BSC provided a solid grounding to determine if the framework was in fact well accepted by organisations within current times, forming the basis for further data gathering on enhanced uses that the framework may provide.

Table 19: Frequency of respondents who believe that the BSC was useful within its traditional state

| Rank | Is the BSC useful within its traditional state? | Counts |
|---|---|---|
| 1 | Yes | 12 |
| 2 | No | 1 |

Twelve of the 13 respondents believe that the BSC is a useful framework within its traditional state of being a performance measurement tool, that considers financial and non-financial measures. However, of the respondents that believe that it is a useful framework within its traditional state, some argued that the BSC's usefulness has limitations, reducing the overall effectiveness of the framework. Respondent 5 believed that, *"within the traditional state I think it is over all a useful tool. I don't think it's the most efficient tool. I think the balance scorecard combined with other measurement tools is fantastic. But the balance scorecard on its own, I have some criticisms around it…" (D5 5:12).* Respondent 2 shared this notion and mentioned, *"Yes, it is a useful tool, but I think in isolation it has its limitations..." (D2 2:12).* Respondent 9 said*, "I think there is good principles in the balance scorecard. I think it's got some limitations in that it gives you a sense of what you need to consider, but again it wouldn't really be able to show how far you should go" (D9 4:8).* Respondent 6 believed that the BSC could be enhanced through emphasising more on how the decision affects the end customer, *"I think the balance scorecard is certainly a useful framework, specifically ensuring that it considers both quantitative as well as qualitative measures. I think it's important that there's always a strong focus on the customer being in the centre of everything we do. So be it the learning and growth strategies, be it the people element of the organisation, or HR specific, or respectfully the financial - everything needs to be geared to with the customer at the centre of it" (D6 1:13).*

Respondent 12 elaborated that having a BSC is a good indicator of the performance of a business, while being able to create the needed transparency*, "…it's a good reflection of the performance of the business in total over a period of time. And ultimately it does point back to if the decisions that was taken was from a strategic point of view… I think the balance scorecard will show quite clearly whether you are achieving your objectives or not, it does create the transparency that you want (D12 3:9)."*

Respondent 12 also believed that there is room for improvement through highlighting the need for the BSC to focus on predicting outcomes of strategic decisions, saying, *"…the only challenge that I have with it, it doesn't point to what will come into the future. So that's an area where I feel like we could perhaps improve business intelligence to predict if we continue on this path, where would we end up?" (D12 3:9).*

### 5.5.2 Use of the BSC within the SDM process

The next sub-question aimed at determining if strategic decision makers currently use the BSC within their SDM process. The results are listed in Table 20 below:

Table 20: Frequency of respondents who currently use the BSC in SDM

| Rank | Use of the BSC in SDM | Counts |
|---|---|---|
| 1 | No | 6 |
| 2 | Yes | 3 |
| 3 | Use of adaptive form of the BSC | 3 |
| 4 | Cannot say | 1 |

Six of the 13 respondents said that they do not use the BSC within the strategic decision making process. Three of the 13 respondents said that they use the BSC within the strategic decision making process, whilst an additional three respondents mentioned that they use an adaptive form of the BSC or aspects of the BSC within their SDM process. The results confirmed that many strategic decision makers do not use the BSC to assist in their SDM process, despite there being an overwhelming consensus that the BSC is an effective tool to measure the outcomes of strategic decisions taken.

### 5.5.3 BSC and its ability to measure or predict SDM outcomes

Respondents were further probed to determine how many, who currently make use of the BSC within their organisation, use it to measure results or to predict results within their SDM process (Table 21).

Table 21: Frequency of respondents who use the BSC to predict SDM results

| Rank | Use of BSC in SDM to measure results or predict outcomes | Count |
|---|---|---|
| 1 | Measuring results | 6 |
| 2 | Do not use the BSC to measure or predict results | 5 |
| 3 | Combination – both for measuring results and predicting outcomes | 1 |

Six of the 13 respondents stated that the BSC is used specifically to measure results, and not to predict results. Respondent 7 highlights the use of the BSC as a measurement tool rather than a predictive tool, *"so I think it's to measure results more than to predict outcomes" (D7 2:10).* Respondent 12 mentioned that the BSC is, *"… a good reflection of the performance of the business in total, over a period of time…" (D12 3:9),* further highlighting the use of the BSC as a measurement framework rather than a predictive framework.

A firm number of the respondents (5 out of 13) whom partook in the interviews stated that they do not use the BSC as a tool for measurement or predictability within SDM. According to respondent 1, *"…we don't use the balance scorecard in strategy formulation… It's an after the fact measurement of performance. Not a strategic structuring tool at all" (D1 1:10).* Respondent 9 mentioned that within their organisation, results were measured holistically, hence the BSC was not used within isolated SDM processes.

Only one respondent felt that the BSC can be used as a tool to measure and predict outcomes or result. According to respondent 8, the BSC provides a level of measurement and predictability within their SDM processes. The respondent was clear that it was not an equal divide, *"… if I had to put a percentage to it, we use it 70% for measurement, and 30% prediction" (D8 3:10).* Despite only one respondent making use of the BSC to predict the outcomes of SDM, it does highlight that there is practical use for the framework in this manner.

### 5.5.4 Use of the BSC to uncover paradoxes within SDM

The BSC as a framework was explained, highlighting all four perspectives to the respondents, namely financial, customer, learning and growth, and internal processes. In an attempt to understand the impact that the BSC would have on SDM and paradoxes within this process, it was probed as to whether using BSC could potentially uncover paradoxes (which is shown in the previous Research Question), and potentially reduce tensions to improve organisational SDM. The results from this sub-question can be seen in Table 22 below.

Table 22: Frequency of respondents who believed the BSC could uncover SDM paradoxes

| Rank | Could the BSC be used to uncover paradoxes in SDM? | Counts |
|---|---|---|
| 1 | Yes | 13 |
| 2 | No | 0 |

Unanimously, all 13 respondents believed that if you could measure the outcomes of a strategic decision on all four perspectives of the BSC at the time that they are made, this would result in the uncovering of paradoxes within the SDM process. Respondents did raise concerns as to how the BSC would uncover these paradoxes, and whether their organisation would in fact have the resources and time to undertake such an activity.

### 5.5.5 Effectiveness of using the BSC when making strategic decisions

Furthermore, the aim was to gain insight as to whether measurements indicated in BSC as a predictive framework would result in more effective decisions being made (Table 23):

Table 23: Frequency of respondents who believed the BSC measurements at the time of making strategic decision would increase its effectives

| Rank | Would the BSC's measurements, at the time of making strategic decisions increase their effectiveness? | Counts |
|---|---|---|
| 1 | Yes | 11 |
| 2 | No | 2 |

Through the thematic analysis process, a few clear constructs were developed, which identified key reasons as to why the BSC could help improve strategic decision making, which are reported in dialogue below.

Eleven out of the 13 respondents believed that if one were able to see the measurements of the BSC at the time of making a strategic decision, this would result in more effective decisions being made. According to respondent 4, the BSC would act as a form of back-up, motivating why decisions were made, *"… You would now have substantiation as to why this decision should be made or shouldn't be made. So, if you look at it holistically and you look at the four quadrants, you'll be able to see from a financial aspect, this decision has this impact on finance, on customers, on processing, on our learning or staff's development. Whereas if I don't make this decision, these are the aspects, this is the impact on each of the quadrants. So, knowing that information up front is very beneficial for strategic decision making" (D4 4:10).*

Respondent 5 believed that the BSC could provide a more complete view of the effects that strategic decisions have on organisations due to the multi-perspective design of the framework, "…*If you're looking at your balance scorecard like I mentioned earlier on, you have an idea of your customer. You have an idea of your finances, what you have available and where you need to be. You have an idea of your internal processes, where the shortfalls might be or where you're internal processes are up to scratch, and you'll be able to drive more efficiencies. And then obviously from there you drive your learnings. Which then obviously drives your customer efficiency. So, having a view at the time of a strategic decision making process or within the strategic decision making process, I think is a good thing, because it gives you a more balanced view..." (D5 5:13).*

Whilst agreeing with other participants, respondent 7 shared an interesting insight, he identified the hindrance within SDM that may result from the implementation of a framework in general, *"I'm going to go with normally when you have a framework to go by, it helps you. So, it can create more effectiveness. At the same time, however, frameworks can also sometimes limit you. It can also hinder a lot of progress because you must follow a framework. But I think in this instance, yes it would help you, it would create more effective decision making. But again, it's not going to be the be all and end all of decision making, there are other aspects that you need to actually factor in as well" (D7 2:12).* The implication is that the BSC is a good tool, and could indeed promote better strategic decisions being taken, however, the framework should not cause delays within the SDM process.

Two respondents felt that the BSC is useful but cannot be directly attributed to creation of more effective decision making, *"while it might not result in effective decision making, it is a good process to guide decision making (D6 1:20)".* Respondent 6 shared the following notion that, *"… Each or many cases are unique in the sense that they come with their own context. So, in some cases it might be heavily people orientated where in other cases it's* *more IT or financially related. I don't believe that it would result in more effective decisions, but I think it's a good process to guide decision making" (D6 1:14).*

### 5.6.6 The BSC as a predictive framework to generate synergies

This sub-question was asked to further probe and understand the impact of having BSC as a measurement tool within organisations from the perspective of potential synergies between departments. All but one of the respondents believed that synergies between different departments in an organisation can be achieved using the BSC as a predictive SDM framework (Table 24). This, however, was quite an interesting finding, as earlier most respondents made use of the BSC for measuring results rather than predicting them.

Table 24: Frequency of respondents who believed the BSC could result in synergistic benefits

| Rank | Achieving synergies using BSC as a predictive framework | Counts |
|---|---|---|
| 1 | Yes | 12 |
| 2 | No | 1 |

The use of the BSC as a predictive framework and its benefits have been confirmed through the dialogue with the interviewees. Respondent 7 said, *"So, I think that synergies would be created, and that better decision making would come with this certain framework … I think with using a balance scorecard across the board it will actually lead to better decision making, and it would assist in decision making" (D7 2:13).* Respondent 11 further elaborated on the benefits of using the BSC as a predictive framework, suggesting that *"…departments all need to work together, if they have a balance scorecard which everyone is using they're easily able to demonstrate how they have gotten to the decisions… and how it affects the organization and not necessarily their department…" (D11 2:13).* The respondent added that, *"…it is very important in following a similar framework or the same framework and the same scorecard, you're being measured the same and basically your approach and your outlook is coming from the same place, your foundation is the same…" (D11 2:14).*

Respondent 12 said, *"I always believe that if everyone is aligned to the one vision and one goal and we are all on the same page, with regards to the final objective that we are all trying to get the outcome from… if you have too many different departments with differing objectives of what they believe is the right way forward for the company, it can lead to* *longer decision making times" (D12 3:19).* Respondent 12 further elaborated by saying, *"So, this process if I think it works properly, can lead to quicker decision making times and quicker implementation of new solutions in products and services for our customers. I believe it will be better" (D12 3:15).* Similar to the other respondents, respondent 12 believed that having a BSC could allow better alignment to the overall objectives, as there are different departments with differing goals in any organisation.

Respondent 4 reiterated the ideology of a collaborative workforce, and creation of synergies with different departments within the same organisation*, "No department works in a silo. No functional area works in a silo. What one person does or what a team does in one area, impacts what the next team has to do with that same information. And so, by having the synergies across the teams which is guided through with the outcomes of the balance scorecard, you would improve decision making, you would improve collaboration, you would improve achievement of the strategy that was agreed, or you may disprove that strategy, but it has various benefits, and it really does come down to visibility. I think the balance scorecard allows visibility across the value chain, it creates that transparency so that your organisation is working as a collaborative team to achieve the end goal" (D4 4:11).*

Respondent 3, on the other hand, was the only respondent that did not believe that using the BSC as a predictive SDM framework would result in the creation of synergies between different departments. According to this respondent, *"it's still important that whenever we do present or put together a strategy, that it does take into consideration the impact on various aspects within the business. But having a detailed tool to do so wouldn't be efficient enough in my type of organisation" (D3 3:11).*

### 5.6.7 Conclusion of results for Research Question 3

This Research Question intended to uncover the common subthemes amongst the respondents regarding the effectiveness of the BSC as a predictive framework within the SDM process. Many individual subthemes were uncovered, relating to each respondent differently. The objective of prompting the participants to think about the various models was achieved. It can be concluded that the respondents in this research believe that the BSC is indeed a useful framework within its traditional state of being a performance measurement tool, that considers financial and non-financial measures. Respondents also agree that if you could measure the outcomes of a strategic decision on all four perspectives of the BSC at the time that they are made, this could result in the uncovering of paradoxes within the SDM processes and in turn also reduce inherent tensions. What was interesting to discover was that less than 50% of the respondents use the BSC within their SDM process, to measure or predict the outcomes of strategic decisions being made. The results provide a large amount of scope for the future use of the BSC within the context of this study.

# Chapter 6: Discussion of results

## 6.1 Introduction

Within this chapter the aim was to discuss the research results presented in Chapter 5. These results had been derived from the 13 in-depth interviews conducted with employees whom are involved in SDM. Chapter 6 aims to link insights found within Chapter 5 to the literature review conducted in Chapter 2, with the overall objective of answering the Research Questions identified in Chapter 3. Through the coding and analysis of key constructs that were discovered via the interview process, evidence could be gathered which can be used to formulate discussion and conclusions on the Research Questions.

The research results, together with the following discussion, will contribute to the overall understanding of what the main styles and drivers within SDM are, how this process could be improved through the uncovering and measurement of paradoxes, resulting tension, as well as the effectiveness of the BSC as a predictive framework to try to reduce paradoxes and tension within the overall SDM process.

## 6.2 Discussion of results for Research Question 1

<u>RQ1: What are the main styles and drivers of strategic decision making within your organisation and how are these linked to the overall organisational goals?</u>

Research Question 1 aimed to provide insight into current SDM processes through the use of subject relevant literature and analysis of the results, which added context to the overall study. The Research Question aimed to identify key influences within SDM as well as to determine which of the two main SDM styles assessed within this study, rationality or intuitiveness, was most prevalent within organisations. An additional aim was to determine how organisations currently measure the results of strategic decisions made within their organisations.

Furthermore, Research Question 1 was designed to determine if organisations make use of strategy maps, with embedded linkages between various organisational goals. This was to determine if strategic decision makers consider the effects of their decisions within other affected areas of the organisation. The BSC and its use within SDM will be discussed, together with the results of the in-depth interviews identified within Section 5.3, which will draw linkages between the results and literature within the context of this study.

### 6.2.1 Factors influencing strategic decision making

SDM and the processes followed have been heavily researched in the past. Shepherd and Rudd (2014) described this process as being non-routine and pervasive, with decisions generally impacting on a variety of organisational departments, requiring large financial outlays and having a long-term implication on the organisation. The research aimed to gain an understanding of what the key influences on SDM are within a South African context, the results can be seen in subsection 5.3.1.

The highest-ranked SDM influence was the economic, political, and market conditions within the area where the organisation operates – six of the 12 respondents highlighted this as an influence. Respondent 6 said that *the "economic viability within South Africa"* affects their SDM procress, respondents 11 and 12 also said that the economic conditions are *"obvious"* and *"the biggest"* influencer within their SDM process. Respondents believed that politics drive the market conditions and as a result their SDM processes, with respondent 10 saying that they need to understand *the "government policies"* within any new market before entering. Four of the 12 respondents specifically mentioned that market conditions affect their SDM process, with the industry in which an organisation operates also being an influencer. Literature agrees with the opinions voiced by the respondents, indicating that the current state of the environment in which organisations operate has a direct effect on their SDM processes. Hostile environments, which are threatening and dangerous, lead to decision makers being less receptive to gathering information or receiving new information (Shepherd & Rudd, 2014), whilst firms that operate in dynamic and unpredictable environments tend to experience difficulties in relying on the relevance of information to aid their SDM process (Mitchell, et al., 2011). The results indicate that where the market conditions are not stable, information is often difficult to rely on, and this can negatively affect strategic decisions. Strategic decisions are likely to be effective if the SDM process involves extensive analysis, occasional complex analytical techniques, availability of information, and knowledge of constraints (Garbuio, et al., 2015).

The second-highest ranked influencer was business needs or requirements, with five respondents agreeing to this. Prior literature has identified inherent SDM characteristics that have an effect on their outcomes; these include the matter (which is the level of complexity and internal politics inherent within the decisions) (Shepherd & Rudd, 2014), the level of uncertainty within the decision (resulting in diminished levels of rationality and higher levels of flexibility, politicisation and problem solving) (Papadakis, et al., 1998), the motive behind the decision (characterised by the need originating from an opportunity or a threat) (Shepherd & Rudd, 2014; Papadakis, et al., 1998), the level of importance (higher levels of importance results in an increased use of financial information, participation by top management and cross-functional communication) (Papadakis, Lioukas, & Chambers, 1998), and lastly the level of time pressure (results in an increased level of problem-solving dissension, and a reduction in hierarchical decentralisation which restricts levels of communication) (Shepherd & Rudd, 2014; Papadakis, et al., 1998). It can be seen that the origin of the business needs as well as specific requirements for each strategic decision can have a profound influence on the overall SDM process that organisations undertake and should be considered by those involved within the process.

Respondents also identified that global influence has a significant impact on SDM, with four of the 12 respondents explicitly stating this. Respondents believed that the complex structure within global organisations has resulted in *"a lot more red tape",* and that they are *"dictated to by global standards".* The results highlight that the level of power centralisation has an influence on how strategic decisions are made, an organisation should acknowledge that failure to adequately distribute this power can be detrimental to the SDM process, due to the formation of coalitions and individuals pursuing their own goals rather than organisational goals (Shepherd & Rudd, 2014). The structure of the organisation also influences SDM, organisations with fewer rules and operating procedures have increased levels of participation, as well as a more diverse group of stakeholder involvement within their SDM processes (Ashmos, et al., 1998).

Four respondents agreed that internal finances have an effect on the organisation and, as a result, it can be inferred that the organisation's performance has a direct impact on how strategic decisions are made. Papadakis et al. (1998) found that organisations with a high return on assets have a more comprehensive and centralised financial focus, whilst organisations that have high levels of growth tend to have a more decentralised SDM process due to increased levels of resources. Elbanna and Child (2007) found that organisations that are not performing well tend to have a more rational and cautious SDM process as the effects of the decisions may have a significant influence on the future of the organisation. The results and literature demonstrate that financial influences affect overall SDM processes within organisations, with strategic decision makers being cognisant of this, however, it is interesting to note that not all respondents highlighted this as a factor within their specific SDM process.

### 6.2.2 Are decision makers rational or intuitive?

Cabantous and Goud (2011) regarded SDM to be a rational process that is analytical and follows a step-by-step process, despite this, only three of the 13 respondents made use of rational decision making in isolation within their organisation. Respondent 7 attested to the need for rational decision makers by stating that you *"have to sit back and think",* and that one should not make a decision purely on *"gut feel".* Respondent 12 felt that unpredictability within the South African environment required strategic decision makers to be more rational. This is supported by literature that indicates that SDM should follow a process of evaluation of different alternatives before ultimately choosing the most logical choice (Calabretta, et al., 2017). Of the 13 respondents, 3 believed that intuition should be the primary SDM style, with respondent 5 stating that rationality plays a role, but not all decisions are made with rationality. Respondent 1 felt that *"organisations lack the skills to synthesize information appropriately",* and therefore intuition is often resorted to in order to overcome uncertainties within SDM (Calabretta, et al., 2017).

Despite there being strong views on rational decision making, which are of great significance both within the results and within literature, the research highlights that most organisations make use of a combination of both rationality and intuition within their SDM process. Seven out of 13 respondents explicitly stated that they use a combination of both strategic decision making styles (Table 11). Prior research has identified that SDM tensions often results due to rational decision makers rejecting ideas from intuitive decision makers, resulting in any potential benefit being disregarded (Calabretta, et al., 2017). The results of this sub-question further indicate that many organisations may in fact experience these tensions, due to the combination of strategic decision making styles. Respondent 2 felt that many senior leaders make strategic decisions using "*intuition*", whilst at the same time saying that strategic decisions *"need to be supported by data"*, this contrasting statement indicates the potential for tension. Respondent 3 identified differences within SDM, saying that *"stark contrast between the styles of leadership"* exist, with the main differences being leadership with emotion and that of practical/enforceable leadership. These leadership styles make SDM very difficult at times, increasing the paradox of performing (resulting from the need to choose between different organisational goals) and the paradox of organising (the choice between creativity and efficiency) (Jarzakowski & Sillince, 2007).

From both the literature and the results, it is clear that there are different styles within SDM and organisations need to find a mechanism or framework in which to manage these different styles, so as to extract the greatest level of benefit within the overall process. Based on the discussion of the literature and results it appears that rationality should precede intuition within SDM, however, intuitive decision making should still exist within the SDM process, as it allows for a “rapid, non-conscience recognition of patterns and associations to drive effectively charged judgements” (Calabretta, et al., 2017, p.366), allowing for a more agile SDM process (Figure 4).

Figure 4: Order of strategic decision making styles


### 6.2.3 Measuring outcomes of strategic decisions

Section 5.3.4 of the results chapter presented the key measurement parameters that were used to evaluate the success of a strategic decision made. The results indicated that the main measurement was that of business and financial growth, indicated by 5 of the 12 respondents. In terms of strategic decisions, respondent 7 said that *“the best way to measure it is from a profitability segment”,* whereas respondent 11 stated that the good strategic decisions are rewarded based on the financial benefit derived from it. Drury (2016) characterises financial performance as being a measurement of the overall achievement of organisational objectives in relation to a variety of perspectives. From the literature reviewed and results it can be concluded that, in order for an organisation to perform successfully, the company needs to perform well financially – which is often an indication of the overall performance.

The second most prevalent construct, with a frequency count of 4, identified as a measurement parameter was that of customer and employee satisfaction. Various respondents believed that strategic decisions made needed to have a positive effect on their customers, with respondent 11 saying that it is all about “*customer satisfaction*”. Respondent 9 elaborated by saying that they utilise employee and customer satisfaction scores to measure how successful strategic decisions have been. Drury (2016) explains that the customer perspective aims to drive the creation of customer value, it can be seen that strategic decisions are highly influenced by quantifiable value, which would be generated for the customers – ultimately leading to increased levels of customer retention. Drury (2016) further explains that for an organisation to have loyal and satisfied customers they need to utilise their resources in the best manner, which correlates to the utilisation of employees, their overall satisfaction, and motivation, which is influenced by strategic decisions taken.

In addition to the above, three additional measurement parameters were identified, with two respondents explicitly highlighting each. These included the use of the BSC, studying of data gathered, and meeting KPIs. From the results it is interesting to see that most elements within the BSC were identified as being key measurement outcomes, with the ability to correlate all four perspectives identified from literature to the results of the in-depth interviews (Table 25).

Table 25: Correlation of BSC measurement perspectives to the research results

| BSC measurement perspective | Correlation to results |
|---|---|
| Financial perspective (Section 2.3.3) | Financial growth/benefit |
| Internal process perspective (Section 2.3.6) | Business growth/benefit |
| Customer perspective (Section 2.3.4) | Customer satisfaction surveys |
| Learning and growth perspective (Section 2.3.5) | Employee satisfaction surveys |

Despite organisation highlighting different measurement parameters used to determine the success of strategic decisions, it is concerning that the effects of strategic decisions made within organisations remain unclear, as individual decisions can be troublesome to identify and measure (Shepherd & Rudd, 2014). It is vital that organisations make the correct strategic decisions as these may have a significant effect on their overall success or failure.

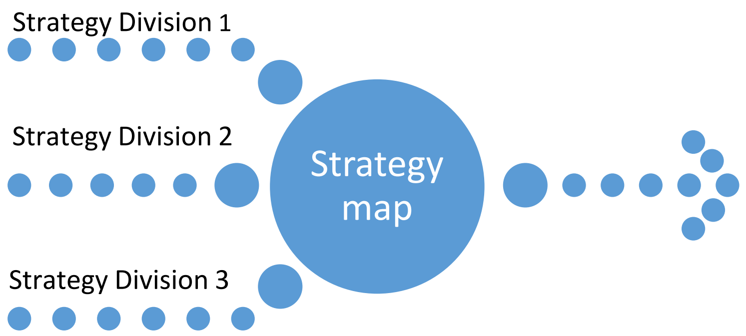
### 6.2.4 The use of strategy maps

Kaplan (2009) introduced strategy maps to be used in conjunction with the BSC, to further assist strategic decision makers in making more effective decisions, through the use of performance measures that are linked to the overall strategic goals. Humphreys et al. (2016) found that having a strategy map would assist managers in developing their strategies as well as provide transparency into the different linkages within the strategy. Respondents 6 and 10 attested to this, stating that strategy maps help "*break down silos*", and that there was no added value for organisations to work within silos.

Despite literature identifying benefits from using strategy maps, section 5.3.4 of the results highlighted that 9 out of the 13 respondent's organisations did not make use of any sort of strategy map, which included linkages to organisational goals. All four of the remaining participants who currently do not make use of strategy maps believed that its use would be valuable within their organisation. The respondents believed that a strategy map could help their organisation to link *"different strategies"* to organisational *"objectives",* which would assist in breaking down silos due to an understanding of what the effect of a strategic decision would be on various other parts of the organisation.

From the literature and the results it can be concluded that making use of strategy maps, which are designed to provide increased levels of transparency, should result in linkages between different departments as well as strategic decision makers (Humphreys et al., 2016). The implementation and use of strategy maps could provide a good starting point for SDM, with respondent 10 highlighting that organisations should have a strategy map in place and use it to move towards a common goal. Figure 5 below illustrates how multiple divisions should work together in forming a singular strategy map, which would in turn steer SDM going forward.

Figure 5: Summarised illustration of contributors to form a strategy map




Limitations that are identified within literature should be considered. Time delays between when decisions are made and when the associated effects on the business can be measured results in uncertainties, therefore the implementation of a strategy map should be done in a manner that ensures information and linkages between performance measures are available without delay (Humphreys, et al., 2016), this was confirmed by respondents whom believed that any form of framework may result in an increased level of complexity and additional resources required. Respondent 7 indicated that a strategy map may be difficult to implement within highly complex organisations, stating that he sees more value within a centralised organisational structure, which indicates that such a tool could be extremely complex to implement within a decentralised and complete organisational structure.

### 6.2.5 Conclusive findings for Research Question 1

The results indicate that the main SDM drivers are both internally and externally generated. Key constructs identified for external SDM drivers include the economic conditions, political landscape, and policies. Key internal SDM drivers included the business need and requirements, the level of centralised power, as well as the overall performance of the organisation. The discussion highlighted the necessity of both rational and intuitive SDM styles, with rationality preceding that of intuition. Both styles are, however, critical to the overall SDM process and should be accepted by organisations, which would reduce additional tension generated due to the different strategic decision making styles.

An interesting finding is that organisations don't seem to have any formal mechanisms in place to measure the outcomes of their results holistically, however, when viewed individually the main constructs can be correlated to the BSC developed by Kaplan (2009). The results further indicated that most organisations do not make use of strategy maps with embedded linkages to organisational goals, despite respondents believing that these would break down silos and as a result improve the overall SDM process. Respondents believed that the added transparency provided by strategy maps would assist in the breaking down of silos, through understanding the effects of decisions on the other parts of the organisation. The results and literature indicate that, when implementing a strategy map, organisations need to ensure counter measures are implemented to address potential time delays and complex organisational structures.

## 6.3 Discussion of results for Research Question 2

<u>RQ2: What impact would the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, have on the overall process?</u>

Research Question 2 aimed to determine what impact, if any, would result from the uncovering and measurement of paradoxes and resulting tension at the time of making strategic decisions. It was first necessary to understand how prevalent paradoxes in SDM are, their contributors, as well as how these are addressed. Furthermore, the research question aimed to draw insights and conclusions on what the effect of uncovering paradoxes and resulting tension would have on SDM within organisations.

### 6.3.1 Prevalence and contributors of paradoxes within SDM

The results confirmed that there was indeed a prevalence of paradoxes within SDM, reported by 11 of the 13 respondents (Table 14). A key construct identified is the knock-on effect and uncertainty of decisions that have been made (Table 15). In agreement with Lewis (2000), there is an indication that organisations appear to have contradictory but interrelated elements within their SDM process, which are often not considered simultaneously. This was confirmed by respondent 7 who stated that the effects of their strategic decisions may not have been seen upfront. The results highlight that many strategic decision makers do not fully understand the impact of their decision on other areas of the organisation, resulting in a negative knock-on effect due to the prevalence of uncertainties. Literature further identifies that paradoxes are formed due to a limited understanding of subsystem interactions and their consequences (Katz & Rhan, 1966), which again supports the findings that strategic decision makers do not fully understand the effects of decisions within those subsystems. Smith (2014) argues that long-term performance is dependent on the strategy as a whole, supported by the respondents who did not understand the knock-on effects of strategic decisions made, which resulted in an increased level of paradoxes and increased levels of uncertainty within their SDM process.

Jarzakowski and Sillince (2007) indicated that leaders are under immense pressure to address multiple competing strategic demands separately. The results of the research indicated that paradoxes are not only internally formed but are heavily dependent on the economic and political landscapes, which add to the complexities in achieving strategic demands or objectives (Table 15). Various respondents highlighted that strategic decisions cannot be made in isolation of the economic and political influences. This is specifically relevant within South Africa as the political environment has been unpredictable in recent times, with changes in political structures and policies often negating strategic decisions made by organisations. The South African environment can be related to a dynamic environment due to the high level of unpredictability, unstable rates of change, and high levels of uncertainty – resulting in inaccuracy, unavailability, and obsolescence of information used within the SDM process (Mitchell, et al., 2011). The results therefore agree with the literature that competing strategic demands need to include macroeconomic and microeconomic factors, their overall environment, and political landscape (Shepherd & Rudd, 2014) – which contribute to strategic SDM paradoxes due to additional demands created on an organisation.

The third-highest ranked contributor was a lack of foresight or long-term vision, with four respondents explicitly stating this to be a major contributor within SDM paradoxes. Smith and Tushman (2005) identify that the uncertainties which exist between exploitative and explorative strategies result in an increased amount of paradoxes. This can be related to the lack of foresight or vision experienced by strategic decision makers in identifying whether or not explorative or exploitative strategies would be best to move the organisation forward. The issue around long-term sustainability of organisations was prevalent within the results as a contributor to paradoxes with multiple respondents stating that organisations need to *"sacrifice short-term profitability for long-term sustainability",* and that decision-making is *"critical in terms of continuity of the business and long-term longevity of the business"*. It is possible to conclude that paradoxes result from a presence of limited foresight into what the impact of a decision has on the future of the organisation, with varying views within SDM competing for a limited amount of resources (Smith, 2014).

The result highlighted that there is often competition between strategic decision makers to achieve *"short-term profitability"* or to *"strive for long-term sustainability"*, due to the lack of long-term vision. Smith and Tracey (2016) found that societal-level expectations in which there is a prevalence of multiple incompatible logics within demands simultaneously and within the same period present added complexities, Smith and Lewis (2011) further state that the plurality of stakeholders with competing needs presents an increased level of complexity and paradoxes – which can be related back to a lack of foresight and vision experienced by organisational decision makers.

Regarding the geographic and cultural landscape in which organisations operate, some respondents identified that where strategic decisions are made for different geographical locations, it is seen that there is a disconnect in those decisions from a global to local perspective. Lewis and Smith (2014) identified that for organisations to be successful they need to meet demands locally as well as globally, which can be achieved through leadership that is both autocratic and democratic, allowing for flexibility based on the SDM needs within that geography. It is therefore vital that strategic decision makers implement a culture whereby strategic decisions can be made to best suit the need of the strategy within that country. This can be achieved by allowing a greater level of SDM power within the local operations of larger multinational organisations, reducing paradoxes that occur due to differing geographies and cultures.

### 6.3.2 Paradoxes and their contribution to tension

Twelve of the 13 respondents believed that paradoxes contribute to tension within SDM. Respondent 2, who was one of the two respondents that believed tension was not related to paradoxes stated that, it is rather attributable to *“confusion”* and *“anxiety”.* Literature draws a similar but contradictory stance on the existence of confusion, anxiety, and tension, with Sundaramurthy and Lewis (2003) highlighting that paradoxes raise the levels of uncertainty and anxiety, resulting in defensive responses from decision makers. Despite the respondent feeling that paradoxes do not increase anxiety, prior research has indeed highlighted that a definite linkage exists between the two. From the number of respondents who unanimously believed that paradoxes increase tension within SDM, and the supportive literature reviewed, it can be inferred that that there is indeed a linkage between SDM paradoxes and imbedded tension.

### 6.3.3 Addressing paradoxes to mitigate tension

The sub-question was constructed to gain an understanding of how organisations address SDM paradoxes, as well as tension that arises within the process. From Section 6.3.2 it is clear that paradoxes do indeed contribute to tension, which formed a good base to further probe how these are addressed within organisations. Five key constructs, which had been identified within the results chapter listed in Table 17 in the order of highest rank, are constant communication, alignment and agreement to goals, making informed decisions, transparency, and the reflection on the past with the consideration of required change management.

According to five respondents, constant communication was the highest-ranked construct identified to address paradoxes and mitigate resulting tension, with 3 respondents explicitly stating that it is “*continuous communication*” that can be used to address paradoxes and mitigate associated tensions. Respondent 13 highlighted that explaining the process, the thought behind the decisions, and its desired effects would reduce paradoxes and tension. Lavine (2014) found that in order to address paradoxes and alleviate tensions arising from competing demands leaders need to acknowledge that these exist, and this acknowledgement needs to be well understood and communicated to ensure that all those involved understand what the paradoxes are and how they affect an organisation. If paradoxes and tension within the SDM process are not well understood and shared through communication and discussion they will not be addressed, which may have detrimental effects on the organisation (Lewis, 2000).

Making informed decisions to reduce paradoxes was the second joint highest construct identified. Waldman and Bowen (2016) discovered that leaders need to consider different strategic viewpoints without immediately rejecting either. The results of this study agreed with literature, indicating that there is a need for information in order to make the correct strategic decisions. Respondent 8 described the need to have information as an enabler to make the correct decision, whilst respondent 12 mentioned that the availability of information within SDM is crucial in addressing paradoxes and reducing tension, with organisations needing to acquire *"all the relevant information, to get a degree of certainty".* The other joint second-highest ranked construct that was identified was the need for alignment and agreement of goals between strategic decision makers, which was stated explicitly by four respondents. Smith and Tracey (2016) described that institutional theory, which applies to organisations that adhere to multiple logics simultaneously, have an increased risk of pressure – this aligns to the results as organisations need to agree and align their strategic goals to ensure that decision makers act appropriately. Greenwood et al. (2011) further elaborated that where there are incompatibilities or situations that result in contradictory prescriptions, there is likely to be a heightened risk for the formation of conflicting relationships. Multinational organisations have an increased risk towards a lack of alignment and agreement of strategic goals, respondent 2 raised the question of how far organisations should go to adjust to global strategies due to the concern of being *"aligned"* or *"not aligned",* arising from the disconnect between local and global strategies.

The remaining constructs identified were transparency, reflection on the past and change management (Table 17). Respondent 3 stated that strategic decision makers need to be *"as transparent as can be"*, respondent 6 shared this view and elaborated that where there are paradoxes and tension, their organisation does not avoid the discussion, but rather *"try to be a bit more transparent in terms of how we approach the initiatives".* Hahn et al. (2015) found within their academic studies that acknowledging tension is beneficial to organisations, as it allows for the organisations to understand the reasons behind it. Through this added transparency organisations are able to pursue potential strategies to manage the tensions, and as a result reduce the tension arising from paradoxes. Reflecting on the past and implementing change management initiatives were identified within the results, with respondent 4 indicating that knowing things in *"hindsight"* would allow then to "*fix it upfront*", however, where this is not possible, one should reflect on the past and change what did not work going forward. Lavine (2014) shared the sentiment, identifying that despite organisations needing to be consistent, strategic decision makers also need to be able to adapt to changing circumstances and implement measures to improve shortcomings found in the past, mitigating potential future shortcomings.

### 6.3.4 Uncovering paradoxes and tension to improve SDM

The research aimed to determine if uncovering paradoxes and reducing tension within SDM would in deed improve the overall SDM process within organisations. As indicated in the results under Section 5.4.2, 12 out of the 13 respondents believed that uncovering paradoxes and tension would improve overall SDM. Only respondent 5 believed that there is no way of uncovering all paradoxes due to paradoxes frequently arising, resulting in a *"constant battle".*

Lavine (2014) discovered that leaders need to acknowledge and make use of paradoxes, which will result in reduced levels of tension arising from competing demands – this discovery is consistent with the results of the study, with respondent 6 agreeing and respondent 1 saying that, *"paradox discussions and a little bit of negotiations is important"*. For organisations to discover these paradoxes it is crucial that they are understood and uncovered, and then discussed in order for leaders to make decisions that seek *"holistic synergies"* (Smith and Tushman, 2005). Smith and Lewis (2011) further highlighted that the management of paradoxical tensions can help organisations become more *"flexible and resilient".* Various respondents agreed with this, with respondent 3 stating that the uncovering of paradoxes and tension would make their organisation more agile as this would remove the need for constant and lengthy negative *"negotiations to come to a settlement".*

From relevant literature found within Chapter 2 and the results it can be accepted that organisations would be more agile if time was spent in discussion and negotiation, with paradoxes and tension being visible, which would otherwise be distractive within the SDM process. Respondent 8 reiterated this by highlighting that through the uncovering of paradoxes, strategic decision makers are more likely to be aware of the organisations strengths and weaknesses, which would result in the creation of more knowledge, which would ultimately improve the overall SDM process. Smith and Lewis (2011) believed that the management of paradoxes and resulting tension would result in organisations having more dynamic SDM processes. This can be attributed to time being spent within future-looking SDM processes, rather than in response to unknown paradoxes and tension.

### 6.3.5 Conclusive findings for Research Question 2

The vast majority of respondents confirmed that there is a prevalence of paradoxes within their organisation's SDM process. A number of key constructs could be identified as to why these paradoxes occur, with the top four being: the knock-on effect and uncertainty of decisions made, difficulty in understanding the economic and political landscape, lack of foresight and long-term vision, as well as varying geographical and cultural landscapes in which an organisation operates. The research findings and literature confirmed that a significant number of strategic decision makers do not fully understand the impact of their decisions on their organisation. A greater understanding of the effects of strategic decisions as well as an understanding of sub-systems within an organisation would address some of the primary causes of paradoxes.

All but one respondent believed that paradoxes directly contribute to tension within their organisations, as a result of the number of competing strategic demands within their SDM process. The research identified various constructs that could be used to address paradoxes and mitigate its associated tension, which, in order of rank, included: constant communication, alignment and agreement to goals. making informed decisions, transparency, and reflection on the past with the consideration of required change management (Table 15).

The results and literature confirmed that tension within SDM is not necessarily negative, as it allows strategic decision makers to understand the reasons behind the tension. Understanding the reasons allows organisations to address them, which can help to increase the overall level of transparency within the SDM process. The results and literature confirmed that the uncovering of paradoxes and resulting tension would improve the overall SDM process due to a more focused SDM negotiation process, as well as the added levels of transparency - which would result in the development of synergies and improved SDM agility.

## 6.4 Discussion of results for Research Question 3

RQ3: With a focus on the uncovering of paradoxes and resulting tension, how effective would the BSC be as a predictive framework within SDM?

Research Question 3 was designed to gain insights on the BSC and its current effectiveness, within its traditional state of being a performance measurement framework. Sub-questions were asked to determine how useful the BSC would be to organisations within their SDM process, as both a measurement and predictive framework. The usability of the BSC was further explored to uncover paradoxes and resulting tension through which strategic decision makers navigate through on a regular basis (as discussed within Section

6.3). Based on relevant literature and the results of this study, the conclusion as to whether the BSC would be an effective framework within SDM at the time of making decisions will be discussed, as well as its effectiveness in driving organisational synergies.

### 6.4.1 Balanced scorecards within its traditional state

Drury (2016) presents Kaplan's four BSC perspectives (which can be seen in Figure 2) demonstrating the consideration of both financial and non-financial performance perspectives. Taylor (2010) identified the BSC as being one of the most significant accounting performance measurement frameworks, which is used by a vast number of organisations. Twelve of the 13 respondents agreed with Taylor (2010) by confirming that the BSC is a useful framework within its traditional state of being a performance measurement framework. Respondent 12 believed that the BSC *"will show quite clearly whether you are achieving your targets or not", h*e further elaborated that the BSC would result in improved "*transparency*" within organisations.

The results of the research indicated that there is a need for the BSC to evolve from its traditional state, despite having solid underlying principles. Numerous respondents reported that the BSC is a good framework, however, they felt that there are some limitations to its uses. Respondent 9 believed that the BSC highlights areas of focus across different perspectives, however, it does not show you what degree of focus per perspective is required. Literature confirms this, with Hoque (2014) suggesting that the BSC's measurements are loosely connected to each other, which limits the manager's ability to determine the degree of focus for each perspective. Interestingly, respondent 12 believed that by using an increased amount of business intelligence, the BSC could be evolved into a framework that is able to be more predictive in nature. These findings can be related to a limitation of the BSC, being the absence of a time dimension as well as the missing of time linkages (Geoffrey, et al., 2014).

### 6.4.2 Use of the BSC within the SDM process

As identified in Section 5.3.2 and in Table 19, only 3 of the 13 respondents made use of the BSC in its traditional state within in their SDM process, and an additional 3 respondents made use of an adapted version of the BSC. The results indicate that the majority of organisations studied do not make use of the BSC when making strategic decisions, this is despite prior research indicating that the BSC as a framework is consistent with the emergence of strategic management accounting – which is a major contributor in strategy formation and development (Cadez & Guilding, 2008). The results have highlighted that the BSC is currently being adopted by some companies, however there is a need for it to be constantly improved and adapted if it is to be used within SDM, which is consistent with literature written by Hoque (2014).

### 6.4.3 BSC and its ability to measure or predict SDM outcomes

The results found within Section 5.3.3 indicated that 6 respondents used the BSC within SDM to measure results, 1 respondent used the framework to measure and predict SDM results, and the remaining 5 respondents did not make use of the framework at all within their SDM process. The results of this sub-question were consistent with that discussed in Section 6.4.2, whereby 7 respondents made use of the BSC within their SDM process.

Respondent 1 indicated that they do not use the BSC in SDM due to the framework being *"an after the fact measurement of performance".* Respondent 9 believed that the BSC did not consider the organisation holistically, and as a result it was not used within his organisations SDM process. In response to the aforementioned SDM shortfalls within the BSC, Kaplan (2009) introduced a strategy map with a BSC-focused approach. This was done to assist managers in the development of their strategies with a focus on linkages between the various strategic goals of the organisation (Figure 3). The mere fact that the strategy maps were designed for new strategic implementations highlights Kaplan's desire for the framework to help to improve the SDM process, by addressing various areas which strategic decision may affect (Humphreys, et al., 2016). Despite the efforts from Kaplan (2009), based on the results, the use of strategy maps within SDM does not seem to have achieved mass adaptation.

### 6.4.4 Use of the BSC to uncover paradoxes within SDM

Currently, there is limited literature on the use of the BSC to uncover paradoxes within SDM. Various other studies are discussed within this chapter relating to the use of the BSC within strategic formulations, however, none of these studies explicitly address the uncovering of paradoxes within the SDM process, and any findings from this sub-question are likely to be an addition to current published literature. All 13 of the respondents who took part in the research agreed that using the BSC would uncover paradoxes due to the framework having a multidimensional design that considers various interlinked areas within an organisation, by means of both financial and non-financial objectives (Geoffrey, et al., 2014). Despite respondents believing that paradoxes would be uncovered, Section

5.5.4 indicated that some respondents questioned the framework's practicality, in terms of their organisation's resources and available time to undertake such an activity.

### 6.4.5 Effectiveness of using the BSC when making strategic decisions

Sub-question 5.5.5 asked respondents whether or not they felt the BSC's measurments of a strategic decision at the time of making that decision, would result in more effective decisions being made, which paraphrased means the use of the BSC as a predictive measuremt framework within the SDM process. Of the 13 respondents, 11 felt that using the BSC to measure outcomes of strategic decisions at the time of making the decision would improve the effectiveness of those decisions, with the remaining two respondents believing that it would not (Table 22).

Respondent 4 believed that the use of the BSC as a predictive framework would remove the need to *"substantiate"* why a decision was made as the measurement would provide a more holistic view on the desired outcomes of the decision. This can be related to Wiersma (2009) advocating the use of the BSC to improve managers cognitive abilities when assessing performance. Respondent 5 had similar views, believing that making use of the BSC at the time of making a strategic decision would provide a *"more balanced view"* within the SDM process. The main constructs that were identified are consistent with literature, confirming that the BSC would provide a more holistic view of strategic decisions taken. The holistic view is due to the use of the BSC's four perspectives, resulting in a heightened level of understanding between the different cause and effect relationships interlinked between the perspectives (Kaplan & Norton, 1996). Furthermore, Busco and Quattrone (2015) discovered that the BSC enables creativity within the creation of new strategic imperatives, due to the framework's ability in providing a more holistic view of an organisation's strategies.

Respondent 7, who believed that the framework would improve SDM effectiveness, once again raised the concern that any framework implemented should not cause unwarranted delays within the SDM process. The two respondents who believed that the BSC was not useful as a framework to appraise strategic decisions at the time of making the decision, mentioned that a framework in itself cannot be directly attributable to the creation of more effective decisions, and that each decision is unique, which may require a unique approach that cannot be derived from a generic framework.

What has not been researched in great detail is the ability of the BSC to be used as a predictive SDM framework which would allow its users to gain an understanding of how a strategic decision would impact the organisation holistically. It should be noted that strategy maps discussed within Section 2.4.3 and illustrated within Figure 3 was designed to provide organisations with an extension of the BSC to design new strategies (Kaplan, 2009). Despite Kaplan's strategy maps being relevant to the research, the focus of this study is on continuous SDM and its related processes.

### 6.4.6 The BSC as a predictive framework to generate synergies

The results highlighted within Section 5.6.6 indicated that 12 of the 13 respondents believed that the BSC used as a predictive framework could provide synergistic benefits. Respondent 7 suggested that if all departments made use of a single BSC within SDM this would allow for a greater understanding of how a decision would affect the overall organisation, rather than just their department, which confers with literature identifying that the BSC provides organisations with a more holistic view of their strategies (Busco & Quattrone, 2015). Another key theme that came out of the results, and was highlighted by respondent 12, was the need for organisations to be aligned to a single vision, it was discovered that the BSC could allow organisations to understand the various departmental goals which would assist in the formation of inter-department synergies. Respondent 4 added to this by stating that through collaboration an organisation would likely realise synergies, due to the removal of "*silos*", which was highlighted within Section 5.3.5, and was once again mentioned within Section 5.6.6. Geoffrey et al. (2014) believed that the BSC provides strategic decision makers with a tool to communicate the strategic goals of an organisation, which are linked to performance targets as well as the eveluation of these targets. Geoffrey et al. (2014) confirms that the BSC can provide organisations with a clearer vision of their organisational goals, which will assist in breaking down silos, and as a result help to produce synergies between various departments.

Contrary to what was discussed within Section 6.4.5, some respondents believed that the BSC would allow for strategic decisions to be made quicker. The reason for potentially quicker strategic decisions is due to a single vision within all departments being achieved. Respondent 12 explicitly stated that various departments within the organisation have *"differing objectives of what they believe is the right way forward",* and an alignment of these objectives could greatly improve the overall SDM processes within organisations. Despite there being a great deal of potential, various respondents highlighted the potential lack of *"efficiencies"* that frameworks may cause. It is therefore critical that any implementation of the BSC be done in a manner that would assist the making of strategic decisions in a timely manner.

### 6.4.7 Conclusive findings for Research Question 3

The results of the in-depth interviews agreed to literature and confirmed that the BSC is a useful framework, with 12 of the 13 respondents explicitly stating its benefit in measuring organisational targets. The results further highlighted the need for the BSC to evolve by including levels of focus between perspectives, as well as enhanced business intelligence to help transform the BSC into a predictive SDM framework. Despite respondents unanimously believing that BSC to be a useful framework, only 6 respondents used the BSC to measure outcomes, and a mere 1 respondent used the framework to predict outcomes of strategic decisions.

Due to the framework's multidimensional design, all respondents believed that the BSC could be used to uncover paradoxes within their SDM process. Based on the results it can be conferred that the framework would reduce embedded paradoxical tension if the paradoxes are uncovered and addressed. The research confirmed that the BSC is useful within SDM and would add a great deal of value if the framework could predict SDM outcomes at the time of making those decisions, helping strategic decision makers to substantiate a strategic decision taken, as well as increase the level of understanding of the impact that a strategic decision would have on the organisation as a whole. In addition, the results indicated the potential for the BSC to help generate synergistic benefits when used as a predictive framework, as strategic decision makers would have a greater understanding of the possible linked effects of a strategic decision on the various other departments, which would assist organisations in breaking down silos.

# Chapter 7: Conclusion and Recommendations

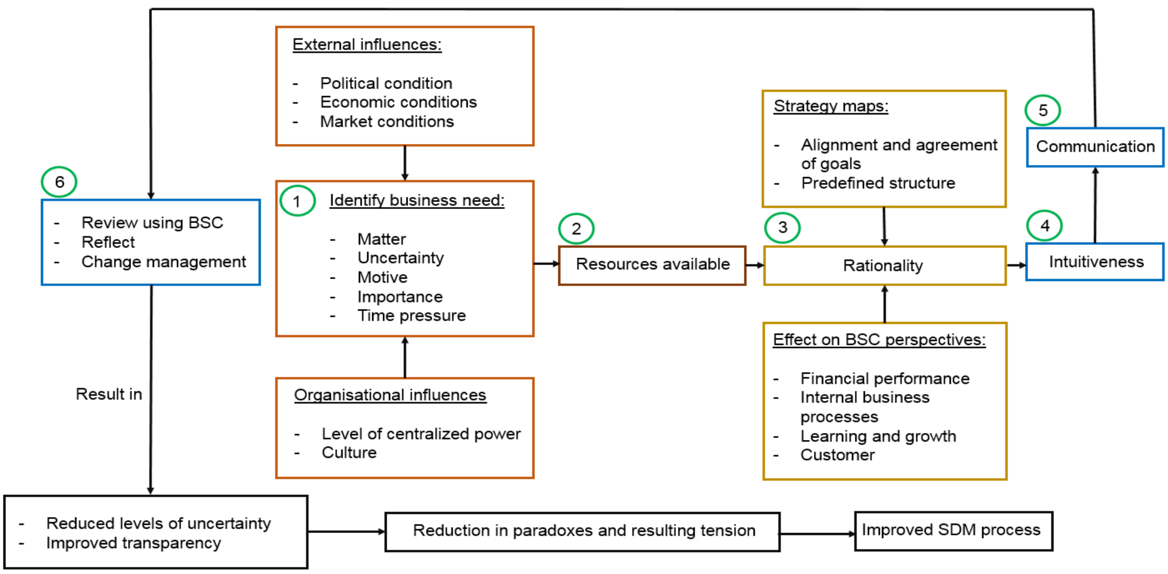
## 7.1 Introduction

Chapter 7 presents the “BSC model to improve SDM – through reduced paradoxes and tension” (Figure 6), the implications that the results of this study has on managers, the limitations of the research conducted, and suggestions for future research. The conclusive findings outlined in this chapter have been formulated based on the results found within Chapter 5, as well as the discussion of the results as shown in Chapter 6. This chapter aims to tie together the findings of the research with the overarching Research Questions (Section 3.1), and at the same time, highlight the potential practical use for strategic decision makers within their SDM process.

## 7.2 Principal findings

A conceptual six-step model has been designed based on evidence found within the results (Chapter 5) and discussion of the results (Chapter 6). The model brings together the inter-related factors that affect SDM within large multinational private and public organisations, as well as demonstrates how the BSC can be used to add value within the SDM process. The key objective in the creation of the “BSC model to improve SDM - through reduced paradoxes and tension” was to present a practical sequence of actions that should be taken and factors which should be considered by strategic decision makers within their SDM processes. An illustration of the model can be seen in Figure 6 below.

Figure 6: BSC model to improve SDM - through reduced paradoxes and tension



**Step 1:** Sets the foundation for strategic decision making, which should first be to understand the business need of the strategic decision that is being undertaken by the organisation. The results and prior literature found within Section 6.2.1 highlight the need for organisations to understand the matter (being the level of complexities and internal processes which are inherent to the specific strategic decisions), the amount of uncertainty surrounding a specific strategic decision, the motive behind making the strategic decisions, the level of importance which the strategic decision has, and the time constraints related to the particular strategic direction (Shepherd & Rudd, 2014; Papadakis, et al., 1998). Once a good understanding of the business needs surrounding the strategic decision has been attained, other external factors need to be considered. This includes political conditions, economic conditions, and market conditions which may directly influence the SDM process, as well understanding what the outcome of the strategic decisions being made will be. Strategic decision makers also need to understand the level of organisational influence, which can be referred to as the level of centralised power. Understanding the level of centralised power within organisations provides strategic decision makers with an understanding of the level of “red tape” and dictation from global headquarters, which impacts the culture within the organisation and ultimately influences the overall SDM process.

**Step 2:** Section 6.2.1 identified the need for strategic decision makers to understand the level of resources available for a strategic decision. Resources include the man-power required to undertake a strategic decision, the amount of time available to carry out a strategic decision, and the financial performance of the organisation. Various respondents commented on the risks associated with resources within their SDM process, with time being mentioned regularly. Strategic decision makers need to understand the level of participation required in the process and the overall time frame needed to successfully make the decision. The financial performance of the company was also described by respondents as a key influencer of SDM, with literature explaining how strategic decision making objectives can change due to the level of financial performance - which then affects the level of centralisation and rationality required within the SDM process (Papadakis et al., 1998; Elbanna and Child, 2007).

**Step 3 & Step 4:** The discussion of the results, found within Section 6.2.2, demonstrated the need for strategic decision making styles to include both rationality and intuitiveness, as mentioned by 7 of the 13 respondents (Table 11). Calabretta et al. (2017) found that an SDM process should consider both SDM styles (rationale and intuition) to avoid the rejection of ideas which would disregard any benefit which may have come up between the two SDM styles, resulting in less tension. Despite the need for both SDM styles, Section 6.2.2 indicates that a rational SDM style should precede that of an intuitive style, due to the majority of respondents confirming that any strategic decision taken should be supported by data. This has been supported by literature which suggest that a process of evaluation of the different alternatives should be undertaken before making the most logical choice (Calabretta, et al. 2017).

- **Step 3:** Recommends that strategic decision makers formulate a strategy map within the rational stage of their SDM process. Section 6.2.4 highlighted various benefits which could arise from the use of a strategy map, which included the linkage of various organisational strategies and objectives within the SDM process, assisting in the breaking down of silos. Humphreys et al. (2016) indicates that the use of a strategy map can allow for more transparency between the various linkages within a strategy, as it allows for strategic decision makers to have a more complete and rational view of the impact that a strategic decision would have on the overall organisation. Eleven respondents agreed that using the BSC at the time of making a decision would improve their SDM process (Section 6.4.5) due to the alignment and agreement of goals within the organisation, which was identified as a key construct to address paradoxes and mitigate tension (Section 6.3.3). Twelve of the 13 respondents believed that using the BSC as a predictive framework within SDM would result in the generation of synergies (Table 24). From the results it can be inferred that it could be beneficial to utilise the BSC at the time of making strategic decisions, as it allows for a clearer vision of organisational goals and provides strategic decision makers with a greater understanding of how a decision could affect the overall organisation, resulting in SDM being more informed (Section 6.3.3), thereby, increasing rationality within the SDM process (Geoffrey et al., 2014; Busco & Quattrone, 2015).

- **Step 4:** Requires strategic decision makers to use intuition within their SDM process. According to Calabretta et al. (2017, p.366), "intuition allows for strategic decision makers to make use of a rapid, non-conscience, recognition of patterns which will allow for effectively charged judgements based on the recognition of patters as well as their associations" (Section 6.2.2). Various respondents indicated the need for intuitive SDM, stating that experience and gut feel plays a significant role, while at the same time stating that SDM needs to be supported by data which would have been generated within Step 3.

**Step 5:** Constant communication has been ranked by the majority of respondents as a tool to overcome paradoxes and mitigate tension (Table 17). Strategic decision makers need to ensure that constant communication occurs between all stakeholders, resulting in a reduction of SDM paradoxes and related tension.

**Step 6:** The first part of step 6 is to measure the outcomes of the strategic decisions made using the BSC, with a view of the correlated constructs presented within Table 25 (Section 6.2.3). Using the BSC to measure SDM outcomes will help alleviate the concern that most strategic decision makers do not fully understand the effect of their decisions, due to individual decisions being difficult to identify and measure (Shepherd & Rudd, 2014). Based on the key constructs to overcome paradoxes and related tension found within Table 17, the second part of step 6 requires that strategic decision makers reflect on the outcome of their decisions and, based on this, go through the necessary change management process to implement any corrective actions. Existing literature highlights the ability to reflect on the past and change where necessary, Lavine (2014) found that strategic decision makers need to adapt to changing circumstances and implement measures to improve shortcomings found in the past, which could also assist in improving the overall SDM process.

The six-step “BSC model to improve SDM - through reduced paradoxes and tension” (Figure 6), described above, aims to provide strategic decision makers with a practical model drawn from literature and the findings of this research. The model further extends to highlight outcomes which strategic decision makers could achieve, based on evidence found within Chapter 5 and 6:

- **Reduced levels of uncertainty:** Respondents believed many strategic decision makers do not fully understand the knock-on effects of strategic decisions made within their organisations (Table 15), mainly because of uncertainties within their overall SDM process (Section 6.3.1). The model discussed above aims to provide strategic decision makers with a more complete view of the effect of their decisions, which could result in the lowering of uncertainties. Respondents confirmed that the use of the BSC as a predictive framework would provide them with information needed to substantiate their decisions, as well as provide a more holistic view on the desired outcomes of a decision taken – decreasing uncertainty surrounding the cause and effect relationships which are interlinked between the different organisational perspectives (Kaplan & Norton, 1996)

- **Improved transparency:** Transparency within the SDM process was identified as a key construct to alleviate paradoxes (Table 17). Respondents believed that strategic decisions should be transparent and be supported. The findings indicate that the BSC could result in more transparency within the SDM process, due to its clear performance measures, which can identify whether the organisation is meeting its objectives or not (Section 6.4.1). Respondents also believed that using the BSC would create synergies between various departments as a result of the improved level of understanding of the effects a strategic decision taken would have on the overall organisation (Section 6.4.5). The research provided empirical evidence that the use of the BSC as a measurement and predictive framework could provide organisations with improved levels of transparency within their SDM process.

- **Reduction in paradoxes and resulting tension:** Eleven of the 13 respondents believed that there is an existence of paradoxes within SDM (Table 14). The same number of respondents believed that these paradoxes result in increased levels of tension within the SDM process (Table 16). Twelve of the 13 respondents believed that through the uncovering of paradoxes, organisations could reduce tension within their SDM process (Table 18). Section 5.4.4 and Section 6.3.3 highlight the main constructs which can be used to address paradoxes in order to mitigate tension within the SDM process (Table 17). All of these constructs have been included within the steps discussed above. Therefore, it can be said that by following the above process, organisations could achieve lower levels of paradoxes and its resulting tension within their SDM process.

- **Improved SDM process:** It was evident that, through the use of the BSC and strategy maps, organisations will have an improved understanding of the impact that SDM has on various departments, and potentially generate synergies (Section 6.2.4 and Section 6.4.7). The results also show that respondents believe a reduction in paradoxes and tension could improve the overall SDM process, which can be achieved by understanding the main contributors of paradoxes and measures to address these paradoxes (Section 6.3.5).

Due to the focus of this study, an emphasis of the role that the BSC plays within the above model should be elaborated on. Section 6.4.3 confirms that strategic decision makers believe the BSC to be a useful framework to predict and measure SDM results, as indicated in step 3 and step 6 (Figure 6). All respondents within this study agreed that the

BSC can be used to uncover paradoxes within their SDM process, mainly as a result of the framework's multidimensional design (Table 22, Section 6.4.4). Respondents further believed that their SDM process can be improved using strategy maps which would highlight linkages between the various organisational departments, resulting in the breakdown of silos (Section 6.2.3). The research found that strategic decision makers believed the BSC to be a useful framework within the SDM process, however most did not make use of the framework or strategy maps within their SDM process (Table 13 and Table 20). Respondents raised concerns about resources and time required to successfully implement the BSC and strategy maps. Further concerns arose around the usability of the BSC as a framework in isolation, with some respondents believing that the framework may only be useful when combined with other frameworks relevant to their specific organisation (Section 5.5.1).

## 7.3 Implications for management

The research conducted focused on various aspects within the SDM process, as well as how the BSC can be used to facilitate this process. Additionally, the research aimed at understanding the prevalence of paradoxes and the possible resulting tension faced by managers within the SDM process – based on this it is important form managers to consider the following within their organisation:

- Managers should understand the various SDM styles which are most prevalent within their organisations. Understanding and accepting that there are different SDM styles will ensure that all those involved within in the SDM process are accommodated. An accommodation of both SDM styles would result in the organisation benefiting from the two different approached.

- Managers should be cognisant of the prevalence of paradoxes and related tension throughout their SDM process, managers should consider and accept these within their organisation to help improve the overall SDM process (Smith & Lewis, 2011). Section 5.4.4 highlights various constructs which can be used to reduce paradoxes. Managers should consider using these methods within their organisation to help improve their SDM process.

- Most respondents believed the BSC could be used to help uncover paradoxes and reduce tension within their SDM process, despite this most respondents did not make use of the framework within their organisation. Managers should consider introducing the BSC within their SDM process, both as a measurement and predictive framework. In addition, to the BSC, managers should consider implementing a strategy map within their organisations and SDM processes. This will ensure that the organisation understands the overall impact of a strategic decision made.

- Despite the findings of the research allowing for the generation of the six-step "BSC model to improve SDM - through reduced paradoxes and tension" (Figure 6), managers should be weary of the potential limitations of utilising the BSC in this way; the resources required as well as the additional time needed to implement the model should be considered.

## 7.4 Limitations of the research

Various limitations have been mentioned under Section 4.5 and are repeated below:

- The research was conducted within South Africa and therefore the research outcomes may be limited to South Africa and may not be relevant universally. The population selected for this research was confined to management-level employees involved in SDM within the private and public sector. This may limit the usability of the research through the exclusion of lower-level employees and other sectors that may have a high level of exposure to the research objective.

- Zikmund et al. (2013) highlighted the likelihood of the existence of biases when conducting a qualitative research, despite efforts being made to ensure that the validity and reliability of the study is not compromised (Saunders & Lewis, 2012) . A sample size of 13 interview respondents increased the risk of bias and lead to concerns that theoretical saturation had truly been reached (Creswell, 2007).

- It is possible that strategic decisions made do not fit into one of the four BSC perspectives. This may limit the outcomes of this study to strategic decisions that only relate to the BSC perspectives provided. The use of quota sampling resulted in the interviewed participants being selected within roles that suit the BSC perspectives. This may limit the universal usability of the study for areas other than the four perspectives discussed in this research.

- A further limitation was that of time as the research had been conducted as an MBA thesis, the time allocation for the study was limited to roughly six months. The allocated time may have limited the ability to go into greater levels of depth when compared to other research papers that take a significantly longer period to complete. A lack of extensive experience within academic research, as well as limited resources, may have limited the study to a degree.

In addition to the above limitations, the following limitations exist:

- The unstable economic, market, and political conditions affecting South Africa at the time the interviews had been conducted may have resulted in the need for respondents to emphasise this point within their responses. Research on how these conditions affect SDM was not conducted under the current circumstances, at the time of performing the interviews.

- The sample chosen consisted of strategic decision makers who work for public and private companies, which may limit the research to these two sectors. In addition, the sample had been from seven unique industries (Table 5) which may limit the usability of the research beyond these industries.

- The interviewer has no prior experience in conducting semi-structured in-depth interviews, this may influence the overall quality of the data collected.

- The model presented in Figure 6 has been based on the likely sequence of events which affect SDM, with a focus on the BSC, paradoxes, and tension. The model has not been researched within a practical setting and is therefore largely untested.

## 7.5 Suggestions for future research

The following suggestions for future research can support in overcoming some of the limitations of this study and provide additional insight into, and beyond, the research topic:

- Section 7.2 present a new model which could be used by large multinational organisations to improve their overall SDM process (Figure 6). The usability of the model has not been researched within a real organisational SDM stetting. Research on how the model can be implemented as well as the actual results from its use would provide a practical and theoretical basis for its acceptance and possible implementation.

- Research on how unstable economic, market, and political conditions within South Africa affect the way strategic decision makers have made strategic decisions and will make strategic decision in the future, together with the effect of this on paradoxes and tension, within the SDM process, would add to literature and add context to this overall study.

- The findings of this research highlighted concerns regarding the level of resources and time needed to make use of the BSC within a SDM process. Prior research has highlighted the need for a time horizon within the BSC, however the actual time needed to implement a BSC framework and strategy map within an organisations SDM process has not yet been tested or researched (Geoffrey, et al., 2014).

- The research conducted has been based on an overall SDM focus. Further research on how the levels of complexity associated with different strategic decisions, and its effects on the level of SDM paradoxes and tension within an organisation could add to current literature and the findings of this study.

- The research focused on senior employees who are involved in SDM processes. Further research can be done to include various other levels of employees, within organisations, who are involved in the SDM process but may not be senior within their organisation. This will allow for a more complete representation of employees who contribute to the overall SDM process, and who may make use of a model such as that presented in Figure 6. In addition, this may also provide interesting findings on how different levels of employees are affected by SDM paradoxes and resulting tension within their organisation.

## 7.6 Conclusion

The literature review conducted in Chapter 2 highlighted the current form and use of the BSC, the various factors affecting SDM, and the prevalence of paradoxes and tension within organisations. Despite a significant amount of prior research being conducted within each individual section, there is limited research on how the BSC can be used as a measurement and predictive framework to help improve SDM by uncovering paradoxes and resulting tension. The research aimed to add to literature by combining all three sections (BSC, factors affecting SDM and prevalence of paradoxes and tensions) into a single study, with the findings from the 13 in-depth interviews being used to create the

“BSC model to improve SDM - through reduced paradoxes and tension“ (Figure 6). The model presents a six-step process to help reduce SDM paradoxes and tension, with the aim of ultimately improving the overall SDM process.

The research provides key insights into factors which directly affect SDM, and its associated paradoxes and tension. Furthermore, the research aimed to provide a new use for the BSC and strategy maps within organisations, evolving the framework to one which has a predictive element that can be used by organisations within their SDM process. It is hoped that the, “BSC model to improve SDM - through reduced paradoxes and tension” (Figure 6), will provide strategic decision makers with a practical framework to improve their overall SDM process.

# Appendices

## Appendix 1: Interview guideline

Interview questions were divided into three parts, which are headed by the three research questions previously identified in Chapter 3. This is done to ensure that the data collected will address the overall research problem and purpose. Fifteen draft questions had been identified, additional probing was also done on an impromptu basis, with their sequence displayed below:

<u>Part A: What are the key challenges affecting strategic decision making?</u>

1. Can you briefly explain your current process that is followed in SDM?
2. What are the key influences to strategic decision being made within your organisation?
3. Do those involved in SDM have different approach, such as being rational or being intuitive?
4. How do you measure the outcome of strategic decisions that have been made in the past?
5. Does your organisation currently make use of a strategy map that has imbedded linkages between different organisational goals, and does this or would this add value to the current SDM process?

<u>Part B: How does the prevalence of paradoxes and the resulting tension affect SDM?</u>

6. Do you experience a prevalence of paradoxes throughout the SDM process?
7. If yes, what are the main contributors to these paradoxes and how do they affect SDM within your organisation?
8. Do paradoxes within SDM contribute to tension, and can you provide examples of how they do or why they do don't contribute to tension?
9. How do you address these paradoxes and the resulting tension within your organisation's SDM process?

10. Do you believe that, if uncovered and measurable, paradoxes and tension could improve the SDM process within your organisation?

Part C: How effective would the BSC be as a framework to improve decision making through the uncovering of paradoxes and possible reduction in tension?

11. Do you believe that the BSC is a useful framework within its traditional state of being a performance measurement tool that considers financial and non-financial measures?
12. Do you currently use the BSC within your SDM process? If yes, do you use it to measure results or predict outcomes?
13. The BSC has four perspectives: financial, customer, learning and growth, and internal processes. If we could measure the outcomes of a strategic decision on all four perspectives at the time they are made, could it result in the uncovering of paradoxes within SDM?
14. If you were able to see the measurements of the balanced scorecard at the time of making strategic decision, would it result in more effective decisions?
15. In your opinion, do you believe that synergies between different departments within your organisation can be achieved through the use of the BSC as a predictive SDM framework?

## Appendix 2: Interview consent form

Gordon Institute of Business Science
University of Pretoria

I am conducting research as part of fulfilment of requirements for completion of my Masters of Business Administration (MBA) at the Gordon Institute of Business Science (GIBS), Details of the research is presented below:

***Description of study and purpose:*** Strategic Decision Making (SDM) in organisations have become increasingly complex as a result of an increased amount of paradoxes faced by senior decision makers within organisations. This is due to decision makers not being able to merely choose between alternatives, as long term performance is dependent on the strategy as a whole. The Balanced Scorecard (BSC), designed by Kaplan & Norton in 1992, has been used by many companies as a strategic planning, execution and management framework, however there is limited research on its use to predict the outcome of strategic decisions. The study aims to explore how the four different perspectives of the BSC could predict the outcome of a strategic decision on various areas of an organisation. The study aims to further explore how this multi-perspective performance measurement framework, could be used to uncover SDM paradoxes in order to alleviate tension, which contributes to SDM being highly complex.

***What information you will be asked to provide and how:*** Research will be conducted in the form of an interview with the aim of attaining information within the following three areas:

- Part A: What the key challenges affecting SDM is.
- Part B: How the prevalence of paradoxes and its resulting tension affects SDM.
- Part C: How effective the BSC would be as a framework to improve decision making through the uncovering of paradoxes and possible reduction in tension.

***Time commitment and benefits of participating in the research:*** The interview consists of fifteen open ended questions, and should not take more than 60 minutes to complete. Your participation will be contributing to the final results of the study and possibly the emergence of a new SDM model. Should you decide at any time during the interview or discussion that you no longer wish to participate, you may withdraw your consent without prejudice.

***Reassurance that all data will be reported anonymously:*** The records of this study will be kept strictly confidential. Research records will be kept in a locked file, and all electronic information (including audio recorded interviews) will be coded and secured using a password protected file. We will not include any information in any report we may publish that would make it possible to identify you.

Should you have any questions or concerns, please feel free to contact me or my supervisor. Our contact details are provided below:

| ***Researcher:*** | ***Supervisor:*** |
|---|---|
| Adam Kara | Philip Viljoen |
| 17390193@mygibs.co.za | philip@tocsa.co.za |
| +27810203400 | +27826515977 |

Researcher Signature__________________ Participant Signature____________________

Date ________________________________ Date _________________________________

**Appendix 3: List of codes used**

| Research Question | Themes | Frequency |
|---|---|---|
| 1. Main styles and drivers of strategic decision making | 1–6 Combination of Intuition and Rational decision making | 7 |
| | 1–3 Internal factors | 6 |
| | 1–3 Macro/Micro factors | 5 |
| | 1–2 External factors | 4 |
| | 1–4 Strategy maps with embedded linkages | 4 |
| | 1–17 Formalized & Adaptive processes | 3 |
| | 1–18 Rationalism | 3 |
| | 1–22 Siloed strategy maps with no linkages | 3 |
| | 1–19 Market Research/Studies | 2 |
| | 1–8 Global Strategy | 2 |
| | 1–16 Digital road map | 1 |
| | 1–25 Approval process | 1 |
| | 1–10 Patient flow mapping strategy | 1 |
| | 1–11 The need for strategic decision making | 1 |
| | 1–12 Documenting Decisions - no need for a framework/map | 1 |
| | 1–13 Various Governance forums | 1 |
| | 1–14 Margin driven drivers - cost cutting efficiencies | 1 |
| | 1–15 Reactionary decision making | 1 |
| | 1–19 Market Studies/Research | 1 |
| | 1–20 Formal & Informal Processes - Adjustable approach | 1 |
| | 1–21 Local knowledge | 1 |
| | 1–23 Financial drivers | 1 |
| | 1–24 People factor - customers & employees | 1 |
| | 1–5 Shareholder requirements/concerns | 1 |
| | 1–7 Politics | 1 |
| | 1–9 Consumer Influences | 1 |

| Research Question | Themes | Frequency |
|---|---|---|
| 2. Impact the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, would have on the overall process | 2–8 Improves decision making process | 4 |
| | 2–16 Improved communication - transparency, discussions, consultations | 2 |
| | 2–2 Lack of a long-term view and planning | 2 |
| | 2–3 Less Agility | 2 |
| | 2–6 Increased levels of anxiety | 2 |
| | 2–15 Finding common ground - compromising | 1 |
| | 2–19 Leads to more robust discussions | 1 |
| | 2–20 Aligning the end goal | 1 |
| | 2–21 Healthy tension which stimulates discussion - healthy debate around issues | 1 |
| | 2–22 Improved prioritization | 1 |
| | 2–23 Improvisation | 1 |
| | 2–10 Increased Costs - waste of resources and money, lost opportunities | 1 |
| | 2–11 Reactive Approach | 1 |
| | 2–12 Cost Cutting vs Spending dilemma | 1 |
| | 2–13 Fighting - departmental fighting | 1 |
| | 2–1 Disconnect between the executive level and the operational level | 1 |
| | 2–4 Disconnect between global strategy and local strategy | 1 |
| | 2–5 Misalignment from global to the South African context | 1 |
| | 2–7 Individualism vs Collectivism | 1 |
| | 2–9 Introspection and reflection - retro fixing | 1 |
| 3. Effectiveness of the Balance Score Card as a predictive framework within strategic decision making. | 3–3 Results in synergies between departments | 12 |
| | 3–2 Results in effective decision making | 11 |
| | 3–1 Balance Score Card only a useful framework for performance measurement - measuring results | 9 |
| | 3–4 Balance Score Card useful but has limitations in isolation | 3 |
| | 3–10 Balance Score Card measurements help with future strategic decisions | 3 |
| | 3–9 Effective as a combination of both predictive and measurement | 2 |
| | 3–7 Creates value in terms of terms of guidance - not necessarily predictive | 2 |
| | 3–5 Adds Complexity - complicates rather than simplifies | 1 |
| | 3–6 Not effective in improving synergies between departments | 1 |
| | 3–8 Snippets of balance score cards are effective | 1 |
| | 3–11 Difficult to use as a predictive tool | 1 |
| | 3–12 Not very agile - doesn't evolve as quickly as the market does | 1 |
| | 3–13 Balance Score Card used in conjunction with other predictive technologies | 1 |
| | 3–14 Individual responsibility in driving score card | 1 |

## Appendix 4: Consistency matrix

The consistency matrix has been formed based on the overall Research Questions. Relating literature has been mapped to the three Research Questions, with the author and year that were indicated based on the sequence of appearance within the area of discussion (Table 26):

Table 26: Consistency matrix

| Research Question | Literature Review | Data Collection Tool (Appendix 1) | Analysis |
|---|---|---|---|
| Q1: What are the main styles and drivers of SDM within organisations and how are these linked to the overall organisational goals? | Strategic Decision Making within the context of this study:<br><br>Garbuio, Lovallo, & Sibony (2015)<br>Shepherd & Rudd (2014)<br>Goll & Rasheed (2005)<br>Papadakis, Lioukas, & Chambers (1998)<br>Mitchell, Shepherd, & Sharfman (2011)<br>Ashmos, Duchon, & McDaniel (1998)<br>Cabantous & Goud (2011)<br>Calabretta, Gemser, & Wijnberg (2017)<br>Smith & Lewis (2011)<br>Jarzakowski & Sillince (2007)<br>Lewis (2000)<br>Humphreys, Gary, & Trotman (2016)<br>Kaplan (2009) | Interview Questions 1-5 | Thermatic Analysis |
| Q2: What impact would the uncovering and measurement of paradoxes and tension, at the time of making strategic decisions, have on the overall process? | Part 1: Paradox theory and tension:<br><br>Jarzakowski & Sillince (2007)<br>Smith (2014)<br>Lewis (2000)<br>Lewis & Smith (2014)<br>Katz & Rhan (1966)<br>Smith & Tushman (2005)<br>Smets, Jazabkowski, & Buuke (2015)<br>Smith & Tracey (2016)<br>Smith & Lewis (2011)<br>Greenwood, Raynard, & Kodeih (2011)<br>Quirke (2013)<br>Battilana & Dorado (2010)<br>Hahn, Jonatan, Preuss, & Frank (2015)<br>Lavine (2014)<br>Waldman & Bowen (2016)<br>Zhang, Waldman, Han, & Li, (2015)<br>Chatterjee & Hambrick (2007)<br>Galvin, Waldman, & Balthazard (2010)<br>Bowen & Lawler (1995)<br>Kotter (2012)<br>Davila & Epstein (2014)<br>Gabert, Boerner, & Kearney (2010) | Interview Questions 2-10 | Thermatic Analysis |
| Q3: With a focus on the uncovering of paradoxes and resulting tension, how effective would the BSC be as a predictive framework within SDM? | Part 1: Paradox theory and tension:<br><br>Taylor (2010)<br>Drury (2016)<br>Geoffrey, Johnson, & Reckers (2014)<br>Kaplan & Norton (1996)<br>Cadez & Guilding, 2008)<br>Hoque (2014)<br>Laitinen (2003)<br>Busco & Quattrone (2015)<br>Wiersma (2009)<br>Qu & Cooper (2011) | Interview Questions 11-15 | Thermatic Analysis |

## Appendix 5: List of articles used by year and ABS ranking

Table 27 below indicates the academic article reviewed for the research proposal and is listed in year of publications. The 2018 ABS ranking has also been indicated in the last column. This is to highlight the quality of literature reviewed for this study.

Table 27: Academic article age and ABS ranking

| | Article Name | Authors | Year | Journal | 2018 ABS Ranking |
|---|---|---|---|---|---|
| 1 | A Paradox Perspective on Corporate Sustainability: Descriptive, Instrumental, | Hahn, T., Gigge, F., Pinkse, J., & Preuss, L. | 2018 | Journal of Business Ethics | 3 |
| 2 | The Interplay between Intuition and Rationality in Strategic Decision Making: A | Calabretta, G., Gemser, G., & Wijnberg, N. | 2017 | Organization Science | 4* |
| 3 | Learning to be a paradox-savvy leader | Waldman, D., & Bowen, D. | 2016 | Academy of Management | 3 |
| 4 | Institutional complexity and paradox theory: Complementarities of competing | Smith, W. K., & Tracey, P. | 2016 | Strategic Organization | 3 |
| 5 | Dynamic Decision Making Using the Balanced Scorecard Framework | Humphreys, K. A., Gary, M. S., & Trotman, K. T. | 2016 | Accounting Review | 4* |
| 6 | Paradoxical leader behaviours in people management: Antecedents and | Zhang, Y., Waldman, D., Han, Y., & Li, X. | 2015 | Academy of Management | 4* |
| 7 | Reinsurance trading in Lloyd's of London: Balancing conflicting yet complementary | Smets, M., Jazabkowski, P., & Buuke, G. | 2015 | Academy of Management | 4* |
| 8 | Tension in Corporate Sustainability: Towards an Integrative Framework | Hahn, T., Jonatan, P., Preuss, L., & Frank, F. | 2015 | Journal of Business Ethics | 3 |
| 9 | Evidence Doesn't Argue for Itself: The Value of Disinterested Dialogue in | Garbuio, M., Lovallo, D., & Sibony, O. | 2015 | Long Range Planning | 3 |
| 10 | Exploring How the Balanced Scorecard Engages and Unfolds: Articulating the | Busco, C., & Quattrone, P. | 2015 | Contemporary Accounting | 4 |
| 11 | The coopetition paradox and tension in coopetition at multiple levels | T Reza-Ullah, M. B., & Kock, S. | 2014 | Industrial Marketing Management | 3 |
| 12 | Dynamic Decision Making: A model of senior leaders managing strategic | Smith, W. K. | 2014 | Academy of Management | 4* |
| 13 | The Influence of Context on the Strategic Decision-Making Process: A Review of | Shepherd, N. G., & Rudd, J. M. | 2014 | International Journal of Management | 3 |
| 14 | Humble chief executive officers' connections to top management team | Ou, A. Y., Tsui, S., Kinicki, A. J., Waldman, | 2014 | Administrative Science Quarterly | 4* |
| 15 | Paradox as a Metatheoretical Perspective: Sharpening the Focus and Widening the | Lewis, M.W., & Smith, W. K. | 2014 | Journal of Applied Behavioral Science | 2 |
| 16 | Paradoxical leadership and the competing values framework | Lavine, M. | 2014 | Journal of Applied Behavioral Science | 2 |
| 17 | 20 years of studies on the balanced scorecard: Trends, accomplishments, | Hoque, Z. | 2014 | British Accounting Review | 3 |
| 18 | Accountability ad Role Effects in Balanced Scorecard Performance Evaluations When Strategy Timeline Is Specified | Geoffrey, B., Johnson, E., & Reckers, P. | 2014 | European Accounting Review | 3 |
| 19 | Rogue resistance: Sidestepping isomorphic pressures in a patchy institutional field | Quirke, L. | 2013 | Organization Studies | 4 |
| 20 | Accelerate! | Kotter, J. P. | 2012 | Harvard Business Review | 3 |
| 21 | Toward A Theory of Paradox: A Dynamic Equilibrium Model of Organizing | Smith, W. K., & Lewis, M. W. | 2011 | Academy of Management Review | 4* |

| | Article Name | Authors | Year | Journal | 2018 ABS Ranking |
|---|---|---|---|---|---|
| 22 | The role of inscriptions in producing a Balanced Scorecard | Qu, S., & Cooper, D. | 2011 | Accounting Organizations and Society | 4* |
| 23 | Institutional complexity and organizational responses | Greenwood, R., Raynard, M., & Kodeih, F. | 2011 | Academy of Management Annals | 4 |
| 24 | Rational decision making as performative praxis: Explaining rationality's Eternal Retour | Cabantous, L., & Goud, J. | 2011 | Organization Science | 4* |
| 25 | Erratic strategic decisions: when and why managers are inconsistent in strategic decision making | Mitchell, J. R., Shepherd, D. A., & Sharfman, M. P. | 2011 | Strategic Management | 4 |
| 26 | The balanced scorecard as a strategy evaluation tool: The effects of implementation involvement and a causal-chain | Taylor, W. | 2010 | Accounting Review | 4* |
| 27 | Visionary communication qualities as mediators of the relationship between narcissism and follower perceptions of charismatic leadership | Galvin, B., Waldman, D., & Balthazard, P. | 2010 | Personnel Psychology | 4 |
| 28 | Fostering team innovation: Why is it important to combine opposing action strategies? | Gabert, D., Boerner, S., & Kearney, E. | 2010 | Organization Science | 4* |
| 29 | Building sustainable hybrid organizations: The case of microfinance organizations | Battilana, J., & Dorado, S. | 2010 | Academy of Management Journal | 4* |
| 30 | For which purpose do managers use Balanced Scorecards? An empirical study | Wiersma, E. | 2009 | Management Accounting Research | 2 |
| 31 | Measuring the management system | Kaplan, R. S., & Norton, D. P. | 2008 | Harvard Business Review | 3 |
| 32 | An exploratory investigation of an integrated contingency model of strategic management accounting | Cadez, S., & Guilding, C. | 2008 | Accounting Organizations and Society | 4 |
| 33 | Responding to competing strategic demands: How organizing, belonging, and performing paradoxes co-evolve | Jarzakowski, P., & Sillince, J. | 2007 | Strategic Organization | 3 |
| 34 | It's all about me: Narcissistic CEOs and their effects on company strategy and performance | Chatterjee, A., & Hambrick, D. | 2007 | Administrative Science Quarterly | 4* |
| 35 | How many interviews are enough? An experiment with data saturation and validity | Guest, G., Bunce, A., & Johnson, L. | 2006 | Field Methods | Not ranked - Citted 7480 times |
| 36 | Using thematic analysis in psychology | Braun, V., & Clarke, V. | 2006 | Qualitative Research in Psychology | Not ranked - Citted 39523 times |
| 37 | Managing strategic contradictions: A top management model for managing innovation streams | Smith, W. K., & Tushman, M. | 2005 | Organization Science | 4* |
| 38 | The Relationships between Top Management Demographic Characteristics, Rational Decision Making, Environmental Munificence, and Firm Performance | Goll, I., & Rasheed, A. A. (2005) | 2005 | Organization Studies | 4* |
| 39 | Control and collaboration: Paradoxes of governance | Sundaramurthy, C., & Lewis, M. | 2003 | Academy of Management Review | 4* |
| 40 | Future-based management accounting: a new approach with survey evidence | Laitinen, E. K. | 2003 | Critical Perspectives on Accounting | 3 |
| 41 | Understanding Reliability and Validity in Qualitative Research | Golafshani, N. | 2003 | The Qualitative Report | Not ranked - Citted 6543 times |
| 42 | Exploring paradox: Toward a more comprehensive guide | Lewis, M. W. | 2000 | Academy of Management Review | 4* |

| | Article Name | Authors | Year | Journal | 2018 ABS Ranking |
|---|---|---|---|---|---|
| 43 | Participation in strategic decision making: the role of organisational predisposition and issue interpretaion | Ashmos, D. P., Duchon, D., & McDaniel, R. R. | 1998 | Decision Sciences | 3 |
| 44 | Strategic decision-making processes: the role of management and context | Papadakis, V. M., Lioukas, S., & Chambers, D. | 1998 | Strategic Management Journal | 4 |
| 45 | Empowering Service Employees | Bowen, D. E., & Lawler, E. E. | 1995 | MIT Sloan Management Review | 3 |

## Appendix 6: Ethical clearance

Gordon Institute of Business Science
University of Pretoria

25 July 2018

Kara Adam

Dear Adam

*Please be advised that your application for Ethical Clearance has been approved.*

*You are therefore allowed to continue collecting your data.*

*Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained*

*We wish you everything of the best for the rest of the project.*

*Kind Regards*

GIBS MBA Research Ethical Clearance Committee

## Appendix 7: Interview consent form

Gordon Institute of Business Science
University of Pretoria

I am conducting research as part of fulfilment of requirements for completion of my Masters of Business Administration (MBA) at the Gordon Institute of Business Science (GIBS), Details of the research is presented below:

***Description of study and purpose:*** Strategic Decision Making (SDM) in organisations have become increasingly complex as a result of an increased amount of paradoxes faced by senior decision makers within organisations. This is due to decision makers not being able to merely choose between alternatives, as long term performance is dependent on the strategy as a whole. The Balanced Scorecard (BSC), designed by Kaplan & Norton in 1992, has been used by many companies as a strategic planning, execution and management framework, however there is limited research on its use to predict the outcome of strategic decisions. The study aims to explore how the four different perspectives of the BSC could predict the outcome of a strategic decision on various areas of an organisation. The study aims to further explore how this multi-perspective performance measurement framework, could be used to uncover SDM paradoxes in order to alleviate tension, which contributes to SDM being highly complex.

***What information you will be asked to provide and how:*** Research will be conducted in the form of an interview with the aim of attaining information within the following three areas:

- Part A: What the key challenges affecting SDM is.
- Part B: How the prevalence of paradoxes and its resulting tension affects SDM.
- Part C: How effective the BSC would be as a framework to improve decision making through the uncovering of paradoxes and possible reduction in tension.

***Time commitment and benefits of participating in the research:*** The interview consists of fifteen open ended questions, and should not take more than 60 minutes to complete. Your participation will be contributing to the final results of the study and possibly the emergence of a new SDM model. Should you decide at any time during the interview or discussion that you no longer wish to participate, you may withdraw your consent without prejudice.

***Reassurance that all data will be reported anonymously:*** The records of this study will be kept strictly confidential. Research records will be kept in a locked file, and all electronic information (including audio recorded interviews) will be coded and secured using a password protected file. We will not include any information in any report we may publish that would make it possible to identify you.

Should you have any questions or concerns, please feel free to contact me or my supervisor. Our contact details are provided below.

| ***Researcher:*** | ***Supervisor:*** |
|---|---|
| Adam Kara | Philip Viljoen |
| 17390193@mygibs.co.za | philip@tocsa.co.za |
| +27810203400 | +27826515977 |

Researcher Signature___________________ Participant Signature_____________________

Date _________________________________ Date __________________________________

## References

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