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School of Economics and Management

The role of intuition in executive strategic decision making

by

Georgios Marinos and Nicandro Rosni

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Supervisor: Anna Thomasson
Examiner: Ola Mattisson

Abstract

The current thesis examines the role of intuition in the strategic decision making process of executives. Limited applied research has been conducted on the field of intuitive processes in strategic decision making of top managers, therefore this paper attempts to shed more light on this specific topic.

The purpose of this study is to investigate how and to what extent intuition affects executives in the process of strategic decision making. Furthermore, it aims to investigate under which conditions it is more probable for an executive to utilize intuition in the strategic decision making process.

In order to accomplish the aforementioned purpose, the authors conducted a series of qualitative personal interviews with five executives, structuring them on the basis of the three strategic decision making dimensions; intuition, rationality and political behaviour. The research was conducted with an abductive approach, since the researchers had to move back and forth, between data and theory, combining deduction and induction in a sense.

The collected data were analyzed through the moderating lenses of three decision-specific characteristics and three company characteristics. Following a thorough and extensive analysis of the data, the research supports that intuition has a prominent role in the managerial strategic decision making, being present in all the executives who were interviewed, regardless of their position in the rationality-intuition spectrum. The study indicates that in multiple situations, for instance when information was scarce, the environment was volatile, the situation was highly complex, or an immediate decision was of the essence, managers employed intuitive processes when making crucial decisions that affected the future of their organization.

Moreover, the study concluded that managers favoured intuition in strategic decision making in cases of high decision uncertainty and unstable environments, verifying already existing theories on the field.

Keywords: intuition, rationality, political behaviour, strategic decision making, executives

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1. Introduction

1.1 Background

This study investigates the strategic decision making process of executives. According to Buchanan and O'Connell (2006) decision making is an old and broad concept that finds its roots back in a time where men looked for guidance in the stars. Since then, the human kind has tried to invent new tools that would enable it to make better decisions: in the fifth century BC, the citizens of Athens invented an archaic form of democracy that helped them to make decisions by voting; since the ninth century the Hindu-Arabic numerical system started to circulate and stimulated the growth of mathematics and algebra; in 1900 Sigmund Freud proposes the idea that actions are usually influenced by causes hidden in the unconscious; the second half of the 20th century saw the beginning of the development of decision support tools based on computer technologies (Buchanan & O'Connell, 2006). The growing refinement of risk management tools, together with a better understanding of human behaviours and cognitive processes, and the advancement in technology, has contributed to improve the decision making both for individuals and organizations (Buchanan & O'Connell, 2006). Decision making has been, therefore, studied by many disciplines: important research has been conducted in fields such as sociology, psychology, political sciences, mathematics and economics. As a result, there is a wide selection of literature available on strategic decision making.

In the business world, the term decision making was utilized for the first time by Chester Barnard in his book "The functions of the Executive" (1938). Until then it was confined mainly in the public administration's language (Buchanan & O'Connell, 2006). Barnard, together with later authors such as James March, Henry Mintzberg and Herbert Simon, started the study of decision making from a managerial perspective (Buchanan & O'Connell, 2006). After that, for many years the studies have focused on the way decisions should be made and a big part of this research was focused on finding new techniques in order to improve the rationality of the decision maker (March, 1991). Another part of the research, instead, valued more the way decisions were actually made in organizations (March, 1991), focusing mainly on the processes aspect (Simon, 1987). More recent studies on strategic decision making can be divided in two types of research: the "content research", which is focused mainly on specific decisions as for instance mergers and acquisitions; and the "process research", which is instead focused on the way managers reach a strategic decision (Elbanna & Child, 2007). According to Mintzberg and Waters (1985) these two categories are related and can influence each other.

One of the big questions that many researchers and experts are trying to answer is why some companies become successful and some others fail (Wang, Hedman & Tuunainen, 2016). The example of Nokia is emblematic for how important strategic decisions are for an organization. According to Wang, Hedman and Tuunainen (2016) in the last ten years Nokia seems to have done everything in the right way, being market leader for a long time, but also very careful in analyzing customer needs and investing huge amounts of money in research and development, as well as in marketing. It acquired companies with new technology perspectives, and cooperated with universities and research institutes. Wang, Hedman and Tuunainen (2016) analyzed the failure of Nokia identifying a series of critical strategic decisions that affected the company until its recent debacle: the decision to focus mainly on mobile phones in the 1990s, but also the choice of Symbian as the only operative system, the partnership with Microsoft and finally the selection of Stephen Elop as CEO. On the other hand, Apple in the last decade transformed from a company that based its success only on a niche market of designers and printing companies to one of the most successful companies in the world, able to create also a whole new market with the development of the smartphone (Riedel, 2014). According to Morrish (2012), an important role for the success of Apple can be attributed to the intuitive skills of the former CEO Steve Jobs, which had almost a mystical view about it and based most of his career on that.

According to Carmeli and Tishler (2006) the role of top executives and their managerial skills highly affect the performance of the organization. Executives are at the top of the organizational structure and make strategic decision that affect the whole company through descending levels (Harrison, 1996). Carmeli and Tishler (2006) state that the impact of top executives on the organization is even bigger than other factors such as the specific industry sectors, the size of the company, as well as the environmental uncertainty. Khatri and Ng (2000) finally describe how intuition is a crucial element for executives in the strategic decision making process.

Even though the role of intuition has been studied from a scientific and philosophical perspective since the 17th century, it is only in the past 30 years that it became an important scientific subject for psychology, economics and the management field (Morrish, 2012). The role of intuition in the management area, however, has been considered for several years as a minor phenomenon, compared to the rationality field (Calabretta, Gemser & Wijnberg, 2017). Researchers preferred to focus more on the rationality aspect of the strategic decision making, however in the last decades a new tendency to explore the role of intuition on a deeper level can be observed in the management field (Khatri & Ng, 2000; Elbanna, 2006; Calabretta, Gemser & Wijnberg, 2017).

1.2 Problem Discussion

Elbanna and Child (2007) identify three key strategic decision making process dimensions; rationality, political behaviour and intuition. For many years the research on strategic decision making focused mainly on the rational aspect of the process (Calabretta, Gemser & Wijnberg, 2017). According to Mintzberg and Westley this process approach can be described as purely logic and step-by-step: “define, diagnose, design, decide” (2001, p.89). The assumption that this rational process allows better decisions than those coming from intuitive processes has been, however, questioned by many authors (Khatri & Ng, 2000). March (1991) observes that the research discovered several limits to rationality in decision-making. Simon (1987) states the effective manager needs to analyze problems systematically and at the same time needs to respond to situations rapidly according to intuition and personal judgement. Mintzberg and Westley (2001) support that organizations, to be effective, should embrace not just a rational approach but also intuitive or action-oriented forms of decision making. Hence, the state of the research suggest that for a successful strategic decision making both rationality and intuition are required (Calabretta, Gemser & Wijnberg, 2017).

Unlike the rational perspective, not much applied research has been conducted on the field of intuitive processes in the strategic decision literature (Elbanna, 2006). According to Elbanna (2006), most of the serious academic work on the topic is theoretical and held by psychologists, while empirical research in an applied management environment is rare (Agor, 1989). The concept of intuition is “unrefined and poorly understood” (Clarke & Mackaness, 2001, p.148), while Miller and Ireland claim that “intuition presents itself as a troubling tool” (2005, p. 29). Consequently, the role of intuition in strategic decision making and the way it affects the formulation of decisions for the management executives is a field that needs to be further examined.

In the last decade there has been an increasing interest in the study of the role of intuition in the strategic decision making process, especially in organizations (Elbanna & Fadol, 2016). However, the research is still lacking of relevant empirical data and consistent methods (Papadakis, Thanos and Barwise, 2010). Elbanna and Fadol clearly state “more research of an empirical kind is required to better understand the role of the noteworthy and under-studied phenomenon of intuition in the Strategic Decision Making Process” (2016, p.657). Elbanna, Child and Dayan (2013) argue that to better understand the use of intuition in strategic decision making more research is needed, especially when considering the relation with other variables, such as the characteristics of the decision itself, but also the characteristics of the company and the external environment. Moreover, the majority of empirical studies on intuitive processes do not investigate the relationship between intuition and organizational outcomes (Elbanna & Child, 2007). Therefore, a gap was identified in the existing empirical research on the role of intuition in strategic decision making.

1.3 Purpose and Research Questions

The purpose of this study is to investigate how and to what extent intuition affects executives in the process of strategic decision making. The current paper adopts the view of Carmeli and Tishler (2006), that the role of top executives and their managerial skills highly affect the performances of the organization, thus we focused on top executives and their strategic decision making processes.

According to the previous arguments, this study aims to explore the following main research questions:

- What is the role of intuition in a strategic decision making context?

Furthermore, in order to acquire a better understanding on the topic, an additional sub-question was addressed:

- Under which conditions is it more probable for an executive to utilize intuition in the strategic decision making process?

We attempted to contribute to the increasing academic awareness in the role of intuition in the past years, and explore its position in the contemporary managerial context.

2. Literature Review

This chapter aims to present a thorough summary of the extensive literature on the strategic decision making field and to provide a theoretical framework in order to answer our research questions. We start by providing definitions in order to narrow down the broad field of strategic decision making. This will help us to conduct a more focused research on strategic decision making by targeting managerial decisions, and specifically the strategic decisions made in organizations by executives.

2.1 Definition of Strategic Decision Making

The literature provides a broad range of definitions concerning decision making. The research can focus either on the decision itself or the process that leads to a decision (Harrison, 1996). Simon (1960) for instance, states "I shall be referring not merely to the final act of choice among alternatives, but rather to the whole process of decision" (p.1). Harrison instead defined the concept of decision as "a moment in an ongoing process of evaluating alternatives for meeting an objective" (1996, p.46). In addition to this, Ofstad (1961) described management decision as "a judgement regarding what one ought to do in a certain situation after having deliberated on some alternative courses of actions" (1961, p.5). Mintzberg, Raisinghani & Theoret (1976) describe a decision as "a specific commitment to action (usually a commitment of resources) and a decision process as "a set of actions and dynamic factors that begins with the identification of a stimulus for action and ends with the specific commitment to action" (p. 246).

A strategic decision can be defined in many ways. Mador (2000) notes that this kind of decisions are characterized by complexity and a high level of uncertainty. Eisenhardt and Zbaracki (1992) describe them as "infrequent decisions made by the top leaders of an organization that critically affect organizational health and survival" (p. 17). On the same line is Harrison (1996), for whom strategic decisions are those made by top managers and able to "set the tone and tempo of managerial decision making for every individual and unit throughout the entire organization" (p. 46). Hickson et al. (1986) add that a decision may be considered strategic in one industry but the same decision may very well be considered less strategic or not strategic in a different one. For instance, a strategic decision could be the launch of a new product such as a new car in the automotive industry. However, the launch of a new product such as a new toy in a factory that produces hundreds of toys every year might not be strategic (Elbanna, 2006).

Regarding the characteristics of a strategic decision, Elbanna (2006) distinguishes four different attributes: the association with high risks and uncertainties, the interrelations with other decisions in the organization, the fact that they do not have one best solution among the others and it is hard to reverse the decision once it has been made. Shirley (1982), instead, provides a set of five distinctive criteria in order to identify these decisions: (1) the decision needs to define the relationship between the organization and its environment, (2) the decision must be affecting the whole organization, (3) the decision has to be based on inputs from different organizational areas, (4) the decision must provide constraints and directions for all the administrative and operational activities of the organization, (5) the decision needs to be salient for the long term success of the organization. Mador, after an extensive literature review and empirical studies on decision making, identified a few common characteristics to recognize good strategic decisions: comprehensiveness, extensiveness and speed (2000, p.217).

From the previous considerations it is possible to understand the importance that such decisions have for an organization. They give origin to several other decisions of lesser magnitude through all the descending management levels of the company (Harrison, 1996). On this point, Harrison (1996) specify that a wrong decision taken at the top of the organization is likely to have the same negative effect on the lower levels of management. Therefore, strategic decisions are responsible for the future outcomes of the organization seen in its entirety and, most of all, for its survival (Harrison, 1996).

2.2 The Strategic Decision Making Process

According to Harrison (1996) decision making is the principal activity that differentiate the role of the manager from other occupations in the society. On the same line is Drucker (1967) that states “to make the important decision is the specific executive task” (p. 98). The significance of decision making for an organization is highlighted by Cornell (1980), who states that “of all the managerial functions that executives perform, the act of making a decision is without equal in importance” (p. 13). Similarly, McLaughlin (1995) claims that organizations reach success when they outperform their competitors in at least three different ways: by making better decisions, by deciding faster and by implementing more decisions.

The studies on decision making processes started to take place in the business world when Chester Barnard placed it at the center of the executive’s functions (Barnard, 1938). Since then the research on decision making went through different approaches. For many years in the last century, decisions have been seen and studied as phenomena driven exclusively by a rational mind (Langley et al. 1995), even though bounded (Simon, 1979). According to Langley et al. (1995) this approach to the study of decision making has produced a credible description of the phenomenon, but it has failed in giving an explanation of its most significant aspects. In order to give a better explanation about strategic decision making, the research started to take into account also other elements in relation with rationality, such as intuitive processes and political models (Khatri & Ng, 2000; Langley et al. 1995; Eisenhardt & Zbaracki, 1992).

Therefore, rationality and intuition are now accepted as both valuable for strategic decision making (Calabretta, Gemser & Wijnberg, 2017).

The literature in decision making processes divides the decision making models in structured, and unstructured or less structured models. When they are structured, authors talk about a rational approach, where each phase can be distinguished and individually defined, in order to help decision makers to make better decisions (Drucker, 1967; Harrison, 1996; Mintzberg, Raisinghani & Theoret 1976). Unstructured or less structured models are, instead, the ones taking into account other elements, such as a political behaviour view, according to which the strategic decision is formed in a process in which decision makers, having different interests, try to influence others opinion to achieve their goals (Elbanna, 2006). Another unstructured approach sees the strategic decision as the outcome of an intuitive process, focused more on the emotions and the senses of the managers, rather than structured models (Gigerenzer, 2001; Simon, 1993).

An example of a structured model is, for instance, the one described by Harrison (1996), in which he distinguishes six functions: (1) setting managerial objectives, (2) searching for alternatives, (3) comparing and evaluating alternatives, (4) the act of choice, (5) implementing the decision, (6) follow-up and control. The process starts with setting the objectives, therefore a scanning of the internal and external environment of the organization helps to gather information in order to set different alternatives. At this point the alternatives are compared and evaluated, and only after this point the decision maker makes his choice. The decision now needs to be transformed in an operational reality by implementing it. The last phase concerns the coincidence of the initial objective and the actual outcome (Harrison, 1996).

Another model is described by Corner, Kinicki, & Keats (1994). The authors in this case studied the interaction between the organizational and individual levels in the strategic decision making process. The first stage is the "attention". The top managers focus their attention on a specific information about a strategic decision before processing it. The second stage is the "encoding", which means to interpret the information. This phase is usually characterized by biased decisions because of the inclusion of previous existing knowledge. The third stage is the "storage" or "retrieval", which means the preservation of the information previously interpreted. In this case the link between the individual and the organizational level is the socialization. This can be seen when senior top executives influence newcomers with routines and already accepted knowledge. The next stage is the "decision". According to Mintzberg, Raisinghani & Theoret (1976) the decisions on a strategical level come from the information that was previously stored. After the decision comes the stage of "action". This is the enactment of the strategic decision. On the individual level this is the action of the executive within the personal sphere of responsibility. On the organizational level it is the coordinated action of the different people involved in the process to implement a strategic decision. Finally, the "outcomes" are the results of the implementation of the decision, and can be either on an individual level, as for example in terms of personal evaluation, either on the organizational level in terms of financial returns (Corner, Kinicki, & Keats, 1994).

2.3 Strategic Decision Making Dimensions

Elbanna and Child (2007) identify three strategic decision making process dimensions: rationality, political behaviour and intuition, which are thoroughly examined below.

2.3.1 Rationality

Rationality in decision making is part of the broader discussion about economic rationality (Langley et al. 1995). According to Elbanna (2006), the level of rationality in strategic decision making has played an important role as one of its main elements, and it has been intensively investigated by many researchers.

There are several definitions of rationality depending on the specific field in which the research puts its focus. In the economic perspective, rationality often refers to the maximization of utility; in this view the assumption is that individuals tend to maximize their expected utility (Elbanna & Child, 2007). The theory of expected utility was formulated for the first time by Neumann and Morgenstern (1953 cited in Fox, 2015). Right after its formulation other authors began to apply this model of rational behaviour as the explanation of how people make decisions (Fox, 2015).

Simon was one of the first researchers to challenge this notion in the 1950's. According to Simon (1978 cited in Langley et al., 1995), decision makers are not omniscient, and their rationality is limited by their own capabilities. Simon's view remained confined, however, in what was lately defined as the "cerebral rationality" (Langley et al. 1995, p.262). Simon kept seeing the decision making as a cognitive process that could be easily explained by a step to step succession (Langley et al. 1995). On the same line as Simon we find several authors. Butler (2002) gives a definition indicating that "Rationality is the reason for doing something and to judge a behaviour as reasonable is to be able to say that the behaviour is understandable within a given frame of reference" (p. 226). Alternatively, Dean and Sharfman (1993) claim rationality represents the type of behaviour that is logical in pursuing goals. Eisenhardt and Zbaracki (1992) state that rationality follows the assumption that "human behaviour has some purpose" (p. 18) and this usually is expressed in a model of rational action.

The theory of bounded rationality was proposed for the first time in the 1950's as an alternative to the classical concept of rationality (Langley et al. 1995). Snyman and Drew (2003) point out that bounded rationality centers on the decision making process which is limited by cognitive and political realities. Because of these restrictions, decision makers attempt to reach goals which are sufficient rather than optimal (Eisenhardt, 1997). Claims from Eisenhardt and Zbaracki (1992) support that empirical research has proven decision makers are more boundedly rational than purely rational. They refer to the cognitive limits of the rational decision making model, the complexity of problems and the conflicts between decision makers which form the decision process.

There are three main obstacles in adopting a rational decision making process, as identified by Jones, Jacobs and Spijker (1992). First of all, the organization may lack the necessary recourses to find and examine the respective information, secondly, the cognitive abilities of decision makers could be limited and, thirdly, managers could be reluctant to stir the political structure of the organization (Jones, Jacobs & Spijker, 1992).

Rational processes have been a central part of strategic decision making and a great amount of theoretical and empirical research has been conducted on the topic (Elbanna & Child, 2007). The interplay between rational decision processes and organizational outcomes has divided the scholars in the field and no consensus has been reached (Goll & Rasheed, 1997). Elbanna (2006) mentions that there is empirical evidence for all kinds of possible relationships between the rationality and organizational outcomes; positive relationship, negative relationship, or no relationship whatsoever. For instance, Fredrickson and Mitchell (1984) identified a negative relationship between rationality and performance in an unstable environment, whereas a positive relationship was proven in a stable environment (Fredrickson, 1984). In contrast to the findings of Fredrickson and his colleagues, Dean and Sharfman (1996) found a stronger relationship between rationality and decision effectiveness in unstable environments, rather than in stable ones. Furthermore, Eisenhardt and Bourgeois (1988) concluded that a positive relationship between rationality and firm performance exists in a high-velocity environment.

2.3.2 Political behaviour

The political perspective on strategic decision making originates from the political science literature of 1950s, when a number of scholars supported the idea that the conflicting goals and interests of individuals affect decision making (Eisenhardt & Zbaracki, 1992). Political behaviour among the different counterparts has been recognised as a characteristic of decision making and has received considerable attention from scholars (Elbanna & Child, 2007). According to this perspective, decisions are the outcome of a process where decision makers have contrasting goals, create partnerships to achieve them and the opinion of the most powerful prevails (Elbanna, 2006). The political approach opposes to the rational approach (Eisenhardt, 1997). While in the rational perspective the decision is made without any form of personal judgement or bias, the political view, instead, considers the fact that decisions are made by a group of people with their conflicting preferences (Elbanna, 2006). Even though they may have a shared objective, a conflict is created due to the personal interests and expectations each executive has (Elbanna, 2006).

There are two main points of view from which experts describe political behaviour in strategic decision making. On the one hand, we find the ones who focus on investigating politics inside organizations, either between different members or different organizational units (Elbanna, 2006). On the other hand, some researchers (for example, Mintzberg, Raisinghani & Theoret, 1976) utilize a broader approach to include influences on decision making from both internal (organizational members and/or units) and external factors, like for example, public agencies and customers (Elbanna, 2006). The common point of these two perspectives, as Elbanna (2006) claims, is that people, either inside or outside the organization, believe the decision outcomes can have an immediate effect on them, thus trying to indulge their personal or organizational needs by influencing the decision making process.

The role of political behaviour in strategic decision making processes and its effect on organizational outcomes has been examined by various researchers. The majority of them, for example Dean and Sharfman (1996) or Gandz and Murray (1980), have identified a negative relationship between political behaviour and organizational outcomes. One of the factors which justify this statement is that political strategies are opposite to the direct spirit of open discussions and sharing information between the counterparts (Eisenhardt & Bourgeois, 1988). According to Elbanna (2006), political behaviour can lead to a deterioration in the quality of information and limit the information flow, thus managers can decide based on insufficient information, resulting in poor performance. Moreover, political processes are dividing and time-consuming, postponing the decision, which may lead to a loss of opportunities and profits (Pfeffer, 1992), a phenomenon more evident in competitive and volatile environments, where fast decisions are of the essence (Eisenhardt, 1989). Lastly, political behaviour can result in incomplete understanding of environmental restrictions, thus weakening the strategic decision effectiveness, since political tactics turn to the interior of the organization, rather than identifying attainable solutions in the given environment or including alternatives, that could collide with individual interests (Dean & Sharfman, 1996).

2.3.3 Intuition

Intuition is commonly conceived as a decision making mechanism that relies on rapid, non-conscious recognition of patterns and associations to generate affectively charged judgments (Dane & Pratt, 2007). Simon (1987) explains intuition by putting it in relation with experience. According to the author managers with years of experience possess an amount of knowledge that make them find solutions to problems without being able to show how they achieved the result. Intuition differs from rational decision making in that it is rapid and the decision maker cannot provide a linear, logical reasoning of the process, that can be thoroughly reconstructed and explained in retrospective (Simon, 1987). According to Khatri and Ng (2000) it is not the opposite of rationality and not even a guessing process, but it is rather a reasoning process that the manager has developed through years of experience in problem solving. Khatri and Ng describe intuition as "a holistic perception that transcends rational ways of knowing" (2000, p. 60). There are important characteristics about intuition. First of all, intuition is subconscious. On this point, Khatri and Ng (2000) state that people have countless experiences stored like a reserve in the subconscious, and it is thanks to intuition that people can draw and choose among the alternatives the one that is more fitted. This process is made by the mind in an unconscious way (Khatri & Ng, 2000). Intuition is also complex, according to Khatri and Ng (2000), while the rational analytical models are based on the assumption of linearity, which is a limit. On the contrary, intuition allows more complex models not being confined by the bounds of rationality (Khatri & Ng, 2000). Another characteristic of intuition is that the process is very quick. Khatri and Ng (2000) describe how intuition can allow managers to know practically immediately what is the best solution or course of action. They claim that one of the most important characteristics is that intuition is not emotion. According to Khatri and Ng (2000) feelings such as anxiety, fear, desire, are most likely able to interfere with the intuition process, not allowing the manager to clearly be receptive to unconscious solutions and messages. Khatri and Ng (2000) suggest that intuition does not concern a biased process, but it can be affected by biases as much as a rational process. Finally, the last characteristic that Khatri and Ng (2000) analyse is the fact that intuition is part of all decisions. Even in the rational analytical tools that are generally used, there is a level of unknown that cannot be measured, and this is when intuition is used for instance to interpret data (Khatri & Ng, 2000).

Sadler-Smith and Shefy (2004) argue that intuition can be difficult to describe but is easily recognisable. Intuition is linked to having a hunch or a strong feeling of knowing what will happen (Vaughan, 1989), without being able to explain the logic behind it (Nutt, 1998). Parikh (1994) claims intuition might be another form of intelligence, which decision makers are able to utilize when rational tools are not available. Sadler-Smith and Shefy state that intuition can be viewed as "a composite phenomenon involving interplay between knowing (intuition-as-expertise) and sensing (intuition-as-feeling)" (2004, p. 76). Khatri and Ng (2000) identified three operational indicators of intuition, which are presented below:

1. **Reliance on judgment**

Decision makers utilize intuition when a quick decision is needed, information is insufficient and there is no prior example. In cases such as these, judgement is vital. Butler (2002) claims judgement is a key factor in the process of creating a solution. Daft and Lengel (1986) propose that if the work process cannot be analysed, executives must employ judgement instead of computational procedures.

2. **Reliance on experience**

Intuition constitutes a type of experience, based on a deep knowledge of problems, connected to a specific profession or environment (Prietula & Simon, 1989). Wally and Baum (1994) describe intuition as an ability which can be learned from experience.

3. **Use of "gut feeling"**

Intuition is characterized as a process of feeling a problem or trusting a person's gut feeling (Parikh, 1994). In the case that executives make a wrong decision, they will not be in a position to defend it, since there is no obvious reason on which it was based (Schoemaker & Russo, 1993).

2.4 The Interrelation Between Rationality, Political Behaviour and Intuition

According to Mintzberg and Westley (2001), companies, to be effective, should embrace both rational analytical tools or models and intuitive or action-oriented forms of decision making. Mintzberg and Westley (2001) describe three main approaches to decision making, which are: "thinking first", "seeing first" and "doing first". According to the authors the "thinking first" model, which is the classical rational approach (define, diagnose, design, decide) has its limits because most of a decision lays not just in conscious thinking, but also in the unconscious. Therefore, according to Mintzberg and Westley (2001), this rational approach needs to be supplemented by two other approaches. According to the "seeing first" model, decisions are driven by what managers see or think. The last approach identified by the two authors is the "doing first" model, and it occurs when managers are required to make decisions without seeing or thinking, in other words when the need to take action is imminent. This theory can be summarized by three steps: enactment, selection and retention. The meaning of this can be found in the fact that when people are stuck, there is space for experimenting, learning by doing, and therefore collection of experience (Mintzberg & Westley, 2001). As a summary Mintzberg and Westley (2001) believe that the rational step by step logic is not enough for companies who want to be effective, there is also a need to incorporate a more intuitive or action oriented decision making process.

According to Calabretta, Gemser and Wijnberg (2017), rationality and intuition are both valuable for strategic decision making, but at the same time they are two different concepts. When these two concepts are utilized together inevitably will create a tension and contradiction between each other (Calabretta, Gemser & Wijnberg, 2017). As Calabretta, Gemser and Wijnberg (2017) claim, the fact that intuitive and rational decision making are at the same time different concepts and both necessary for effective strategic decision making create a paradox. This is a new approach that tends to analyze the phenomena of decision making by considering the concept of intuition and rationality as a whole, putting the focus on the tension rather than putting emphasis only on one of the two elements (Calabretta, Gemser & Wijnberg, 2017).

The relation between political behaviours and intuition is addressed by Elbanna, Di Benedetto and Gherib (2015). According to the authors, political behaviors in the context of strategic decision making can increase decision intuition. The first consideration made is that in the political approach informal discussions are used to address strategic problems ending up in a low exchange of knowledge and information between the executive group members. Therefore intuitive decision making becomes more likely (Elbanna, Di Benedetto & Gherib, 2015). The second consideration concerns the fact that managers' intuition approach tends to increase together with the intensifying of political activities in the strategic decision making process (Elbanna, Di Benedetto & Gherib, 2015). The authors state that political behaviours may be an indicator of an intuitive approach of the executives in their strategic decision making process. According to Elbanna, Di Benedetto and Gherib (2015) it is, therefore, likely that political behaviours have direct implications on intuition.

2.5 The Role of Intuition in the Managerial Context

One of the main assumption in decision making is that rational processes lead to better results than intuitive processes (Elbanna, 2006). This assumption has been criticized by various scholars (Khatri, 1994), for instance, Miller and Ireland (2005) indicate that many managers employ intuition as an effective technique for strategic decision making. In volatile conditions, strategy methods have to be flexible and resourceful (Grant, 2003).

As Elbanna (2006) claims, the use of intuition in the modern business world is gaining popularity, since only a few strategic decisions have access to sufficient, precise and timely information. Burke and Miller (1999) suggest that managers find a number of advantages in the use of intuition in decision making, which are to speed up decision making, ameliorate ultimate decisions, accommodate personal development and promote decisions which are in accordance with the company. Burke and Miller (1999) argue that intuition can be favorable in certain occasions, and even the best available alternative. Intuitive processes can deal with more complexity than our conscious minds (Parikh, 1994).

A number of researchers have suggested top managers utilize intuition in an unstable environment, for example Mintzberg (1994) and Quinn (1980), but few studies examine the relation between intuition and organizational outcomes (Elbanna, 2006). In one of the few papers which deal with this topic, Khatri and Ng (2000) found a positive relationship between intuition and organizational performance in an unstable environment, but a negative in a stable one.

However, the use of intuition in decision making has been also criticized. Sauter (1999) states that managers who employ intuition may become impatient with routines or details, reach a decision too fast, disregard important information, or follow a hunch when they should not.

2.6 Strategic Decision-Specific Characteristics

Rajagopalan, Rasheed and Datta (1993) argue that the link between the different decision characteristics and their performance implications is still uninvestigated. Elbanna and Child (2007) identify three decision-specific characteristics, namely decision importance, decision uncertainty and decision motive.

Decision importance

As Papadakis, Lioukas and Chambers (1998) state, the perceived importance of a strategic decision is among the strongest characteristics of decision making behaviour. Since not all strategic decisions have the same level of importance, decision makers can approach them in different ways, for example executives are expected to utilize more rational processes for the most important decisions (Elbanna & Child, 2007). Executives are more prone to rationality when making crucial decisions for achieving the goals of the organization (Hickson et al. 1986).

Decision uncertainty

As Butler (2002) argues, decision uncertainty forms the essence of decision making. Elbanna and Child (2007) point out that various authors have approached uncertainty as a mystery which cannot be dealt with rational processes. For instance, Daft and Lengel (1986) state high decision uncertainty may result to more intuitive processes, meaning employing judgement and experience rather than computational techniques. Papadakis, Lioukas and Chambers (1998) identify a positive association between decision uncertainty and politicization. They state that in cases when uncertainty is linked to the action needed to be taken or the collection of information, it is possible to anticipate conflicting opinions in the beginning of the problem formulation and an emergence of political activities in the process of solving the problem. Likewise, Lyles (1981) argues that uncertainty related to some points of an issue could increase politicality in the problem formulation stage.

Decision motive

The way in which executives classify and label a strategic decision as an opportunity or as a crisis greatly affects the decision making processes which follow (Schneider & Meyer, 1991). For example, Papadakis, Kaloghirou and Itarelli (1999) conducted research in a chemical company and proved that when managers identified the decision as a crisis they avoided political debate, focusing on facts and ideas. Nonetheless, when the crisis retreated, a number of political activities surfaced (Papadakis, Kaloghirou &

Itarelli, 1999). Mintzberg, Raisinghani and Theoret (1976) argue that decision makers are more rational when the decision is perceived as a crisis, while they are prone to respond to opportunities without using rational and analytical processes, a notion supported also by Fredrickson's (1985) research.

2.7 Executives and Company Characteristics

The moderating role of characteristics related to the internal and external environment of a company in the managerial strategic decision making process are followingly examined.

Company size

Snyman and Drew (2003) have described that company size can affect the strategic decision making process in a company, in such a way that larger firms will utilize a more formal and rational approach. Elbanna and Child (2007) claim that in small companies, the formulation of strategy depends on the idiosyncratic capabilities of a single or few individuals. Khatri and Ng (2000) argue that company size may interact with intuition, so that small organizations are prone to rely more on intuition than large ones. On the same note, Brouthers, Andriessen and Nicolaes (1998) suggest that managers in small firms tend to rely on their intuition and disregard collected information or conducted analysis.

Firm performance

Eisenhardt and Bourgeois (1988) argue that in high-velocity environments, high-performing companies employ more rational decision making processes, suggesting that the more rational the strategic decision making process, the better the performance of the firm. Other authors, for example Rodrigues and Hickson (1995), claim that the success of a decision depends on the availability of both resources, such as money, material and technology, all of which indicate good performance, and information, which is linked to rationality.

Environmental uncertainty

Fredrickson (1983) claims that in a stable environment, synoptic processes, like rationality, are favourable, whereas in an unstable environment, incremental processes, like intuition, should be used. This is due to the fact that in a stable environment information is more available and reliable, there is less pressure to collect new information, and the cost of collecting information is sensible. Thus, decisions based on facts and figures may lead to better performance than decisions based on judgment or gut-feeling (Khatri & Ng, 2000).

2.8 Theoretical Framework

The purpose of this study is to examine the role of intuition in a strategic decision making context. To accomplish that, a theoretical model was constructed, based on the integrated model designed by Elbanna and Child (2007). According to our model, strategic decision making was approached by its three different dimensions, rationality, political behaviour and intuition. These concepts were filtered through the moderating lenses of decision-specific characteristics and company characteristics. The outcome of this process aspires to provide a clear depiction of the role of intuition in a managerial strategic decision making sense. The aforementioned model is presented in the following figure.

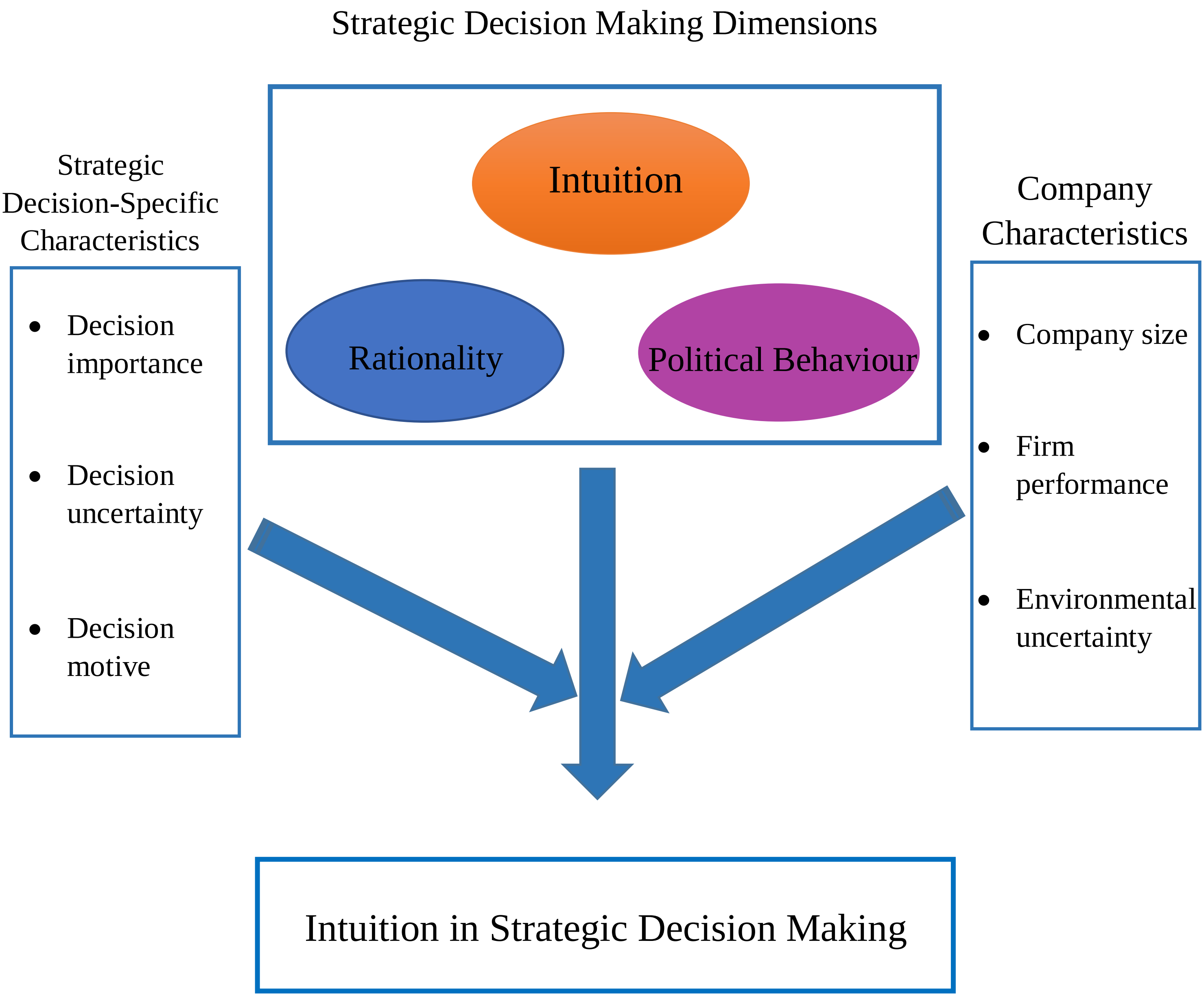

Figure 1 - Theoretical Model

3. Methodology

3.1 Research Philosophy

According to Saunders, Lewis & Thornhill (2012), individuals make assumptions in every phase of a research, and this affects the overall way they understand the research questions, the data collection and how they elaborate the findings. Creswell (2014) talks about philosophical worldview assumptions, meaning all the basic beliefs that a researcher holds during the research work, in other words, the general philosophical orientation towards reality. According to Creswell (2014), researchers need to make clear what philosophical idea behind the study has been utilized. This enables them to clarify why a certain method approach has been chosen (Creswell, 2014).

This study was conducted utilizing a constructivist philosophical worldview. According to Creswell (2014), constructivism is typical in qualitative researches. Following this view, individuals, and in this specific study we are referring to top managers, are the ones that try to understand the world surrounding them by personal or subjective meanings (Creswell, 2014). This study was therefore mainly focused on getting different views and meanings of the same subject from all the executives interviewed. Creswell (2014) indicates that the constructivist view aims to get complex answers, and a way to do this is by utilizing open ended questions.

Creswell (2014) claims the researcher's aim in the philosophical view of the constructivism is to give a meaning and to interpret the way other people see the world. This study tries to make sense of the personal views of the executives interviewed by interpreting their meanings concerning the strategic decision making process, through real life case examples.

3.2 Research Approach

The present thesis research was conducted with an abductive approach, since data, in the form of qualitative interviews, were collected to explore a phenomenon, recognise themes and explain patterns, in order to complement the existing theory (Saunders, Lewis & Thornhill, 2012). Unlike the deductive approach, where a researcher moves from theory to data, or the inductive approach, where a researcher moves from data to theory, in the abductive approach one needs to move back and forth, combining deduction and induction in a sense (Suddaby, 2006). For the sake of this study, the phenomenon to be analysed is intuition in a strategic decision making context, and known premises about this phenomenon are used to produce testable conclusions (Saunders, Lewis & Thornhill, 2012).

3.3 Research Design

The current study implements a qualitative research design. This technique is employed to describe any data collection or data analysis that generates or uses non-numerical data (Saunders, Lewis & Thornhill, 2012). In management research, the use of language data provides the opportunity "to gain insights into social and organizational realities" (Easterby-Smith, Thorpe & Jackson, 2015, p. 129). The exploratory study approach was exercised, which is suitable when uncertainty about the precise nature of a problem is identified (Saunders, Lewis & Thornhill, 2012). According to Creswell (2014), qualitative research is meant to be exploratory.

The research strategy applied is the qualitative case study, which "facilitates exploration of a phenomenon within its context using a variety of data sources" (Baxter & Jack, 2008, p. 544). According to Yin (2003), there are four distinctive conditions which favour the use of a case study:

- When the study focuses on answering "how" and "why" questions.
- When the researcher cannot manipulate the behaviour of the people involved in the study.
- When the researcher needs to investigate contextual conditions, relevant to the phenomenon under study.
- When the boundaries between the phenomenon and the context are ambiguous.

Since our research will contain more than one single case, the selected method is the multiple-case study. The logic behind the use of multiple cases is based on whether results can be replicated among cases (Saunders, Lewis & Thornhill, 2012). Baxter and Jack (2008) claim that the multiple-case study is used when the researcher examines several cases in order to understand the similarities and differences among the cases. The evidence produced by a multiple-case study is considered to be reliable and robust, but on the other hand it can also be very time consuming and costly (Baxter & Jack, 2008).

The time constraints for conducting this research and the collection of data over a short period of time imposed the choice of a cross-sectional study, serving as a snapshot of a particular phenomenon at a particular time (Saunders, Lewis & Thornhill, 2012).

3.4 Literature Selection

The review of the literature was conducted by a selection of several authors on the strategic decision making field in the last decades. The strategic decision making topic is a very broad area with implications not just in management, but also in many other subjects such as psychology, sociology, mathematics, and economics. Starting from the broad concept of decision making, this research aimed to narrow down the subject in order to make sense of a specific topic, which is the strategic decision making process in executives and the role that intuition plays in it.

This research examined strategic decision making in the business world from a time frame perspective. Looking at the evolution of this concept resulted in further understanding the directions this phenomenon took during the past decades and the current state of the research. Gaining an insight into what has been done until now is crucial in order to comprehend the possible future outcomes and direction of the research.

The collection of relevant literature was made mainly through revising several scientific journals about management, executives and organizations. The time frame this research took into account goes from the 1950's until the most recent years. The main core of the research is based on previous studies conducted mainly in the last two decades. This provided a more reliable support for our conceptual analysis which is based on the most modern and updated studies on the strategic decision making field. When writing the review, another important point was that the selection was based on the most cited authors and articles.

3.5 Data Collection Method

In order to support our conceptual framework we conducted a series of semi-structured interviews, meaning that they were based on a set of questions that were prepared beforehand, but the interviewees were encouraged to reflect on their personal experiences, so that better insights could be gained. The choice of discursive interviews was made in line with our qualitative data method and our research philosophy. According to Creswell (2014), the constructivists approach aims at looking for the meanings that individuals give to a specific experience they had, and therefore, the best way to collect qualitative data in by discussion and open ended questions. The interview questions were formulated taking into account the three main aspects of analysis; the strategic decision making dimensions, the strategic decision-specific characteristics and the company characteristics, as presented in the model of the theoretical framework, in Chapter 2.

The interviews were conducted directly in the main offices of the companies. All the interviews were recorded and their duration was between 40 and 48 minutes. The interview questions, aimed at collecting this relevant information, have been elaborated by ourselves and comprised of 25 questions. This basic set of questions provided us with general, as well as complex information about the participants. The interview questions were also written taking into account the particular role and professional background of the participants. Given that all of them were executives, holding a top management position, we decided to use the same basic set of questions for all of them. According to each specific case we would, then, integrate more specific questions in the interview.

The interview questions (see Appendix) were structured in different parts. The first part, or the introduction part, aimed at gaining general information about the position and the role of the participant, the organizational structure of the company, the performance of the company, and relevant facts about the internal and the external environment in which the organization operates. The relevance of gaining this information can be found in the fact that they provide a background of the executives and the environment in which they operates. Furthermore, the relation between these characteristics and the strategic decision making process, as well as the role of intuition, could be extremely relevant for the aim of the research. The second part of the interview questions concerned the introduction to the heart of the study, the strategic decision making process. The participants were asked to make an example of a successful strategic decision making in which they were involved in the past. By focusing the attention on a specific example provided a more reliable set of data, avoiding abstract conceptualization regarding general strategic decisions. In this second section, there are three sub groups of question. The first sub group is aimed at understanding the extension of the rationality approach in that particular situation. The second sub group aimed at exploring the role of intuition and the implication that personal judgements and professional experience had in that specific case. The last sub group of questions was aimed at understanding the role of the power between the members of the management group in which the specific strategic decision was taken. The last part of the interview questions aimed at exploring past strategic decisions that proved to be unsuccessful and the identified differences with the previous example. By submitting this set of questions to the participant we tried to gather reliable qualitative data in order to support our conceptual analysis.

The present multiple-case study examined each executive as a different case, focussing on their individual strategic decision making processes. Therefore, the spotlight was turned on each manager, rather than the organization. A total of five executives belonging to five different companies participated in the research and the interviews were conducted in Malmö, Lund and Lomma, in the region of Skåne, Sweden.

Table 1 - Research Participants and Interview Details

Name	Position	Company	Duration
Christer Wahlquist	President & CEO	Nolato AB	40 min
Karin Wehlin	CEO	BoMill AB	40 min
Carl Magnus Cronholm	CEO	FEW	46 min
Fritiof Johansson*	CFO	BetaValue*	48 min
Sam Aston	CEO	Additude AB	42 min

*(*Participant's details were changed to guarantee confidentiality)*

3.6 Data Analysis

Owing to the fact that concepts in qualitative research depend on social interpretation, qualitative data have the tendency to be more ambiguous, elastic and complex than quantitative data, so analysis of the data ought to be responsive to these attributes to be meaningful (Saunders, Lewis & Thornhill, 2012). The data analysis procedure entails a process of summarising data, categorising and grouping them according to themes, and finally connecting these categories in such a way that a structure is formed to answer the research questions (Saunders, Lewis & Thornhill, 2012). The interviews conducted for the purpose of this research were audio-recorded and subsequently transcribed, making use of the online transcription and dictation software Transcribe (2017), in order to perform the transcriptions in a time-efficient way. The transcriptions were performed by the authors, so that better insights about their personal interviewing style would be gained, whereas the social and emotional perspectives of the interviews could be reminded during the transcriptions and an initial analysis of the meaning could commence (Brinkmann & Kvale, 2015).

The analytical process that was employed in the current study was inspired by the suggestions of Saunders, Lewis and Thornhill (2012), which can be summarized in the following steps: identify categories or codes to understand the data, develop further analytical categories to pinpoint relationships and patterns, develop testable arguments and, finally, draw and verify conclusions. In the beginning, the acquired data were divided into 7 categories, based on the structure of the interview questions which the participants were called to answer. While processing the data, and in respect of the research questions, 5 core categories were formulated, in such a way that the research purpose could be addressed sufficiently. Building on this analysis and the discussion that it initiated, the researchers were able to draw their conclusions on this study.

3.7 Data Quality

According to Saunders, Lewis and Thornhill (2012) there are data quality issues associated with semi-structured interviews that need to be overcome in this kind of research. These data quality issues are associated with reliability, forms of bias, generalisability and validity (Saunders, Lewis & Thornhill, 2012).

The first problem discussed by Saunders, Lewis and Thornhill (2012) is the concern about reliability. This is due to the fact that semi-structured or in depth interviews lack of a standardisation process. According to Saunders, Lewis and Thornhill (2012) this problem is overcome by the fact that qualitative researches are based on the assumption that the situations to be explored are complex and dynamic. Furthermore, the findings of this kind of research approaches do not need to be always repeatable because they come from a specific reality and a particular time, that could also change (Saunders, Lewis & Thornhill, 2012). The authors believe that this study is a snapshot of the examined situation at a specific, and limited, time frame, though it is structured in such a way that could be repeatable in the future by other researchers.

Connected to reliability is the problem of biases. According to Saunders, Lewis and Thornhill (2012) there are three different kinds of biases that must be considered. The first one is the bias of who conducts the interview. This is related to the behavioural approach of the interviewer, that through comments or a certain attitude might influence the way the participants answer the questions posed (Saunders, Lewis & Thornhill, 2012). Another issue is connected to the interviewee bias, that can be called also response bias. Saunders, Lewis and Thornhill (2012) note that this kind of bias may be linked either to the perception about the interviewer or to the typical characteristics of the interview process. Saunders, Lewis and Thornhill (2012) argue that the semi-structured interview process, as well as the in-depth one, is characterized by an intrusion into the personal sphere of the participant. Even though they might be willing to contribute with personal experiences, in some cases they might be sensitive in the disclosure of certain information through an unstructured interview process (Saunders, Lewis & Thornhill, 2012). The problem in this case is that the participant would give only a partial picture of the situation to be explored. The last form of bias analysed by Saunders, Lewis and Thornhill (2012) is the participation bias. This kind of bias is related to the nature of the individuals who agree to participate in the research (Saunders, Lewis & Thornhill, 2012). In other words, the interview process takes time and this factor might affect negatively the will of the participants to participate (Saunders, Lewis & Thornhill, 2012).

During this study we tried to overcome the biases connected to the interviewer and the participants with different measures. According to Saunders, Lewis and Thornhill (2012) one way to overcome these issues is to have a good degree of knowledge about the organization and the culture of the company. Before each interview we looked for information on the company's website and other different sources, such as online articles and news. In such a way we became more familiar with the situation at hand. Another way to overcome these biases was to provide the least information possible about our research to the participants, before conducting the interview. This method allowed us to have a more reliable set of data. The interviews were conducted in the main offices of the companies, in quiet conference rooms, which enabled the interview process to be more professional and therefore the answers to be more accurate. Our behaviour during the interviews was also central in trying to overcome these biases. The interviews were conducted in a careful way in order to avoid leading questions that would compromise the reliability of our data. Overall, we tried to keep a neutral behaviour in order to reduce to the minimum extent possible our influence on the participants.

A third problem connected to the semi-structured interview process is the generalisability issue. This problem is related to the extension of the research findings that might not be applicable to other fields of the research (Saunders, Lewis & Thornhill, 2012). According to Saunders, Lewis and Thornhill (2012) this problem is overcome by the fact that qualitative research is related to the theoretical framework chosen for the study. This research strived to demonstrate that our findings have a solid meaning from a theoretical perspective.

The last issue that Saunders, Lewis and Thornhill (2012) consider is the validity problem. This relates to the level of extension that the interviewers had in exploring the interviewee's knowledge and experience, and how they made sense of it (Saunders, Lewis & Thornhill, 2012). We attempted to overcome this issue and explore the specific situation by making in-depth questions on the subject we believed relevant for the study. This allowed a more thorough analysis and a more extended exploration of the participant's knowledge.

Triangulation, as Long and Johnson (2000) indicate, refers to the utilization of various data sources, data collection methods, or investigators, in order to tackle the drawbacks of using any single source, method or investigator. Other scholars, like for example Hammersley and Atkinson (1995), claim triangulation does not provide hard evidence on whether the data are true or false, since observing different sources or employing different methods may as well lead to a different phenomenon. There are several elements related to the design of a case study, so that the quality and trustworthiness of the project can be increased. According to DiCenso, Guyatt and Ciliska (2005), a researcher is responsible to guarantee that the research questions of the case study are clearly defined, the case study design is suitable for the research questions, purposeful sampling strategies have been utilized, data are collected and processed in a systematic way and the data analysis in done properly. Triangulation of data sources, types or researchers, Baxter and Jack (2008) claim, is a useful strategy to support the principle in case study research, so that each phenomenon is analysed from various perspectives. Additional strategies which contribute to the overall credibility include "the use of reflection or the maintenance of field notes and peer examination of the data" (Baxter & Jack, 2008, p. 556). In this study, triangulation was achieved through a delegation of interviews and tasks. Out of the five interviews, two of them were conducted by a single and different researcher, while the other three were conducted by both researchers, but particular tasks were rotated. More specifically, during these interviews, one researcher would commence by posing the questions, while the other would keep notes about the most interesting comments of the participant or facial expressions and emotional characteristics. After the middle of the interview, roles were exchanged, thus minimizing the drawbacks of a single interviewer.

4. Analysis

In order to answer the formulated research questions, 5 categories were designed, following the three main aspects of analysis; the strategic decision making dimensions, the strategic decision-specific characteristics and the company characteristics, as explained in the theoretical framework. These categories are presented below.

4.1 Strategic Decisions Examined

During this research different successful strategic decisions were analyzed, as presented in the current chapter.

Christer Wahlquist

The first participant interviewed was Christer Wahlquist, CEO of Nolato AB. The kind of strategic decisions that the CEO is required to make together with his group concerns, first of all, the acquisition of new companies. According to Wahlquist almost every year or second year Nolato acquires new companies. Another important strategic decision is the long term focus of the different business areas or the group in general. Which means the development of the three divisions in which Nolato is divided: *"for example, some years ago we decide to grow the medical and the industrial business area faster than the telecom business area (integrated solutions) in order to balance the volatility of the overall company"* (Wahlquist). And again another example of strategic decision is when: "*some years ago we broadened the integrated solutions in order to broaden our base of business from only the telecom sector to sectors around the telecom. The decision was made, also in this case, to reduce the volatility of the company and create some stable business around this area as well"* (Wahlquist).

One of the main successful strategic decisions made by the CEO was the development of the medical business area. Nolato is structured in three main business areas: medical solutions, industrial solutions and integrated (telecommunication) solutions. The strategic decision to invest in the medical business area was made due to necessity, because it was a sector that was not growing as expected and it was producing deficits. The strategic decision was in this case to create a new business around the medical area and to focus more on key customers instead of going wide. "*The first strategic decision was to try to make something good out of the medical division. We created a new business area around that, it was very small but we also created the process of creating people that could make decisions around the medical and could decide for themselves. At that time we also decided to focus on key customers, instead of going wide. We went for a very customer focused approach"* (Wahlquist).

The role of Christer Wahlquist is to review and give comments to the strategic plans proposed by the single divisions and to create an overall strategic plan for the group. Nolato has many daughter companies and this makes the strategic planning more complex as it is divided across different levels. In the overall organization there are twenty daughter companies and every year, each of them has to present a strategic plan focusing on the upcoming three years. According to Wahlquist, the task of the management of each daughter company is to propose a strategic plan, while his task is to review them, give comments, and make sure that those strategic plans come together in a bigger plan: "*This is the base of the strategic planning. Then each business area does the strategic plan based on the inputs from the daughter companies, to create an overall strategic path for the business area. And then we do one for the group. So we have three levels of strategic planning, all focused on three to five years, and they are updated every year."*

According to Christer Wahlquist, the strategic decisions that he and his group have to make are continuously developed through a time process and changed when needed: *"In Nolato most of the strategic decisions are sort of evolved. It's not like very sharp decisions that we decide one day. We are not a revolutionary company, we are more of an evolution company. We are not changing very rapidly in direction, we are more gradually moving ourselves in a direction. So we know this is the direction and so we make decisions over time. And exactly the final decision in that aspect is hard to say, because it's evolving over time."*

The CEO of Nolato has to take into account also the differences between the three business divisions of the company, because each of them requires a different management style and a different approach to strategic decision making. The integrated solutions business is for example developing much faster than the other two areas, and this requires a much faster adaptation, hence faster decision making. Wahlquist describes the two different perspectives: "*For example in the medical area what we are doing today you will see the results in five years. In the integrated solutions business area, what we make today, you see definitely results within the year. So you need to be much more fast-moving in that."*

According to Wahlquist, each business environment requires management people with different characteristics and skills: *"More analytical long term in the medical area, and more fast movers in the integrated solutions. I would sometimes refer to it as a person running one hundred meters, very explosive, you just go and run. And then you have to take a new step and run again. In the medical area instead is more like a marathon, you have to consistently run at the same speed for hours and hours, but you don't explode.*

Concerning a strategic decision that did not result in a desired outcome, Wahlquist focused on the wrong assumptions that originally were part of the same strategic decision about the development of the medical business area. Once realized that those assumptions were proved wrong, Wahlquist recognized there was a need to change: "*when we started the medical business area [...] we decided to divide the world into* *regions and work with them separately as a region, we understood probably that's not gonna work. We didn't get the outcome we thought we would get, and then we changed".*

Karin Wehlin

Karin Wehlin, CEO of BoMill, when asked about the types of strategic decisions for her organization, she identified as such their patent strategy, price strategy, market strategy, sales strategy (for example partnering with distributors or not), and, especially, the customer segments that the company needs to target.

Karin Wehlin argued that this specific decision was of utmost importance for BoMill, describing:

"In this case, I would say it [the decision] was very important. If we had gone with a quality [strategic direction] we wouldn't have been where we are today. I mean we have sales today, even if we are not profitable, we have sales. And we get attention from big companies […] So I think it's a correct strategic choice."

As far as the uncertainty of the decision is concerned, Karin Wehlin stated that it has been considerably high, because they are dealing with an innovative technology, a disruptive technology in a sense, and not a me-too product. The landscape was considered to be a relatively unknown territory for her, compared to the pharmaceutical sector she had been working for 10 years, before joining BoMill. On this point, she described: *"But when you're introducing something that no one knows anything about and they don't know that they need it, then the strategy is full of uncertainties I would say."* The motive behind this decision was definitely an opportunity that was identified by Karin Wehlin and the board of directors.

In the interview with Karin Wehlin, the successful strategic decision that was discussed involved the complete change of direction for the company's strategy, from introducing the machinery to quality and regulatory managers, focusing solely on the quality aspect of the product, to approaching business decision makers and presenting clear business cases to the management teams, focussing on the added value the product could offer them. As Karin Wehlin described:

"I would say that the successful strategic decision was to move 180 degrees as I described before, not going to the quality regulatory part of the grain area, but actually talking business cases and added value, like we can actually produce with the machine, and not quality as such. And I think that was very important for BoMill to make that switch."

Regarding the people who were involved in this decision, Karin Wehlin claimed that in her first period in the company, the people who were in charge at that time, lacked considerable expertise in the strategic aspect, since they were mostly researchers or developers, focused mainly on the development of their technology. So her course of action was to create a plan for the future strategic direction of the company, utilizing knowledge from the executive MBA programme she had followed, and combining it with the acquired experience that the previous strategy had left. This strategic plan was then presented and approved by the board of directors.

An unsuccessful strategic decision that was discussed with Karin Wehlin involved the choice of continuing the agreement with one distributor in East Europe, who was still utilizing a quality and regulatory sales approach, although she had already decided to move towards a management and business case approach. The contracts with all the other distributors were terminated, but committing to the company's former strategy in East Europe, resulted in the company being unable to sell a single unit of their product in that area, so it has proven to be a wrong strategic decision.

An additional strategic decision that Wehlin mentioned briefly was to hire two marketing and sales directors, instead of one, as was the original plan, after organising a fundraising, with the participation of a major Swedish venture capital firm. When realizing they had two very skilled candidates for the position, she suggested to the board of directors that both of them should be hired, since this decision could have a significant positive effect on the company's presence in various markets.

Carl Magnus Cronholm

Carl Magnus Cronholm is the founder and CEO of the communication agency FEW, based in Malmö, Sweden. The types strategic decisions that the company was required to make concerned broadening the offer of competencies and specialties to clients: "*I would say, some of the bigger decisions that we made in the past couple of years that have affected us and will continue to affect us are, first of all, the need to be an economy of scale, we need to level up our offering, [...] be able to offer more specialties and competencies".* Main decisions for the company, in this case, were the involvement of public relations to the company offers, as well as adding a film division.

One of the main successful strategic decisions in which the CEO was involved is the merger with another company in 2015: "*the next big decision was in 2014 when we said we need to get big, because we can never make money being a small agency. Back then we were twenty/twenty-five persons, so we needed to find someone and marry them. So we talked with another company and we had the merger in January 2015, and doubled the size basically".*

The strategic decision of merging with another company was mainly opportunity driven, and it was a crucial decision for the company's future: "*we were not in a crisis that year, but we had been one year before. The reason that I contacted them at that point was that I read on a magazine that their CEO was about to go and become a managing director for a football club in Malmö so I thought it was a good time to actually start the discussion".*

According to the CEO, even though the company was not in a crisis situation it was necessary to take this step in order to be able to be less dependent from the key clients and grow bigger in order to make more profits: "*We have been discussing internally [...] we can never get rich if we are this size, because we will always be so dependent on a few clients [...]. We needed to unleash ourselves from that kind of dependence [...]. In 2012, one of our biggest client was 60% of our turnover, [...] the year after, they dropped to 50% in the turnover, and it was a big blast for us".* Other reasons concerned the perception of the company from the client's perspective, especially big organizations that perceived the company to be too small in order to fulfill the project duties: "*you probably know about this big energy company, we had a big pitch for them in 2013, we were down to the final 2, and we lost it because even though they really liked our ideas and we had what it takes to work with them, we were too small",* and again: *"6 months later, we had another global pitch for a big tools company, we were number 7 on the list, up against 18 or some of the world's best agencies, and once again they pulled us out because we were too small".* According to Carl Magnus Cronholm this strategic decision had also an emotional involvement due to these previous elements: "*It was so frustrating to have the knowledge to deliver, and to be able to compete with some of the best companies on the planet, but not being able to do the game and show off your skills".* The level of uncertainty connected to this decision was relatively high, especially regarding the revenue aspects. He believed in the decision to a great extent, as he was confident that it could grow the company substantially.

As an example of a strategic decision that did not result in the desired outcome, the CEO of FEW talked about a filming company they created to improve the offer. The reasons behind this strategic decision was to provide a new service to the already existing clients, by producing films in a more economical way than the commercial production. The expectations in this case were based on the idea of growing this sector by reaching seven or ten units in the agency, instead of the initial two. According to Carl Magnus Cronholm: "*our idea was that if we add this offer we can grow the film side of the company really fast. Because it's cheap and it's fast and there should be a lot of clients that would be interested in this, and we already have these clients with whom we work with and that can buy this. But no, in this case even though it's profitable it's not growing [...]. So in that case, the decision making, or the assumptions that we did in the beginning did not prove to be true".*

Fritiof Johansson

Johansson provided his definition of what a strategic decision is, stating that many people in the business use the term "strategic" for pretty minor issues. He explained that, in his opinion, a strategic decision is one that decides the overall direction of the group as a whole, so a decision by an individual business unit, for example, can hardly be considered as strategic, rather than a tactical adaptation to a general strategic direction. He provided an example of a strategic decision for his company, suggesting:

"I would say a strategic direction is: are we going to expand the number of technologies that we offer as a group? We are today focused on separation technology, predominantly by means of centrifugal force, we are into heat transfer and we are into fluid handling. Those are our 3 main technologies. But let's say that we should be considering going into a fourth technology, that's definitely a high-level strategic decision. That's a decision that is really to be agreed with our board of directors."

Another example of a strategic decision, taking into account the geographical perspective, is mentioned by Johansson:

"If we then think about geographical dimensions, let's assume that we would be considering a larger scale presence investments in Angola. If we would be saying we want to spend 200 million on setting up supply chains, and sales presence, and god knows what, in Angola, I would say that is as strategic decision for the company. But, setting up a rep office in Belarus, is more of a tactical thing."

As a CFO of the company, and a member of the group management, Johansson is involved in all the major strategic decisions of the organization, contributing based on his responsibilities on the financial aspects of the decision.

In the interview, he described a successful strategic decision that was made in the company, specifically the acquisition of a pump manufacturing company, the largest ever acquisition in the history of the company. The company was privately owned, with its main offices in Norway, having a turnover in the order of 5 billion SEK and very successful performance-wise. BetaValue paid a price of 14 billion SEK for this acquisition, and the basis of this decision was to enlarge their offering to the marine industry, with fluid handling technology. It was a major decision, both because of its sheer size, but also due to the fact that big scale fluid handling technology into the marine industry was a new territory for the company. Eventually, the acquired company generated better that was anticipated in terms of volume, as well as in terms of profit, so the decision was undoubtedly the right one.

In this decision process, apart from Johansson, the others members who took part were the CEO, the Head of Business Development, the Head of Marine Division, together with employees responsible for due diligence in the legal area, external lawyers, external advisors, and manufacturing and procurement specialists. Johansson agreed with the strategic decision to a high extent, as everybody in the group, even though there were some minor elements he would have done slightly differently.

Johansson provided an additional example of a strategic decision, where the company launched a strategic review, to define a new way of operating. They examined the various dimensions inside the company that were performing well, stalling or not working at all. They analysed the company regarding its technologies, the customers, the end-user industries, the development and the expected development from a macro perspective. The result was to turn 90 degrees and go alongside the product, so instead of presenting the whole spectrum of the company's products to a specific industry, they decided to offer product groups to a variety of industries, strengthening the technology product focus.

When asked about the uncertainty of the decision, Johansson claimed that, first of all, the company which was acquired was located in the Nordic region, so the cultural risk involved was smaller than acquiring, for example, a Chinese company, since they obtain a much larger understanding of the culture, due to the similar background. Regarding the type of the end-user industries, in this case the marine, oil and gas, and offshore industries, they were familiar to the organization, because of their involvement in them from other products and application, so again, a limited risk. Moreover, as regards the technology, the company had experience in this aspect from previous applications, even though they were of much smaller scale than in this case, so technology-wise the risk was also limited.

From Johansson's point of view, the strategic decision was triggered by two factors. Firstly, there was a shift of generation on the selling side, which BetaValue identified as an opportunity to get into transaction mode. Secondly, it had been a company goal to enlarge their offering towards the marine industry with technologies that they felt comfortable with, and at the same time acquiring a high-performing company.

Sam Aston

Sam Aston is the CEO of Additude, a headhunting and consulting company operating in the business area of Malmö, Sweden. The CEO described the strategic decisions that his company has to take as those decisions that set the way the company is going. The type of strategic decisions that the company needs to make can be described as: *"if we start off with a new market, or a new service, invest in a new way or buy a company or something, that is a strategic decision, decision that takes longer time to execute and longer time to see the consequences also"* (Aston).

One of the most successful strategic decision made by Sam Aston was when they started to offer a new service to clients. The reasons behind this strategic decision was to differentiate the company's services from other competitors: "*We started with a new service, which was complementary to our other services. We had one service which is headhunting and one service that is to start off with consultancy services. And then we decided to also start off with a service that is in between, which is hiring consultants that could be employed for the customer, which was quite beneficial for both us and the customers"* (Aston). This strategic decision, in which Aston had been a major supporter, revealed to be successful, because it made the company to be perceived as different from other competitors and offering a unique service: *"that was a good choice for us, that really made us differ from all our competitors, that's a service nobody else has, nobody else does really good"* (Aston). The strategic decision was crucial for the success of the company, that could therefore benefit of a new position between two different markets: "*So you find companies that have consultancy services and they compete with us, and then you find recruiting services, which also could compete with* *us. But the combination of those 2, a headhunting service and a specialist consultancy service, you don't find that"* (Aston).

Such a strategic decision was not free of any complications. Sam Aston described this process as complex in the way that could create conflicts in the organization itself: "*Internally it's a little bit competitive, when finding a candidate, should this candidate go to a customer or should we hire that candidate for ourselves. So it's been a little bit of a hassle, but still it's working out quite well, and that's been a competitive advantage for us, for which we're quite glad for. It was a hard decision, but a good decision".*

Regarding the people involved in this strategic decision making process, Sam Aston referred that the decision was taken together with the three other members of the board. Additude is an owner-driven company, the four owners are at the same time also the board members. Sam Aston, the CEO, even though he is not one of the founders, he still is one of the owners and a board member.

This strategic decision to provide a new service was crucial for the perception of the brand and the market awareness of Additude: "*The brand became somewhat more familiar to the market, which is good, and it has also given us a lot of customers. We had 40 new customers last year and we have got 17 new customers this year, to this date, and that's pretty good, I don't think our competitors are even close"* (Aston). The level of importance of the decision can be understood by the fact that, according to Aston, their main competitors are satisfied with having five or six new customers per year, whereas in the case of Additude, thanks to this new service, they are able to gain around forty or fifty customers per year.

According to Aston, the level of uncertainty for the strategic decision was relatively high, as it is in any strategic decisions: "*So that's what normally happens when you make these decisions, it's not as easy as black or white, and you don't see that, because then it would be quite easy to make strategic decisions.* Aston notes that a big part of these uncertainties is due to the general changes of the environment, but also of the society: "*The world is changing, the technology that we work with is changing quite a lot, [...], and people are also changing. So there are a lot of things that changed, which means that the only thing that you actually know is that the future will not be the same as today".* Therefore according to Aston there is a level of uncertainty in any decision, and the best way to approach these uncertainties is by having experience and good advisors around you: "*It's extremely good to have a very skilled team around you, because the decisions you make, you can be responsible for taking that decision".* In addition to this, he claimed that the decision was driven by an opportunity, rather than a crisis.

Another strategic decision that Aston took part in, dealt with the involvement of the employees in an effort to improve the brand image of a large consultancy firm where he was a member of the management team. They asked the personnel about how to become a consultancy firm of the future, and the feedback they got materialized in 1592 different suggestions on what to do. Out of them, the management team created a top

100 list and worked on these ideas every year, creating almost 45 company-wide projects. The result was that the company started growing quite fast, from 1.2 billion SEK to 1.8 billion SEK in one year, to 2.4 billion SEK the following year, totally organic, investing in new services and a new presentation of the company.

4.2 Findings on Rationality in Strategic Decision Making

Christer Wahlquist

A way to investigate the role of rationality in the decision making process is to explore the importance of the information used during this process. Executives, and generally management groups, process information in very different ways. For instance, in Nolato information is carefully analyzed, and the preference is on information collected by exploiting internal resources. According to the CEO, Wahlquist: *"We talk to people internally and build up the knowledge or the information needed to make a decision. Then if it is a specific area, like going into new markets, new geography, or buy a company, then we do a lot of information collecting. Externally as well, but normally we have a lot of information so it is more to get all those information from internally to the table."*

Regarding the use of analytical tools during the strategic decision making process, Wahlquist noted that he and his group utilize a variety of tools, but always exploiting internal resources, like for instance using their own salesmen and avoiding using external consulting companies or partners: "*Yes of course we do for example risk analysis, scenario analysis, budgeting, different kind of analysis, we do SWOT, we do market research in some aspect but a lot of that is by our own people. So we use our salespeople for example. I strongly believe in using internal resources in collecting information, because if you take too much from the external, it's someone else's, it's not part of the total knowledge in the company".* According to Wahlquist, this is also part of the company's culture: "*Our culture is more to use internal knowledge, canalize it, and then of course make a decision. By doing this you get also more commitment by the employees, because they feel part of that decision".*

Karin Wehlin

For Karin Wehlin, the amount of information available in the decision making process was limited, due to the fact that they have developed a new and innovative technology, that did not exist before. Their efforts mainly focused on analysing market data, for example, how much wheat is produced or milled in different countries, and also examine other advanced machinery in the industry, which has been used for kernel analysis.

While deliberating on which countries BoMill needs to target, at the early stages of the company, they examined the major durum wheat producers, since durum wheat is a premium product that can produce added value. These countries are Canada and Northern USA, Italy, France, Ukraine, India and China. Among these countries, they pinpointed Canada as a suiting candidate, both because it is a major durum country, and also that they knew by rumour Canada is an early adopter to new technologies, and USA tends to follow Canada's lead when it comes to adopting new technologies. They perceived the size of the company as too small to compete in the Indian or Chinese market, which is why they still have not expanded on these countries.

Concerning the focus on crucial information, Karin Wehlin believed the team has been very focused, but as it had been an early phase for BoMill, she considered it would be dangerous being too narrow in their strategy. She supported that a more broad and explorative approach was needed at the time, so that different parts of the value chain could be evaluated and the company would not miss their *"sweet spot"* (Wehlin).

Collecting information about the market has been a vital part of Wehlin's learning curve in the grain industry, since she attempted to educate herself on the grain industry, by subscribing to various industry newsletters for example, in order to gain a better insight on the field. Wehlin emphasized the importance of basing the decision process on facts, clearly stating: *"The more facts you can put on the table to enable a sort of a sound decision, the better."* She found herself moving from a more gut-feeling approach in the beginning, when the information and knowledge about the industry were limited, to a rational approach later on, when she gained access to an abundance of data. As she stated:

"And I said, gut-feeling yes, it's there as well, but it needs to be a mix I think, it was more gut-feeling in the beginning of my period at BoMill, and it's more fact-based now, because we have more facts to consider, not only the facts or information about the industry as such, we had the facts from customers and how they make decisions, and how they look at our technology and so forth."

She made a comparison to her background in the pharmaceutical industry, where she was familiar with the landscape and had to deal with a me-too product. There, everything could be calculated and analysed in advance. She also used the mobile phone as an example of a product where you can obtain a lot of information about the market and the technology in the beginning, whereas the case of an innovative product and the ambiguity that this situation entailed, forced her to start from using gut-feeling, but later, while the availability of information increased, moved on to a fact-based and rational approach, that she considered to be the most appropriate.

In Wehlin's opinion, the failed strategic decision to maintain the original strategy in East Europe was based on a rational reasoning, that the company's attention should be focused on the North American and Western European markets, so for East Europe the expectations were set lower and she did not anticipate any major deals from that market.

The implementation of that decision could be considered as a benchmark, to make the distinction between the former approach and the new strategy.

In the case of hiring two marketing and sales directors, Wehlin presented the relevant facts and figures to the board, on how this decision could have a positive financial impact on the company and improve their position in the market, consequently structuring a reasoning on a planned and rational ground.

Carl Magnus Cronholm

When making the strategic decision to merge with another company, the CEO of FEW used different tools in order to back the decision that was already made: "*we kept trying to find some rational arguments to support that feeling".* Furthermore, Cronholm clarified that for him an important analytical tool during this strategic decision making process was having a good financial advisor. Cronholm added that: "*of course we looked at numbers, we had done some research in the marketplace to actually develop some specific idea about where the industry was going, and what our place could be in that transformation. We had some reports as well that we looked through to back our decision".*

Fritiof Johansson

The first strategic decision that Fritiof Johansson described was based on a thorough and analytical research process, where almost 300 pumping companies were examined. Through a selection process, master students were used to process the vast amount of data, and eventually the company funneled the initial number down to 15 companies, among which there was the one that was acquired in the end. Discussing about this process, Johansson stated: *"So quite a comprehensive process of course, involving, corporate finance advice, and a lot of evaluation exercises, due diligence across all the different elements of running a company and so on."*

He mentioned that during this extensive analysis, they looked at the market related to the acquired company's products, they reviewed the different shares among the competitors and the state of the technology compared to alternative technologies, so a lengthy examination of the business as a whole. Johansson believed that the group had been quite efficient to disregard the less relevant or less important information in this case.

His general belief about the strategic decision making process was that numbers must support you at all times. As he specifically claimed:

"[...] in that case you have to be cold when it comes to the numbers. You have to start with making sure that from an operational perspective it works. The fundamental question in this particular type of decision is: why does BetaValue become a better

owner of this company. If you can come up with solid arguments; not just the wishy-washy it's a strategic thing, and we believe it's good, that's not good enough."

Regarding the second strategic decision, Johansson claimed that *"[...] it was a needed change from internal analysis"*, in an effort to change direction and focus on their own technologies, since many skilled individuals in their staff gained a good insight on customers and the end-user industries over the past years, but were pretty shallow when it came to BetaValue's products and technologies.

An overview of Johansson's highly rational approach on strategic decision making can be described in the following lines:

"If someone says: I do not have emotions involved in the decision making, then they're lying. But we have to be honest to ourselves and numbers are good because they are not lying, I should say that as a finance man, but I think everybody agrees when they really think about it. But then of course you have to contain the emotions. You have to be honest to yourself, and that's why it's important that you have enough individuals involved with different enough views or perspectives on a particular situation. Otherwise, there is a risk that if you're alone, or if you're only two thinking the same way, it would be wrong."

Sam Aston

Regarding the role of information in the strategic decision making process that brought Additude to provide an innovative service for its clients, and how extensive was the conducted analysis, the CEO recognized that this field could be improved: "*I would say we could probably do better about that, of course we're looking at what the customers are doing, what technological trends we see, and of course we're definitely looking at market trends, and what end users are experiencing, but I would guess we could do quite more on that".*

Concerning the use of analytical tools in the strategic decision making process, Sam Aston claimed that the way the company is looking at analysis and market trends is different compared to other organization. He stated: "*Definitely we are looking into market trends, if it's a good economy or not, procurement index, to see if the market is growing or decreasing, technology trends. You also see customers doing investments in certain areas, you have internet, digitization, and what does that actually mean? How could we be a part of that? So we do that, but we're probably not looking into analysis reports in that sense."*

Discussing about the strategic decision of involving the employees in the future development of the company's brand image, Aston claimed that the company performed a number of studies to support their decision, for example, on what was the awareness of the brand compared to the competitors, what was the personnel's perception of the company, what was their performance, etc. They utilized both internal and external reports, and succeeded in formulating a strategy through measurable goals, which enabled for the actions to be controlled and to identify deviations.

4.3 Findings on Political Behaviour in Strategic Decision Making

Christer Wahlquist

When considering the influence that personal goals and ambitions could have on the strategic decision making process, Christer Wahlquist mentioned that a way to overcome this is by shaping the decision through different layers: "*In the executive group, to make a decision to grow a specific area in front of the others is a rather easy process, and everybody could from that level agree or not, based on some decisions. Then, you take how to do it away from that group, and you ask someone else to prepare that sort of strategy, and then in that group they all have the same goal. So you break down the decision in order to get those sort of personalized approaches away.*

According to Wahlquist his company has a culture of openness between its members and this helps to reduce certain political behaviours. He also supported this value to a great extent: "*I strongly believe everybody in the company has the right to have an opinion, and I am very interested in people's opinion. I am very interested to listen: what do you think about this? What is your input? We are very good at listening to people and, of course, not everybody's interest could be met in the decision, but we are listening and we give feedback.*"

When asked if the strategic decision could be affected by the use of power, given the position he holds in the company, Wahlquist stated that there is a possibility that indirectly this could happen. According to him: "*There is a certain level of people always listening to the boss, that is in the nature of people. So if I say ok, I think we should do something, then people tend to move that way just by me saying it.*" Nevertheless, this is to some extent very limited by the company's culture that is more consensus driven. Wahlquist explained that: "*I very seldom overrule people in the sense of me saying ok you are wrong, this is the way. We are much more a consensus company, I believe in the group as a function rather than the person in charge. And I think this is to a big extent a Swedish management style.*" According to Wahlquist, the Swedish management culture plays an important role in reducing political behaviours in the management groups. This is also something he explained with different examples, by comparing it with other management environments: "*We feel that when we acquire companies abroad they would usually ask, so what's your decisions? And we reply for them to come with a suggestion, you are the acquired company, you know your market, you understand, and I will listen. Of course we approve investments, but you have to make the plan. In the beginning they are always uncertain of that role,* *because they are used to someone from headquarter coming in and deciding. That's not my way of doing business."*

When it comes to negotiations between the management group, the CEO preferred to approach them mostly as discussions. The strategic decision analysed for instance, evolved as a result of a discussion rather than negotiations between the members. According to Wahlquist, the management group did not have a political behaviour, and the same could be applied for the company as a whole. The group has been very consensus driven and this helped to reduce conflicts, and at the same time even in the case that someone did not fully agree on the strategic decision, the group was always aligned and respected that decision. Wahlquist explained: "*I would say our culture is very non-political. So we don't have much conflict in that way. Of course if someone behaves badly then we are very clear. I would say this is not ok, we are like a family, we treat each other well. And I treat my family at home in the same way. The family should stay together and support each other, if not that's not accepted".*

Karin Wehlin

Karin Wehlin suggested that her personal goals, or anybody's in the board of directors, never affected the strategic decision process, the company's goals have always been in front, steering the decisions. All the counterparts have been open about their interests in this process. Since the beginning, she has been collaborating closely with the founder of the company, to guarantee that the common vision will continue to be everybody's top priority.

Wehlin described that there was an open discussion and limited use of power when deliberating the strategic decision, the management valued teamwork, as *"there is a very low power distance in this company"*, an attribute she identified as common for a Swedish organization.

Carl Magnus Cronholm

In the strategic decision to merge the two companies, Cronholm explained that from his perspective his goals were aligned with those of the company. From the group members perspectives he was aware that probably some of them could have had different reasons in order to complete the merge: "*If you are such a big group, the 12 people I was talking about, they were all involved in the company in different roles. Not all of them were managers, some of them were just regular people working in the business and of course for them maybe the reasons could be to work with more experienced persons, to develop skills, in general to work in a bigger organization."* Cronholm is this case was aware that group members participating in the strategic decision making process could have different goals, and it was something that he believed must always be beared in mind. According to the CEO, knowing and understanding internal politics and its dynamics is very important in order to run an organization: "*When you study you think that* *decision making is always very rational, that people are always putting the best interest of the company first, but that never happens. People have their own agenda, some may think that if they do a certain thing maybe that could boost their career or whatever. But this doesn't help the company to sell more."* Cronholm explained that these dynamics are part of the strategic decision making process, and must always be considered when deliberating on a decision. The important thing is, therefore, not to lose focus on the main goal.

When asked if he used his power or tried to influence other's ideas in order to convince people to proceed with the merger, Cronholm explained that he was trying to convince mainly people from his own company. He avoided to influence and push too much to convince the other side of the merger because he felt it could have been harmful for the success of the operation: "*I think that it would have been a great risk and the merging could have never put through. That is because on one hand I didn't know them very well at the time. [...] So if I had pushed too hard, without knowing their personal agenda, that would have been probably a disaster".* Therefore, based on this feeling, Cronholm focused on convincing and aligning to the strategic decision only his own group.

Regarding the openness of the people participating in the strategic decision process that brought to the merger of the two companies, Cronholm explains: "*From the side that I came from, I would say 95% open. From the other side in regard to us I would say 50%, maybe 60%."* A difference in the percentages is identified, since there was a lack of trust between the companies, and this can be explained by the fact that they did not know each other. According to Cronholm: "*Trust is a weird thing, it's very hard to build, and very hard to ruin. In that process, even though we merged, we didn't know each other that well, so it's like when you get married and then start knowing the other person. And that is back to the intuition side of the things, the feeling was that we could probably have a good life together."*

Fritiof Johansson

Johansson appeared positive that, while deliberating the strategic decision, the group had been primarily focused on the organizational goals, while all the stakeholders employed an open dialogue and direct conversations about the benefits and pitfalls of certain aspects of this particular situation. He stated that it was more of a discussion between the members, rather than a negotiation, on how far they were prepared to go.

Sam Aston

Sam Aston claimed that there is always an element of thinking your own goals in the company, because he considered his organization to be quite goal-driven. In his case, having the role of the CEO, he was confident that his personal goals are in line with the overall goals of the company. He described the company as very open, and his belief is that the personnel should be involved as much as possible in the decision making process, providing valuable feedback. Of course, the owners and the board have the power to make the strategic decisions, but ideas from the employees are well appreciated and occasionally implemented.

4.4 Findings on Intuition in Strategic Decision Making

Christer Wahlquist

In the strategic decision making processes in which Wahlquist was involved, an important role was played by intuition. Professional experience revealed to be crucial in the way he processed information and made decisions. Wahlquist valued professional experience gained especially in Nolato through the years: "*In the group we have people who worked here very long time, generally speaking people stay long in Nolato. That gives a lot of professional experience that we canalize, of course we have to question that sometimes and say ok this is how we've done it before, how can we change, how can we move in a new direction, creating new and more value."*

Also the personal judgments seemed to be influential in the strategic decision making process in which Wahlquist was involved, and this is because, according to him, organizations and management groups are based on people first of all. Wahlquist explained that: "*Because of all the influences you get on the topic you get that sort of feeling that you say this is the right way. It's gonna go this way, and then we have a lot of input from customers, you get the feeling on how they react. And then judgment is influencing the strategic decision."* Even when confronting the choice between the outcome of the analytical tools and the personal gut-feeling, Wahlquist states that in this case: "*I would rather trust my judgement than the analytical tools."* As an example to support this statement, Wahlquist explained the case of making a strategic decision in order to acquire a new company. In this example, he described that: *"I think acquiring companies is black or white, you do it or you don't. In that case you can do all kind of analytical research, and get different data, it is good or bad to go in that market for instance. But, my personal experience says that the success of the company is more based on people and the commitment, and that is very hard to get into analytical model. You can do it in some cases but there is always a judgement in the beginning."* Personal judgment in this case has an important value for Wahlquist, in fact he added that: *"I judge you and I say, ok you have the power to create something, or I think maybe you don't. That is a judgment that I do and I believe in that judgment."* Therefore, in this kind of situations, where the strategic decision is clearly black or white, such as the acquisition of a new company, personal judgements are crucial according to Wahlquist. He concluded: "*You get a feeling about people. You feel commitment, you feel the values, you have to feel the values. I believe in that and it's a big part."*

In the strategic decision concerning the development of the medical business area, professional experience also played a big part. After the decision to create something around the medical division was made, Wahlquist started analysing the potential of Nolato's customers and started a strategic plan addressing different geographical markets. He started to work on the area of Europe, but soon realized that the company was too small to cover that market: "*I realized ok this is not going to work, we are too small to sort of cover the market. Then I started changing that sort of view and I said ok let's go for the geographical close area and let's go for the big potential customers".* According to Wahlquist this change was due mainly because of his professional experience: "*It was due to my experience. I started and felt that I had to change a little bit. [...] We tried and got some good feedback, so we changed the strategy. So the strategy of creating a bigger medical business was changed due to experience during the process."* Wahlquist believes that intuition and personal judgement play a big role in the strategic decision making process. On this point, he explained: "*I much more believe being in the environment, in the market, talking to the customers, to competitors, to get your own influence. And then you collect that and make a decision based on your own judgement of the situation. Of course you base your judgment on influences but it's more going out to the market yourself instead of asking somebody to do an analysis and use a tool to sort of collect all the information."*

Karin Wehlin

For Karin Wehlin, her previous professional experience in the pharmaceutical industry had not been decisive in this case, even though her experiences in building companies were definitely useful, as they could be applied in any industry. The grain industry was a totally new market for her and specific knowledge on the field was limited, as it was also hard to recruit people in Sweden with a grain background and global experience in the business.

When asked about the role of gut-feeling, she admitted that it affected her, and it was more evident in her beginning in the company, even if she acknowledged that it could lead her to a wrong path. The fact that the company employs a wide variety of professionals with different competencies, from a biochemist and a software developer, to a mechanical engineer, most of them without significant experience in the grain industry, made it essential for her to utilize elements of gut-feeling in the decision formulation process.

Carl Magnus Cronholm

According to Cronholm, intuition played a major role in the strategic decision making process that brought to the merger of the two companies that formed FEW. Talking about the merger Cronholm explained that: "*I would say first, that, this kind of big decisions are not just rational, are also very emotional. It's easy to forget that. For* *example the merger, which has been the springboard for us to grow in the last 2 couple of years."* In this kind of process the level of uncertainty was high, therefore according to Cronholm the decision was based more on an intuitive perception.

He claimed that this was the first time he was confronting himself with the decision of merging two companies: "*From my perspective, I had never made that kind of decision before, I mean I bought companies, but I never merged companies, for me and everyone else in this process it's been a little bit of try."* The human element was also crucial in the strategic decision making process, as it resulted to be more relevant than the numbers that could support this decision as financially valuable: "*Since our kind of business is so deep rooted in human relations, the questions were: would I enjoy to go working with this people every day? For the rest of my life? Do I believe that you can go out here and sell a new communicative product to a client, etc.? So those kind of decisions on the people side, were more relevant than the numbers."*

Cronholm at the same time believes that strategic decision making processes are not based only on intuition: "*It's not intuitive all the time. But I would say that it's a big part of it. Because this kind of decisions, in our industry are really based on believing in the people you are supposed to work from that point on."*

Professional experience is also part of this process, according to Cronholm, but it is not crucial for the eventual successful outcome of the strategic decision: "*Yeah it's there and it's important, but if it doesn't check out, maybe you can do the deal anyway because you think you can work with this person."* Cronholm explained that professional development can probably help you to recognize and trust the right people. But at the same time, even though he has read a lot about business, and is always trying to gain knowledge from managers more experienced than him, by sharing information and being part of professional networks, he argued that: "*The main point from all these discussions is that to be able to perform well in this world as a CEO, and make these kinds of decisions you need to rely on your gut-feeling. Because you cannot always be sure. There are no sure things. So you need to go with your intuition."*

Cronholm claimed that this intuition or gut-feeling approach does not differ in bigger companies, such as Volvo or IKEA. On this point Cronholm stated: "*I think it's the same thing, at the end of the day someone will deliver you an excel sheet saying, I think this is a good decision to buy this or downsize that, etc. But do you believe in it? [...] You know you can't just rely on facts, you also need to listen to yourself and your experience, and that's where the gut feeling comes in."*

Fritiof Johansson

Fritiof Johansson treated his professional experience in the decision process of the major acquisition as a type of filter, which enabled him to recognise various pitfalls, risks and exposures. It made him feel more comfortable with disregarding some parts of the information or the related risk, because he knew the kind of materiality an issue could have. Thus, he could save time on irrelevant or immaterial topics and focus more on what was important.

In the case of changing the focus of the organization, Johansson argued that feelings and beliefs played a part in the decision process, since, as he explained:

"When it comes to setting up an organization, I would say, there you can use quantitative information to some level. But there I think it has to do more with conviction about the merits, than in some other types of decisions. Of course you have to be convinced when you start a big size, big scale R&D project. Of course you have to be convinced that the idea actually works, but I think there are so many aspects of reorganizing a company like ours that there are elements of convictions. Quantitative data plays a role, but there is a limit, you must be convinced."

Sam Aston

According to Sam Aston, the management culture in the company is more oriented on intuitive processes: "*We would go on a hunch, when we make our decisions, I would say. This is what we like, this is what we feel it's interesting from our perspective. We also listen to our employees of course, they are the skilled technological persons, so hopefully they will give us the right means and the right direction also."*

He explained that professional experience played a big role in the strategic decision making process that led to the development of a new successful service for the clients. Aston described professional experience as an advantage, in respect to the other competitors: "*So I would say that is something where we have a great advantage in. And we're not alone in that area of course. We have other competitors, they are quite good also and skilled, and know the market and know the trends, and we do so also."*

Regarding the influence of personal judgement in deliberating about this strategic decision, Aston had no doubts in stating that they had a big role in it: "*I'm a personal guy, so of course my personal judgements are in place and in the game absolutely. So I would say that they are definitely affecting me, and the decisions also."*

He mentioned that his gut-feeling played a crucial role in any decision he had to make: "*I know in what I'm pretty good at and I also, hopefully, know in what I'm not so good at. But I do most of my decisions on my gut-feeling and not on facts. I don't need to have figures, to make a decision. [...] I'm an extrovert person, so I need information from a lot of people, but I make a decision on my own. And I make it on what I feel is the right thing."* Aston stated that this depends on different management styles, but also on the personality of the leader. On this point, he added: *"I would say there are a lot of different leaders and styles, some leaders are actually fact based, so if you say 49 % this and 51 % that, those leaders will go for the 51%. I wouldn't do that. Even if it's 98% and 2 %, if I feel that those 2% is more right, I'll do that. I'm not a majority thinking person and fact thinking person, even though I am an engineer, so I like mathematical* *reasoning, and logical reasoning around things, but I will still end up with what I feel in my guts. It's the most correct way to do."*

According to Aston this also depends on the level of experience that people have in a certain area: "*I have quite a lot of experience in some area, and in others I don't know too much. Then I have to rely on other people that are more skilled and experienced in that area."*

Aston described another example of a strategic decision based on gut feeling that he made in the past. The strategic decision in which he participated on asking suggestions from the employees about how to improve the company's brand image and go forward into the future, which proved to be extremely profitable for the organization, was mostly based on a hunch of the management group. As he specifically described:

"I would say it was more of a feeling, I mean we were a consultancy firm, we totally relied on the persons actually working for the company, are enjoying the company, and want to be part of the company. So I don't think we actually read too much about statistics there, we had a hunch on we need to have them involved and driven and engaged in this matter. If they are that, they will probably stay a couple more years, and that's gonna be beneficial for us. It picked up quite good for us, it was easier for us to recruit and employ people."

4.5 Characteristics of the Companies

Christer Wahlquist - Nolato

According to Wahlquist, Nolato is a very decentralized company, employing almost 6500 individuals, owning sites in Europe, Asia and North America. Nolato has nevertheless a very flat organization, with very few layers. The company is performing well and it is growing on a long term scale. Considering the external environment, Nolato is differentiated is three main business areas: medical solutions, industrial solutions and integrated solutions. Each of these areas have different markets and competitiveness. The more stable is the medical area. The integrated solutions is the more fast moving business, as well as the most unstable with the most volatile external environment. The industrial solutions, according to the CEO, is somewhere between the other two areas.

Karin Wehlin - BoMill

In the case of BoMill, the organizational structure is considerably flat, being an early startup in the agriculture machinery industry, comprising of 14 employees.

Regarding BoMill's financial performance, the company is increasing its presence in the market, but is still not in a position to make profit. Karin Wehlin claimed "*We're* *not a profit making company, not yet! We're still in the area of early commercial phase*", but she was confident about the potentials of the firm, since she stated "*I know that the biggest companies in this area know exactly what we're doing, and they approach us, then I know that the word is out there*".

The external environment for BoMill is considered stable, since she argued: "*[...] grain business I would say, is the world's second largest commodity, oil is the largest commodity and grain is the second largest, there is a huge market out there*", considering "*production volumes, exports, imports*".

Carl Magnus Cronholm - FEW

FEW is also a quite flat organization and it counts 66 people employed. The company is not yet profitable, because there have been many investments in order to grow the business. Concerning the external environment, the communication industry as a whole has rapidly changed in the last decade. According to the CEO, this makes the external environment very volatile and subjected to the changes in the technology.

Fritiof Johansson - BetaValue

According to Fritiof Johansson, the organizational structure in BetaValue is relatively flat, employing a total number of 16500 employees, in Full Time Equivalent terms, operating in a matrix, with 3 main divisions, and also 8 clusters or sub-regions, based on a geographical dimension.

As far as the company's performance is concerned, Johansson stated that BetaValue, being part of the engineering companies universe, is currently performing at a 15-16 % operating margin level, which is considered to be top tier performance. He claimed the company has experienced even higher performance in the past, but a downfall in two of their main end-user industries, marine, and oil and gas, has affected their profitability.

Fritiof Johansson argued that the external environment for BetaValue can be considered as stable, since the company is in a position to minimize risks by conducting business in a number of different industries and in a variety of markets worldwide. He explained that:

"[...] we have stability in general, the way we're exposed to different end-user industries, different applications, by the mere width of the different applications as our products and solutions are used in, we supply to the food industry, various types of food applications, to construction, general manufacturing industry, and then of course oil and gas, refinery, petrochemicals, we have the marine industry, so a wide variety of

different industries, and that of course provides some hedging on variations in different industrial areas."

Sam Aston - Additude

According to Aston, Additude is organized in a very flat way, providing employment for almost 100 people. The company is performing well and it has been growing since its foundation in 2009. The external environment is considered to be stable, characterized by an increasing number of competitors and customers, that lay the foundations for a growing market. The company is focusing on different sectors such as telecommunications, IT, Internet of Things and embedded solutions.

5. Discussion

5.1 Managers' Intuition

As described before, the purpose of this study is to examine the role of intuition in a managerial strategic decision making context. Intuition is perceived as a decision making mechanism that depends on rapid, non-conscious recognition of patterns and associations to generate affectively charged judgments (Dane & Pratt, 2007). It is linked to having a hunch or a strong feeling of knowing what will happen (Vaughan, 1989). Khatri and Ng (2000) related intuition with a reliance on judgement, a reliance on experience, and utilizing gut-feeling. Based on the interviews conducted in the context of this research, the five executives were divided into three groups, in order to facilitate the reader to follow the comparisons between them. One group comprises of Karin Wehlin and Fritiof Johansson, another group is formed from Carl Magnus Cronholm and Sam Aston, and the final group includes Christer Wahlquist.

Beginning from Carl Magnus Cronholm, he claimed that intuition played a significant role in his strategic decision making process. The ambiguity of the conditions he experienced in the process, led him to a more intuitive approach, putting emphasis on the people who were collaborating with him. He described: "*It's not intuitive all the time. But I would say that it's a big part of it. Because this kind of decisions, in our industry are really based on believing in the people you are supposed to work from that point on.*" Furthermore, he highlighted the importance of gut-feeling, stating that: "*The main point from all these discussions is that to be able to perform well in this world as a CEO, and make these kinds of decisions you need to rely on your gut-feeling. Because you cannot always be sure. There are no sure things. So you need to go with your intuition.*" On the same note is Sam Aston, who, while discussing about the management group's point of view on decision making, said: "*We would go on a hunch, when we make our decisions, I would say. This is what we like, this is what we feel it's interesting from our perspective.*" He also stressed the importance of professional experience, describing it as a valuable asset. Talking about his personality and how it relates to the decision making process, he explained: "*I'm a personal guy, so of course my personal judgements are in place and in the game absolutely. So I would say that they are definitely affecting me, and the decisions also.*" He was straightforward about the extreme importance of gut-feeling in his managerial processes, claiming in various parts of the interview that: "*I do most of my decisions on my gut-feeling and not on facts. I don't need to have figures, to make a decision*", "*[...] I like mathematical reasoning, and logical reasoning around things, but I will still end up with what I feel in my guts. It's the most correct way to do*", and generally basing his rationale on hunches and personal perceptions, rather than reports or statistics.

The decisions that both managers made were of utmost importance for their organizations, a condition that contradicts with the argument of Elbanna and Child (2007), that executives are expected to employ rational methods for the most important decisions, instead of the intuitive inclination that is recognised in this case. Cronholm and Aston both perceived the uncertainty related to their decisions to be considerably high, verifying the notions of Elbanna and Child (2007), and Daft and Lengel (1986) about a positive relation between high decision uncertainty and intuitive processes. Moreover, both managers considered their decisions to be opportunity driven, confirming the ideas of Mintzberg, Raisinghani and Theoret (1976), that decision makers avoid rational processes when dealing with opportunities.

Taking into account the company characteristics, and specifically the company size, both CEOs are administrating mid-sized companies, so they can only partially relate to the theories of Khatri and Ng (2000), that small firms are more based on intuition than larger ones. Aston's organization is performing well and continuously growing, which contradicts with the statement of Eisenhardt and Bourgeois (1988), that high-performance is linked to more rational processes. In Cronholm's case, the organization is not profitable yet, but it would be unsafe to relate that fact to the intuitive approach of the CEO. Furthermore, Cronholm considered the external environment to be highly volatile and unstable, which can be related to Fredrickson's (1983) claims on intuitive processes to be favourable in such an environment. On the other hand, Aston's view on a relative stable environment for his firm cannot support the above theory.

Moving now to Karin Wehlin and Fritiof Johansson, a difference on the extent in the employment of intuitive processes can be noticed, compared to the previous group. Wehlin's reliance on her professional experience was limited, due to the fact that she had worked in a completely different industry, although her experience in building companies has been undoubtedly useful. As regards the effect of gut-feeling in her decisions, she admitted that it played a role in the beginning, especially because of the limited experience on the grain industry inside the organization, even though her perception was that it might lead her to a wrong path. For Johansson, his professional experience enabled him to recognise possible pitfalls and focus on the most important aspects of the decision. It is noteworthy that, when asked about the role of gut-feeling in his strategic decision making process, he answered about the importance of facts and figures in building a solid reasoning, downplaying the intuitive methods. When discussing about the balance between rational and intuitive techniques, he focused on the role of conviction, stating: "*Quantitative data plays a role, but there is a limit, you must be convinced.*"

The strategic decisions made by the two managers were highly important for their organizations, verifying the arguments of Hickson et al. (1986), that executives are more likely to use rational instead on intuitive processes when making crucial decisions for achieving the goals of the organization. The decision uncertainty for Wehlin had been considerably high, being opposed to the theories of Elbanna and Child (2007), and Daft and Lengel (1986), about a positive relation between high decision uncertainty and more intuitive processes. The limited uncertainty in Johansson's case, as described before, is more aligned to the aforementioned arguments, taking into account his restricted use of intuitive methods. For both executives, their decisions have been opportunity driven, contradicting with the ideas of Mintzberg, Raisinghani and Theoret (1976).

A significant difference becomes clear when examining the size of their organizations respectively. Johansson is a part of an immense organization, counting almost 16500 employees worldwide, whereas Wehlin is the CEO of a startup comprising of 14 employees. The findings related to Johansson support the statements from Snyman and Drew (2003), that larger firms employ a more rational approach, than an intuitive one. The claim from Elbanna and Child (2007), that in small firms the formulation of strategy depends on the idiosyncratic capabilities of a single person, finds application on the defining role of Wehlin in the formulation of her company's strategies, but Brouthers, Andriessen and Nicolaes' (1998) notion that managers in small firms tend to rely on their intuition and disregard collected information, opposes to Wehlin's rational tendencies. Johansson characterized the performance of his organization as top tier, connecting to the views of Eisenhardt and Bourgeois (1988), that high-performing companies employ more rational decision making processes, instead of intuitive methods, while Wehlin argued that her company is increasing its market presence, but is still not making profits. Both executives conceive the external environment of their organizations as stable, verifying the claims of Fredrickson (1983) that in a stable environment rationality is favourable, rather than intuition.

Analyzing the final group, Christer Wahlquist highlighted the importance of professional experience inside the organization, when discussing about strategic decisions. He explained that by receiving a lot of input from the customers and the market, he develops a sense on how to react in each occasion. This judgement clearly influences his strategic decision making process, as he stated that: "*I would rather trust my judgement than the analytical tools.*" According to his personal experience, the success of a company is mainly based on people and commitment, elements that are very difficult to fit into an analytical model. Wahlquist indicated being in touch with the environment as crucial, explaining that: "*I much more believe being in the environment, in the market, talking to the customers, to competitors, to get your own influence. And then you collect that and make a decision based on your own judgement of the situation.*"

Since no clear answers were given in the interview regarding the decision specific characteristics, the company characteristics are followingly examined. Walquist is the CEO of a major organization, with 6500 employees and operations worldwide, so his reliance on personal judgements cannot fully verify the ideas of Snyman and Drew (2003), that larger firms utilize more formal and rational approaches. Wahlquist stated that his organization is performing well and growing on a long term scale, so again Eisenhardt and Bourgeois' (1988) claims that high-performing companies employ more rational decision making processes cannot be considered as totally applicable in this case. Analysing the external environment, Wahlquist stated that the company is divided into three business areas, medical solutions, industrial solutions and integrated solutions, with each one operating in a different environment. Specifically, the medical solutions division is operating in a stable environment, the integrated solution in a more volatile and unstable environment, whereas the integrated solutions could be placed in a position in between the previous two. The decisions discussed during the interview were related to the medical solutions department, which, as mentioned, is operating in a stable environment. On that sense, Wahlquist approach to strategic decision making cannot be directly connected to Fredrickson (1983), that in a stable environment mainly rational processes are favourable.

5.2 Managers' Rationality

Rationality relates to an analytic, systematic, rule-based, and explicit mechanism for decision making (Hodgkinson & Healey, 2011). The following discussion examines the role of rationality from the perspective of the five top executives that were interviewed. The managers are compared in the same groups as previously mentioned.

Starting from Karin Wehlin, the grain industry had been an unfamiliar market in the beginning, so she focused on collecting and analysing data on the market and examining other advanced machinery in the industry. The fact that she was dealing with an innovative product created some ambiguity and uncertainty in her first steps, which forced her to follow her gut-feeling in the beginning, but then, as more information became available, she moved to rational techniques. As she graphically narrated: "*The more facts you can put on the table to enable a sort of a sound decision, the better.*" Similarly, Fritiof Johansson appeared to base most of his reasoning on thorough and careful analysis of the situation at hand. In both decisions he referred to, the major acquisition and the internal restructuring, his decision making was supported from comprehensive processes and analytical techniques. The following selection of quotes from the interview can clearly illustrate his overall approach: *"[...] you have to be cold when it comes to the numbers", "[...] numbers are good because they are not lying", "[...] you have to contain the emotions".*

For both managers, the decision discussed were extremely important and crucial for their organizations, supporting the notion mentioned by Elbanna and Child (2007), that executives are prone to using rational processes for the most important decisions. Regarding the uncertainty of the decision, a difference can be identified between the two executives, since in Wehlin's case, the uncertainty was considerably high, because she was dealing with a disruptive technology and an innovative product. This fact can be connected to the suggestions of Daft and Lengel (1986), stating that high uncertainty results to more intuitive processes, as it was evident from Wehlin's course to increasing rational practices as the uncertainty was diminishing through time. On the other hand, for Johansson the decision uncertainty was very limited, as three factors that he mentioned, a Norwegian company to be acquired with a similar culture to his organization, an end-user industry and a technology very familiar to them, created a sound base for making the decision. Both managers admitted that their decisions were motivated by an opportunity or an urge to fulfil a company goal, which appears contradictory to the idea expressed by Mintzberg, Raisinghani and Theoret (1976) that decision makers respond to opportunities without using rational and analytical methods.

Examining the company characteristics, Wehlin's small organization contradicts with the arguments of Brouthers, Andriessen and Nicolaes (1998), that in small companies managers rely more on intuition, considering Wehlin's rational approach. On the other hand, Johansson's rationality confirms the statements from Snyman and Drew (2003), that larger firms employ more rational methods. Johansson described the performance of his organization as top tier, verifying the notion of Eisenhardt and Bourgeois (1988), that high-performing companies employ more rational decision making processes, while Wehlin argued that her company is increasing its market presence, but is still not making profits. Both managers perceive the external environment of their organizations as stable, connecting to the claims of Fredrickson (1983) that in a stable environment rationality is favourable.

Moving now to the second group and Carl Magnus Cronholm, he appeared to utilize analytical tools and rational arguments in order to support his original feeling, to a limited extent though. Likewise, Sam Aston claimed that he used studies, reports and market analysis during the strategic decision making process. For both of the managers, the decisions they were involved in were considered extremely crucial for the future of their organizations. In this case, the limited use of rational methods contradicts with the previously mentioned positive relation between rationality and high level of decision importance. A high level of uncertainty was identified in the decisions both executives made. Aston claimed that uncertainty is a key feature in every strategic decision, claiming: *"[...] it's not as easy as black or white, and you don't see that, because then it would be quite easy to make strategic decisions."* The managers' view on rationality in this occasion supports the ideas of Elbanna and Child (2007), and Daft and Lengel (1986) about a negative relation between rationality and high decision uncertainty. The decision motive was for both of them an opportunity they identified, to grow their businesses and become more profitable, which in this case relates to the aforementioned idea about limited use of rational techniques in opportunity-driven conditions.

Examining the company characteristics, FEW and Additude are both mid-sized companies, employing 66 and 100 persons respectively. In this occasion, the findings only partially support the notion of Brouthers, Andriessen and Nicolaes (1998), that in small firms managers tend to disregard analytical techniques. Cronholm's organization is not profitable yet, whereas Aston's is performing well and growing. The argument of Eisenhardt and Bourgeois (1988) about a positive relation between high performing firms and rationality is not supported from these examples. Cronholm considered the external environment for his company to be volatile and changing rapidly, which is connected to Fredrickson's (1983) concept of overlooking rationality in an unstable environment. On the other hand, Aston's perception of a stable environment for his organization is opposed to this notion.

The last executive to be examined is Christer Wahlquist. He discussed about the importance of human resources when collecting information inside the organization. Wahlquist claimed that he is an avid supporter of internal resources, when it comes to looking for and analyzing information, as a way to invest in the total knowledge inside the company and its human capital. Moreover, he mentioned utilizing a variety of analytical tools while deliberating for a strategic decision, for instance risk analysis, scenario analysis, budgeting, market research or external counseling.

Due to the fact that no clear answers were given in the interview regarding the decision specific characteristics, the company characteristics are followingly examined. Wahlquist is part of a very large organization, with 6500 employees and operations in Europe, Asia and North America. Based on the previous analysis on the intuitive processes of Wahlquist, the arguments of Snyman and Drew (2003) that larger companies tend to use a more rational approach in the strategic decision making process cannot be fully applicable. The company is high performing and growing on a long term scale, but the correlation of rational and intuitive methods in this case cannot relate it to the views of Eisenhardt and Bourgeois (1988), that high performing firms employ mainly rational processes. For the decision discussed, Wahlquist considered the external environment to be stable, though the employment of both rational and intuitive processes cannot be connected to Fredrickson's (1983) views, that in a stable environment rational processes are favourable.

5.3 Managers' Political Behaviour

A major finding from the executives that participated in the research is that political behaviours have a very limited effect, or in most cases do not affect at all the strategic decision making process. According to Elbanna (2006), in this process decisions are the outcome of a process where decision makers have contrasting interest, and the opinion of the most powerful prevails on the others (Elbanna, 2006). Based on our findings the executives interviewed do not show such behaviour as a crucial element that can affect the outcome of a decision.

Based on our analysis there are two main characteristics that all the executives participating in this research share between them. The two main elements are: the alignment to the company's goals and the culture of openness in the organization.

Regarding the alignment to the company's goals over the personal aspirations, all five executives interviewed agreed that when making their decisions, even if there were personal goals, these have never affected the strategic decisions they were involved with.

The second characteristic element is the fact that all five executives agreed about the importance of having a culture of openness between the members of the organization as a way to overcome possible political behaviours. This allows the sharing of information and therefore a better quality of the final decision. According to Elbanna (2006), one of the downsides of the political behaviour is the deterioration of the information flow which ends up in the low quality of the decision making process. Therefore, openness is a crucial element for a company who wants to raise the quality of the strategic decision making process.

An important political behaviour element that according to Elbanna (2006) is characteristic of this approach is the negotiation between the members of the management group. Wahlquist and Johansson, on this point, highlighted the importance of discussion over negotiations. According to the two executives the final strategic decisions analysed during the research evolved as the result of a discussion rather than negotiations between the members.

Studies conducted by different authors such as Mintzberg, Raisinghani and Theoret (1976) investigate politics affecting decision making processes as influenced by either internal and external factors. The present research highlighted how internal factors such as the management culture have a big impact on the political approach. Wahlquist states that he rarely overrules people because, first of all, the company’s culture is mainly consensus driven, and this is also connected to his management style. Wehlin identified that there is a kind of management style that is common to most Swedish organizations, it facilitates open discussion and limits the use of power when making decisions. Cronholm is aware that these political dynamics happening in the organization are part of the strategic decision making process. The way to overcome them is therefore, to always consider their presence and to stay focused on the main goal of the organization.

According to Elbanna (2006) political behaviour can be related to the external factors such as a specific environment in which the organization operates. As we conducted our research in a relatively small area in Sweden, the external environment may have an effect on the politics factor that influenced the strategic decision making. However, we do not have enough data to analyse the environmental factors in an extensive way, due to the limits of our research.

5.4 Conditions Which Favour Intuition in Managerial Strategic Decision Making

Based on the analysis and discussion of the interviews conducted with the five top executives, the following table presents the extent to which our findings on intuition support the literature that was covered in Chapter 2.

Table 2 - Literature and Findings Correlation on Intuition

	Wahlquist	**Wehlin**	**Cronholm**	**Johansson**	**Aston**
Decision Characteristics					
Decision importance	-	Supported	Not supported	Supported	Not supported
Decision uncertainty	-	Not supported	Supported	Supported	Supported
Decision motive	-	Not supported	Supported	Not supported	Supported
Company Characteristics					
Company size	Partially supported	Not supported	Partially supported	Supported	Partially supported
Firm performance	Partially supported	Not supported	Not supported	Supported	Not supported
Environmental uncertainty	Partially supported	Supported	Supported	Supported	Not supported

It is evident from the table that the factors which displayed the highest correlation with the supporting literature are decision uncertainty and environmental uncertainty. In the case of decision uncertainty, three out of four managers supported the theories of Elbanna and Child (2007), that decision uncertainty cannot be dealt with rational processes, and Daft and Lengel (1986), stating that high decision uncertainty results to more intuitive procedures. Regarding environmental uncertainty, out of the five managers, three supported, and one partially supported the notion of Fredrickson (1983), who claims that in a stable environment, synoptic processes, like rationality, are favourable, whereas in an unstable environment, incremental processes, like intuition, should be used. Consequently, the conditions under which intuition was found to be favoured among executives are high decision uncertainty and an unstable environment.

6. Conclusion

Intuition in strategic decision making is a powerful tool in the hands of top executives. It is connected to the professional experiences of the managers, their personal judgements, and can be experienced as a strong feeling of knowing what will happen. Like a sixth sense, it enables the manager to identify the solution in various situations. As Khatri and Ng (2000) claim, individuals have countless experiences stored in the subconscious, and it is because of intuition that they can draw and choose among the alternatives the one that is more suitable. Though it has been relatively understudied until recently, the academic world has started to increase its awareness on the importance of intuition in strategic decision making (Elbanna, 2006).

The present research examined the role of intuition in the contemporary managerial context, viewing it as a structural element of the strategic decision process. The realization after completing this study is that intuition has a prominent role in the managerial strategic decision making. It was present in all the executives who were interviewed, regardless of their position in the rationality-intuition spectrum. The study indicates that in multiple situations, for instance when information was scarce, the environment was volatile, the situation was highly complex, or an immediate decision was of the essence, managers employed intuitive processes when making crucial decisions that affected the future of their organization.

Based on the qualitative data that were collected, it was proven that managers favoured intuition in strategic decision making in cases of high decision uncertainty and unstable environments, verifying already existing theories on the field. On the other hand, there was a discrepancy between other theories and the data collected. Contrasting findings are in regard of factors such as the importance and the motive of the decision, as well as the size and the performance of the companies run by the executives interviewed. These factors did not prove to affect their intuition in the strategic decision making process.

In various occasions, intuition was intertwined with rationality, supporting the notion of Calabretta, Gemser and Wijnberg (2017), that these two concepts need to be addressed as a whole, putting the focus on the tension between them, rather than putting emphasis only on one of the two elements.

The task of management, as Drucker argued, is to “make what is desirable first possible and then actual” (1954, p. 245). Intuition is an invaluable asset in the hands of executives, enabling them to deal with the ambiguity and complexity of the business world, in a perpetual struggle against time and resources, aspiring to make those decisions that will lead to the optimum result for the organization, without being in a position to safely know the outcome in advance. As Albert Einstein stated: *“I believe in intuitions and inspirations … I sometimes feel that I am right. I do not know that I am.”*

6.1 Contribution

According to several authors the problem regarding the role of intuition in the strategic decision making process is that there is still a lack of empirical data and consistent method in the research (Papadakis, Thanos and Barwise, 2010; Elbanna, Child & Dayan, 2013). With our study we attempted to contribute to this field, even from a small scale perspective, by collecting empirical material and, therefore, by further exploring this concept. The conditions under which intuition prevails in the strategic decision making process of executives were examined, and two of them were verified, in line with already existing literature on the field.

6.2 Study's Limitations

When interpreting the data collected by the present research some limitations may be kept in mind. Potential limitations concern first of all the methodological approach utilized in this study. During our research we conducted interviews with executives on specific strategic decisions they have made in the past. Therefore a first limitation is the fact that we collected information about each strategic decision only from a single manager. That leads to another limitation concerning the personal bias of the executives interviewed. Elbanna and Child (2007) point out that the answers of the interviewees may be affected by the degree to which they agreed with the decision process and outcome. It is important to note that all the interviewees personally agreed with the decisions made to a very high extent, thus personal bias could play a role in the quality of the collected data.

Another limitation concerns the scarcity of previous empirical research, therefore this limited the possibility to compare our findings with previous studies. Connected to this limitation is the geographical area analyzed in this research, which is limited to Swedish executives, running Swedish companies in the Skåne County of Sweden.

6.3 Future Research

Based on our limitations, future research should focus more on analyzing the same strategic decision by interviewing all the executives that participated in it. In this way it would be possible to compare the strategic decision from all the possible perspectives involved, and to explore on a deeper level the role that intuition plays in this process. Therefore, this would also allow the reduction of the risk of biases.

Future research should also focus on the collection of empirical data in order to further examine the role of intuition in the executives when making a strategic decision. More research in other cultural environments is required in order to compare the findings. More empirical data should be collected also in order to investigate the relation between the executives and their personal background focusing on factors such as education and cultural environment.

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Appendix

Interview questions

<u>Introduction</u>

1. What is your position in the company and what is your role?
2. What is the organizational structure in your company?
3. How is your company performing?
4. Do you consider the external environment stable or unstable?
5. Can you describe what could be a strategic decision for your company?
6. What type of strategic decisions are you required to make?

<u>Successful Decision Making Case</u>

7. Can you describe a successful strategic decision you made in the past?
8. Who were the people involved in the decision-making process?
9. What is the level of importance for the decision made?
10. What is the level of uncertainty for the decision made?
11. Would you say that the decision was motivated by an opportunity or by a crisis?

<u>Rationality</u>

12. How thoroughly did the group search and analyze information in making this decision?
13. Did you use analytic techniques in making the decision? If so, how important were they in the process?
14. How efficient was the group at focusing its attention on crucial information, ignoring irrelevant information?

<u>Intuition</u>

15. Was your professional experience crucial while deliberating for the decision?
16. Did your personal judgements influence you when making this decision? If so, to what extent?

17. Did your gut-feeling influence you when making this decision? If so, to what extent?

Political behaviour

18. Did group members primarily cared about their own goals, or with the goals of the organization? Did your own personal goals affected the decision?

19. Were people open with each other about their concerns and preferences in the decision?

20. To what extent was the decision affected by the use of authority and influence among group members?

21. To what extent was the decision influenced by negotiation among group members?

Personal Bias

22. To which degree did you personally agree on the decision made?

Unsuccessful Decision Making Case

23. Can you make an example of a strategic decision that did not result in the desired outcome?

24. Were the same people involved?

25. Was the decision-making process similar? If not, what changed?