The Relationship between Procedural Rationality and Political Behavior in Strategic Decision Making

James W. Dean, Jr.
Department of Management, College of Business Administration, University of Cincinnati, Cincinnati, OH 45221

Mark P. Sharpman
Division of Environmental Analysis and Policy, College of Business Administration, University of Oklahoma, Norman, OK 73019

ABSTRACT

Despite the central place of rationality and political behavior in the decision-making literature, we know little about the relationship between these two dimensions. Can decisions be made using both rational and political methods, or must managers use one approach or the other? These questions were addressed in a study of 61 strategic decisions in 24 companies using a multiple-informant, structured interview protocol. Results indicate that procedural rationality and political behavior are independent dimensions of the strategic decision-making process. The implications of our findings for future strategic decision-making research are discussed.

Subject Areas: Decision Processes, Organization and Management Theory, and Strategy and Policy.

INTRODUCTION

Procedural rationality and political behavior are central concepts in the literature on decision making in general, and strategic decision making (SDM) in particular; however, little attention has been given to their relationship. The question of whether procedural rationality and political behavior are separate dimensions that can coexist in a decision process, or alternatively represent opposite ends of a single continuum, has not been answered. By understanding the relationship between these two important parts of the SDM process, we can more effectively study their impact on decision making. Many writers have considered the roles these processes play (e.g., [3] [11] [14] [16] [17] [18] [21] [29] [41] [42]). If we are to develop a comprehensive theory of strategic decision making, we must know how these important elements are (or are not) related. This study was undertaken to address this issue.

Conceptions of Rationality

The concept of rationality has profound implications for organization theory, as the idea of organizations as rational instruments of management is key to several central debates in the field [6] [31] [44]. In particular, theories of organizational
adaptation to environmental change [9] are deeply grounded in rational assumptions that are disputed by numerous theorists [1] [19]. While organization theory is divided over this concept [40], most of the strategic management literature is explicitly or implicitly based on the assumption of rationality [46]. The many complex, prescriptive frameworks for strategic management [20] are pointless unless we believe top managers carefully and systematically make choices intended to promote organizational success. Much of the literature is thus based on conflicting assumptions about top management rationality.

Rationality is broadly conceived as behavior that is calculated [51] or instrumental [54]. In other words, rationality characterizes behavior that is sensible or logical in pursuing one's goals. This broad conception underlies numerous social science models [51]. The differing goals and empirical methods of particular fields, however, have produced a variety of operationalizations of the term.

Rationality as used in economics is a fundamental assumption about individual behavior useful for theory-building. Economists utilize a variety of views of rationality, but tend to focus on a particularly stringent conception in which individuals seek to maximize their expected utility [7]. This concept is elaborated in decision theory by normative approaches such as the subjective expected utility (SEU) model [56].

Rationality as used in economics is not a descriptive concept, which could be (in)validated by empirical study, but rather a normative concept, which is (in)validated by its adequacy for building economic theory [7]. Thus the descriptive accuracy of utility maximization in general or SEU in particular is not a central concern of the field. The utility-maximizing conception of rationality must be sufficiently descriptive that micro-level deviations do not undermine macro-level economic models.

Thus, rather than directly observing individual decisions, economists accept as evidence of rationality-as-maximization its consistency with aggregate economic data. This approach differs greatly from the more description-oriented conceptions of rationality common in organization theory and psychology.

Research in the Carnegie School demonstrated that neither the choices organizations make nor the ways they make them generally meet the stringent assumptions of normative economic models. Simon [48] [49] [50] [51] and his colleagues [36] are well known for their exploration of the ways in which rationality-as-maximization is descriptively inaccurate. These researchers developed the bounded rationality model, featuring such concepts as sequential attention to goals, quasi-resolution of conflict, and satisficing.

These concepts produce an intermediate conception of rationality that is not as demanding as the economic model, but nevertheless includes important elements of rationality (e.g., pre-specified objectives). This quasi-rationality may also include processes such as intuition that are foreign to traditional economic models [32]. Descriptive decision making has followed two largely distinct paths, split along disciplinary lines, and involving both choice- and process-oriented conceptions of rationality.

Like economists, psychologists have generally accepted SEU as a normative model of decision making, but unlike economists have relentlessly identified the many ways in which people systematically violate either its axioms (e.g., consistency and transitivity of preferences) or its predictions [55]. This research tradition, known as behavioral decision theory, has been thoroughly reviewed elsewhere [13].
The other research tradition—within which we place this study—strives to
determine how important organizational decisions are made and why they are made
in such a manner. This stream of literature is derived from studies by Carter [8],
Cyert and March [10], and Cyert, Simon, and Trow [11]. In the field settings in
which this research is conducted, researchers must deal directly with the heroic
assumptions of the SEU model which are obscured by aggregation in economic
research. While it is quite difficult in such settings to determine whether the decisions
made will maximize real organizational outcomes, researchers in this tradition
generally accept that organizational decisions are very seldom rational in the SEU
sense of the term [37].

This research is concerned with the extent to which the decision-making
process reflects a desire to make the best decision possible under the circumstances,
not whether utility is maximized. Procedural rationality [48] is characterized by an
attempt to collect the information necessary to form expectations about various
alternatives, and the use of this information in the final decision. A great deal of
research has utilized this conception of rationality [16] [17] [18] [21] [39] and
several studies have found broad variation in procedural rationality across decisions
[21] [52]. Consistent with this tradition, we define procedural rationality as the
extent to which the decision process involves the collection of information relevant
to the decision and the reliance upon analysis of this information in making the
choice.

Crucial to our conception of procedural rationality is the idea that rationality
is variable, rather than absolute (cf. [47]). This is underscored by the wording of
our definition (i.e., the extent to which . . . ), and the dimension of rationality our
discussion has implicitly created: anchored by rationality-as-maximization at one
end and by nonrationality at the other, with bounded or quasi-rationality in the middle.
While traditional economic treatments of rationality tend toward the absolute, a vari-
able conception of rationality is fundamental to more empirically-oriented disciplines
(e.g., psychology and organization theory).

Conceptions of Power and Politics

In the political model of organizations, decisions are arenas where individuals
compete to satisfy their interests. Preferences are based on subunit and individual
goals, rather than organizational goals; thus conflicts of interests and political
behavior are seen as inevitable [35] [57]. Problem definition, data collection, and
evaluation criteria are weapons used to manipulate decision outcomes towards
personal ends rather than tools to inform a final decision. Choice is a function of
the organizational power distribution, as well as the relative effectiveness of the
political tactics used by participants [41] [42].

The key concepts underlying this model are power and politics. We have
adopted Arndt’s [5] definition of power as the ability to cause others to behave
according to one’s own preferences and to impose sanctions if they do not. Research
has identified a wide variety of power sources, many rooted in dependence [15],
including the ability to manipulate resources and deal with uncertainty [22]; formal
authority, expertise, and control over information [3]; and being irreplaceable [23].
More recent research by Lachman [32] has shown that having power may also
increase these sources, thus implying reciprocal causation between structural conditions and power.

Most theorists define political behavior as activities leading to the acquisition and use of power for one's own ends [14] [34] [42]. While power is an important part of organizational politics, many political tactics are not based directly on its use. Such tactics include cooptation [14], influencing decision premises [35] [50], and information distortion [41]. To encompass all such tactics, we have adopted this definition: "Organizational politics involve intentional acts of influence to enhance or protect the self-interest of individuals or groups" [2, p. 77]. Political decisions are thus marked by widespread political behavior, which substantially influences the choice made. While some researchers (e.g., [14]) have concluded that politics leads to poor firm performance, others have argued that politics is sometimes functional (e.g., [25] [29] [42]).

Distinguishing between politics and rationality is difficult as it can be rational to be political and politic to be rational. Pettigrew [41] describes an organization so political that political methods were the only rational choice for managers involved in a computerization decision. Alternatively, Janis [29] describes cases where the use of rational methods is so ingrained that the only politically appropriate behavior is to utilize them. This intermingling of methods underscores the need for a careful theoretical differentiation of these concepts. Both concepts are integral to the phenomenon of organizational decision making; hence their relationship should be understood.

**Procedural Rationality and/or Political Behavior?**

Having conceptualized both procedural rationality and political behavior, we can now consider the pivotal research question in this paper. That is, are procedural rationality and politics complementary or competing explanations of strategic decision making? In other words, must decisions be either rational or political, or can they be both? This can be clarified by distinguishing between process- and choice-oriented models of decision making. Process models describe what people do when making a decision, for example, negotiation or analysis. Choice models explain why a given alternative is selected, for example, it offers the best long-term prospects for the firm or for powerful departments. While process and choice are often related, they need not be [37]. Rationality and politics have been used both to describe process and to account for choice.

**Process.** The competing view of rationality and politics as descriptions of decision process sees them either as alternative models [42] where decisions can be either rational or political, but not both, or as opposite ends of a single dimension [29]. In either case, decision processes can be a mixture of rationality and politics, but more of one is equivalent to less of the other. Pettigrew [41] promotes this view, stressing repeatedly that decision making is a political, not a rational, process. Janis [29] argues that as political constraints accumulate, rational decision making decreases.

We argue, however, that political behavior and procedural rationality should be seen as two distinct dimensions of the decision process. The extent to which information is collected and analyzed is conceptually distinct from the practice of politics. Cyert and March [10], Langley [33], and Quinn [43] describe decision
processes characterized by both rationality and politics, while Janis and Mann [30] and March and Olsen [37] describe decisions that are neither rational nor political. Hickson, Butler, Gray, Mallory, and Wilson [21] conclude from their study: "There is no top decision which does not call for both the know-how to deal with the complexity of problems (i.e., procedural rationality) and the know-how to deal with the politicality of issues" [21, p. 250]. As decisions can be both rational and political, or neither, they should be seen as two distinct dimensions of the SDM process.

Choice. Choice-based conceptions of decision making, which concern why certain alternatives are chosen, also include competing and complementary interpretations. The competing model view characterizes Allison's [3] analysis, in which he contrasts political and rational explanations for the major initiatives in the Cuban missile crisis. The one-dimensional approach is also possible here, that is, choice made may be determined by both rational analysis and political influence, but less of one equals more of the other [42].

Here again, however, we argue that procedural rationality and political behavior should be seen as complementary explanations for choice. In fact, Allison [3] gravitates toward this position at the end of his book. After considering several models of choice, he argues that they all played a role in producing the actions taken. While choices may be the product of either rational or political factors, they are often shaped by both. They may also be shaped by neither political nor rational factors, as the absence of rational choice does not necessarily imply politics: the opposite of rationality is not politics, but non-rationality. Decisions may also be based on tradition, faith, or imitation [37], which in most cases are neither rational nor political.

The complex structure of strategic decisions provides ample opportunity for rational and political factors to coexist. Strategic decisions have been described as streams of subdecisions [38], in which early choices constrain later ones. If an early decision establishing critical constraints were to be made rationally, and choices within these constraints made politically, both factors would greatly influence the ultimate choice. Even this example is rather simplistic, however, as strategic decisions may have many cycles and stages [39], allowing both factors to affect choice at many points in the process.

Another reason that both procedural rationality and political behavior may be important in determining a particular choice is that they often lead to the same outcome. Skilled organizational politicians will rarely push for actions that would be manifestly irrational for the firm; thus even decisions rooted in politics generally can be justifiably defended on rational grounds. On this point Janis [29] argues that political actors will increase their likelihood of success by engaging in rational methods to develop their political strategies. Hinkin and Schriesheim [24] found that managers who use rational methods of influence are seen as possessing greater power than those who do not.

Likewise, managers interested in rationally seeking the best outcome for a firm would not pursue a course of action likely to be subverted by powerful constituencies, as the probability of unsuccessful implementation would make it an irrational choice [43]. In other words, irrational choices are often also politically unwise, and politically unwise choices irrational. Strategic decisions, rather than being the result of either rationality or politics, may be shaped by both.
On the basis of all these considerations, we propose that procedural rationality and political behavior should be seen as independent and complementary explanations of both process and choice, and of decision making as a whole. Therefore, we test this hypothesis:

Hypothesis: Procedural rationality and political behavior are independent dimensions of the strategic decision-making process.

METHODS

Research Sites

We selected 25 mid-Atlantic firms for the study from 16 manufacturing industries—including both high- and low-technology, consumer and industrial markets, and growing and mature sectors—to maximize variation among firms. Included in this set were firms from electronic connectors, steel, shoes, chemicals, and canned vegetables. Industries were defined by four-digit standard industrial classification (SIC) codes; published databases were used to identify specific firms. We contacted the top manager of each business first by letter, then by telephone, and later in person to secure participation. The firms that participated had annual sales ranging from $1.5 million to over $3 billion.

Unit of Analysis

The unit of analysis in this study is a strategic decision. A possible concern about this choice is that firms may use a certain process consistently when making strategic decisions [17]. Ancona and Nadler [4] and Hickson et al. [21] found, however, that management teams use different processes to make different types of decisions. Rousseau [45] recommends conducting cross-level analyses at the level of the dependent variable, in this case the strategic decision.

Strategic decisions have been defined as committing substantial resources, setting precedents, creating waves of lesser decisions [39], and as ill-structured, nonroutine, and complex [46]. Hickson et al. [21] used the terms substantial, unusual, and all-pervading, but noted that although strategic decisions tend to have such characteristics, there is no reason they must have them. Thus, there is little consensus in the literature as to what strategic means for a decision, beyond having a major impact on the firm’s future.

Given this variety of descriptions, we included decisions that were strategically important to the firm in both management’s judgment and our own. We also asked that decisions be recent so that little or nothing was yet known about their effectiveness. Next, we restricted the decisions to those where some outcome would be known within 12-18 months, to allow eventual follow-up on their effectiveness. We studied 61 decisions, but 4 were deleted from the analysis due to missing data, for a final sample of 57.

Data Collection

The data are from 160 structured interviews with 105 different managers. Top managers, selected by the firms for the integral role they had played, were interviewed
for each decision. We asked informants to describe how the decision was made, using a structured protocol of closed-choice items. Following Huber and Power [27], we tried to reduce any potential error from the use of retrospective reports. In spite of Huber’s [26] finding that moderate amounts of elapsed time do not affect the stability of retrospective reports, we conducted the interviews as soon as possible after the decision was made. Fifty percent of the interviews were conducted within six months of the decision and 75 percent within a year. (For those decisions in which interviews were held more than one year after the decision, the mean was 2.2 years.)

Following Huber and Power’s [27] suggestion to consult the most knowledgeable persons, we interviewed those most involved in each decision. We tried to minimize the effect of any particular perspective by triangulation; on average 2.7 people were interviewed per decision. (In 12 of the decisions we were unable to talk to more than one person.) Finally, we tried to motivate the participants to provide valid information by guaranteeing confidentiality and by explaining how the study’s results might be useful to them (by allowing them to better understand their decision-making processes, and to allow comparison with other firms). Companies provided data on one to three decisions. The interviews were conducted over a period of three years. (On average, the time period between the first and last decision studied in a given company was 10 months.)

A potential concern in research dealing with politics and rationality is whether the participants are telling the truth, as opposed to saying what is socially desirable. We took several steps to increase the likelihood of getting an accurate account of the decision processes. First, we developed relationships with these executives during our several visits, and promised from the outset that everything they told us would be held in confidence. Second, we placed the more sensitive questions well into the interview, so that some rapport would be established with each participant before these questions were asked. Third, we tried to ask these questions in a variety of non-threatening ways. Fourth, we reverse scaled several items to limit response bias. We believe that the information we received using these techniques was as truthful as possible.

**Measures**

Both procedural rationality and political behavior were measured by sets of seven-point Likert-scale items. To ensure that the scales for both variables comprehensively addressed the broad range of ideas included in these constructs, we created several items to measure each construct. For the procedural rationality scale, we asked questions concerning the amount of information focus, search and analysis, as well as the extent to which quantitative analytic methods were employed. For the political methods scale, we asked questions about several types of tactics (e.g., the use of negotiation and power) and about individual preferences (e.g., the degree of openness and the strength of individual goals). To create values for each construct for each decision, we calculated item means across informants and summed them to form scales. To facilitate comparability, scale scores were divided by their number of items. Items for each scale are found in the Appendix.

Scale means, standard deviation, number of items, coefficient alphas, and inter-rater reliabilities are presented in Table 1. The inter-rater reliability (IRR)
Table 1: Descriptive statistics.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Number of Items</th>
<th>Alpha</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Behavior</td>
<td>2.89</td>
<td>.84</td>
<td>4</td>
<td>.66</td>
<td>.71</td>
</tr>
<tr>
<td>Procedural Rationality</td>
<td>4.64</td>
<td>.81</td>
<td>5</td>
<td>.80</td>
<td>.85</td>
</tr>
</tbody>
</table>

statistic [28] was used to assess the degree of convergence of responses among the individuals interviewed for each decision, and the values obtained indicate substantial convergence.

RESULTS

To test the hypothesis we performed two different versions of factor analysis on the items used in the politics and rationality scales. Both factor analyses were constrained to no more than two factors, consistent with our view of the dimensions.

First we conducted a principal components analysis with an oblimin rotation. The oblimin rotation, unlike varimax rotation, does not extract only orthogonal factors. Table 2 shows that two factors, easily identifiable as procedural rationality and political behavior, emerged from the analysis with the items loading as predicted, and no item cross-loading above .40. The correlation between the two factors is virtually zero.

This is strong evidence that procedural rationality and political behavior are distinct, independent dimensions of decision processes. First of all, the two-factor solution indicates that rationality and politics are indeed two separate dimensions, as opposed to opposite ends of the same dimension. (Had this been the case, a one-factor solution would have been found, and the rationality items would have loaded positively, and the politics items negatively, or vice versa.) The lack of cross-loadings indicates the independence of the two dimensions, as it shows that individual items that load on one dimension are not significantly related to the other dimension. This is underscored by the lack of any correlation between the two dimensions as a whole.

To further investigate the independence of the two constructs, we conducted another factor analysis (see Table 3). We used the principal components method, but with varimax rotation, which attempts to identify orthogonal factors in the data. Once again a two-factor solution with no cross-loadings above .40 emerged from the analysis. What is important about these findings, however, is that the factor loadings are virtually identical to those attained above using the oblimin rotation. The factor structure attained with the analysis that allows correlated factors was essentially the same as the one produced by the analysis that does not. Thus the factors must be inherently independent.

DISCUSSION

The central finding of this study is that procedural rationality and political behavior are two distinct dimensions of the SDM process. The most obvious implication of
Table 2: Factor analysis results: Principal components/oblimin rotation.

<table>
<thead>
<tr>
<th></th>
<th>Factor 1</th>
<th>Factor 2</th>
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<tbody>
<tr>
<td>Politics Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual vs. org.</td>
<td>-.106</td>
<td>.726</td>
</tr>
<tr>
<td>Open about preferences</td>
<td>-.038</td>
<td>.654</td>
</tr>
<tr>
<td>Use of negotiation</td>
<td>.304</td>
<td>.608</td>
</tr>
<tr>
<td>Use of power</td>
<td>.061</td>
<td>.792</td>
</tr>
<tr>
<td>Rationality Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of analysis</td>
<td>.739</td>
<td>-.032</td>
</tr>
<tr>
<td>Information search</td>
<td>.824</td>
<td>.018</td>
</tr>
<tr>
<td>Quantitative methods</td>
<td>.794</td>
<td>-.017</td>
</tr>
<tr>
<td>Analytic vs. intuitive</td>
<td>.666</td>
<td>.167</td>
</tr>
<tr>
<td>Information focusing</td>
<td>.617</td>
<td>-.376</td>
</tr>
</tbody>
</table>

Inter-factor correlation r = -.01 (n.s.)

Our finding is that decisions can be both procedurally rational and political, or neither. Thus one need not speak of decisions as rational or political, as if they must be one or the other. Of course, decisions could be procedurally rational and not at all political, or vice versa, since the two dimensions are uncorrelated.

Choices in decisions that are both rational and political will emerge from a combination of analysis and influence [21] [33]. An example from our study is the decision by a product division of a large, diversified corporation to close its European plant, and do all its manufacturing in the U.S. The division conducted substantial financial analysis to calculate the benefits of manufacturing consolidation and chose to manufacture in the U.S. based on forecasting and sensitivity analysis of currency exchange rates. This proposal was strongly resisted by the international division, which after extensive negotiations was given several concessions to secure its approval. The first phase of the decision was based largely on rational analysis, the second primarily on politics.

At the other extreme, the decision by a footwear manufacturer to license a brand name was neither analytical nor political. The company’s traditional business in low-end casual shoes was being devastated by imports. Licensing, a strategy adopted by many domestic firms, allowed the company to charge a premium by putting a brand name on shoes it manufactured or imported. Little analysis was necessary, as the required brand characteristics limited the field very quickly. Nor was the decision contentious, as everyone knew the firm badly needed a new strategy. In short, something had to be done, licensing appeared to be a promising course of action, and no one had any better ideas. This is consistent with both March and Olsen [37] and Thompson and Tuden [53], who argue that decisions may be made on the basis of imitation or inspiration.

Given our conclusion that rationality and politics are two independent dimensions of the strategic decision process, it is interesting to consider whether variation in these two dimensions relates to the success of strategic decisions. To explore this question, we will briefly present four cases of decision making from our sample. These cases represent the four possible combinations of procedural rationality and
Table 3: Factor analysis results: Principal components/varimax rotation.

<table>
<thead>
<tr>
<th></th>
<th>Factor 1</th>
<th>Factor 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politics Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual vs. organizational goals</td>
<td>-.103</td>
<td>.731</td>
</tr>
<tr>
<td>Open about preferences</td>
<td>-.100</td>
<td>.654</td>
</tr>
<tr>
<td>Use of negotiation</td>
<td>.354</td>
<td>.604</td>
</tr>
<tr>
<td>Use of power</td>
<td>.028</td>
<td>.799</td>
</tr>
<tr>
<td>Rationality Items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of analysis</td>
<td>.755</td>
<td>-.064</td>
</tr>
<tr>
<td>Information search</td>
<td>.835</td>
<td>.005</td>
</tr>
<tr>
<td>Quantitative methods</td>
<td>.801</td>
<td>-.006</td>
</tr>
<tr>
<td>Analytic vs. intuitive</td>
<td>.693</td>
<td>.138</td>
</tr>
<tr>
<td>Information focusing</td>
<td>.628</td>
<td>-.368</td>
</tr>
</tbody>
</table>

politics (i.e., high/low, low/high, high/high, and low/low). For each case, we will discuss both the process and the outcome of the decision.

The first case involved a high level of rationality and a low level of politics. This was a decision by a lighting control company to establish a subsidiary in England, as a means of increasing sales in Europe. Participants in the decision reported that a great deal of information was collected and used in making this decision, and gave it high ratings for rationality. (In fact, the company had brought in consultants to help them make systematic decisions.) They also reported a very low level of politics, saying that decision makers were focused on organizational goals, and that the decision was not influenced very much at all by the use of power and influence. The outcome of this decision has been quite positive, and it is among the most successful in our sample. The sales goals have been met and the subsidiary started breaking even after a short period of time. Finally, the market opportunity, particularly in England, was found to be great.

The second case was the opposite of the first, involving a low level of rationality and a high level of politics. This was a decision by a publishing company to establish a new journal in a "hot" scientific area. Participants reported a low level of rationality: they wanted to make a decision quickly, and did not believe market analysis to be necessary. The politics, on the other hand, were intense. One of the editors felt that introducing a new journal would advance his career, and he used a number of political tactics to overcome the reservations of others about his vision for the journal. As it turned out, the new journal was quite unsuccessful as the market for the new journal simply did not materialize.

The third case was characterized by a high level of both rationality and politics. This was a decision by a menswear company to upgrade the quality of their products. The rational aspects of the decision include a great deal of information collected on the quality practices of competitors, as well as benchmarking trips to Europe. The political aspects of the decision mainly involve a struggle for control of the company between a father (then president) and his son (now president), who had very different ideas about how quality should be attained. This decision was intermediate in its effectiveness: the quality of the products has clearly improved,
but the company is having a hard time demonstrating this to customers and sales have not increased.

The final case was the opposite of the third, low in both rationality and politics. This was the decision by a shoe company to license a brand name in order to earn higher margins on its products. The decision was characterized neither by a great deal of analysis (it appeared straightforward) nor by a great deal of politics (no one had any objections). The decision's level of success was medium: While sales of the products were substantial, high royalty fees and commissions associated with the product substantially reduced net profits. While customers were willing to pay a premium for the brand, the premium was not as much as the company had hoped. Thus while the company had hoped to be able to use orders for branded products to fill its own factory, it was forced to import shoes in order to keep its costs down.

To summarize the outcomes of these four decisions, high rationality and low politics resulted in success, low rationality and high politics resulted in failure, and high or low levels of both rationality and politics resulted in modestly successful decisions. While this is only four cases, the pattern appears to be that procedural rationality is associated with more successful decisions, and politics with less successful decisions. The only decision of the four that was an unqualified success was high in rationality and low in politics, while the only decision reported to be a complete failure had the opposite pattern of rationality and politics. For a quantitative analysis of the relationship between strategic decision processes and their effectiveness, see [12].

Limitations of the Study

A number of steps were taken in the study to generate high-quality data. As we have noted, we used multiple managers and a diverse set of industries, companies, and decisions as sources of data. The use of multiple informants should render our findings more internally valid, while the diversity of industries, companies, and decisions should make our findings more generalizable. Other steps taken to guarantee accurate data were outlined in the methods section.

These steps notwithstanding, no study is without its limitations. The weakness of any study that utilizes interviews is the extent to which informants accurately rated the decision processes in which they had taken part in terms of procedural rationality and politics. Inaccurate ratings could have been based on either faulty memory or systematic bias; nevertheless, they would have distorted the scores of the decisions on the two scales. To the extent that these scores do not accurately represent the actual degree of rationality and politics that took place in the decisions, the validity of our findings would be weakened.

Future Research

We now understand that rationality and politics are independent dimensions of the SDM process. Thus, future research can independently pursue factors associated with the rationality and political nature of decisions, as well as explore the nature of decisions that exhibit both or neither of these characteristics. In other words, if rationality and politics are independent dimensions, then there are four possible types of strategic decisions: high rationality/high politics, high rationality/low politics,
low rationality/high politics, and low rationality/low politics. One obvious set of questions deals with the factors that cause decisions to fit into one of these categories versus another. Is it the nature of the organization, the team, or perhaps the problem or opportunity being addressed? Are the factors that lead to rational or political decisions consistent across settings, or are they context-dependent?

Another set of questions to be addressed deals with the effects of rationality and politics in the strategic decision process. Of the four categories listed above, which is likely to produce the best decisions? Our qualitative analysis suggests some tentative conclusions, which are pursued in a more quantitative manner in [12]. A number of questions remain, however, especially with regard to the influence of the organizational context on decision-making effectiveness. Our demonstration of the independence of the dimensions of rationality and politics makes possible a great deal of additional research. [Received: February 28, 1992. Accepted: September 13, 1993.]

REFERENCES


APPENDIX

Political Behavior

1.1 Were group members primarily concerned with their own goals, or with the goals of the organization?

<table>
<thead>
<tr>
<th>Own goals completely</th>
<th>Both equally</th>
<th>Org. goals completely</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>1 - - - - 2 - - - - 3 - - - - 4 - - - - 5 - - - - 6 - - - - 7</td>
</tr>
</tbody>
</table>

(This item was reverse scaled to limit response bias)

1.2 To what extent were people open with each other about their interests and preferences in the decision?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>To some extent</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - - - - 2 - - - - 3 - - - - 4 - - - - 5 - - - - 6 - - - - 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(This item was reverse scaled to limit response bias)

1.3 To what extent was the decision affected by the use of power and influence among group members?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>To some extent</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - - - - 2 - - - - 3 - - - - 4 - - - - 5 - - - - 6 - - - - 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4 To what extent was the decision affected by negotiation among group members?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>To some extent</th>
<th>Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - - - - 2 - - - - 3 - - - - 4 - - - - 5 - - - - 6 - - - - 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rationality

2.1 How extensively did the group look for information in making this decision?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>Moderately</th>
<th>Extensively</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - - - - 2 - - - - 3 - - - - 4 - - - - 5 - - - - 6 - - - - 7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.2 How extensively did the group analyze the relevant information before making a decision?

<table>
<thead>
<tr>
<th></th>
<th>Not at all</th>
<th>Moderately</th>
<th>Extensively</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>6</td>
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<tr>
<td></td>
<td>7</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

2.3 How important were quantitative analytic techniques in making the decision?

<table>
<thead>
<tr>
<th></th>
<th>Not at all important</th>
<th>Moderately important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
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<td>3</td>
</tr>
<tr>
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<td>6</td>
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<tr>
<td></td>
<td>7</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

2.4 How would you describe the process that had the most influence on the group’s decision?

<table>
<thead>
<tr>
<th></th>
<th>Mostly Analytical</th>
<th>Mostly Intuitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>4</td>
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<td>6</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

(This item was reverse scaled to limit response bias)

2.5 In general, how effective was the group at focusing its attention on relevant information and ignoring irrelevant information?

<table>
<thead>
<tr>
<th></th>
<th>Not at all effective</th>
<th>Moderately effective</th>
<th>Very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>1</td>
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<td>3</td>
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</tr>
</tbody>
</table>

James W. Dean, Jr. is Associate Professor of Management in the College of Business Administration, University of Cincinnati. He received his Ph.D. from the Graduate School of Industrial Administration, Carnegie Mellon University, in 1983. He conducts research on strategic decision making, total quality management, advanced manufacturing, and concurrent engineering. He has published a book entitled Deciding to Innovate: How Firms Justify Advanced Technology as well as articles in numerous journals including Academy of Management Journal, Harvard Business Review, Journal of Engineering and Technology Management, and Organization Science. He serves on the editorial boards of Academy of Management Review and Journal of Engineering and Technology Management.

Mark P. Sharfman is Assistant Professor of Business Strategy at the University of Oklahoma. He completed a Ph.D. in business administration at the University of Arizona in 1985, and a masters in counseling degree at Arizona State University in 1979. His research interests are in the organization’s relationship with the business environment, strategic decision making, and corporate social performance. He has published in a number of journals including Academy of Management Review, Journal of Management, Journal of Management Studies, and Strategic Management Journal.