

An examination of the strategic decision-making when organisational changes are introduced

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Abstract

In an organisational context, decision-making is regarded as being at the heart of the management process (Buccholtz and Carroll 2012; Colapinto, Sofo and Ammirato 2013; Mann 1976). This view seems very realistic, considering how crucial and vital are some decisions, such as strategic decisions, for the survival of a business. The three key dimensions that have received scholars' attention and have been taken into consideration when examining the process of strategic decision-making are Rationality, Intuition and Political Behaviour (see Butler, 2002; Child and Tsai 2005; Dean and Sharfman 1996; Elbanna and Child 2007; Elbanna, Thanos and Colak 2013; Elbanna Thanos and Papadakis 2014; Khatri and Ng 2000). At the same time, organisational change is an ubiquitous feature of organisational life at a strategic and at an operational level (Burnes, 2004). The point where strategic decision-making process and organisational change at a strategic level intersects is that strategic decision-making is an antecedent of organisational change when change is planned and at a strategic level.

However, prior research has extensively focused on the role of organisational leaders in managing and guiding change (Dawson and Andriopoulos 2014; Graetz 2000; Stace and Dunphy 2001; Limerick and Cunnington 1993; Palmer, Dunford and Akin 2009), as well as on the strategic decision-making effectiveness (Dean and Sharfman 1996; Elbanna and Child 2007; Park et al. 2010). According to Armenakis and Bedeian (1999) there is a lack of empirical data in the area of change process. Thus, there is a need for empirical evidence on the impact of strategic decision-making on organisational change. Therefore, this study seeks to address this gap in the strategic management and change management literature by providing empirical data that not only will advance research but also will inform practitioners in the areas of strategic decision-making and change process.

This paper focuses on the process in which these strategic decisions were made by Greek banks' top management teams and it aims to examine how the strategic decision-making process dimensions influenced each organisational change. To achieve this aim, a questionnaire survey was conducted in order to answer the following question:

What is the impact of strategic decision-making process dimensions, namely Rationality, Intuition and Political behaviour on the changes introduced in Greek banks?

A questionnaire survey was conducted targeting Greek banks' top management teams (including CEOs). Due to the significance of the study for the Greek banking sector, the researcher secured the participation of all banks (14 in total). Nevertheless, given the fact that this research has been conducted in a period of political and financial uncertainty for the Greek economy, in which the banking sector have been struggling to safeguard domestic financial stability, meeting and conducting interviews top management team members was not possible. In total, 78 out of 140 questionnaires from top management teams were returned giving a response rate of 55.71%. Data were analysed by using the statistical software of SPSS version 2.1 and AMOS version 22.0.

The preliminary findings show that Rationality was a key dimension in the SDMP for all organisational changes. This is not surprising given the strategic importance of these changes for the survival of the banks. Also, decision makers used their Intuition, whilst they did not use their Political behaviour. Thus, decision-makers were open with each other about their interests and preferences and there was cooperation among them, whilst there was no bargaining, negotiation and use of power during the decision-making process. This transparency among the decision-makers and the lack of Political behaviour may be attributed to the existence of external consultation, as well as the supervision from IMF and the European Commission, the European Central Bank.

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