

## Leadership Style in Strategic Decision Making and Factors of Perceived Environmental Uncertainty: An Integrative Framework

Azzam A. Abou-Moghli

Department of Business Administration, Applied Science Private University,  
Amman, Jordan

**Abstract:** This research examines the association between the procedure of Strategic Decision (SD) making, administration and background factors. First, sketching on a sample of SDs, it investigates the process through which they are taken. In general, the consequences hold up the view that SD courses are fashioned by a diversity of factors, in all these groups. But the majority signal finding is that verdict specific characteristics emerge to have the most imperative weight on the deliberate decision making method as judgments with different decision detailed characteristics are gripped through special processes. The evident supremacy of decision specific uniqueness over organization and background factors augments the conventional “external power” versus “deliberate choice” contest in the area of strategic administration.

**Key words:** Environmental insecurity, strategic organization, uncertainty awareness, uncertainty, management

### INTRODUCTION

In past few years, global market and business environment, both internal and external, became competitive significantly. Organizations are exposed to new and major challenges due to consistent changes in work plan and environment due to forces such as technology. Talent management is more focused by companies because they are expected to elevate strategic importance in long run. While making a strategic decision, companies rely on leadership talents since they are aware of surroundings and strongly influence on success or failure of objectives. In context to become strategic and effective, it is widely believed that leadership talent and styles are critical areas (Vaiman *et al.*, 2012). The plan of this research is to evaluate role of leadership styles and perceived environmental uncertainty on strategic decision-making. The deliberation of leadership to the pasture of strategic leadership, offers a structure for understanding the authority of personal spiritual belief of strategic leaders on strategic decision making (Phipps, 2012).

Though, despite a considerable body of writing, it is still widely researched that our acquaintance of planned management processes is incomplete and is typically supported on normative or evocative researches and on hypothesis most of which stay unproven. Senior leaders gradually more embed paradoxes into the strategy of their organization but struggle to manage them effectively in order to make them competitive (Smith, 2014).

**Strategic decision-making; a brief overview:** The deliberate aim of an industry is to receive a return on assets and if in any meticulous case the return in the long sprint is not acceptable, then the insufficiency should be accurate or the activity deserted for a more positive one (Elbanna and Child, 2007). By definition, strategic decision-making or strategic planning is a course of framing mission and objectives of an organization, along with forming a course of conduct a company must practice in order to attain them. Usually, a decision-making activity is related to managers in most cases but strategic decision-making majorly considers senior management.

The top level of hierarchy is responsible of creating mission and vision for organization in order to align routine operations. Strategy is the immense work of the association. In circumstances of life or death, it is the Tao of endurance or extinction. Its learning cannot be deserted.

According to 2014 Chartered Institute of Personnel and Development (CIPD), strategic decision-making is a broader concept that defines long-term course of an organization. The phenomenon specifies scale or organizational activities that are conducted regularly in alignment to long-term objectives. With strategic-decision making, organizations can gain a competitive advantage significantly and acquire a Unique Selling Point (USP) which is not easy to replicate. Moreover, strategic decisions allow businesses to address values and expectations of each stakeholder along with minimal conflicts of interests.

Nonetheless, (Mitchell *et al.*, 2011), argued that directors are conflicting in tactical verdict making and adapting changes in environment. CIPD stated that strategic decisions are extremely complex in nature because they consider diverse and wider environmental characteristics. Moreover, most decisions are made by top management during uncertainties which significantly influence operational demeanour. Hence, it is deduced that environmental uncertainty or 'perceived environmental uncertainty' does participate a major role in tactical conclusion making. Lastly, this phenomenon allows businesses to address changes in environment that are dynamic in nature. Since strategic decision-making considers broader aspects, organizations are effective in responding to routine variations in environment and sustain their competitive advantage for longer period.

## **MATERIALS AND METHODS**

**Preparation of a strategy:** The development and selection of a business strategy are among the most significantly discussed concerns in strategic administration. The corporate development undertaken by great companies throughout the 1960s was an extremely dignified approach to policy making. Strategy might also materialize through adaptation to state of affairs. Most flourishing companies are not products of remarkable designs. Apple exceeds Exxon mobile to grow to be the world's most expensive corporation. Apple's achievement was based ahead a policy of creating customer electronic products that incorporated design, hardware and software artistic to generate a user practice typified by convenience and instinctive functionality. Apple instigated with Steve Jobs' gratitude of the radical latent of private computing and the hallucination of creating a private processor that would be despicable and simple to use. Though, the policy that would ultimately make Apple one of the nearly all victorious companies of all era was a creation of imminent, perception, trailing and proceedings (Mitchell *et al.*, 2011).

Consequently what does this signify for policy making by associations and further types of associations? Should executives seek to devise strategy in the course of a balanced methodical process, or is the top arising to in a disorderly world to counter to events while preserving some intellect of tracks in the form of objectives and strategies? The normative representation should endow with a basis for efficient trouble solving and decision making by corresponding the preferred decision procedure with applicable properties of fastidious problems or verdicts to be made. Subsequent to Maier,

the efficiency of a verdict is thought to be a purpose of three lessons of outcomes, all of which may be predictable to be exaggerated by the conclusion process used. These are:

- The superiority or sagacity of the decision
- The commitment on the fraction of subsidiaries to execute the conclusion efficiently
- The amount of occasion required to build the conclusion

### **Factors affecting strategic decision-making process:**

Different notional representations of tactical pronouncement processes which imitate different conceptions of association have been recommended by a variety of literatures. These representations that definitely fluctuate considerably in terms of their fundamental hypothesis(s) about the verdict situation and the distinctiveness of conclusion process are regularly prejudiced by different aspects. The features distressing the deliberate decision-making in scrupulous the special stages and courses can be classified into four chief categories:

- Decision definite uniqueness
- Internal managerial individuality
- External ecological uniqueness
- Administration team's distinctiveness

Study on verdict making procedures advocates that directors in various associations or even within the same association may vision the equivalent internal or outer problem logically differently. Therefore the environment of the verdict itself may be significant and authorities of the strategic verdict making progressions. From amid 121 researches which have been demeanour in terms of appropriate factors manipulating strategic decision-making process, conclusion specific individualities have expected very partial attention (20%). Subsequent are the chief magnitudes of decision precise characteristics which brunt deliberate management process.

**Decision's acquaintance:** Decision's acquaintance refers to the extent that the verdict problem is comprehensible to the conclusion maker. Fahey originate that decision's occurrence (a substitute to familiarity) manipulates the extent of shrewdness and politicization in the administrative process. Concurrence to Nooraie awareness is unenthusiastically and appreciably related to shrewdness of the premeditated verdict making procedure but it is optimistically and significantly associated to politicization in the premeditated conclusion making practice.

**Decision's magnitude of impact:** Decision's enormity of collision refers to the degree that the verdict will crash various parts of the association. On the other side, some journalism claimed that the significance of strategic verdict is not associated to the rationality of the conclusion. And the consequence of examination that was demeanour by Nooraie indicates that pronouncement scale of impact is drastically associated with the height of shrewdness in the strategic administrative process. One should recognize the issue competes for managerial attention required to get things done in a better way (Klingebeit and DeMeyer, 2013).

**Risky verdicts:** Risky verdicts are those decisions that have chief collision on managerial efficiency, elevated cost and difficult to overturn. In the revision of 329 tactical decisions, it was concluded that the senior the riskiness, the greater is the period of the procedure, the level of cooperation and the partnership. Carter originates that decision circumstance in stipulations of criticalness to choice makers, appreciably influences the conclusion process uniqueness.

**Decision's complexity:** In a research that was conceded out with admiration to decision precise characteristics asserted that decision's intricacy is positively linked to the degree of centralization in the administrative process. This ropes Fahey who originate that the conclusion process varies in stipulations of decision's involvedness (Vaiman *et al.*, 2012). "Without a chance, there is no business" (Li Y *et al.*, 2014).

## RESULTS AND DISCUSSION

**Perceived environmental uncertainty:** In context to organizational scope of research, 'uncertainty' gained significant attention in past few years. In some literature, uncertainty is referred as risk, due to its nature of unexpected outcomes and characteristics. It limits corporate leaders and businessmen from taking strategic decisions such as merchandise development, diversifications, penetration into new markets and so on. The tendency of uncertainty in corporate environment is higher in emerging countries, particularly Brazil, Russia, India and China (BRIC). The consistent shifts in political, economical, social and technological factors of BRIC nations increased the complexities in business environment. Today, companies are forced to take concept of 'change management' into account in order to achieve sustainability and competitive advantage (Ghosh *et al.*, 2014).

Uncertainty is a key issue for strategic decision makers in charge of sustaining the advantage of the firm

over time (Vecchiato, 2012). Perceived environmental uncertainty takes place when decision-makers of organizations identify uncertainty in their environment. The phenomenon is simply a difference between available information and required information regarding environment a business is operating, or planning to operate. Lack of confidence and poor understanding of major experiences in external environment leads decision-makers to perceive ambiguities. Based on these ambiguities, the decision-makers could not evaluate changes appropriately which weakens organizational sustainability.

The revision of a study originates a constructive association between managerial presentation and top organization pledge against tactical environmental appraisal and conclusion. It was found confirmation that enhanced organizational presentation under circumstances of augmented rivalry and showed a constructive relationship flanked by the intensity of opposition in the market with organizational presentation. Intellectual interest in environment of firm's actions has developed substantially in modern years. However much of the studies has established, how institutional pressures can direct to homogeneity in the strategies of the environment.

To recognize uncertainty, it is mainly compulsory to differentiate between the character, level and basis of insecurity. Walker disagree that some inadequacy with the supreme condition of a scheme generates vagueness. This inadequacy might be there in the pasture of knowledge or further pastures like performance of the troupes. There are two sorts of doubt that are particular by natural history.

Cognitive insecurity that is correlated to the judgment manufacturer and is sourced by the need of information and boundaries of statistics and data or intricacy (plurality of rudiments and the elevated inter-dependency). This kind of doubt is abridged by generating information, study and erudition.

Unpredictability insecurity that is because to actual unpredictability of scheme for example, actual randomness of character, individual deeds, communal, monetary and educational dynamics and technical doubts. More study does not assist eliminating the next type of doubt. This doubt may occur from an accidental effect (accidental mistake) or a methodical cause (methodical mistake). Accidental errors can be calculated by the statistically suitable techniques, other than methodical faults are only deliberate by technical decision to facilitate uses accessible applicable information and numerical motives.

Alone of the major error in an insight of insecurity is the nothing and single vision. This refers that the globe

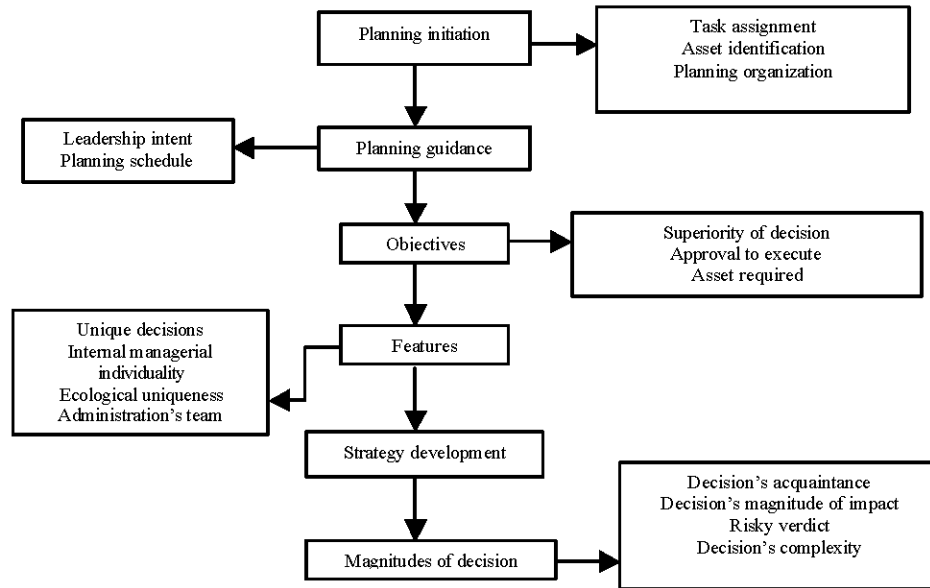


Fig. 1: Different categories of progression

is pretty definite and we may build precise predictions about the prospect, or is entirely unsure and irregular. Disregarding vagueness might lead to policies which are not defiant beside intimidation and can't assist on or after the occasion happening from insecurity.

**Foundation of uncertainty:** Ambiguity basis prefer to a range of upbringing which the verdict creator is tentative concerning. To develop the perceptive, we ought to make a peculiarity between the association, the transactional milieu and the appropriate surroundings. Corporate Social Responsibility (CSR), explained as “the wide collection of strategies and working practices that a corporation develops in its hard work to pact with and generate relationships with its several stakeholders and the usual environment” (Du *et al.*, 2013).

This taxonomy of atmosphere is approximately reliable through categorization of into responsibility and communal surroundings and categorization of into micro surroundings (together with contestants, stipulate, advertise and furnish) and macro atmosphere (situation and industrial surroundings). In this observe categorized the basis of vagueness featured with companionships hooked on following categories of inner and outer causes. Among the researches which involves environmental background, notice has been mainly focused on indecision or dynamism in the spirited atmosphere (Qian *et al.*, 2013). Outer basis essentially descend in to the subsequent three groupings.

The environment its expectations and individual troubles in the observe counting vagueness concerning

the fundamental affiliation of the surroundings, the disparity flanked by the quantity of accessible information concerning the variety of elements of the scheme and in conclusion the procedural concern that occurs from the habits we desire to gauge changeable.

The progression which escorts to organization and intensification of the regulations. Policy can generate hesitation about contemporary and future outfitted circumstances of association's background. At this time, the foundation of revolutionize is not only the incidence of vary but also the dimension and unpredictability of the regulations varying tempo.

The procedures that the association acquires in rejoinder to ecological vagueness. These procedures impinge on external performers, contenders and all the stakeholders and may take place from the temperament of retort alternatives, alternative penalties and the value arising commencing the preference of choices (Fig. 1).

## CONCLUSION

The idea of this research has been that examination of leadership and its processes must be dependent on the aim of the canvasser. If the attention is in understanding the causality of communal phenomena as dependably and precisely as possible, then the perception of management may be a deprived place to commence. The problem of the effects of leadership is open to difficulty. But assessment of conditional variables that escort further or less

leadership results is an advisable task. The unique meaning of energetic capabilities is a firm's capability to incorporate, construct and reconfigure internal and external skills to address swiftly changing atmosphere (Li and Liu, 2014).

The additional phenomenological investigation of leadership directs concentration to the procedure by which communal causality is credited and focuses on the division between causality as apparent by group associates and causality as charged by an outside spectator.

Leadership is linked with a set of mythology strengthening a social construction of sense which legitimates management role inhabitants, provides faith in prospective mobility for individuals not in leadership positions and attributes communal causality to management roles, thus providing a faith in the effectiveness of entity control. In analyzing management, this folklore and the procedure by which such myths is shaped and supported ought to be alienated from study of leadership as a social power process, operating within restrictions. "The finest way to restore credibility will be by mounting its precision and responsibility".

The study has established the functioning scenery of factors recognized by wider appropriate standpoints on tactical administrative. However, it does not designate that all viewpoints make an identical donation towards clearing up the conclusion sagacity.

These conclusions move a pace more in responding the query of what are the solution authorities on the tactical conclusion making sagacity. Supplementary study is still requisite to comprehend the respond to the problem and to terminate universal outcome. The expression insecurity is concurrently worn to portray the association's background position and articulating the entity states that recognizes the need of information regarding the surroundings. The earlier vision refers that vagueness could be clarified through the purpose distinctiveness and the concluding refers that insecurity is the single consequential in the spectator's views.

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