

CUSTOMISED REPORT ON INTERPRETING STRATEGY PROCESS DIAGNOSTIC[©] (Version 5)

Thank you for using the Strategy Process Diagnostic[©]. This report provides a set of instructions for interpreting the results from using the diagnostic. By using this diagnostic you should be able to:

- Identify your organisational profile across 10 approaches to strategy (Section B)
- Determine the strategic nature of your key organisational actions (Section C)
- Explore in depth the strategic nature of your key organisational actions (Follow-up Diagnostic)
- Assess the performance of your organisation (Section D)
- Identify the level of 'environmental uncertainty' of your organisation's industry sector (Section E)

SECTION B – ANALYSIS OF STRATEGY PROCESSES

To provide a profile of your organisation's processes across 10 approaches to strategy

Step One:

Save the accompanying Excel spreadsheet (Data Graph Spreadsheet Code 1001.xls) to your computer and then print out a hard copy. We have entered into the spreadsheet your responses to Section B of the Strategy Process Diagnostic.

Step Two:

Your organisational profile is presented as a bar chart in the spreadsheet (see Figure 1). You can interpret your profile by referring to Table B below which lists a brief description of each approach to strategy.

Table B: Description of the 10 Approaches to Strategy

Approach to Strategy	Description	Source
Rational	Strategy was developed through an analytic, intentional and sequential process of planning	Bailey & Avery (1998); Hart (1992)
Command	Strategy was defined and determined by a particular powerful individual within your organisation	Bailey & Avery (1998)
Cultural	Strategy was directed and guided by the cultural aspects of your organisation, its history and the shared assumptions and behaviour of its members	Bailey & Avery (1998)
Ideological	Strategy was driven by a collective vision of the future in an inspirational and relatively unchangeable form	Mintzberg & Waters (1985); Collier, Fishwick & Floyd (2003)
Participative	Strategy was driven by cross-functional communication, interaction and feedback	Hart (1992)
Political	Strategy was developed through a process of bargaining, negotiation and influence between internal interest groups	Bailey & Avery (1998)
Incremental	Strategy was developed in an evolutionary but purposeful manner, through an iterative and adaptive process of trial and error	Bailey & Avery (1998)
Generative	Strategy was driven by the autonomous, risk-taking and experimenting nature of organisational members	Hart (1992)
Enforced	Strategy was developed as a result of external pressures which limit an organisation's ability to determine its own strategic direction	Bailey & Avery (1998)
Informal	Strategy was ad hoc and developed from sources other than formal planning systems or rational analysis	Armstrong (1982)

SECTION C – ANALYSIS OF ORGANISATIONAL ACTIONS

To determine the strategic nature and impact of operations in your organisation

Step Three:

Interpretation of results in this section requires a careful examination of the organisational actions that you listed in the table in Section C of the diagnostic. The types of actions listed from 'A to H' approximate a **'deliberate-emergent continuum'** as proposed by Mintzberg and Waters (1985). That is, the scale ranges from actions that were strictly 'as per the plan' (Type A) through to actions that were completely 'unplanned' (Type H). The implication of reflecting on such organisational action is that strategic managers can identify changes to the plan, actions that occur despite or in the absence of planning, the nature of the action, and their relative impact on performance. This information can be used to inform future plans and/or make changes to organisational processes in order to **maximise opportunities** as they occur both externally and internally.

For example, where key actions have been identified as being Type A, and the organisation has mostly a 'Rational' or a 'Cultural' approach to strategy, and the level of environmental uncertainty is 'Complex-Dynamic', perhaps the use of management tools such as a 'TOWS matrix' or 'Brainstorming' could be utilised to consider options other than those previously planned for. Other tools to enable **opportunistic behaviour** in a changing operating environment could also be useful. Added to this, mechanisms to improve knowledge of the operating environment could be beneficial.

Where key actions have been identified as being Type B, C, D or E, and where the organisation has mostly a 'Political' or 'Incremental' approach to strategy, and the level of environmental uncertainty is 'Complex-Dynamic', perhaps the use of management tools such as 'Survey-Feedback' or 'Systems Modeling' could be used. These tools (and others) could be used to build a capacity within the organisation to adjust more effectively to changes in the external operating environment.

Where key actions have been identified as being Type F, G or H, and where the organisation has mostly a 'Generative' or 'Informal' approach to strategy, and the level of environmental uncertainty is 'Complex-Dynamic', perhaps the adoption of broad goals and flexible processes for achieving those goals would be helpful.

Table C: Implications of Different Types of Organisational Actions

Type and Description of Action	Comment
Type A: Action was decided on and carried out totally (or almost totally) as previously planned/intended	Check the position of your industry on the environmental uncertainty matrix (see Figure 2 of the spreadsheet). If your position is not in the 'Stable-Simple' quadrant, consider other tools such as 'TOWS' to identify potential opportunities.
Type B: Action was decided on as a <u>modification</u> of something that was previously planned/intended	Check the position of your organisation's industry on the environmental uncertainty matrix (see Figure 2 of the spreadsheet). If your position is not in the 'Stable-Simple' quadrant, consider other tools such as 'Survey Feedback'.
Type C: Action was decided on as a <u>replacement for</u> something that was previously planned/intended	Check the position of your organisation's industry on the environmental uncertainty matrix (see Figure 2 of the spreadsheet). If your position is not in the 'Stable-Simple' quadrant, consider other tools such as 'Systems Modelling'.
Type D: Action was decided on as an <u>addition to</u> something that was previously planned/intended	Check the position of your organisation's industry on the environmental uncertainty matrix (see Figure 2 of the spreadsheet). If your position is not in the 'Stable-Simple' quadrant, consider other tools such as 'Skunkworks'.
Type E: Action was new but was <u>influenced by</u> something that was previously planned/intended	Check your organisational strategy profile. If your organisation scored low (3 or less) on the 'Cultural' approach (see Figure 1 of the spreadsheet) consider other tools such as a 'Cultural Analysis'.
Type F: Action was new and <u>contrary to</u> something that was previously planned/intended	Check your organisational strategy profile. If your organisation scored low (3 or less) on the 'Generative' approach (see Figure 1 of the spreadsheet) consider other tools such as 'Focus Groups'.
Type G: Action was new and <u>unrelated to</u> anything that was ever previously planned/intended	Check your organisational strategy profile. If your organisation scored low (3 or less) on the 'Incremental' approach (see Figure 1 of the spreadsheet) consider other tools such as 'Action Learning'.
Type H: Action was unplanned and occurred without any specific organisational decision	Check your organisational strategy profile. If your organisation scored high (7 or more) on the 'Enforced' approach (see Figure 1 of the spreadsheet) consider other tools such as 'PESTLE'.

FOLLOW-UP ANALYSIS OF ORGANISATIONAL ACTIONS

To explore in depth the strategic nature and impact of operations in your organisation

Step Four:

In the Strategy Process Diagnostic you have already completed, you were asked to nominate the 'top three' organisational actions that had a positive impact on performance. In order to benefit fully from this analysis, we invite you to now complete the accompanying single-page **Follow-up Diagnostic** (Follow-up Diagnostic Code 1001.doc).

- Please print out the Follow-up Diagnostic for completion in hard copy.
- In addition to the 'top three' actions you listed previously in the 4-page Strategy Process Diagnostic, we advise that you try to identify another 9 or more actions including any that had a **negative** impact on performance. In particular, we encourage you not to overlook any actions of **Types E, F, G and H** (see Table C).
- The Follow-up Diagnostic also enables you to identify the **origins** of each action using the following categories: 1) a response to an unexpected circumstance in the external operating environment; 2) a response to an unexpected circumstance from within the organisation; 3) an entirely new initiative.
- Finally, the Follow-up Diagnostic enables you to rate the **performance impact** of each action as being either positive or negative to enable a more in-depth analysis of the sorts of actions that can give your organisation a competitive advantage.
- After you have completed the Follow-up Diagnostic yourself, we recommend that you consider distributing blank copies of both diagnostics to members of your executive management team to gauge their different perspectives in a **collaborative strategy analysis exercise**.

TO ASSIST WITH OUR RESEARCH

WE REQUEST THAT YOU SEND US A COPY OF YOUR COMPLETED FOLLOW-UP DIAGNOSTIC.

(Note: Your confidentiality will be preserved as only your pre-printed diagnostic code is needed on your Follow-Up Diagnostic for us to match it with the original Strategy Process Diagnostic that you have already sent).

We undertake to email all participants who complete and return the Follow-up Diagnostic a summary report of our research findings when our study is concluded. This will enable you to benchmark your organisation against others in your industry sector throughout Australia.

KINDLY POST A COPY OF YOUR COMPLETED FOLLOW-UP DIAGNOSTIC TO:
Professor Andrew Hede, University of the Sunshine Coast, MAROOCHYDORE DC, QLD 4558.

SECTION D – ANALYSIS OF PERFORMANCE

Step Five:

This section enables you to reflect on your performance against peers and in previous years. The summary report of our research findings that we will send you when our study is complete will also be helpful in comparing the performance of other organisations in your industry sector throughout Australia.

Additionally, you may wish to validate your perceptions by obtaining ratings from other members of your executive management team and by examining actual financial data.

SECTION E – ANALYSIS OF INDUSTRY CONDITIONS

To locate your organisation's industry on the Environmental Uncertainty Matrix

Step Six:

We have entered into the accompanying spreadsheet your responses to Section E of the Strategy Process Diagnostic. To locate your organisation's industry on the environmental uncertainty matrix please refer to Figure 2 in the spreadsheet. The figure plots your industry's position in a quadrant on the environmental uncertainty matrix cited in Robbins et al. (2006) (see Figure E below).

Figure E: Environmental Uncertainty Matrix

Degree of Complexity	Complex	Stable and predictable environment with many components and high need for knowledge	Dynamic and unpredictable environment with many components and high need for knowledge
	Simple	Stable and predictable environment with few components and minimal need for knowledge	Dynamic and unpredictable environment with few components and minimal need for knowledge
		Stable	Dynamic
Degree of Change			

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FURTHER INFORMATION

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