The Importance Of Decision Confidence To Strategy Outcomes

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Abstract

Strategic marketing researchers are of the view that formulating high quality strategies is sufficient for achieving high strategy success rates. This research study investigates the effect of key organizational and managerial variables on the outcome of strategies. In particular, the study includes, decision confidence, a hitherto neglected variable in the strategy literature, as an additional, and critical, variable that affects the success of marketing strategies. This study attempts to establish a bridge between two main streams of literature in the strategy discipline--strategic marketing and decision making.

Introduction

Understanding why some strategies succeed and why others fail is the central theme in strategy research. Researchers have attempted to identify several key variables that affect firm and strategy performance (cf. Miller and Cardinal, 1994). Hansen and Wernerfelt (1989) felt that organizational variables[1] explained *twice* as much variance in profit as traditional industry variables[2]. Nevertheless, research on the organizational variables of market performance has been sparse (cf. Menon, Bharadwaj, Adidam, and Edison, 1997, 1999; Menon, Bharadwaj, and Howell, 1996). The objectives of this study are to investigate the effect of key organizational and managerial variables on the effectiveness of strategies or decisions[3], by developing a research model based on the strategic marketing and decision making literatures and empirically testing the model.

In the strategic marketing literature, it has been argued that the quality of strategic planning has an effect on the strategy success (cf. Menon et al., 1999; Menon, Bharadwaj, and Howell, 1996). To put it simply, higher quality strategies have higher chances of success. On the other hand, the marketing strategy literature has neglected the important issue of decision confidence. There is an emerging view in the decision-making literature that confidence in the decision plays a critical role in that decision's success (Bingi and Kasper, 1999). Managers who have confidence in their decisions tend to allocate more resources and spend more time in implementing them. The better the implementation effort, the higher are the chances of success of these strategies[3].

This gives rise to some interesting questions: Do quality of the strategy and confidence in the decision, mediated through implementation effort, *simultaneously* affect outcome of strategy? If yes, then which of these is more *critical* towards the outcome success--confidence in the decision or quality of the strategy? This paper will specifically address these questions by developing a model of the roles of strategy quality

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and decision confidence on the success of a strategy. The model is developed by synthesizing strategic management and decision making literatures. Subsequently, this model is empirically investigated.

Strategy Quality and Decision Confidence

One of the most significant aspects of a manager's job is to make decisions. Increasingly, in corporate America, it is found that top managers spend most of their decision making time in developing strategies. In order to achieve successful and timely results, many of them are also involved in the implementation of these strategies. Researchers have concentrated on strategic quality and/or implementation while explaining the strategy outcomes, and have completely neglected decision confidence, a byproduct of strategy development.

High decision confidence in a low quality strategy or low decision confidence in a high quality strategy may both be undesirable. High decision confidence in a low quality strategy can lead to overcommitment and wasted effort and the failure to take appropriate precautions to offset the risk of failure. Overconfidence may also lead to the escalation of commitment and persistence in implementing a strategy despite clear and convincing evidence of its ultimate failure (Staw 1981). Conversely, low decision confidence in a high quality strategy can result in a missed opportunity, the premature abandoning of a good strategy, or implementation that failed to realize the full outcome benefits of the strategy. Thus, decision confidence may play a critical role in the implementation effort and outcome success (Bingi and Kasper, 1999). Because of this, developing high quality strategies is not sufficient enough (please see Figure 1) and decision confidence commensurate with the quality of the strategy is most desirable. A high quality strategy with high decision confidence would ensure allotment of required resources ensuring ultimate success of the strategy. Similarly a low quality strategy with low decision confidence would result in timely abandonment of the strategy and thus diverting the firm's resources from wasteful activities.

Therefore, it appears that decision confidence may be as important as strategy quality to outcome success. It is important to include the construct of decision confidence in any research model that investigates the success of strategies. However, an interesting question that we wish to address in this paper is which construct is *more critical* towards the success of strategies? The strategic marketing literature completely neglects this concept, and hence the inclusion of decision confidence would be a *significant and pertinent* development. This would enhance the overall understanding of why some strategies succeed and why some fail.

Figure 1

Strategy Quality

Decision Confidence	**High**	**Low**
High	Success	Overcommitment and Wasted Effort
Low	Missed Opportunity and/or Abandoning of a Good Strategy	Failure and/or Abandoning of a Bad Strategy

Model Development

As a first step towards the integration of related research, this section develops a research model of the joint role of strategy quality and decision confidence in success of strategies. We first present the proposed research model. A brief discussion on the development of the model along with description and review of the literature of each construct in the model is then provided.

Strategy Quality

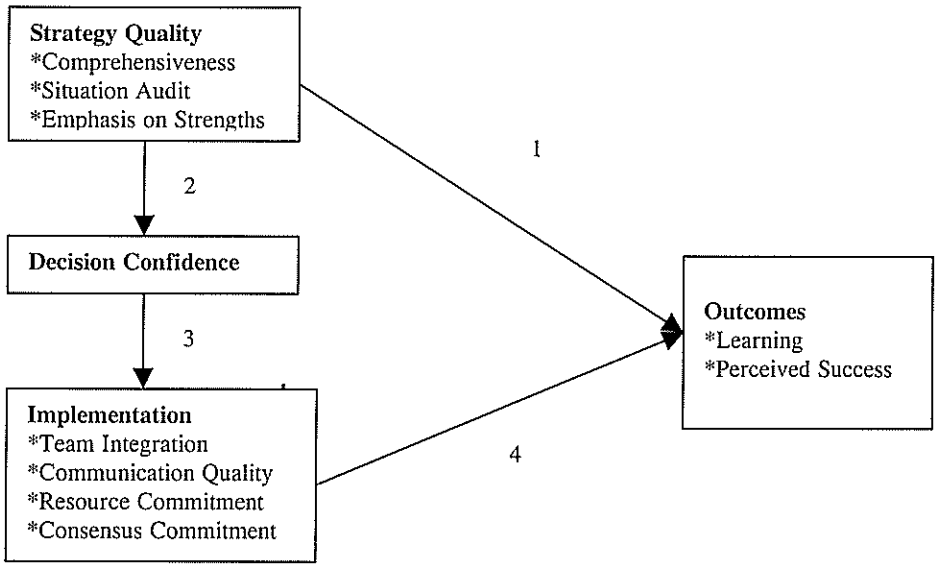
The fields of marketing and management have been traditionally dominated by an emphasis on normative models of strategic planning (Frankwick, Ward, Hutt, and Reingen, 1994; Hutt, Reingen, and Ronchetto, 1988). These models describe the strategic planning process as involving activities such as establishing goals, monitoring the environment, assessing internal capabilities, searching for and evaluating alternative course of actions, and developing an integrated plan to achieve goals. As a consequence, high quality strategies developed through strategic planning have been shown to affect organizational performance (Fredrickson, 1984; Miller and Cardinal, 1994; Pearce, Freeman, and Robinson, 1987).

Menon et al. (1999) identified three specific elements of strategy quality: Comprehensiveness, Situation Audit, and Emphasis on Competitive Advantage(s). High levels of these three elements would lead to high strategy quality. We shall briefly discuss each of these elements now.

Comprehensiveness and *Situation audit*: These factors are focal issues of the normative models' school of strategy formulation. This school ac-

Figure 2

The Roles of Strategy Quality and Decision Confidence on the Success of a Strategy



centuates the idea of a rational approach to strategy formulation. These models involve the activities of establishing goals, explicitly analyzing the organizational strengths and weaknesses, considering the environmental threats and opportunities, searching for and evaluating alternative actions and plans, and developing an integrated plan to achieve the goals (Frankwick et al. 1994; Fredrickson, 1984). Documentation of the selected plan is also important, and is a reflection of the organizational and personnel commitment to the planning process (Pearce, Freeman, and Robinson, 1987). High levels of each of these two dimensions will lead to a successful strategy performance.

Emphasis on competitive advantage(s): This is a product of the resource-based theory of competitive advantage (Barney, 1991). This theory holds that a competitive advantage must be sustained, and must be difficult to be imitated or acquired by competitors. Further, firms are expected to develop competencies and emphasize them in the strategy making process. More emphasis on the core competencies and capabilities of an organization would lead to high strategy performance.

Formulating any business strategy requires the close coordination of the above mentioned activities across many functional departments and work units within the strategic business unit (Mintzberg, 1979). The process through which the managers explicitly recognize and perform these activities is critical for developing a high quality strategy. Thus, the direct relationship between strategy quality and outcome success is well established in the strategic marketing literature, and there is firm empirical evidence to suggest that high quality strategies generally lead to successful outcomes (Menon et al., 1999). Link 1 of Figure 2 proposes that there is a positive relationship between strategy quality and outcome success. Therefore, it is postulated that:

P_1: Strategy quality has a positive impact on outcome success.

Decision Confidence

The link between strategy quality and strategy implementation is well established in the marketing strategy literature (cf. Menon, Bharadwaj, and Howell, 1996). However, drawing upon the literature on decision making along with some anecdotal evidence, a mediating variable is proposed between strategy quality and implementation--decision confidence. Decision confidence denotes confidence in a specific event, a decision, as opposed to self-confidence, self-efficacy (Bandura, 1977), outcome expectancy (Bandura, 1977), trust in the decision aid (Muir, 1987) or other types of confidences. It is defined as one's "belief and trust" in a decision (Sniezek, 1992). The higher the amount of confidence one has in a decision, the higher is the strength of belief and trust in the decision.

Even though decision confidence is a subjective feeling, its consequences are real. Wernham (1987) and Russo and Schoemaker (1992) cite anecdotal evidence regarding the motivational properties of decision confidence. Decision confidence has been shown to affect the amount of resources one commits to a selected course of action (Bingi and Kasper, 1999) and also persistence to the same course of action in the event of any obstacles (Neale and Bazerman, 1985). The model shows the *mediating* role of decision confidence through links 2 and 3.

Link 2 implies that policy makers who have considered all the aspects related to the situation of the firm and its environment and went through a systematic and thorough process of formulating a strategy will have a high confidence in the strategy. Hence, the following postulation (Link 2 of Figure 2):

P_2: Strategy quality has a positive effect on Decision confidence.

Implementation

Several scholars have attempted to relate a great variety of organizational variables to the implementation of strategies (cf. Menon et al., 1999). Some reflect the structure of the overall corporation, some reflect the structure, processes, or programs within separate functional or work units, and some involve the characteristics of individual employees and their roles within the business. Needless to say, implementing any business strategy requires the performance and coordination of a variety of tasks and activities across many functional departments and work units within the strategic business unit. Good implementation has been directly linked to performance of a business unit (Bonoma, 1984; Walker and Ruekert, 1987).

Menon et al. (1999) identified four factors of strategy implementation: Team Integration, Communication Quality, Resource Commitment, and Consensus Commitment.

Team integration: It is important to have a well-integrated team, because this would have a positive influence on the process of strategy implementation. A smoothly coordinated and well-organized team is a key descriptor for integration (Guth and MacMillan, 1986). High levels of interdependence among team members lead to higher levels of mutual understanding and support among the members (Anderson, 1982; Anderson, Lodish, and Weitz, 1987). The better the integration of the team, the better would be the implementation effort, and therefore the outcome of the strategy.

Communication quality: Full and complete communication of the strategy that is generated in the formulation process is necessary for good implementation of strategies, and hence good performance of the business unit. Continuous interaction among the key players is necessary to disseminate the information about the strategy. Barriers to communication decrease the amount and quality of communication and information exchange within the implementation team (Thomas, Walton, and Dutton, 1972). Organizations that have systems that facilitate open and extensive communications among team members tend to show superior performance (Anderson and Narus, 1990).

Resource commitment: The role of resource commitment to organizational performance and successful implementation of strategies has been extensively discussed in the management literature (Guth and MacMillan, 1986; Venkatraman and Ramanujam, 1987). Resources are described in terms of personnel as well as material (or capital) resources. Any lack of resource commitment would seriously reduce the quality of the implementation of the strategy (Bonoma, 1984). Resource commitment, in the form of personnel commitment, directly and favorably impacts the implementation of the strategy, and therefore its outcome.

Consensus commitment: Consensus commitment is the mental commitment of the team members to participate and share ideas and responsibilities of the task. The role of consensus commitment has also been extensively dealt with in extant research. Many have argued that processes promoting consensus among team members are more likely to enhance organizational performance than processes that do not promote consensus (Bourgeois, 1980; Dess and Origer, 1987). Guth and MacMillan (1986) provided evidence that strong consensus commitment among members of the implementing team is of paramount importance to the organization. Although a high quality strategy could have been formulated, the functional managers could resist implementation of the plan due to their perceived self-interest. Hence, it is important to generate a consensus (mental) commitment in the implementation team, which would directly lead to a high level of performance (Guth and MacMillan, 1986).

Link 3 considers the effect of decision confidence on implementation. Both anecdotal and empirical evidence (Bingi and Kasper, 1999)

shows that decision confidence has a positive effect on resource commitment. There is no research which has investigated the impact of decision confidence on team integration, consensus commitment and communication quality dimensions of implementation. We understand that team integration, consensus commitment and communication qualities may be affected by a host of other variables, which are not considered in our research. However, all else equal, we would argue that the implementation team that strongly believes in the strategy is likely to "work hard" to ensure that strategy's success. This "work hard" characteristic may imply everything necessary--better team integration, better communication and better consensus building--to ensure the ultimate success of what the team is implementing. Given the competitive pressures in the today's business world, and a constant need to achieve higher things, it is imperative that a team that has higher decision confidence may well be better integrated with high communication quality and high consensus commitment. Hence, overall, we believe that decision confidence has a positive relationship with implementation:

P_3: Decision confidence has a positive effect on Implementation.

Link 4 considers the effect of implementation on outcome success. It is evident in the strategic marketing and management literature that without proper implementation, the strategy's outcome is ineffective (Cravens, 1991). Therefore,

P_4: Implementation has a positive effect on outcome success.

We finally shift our focus to the key outcomes (or consequences) of having a high quality strategy and proper implementation.

Outcomes of Strategy

Traditionally, only financial outcomes that dealt with market share, market performance, market growth, and profitability were studied. However, recently, other kinds of perceptual outcomes (learning) are also becoming popular.

Learning: Venkatraman and Ramanujam (1987) assert that one of the three shortcomings of extant research is the exclusive preoccupation with the financial payoffs from planning. They conclude that it is logical and necessary to expand the conceptualization of planning effectiveness to include 'process benefits.' Hence, managerial or organizational learning is an important process benefit through which managers can consistently evaluate the quality of their strategic decisions (Chakravarthy, 1986).

Perceived success: The perceived success of the strategy, in this study, refers to the perceived outcomes of strategies in terms of tangible, market based effectiveness such as increased market share, sales, and profits. Given that the goal of marketing strategy is to effectively and efficiently allocate and coordinate resources to achieve strategic objectives, such as superior market performance, we believe that higher quality marketing strategies will be related to higher levels of market performance.

Summary

The preceding section has attempted to identify the four hypotheses of our conceptual model (Figure 2). We hypothesized that strategy quality has a positive and direct effect on strategy success. We also hypothesized that decision confidence, mediated through implementation, has a positive and direct effect on strategy success. However, the more interesting and pertinent research question is, which construct—strategy quality or decision confidence--is *more critical* for strategy success? Considering the fact that the strategic marketing literature has hitherto neglected the decision confidence construct in explaining strategy success, it would be intriguing to see if decision confidence not only explains a significant, but also *a greater amount* of variance in the strategy success

variance in the strategy success variables than the strategy quality variables.

Research Method

Questionnaire development and measures. We began the questionnaire development by interviewing twenty-two marketing directors and vice-presidents of local companies. As the unit of analysis is a strategy that was recently formulated and implemented by the senior executives, the survey instrument was completed with specific reference to a recent strategy in which the respondent was involved. Taking into account their feedback, a revised questionnaire was personally administered to nine marketing directors and vice-presidents of local companies, six doctoral students, and three faculty members who possessed substantial business experience. This pretest revealed no major problems with any of the measures or response formats. Table 1 provides the source from which the measures for various constructs were adapted. Most of the measures are reflective in type. A sample of the measures is provided in Appendix A.

During this pretest, we learned that typically a qualified key informant could be identified who was knowledgeable about the process of strategy formulation and implementation, and could respond to the questions posed in the survey instrument. In particular, respondents had no problem answering questions relating to the process of strategy formulation and implementation or in reconstructing events before, during, and after the whole strategy process. The use of key informants in the marketing and strategic decision making literatures can be found in Andrews and Smith (1996) and Amason (1996). Hence, constructs used in this research are measured using self-report measures of the respondents' perceptions. Support for the use of self-report measures based on key respondent's perceptions is found in Walker, Churchill, and Ford (1977).

Research Sample. A random sample of 600 senior executives of American companies was drawn from a mailing list secured from a commercial source. The respondent sample consisted of key senior executives in American businesses of different sizes. Because this survey targeted at senior marketing executives, a very high proportion (70.4%) of the respondents held the job title of either a vice president-marketing or a marketing director (Please see Table 2).

A prenotification letter was sent to each of these senior executives, which explained the purpose of the research. We mentioned that they should be receiving a questionnaire within the next week. In the subsequent week, the questionnaire along with a letter of introduction and postage paid business reply envelope was mailed to this sample of senior executives. As mentioned earlier, a *critical incident technique* was adopted and the respondents were requested to refer to the formulation and implementation process of a marketing strategy for which performance data was available. A reminder postcard was mailed to each individual approximately two weeks after the questionnaire was sent. This was followed by a reminder phone call. A total of 241 (226 usable) returned questionnaires represent a 40.16% response rate, which is very satisfactory. The respondent firm characteristics are given in Table 3.

Since we rely on retrospective accounts of senior managers pertaining to a strategic decision, we cannot rule out the possibility of *hindsight bias*—managers will tend to remember that they were more confident about successful decisions and less confident about unsuccessful ones. However, on closer examination of the data, we found that only 20.36% (46/226) of the respondents were highly confident about successful strategies, and 15.48% (35/226) of the respondents were less confident about unsuccessful strategies (see Figure 3). Interestingly, 42.48% (96/226) of the respondents had selected strategies which had high quality but low decision confidence, and 21.68% (49/226) of the respondents had selected low quality strategies with

Figure 3

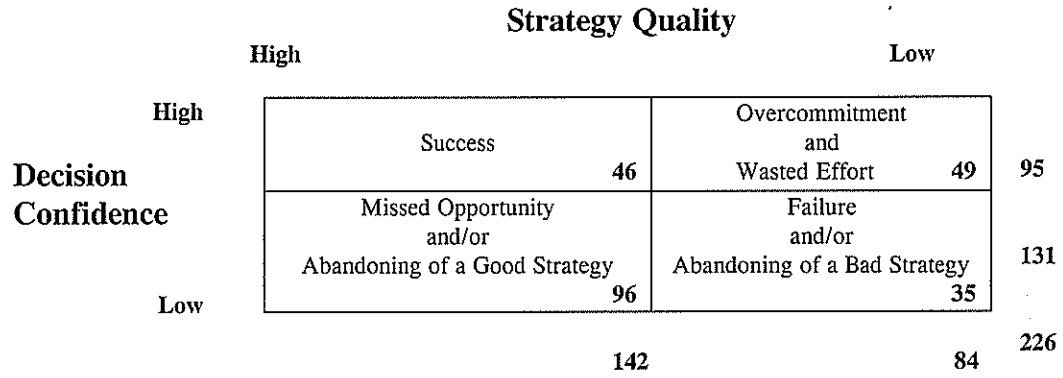


Table 1
Sources of Measures

Constructs	Adapted from
Comprehensiveness	Fredrickson (1984)
Situation Audit	Ramanujam, Venkatraman, and Camillus (1986)
Emphasis on Strength (s)	Dess and Davis (1984)
Decision Confidence	Bingi and Kasper (1999)
Team Integration	Guth and Macmillan (1986)
Communication Quality	Anderson and Narus (1990)
Consensus and Resource Commitment	Mowday, Steers, and Porter (1979)
Learning	Naman and Slevin (1993)
Perceived Success	Hart and Banbury (1994)

Table 2
Respondent's Designations

Job Title	Number (N=226)	Percentage
C.E.O./President	7	3.1
Director - Marketing	68	30.1
Vice President - Marketing	91	40.3
Marketing Manager	54	23.9
Product Manager	6	2.6

Table 3
Respondent Firm Characteristics

Sales of the Division	Number (N=220)	Percentage
Under $50 million per year	55	25.0
$ 50 million - $ 249 million per year	79	36.0
$ 250 million - $ 1 billion per year	48	21.8
Over $ 1 billion per year	38	17.2

high decision confidence. Therefore, we believe that hindsight bias is not a big problem with our data.

Analysis

LISREL 8 (Jöreskog and Sörbom, 1993) was used to facilitate the confirmatory factor analyses of the ten measures (Comprehensiveness, Situational Audit, Emphasis on Strengths, Decision Confidence, Integration, Resource Commitment, Consensus Commitment, Communication Quality, Learning, and Perceived Success) used in this study. The covariance matrix served as the input for the analysis. The final measurement model included 25 items across eight reflective constructs and an indicant each for two formative constructs (Situational Audit and Emphasis on Strengths), thereby giving a total of 27 indicants. The resulting model yielded an acceptable fit [$c^2_{(219)}$ = 393.4 (p=0.0001), goodness-of-fit index (GFI) = 0.93, comparative fit index (CFI) = 0.95, normed fit index (NFI) = 0.96, non-normed fit index (NNFI) = 0.96, root mean square error of approximation (RMSEA) = 0.052, and root mean square residual (RMR) = 0.41]. Further, all item loadings on the respective constructs were statistically significant at t > 1.65 (Anderson, 1987). The reliability for the composite of the measures, and the average variance extracted are listed in Table 4. Tests for unidimensionality and discriminant validity for each construct was also performed. Based on these outcomes, analysis of the structural model was performed. The correlation matrix of the constructs is given in Table 5.

Results

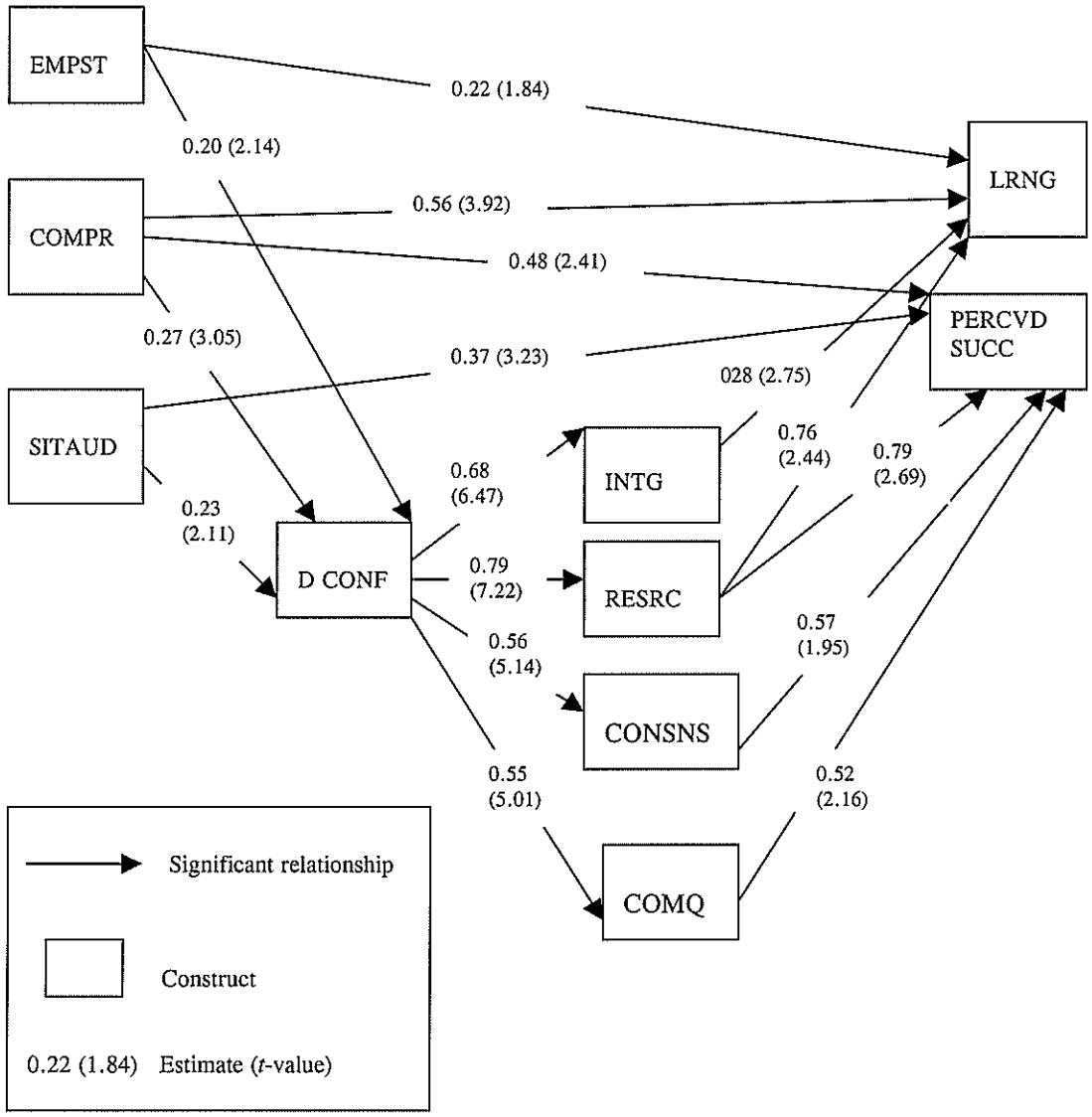
The structural model presented in Figure 4 was tested using maximum-likelihood LISREL 8. The structural model has a resulting GFI of 0.90, CFI = 0.92, NFI = 0.93, NNFI=0.96, RMR = 0.037, RMSEA = 0.049, and $c^2_{(230)}$ = 310.54 (p = 0.000). Assessing the results in terms of the paths, 16 of the 21 proposed paths have the correct direction of signs and significant *t*-values. However, five of the proposed paths, are not supported, as they did not have significant *t*-values. Table 6 gives a brief summary of the results of the four propositions. As we see, all the propositions have been empirically corroborated. In the structural model, the three constructs of strategy quality have both direct and indirect effects on outcome success, whereas decision confidence has only an indirect effect on outcome success. Therefore, in order to compare and contrast the effects of these two concepts (Strategy Quality and Decision Confidence) on outcome success, we need to investigate their *standardized total effects*. Table 7 presents the standardized total effects of strategy quality and decision confidence on the two constructs of outcome success (Learning and Perceived Success).

The most interesting result of the analysis is presented now. This model explained 90% of the variance in Learning, and 61% of the variance in Perceived Success of the strategy. However, when we removed the decision confidence construct from the model, the under-specified model explained only 79% of the variance in Learning and 48% of the variance in Perceived Success of the strategy. This clearly indicates the important and significant role of decision confidence in explaining the successes of strategies. Extant researchers might not have realized the importance of decision confidence because they might have felt contented with explaining almost 79% and 48% of the variance in outcome success. Thus, in future research, we should not neglect the *extra* explanatory power of decision confidence.

Conclusions and Implications

A model of the influence of strategy quality and decision confidence on the success of a strategy is developed by combining relevant knowledge from strategic marketing, decision making, and organizational behavior literatures. Decision confidence is a critical by-product of strategy making. In this paper, it has been

Figure 4
The Structural Model



argued that strategic marketing researchers have mostly focused on strategy quality while neglecting the role of decision confidence. In order to bridge these two concepts into a single model, we attempted to answer two questions: Do quality of the strategy and confidence in the decision, mediated through implementation effort, *simultaneously* affect outcome success? If yes, then which of these is more *critical* toward the outcome success--confidence in the decision or quality of the strategy?

As we saw in the structural model, both strategy quality and decision confidence simulta

Table 4
Descriptive Information and Reliability of the Reflective Measures*

Construct	Mean	S.D.	Composite Reliability	Average Variance Extracted	Original No. of Items	Retained No. of Items
Comprehensiveness	3.66	0.51	0.69	0.53	4	3
Decision Confidence	3.75	0.44	0.74	0.72	3	3
Team Integration	3.68	0.77	0.88	0.71	3	3
Communication Quality	3.84	0.69	0.77	0.54	4	3
Consensus Commitment	3.94	0.66	0.81	0.59	4	3
Resource Commitment	3.48	0.79	0.80	0.59	3	3
Learning	3.65	0.81	0.79	0.52	4	4
Perceived Success	3.46	0.86	0.72	0.69	3	3

*Situational Audit and Emphasis on Strengths are formative measures

Table 5
Estimated Correlations (Φ) for Constructs

Item	SA	CP	EM	DC	TI	CQ	CC	RC	LR	PS
SA	1.00									
CP	0.48	1.00								
EM	0.05	0.20	1.00							
DC	0.32	0.34	0.17	1.00						
TI	0.39	0.44	0.09	0.64	1.00					
CQ	0.21	0.35	0.07	0.63	0.54	1.00				
CC	-0.12	0.14	0.26	0.49	0.39	0.35	1.00			
RC	0.31	0.18	0.15	0.33	0.43	0.30	0.26	1.00		
LR	0.45	0.32	0.41	0.48	0.40	0.24	0.12	0.22	1.00	
PS	0.23	0.39	0.29	0.51	0.26	0.23	0.27	0.14	0.38	1.00

SA: Situation Audit
CP: Comprehensiveness
EM: Emphasis on Strengths
DC: Decision Confidence
TI: Team Integration
CQ: Communication Quality
CC: Consensus Commitment
RC: Resource Commitment
LR: Learning
PS: Perceived Success

neously affects outcome success. As described in Figure 1, high levels of both concepts are desirable for outcome successes, rather than any one. However, Table 7 clearly indicates that decision confidence has the *highest total effect*, on both the dimensions of outcome success, than any of the three strategy quality constructs. Thus we have reason to believe that decision confidence has a higher impact on outcome success than strategy quality. Hence it is important to understand that formulating high quality decisions or strategies is not sufficient. For high success rates, high decision confidence is critical. It is imperative for strategic marketing researchers to borrow from the rich decision science literature by including the construct of decision confidence in all future models of explaining strategy success.

Table 6
Propositions Summary

Path	Estimate	t-value
Proposition 1		
Emphasis on Strengths → Learning	0.22	1.84
Emphasis on Strengths → Perceived Success	0.10	0.54*
Comprehensiveness → Learning	0.56	3.92
Comprehensiveness → Perceived Success	0.48	2.41
Situation Audit → Learning	-0.06	-0.23*
Situation Audit → Perceived Success	0.37	3.23
4 out of 6 paths significant. Hence, partially supported.		
Proposition 2		
Emphasis on Strengths → Decision Confidence	0.20	2.14
Comprehensiveness → Decision Confidence	0.27	3.05
Situation Audit → Decision Confidence	0.23	2.11
All 3 paths significant. Hence, strongly supported.		
Proposition 3		
Decision Confidence → Team Integration	0.68	6.47
Decision Confidence → Resource Commitment	0.79	7.22
Decision Confidence → Consensus Commitment	0.56	5.14
Decision Confidence → Communication Quality	0.55	5.01
All 4 paths significant. Hence, strongly supported.		
Proposition 4		
Team Integration → Learning	0.28	2.75
Team Integration → Perceived Success	0.09	0.51*
Resource Commitment → Learning	0.76	2.44
Resource Commitment → Perceived Success	0.79	2.69
Consensus Commitment → Learning	0.18	1.56*
Consensus Commitment → Perceived Success	0.57	1.95
Communication Quality → Learning	0.14	1.16*
Communication Quality → Perceived Success	0.52	2.16
5 out of 8 paths significant. Hence, partially supported.		

* Non significant paths. **Total: 16 out of 21 paths are significant**

Table 7
Comparison of the Standardized Total Effectsof Strategy Quality and Decision Confidence on Outcome Success

Total Effects	Standardized Estimate
Comprehensiveness → Learning	0.78
Situation Audit → Learning	0.22
Emphasis on Strengths → Learning	0.31
Decision Confidence → Learning	**0.92**
Comprehensiveness → Perceived Success	0.69
Situation Audit → Perceived Success	0.56
Emphasis on Strengths → Perceived Success	0.28
Decision Confidence → Perceived Success	**0.77**

Suggestions for Future Research

Further research to create appropriate confidence in a strategy needs to be investigated. Although high levels of strategy quality can enhance the decision confidence (P2), there are other constructs that can influence decision confidence. Some of these are interaction among team members, outcome feedback, decision aid used for making the decision, and managerial style. These need to be integrated into future research models as well. Similarly, antecedent constructs of strategy quality (corporate culture, organizational structure, conflict, cooperation) need to be included. This would indeed go a long way in understanding why some strategies or decisions succeed and why others fail.

Also, we believe that the model is not limited just to marketing strategies, but could be applied to any type of strategies. This type of generalization requires that the model be thoroughly tested in varieties of situations using varieties of research methods. In this research we have attempted to test the model in a marketing setting using survey research methodology. Future research would include testing the model in different settings using different research methodologies.

The authors appreciate the partial research assistance provided by the Office of Sponsored Projects, University of Nebraska at Omaha, Omaha, NE.

End Notes

1. Organizational variables are internal to an organization and are controlled by the manager. Examples include managerial style and skills, resource commitment, and organizational culture
2. Industry variables are external to an organization and include issues of competition, economy, inflation, and regulations over which the manager has very little control.
3. For the purpose of this paper, and from a managerial perspective, a strategy and a decision are used interchangeably. Indeed, a developed strategy is a manager's decision.

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Appendix A: Sample Measures Used in the Study

Compre-hensiveness:	During the development of the strategy, alternative strategies were adequately analyzed.
Situational Audit:	During the development of the strategy, the decision-makers thoroughly analyzed the strengths and weaknesses of your organization.
Decision Confidence:	We had a lot of confidence in the procedures that were adopted to make this decision.
Team Integration:	There was good coordination of the activities of group members during implementation.
Resource Commitment:	The right kinds of resources were allocated to the implementation efforts.
Consensus Commitment:	The key parties "bought in" or were "on board" with the strategy's implementation plan.
Communication Quality:	During the implementation, team members openly communicated with each other.
Learning:	As an outcome of this strategy we further developed the managerial skills of the key players.
Perceived Success:	The overall strategy performance compared to expectations has been _____.

Notes