Impacts of Culture on Strategic Decisions - Exploring Culture and Strategic Decision Making Process in the Sudanese Context.pdf

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1. Introduction:
The study deals with the cultural impacts on the process of strategic decision making in the Sudanese context, aiming at – as its main goal – addressing the influences of the cultural factors as one of the environmental factors, epitomized in their influences on the process of strategic decision making. As well, it seeks to explore; first: the extent of the cultural factors’ prevalence in societal life and organizational life, and determining – on the basis of the historical and cultural formation of the Sudan – the aspects of the Sudanese culture according to the contemporary paradigm of cultural analysis, and second: whether or not the cultural values are linked to the actual organizational practices in the Sudanese context.

The broad focus of this study is the environmental influences on the process of strategic decision making, as a matter of fact; many contextual variables deeply influence the strategic decisions, and consequently their formulation and implementation. As a result, the study comes as an attempt to set a framework for assessing the impacts of the environmental components on the process of strategic decision making from a developing country perspective – by focusing on one particular set of contextual variables, i.e. the cultural context, through illustrating the relevance of measuring and using cultural contextual variables in explaining organizational strategic decision processes within the Sudanese context.

2. Background and the Research Problem:
It is already known that culture has important influences on the development and change of the organization at multiple levels, but how these influences impact the process of decision making is subject to many arguments, and despite the substantial body of literature concerning this issue, it is yet not giving a fully detailed description of the linkages between culture and the process of making these decisions (Papadakis, et. al., 1998). In addition to that, it is claimed there is a
requirement for an integrative research that explicitly considers the impact of the context on the strategic decision making process in such a type of a research that examines to which extent it can be utilized in determining how variations in organizational and environmental factors influence the strategic decision making process (Rajagopalan, et. al., 1997).

As well, an in-depth review of the existing literature on culture in relation to the human behavior/practice – including the strategic decision making process – shows that almost all recent researchers measure national culture or societal culture through a set of values reflecting what is important or desirable in that culture. Consequently, this appeals to that culture and its influence on behavior reveals two important assumptions which are: calculating the values of a sample from individuals is a sufficient measure of the collective culture; and finding linkages between values and specific behaviors in that culture discerns what particularly occurs in that culture (Javidan, et. al., 2006).

From a sociological perspective – it is assumed that societal cultural values in varying degrees pervade through organizational and occupational subcultures in an organization and, consequently become manifested in, and influence the mode of practices and behaviors related to the functions pursued in these organizations (Wilson, et. al., 2010).

This study attempts to propose and develop a theoretical framework in order to set a measurement criterion for the cultural influential roles within the Sudanese context. This stems from the central proposition that attributes defining a specific culture are predictive of management behaviors, leadership styles and organizational practices in that culture (Javidan, et. al., 2006), as well as, the strategic decisions making process, as this study endeavors to envisage. Hence, it aims at identifying influences of environmental factors on the process of the strategic decision making within the national context, this is, addressing the implications of the national cultural aspects of a country (as an environmental factors) – Sudanese national culture in this respect – in strategy formulation.

As well, the reason behind pursuing this study within the Sudanese context stems from the necessity for looking into how closely the outcomes arrived at by studies in other cultural setups – specifically the American and Western cultures – can imply in the Sudanese national setup relative to the strategic decision making process (Papadakis, et. al., 1998), and this due to the fact that academic evidences about strategic decisions formed within Western and/or American settings should
be modified to accommodate in the cultural build-up of the national culture (Schwenk, 1995).

For doing so, the study uses the GLOBE Project [cultural factors] (Javidan, et. al., 2006), and the Bradford model of strategic decision making [SDMP factors] – (Cray, et. al., 1991; Cray, et. al., 1988), as the lunch-bases, and then, after modifying the two models, they are linked and compiled together to explain the strategic decision making process in the light of the contextual factors of the Sudanese culture.

3. Literature Gap:

As stated above, the literature gap arises from the fact that western management thinking and academic theorizing is dominating the local Sudanese management academic thinking and practices. As well, the practical application of such studies in the Sudanese context has not been subjected to any evaluation pertaining to the compatibility and suitability of the outcomes of those thinking and theories to the cultural settings of the Sudan.

Additionally, the researcher senses the existence of disparities in policy implications of such kind of studies, as well as, in the practical applications within the Sudanese context, that is to say, explaining the process of strategic decision making using the cultural set-up as a speculative and an inferential factor, based on the attributes of culture, is rarely put into consideration, in the actual strategic decision making in the Sudanese context at various levels. In this regard, for a developing country like the Sudan, there are many concerns, besides economic growth and development, that should be addressed, and this study comes as an attempt to provide indicators about the importance of the necessity for matching strategic goals and strategic planning to the requirements of sociopolitical and cultural context as in the case of Sudan.

Generally speaking, the issue at hand here is that the study attempts to reflect the necessity for understanding cultural patterns associated with the strategic decision making process in the context of the Sudanese culture.

Besides that, the study attempts to fill the gap in studies that reflect the importance of linking Islamic teachings to management thinking and practices, in general, and strategic decision making process, in specific. That is, such studies are rarely to be found within Islamic countries, and if they exist, they do not go beyond incomplete theoretical attempts (alguran, 2010; Arslan, 2009).
In relation to the strategic decision making process, the study attempts to cover the gap in studies pertaining to the ever-growing debate on explaining strategic decision making process, and the way in which these decisions are taken (Wilson, 2010, Cray, et. al., 1991; Cray, et. al., 1988).

4. Methodology:
4.1 The Nature of the Study – Exploratory:
The study is an exploratory study that seeks to cover unexplored areas in relation to the cultural influences on shaping the strategic decision making process in the Sudanese context. And before that a preliminary work was done to gain familiarity with the subject under consideration, and to get a deep understanding of the various components of the research problem. Then, an exploratory study was pursued to figure out the linkages between the factors. The study quantitatively evaluates the impacts of the independent variables (cultural factors) on the dependent variables (strategic decision making process), and qualitatively evaluates the standing of the Sudanese cultural aspects in the light of the contemporary paradigm of cultural analysis.

4.2 The Variables of the Study:
4.2.1 The Independent Variables:
The independent variables in this study are based on the finding that culture is a main driver of strategy (Johnson, et. al., 2008). Hence, the nine cultural dimensions (factors) of the GLOBE project are the launch base from which the independent variables are assigned, so as to identify the effects of these factors on the process of the strategic decision making (Appendix [8]), in addition to determine the relative standing of the Sudanese culture on the designated dimensions (factors) of culture, in the society, as well as in the organizations (House, et. al., 2002).

4.2.2 The Dependent Variables:
The dependent variables represent the steps of the strategic decision making process, and the study adopts the Bradford Studies system of organizational strategic decision making process, developed for studying UK industrial sector companies by a group of researchers (Cray, et. al., 1991).
4.2.3 Aspects of the Sudanese Culture in the Context of the Contemporary Paradigm of Cultural Analysis:

Based on the concept of the ‘paradigm’ – as defined and used by Kuhn (1969) and Castells (2010) – the study describes the aspects of the Sudanese culture in recent years, as a means of understanding its dynamic transformation resulting from the contemporary socio-economic and environmental changes, and the designation of these aspects is built on the basis of the principal themes of the contemporary paradigm [information age] (Castells, 2010), that is, each theme of the paradigm is contrasted with the cultural attribute it reflects, and then the outcome is determined – in the context of the Sudanese culture – as a cultural aspect.

4.3 The Population and the Sample of the Study:
4.3.1 The Population of the Study:

The study’s population is made-up of the Sudanese citizens living and working in Khartoum State [a typical metropolitan city where citizens represent all regions and sub-cultures of the Sudan], and who are – presumably – behaving according to the assumptions and values of the Sudanese culture.

4.3.2 The Sample of the Study:

The sample designed based on that the Sudanese societal cultural factors in this study come in two contexts that first: they play a role in shaping organizational cultural factors (practices and values); and second: they – both – have impacts on the strategic decision making process. As a result, the primary data were collected from two groups, using the simple random sampling technique (the group of society citizens) and the stratified random sampling technique (the group of top and middle levels managers – strategic decisions makers in organizations).

(200) questionnaires were distributed, however, (100) questionnaires were returned from the society group (the citizens), and (95) questionnaires were returned from the organizations group (the top and middle levels managers). Therefore, the data in this study is based on (195) responses from the two groups.

Accordingly, the size of the sample drawn is calculated in terms of the purpose of the study (explores – in the Sudanese context – the hypothesized relationships between the cultural factors as practices and values, as well as, between societal and organizational cultural factors, and thence, the impacts of these factors on the process of strategic decisions). In terms of precision and confidence (the estimated confidence interval – assuming high variability in the population of the study [high dissimilarity 50% positive and 50% negative responses] is ±7.02,
implying that the actual average responses of the population’s parameters fall in the range [50%±7.02, i.e., 42.98% - 57.02% at 95% level of confidence).

4.3.3 Data Collection Instruments:
The study benefits from the data collection instruments developed by the GLOBE project, which has so-far covered 62 nations’ cultures all over the world. However, they were modified to conform the investigation of the respective cultural factors influences on the strategic decision making process.

4.4 Scaling of the Variables and Measurement of the Factors’ Scores:
The study uses the interval and Likert scales in measuring the responses, which helps in discerning the magnitudes of differences in (preferences, attitudes and views) of the respondents (used as points of reference to assess differences between cultural practices and values in both society and organizations in the Sudanese context).

The scores of each factor are measured by producing the average of the responses for the respective items (variables) in the seven points scale. That is, for each factor the corresponding responses to the items are summed-up and averaged to provide the score of the respective factor. The strategic decision making process factors are also measured by averaging the responses to the items (variables). Additionally, in order to differentiate between cultural practices and values, the respondents were asked to respond to each item in two bases: actual behavior (practices); and expected or preferred behavior (values).

In the same way, the Sudanese cultural aspects are developed by the researcher, on the bases of the current paradigm of cultural analysis, to qualitatively evaluate the Sudanese culture, from the respondents’ point of view.

4.5 Data Analysis and Hypotheses Testing:
The data were analyzed using the Statistical Package for Social Sciences (SPSS) and the Microsoft Office Package (Excel spreadsheet).

For the purpose of testing the hypotheses, the researcher uses the correlation coefficient (Pearson r). And for the purpose of testing the 1st, 2nd, 3rd and 4th hypotheses, the scores of the nine cultural practices and practices are divided into two groups: the first group includes the societal scores, and the second group includes the organizations scores. Then, the overall scores in the societal context are correlated with the overall scores in the organizations context.

[6]
For testing the 5th hypothesis, the two groups (society and organizations) are collectively processed, so as to get the correlation coefficient between the scores of each cultural factor with the scores of the strategic decision making factors.

5. General Findings:
- The cultural factors as practices in the Sudanese context reveal a moderate prevalence in societal life as well as in organizational life, except the factor collectivism (2) [large-group loyalty] in societal life, which has a high score in the range, and this can be imputed to the high degree of collective feeling which is considered as an integral part of bringing-up of the average Sudanese citizens, and the degree of the high concern with the primary identities (the tribe, the clan, etc), (see Appendix [5] the interviews synopses).
- On the other extreme, the values of the respective cultural factors also reveal a moderate should be tendency for the majority of the respective factors, however, the extent of prevalence in values shows an inclination toward the positive [ideal] situation of each respective factor. An exception to this is the factors: future orientation in societal life; and performance orientation in both societal and organizational lives, which reveal that the extent of prevalence should be at the high scores of the respective factors, (see Appendix [7]).
- The scores of the majority of the cultural factors in the Sudanese context are in line with the average regional scores of the Middle-East countries (Javidan, et. al., 2005), which ranges above, in and below the middle range of the scores, excluding two factors: collectivism (2) [large group loyalty] in organizational life practices, and gender egalitarianism in societal and organizational lives; that is, the large group loyalty is found to be moderately prevalent in the Sudanese context and highly prevalent in the Middle-East region, and gender equality is found to be moderately prevalent in the Sudanese context and poorly prevalent in the Middle-East region.
- Despite the negative correlation between societal values and practices and also societal practices and organizational practices (which can be attributed to the differences in the context between societal and organizational environments); the societal values are found to significantly influence organizational values as well as organizational practices.
- The most influential impacts of the cultural factors on the strategic decision making process in the Sudanese context is perceived to be on the scrutiny and
the flow of the strategic decision making, which are significantly influenced by five out of the nine cultural factors. However, the former is negatively influenced by four factors and positively influenced by only one factor, and the latter is positively influenced by all of the five factors. On the contrary, the least influential impact is perceived to be on the duration of the strategic decision, which is influenced by only one out of the nine cultural factors, (see Appendix [8]).

- As well, among the cultural factors in the Sudanese context, the most influential factor is found to be performance orientation, which has a significant influence on four out of the five factors of the strategic decision making process, and the least influential factors are: uncertainty avoidance; which has no significant influence on any factor, followed by power distance, gender egalitarianism and assertiveness, which have significant influence on only one factor, each, and then collectivism (2) [large-group loyalty], which has significant influence on two factors, followed by collectivism (1) [small-group cohesion and loyalty], which has significant influence on three factors out of the five factors of the strategic decision making process, (see Appendix [8]).

6. Conclusion and Contribution to the Body of Knowledge:

6.1 Conclusion:

- Culture is of great importance for organizations, exemplified in the context of its influential impacts on the process of strategic decision making in the Sudanese context, confirming the claim of Leung, et. al., (2005) that it gradually became of high importance in recent times. The above researchers seem to be overly pessimistic on their claim about the convergence of organizational practices and cultural practices, because they literally contrasted organizational practices against cultural practices. Whereas they should have contrasted organizational practices against cultural values, and not cultural practices. This is due to the ostensible difference [It gives the meaning that something is professed to be certainly true, but often having specific different meaning or intent, the Merriam Webster Dictionary, 2014] in the intentions of societal life and those of organizational life, as well as the difference in the context of the cultural practices and that of the organizational practices. Accordingly, the study concludes that both societal and organizational cultural values, and not their practices, have significant positive influences on the organizational practices.
With respect to the concept of ‘informational modes of development’ as articulated by (Stalder, 1998; Castells, 1996-2010), which is described to be a flexible, pervasive, integrated and a reflexive social evolution; in the Sudanese context, it can be concluded that the majority of the respective cultural aspects of the Sudanese culture in the context of the contemporary paradigm of cultural analysis, show a moderate prevalence in both societal life and organizational life.

The study also concludes that in the Sudanese context, culture-specific attributes (i.e., the cultural aspects – which are moderately prevalent) may not mitigate the impact of culture in all situations, as claimed by Eby and Dobbins (1997), and Zellmer-Bruhn, et. al., (2003). For instance, the study found that performance orientation, which is moderately prevalent, is the most influential factor on the strategic decision making process [four out of the five strategic decision making process factors are significantly influenced by it], and on the contrary, the factor collectivism (2) [large-group loyalty], which is highly prevalent in societal practices, and moderately prevalent in organizational practices], is among the least influential factors [only two out of the five strategic decision making process factors are significantly influenced by it], (see appendices [7] and [8], and the discussion of the cultural aspects in the context of the contemporary paradigm of cultural analysis in the previous chapter).

Despite that the above conclusion confirms the view of Mintzberg, et. al., (1998), which attributes the Japanese technological advancement to the specific characteristics of the Japanese culture, and the findings of Leung, et. al., (2005) about the possibility of the traditional values to co-exist with the modern values, represented by the Chinese in Singapore, beside the findings of Kedia and Bhagat (1988) in their study of western technologies transfer to developing countries, as well as the situational-level characteristics recognized by Gibson, et. al., (1998), and explained by Gibson and Cohen (2003), with respect to the technological uncertainty, that there would be a tendency to respond according to the cultural prescriptions under the conditions of uncertainty and ambiguity. In the Sudanese context, the factor uncertainty avoidance, which is moderately prevalent [implies a moderate reliance on orderliness, consistency and structure to alleviate future events unpredictability] is found to have no significant influence on any of the factors of the strategic decision making process, (see Appendix [8]). As a result, it can be concluded that resorting to societal and/or
organizational norms at times of uncertainty is a common practice in other cultural settings, and it is not restricted to the Sudanese context alone.

- With respect to the extent of ascendency of the cultural factors, and the cultural patterns associated with the process of the strategic decision making in the Sudanese context, the study concludes that although the cultural factors practices are moderately prevalent, there are observable variations in their impact on the process of strategic decision making, which ranges from having significant impacts to having no any significant impact. Besides that some of these factors have negative significant impacts on some factors of the strategic decision making, and as a result, the study managed to describe the cultural patterns associated with the strategic decision making in the Sudanese context, as called for and named as [sophisticated strategic management core] by Leung, et. al., (2005) that the unrecognized role that cultural influences play in the strategic decision making should be addressed in the context of the cultural patterns for each cultural profile.

- From an Islamic perspective, the effects of Islamic teachings (Arslan, 2009; Alguran, 2010; and Musa, 2012) on the cultural formation of the Sudanese context (societal and organizational) are significant. When the findings arrived at in this study are viewed from an Islamic perspective, it can be concluded that the endeavor or the undertaking of the cultural factors and their prevalence in the Sudanese context can be linked to the Islamic belief, which play a very important role in the building-up of the cultural formation of the Sudanese society.

6.2 Contribution to the Body of Knowledge:
- Uses societal cultural factors as contextual independent variables to explain the process of strategic decision making as dependent variables, to address the unrecognized roles culture plays in, business in general and in the process of strategic decision making in specific, in the Sudanese context, by explaining the entire process based on the attributes of the Sudanese culture, and provides a coherent alternative principles for describing the strategic decision making process in the context of the Sudanese cultural formation called for by (Weilert, 2011), by combining the methodologies of the project GLOBE for identifying cultural factors (Javidan, et. al., 2006), and the contemporary paradigm of cultural analysis to identify the standing of the Sudanese cultural aspects
(Castells, 2010), with the Bradford model for describing the strategic decision making (Wilson, 2010; Cray, et. al., 1991; Cray, et. al., 1988).

- Conceptualizing the cultural factors in the Sudanese context, as well as those of the strategic decision making by attempting to provide a fundamental basis for contrasting and differentiating the extent of prevalence of the respective factors in quadrant dimensions [in societal and business life / and in the context of cultural values and practices] in the Sudanese context (Describes the cultural specific characteristics of the Sudanese culture, as well as the specific characteristics of the strategic decision making process in the Sudanese context) (House, et. al., 2002).

- As well, the study sheds light on the possibility of establishing conceptual model on the basis of the formulated methodology, given the fact that it arrives at many plausible and suggestive findings about the issues stressed by this study.

7. Implications of the Study:
The implications of the study have two sides; one involves academic implications (research and theoretical implications), and the other involves policy implications (the practical aspects that to bear in mind concerning cultural influences on the strategic decision making process, with the Sudanese context).

7.1 Academic Implications:
- Due to the specific nature of this study (exploratory), and the very suggestive outcomes and findings, it is highly recommended that further research, on the basis of the theoretical framework and methodology adopted in this study, be conducted to investigate the issues stressed by the study, for example:
  o The causes and the implications of the contradicting relationship (negative, weak, and insignificant) between societal values and practices, whereas, their relationship is found to be strong and significant with the respective organizational practices.
  o Also, the causes and implications of the difference in the relationship between values and practices in societal life (negative, weak, insignificant), and the relationship between values and practices in organizational life (positive, strong and significant).
  o The other influential impacts of other contextual factors on the strategic decision making process in the Sudanese context (for instance, the political,
economic, social, technological, environmental and legal factors – PESTEL Model), need to be studied to complement the findings of this study.

Lastly, the study recommends that the findings, as well as the respective conclusions arrived at, be weighed-up with respect to the constraints around the nature of the study, the sample size, the survey length, and the analytical techniques used.

7.2 Policy Implications:

- It is important to identify the contexts within which the process of the strategic decision making is undertaken. And as for the Sudanese context, which is the focus of this study, in some cases the findings are consistent with the findings of studies in some other cultural settings; however, there still are some specific attributes differentiating the Sudanese societal and organizational formations from those of other cultural settings.

- It is important to differentiate between cultural factors as practices and as values, as well as, their implications in societal life and organizational life, as the empirical findings in this study reveal that the practices and behaviors are not necessarily attributable to the values held by an individual in societal life.

- The study recommends that both the societal and organizational values be much considered, with respect to the strategic decision making process, because they are found to be closely related to the practices in organizational life.