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Introduction

# Special Issue Introduction: Assessing Key Dimensions of Strategic Decisions

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The objective of this special issue is to refine our understanding of "what makes a decision strategic?" Our interest in this question is motivated, in part, by observations of a growing distance between many of the topics discussed at our conferences or published in our journals and those that have traditionally defined the field of strategic management. This decoupling raises questions regarding the boundaries of the field—its core elements, common assumptions, and ultimate contribution. The articles in this special issue aim to address this question by identifying and discussing ways to discriminate between strategic and nonstrategic decisions. Ultimately, the purpose of the special issue is to reinvigorate the strategic management research agenda by identifying, promoting, and developing opportunities that highlight the distinctive value provided by the strategic management field and to provide the broader community of social science researchers with a guidepost that may help them tie their work to core strategic problems.

The opening essay by Leiblein, Reuer, and Zenger (2018) aims to contribute in three ways. One, it frames strategy as not merely a set of important decisions considered by an organization's most senior leaders but as a unique set of decisions that include one or, ideally, more than one of a distinct set of characteristics. Two, it highlights how strategic decisions differ from nonstrategic decisions in terms of their interdependence with other contemporaneous decisions, their interdependence with decisions of other actors, and their interdependence with other decisions over time. We believe this conception of what renders a decision strategic provides a way in which to distinguish between strategic and nonstrategic decisions; to distinguish strategic management from other business fields such as corporate finance, human resource management, or marketing; and to help scholars better link their work to the historical core of the strategic management field. Three, this article notes how several prominent theories and frameworks provide tools that help illuminate how strategic managers make or should cope with strategic decisions and the underlying elements that differentiate between strategic and nonstrategic decisions.

The remaining articles in this special issue refine our understanding of the identifying characteristics of strategic decisions. Van den Steen (2018) builds on and extends the core guidance approach developed in Van den Steen (2017) to the context of competitive interactions. In particular, he presents a model that explores the characteristics of choices that optimally guide or force a competitor's choice(s) in a way that benefits the focal company. A central insight provided by this formulation of competitive interaction is that quantity-based moves become more strategic than price-based moves. A second broader, and potentially more critical, insight is that developing an agreed on definition of strategy logically precedes the development of a good strategy. Van den Steen's efforts to develop a concrete concept of strategy help to minimize confusion between strategic choices and their consequences. Moreover, his definition of strategic choice opens the door to new and interesting research questions in the domains of competitive and corporate strategy. For instance, the core guidance approach leads us to consider what central managerial choices influence subsequent choices such as the appropriate businesses to acquire, divest, or partner with as well as how to increase the value added to these businesses.

The idea of core guidance is consistent with several of the suggestions presented in the article developed by Nickerson and Argyres (2018). These authors help us to more deeply consider the processes through which individuals and teams of individuals formulate problems as a precursor to identifying strategic decisions. More specifically, Nickerson and Argyres argue that "predecision" formulation processes affect both whether a problem is more or less likely to be characterized as strategic as well as the propensity of a firm to arrive at a robust theory of value creation. A second important observation provided by Nickerson and Argyres is that the breadth of knowledge required to solve complex problems implies a need for group problem-formulation and problem-solving processes. These authors contribute to the special issue by highlighting the challenges in appropriately formulating problems in complex and ill-structured settings, the benefits of group decision-making processes in these settings, and the potential to undermine value creation through the development of incomplete or superficial problem formulations.

It has long been recognized that problem formulation and solution processes are tightly coupled with the development and use of mental representations, sense-making, and firm-level theories of competition. Csaszar's (2018) contribution illustrates how the "representational view of strategy" may be used to link particular types of mental representations to a firm's ability to solve (and, we might add, to formulate) specific types of problems. Csaszar's article presents results indicating that different forms of mental representations are more or less appropriate depending on situational (e.g., uncertainty) and managerial characteristics (e.g., experience). Among the contributions of Csaszar's article is the idea that the type of strategic representations that produce a decision can be used as a means to characterize a decision as more or less strategic. Csaszar's article further contributes to the field by outlining a research agenda for the study of representations that includes questions such as whether some representations are more valuable than others and how representations change over time.

In a similar spirit, Pontikes (2018) provides a more general way of considering how sociocognitive approaches may contribute to work in the field of strategic management. Pontikes declares that traditional strategic perspectives overlook the process through which firms shape market categories and competitive positions. Pontikes' article helps to address this void by illustrating how the categories that individuals use to define a market, an industry, or competitors affect comparison sets and evaluation standards. If categories are cognitively influential and malleable, then firms may creatively define the categories through which their activities are evaluated to influence how people conceive and think about their business. Pontikes contributes to the special issue by suggesting that the definition of a category may in and of itself constitute a strategic decision.

Also, adopting a sociocognitive approach, Cattani et al. (2018) explore how competitive sense-making may amplify and extend the insights developed within economic approaches to strategy, particularly the value-based view. On observing that models of competitive positioning, market power, and bargaining often push sociocognitive conceptions of market relationships into the background (and that research on the cognitive microfoundations of strategy often push the economics of competitive strategy into the background), Cattani et al. develop a competitive sense-making approach that bridges these two perspectives on competitive strategy. More specifically, they discuss how conceptions of comparability, counterfactual reasoning, and mental time travel allow firms to develop stories of market relationships and argue that these sociocognitive processes mediate associations between strategic actions and decisions. Building on Brandenburger and Stuart's (1996) value-based view, Cattani et al. use a series of case studies to illustrate how issues of identity, comparability, and temporality affect market relationships and "flesh out" the behavioral underpinnings of the value-based view.

The observation regarding the importance of "behavioral underpinnings" in Cattani et al. serves as an effective bridge to the next contribution. Lovallo and Sibony (2018) consider how the salience and framing of a situation are likely to influence the attention and effort of decision makers as well as the rationality of the decision-making process they employ. Lovallo and Sibony leverage this discussion to develop a taxonomy of decisions that emphasizes distinctions between strategic and nonstrategic choices, single and repeated (framed) choices, and more or less highly salient choices. This taxonomy yields six types of decisions: (i) Archetypical decisions are single choices that are labeled strategic and are in fact strategic, (ii) programmatic decisions are repeated choices that are labeled strategic and are not in fact strategic, (iii) hyped decisions are single choices that are labeled as strategic but are not in fact strategic, (iv) habitual decisions are repeated choices that are labeled strategic but are not in fact strategic, (v) hidden decisions are single choices that are not labeled strategic but are in fact strategic, and (vi) process-driven decisions are repeated choices that are not labeled as strategic but are in fact strategic. In addition to identifying some of the different obstacles linked with different types of decisions, Lovallo and Sibony's article suggests numerous avenues for future research. For instance, future work might test their proposed taxonomy, explore some of the reasons why firms may incorrectly classify decisions as strategic, or explore how the framing of decisions as temporally independent or temporally interdependent affects the quality of decision making and its ultimate consequences.

The special issue closes with Elfenbein and Sterling's (2018) article, which differs from others in this special issue because it offers an application of the characteristics of strategic decisions discussed above to a particular problem—in their article, the problem of human capital acquisition. Specifically, Elfenbein and Sterling describe how the concepts of irreversibility, activity interdependence, rival interdependence, and uncertainty affect hiring decisions. They conclude that hiring decisions that exhibit several of these characteristics (i.e., strategic hiring decisions) are likely to demand a different type of managerial attention than standard hiring practices. In addition, Elfenbein and Sterling suggest how a deeper understanding of what makes hiring strategic yields implications for several hiring processes (e.g., a best athlete or best fit approach, the use of artificial intelligence or human-centered employee selection models). Perhaps more than any other article in the special issue, Elfenbein and Sterling's article illustrates how a nuanced understanding of what does (and does not) constitute a strategic decision helps a functional expert generate insights about important problems faced by that business function, in this case, hiring. In addition, the article helps scholars illustrate how frontier questions can connect and contribute to the core of the strategic management field.

Collectively, the articles published in this special issue offer a window into the ways in which scholars employing several different disciplinary perspectives view the field of strategic management. These articles identify fundamental decision characteristics that discriminate between strategic and nonstrategic decisions and illustrate different approaches to addressing the challenges unique to the class of strategic decisions. We expect that further analysis of the types of decisions discussed in this issue will give rise to notable tensions in strategic decision making and, possibly, link to many of the canonical problems that have been used to characterize the strategic management field (e.g., Rumelt et al. 1994, Hambrick and Fredrickson 2001). We hope that the issue stimulates authors from a variety of disciplines to engage more directly and explicitly with some of the complications associated with strategic decisions—encouraging them to draw out the strengths and weaknesses of their disciplines, noting opportunities for further integration with allied approaches, and proposing additional characteristics that define problems as *strategic*. In so doing, we hope to marshal the theoretical and methodological pluralism of the *Strategy Science* community to advance our understanding of important strategic choices and their ongoing management.

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