

## Internet Appendix A135: Strategic Decision Making (2)

<b>Pitcher's Name</b>	Bruce Mortimer	FoR category	Strategy	<b>Date Completed</b>	10 June 2016
<b>(A) Working Title</b>	Dominant stories and strategic decision-making in complex, dynamic and ambiguous business environments.				
<b>(B) Basic Research Question</b>	In situations of extreme environmental change, how do strategic decision-makers' stories reveal their motivations, build the case for and influence the impacts of their decisions?				
<b>(C) Key paper(s)</b>	<p>Shepherd, N. G. and J. M. Rudd (2013). "The Influence of Context on the Strategic Decision-Making Process: A Review of the Literature." International Journal of Management Reviews overviews the strategic decision-making literature, identifying biases and gaps.</p> <p>Sandberg, J. and H. Tsoukas (2015). "Making sense of the sensemaking perspective: Its constituents, limitations, and opportunities for further development." Journal of Organizational Behavior 36(S1): S6-S32. – summarises the sensemaking scholarship and opportunities for future contributions.</p> <p>Näslund, L. and F. Perner (2012). "The appropriated language: Dominant stories as a source of organizational inertia." Human Relations 65(1): 89-110 – introduces the concept of dominant stories and their implications for organisations.</p> <p>Linnenluecke, M. K., A. Griffiths and M. Winn (2012). "Extreme Weather Events and the Critical Importance of Anticipatory Adaptation and Organizational Resilience in Responding to Impacts." Business Strategy and the Environment 21(1): 17-32 – explores the relationship among extreme weather events, climate change and organisational responses.</p>				
<b>(D) Motivation/Puzzle</b>	<p>On 16 October 2007 Queensland Premier Anna Bligh stated in parliament “We believe that Queensland can become a global leader in the planning, design, construction and operation of innovative water services” capitalising on “...world-class knowledge and expertise that will be in increasing demand as the rest of the world seeks to adapt to climate change”. Premier Bligh highlighted three of the strategic decisions—recycling waste water for drinking, using non-weather-dependent seawater as a water source and gaining community support to more than halve water usage - implemented in response to the ongoing and unprecedented drought in the State’s heavily urbanised south-east. However, by early 2013 the recycled water scheme had been mothballed, the desalination plant was on standby and community support had evaporated. My personal experience was that South East Queensland’s approach to urban water management had become something of a national water industry joke. What can explain this dramatic erosion of outlook? Certainly the environmental, economic and political circumstances disrupted the outlook with devastating floods in 2011, the end of the mining investment boom and changes of governments at both state and federal levels. But to what extent were the seeds of this demise planted in the strategic decision-making and implementation during the drought? Could an understanding of this be applicable more generally to strategic decision-makers responding to complex changes such as those associated with climate change?</p>				
<b>THREE</b>	<b>Three</b> core aspects of any empirical research project i.e. the “ <b>IDioTs</b> ” guide				
<b>(E) Idea?</b>	<p>This research is founded on the idea that strategic decision-makers use storytelling to contest the case for and against particular strategic-options, with certain stories becoming dominant and subjugating alternative interpretations. An enduring drought is a distinctive context to explore this idea because it is a slowly-evolving crisis, different from the more cataclysmic events such as fires and industrial accidents that are the settings for most research that explores storytelling and sensemaking. There is time across the phases of a drought for stories that gain early dominance to confound adaptiveness to subsequent contexts.</p> <p>The South East Queensland drought was widely talked about, reflecting its broad impact and controversy. Those contesting decision-making drew on storytelling devices to strengthen their case. For example, Premier Bligh’s predecessor Peter Beattie exploited the metaphor “Armageddon Situation” to justify cancelling a planned plebiscite to seek community approval to use purified recycled water for drinking. I want to explore both how such stories evolved to be dominant in one context and, the adaptiveness of these stories for decision-making in subsequent contexts.</p>				

<b>(F) Data?</b>	<p>Two sources of data are being explored – statements made contemporaneously with decisions and subsequent reflections by strategic decision-makers.</p> <p>Contemporaneous statements  Political decision-makers actively talked about the drought. Their statements are recorded in parliamentary and media records. The research analyses parliamentary debates between 2006 and 2011. In 2006 the drought reached unprecedented severity. The State Government developed and implemented responses between mid-2006 and 2008, with further refinements occurring until the major flood in January 2011. The research also draws on the media records, particularly those from the Australian Broadcasting Corporation (ABC) because of the comprehensiveness of its archive.</p> <p>Reflective statements  Interviews have been conducted with 25 strategic decision-makers including politicians, senior policy-makers as well as board members and senior executives from water supply agencies.</p>
<b>(G) Tools?</b>	I am taking a qualitative, inductive methods approach. I utilise the NVivo software to organise and code data to undertake discourse analysis.
<b>TWO</b>	<b>Two</b> key questions
<b>(H) What's New?</b>	<p>This research is novel in that it proposes a new framework for strategic decision-making from the perspective of how decision-makers construct and reflect-on the case for action. Research into a slowly-developing crisis (drought) explicitly linked with climate change also is a new context for storytelling, sensemaking and decision-making research.</p> <p>This study improves the understanding of how strategic decision-makers navigate complex, dynamic and ambiguous changes in their business environment, a problem that has not yet been fully addressed in existing scholarship. Strategic decision-making is conceived in the literature as a linear process of cause and effect among antecedent characteristics, decision-making approaches and the attributes of resulting decisions. This does not explain how complex, dynamic and ambiguous contexts such as those likely to be more frequently associated with climate change force a more non-linear, iterative and contested approach to decision-making. There is a need for an alternative conceptualisation of strategic decision-making to better address this exogenous complexity and the dynamic interrelationships among cognition, emotions, ethics and social relationships in decision-making.</p>
<b>(I) So What?</b>	Situations of such complexity will become more frequent because of climate change. Responding to climate change is an emerging and important challenge particularly for weather-sensitive industries such as water supply.
<b>ONE</b>	<b>One</b> bottom line
<b>(J) Contribution?</b>	This research contributes in three ways. First, it proposes a new framework for strategic decision-making that integrates context, sensemaking and motivation. Second, the research explores storytelling and sensemaking in the novel context of the slowly-developing phenomena of a drought. Third, the research offers insights into strategic decision-making for the emerging challenge of climate change.
<b>(K) Other Considerations</b>	