

COMPETITIVE STRATEGY, DECISION-MAKING STYLE AND ORGANISATIONAL PERFORMANCE: A CONTINGENCY APPROACH

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The choice of decision-making style and the competitive strategy of an organisation play a significant role in gaining competitive advantage and achieving superior performance. The relationship between strategy and organisational performance is a central issue that essentially determines organisation's decision-making processes. The objective of this paper is to examine and analyse the influence of strategic decision-making style and the competitive strategy on organisational performance based on contingency theory. The study focuses on large construction organisations in South Africa using a quantitative questionnaire survey to elicit information. Competitive strategy and decision-making style attributes cannot be measured objectively, thus subjective data were used using opinion scales. The data collected were analysed using regression, correlation and descriptive statistics. The results indicate that organisations adopted decision-making style in their day-to-day operational activities. The findings also show that directive style of decision-making shows negative but significant association with the overall performance of organisation while differentiation strategy is negatively but significantly associated with objective performance measure. The findings cannot be generalised to other smaller construction organisations as it was limited to large organisations. Knowledge of the relationship among the variables measured in this paper will be beneficial to both owners and managers of construction organisations because it provides necessary information on how strategic decision-making influences strategy adopted and in turn organisational performance.

Keywords: competitive strategy, contingency approach, decision-making style, organisational performance.

INTRODUCTION

Managements of organisations are expected to make strategic decisions that have significant influence on their organisation's performance, the style and speed of decision-making has been reported to be strongly related to organisational performance (Goll and Rasheed, 1997; Baum and Wally, 2003). Contingency approach holds that, decision-making structure are chosen based on the competitive strategy employed by an organisation, and assumes that organisations that carefully select their strategy with adequate attention on decision-making structure outperform their competitors that do not (Chung, 2008; Chung, Wang and Hang, 2012). Part of

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the key issues in the strategic management field is the clarification of the developmental process of strategy so as to provide a plan for decision-making that will lead to effective formulation of strategy (Panagiotou, 2008). Competitive strategy of an organisation and its structural relationship are vital in improving organisational performance and enhance its competitive advantage. Organisational strategic decision making and competitive strategy have been topical issues of great concern among scholars from diverse background most especially amongst researchers in both strategic management field and organisational theory (Dean and Sharfman, 1996; Pertusa-Ortega, Molina-Azorin and Claver-Cortes, 2010; Amzat and Idris, 2012). It is believed that, the quality of decisions is dependent upon the organisations strategic process and posture. This exerts pressure on organisations to identify their strengths, weaknesses and device mechanism to recognise pertinent business opportunities, and adapt to the dynamic construction business environment in a way that will reduce or eliminate business threats. The identification of these factors will not only enable organisations gain competitive advantage over their industry rivals but guarantee the needed survival to remain in business by obtaining the anticipated strategic fit (Panagiotou, 2008).

Rowe and Mason (1987) view decision-making style from a psychological viewpoint and contend that, it is a cognitive process that characterises how an individual solves a problem and make use of available information to formulate decisions. The cognitive viewpoint considers organisation and its external environment to be interrelated while the industry environment and market margins are constructed socially through the development of competitive depiction (Porac et al., 1995). The cognitive process assists an individual to adopt analogous postures and behaviours in different spheres of influence (Raffaldi, Iannello, Vittani and Antonietti, 2012). Despite the significance of decision-making style as self-assessment tools that require organisations to evaluate its modus operandi inertly, there is a lack of understanding on how the decision-making style influences organisational performance taking into cognisance the competitive strategy. The contingent relationship between structure and competitive strategy, and their effects on organisation performance has been researched using contingency theory (Pertusa-Ortega, Molina-Azorin and Claver-Cortes, 2010). However, there is far less empirical or theoretical research devoted to investigate how competitive strategy and decision-making style affects organisation performance in construction context save (Lansley, 1987; Shirazi, Langford and Rowlinson, 1996).

Lansley's (1987) study focuses on corporate strategy and survival of organisations in the UK construction industry, but not on competitive strategy which is the focus of this paper. Lansley establish the relationship between construction industry environment, the strategies of construction organisations and the implication of these on structure and management styles of the firms. Though Lansley explained corporate strategy may be studied using contingency theory, he did not acknowledge that if an organisation desires to diversify, it requires changing its structure from functional to division structure (Pertusa-Ortega, Molina-Azorin and Claver-Cortes, 2010). The attention of Shirazi et al. (1996) was on the linkages between theoretical issues that influence the structure of construction project organisations with respect to their environment and technological complexities. This paper is aligned to the view of

Chew, Yan and Cheah (2008) who posit that technology is a strategic resource required by construction organisations to obtain competitive advantage and performance excellence.

This paper examines and analyses the influence of the strategic decision-making style and the competitive strategy on organisational performance based on contingency theory and would therefore, contribute to the current discourse on the impact of strategy, decision-making style and organisational performance in the construction context using the contingency approach. Against this background, the paper investigates how the decision-making styles with respect to competitive strategy influence organisational performance. The paper also examines the relationship between different types of decision-making styles, competitive strategy and organisational performance.

THEORETICAL BACKGROUND AND CONCEPTUAL FRAMEWORK

The theoretical framework of this study is founded on the contingency theory. Strategic contingency theory upholds that a beneficial strategy should obtain a strategic fit with the dimensions of the environment in which it is implemented; this suggests that different strategies are required in different environments in which organisations operate (Baack and Boggs, 2008). The competitive strategies and the strategic decision-making styles of construction organisations will therefore, be measured based on the contingent variables identified in the literature. The linkages amongst the constructs: strategy-structure-performance trilogy, as it affects organisational performance will be its focus. Thus, the study investigates the underlying theoretical foundation of prior studies in this subject area.

Although, strategic contingency theory can be traced back to the structure-strategy-performance paradigm linked to the early institutional economists (such as Mason, 1939 and Bain, 1956), the idiom ‘contingency theory’ was first introduced in organisational studies lexicon in 1967 by Lawrence and Lorsch. Lawrence and Lorsch (1967) conduct an empirical research to show the influence of organisational structure on economic performance of organisations and argue that organisational performance is contingent upon environmental dimensions. Since that period, contingency theory continues with its dominance in strategic organisational management literature as one of the central approaches to the study of organisational design and remains the most extensively adopted present-day theoretical approach to organisational studies (Scott, 2003). The theory focuses more on strategy than structure and its concern is on the strategic fit or match between strategy and environment (Lee and Miller, 1996). Porter (1980, p. 3), unequivocally states that “The essence of formulating competitive strategy is relating a company to its environment.” The theory proposes that the most sustainable strategic posture of an organisation is the one that obtains a beneficial strategic fit with the business environment (Parnell, 2013). The main concern of contingency theory is on how organisation achieves strategic fit with the environment to enhance performance with respect to its structure. However, the contingency theorist, argue that no single ideal style or kind of organisation exists for all potential types of environment; each organisation must obtain a beneficial fit between circumstantial elements- business environment, the organisational structural attributes,

and the competitive strategy (Parnell, 2013; Pertusa-Ortega, Molina-Azorin and Claver-Cortes, 2008).

The perception ‘fit’ explains the strategic linkages between organisations and their contextual components to enhance organisational performance. The concept ‘fit’, as used in contingency theory, is described in Pertusa-Ortega et al., (2008: 141) “as the degree of internal coherence among a set of theoretical attributes (for instance, certain strategies will most probably be associated with specific organizational structures and environments)”. Mile and Snow (2003) posit that the most effective and efficient organisation is the one that develop mechanisms that permit organisation’s to achieve strategic fit and complement the market strategy. The strategic fit being referred to in this paper is the competitive strategy and decision-making style used in enhancing organisational performance/excellence and this is conceptualised in Figure 1.

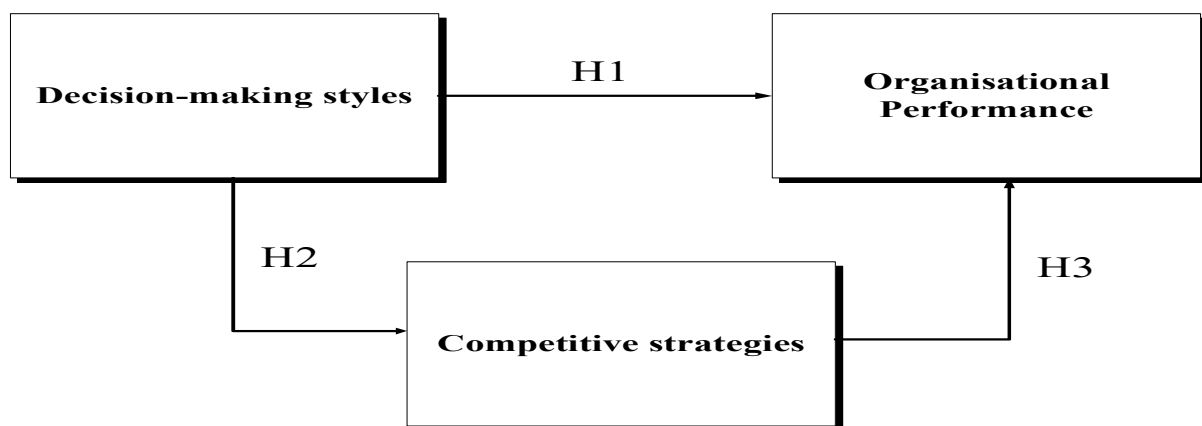


Figure 1: Conceptual framework for moderating effects of decision-making styles in the relationship between strategies and corporate performance

It is essential to delimit the fit used in this paper because many of the previous studies that focused on contingency approach failed to unambiguously delimit the description of fit that they use, which often lead to confusion when putting forward the influence of organisational fit on the performance of an organisation (Roca-Puig and Bou-Llusar, 2007). This is considered to be one of the reasons for incongruence in the results of empirical research theorising on the impact of fit on organisational performance (Pertusa-Ortega et al., 2008). Pertusa-Ortega et al. (2008) argue that within the construction of contingency concept, organisational performance is dependent on the fit that exists between organisational background, its structure (this is conceptualised as decision-making style) and the strategic processes of the organisation. Findings from previous studies indicate that different decision-making styles exhibit different impacts on organisational performance which may be positive or negative (Rehman, 2012; Amzat and Idris, 2012). Govindarajan (1989) also found that problem-solving style among other factors have influence on the competitive strategies of business units.

Decision-making

Due to the turbulent and hyper-competitive nature of construction business environment, especially in South Africa, where no entry barriers exist (Construction Industry Development Board(cidb), 2012), construction organisations receive pressure

to think fast and be ahead of their competitors in the market place so as to capture business opportunities. Robbins and Coulter (2005) argue that decision-making is an integral part of managerial functions and as such decision making is central in a managerial functioning system. Hence, decision-making is one of the most vital function performed by the management of an organisation. In fact, the primary responsibility of managers is decision-making upon which the success or failure of any organisation is hinged (Yukl, 1994; Nooraie, 2012).

Decision-making styles

Asaari and Razak (2007) view strategic decision-making as those decisions that give overall direction to an organisation and its eventual sustainability in the face of expectable, changeable and unforeseen events that may likely ensue in an organisation's vital business environment. Decision makers are influenced by the unpredictable nature of the business environment and as such managers are saddled with the responsibility of making everyday decisions on issues that affect their organisations and provide solutions to problems (Tatum, Eberlin, Kotttraba and Bradberry, 2003). Tatum et al. (2003) posit that decision-making style has been discussed in extant literature from various viewpoints and one size fits all solution does not exist, as there is no unanimously accepted categorisation of decision-making style. Tatum et al. (2003) contend that decision-making style vary with regard to the quantity of information available at the disposal of decision makers, the amount of alternatives that presents itself, and the degree to which decision makers strive to put together and coordinate several sources of input (information). This supports the earlier position of Eisenhardt (1989) who argues that the larger the amount of information available to a decision maker, the quicker the decision-making even when various sources of information are put into consideration. Eisenhardt's theory is contrary to traditional decision theory which acknowledges that the speed of decision making slows down when dealing with large and multiple sources of information.

However, Asaari and Razaki (2007) posit that decision making style may be categorised based on the approach used by decision makers in solving organisational problems and that these styles are grounded on the individual manager's perspective toward decision making. Bartol and Martin, cited in Asaari and Razaki (2007) contend that multiple models of decision-making style exist in literature and these include: rational style, non-rational style, satisficing style, incremental style, and garbage-can style. Scott and Bruce (1995) also, categorised decision-making style into five different groups which they tagged General Decision Making Style (GDMS). These classifications include: rational, intuitive, dependent, avoidant, and spontaneous decision-making style. Rational decision-making style denotes that individual engrossed in rational decision processes anticipate the need for it, and adequately equipped with all necessary information suitable to make an effective decision. Intuitive decision-making suggests that managers rely solely on premonitions and feelings without adequate information to make optimal decisions. This may be from any of these sources; innate response, general experience or focused learning (Patton, 2003). Dependant style describes managers that rely heavily on direction and support of subordinates or other individuals to make vital decisions. This type of manager always search for advice and direction from others to arrive at decisions. Avoidant decision-maker, try to avoid decision-making or perhaps postpone making of vital decisions either for fear of failure or any other reasons. Spontaneous decision makers are known for making sudden and impulsive decisions. They are quick in making

decisions and always eager to come through the decision making process as rapidly as possible (Omotola, 2012).

In contrast, Miller, Hickson and Wilson (1996) argue that decision-making is satisficing rather than maximising. They contend that decisions cannot be made wholly in a rational way considering the constraints of organisational sophistication and the cognitive abilities of managers. As a result of this, this paper considers decision-making style from the four forces that determine how decisions are made as argued by Rowe, cited in Amzat and Idris, (2012). This is because it is essential to explore individuals' decision within background of their set of needs, predisposition and the desired values taking into accounts apparent individual differences that manifest and become stable overtime. These styles are as follows:(i) **Analytic style**-this possesses the distinctive feature that is challenge-based achievement with complex reasoning attained through a methodical and slow decision making process; (b) **Behavioural style**- which promotes effortless reasoning, individual orientation and make employees feel valued within the organisation by creating an enabling environment that allows compromise to be reached and enhance better communication; (c)**Conceptual style**- the achievement of the organisation is based on the intrinsic rewards which are psychological, usually non-financial rewards that workers receive from performing their task meaningfully and doing it successfully. This includes rewards such as praises and recognition, which Thomas (2009) regards as the reinforcements that keep workers actively self-encouraging and enhances their work engagement. This style improves the employee's orientation and encourages creativity and idealistic environment; and (d)**Directive style**- the characteristics of this include authoritative power and dominant behaviour by the superior with clarity of purpose and simple reasoning or rational thinking.

Competitive strategy

Ansoff (1984) argues that the strategic management science as a field of study became prominent in the late 1950's, when organisations needed to develop a methodical approach in deciding where and how organisation will carry on with its future business. This assertion was corroborated by researchers that the key reasons of strategic management research is to assist organisations identify and decide ways of improving their performance (Crook, Ketchen, and Snow, 2003). Competitive strategy involves a series of methodical and linked decisions that put business organisation in a vantage point to compete favourably with its business rivals. The concept of competitive strategy originates from Porter's (1980; 1985), 'competitive advantage theory' which turned into an axiom towards the end of the 20th century. Competitive advantage was developed by Porter to enable organisations sustain their ability to improve performance and be more innovative in their approaches to enhance quality of their products.

The essence of competitive strategy is to enjoy superior profit margin and remain competitively relevant in the marketplace to attain success (Porter, 1985). Therefore, competitive strategies that are used mostly in business organisation including construction business as categorised generically by Porter are to either (1) strive to be the industry low-cost producer through cost-based business strategy, (2) practice different strategy based on quality, superior performance or technological dominance, and (3) concentrate on a market segment using focus strategy to achieve competitive advantage by performing more than the competitors in providing more value to the product required by the buyers. These strategies are adopted within the construction industry as a result of the proliferation of construction organisations on a yearly basis, which forces the existing construction firms, to eliminate the potential barriers of new

entrants to the business (Isik Arditi, Dilmen, and Birgonul, 2010). This is achieved by adopting more proactive and competitive strategies: focus, low-cost or differentiation, to undertake or secure construction works that are beyond the capability of the new entrants (Isik et al., 2010). Hence, alignment of these strategies to the five competitive forces: threat of new entrants; threat of substitute products or services; bargaining power of suppliers; bargaining power of buyers; and rivalry amongst existing firms, as given by Porter, will provide organisations with the opportunity to identify and develop core competence skills required to achieve sustainable competitive advantage and performance excellence.

Pearce and Robinson (2007) contend that in an ideal strategic management setting, decision makers must come from all the three decision-making hierarchy levels of an organisation: Corporate, Business or Competitive, Functional levels. This is because strategic decision-making exhibit an immense influence on organisations and demand huge commitment of organisation resources to align decision makers with the type of strategic goals and strategies they are more often than not responsible (Pearce and Robinson, 2007). The focus of this paper is on competitive strategy and as such decisions at business-level is of more importance. At this level, decision-making moves beyond conceptualisation and tends to be more effective in bridging the gaps between corporate and functional decision-making levels (Pearce and Robinson, 2007). Here, the manager translates strategic direction statements and intent into concrete objectives and strategies, and determine how organisation will compete in the industry (Pearce and Robinson, 2007).

Organisational performance

The continuous increase in the number of construction organisations denotes fierce competition, most especially in the South African context, where over 30 Acts relating to the construction industry have been enacted in nearly two decades to balance the inequality of the past and give preference to black owned organisations (cidb, 2004). Consequent upon this, construction organisations are confronting many issues of how to continuously exist in the industry by formulating strategies and making viable and feasible business decisions. Decision makers within an organisation require multiple sources of information to make quick decision on the ways to achieve the strategic goals of their organisation (Eisenhardt, 1989; Tatum et al., 2003). In making these decisions, considerable amount of information are needed, thus it becomes necessary for organisation decision makers to reappraise past decisions and evaluate their strategies to ensure the organisations objectives are being realised (David, 2011). This requires measuring the performance of the organisation. The measures of performance may be subjective or objective; this has generated heated arguments within the performance literature (Allen, Dawson, Wheatley and White, 2008). The two categories of performance measures have their own inherent merits and demerits. According to Allen et al. (2008), objective measures of performance such as return on investment, return on asset or return on capital appears to be more concrete in explaining organisations performance, but they are often limited in scope to financial or accounting data.

However, the inappropriateness of objective measures as insufficient for planning and making decisions for the healthy growth of organisations has been identified by Wongrassmee, Gardiner and Simmons (2003) and Jusoh, Ibrahim and Zainuddin (2008). This is considered unsuitable for this study because their focus is limited to easily measurable standards such as profitability and do not consider other norms

essential to competitive success (Liviu, Sorina, and Radu, 2008). The Subjective measures as argued by Allen et al. (2008), are leading indicators but indeterminate. Subjective measures by and large offer the researcher a comprehensive description of how effective an organisation is with respect to their industry or market competitors (Allen et al., 2008). Subjective measures of organisational performance permit a wider range of organisations to be contrasted unlike the objective measures that frequently constraint the breadth and scope of organisations that can be involved within a single study (Allen et al., 2008). Therefore, this paper views organisational performance from both perspective in relation to their competitiveness from multiple organisational standpoints and this comprises of accounting data, objective fulfilment and overall performance of the organisation. Therefore, effective managerial decision-making style can be assumed to exhibit a higher influence on organisational performance and as such, the paper hypothesised that:

Hypothesis 1: There is a positive and direct relationship between overall organisational performance and decision-making styles

Hypothesis 2: Decision-making styles moderate the relationship between competitive strategies and organisational performance.

Hypothesis 3: There is significant relationship between different measures of organisational performance with competitive strategy as moderated by decision-making style.

RESEARCH METHOD

The sample used in this study comprises of 277 large construction organisations functioning in the South African construction industry and listed in Grade 7 to 9 of the cidb Contractor Register. These categories are selected because the study intends to investigate the impact of the organisation decision-making styles and competitive strategy on performance which may not be uniformly distributed amongst small and medium sized construction organisations due to their size. Small or medium organisations are considered to be more centralised than large organisations, thus decision-making is centralised (Pertusa-Ortega et al., 2010). The research adopted an internet-based survey approach to administer questionnaires to top management staff of the sampled companies. This approach eliminates the barriers of postal surveys and allows the researcher to build in dynamic error tracking mechanism for consistency of response throughout the survey (Easterby-Smith, Thorpe and Jackson, 2012). The target respondents are the chief executive officers and senior management employees that have deep and broad knowledge of the organisation philosophy and its processes (Goll and Rasheed, 1997). They are considered to be the most suitable respondents for the research so as to explain the decision-making structure and strategic postures of their organisations (Pertusa-Ortega et al., 2010). A total of 72 (approximately 26%) valid responses were obtained and analysed. The constructs used for the questionnaire are derived from extensive review of extant literature as discussed in the following subheadings.

Operationalization of constructs

Decision-making style- The decision-making styles in this study is synonymous with problem-solving skills of managers or leaders of organisation identified by Lansley (1987). Although, the styles of decision-making used in this paper are based on

Rowe's classification, which made it easy to understand the cognitive aspect of managers in decisions making. The styles also assist in having full knowledge of how individuals view and approach problems within an organisation. Hence, the variables used in measuring the decision-making styles were adopted from Amzat and Idris (2012). This study measures the styles of decision-making- analytic, behavioural, conceptual and directive on a five point likert scale.

Competitive strategy- This paper considers the three generic strategy as classified by Porter (1980; 1985) and the generic strategies are measured with multi-item five-point likert scales. The study combines previously adopted items of measurement used by earlier researchers both within and outside construction management research, and adapts same to measure competitive strategy used by organisations (Kale and Ardit, 2002; Nandakumar, Ghobadian and O'Regan, 2010).

Organisational performance- This study analyses the performance of organisations from both subjective and objective perspectives. Some authors' view that subjective measures of performance are more suitable in measuring organisational performance because it strengthens generalizability of the findings (Allen et al., 2008; Pertusa-Ortega et al., 2010). Therefore, organisational performance was measured subjectively using overall objective fulfilment scale used in Nandakumar et al. (2011) on a multi-item five-point likert scale. The objective measure of performance used is the Return on Capital Employed (ROCE), this is because it indicates the level of effectiveness of organisational management of financial resources in the growth of its business. ROCE has been used in previous studies to measure performance in construction context, because it offers concrete evidence in the explanation of organisations performance (Ibrahim, Ibrahim, Kabir, 2009; Oyewobi, Windapo, Cattell, 2013).

Control variables- This paper adopts the size of organisation and number of years in business as a control variable to remove any potential influence it might pose on organisational performance (Pertusa-Ortega et al., 2010). This is because organisation size is a contingent variable that is capable of influencing the decision-making style due to the structure and design of the organisation (Pertusa-Ortega et al., 2010). Therefore, size of organisation was measured by the natural logarithm of organisation's employee's number; this will eliminate any potential effects on organisational performance due to the heterogeneity in the size of organisations considered.

Data analysis, Presentation and Discussion

The data were analysed using descriptive, parametric and multiple regression method of data analysis to establish the relationship and determine the impact of the variables on one another. The analysis follows the method used by Goll and Rasheed (1997), Baum and Wally (2003) and Huang (2001) for identifying moderating variables.

Table 1 shows the descriptive statistics (means and standard deviations) and Pearson product-moment correlation. The correlations between competitive strategies, decision-making styles and measures of performance show that all the four types of decision-making styles are present within the organisations considered and are being used whether knowingly or without attention. Directive style of decision-making shows negative but significant association with the overall performance of

organisation while differentiation strategy is negatively but significantly associated with objective performance measure (ROCE). However, this does not support hypothesis 1, because the relationship is negative, it thus proposes the need to explore the role of related variables as potential moderators of the association.

Regression analysis was conducted to examine whether there is a significant relationship between the constructs stated in the hypotheses. Table 2 shows the direct relationship among the variables with the measures of organisational performance, while Table 3 shows the moderated effect of decision-making styles controlled with organisational size and years of existence in the construction business. Model 2 indicates that the main effect was significant on objective performance measures (financial) and also shows that differentiation strategy is significantly related to objective performance. This is consistent with the findings of Spencer, Joiner and Salmon (2009) and Teeratansirikool, Siengthai, Badir and Charoenngam (2013), who assert that differentiation strategy influence organisational performance through financial measures. Direct but negative relationship exists between analytical decision-making style and overall organisational performance (Goll and Rasheed, 1997).

Table 1: Means, standard deviations, and correlations

	Mean	Std. Deviation	Directive style	Analytical style	Conceptual style	Behavioural style	Differentiation strategy	Cost-leadership strategy	Focus strategy	Subjective measures	Objective measures	Overall performance
Directive style	4.0694	0.75669	1									
Analytical style	4.25	0.74588	.343**	1								
Conceptual style	3.9167	0.83497	0.21	.328**	1							
Behavioural style	3.8194	0.89327	.352**	0.005	.319**	1						
Differentiation strategy	4.1157	0.39425	0.067	-0.02	-0.17	0.034	1					
Cost-leadership strategy	4.0972	0.43583	-0.135	0.105	-0.068	-0.081	0.209	1				
Focus strategy	4.0382	0.45706	0.043	0.106	-0.01	0.043	0.109	0.111	1			
Subjective measures	4.1574	0.33822	0.021	0.073	-0.061	-0.192	0.146	0.185	0.091	1		
Objective measures	503.3556	1732.97741	-0.182	0.141	0.196	-0.165	-.345**	0.12	-0.007	-0.077	1	
Overall performance	3.9583	0.86297	-.276*	-0.137	-0.083	-0.028	0.194	0.192	0.12	0.022	-0.131	1

**p<0.01:

This also supports the assertion of Amzat and Idris (2012) in a research conducted among research universities in Malaysia, it was found that analytical style is dominant and decision-making style influence job satisfaction of the group studied.

The moderated regression results (model 5) indicate that decision-making style moderates the relationship between cost-leadership and differentiation strategies and objective performance, this corroborates hypothesis 2 and 3 earlier stated. These findings is in line with the results of Dess and Davis (1984), Power and Hahn (2004)

and Allen and Helms (2006), who found that a positive relationship between cost-leadership and organisational performance. The results are also in harmony with the findings of Goll and Rasheed (1997) and Baum and Wally (2003), who established that decision-making is a strong predictor of organisational performance when used as moderators. Hence, these results provide evidence to support the three hypotheses stated in the paper.

Table 2: Results of regressing of organisational performance on decision-making styles and strategies

Independent variables	overall performance		Objective		subjective	
	Model 1		Model 2		Model 3	
	Beta	t	Beta	t	Beta	t
(Constant)		1.426		1.008		4.357**
Directive style	0.062	0.424	-0.005	-0.032	-0.167	-1.089
Analytical style	-0.304**	2.302	-0.176	-1.372	0.074	0.535
Conceptual style	-0.055	-0.436	0.124	1.014	0.06	0.452
Behavioural style	0.001	0.008	0.11	0.834	-0.018	-0.126
Differentiation strategy	0.18	1.488	-0.349**	-2.977	0.08	0.631
Focus strategy	0.098	0.817	0.012	0.101	0.087	0.693
Cost-leadership strategy	0.113	0.933	0.16	1.364	0.146	1.152
R2		0.158		0.204		0.075
F-Model		1.716		2.35**		0.741

Table 3: The moderating effects of decision-making styles on strategies and organisational performance

	overall performance		Objective		subjective	
	Model 4		Model 5		Model 6	
	Beta	t	Beta	t	Beta	t
(Constant)		5.495***		1.036		13.457***
Differentiation strategy x Dms	-0.01	-0.052	-0.571	-3.191***	-	-0.124
Cost-leadership strategy x Dms	0.019	-0.107	0.373	2.188**	0.115	0.626
Focus strategy x Dms	0.058	-0.329	0.109	0.658	0.01	0.055
Organisation size(log)	0.371	-1.757	-0.065	-0.328	0.099	-0.46
Organisation's years of existence (log)	0.23	1.089	-0.015	-0.077	0.177	0.828
R2		0.05		0.15		0.02
F-model		0.671		2.264*		0.258

CONCLUSIONS AND IMPLICATIONS

The findings from the analyses give support to the role of decision-making styles as a mediator in the association between competitive strategies and organisational performance. The empirical findings lend support to the hypotheses stated in the paper that direct association exists between decision-making style but negatively related and also moderate the relationship between objective measures of performance and competitive strategies. Based on these findings, it can be concluded that the lesser the

differentiation strategies used by construction company management in South Africa, the better their performance financially. Implying that organisations can adopt differentiation strategy to achieve high market share and then adopt cost-leadership to improve their objective performance. However, the results of this study have to be made clear considering the limitations ranging from research design, choice of data sourced and unavoidable trade-offs involved in the interpretation procedures. Competitive strategy and decision-making style attributes cannot be measured objectively, thus subjective data using opinion scales were employed. The sample used was limited to large construction organisations based in South Africa and depend on a respondent per each organisation, hence the results cannot be generalised to other smaller construction and service organisations in the industry.

However, the research findings present some implication for future research. It makes explicit the need to have a better understanding of the moderating role of different decision-making styles and their influence on organisational performance through competitive strategies. It is also essential to study these effects in relation to the dimensions of the environment concurrently so that content specificity of the different styles can be ascertained. Although, this study did not consider this, but there is a need to take cognisance of how organisational core capabilities influence these variables. In summary, this research made the need to consider different decision-making styles being practiced within an organisation as it affects its performance beyond rational processes apparent. A better understanding of this will enable organisations achieve superior corporate performance.

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