

The political strategic decision-making: towards an inferential model

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Abstract: *In this paper I design a comprehensive strategic decision-making model for conceiving the process of political strategic decision, from its emergence as an idea to its final evaluation from the point of view of its general estimated utility, passing through ten phases that include formulating strategic purpose(s), estimating time limitations and evaluating utility. The objectives of the paper are to discuss on the issue of strategic decision in the particular area of politics and the state, rather than in private companies, then to propose a logical-mathematical cumulative model of political strategic decision-making, one that could be applied either for deconstructing and analyzing decisions taken by politicians and/or state officials, or for conducting the process of taking decisions.*

Keywords: *inferential model of strategic decision-making; strategic decision; public administration.*

Introduction

Strategic decision is particularly important in politics. The politicians are a social group which, besides members of Parliament, also includes high-ranking officials and public servants from the executive branch of the Government, both at the central level of administration, and at the regional (local) one. These people can determine the fate of a country, region or city, simply by using the power with which their constituencies invest them once in a given number of years. Some long-term decisions that politicians assume are crucial for the development, stability and even peace in a country or in the world. The importance of strategic decisions of politicians, therefore, surpasses by far that of strategic decisions of firm directors or CEOs of corporations. This happens because the rational economic aspect covered by business cannot replace or exclude, by

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itself, the social aspect which comprises a great amount of irrationality manifested in forms of social and/or political affiliation, frequent taking parts and switching sides on occasions such as trending public subjects and the “breaking news” topics from the news. By the other hand, politicians are directly interested *both* in the rational economic aspect, in order to obtain funding for their elections, and in the irrational social aspect, in order to obtain: 1. votes from their constituencies and 2. the popularity needed both in order to win the elections and to keep their offices after they begin serving their terms. This would make the social component of the politicians’ motivation far more important, in a democracy, than the economic component. Also, it would imply that an efficient model of political strategic decision cannot be conceived otherwise than by taking into account all incentives that determine that motivation. In this paper, I will try to design such a model.

Models of strategic decision-making.

In their paper, *Strategic decision models: integrating different perspectives*, Hitt and Tyler (1991, p. 327) introduce three models and perspectives of strategic decision-making:

- The normative model, whereas *“executives examine the firm’s external environment and internal conditions and, using the set of objective criteria derived from these analyses, decide on the strategy”*
- The strategic choice model developed from the normative model, which focuses on strategic change and *“emphasizes the effects that executives can have on strategic decisions.”*
- The external control perspective views strategic decisions as being *“largely constrained by the external environment”* (external towards the internal environment of the organization).

One can see that these models and approaches focus on firms and organizations and are, therefore, methods of describing facts that happen mainly in economy. They make an analogy that some of their authors (Eisenhardt & Zbaracki, 1992) believe should be taken for granted, namely the one that organizations are also political systems, or can be viewed as such for reasons of commodity, allowing to draw scientific conclusions

about a *society* by describing relations between a few people and linking those relations to a more general given context.

Also, it should be noted that the rational choice theory with its methodological individualism views institutions as *sets of rules applied to individuals who conduct rational actions*. This approach has its roots in economic thought and economic analysis, thus allowing finding common characteristics and relevant similarities between collective action in private institutions such as firms, corporations, other business companies, and state/public companies, such as government departments, ministries, and agencies. This is what allows to import methods of analysis of the private sphere into the public one. I elaborate on the strategic decision in the public sector starting from these theoretical grounds.

I will further argue the capacity of these models of comprehending political strategic decision-making. One important aspect of the way strategic decision is perceived in politics is the fact that scholars and authors have treated it mainly from the point of view of *deliberation*, not of *administration*. The mainstream political perspective on strategic decision-making comes from observing and analyzing the legislative process. Instead, the political executive branch with its administrative sphere was researched using, mainly, the incomplete tools of institutional analysis and pretending this would be, somehow, “rational”. The results were a rigid, cold and often unreadable literature that practices scientific irrationality exactly by claiming rationality, because it fails to conjoin the bureaucratic, institutional analysis (the hierarchic orders and regulations that compose it – for example, the so-called “emergency ordinances” that determine many actions the central executive power in Romania) and the analysis of the so-called “political arena”, or “political échiquier”, which is the dominant approach in the mass-media and focuses mainly on *representatives*, not on *executives*. *“The roots of the political perspective on strategic decision-making lie in the political science literature of the 1950s. Various authors of that era developed a view of decision making in government which emphasized the conflictual nature of the legislative process. That view held that decisions were the result of a process in which decision makers have different goals; they come together through coalitions, and the preferences of the most powerful triumph. This paradigm was obviously well-suited to the legislative branch of government where there are competing interests, sharply*

defined coalitions, and clear winners.” (Eisenhardt & Zbaracki, 1992, p. 22). Eisenhardt and Zbaracki further affirm that *“the heart of the political perspective is the process by which conflict is resolved among individuals with competing preferences.”* (Eisenhardt & Zbaracki, 1992, p. 23). When they turn to methodology, they find that *“there are two streams of research within the political perspective. [...] One consists of vivid case studies illustrating the political perspective in a variety of contexts. The other contains a series of deductive studies, many of which were conducted by Pfeffer and his colleagues in the 1970s, that demonstrate the power of the political model.”* (Eisenhardt & Zbaracki, 1992, p. 23).

At the organizational level and inside the organizations, however, *environmental interaction* seems to be the primary factor in determining departmental influence on strategic decisions at the expense of *internal organizational activities*, namely the ones that the mainstream rational choice theory claims as basis for the rational collective action, due to their high potential of creating interpersonal ties. Such are the results of a field study conducted in 1981 in 15 organizations (Jemison, 1981). One can easily see the prevalence of internal organizational activities in corporations even today (at an even higher degree than in 1981), where executives use *team-buildings* and recreational activities provided for free or at a reduced price in order to keep their employees in a pro-active condition for as long as possible and enhance their working capacity.

An inferential model of political strategic decision-making

In a political context, where the act of governing a state through administrating decision making in institutions with different levels of subordination and/or collaboration both at the central and at the local levels of administration has to coexist with party interests considered as *modus operandi* for gaining political power in order to perform the act of public affairs administration, strategic decision making may be regarded on holistic grounds. Decision makers that we call “politicians” at a common knowledge level are, generally, required to take into account a large number of facts and to judge over a certain amount of personal and group interests in order to attain the capability of taking a good strategic decision, that is, one that would please as many as possible and

generate as little losses as possible in terms of image, money, freedom, etc. When regarding strategic decision making as being projected and taken by a personal agent (as in strategic choice perspective), the whole process from beginning to end can be conceived in the light of following steps that compose an inferential model of strategic decision making to be formulated here in a summary manner as a coherent structural ensemble of ten logical sentences comprising ten steps to be further developed, expressed and explained in II.1, II.2 and II.3. The ultimate goal of my model is to reach both the strategic decision making level and the strategic decision making evaluation level and to be useful for political decision making in any political context. My model is best fit for the analytic work of advisers, counselors and other employees whose job is to provide guidance for a sole decision maker from the executive branch of political power, either president, prime minister, minister or mayor of a big city. It can be used also by think tank experts in order to analyze and evaluate strategic decisions taken by some of the same officials.

The inferential model of strategic decision has been inspired by the work of David A. Kenny *Correlation and Causality*, a “general introduction to the topic of structural analysis” (Kenny, 2004, p. i). I use correlation because “first, *correlational* means a statistical relationship between a set of variables, none of which have been experimentally manipulated.” (Kenny, 2004, p. 1). In the field of political strategic decision it is fairly essential to anticipate in time potential flaws and to bypass obstacles in order to maximize outcomes, this is why it seemed to me that neither the normative rational model with its upgraded variant of strategic change approach, nor the external control model fully cover the need for theorizing upon political strategic decision. That’s because all three strategic decision models mentioned above cover the institutional, bureaucratic type of activity alone. Introducing the political aspect into a comprehensive, holistic approach of the strategic decision is the stake of this paper, and I shall leave this scientific subject open for further contributions that would succeed in developing the topic of my modest endeavor to the extent of its true importance.

The inferential model of strategic decision-making

1. Giving a certain initial idea, collect as much information as possible in a particular *context of interest* in which there is a scarcity of information (variables i and y , i inferred from y , or $y \vdash i$);
2. Using analyzed information I to define the purpose (variable p);
3. Estimating available resources and their limits (variables r and $l \vdash r=R$);
4. Rethinking the purpose into strategic purpose according to usable resources R (variable $R \vdash$ variable P);
5. Taking into account the former steps to define a set of tactical actions that are purpose oriented (set $A = \{a_p, b_p, c_p, \dots, n_p\}$; $P \vdash S$);
6. Taking into account time limits (variables t and $l \vdash t = T$);
7. Implementing each tactical action in a given moment in time (set $T = \{t_1, t_2, t_3, \dots, t_n\}$, $f: A \rightarrow T$ result set $A(T) = \{a_p t_1, b_p t_2, c_p t_3, \dots, n_p t_n\}$);
8. Estimating utility according to $P - P \vdash U$; set $u = \{u_1, u_2, u_3, \dots, u_n\}$
9. Evaluating utility function for each step: set $U = f: A(T) \rightarrow$ set $u \{a_p t_1 u_1, b_p t_2 u_2, c_p t_3 u_3, \dots, n_p t_n u_n\}$;
10. Estimating general purpose utility $U(P)$.

Explanation of the mathematical and logical apparatus used for the inferential model of strategic decision-making

The logical-mathematic methodology allows clarity and strengthens the capability of designing a neutral, detached, based-on-facts-only analysis. I use inference (\vdash) as an operation taken from the field of logics in order to explain strategic decision according to its subsequent tactical steps that, especially in a political context, depend in a high degree on irrational aspects such as behaviour of large groups of people. Inference is a logical operation that provides a greater power of theorizing than the plain implication.

From the algebra field, I use the theory of sets and the theory of functions (functions with two variables – grade II functions, and functions with three variables – grade III functions). I correlate a set of actions (A), a set of correspondent points in time (T), and a set of corresponding values of utility (U) in order to obtain a *proper tool of analysis of strategic decision*. If one gives particular values to each variable and resolves the correspondent

equations, these functions could be represented on bi-dimensional tables ($f(x)$ and $f(y)$ scale) and at a three-dimensional level using space geometry.

Textual explanation of the 10 steps composing the inferential model of strategic decision-making

1. By collecting information from a particular context of interest, one gathers useful data to serve in the estimation of goals to achieve. It is, in my opinion, the most important part, the basis of any decision of strategic importance. One cannot hope to maximize the rate of success of any endeavor, regardless of its nature, in the absence of data the fidelity of which is hard to contest using only common knowledge.
2. Defining the purpose as logic, causal collection of goals, is a stepping-stone towards the achievement of a strategic outcome. It is important to know exactly what is there to do, as, perhaps any important decision grounded in the public sphere and the political world is, in fact, a sum of simpler actions. Each of these actions has its own ends and employs its own means to achieve those ends.
3. Resources are vital in any strategic decision. Evaluating resources and knowing exactly how are they to make ends meet the proposed purpose is a step that cannot be avoided, because any flaw at this level would cause a further, graver flow in the end, and would endanger the finality of any endeavor.
4. Only after the correct evaluation of resources and the defining of a resource frame, the sum of particular goals can, as well, become a single, logical sentence that we would call purpose.
5. Knowing the purpose, one can start defining particular steps headed at its achievement, with the necessary condition of not deviating from the purpose. These requirements being fulfilled, any action will lead its agent towards the achievement of the proposed purpose.
6. Taking into account time limits is a fundamental prerequisite for a strategic decision. It would allow any strategist to plan effectively. Strategic decision depends on planning in a decisive manner.
7. Putting actions on a timetable is the next necessary condition to be able to implement strategic decisions. It requires taking each particular step headed at the achievement of each particular goal at its particular time.

8. Implementation phase is followed by an estimation of usefulness (utility), depending on the general purpose (P) and in the context of the general strategic decision.

9. The next phase assumes an estimation of the utility of each and every tactic decision taken in order to achieve the ultimate goal, defined by the general strategic decision.

10. A final evaluation of the way in which the strategic decision was implemented is needed for being able to see, at a last glance, how necessary it is, how well would it be brought into life and what would be its consequences on a long run.

Conclusions

Political strategic decision-making is dependent, primarily, on the long-term strategic purpose that its agent foresees, and, secondarily, on his/her capacity to maintain the desirable course of action. Strategic decision-making in politics and state administration can be conceived as a set of actions that start with observing a necessity, collecting information, formulating a general purpose and intermediate operational purposes, and start implementing by coming up with actions taking into account time and other limitations, followed by estimating general utility of the decision, and particular utility at each phase of implementation. The inferential model of the strategic decision-making comprises, in a logical deterministic order, the steps needed to take in the process of strategic decision-making in the public sphere and the field of public policies.

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