

STRATEGIC DECISION MAKING

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Meaning

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Major dimensions

MEANING

- Decision making is a Managerial process & function of choosing a particular course of action out of several alternative courses for the accomplishment of organisational goals
- Decisions may relate to general day to day operations or they may be strategic in nature.

MAJOR DIMENSIONS

1. Strategic issues require top mgt decisions
Strategic issues involve thinking in totality of the organisations & also there is a lot of risk involved. Hence, problems calling for strategic decisions require to be considered by Top mgt

2. Strategic issues are future oriented
Strategic thinking involves predicting the future environmental conditions & how to orient for the changed conditions.

3 Strategic Issues necessitate consideration of factors in the firm's External Env't

Strategic focus in org involves orienting its Internal Env't to the changes of External Env't

4 Strategic issues involves the allocation of large amount of company resources

It may require huge financial investment to venture into a new area of business or huge manpower with new set of skills in them

5 Strategic issues usually have multi-functional or multi-business consequences

As they involve org in totality, they affect the different sections of the org with varying degree.

6 Strategic issues are likely to have significant impact on the long-term prosperity of firm

Generally, the results of strategic implementation are seen on a long-term basis & not immediately.