LEARNING TO MAKE DECISIONS WITH STRATEGY TOOLS: HOW IS IT DONE?

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Abstract

Despite the widespread use, there is a limited understanding of how strategy or management tools are actually used in practice. Clark (1997) defines strategy tools as "numerous techniques, tools, methods, models, frameworks, approaches and methodologies." (1997, p. 417). These tools are used by people in organizations to facilitate decision-making processes. Examples include SWOT analysis, Business Model Canvas, Boston Consulting Group Portfolio Matrix or Porters Five Forces. Spee and Jarzabkowski (2009, p. 223) confirm the widespread use of strategy tools. Despite this fact, however, there are only limited insights into how these strategy tools are applied in practice and what the consequences of their application are. In line with the strategy-as-practice perspective, Spee and Jarzabkowski (2009, p. 223) therefore recommend to pay attention to how people apply strategy tools: "As the actual use of tools, as opposed to their textbook explanations, has been largely ignored, future empirical research ".

Paroutis et al. (2015) examined the visual interaction of managers with a strategy tool. The authors conclude that the theoretical and empirical understanding of the visual interaction process of managers with strategy tools is only limited and that there is a research gap here (Paroutis et al., 2015, p. 49). Larger and Stettler (unpublished) have pushed forward with their investigation into the area by analyzing whether there is a connection between the visual behavior of the subjects and their decisions. Groesser and Stettler (unpublished) conclude that further research in this area could be operated, for example, on the basis of other samples and stimuli. In order to deepen the scientific understanding, the aim of the present work is to provide new insights into how users approach and use strategy tools in decision making situations. The present study is a first step to the overarching goal of better understanding and teach the learning and practical use of strategy tools. This helps to enhance strategy tools in theory and increase the use of strategy tools in practice to a greater practical and societal value. I use eye tracking technology to analyze the learning and decision behavior. I provide first answers for the question: "How do decision makers view strategy tools?"

In addition to eye tracking, I employed the Think-Aloud method by which the subjects explicate their thoughts. An economic simulation was used as a stimulus for the experiment with n = 31 subjects. The eye tracking data was statistically evaluated. The Think-Aloud protocol were transcribed and included in the analysis together with control variables collected via questionnaires. The research found that different elements of a strategy tool are considered for different periods of time. Furthermore, the analysis showed that the factor “time” has a significant impact on the visual distribution of the gaze. However, a link between the gaze distribution and the result achieved using a strategy tool could not be established. Based on the data, it was also possible to corroborate a consistency effect between the visual gaze behaviors of the subjects in two subsequent applications of the same strategy tool.

Keywords: Learning, gaze, strategy tool, eye tracking, experiment, think-aloud, simulation game.