

**T.C.
ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES**



**EFFECTIVE DECISION MAKING PROCESS AND ITS IMPACT ON
STRATEGIC PLANNING PROCESS: A CASE STUDY OF NIGERIAN OIL
INDUSTRY**

THESIS

STANLEY CHIEDOZIE NWOSU

**Department of Business
Business Administration Program**

Thesis Advisor: Assist. Prof. Dr. Bekir Emre KURTULMUŞ

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İSTANBUL AYDIN ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ

Yüksek Lisans Tez Onay Belgesi

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This project work is dedicated to the Almighty God for his grace and divine protection throughout the project work.



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ETKİLİ KARAR VEREN SÜRECİ VE STRATEJİK PLANLAMA SÜRECİNE ETKİ: NİJERYA YAĞI SANAYİSİNİN ÖRNEK BİR ÇALIŞMASI

ÖZET

Bu çalışma etkili karar verme sürecinin (**EDMP**) stratejik planlama süreci (**SPP**) üzerindeki etkisini belirlemeye çalışmıştır. Amaç, Karar Verme Kapsamluluğu, Genişletilebilirlik ve Hız olmak üzere **EDMP**'nin boyutlarının Stratejik Analiz, Stratejik Seçim ve Strateji Uygulaması olan SPP önlemleri üzerinde herhangi bir etkisi olup olmadığını tespit etmektir. Bu, boş formlarında **EDMP**'nin boyutları ile **SPP**'nin önlemleri arasında anlamlı bir ilişki bulunmadığını ifade eden dokuz hipotez ortaya çıkarmıştır. Çalışma Nijerya petrol endüstrisi üzerinde yapıldı ve veriler Port Harcourt'taki 25 küçük ve orta ölçekli şirketten 250 katılımcıdan elde edildi. Elde edilen veriler, Spearman'ın sıra siparişi korelasyon tekniği kullanılarak istatistiksel analize tabi tutuldu; Sosyal Bilimler İçin İstatistik Paketi (SPSS) 21.0 sürümü tarafından desteklenmiştir. Analiz, **EDMP**'nin boyutları ile SPP'nin önlemleri arasında güçlü ve olumlu bir ilişki olduğunu ortaya koymuştur. Analiz sonuçlarına göre, EDMP boyutlarının SPP önlemlerine olumlu ve belirgin bir etkisi olduğu sonucuna varılmıştır. Küçük ve orta ölçekli işletmelerin, karar verme sürecinin, işlerinin büyümesine ve başarısına yönelik mevcut ve gelecekteki etkilerine özel önem vermeye gayret etmeleri önerildi; bu, onların eylemlerini yönlendiren güvenilir stratejik planlar üretmelerini sağlayacaktır. belirlenmiş hedeflere ulaşma yolunda.

Anahtar Kelimeler: *stratejik planlama; karar verme; petrol endüstrisi; Nijerya*

EFFECTIVE DECISION MAKING PROCESS AND ITS IMPACT ON STRATEGIC PLANNING PROCESS: A CASE STUDY OF NIGERIAN OIL INDUSTRY

ABSTRACT

This study sought to establish the impact of effective decision making process (**EDMP**) on strategic planning process (**SPP**). The purpose was to establish if the dimensions of **EDMP** which are Decision making Comprehensiveness, Extensiveness and Speed have any impact on the measures of **SPP** which are Strategic analysis, strategic choice and strategy implementation. This gave rise to nine hypothesis stated in their null form that there is no significant relationship between the dimensions of **EDMP** and the measures of **SPP**. The study was carried out on the Nigerian oil industry and data was generated from 250 respondents of 25 small and medium scale enterprises in Port Harcourt. Data generated was subjected to statistical analysis using the Spearman's rank order correlation technique; aided by the Statistical Package for Social Sciences (SPSS) version 21.0. The analysis revealed that there is a strong positive and significant relationship between the dimensions of **EDMP** and the measures of **SPP**. Based on the analysis, it was concluded that there exist, a positive and significant impact of the dimensions of **EDMP**, on the measures of **SPP**. It was recommended that small and medium scale enterprises should endeavour to pay special attention to the present and future implications of their decision making process to the growth and success of their business as this will enable them come up with reliable strategic plans that will drive their actions towards achieving set objectives.

Keywords: *strategic planning; decision making; oil industry; Nigeria*

1. INTRODUCTION

1.1 Background To The Study

One of the most critical activities of any manager is making strategic decisions. Decision making process of management is the process whereby a manager is placed in a position where it is necessary to choose between two or more alternative courses of actions in a bid to accomplishing organization's objectives (Rutherford-Silvers, 2008). Managers are often charged with the responsibility of making programmed routine decisions that are usually outlined in the organization's policy. They as well make unscheduled strategic decisions, emanating from the organization's strategies which are interrelated to their business environment.

Dragamir (2012), states that most of the decisions that are made by management of organizations are usually taken under the influence of certain environmental constraints that may be external or internal. Pimentel, Kuntz and Elenkov (2010) are of the opinion that as the environment is relatively dynamic with relative shortage of information; the decision of management can be made under certain, uncertain and risky conditions. Decisions that are usually made under conditions of uncertainty and unprecedented risks are characterized by complex, unstructured and unplanned challenges or problems which directly affect the strategic planning process of the organization.

Petrescu (2012), was of the opinion that in making informed decisions, managers must always consider three rudiments of morality in the decision-making process, which include; moral recognition, moral evaluation and moral intention / action. These principles of morality refer to a behavioural pattern which encourages adherence to the manager's own control and transparency; as well as his vigilance against those who may violate these principles as it relates to ethics in the business environment. The successful application of management decision making process in business organizations has resulted in new dimensions of management theory and philosophy.

Although it is well known that the small and medium scale enterprises (SME's) usually employ a sizeable portion of the total employees of the Nigerian economy, the management of these SME's are often starved of the required business related skills and knowledge to make informed decisions that can aid in the strategic management process and that is required to help these categories of organization meet their general operational objectives (Brinkmann, 2002). Considering the vital role which strategic planning plays in the larger organization, and also bringing to the fore, the believe that effective decision making should take the front position in business organizations, it is thus eminent to recognize the instrumental role which an effective decision making process should play in the active process of strategic planning in the small and medium scale enterprises as such will set a pace for the attainment of set goals of these SME's and consequently their growth and development in the highly competitive business environment.

1.2 Statement of The Problem

The success or failure of relative opportunities sized or missed by business organizations irrespective of whether they are large, medium or small organizations, depends to a great extent on the decision which management had made or failed to make in the past. Consequently, the assumptions associated with good decision making and their antecedents with respect to prompt implementation will determine the performance of any organization (Roger, 2006).

There are numerous challenges associated with the present trend in the decision making process, some of which could render ineffective, the process of decision making if not properly handled by management. For example, decision making in the contemporary business world is characterized with high level of speed which can influence both the internal and external environment of the business organization, consequently, if not promptly and carefully managed, can cause severe harm to the firm, in terms of cutting short the attainment of desired goals.

Petrescu (2012) asserts that decision making process that contains the basic characteristics that works collectively to drive the effective strategic planning endeavour of small and medium scale enterprises will exert instrumental influence on the pace of goals attainment of these SME's. However, it is pertinent to note that the

SME's have most often than not fallen short of achieving their desired operational objectives, their decision making processes has been ineffective over time and such has impacted negatively on the quality of strategic planning endeavour as the process of such strategic planning has been ill articulated in such a way that the SME's have failed in measuring up their accumulated goals achievements against the extent of financial and material invested into the decision making process.

Also, extent literature stock in this area of effective decision making process and strategic planning process are lacking especially in the area of small and medium scale businesses, available empirical studies (i.e. Rutherford-Silvers, 2008; Pimentel et al, 2010; Dragamir, 2012; etc) have not extensively addressed the shortcomings identified in this context of study. It is therefore in recognition of this gap in literature that this study was carried out to investigate effective decision making process and strategic planning process of small and medium scale enterprises in the oil industry in Nigeria.

1.3 Purpose of The Study

The purpose of this study is to examine effective decision making process and its effect on the strategic planning process of small and medium scale enterprises in the Nigerian oil industry. The essence of the study is to investigate if effective decision making process have any significant effect on the strategic planning process of small and medium scale enterprises in the oil industry in Port Harcourt. In doing this the researcher adopted comprehensiveness, extensiveness and speed as the dimensions of effective decision making process while strategic analysis, strategic choice and strategic implementation are chosen as the measures of strategic planning process.

The comprehensiveness of decision making has been widely and generally recognized as a major feature of a good and effective decision making process. Within the contest of decision making, it has been associated with the extent to which a complete exhaustive search or inquiry for alternative courses of action can be made, and how the alternative options may be strategically scrutinized and reviewed before the most favourable alternative is selected (Casala, 2007). Several attempts have been made by scholars Schwenk and Schrader (1993) to establish a link between comprehensiveness of the strategic decision making process and performance through their concept of meta-analysis of the planning performance literature of organization. However, the argument of the effect of comprehensives on as a dimension of effective decision

making process on strategic planning process is still ongoing. This study therefore seeks to establish if comprehensiveness have any effect on strategic planning process of SMEs in the Nigerian oil industry

Extensiveness in the decision making process simply entails that the decision making process must be valuable enough to solve series of long run challenges that may occur in future. It is usually associated with the long run decision making endeavour, unlike comprehensiveness which is situated in the short run. Chestnut (2013) opined that the decision making literature often indicates a dichotomy between the short term decision making process and the long term decision making process. Using the theory of complexity, Stacey (1996) argued that the result of a long term decision is challenging to forecast accurately because they are product of the entire history of an organization, and not that of a single action or judgement. On the other hand, Doyle (2012) asserts that good decision making process must consider the future and long term value of the intended outcome of the decision making process. This study is however intended to investigate the possible effects of extensiveness on strategic planning process.

Finally, speed in decision making process is closely related to the period of time within which a decision is made concerning strategic issues of corporate objectives (Matzler, Ballom & Mooradlan, 2007). Whittier, Williams and Dewett (2006) states that speed in decision making helps the organization to keep a close watch on the dynamism in the corporate business environment and enables the firm to make swift adjustments to changes that may affect the process of goals attainment in the business circle. We must specify here that when decisions are taking promptly and effectively executed or implemented accordingly, the ability of such decisions to enhance the strategic implementation of management plans is eminent. That is effective decision making process enhanced with speedy delivery will certainly drive management actions towards efficient and quality strategic planning process, which will in turn drive management actions through the use of human and material resources toward the attainment of corporate organizational goals. On the contrary, it is important to note that decision made in hurry without adequate consideration may hinder the accomplishment of desired goals since these decision are rashly dabbled into, in the name of speed. This study shall therefore investigate the effect of decision making speed on strategic planning process.

Therefore this study specifically examine the effects of the dimensions of effective decision making process (comprehensiveness, extensiveness, and speed) on the

measures of strategic planning process (strategic analysis, strategic choice and strategy implementation) in the small and medium scale enterprises in Nigerian oil industry.

1.4 Research Questions

The researched questions asked and answered in this study are as follows;

- i. To what extent would decision making comprehensiveness affect strategic analysis of small and medium scale enterprises in the Nigerian oil industry?
- ii. To what extent would decision making comprehensiveness affect the strategic choice of small and medium scale enterprises in the Nigerian oil industry?
- iii. To what extent would decision making comprehensiveness affect the strategy implementation of small and medium scale enterprises in the Nigerian oil industry?
- iv. To what extent would decision making extensiveness affect strategic analysis of small and medium scale enterprises in the Nigerian oil industry?
- v. To what extent would decision making extensiveness affect the strategic choice of small and medium scale enterprises in the Nigerian oil industry?
- vi. To what extent would decision making extensiveness affect the strategy implementation of small and medium scale enterprises in the Nigerian oil industry?
- vii. To what extent would decision making speed affect strategic analysis of small and medium scale enterprises in the Nigerian oil industry?
- viii. To what extent would decision making speed affect the strategic choice of small and medium scale enterprises in the Nigerian oil industry?
- ix. To what extent would decision making speed affect the strategy implementation of small and medium scale enterprises in the Nigerian oil industry?

1.5 Research Hypotheses

Based on the research questions, the following hypotheses were formulated and tested in this study:

- H₀:1** There is no significant relationship between decision making comprehensiveness and the strategic analysis of small and medium enterprises in the Nigerian oil industry.
- H₀:2** There is no significant relationship between decision making comprehensiveness and the strategic choice of small and medium scale enterprises in the Nigerian oil industry.
- H₀:3** There is no significant relationship between decision making comprehensiveness and the strategy implementation of small and medium scale enterprises in the Nigerian oil industry.
- H₀:4** There is no significant relationship between decision making extensiveness and the strategic analysis of small and medium scale enterprises in the Nigerian oil industry.
- H₀:5** There is no significant relationship between decision making extensiveness and the strategic choice of small and medium scale enterprises in the Nigerian oil industry.
- H₀:6** There is no significant relationship between decision making extensiveness and the strategy implementation of small and medium scale enterprises in the Nigerian oil industry.
- H₀:7** There is no significant relationship between decision making speed and the strategic analysis of small and medium scale enterprises in the Nigerian oil industry.
- H₀:8** There is no significant relationship between decision making speed and the strategic choice of small and medium scale enterprises in the Nigerian oil industry.
- H₀:9** There is no significant relationship between decision making speed and the strategy implementation of small and medium scale enterprises in the Nigerian oil industry.

1.6 Significance of The Study

This research work was of immense contribution to the understanding of the concept of effective decision making process and its influence on the strategic planning process of small and medium scale enterprises in the Nigerian oil industry. This study will equally be of use to the management of the SMEs as well as their staff in exposing them to the understanding and relevance of effective decision making process to the strategic planning process of their enterprises. Furthermore, this study is also envisaged to be of importance to students and scholars alike who may be interested in carrying out future research in this area of research interest as the findings could serve as a point of departure to future research endeavour.

Finally, it is believed that the general findings of this study will contribute to the existing stock of knowledge in administrative and social sciences.

1.7 Scope of The Study

The focus of this study is on effective decision making process and strategic planning process. Three dimensions of effective decision making process (comprehensiveness, extensiveness and speed) and three measures of strategic planning process (strategic analysis, strategic choice and strategy implementation) were selected for the study. The scope of this research study is premised from three main dimensions, geographic, content and level of analysis.

Geographic Scope: the study covered small and medium scale enterprises in the Nigerian oil industry.

Content Scope: The theoretical section covered in this study was related to literatures on effective decision making process and strategic planning process.

Level of Analysis: The elements that constituted our study population as well as the subjects that were drawn from the sample, were from the SMEs in the Nigerian oil industry. The unit of analysis was scoped as follows;

- (i) Managing Directors
- (ii) General Managers
- (iii) Departmental Managers
- (iv) Unit Supervisors

Small and medium scale enterprises in the oil sector were the industry of focus. The list of SMEs from which information were obtained were sourced from the official list of the corporate affairs commission.

1.8 Organization of The Study

This research work is structured into five chapters. Chapter one dealt with background to the study, statement of the problem, purpose of the study, research questions, research hypotheses, significance of the study, scope/limitations of the study, definition of terms and organization of the study. Chapter two dealt with the review of related literature on the study area. Chapter three dealt with research design, sampling procedure/sample size determination, data collection methods, operational measures of variables and data analysis techniques. Chapter four dealt with the presentation and analysis of data. Chapter five dealt with the discussions, conclusions, and recommendations of the research, as well as contribution to knowledge and suggestions for further research studies.

2. REVIEW OF RELATED LITERATURE

2.1 Theoretical Framework

The concept of effective decision making can easily understood but in practice, it is very difficult to implement. This is due to the fact that decision making cuts across every discipline and as a matter of fact, decision are made at one point or the other in the life of every individuals and organisations. Hence the importance of decision making cannot be overemphasised. There are several baseline theories that discussed the decision making. Some of which include the theory of regret, rational choice theory, causal decision theory, prospect theory, choice theory, game theory, expected utility theory, bayesianism theory, information processing theory, overconfidence theory, counterfactual decision theory etc. However for the purpose of this study, only three of these have been discussed briefly.

2.1.1 Information Processing Theory

The Information Processing Approach to decision research can be originally traced back to Simon (1986) and the notion of bounded rationality, that is, humans are 'bounded' by constraints in the environment (for example, information costs), and in the mind (for example, limited memory); these constraints shape people's behaviour. It was also used by Payne and Bettman (2004) as a basis to explaining decision research. This approach was focuses on "the Power-Behavioural Approach to planning rather than to the Formal Systems Planning. Simon argued that though decision makers may intend to carry out a rational decision, but in reality rationality is almost impossible. This is because rationality is rooted in three major assumptions: firstly it assumes that all available alternatives are known to the decision makers but in reality only few alternative can be fully understood. Secondly, rationality assume that the consequences of all alternatives are well known to the decision makers but also in a real life scenario, this may be practically impossible due to the complex and dynamic

nature of business environment. Third, imagining future consequences implies some level of value judgment in the decision; yet values can never be anticipated or completely. From this argument, it is quite revealing that rationality is no longer sufficient enough to explain the modern day approach to decision making. Thus this theory argues that decision makers rather than being rational, makes decision based on the information available to them and their ability to process such information. However, research taking this approach initially focused on cognitive aspects of decision-making; more recently it has expanded to include emotional and 'ease of justification' aspects of decision-making. It is based on the following assumptions:

- I am highly selective about what information is attended to and how it is used.
- Acquiring and processing information has cognitive and/or emotional costs.

The importance of information processing theory to this study stems from the fact that it emphasises the fact that decision making process is not an easy or stereotype process, but rather a demanding task which demands the ability of managers to seek adequate information and as well process them before making their final decision.

2.1.2. Prospect Theory

Prospect theory is a decision making theory developed by Kahneman and Tversky (1979) as an alternative to expected utility theory of decision making under the condition of risk. It is a descriptive model of decision-making under risk or uncertainty. The theory proposes that decision makers evaluate a prospect on gains and losses rather than on final assets and further that they view gains and losses separately. Having carried out a highly controlled experiments, Kahneman and Tversky discovered that most people (decision makers) systematically violate all of the basic axioms of subjective expectant utility theory in their actual decision making process. The theory is therefore hinged on the fact that people make decisions based on how their brains can process and understand information rather than on the basis of the inherent utility that certain option possesses for a decision maker.

Levy (1992) observed that over the years, prospect theory has appeared to be one of the leading theories which serve as an alternative to the theory of expected utility as a theory of decision under risk and has very recently begun to attract attention in the literature on various scopes and more especially in decision making international

relations. According to him, the theory is particularly known for its underlining assumptions and hypotheses that individuals are risk-averse with respect to gains and risk-acceptant with respect to losses and for its emphasis on the importance of the actor's framing of decisions around a reference point.

Prospect theory is widely used for making decision especially under the condition of risk and uncertainty. This stems from the fact that decisions are made based on judgments while judgments are assessment about the external world. They are made challenging, especially under conditions of uncertainty where it is difficult to foresee the outcomes of events with clarity and assurance. Decision therefore involve internal conflict over value and trade-offs. The theory therefore provides a vivid explanation to how decisions are framed and evaluated in the decision making process.

The importance of this theory to the subject matter is due to the fact that modern business organizations exist within the structure of a volatile, uncertain and risky environment where future events cannot be predicted accurately. Every decision made in a business organization has an underlining outcome or consequence which may not be accurately foreseen. Therefore there is a need for managers of small and medium scale business to carry out a well-defined planning process before making any strategic decision.

2.1.3. Theory of Regret

The theory of regret is a descriptive theory of decision making which emanating from the works of Bell (1982); Fishburn (1982); Loomes and Sugden (1982,1987).

Theory of regret is a descriptive decision making theory which omits the assumption of preferences transitivity. Regret is an emotional feeling experienced by a decision makers when realizing that they would have had a better outcome or result if they had made a different decision. It is a backward looking emotion signaling an unfavorable evaluation of a decision. It is an unpleasant feeling, coupled with a clear sense of self blame concerning its causes and strong wishes to undo the current situation.

Zeelenberg and Pieters (2007) define regret as “a comparison-based emotion of self-blame, experienced when people realize or imagine that their present situation would have been better had they decided differently in the past”. Put succinctly, it is an emotional reaction of decision makers after realizing they have made a wrong judgment (Ndu and Anyanwu 2016).

The daily activities of managers involve a lot of decision making. In fact decision making is the most vital and daunting task of a manager (Rutherford-Silvers, 2008). Managers are usually emotional when faced with this daunting task to make strategic decision, often times they portrayed some feeling of regret, disappointment, anger, envy, guilt, sadness and even shame in a more severe scenario. This is because most times decisions are made under the conditions of risk and uncertainty where managers do not have the knowledge of all possible outcomes of their actions and decision. Also in reality managers do not always have the luxury of time and resources that will enable them consider all available alternatives while making decisions. In the face of these challenges, they sometimes fail to make the best choice and afterwards they sometimes have the feeling of regret that an alternative decision would have been a better one, retrospectively.

The fundamental notion behind the theory is that when making decisions, managers do not only put into consideration the anticipated result of their choices, but also try to imagine the outcome or result they would have also gotten or experienced in the same scenario and circumstance had they chosen another alternative. So, the consequences are not independent from each other, and it is possible that choices are in contradiction with the transitivity assumption. However, people maximize utility in a sense that they aspire to avoid regret or disappointment (Suhonem 2007).

The relevance of regret theory to this study stems from the fact that managers need to critically analyze and develop a well-defined strategic plan to scrutinize all their options before dabbling into making decision. This to a large extent enable them make the right decision and afterwards avoid the feelings of regret. The theory specifically widens the scope of managers to wider and far reaching perspective to decision making. It awakens the consciousness of managers to as a matter of necessity to evaluate the outcome of a chosen decision in comparison with other alternative before implementation. In their opinion, Patrick, Lancellotti, and Hagtvedt, (2009) regarded the theory as a “corrective motivator”.

2.2 Conceptual Framework

The possible relationship between the measures and dimensions of this study is represented by figure 1.1 below. The expected relationship between the predictor and criterion variable has been captured in the model below. From the model, the arrow flows directly from effective decision making process to strategic planning process; suggesting a direct relationship. This suggested relationship will be subjected to statistical analysis to ascertain the true direction and strength of the relationship.

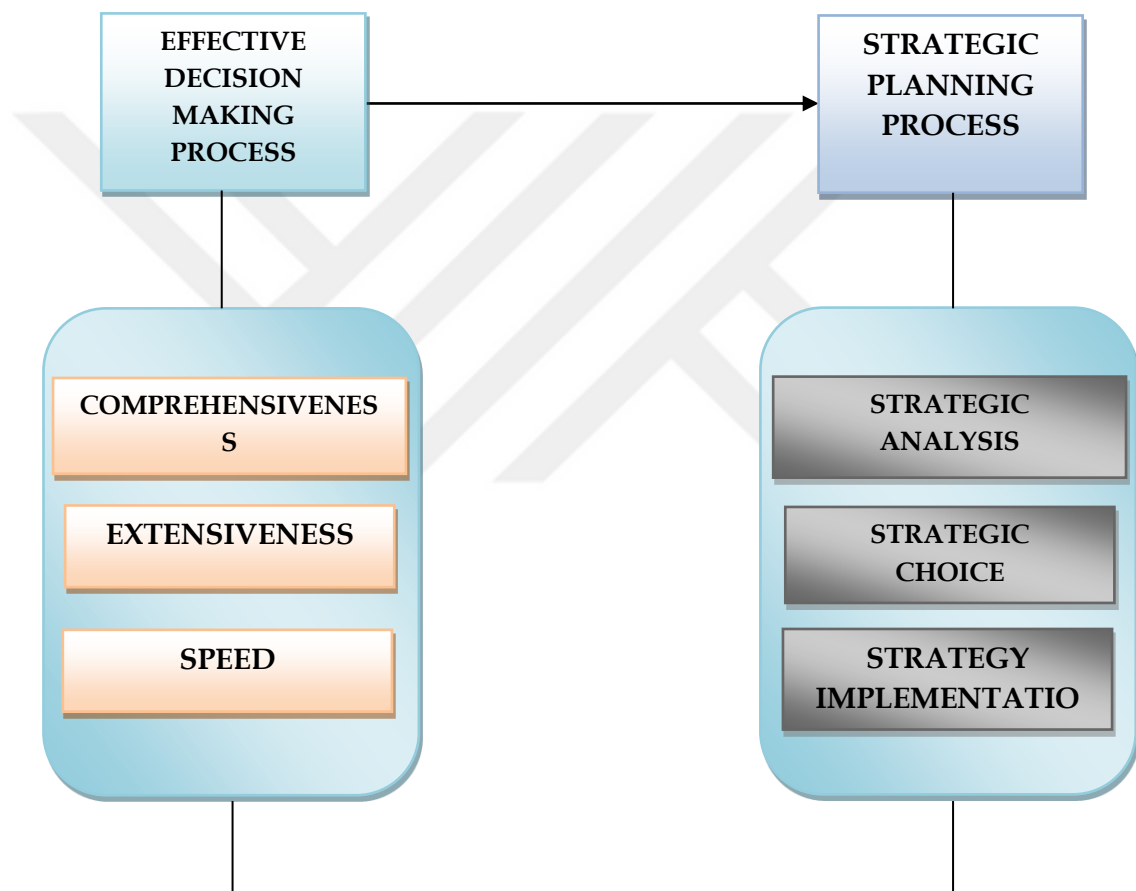


Figure 2.1: Conceptual Framework on Effective Decision Making Process and Strategic Planning Process of Small and Medium Scale Enterprises in the Nigerian Oil Industry

Source: Survey Research, 2017

2.2.1 Concept of Decision Making Process

Decision making is the act of choosing from a range of alternatives, a particular option that suits a purpose or situation. It involves making a choice or reaching a conclusion or making up one's mind on certain issues. It is the process of selecting a cause of

action after due consideration or deliberation. Decision making is one of the most challenging tasks faced by contemporary managers. It is so important such that a decision made can either make or mar the performance of organizations. Vasilescu (2011) opined that generally, decision making exercise is expected to result in a desirable outcome but it is rather more preferable not to make any decision than to make a wrong one which may lead to unforeseen consequences. In this light he argued further that effective decision making requires a solid understanding of realities and social environment. In this reality, Maryam and Habeeb (2012) asserted that decision makers are often afraid when faced with the challenge of making decision. This fear is described as **decidophobia**.

Managers' decision is a backbone on which the success or failure of an organization rely as it involves the constant and continuous process of selecting a cause of action that is suitable enough to solving a particular problem. A decision is therefore effective if it is able to provide solution to the problems it purports to solve. For an organization to achieve its goal there is need for managers to make an effective decision. According to Hertz (2013), decision makers must learn to accept chaos existing in modern global economy and ever-changing business environment because a decision considered suitable for the challenges of today may be totally different from what is obtainable tomorrow. Therefore there is need for managers and other decision makes to constantly develop and evaluate a systematic process for decision making.

The decision making process can be referred to as a cognitive process which results in the selection of a course of action from a line of several possible alternatives (Savur, 2013). We must note that every process of decision making ordinarily, will result in the product of one final choice as the decision maker must settle for the most desired course of action. The decision making process entails a strategic process whereby the decision maker identifies different steams of possible alternatives and based on critical analysis these possible alternatives, selects or chooses the most desired alternative based on the decision makers values and preference for the desired choice (Jalal-Karim, 2013). Similarly, Klain (2004) posits that decision making can be referred to as a problem solving activity which is usually brought to an end by settling for a solution/choice, which is considered satisfactory by the decision maker. Consequently, we must identity here that the decision making process is thus a process that can be either rational or irrational and also can be based on explicit knowledge or based on

tactical knowledge. Matzler, Ballum and Mauradlan (2007) states that a critical aspect of effective decision making process would involve the examination and evaluation of a set of possible alternatives often determined in terms of evaluative criteria. He further asserted that after the analysis of the finite set of alternatives, the next task may be for the decision maker(s) to identify the most desired alternative that will suit the situation at hand, when all the finite alternatives are simultaneously evaluated.

2.2.2. Conditions That Influence Decision Making

Generally, studies (Ndu & Anyanwu 2016; Maryam & Habeeb 2012; Vasilescu 2011; Weihrich, Cannice & Knootzs 2010; Benowitz 2001) have shown the decisions are made under three major condition; condition of certainty, uncertainty and risk. These decision making conditions are discussed as follows;

- i. **Decision Making Under the Condition of Certainty:** This is a condition making situation where only one state of nature exists. In this case, decision makers have full knowledge of all alternatives and their possible outcome and as such are able to predict future outcome with high level of certainty. According to Gupta and Hira (2013), under this condition of decision making, managers have a complete assurance and certainty about the future; especially as it applies to each of the alternative courses of action. It is therefore convenient to to analyze the situation and make good decisions. Since the decision maker possesses perfect knowledge about the future outcomes, he simply choses the alternative with the best payoff or outcome (Ndu & Anyanwu 2016). This implies that decision makers can easily make rational choice under this condition. However, this may be practically impossible in real life business scenario.
- ii. **Decision Making under the Condition of Uncertainty:** This is a condition making situation where the decision maker understands the prevailing state of nature but however lacks full knowledge of the probability of occurrence. Unlike the condition of certainty, Gupta and Hira argued that decision maker do not possess adequate data and information to predict future occurrence. Hence making decision becomes a challenging task. Benowitz (2001) asserted that this is the most difficult condition for managers to make decision as they find is difficult to assign probabilities to occurrence due to the dynamic nature of business

environment and external rigidities. However, proactive managers often adopt scientific methods together with their discretion to make a suitable decision which may not be strictly based on rationality (Ndu & Anyanwu 2016; Gupta & Hira 2013; Benowitz 2001).

- iii. **Decision Making under the Condition of Risk:** Risk is the probability or likelihood that an actual outcome or result will deviate from the anticipated or desired result. Decision under the condition of risk implies that there are more than one states of nature or possible outcomes for available alternatives and decision makers have no accurate information to assign probabilities to each of these states of nature. Hence decision making becomes a complex task. According to Benowitz, managers in this conditions understands the problem and the possible alternative but lack the guarantee or probability of how each alternative solutions will work. Every business organization operates under the condition of risk. This is because no manager has full knowledge or can accurately predict the possible outcome of their actions. However with series of analysis and corporate policy, managers can arrive at a reasonable choice.

2.2.3. Kinds of Decision Making

There are numerous kinds of decision making. Decision is mostly categorized into routine and non-routine decision. A decision is said to be routine if it is being carried out repeatedly. For example procurement of inventory meanwhile a non-routine decisions a rarely executed in the lifetime of an organization. They are unstructured decision that may require the in-depth consideration and discretion of the decision makers. In carrying out this kind of decision, managers need to gather a lot of information; carry out lot of analysis on the available alternative and as well have a contingent plan, should there be case of failure. Non-routine decisions are sensitive and strategic decisions that have a huge implication on the business firm.

Maryam and Habeeb (2012) categorized into three; decision on whether, decision on which and contingent or conditional decision. They explained **whether decision** as a kind of decision making that involve yes or no. In this kind of decision making, the decision maker has only one alternative and is expected to decide whether to adopt it or not. Example of such decision can be whether to recruit employee of not, whether to accept a project or not etc.

Decision on which involves making a choice among two or more alternative options available to a decision makers. In this kind of decision making, managers are faced with the task of choosing among several alternative, a choice that best suit the current need of the organization, based on already laid down criteria. In doing this, they carry out a lot of analysis tools to know which of the available of the available option is more feasible, economical, profitable, reliable etc. Examples of this kind of decision the make or buy decision.

Contingent or Conditional Decisions: These kind of decision are made beforehand, to be implemented based on the occurrence of certain event. A decision is said to be contingent if its application or adoption is relative or dependent on certain future occurrence. In this case, managers have already set alternative option to adopt in case of future event. Once these conditions are met or events take place, the managers then implement such decision. For instance, a project manager may decide to recruit more workers if given a particular contract.

2.2.4. Steps In Decision Making Process

The process of decision making is not stereotype one. Savur (2013) described it as a cognitive process which results in the selection of a cause of action from a plethora of alternatives. The process of making decision involves series of strategic steps and analysis though which a suitable choice can be arrived at. Matzler, Ballum and Mauradlan (2007) states that a critical aspect of effective decision making process would involve the examination and evaluation of a set of possible alternatives often determined in terms of evaluative criteria. However, the following steps have been consistently identified by different scholar (Maryam & Habeeb 2012; Weihrich, Cannice & Knootzs 2010; Benowitz 2001) in the decision making process:

- i. **Need/Problem Recognition:** This is the first stage of decision making where decision makers establish the need to carry out decision. The need may be a recognized problem, goal or mission to be accomplished within a specified period of time. At this stage, it is important for managers to get the problem, objective or need appropriately differently from symptoms.
- ii. **Identification of constraints:** Haven established the needs or objectives, it vital for decision makers to identify the possible factors that may impede the accomplishment of the task. The manager must at this stage the manager needs to identify the needed resources, time, personnel,

equipment, etc. and as well identify the possible exogenous factors (such as competition, government policy, exchange rate, supplier etc.) that may serve as a limitation to accomplishing the set goal.

- iii. **Develop potential alternative solutions:** This stage of decision making process require a lot of time, critical thinking and dedication. Managers at this stage must endeavor to generate several possible solutions to the problem at hand. I doing this, they explore several alternative sources of information, brainstorming, consultation, and scientific techniques to gather as many alternatives as possible. This enables them to take an in-depth look into the situation at hand.
- iv. **Analysis of the Alternative solution:** The modern business environment is highly volatile and characterized with risk and uncertainty. There is therefore need for managers to critically and objectively analyze viability of all identified solution. This is a very important stage of decision making where the decision makers have to evaluate the feasibility, reliability, risk and uncertainty associated with each of the alternatives. Several tools such as cost-benefit analysis, linear programming, simulation, PMI technique etc. can be used to evaluate these alternatives depending on the nature of the situation at hand.
- v. **Selection of the best alternative:** Having carried out the analysis, the managers at this stage adopt the most suitable alternative. Choosing the best alternative in most cases may not be a straight forward task. However, managers must endeavor to choose the solution that is most effective, economically profitable, technically, feasible, risk free and as well possess the lowest degree of uncertainty depending on the nature of the situation.
- vi. **Implement the decision:** The wrong implementation of the most appropriate idea or decision is as good as not making any decision. In fact in some cases it would have been better not to make any decision at all. The task of managers is not only to make decision but to make decisions that will yield the desired outcome. Managers at this point must ensure the chosen solution is well implemented to achieve its predetermined objectives. In implementing this solution, it is important for managers to communicate effectively to their subordinate and as well carry them along during implementation.

- vii. **Establishment of Control system:** Decision making is a continuous process that involves regular evaluation and control to determine if the solution is working effectively as desired. At this stage, managers must endeavor to compare actual outcome with anticipated result. If there is deviation from desired result, then there will be need to review the solution or develop a contingent solution.

2.2.5 Dimensions Of Effective Decision Making Process

(i) Decision Making Comprehensiveness

The comprehensiveness of decision making has been widely and generally recognized as a major feature of a good and effective decision making process. This comprehensiveness has also been completely related or associated with rationality of management (Nooraie, 2008). Within the contest of decision making, comprehensiveness has been associated with the extent to which a complete exhaustive search or inquiry for alternative courses of action has been made, and how the alternative options have been strategically scrutinized and reviewed and their merits and demerits exposed before the most favourable alternative is selected (Casala, 2007). Schwenk and Schrader (1993) attempted to establish a positive link between comprehensiveness of the strategic decision making process and performance through their concept of meta-analysis of the planning performance literature of organization. Therefore the comprehensiveness of any decision making blue print entails that the selected alternative must be concise enough to provide the expected master piece that the organization requires to cushion the effects which the unpredicted dynamic business environment may have impacted on the expected outcome of the firm in terms of corporate goals attainment.

(ii) Decision Making Extensiveness

This is generally understood as the decision making process which are usually relating to a long term opportunities and threats. Chestnut (2013) opined that the decision making literature often indicates a dichotomy between the short term decision making process and the long term decision making process. They argue that extensiveness identified in the decision making horizons is usually associated with the long run decision making endeavour, unlike comprehensiveness which is situated in the short run.

Stacey (1996) argued that the result of a long term decision is challenging to forecast accurately because they are product of the entire history of an organization, and not that of a single action or judgment. In the same vein, Doyle (2012) asserts that good decision making process must take into account the future long term value of the intended outcome of the decision making process, that this as such informs the importance of the concept of decision making extensiveness as it is through the effective operationalization of this extensiveness that the value of any decision making process is preserved till a long run future date. Consequently, extensiveness simply entails that the decision making process must be valuable enough to solve series of long run challenges that may occur in future, while at the same time, comprehensive enough to provide solutions to prevailing short run challenges that may constitute a hindrance to the effective achievement of predetermined corporate goals of the business organization.

(iii) Decision Making Speed

Speed in decision making is closely related to the period of time within which a decision is made concerning strategic issues of corporate objectives (Matzler, Ballom & Mooradlan, 2007). Whittier, Williams and Dewett (2006) states that speed in decision making helps the organization to keep a close watch on the dynamism in the corporate business environment and enables the firm to make swift adjustments to changes that may affect the process of goals attainment in the business circle. We must specify here that when decisions are taking promptly and effectively executed or implemented accordingly, the ability of such decisions to enhance the strategic implementation of management plans is eminent. That is effective decision making process enhanced with speedy delivery will certainly drive management actions towards efficient and quality strategic planning process, which will in turn drive management actions through the use of human and material resources toward the attainment of corporate organizational goals.

Pimental, Kuntz & Elenkov (2010) in their own contribution asserts that a decision making process that does not put speed into consideration is that which has failed in its ability to helps management solve the prevailing issues existing in the ever dynamic competitive business environment of the firm.

2.2.6 Concept of strategic planning process

The concept of strategic planning has been extensively explained by numerous authors in different understandable ways. In his own explanation of what strategic planning entails, Hirebinak (2005) contends that strategic planning is simply management by plans. He sees strategic planning as an analytical process which specifically focuses on the act of making optimal strategic decisions. Nooraie (2008) describes strategic planning as the process of seeking a better match between the products of a firm or the firm's level of technology and her increasing dynamic and competitive markets. Hamel and Media (2014) conceptualized strategic planning in terms of change from a seemingly familiar environment to on unfamiliar world of strange and complicated technologies, strange competitors, new consumer attitudes, new dimensions of social control as well as an enquiry as to the role which the business plays in society. Gerner and Edward (2008) in their own opinion defined strategic planning as an evolution of managerial actions to persisting environmental change with the intent of navigating from internal structure and efficiency in production, to the systematic integration of strategy and organizational structure, as well as innovation in production, expansion in production scope and complete diversification. According to Gates (2012) strategic planning is the process defining the plan of an organization in order to accomplish its predetermined objectives and mission. He further elucidated that 'Strategic planning is not only an important foundation for executing work; it also sets the stage for enterprise architecture, process improvement, risk management, portfolio management, and any other enterprise-wide initiatives'.

Similarly, Ward and Duray (2000) described strategic planning as the process of developing and sustaining consistency between the objectives of a business organization, her numerous resources and the changing opportunities existing in the business environment. He further argued that strategic planning is directed at identifying and operationalizing an approach to business that will guide the organization towards accomplishing the corporate goals of the business. Weller, et al, (2007) identifies strategic planning as the systematic and formalized efforts made by management of a formal organization which is directed at establishing basic company purposes, objectives, policies and strategies. They argued that strategic planning process translates into the development of detailed plans by the business organization that will guide in the implementation and execution of corporate policies and strategies

that will guide the firm in attaining corporate objectives and the purpose of the organization.

Jooste and Fourie (2009) in their own view see's the strategic planning process as conscious and systematic process within which corporate decisions are made concerning the activities and corporate goals that individuals, groups, work units within the organization, and the business at large will pursue in the future. Strategic planning thus lays down the guide on direction which the work groups in the organization should tow in order to achieve corporate objectives.

In their own opinion, Mutindi, Namusonge and Obwogi (2013) suggested that strategic planning entails a well-organized and clear organizational actions aimed at the detailed and complete description of the strategies of an organization as well as the consequent assignment of corporate responsibilities for effective execution of these responsibilities. It is clear from this view that strategic planning can be conceptualized as the process of selecting organizational goals and strategies, identifying the relevant lines of programs that are required to achieve them; as well as establishing the methods and procedures required to ensure that the laid down policies and programs are effectively implemented.

2.2.7 Measures of strategic planning

1. Strategic Analysis

Ward and Duray (2000) observed that the strategic analysis stage is a key stage in the strategic planning process because the information gained in the stage of analysis will be instrumental in shaping the stage of strategic choice and strategy implementation. It is vital to note here, that at this stage of strategic analysis, the business organization whether big or small must gather as much information and relevant data that are required to achieve the goals of the organization. Nooraie (2008) posits that the focus of the analysis at this stage should be on the proper understanding of the basic requirements and needs of the business organization, identifying her strategic direction and establishing the initiatives that can guide the business to grow; as well as examining any external or internal challenges or issues that is capable of influencing the attainment of the organization's goals and objectives.

Weller et al (2007) argues that in the process of strategic analysis, management must strive to identify both the weaknesses and the strengths of the organization as well as the associated threats and opportunities that may subsequently arise along the path.

Dess et al (2006) states that strategic analysis is concerned with understanding the strategic position and stand of the business firm. He exclaimed that the basic aim of strategic analysis is to form or conceptualize a view of the major influence which the operating environment of the business may exert on the present as well as the future well-being on the business organization and consequently on the choice of strategy that will be adopted by the organization. Garner and Edward (2008), in their contributions, identified the dimension of these influences to include; the environment, the resources of the organization; and the expectations of the different stakeholders.

2. Strategic Choice

The first step in forming a strategy is to review the information gathered from the strategic analysis (Hitt, Ireland & Hoskisson, 2005). Thus the manager must specifically determine the level of resources which the organization currently possess which is expected to drive corporate actions towards accomplishing predetermined and defined goals and objectives of the business. Hrebiniak, (2005) also stated that management must identify any critical areas which may require the business entity to seek external resource support. He further stated that to this recourse, the issues that are confronting the company should be prioritized according to that importance so as to enable the entity achieve functional success. Once these issues have been carefully prioritized, then management should immediately indulge in formulating the strategies that guide goals accomplishment (Johnson & Scholes, 2004). Jooste and Fourie, (2009) observed that strategic analysis usually establishes the basis for the selection of a strategic choice. He identified three basic compartment of strategic choice to include; the generation of strategic options; the evaluation of strategic options; and the selection of the most desired strategy.

3. Strategy Implementation

Mutindi, Namusonge and Obwogi, (2013) observed that the successful implementation of strategy is crucial to the success of any business venture. Quintus, and George, (2005) stated that the strategy implementation stage on strategic planning process is perceived as the action stage of the strategic planning endeavour. Garner and Edward, (2008), posits that at this stage, if the overall strategy does not work with the business current structure that management should be guide to initiate the instruction of a new desired structure at the beginning of this strategy implementation stage, all the workers, whether as individuals or as groups must be given a clear vision and understanding of their individual and collective duties and responsibilities and how

such well contribute to the accomplishment of the overall corporate goal(s). Additionally, it is important to mention here, that any nature of resources of the business organization must be secured and preserved at this point. Once this funding is in place and the employees are ready and available to drive the strategic action onto corporate goals, then management should execute the strategic plan as quickly as possible. According to Weller et al, (2007) strategic implementation consists of several parts which include; planning and allocating resources; organization structure and design; managing strategic change; and evaluation and control.

2.3 Effective Decision Making Process And Strategic Planning Process

Effective decision making has a very significant role to play in the strategic planning process of any organization especially the small and medium scale enterprises. Busenitz and Barney (1997) opined that entrepreneurs do not have enough time to go through a detailed, rational decision-making process. He however noted that some heuristic solutions for effective decision making can constitute an advantage for the worthwhile strategic planning process especially for newly established organisations. A decision making process that is considered effective is the one that can guide management actions in consummating the strategic planning process that can drive the organization in overcoming environmental challenges and accomplishing corporate organizational goals. Brouthers et al. (1998) asserted that companies with large sales volume and employees are significantly more rational than the small ones and this make the small companies more vulnerable in terms of decision making that will drive the strategic plans of these small organizations. Their studies, also show that small enterprises settle for an average ratio of the rationality, an equilibrated point of view to which the decision making process is influenced greatly by some environmental forces that are sometimes difficult for the small and medium scale organizations to contend with. Related literatures identified three key mechanisms of the decision-making process: the environment, the decision-maker and the strategic decision process itself which are expected to exert considerable impacts on the strategic planning process of the SME's. Marchesnay (2002) opined that decision making process in large business organisation is rooted in well-defined procedures, and inter individual and collective relation which most often makes strategic planning more effective and concise.

Decision making is usually done by a single person in small organisations, although the individual may be surrounded by counsellors, it is most likely that the outcome of such decision making process may produce a strategic planning outcome that will be less effective in driving the organizational goals. Secondly, an important perspective of literatures pertaining to entrepreneurial decisions develops from the proposition that entrepreneurs differ from managers. Scholars have argued over time that there is a clear distinction between entrepreneurs and managers. For example, it is generally accepted that entrepreneurs make non-routine decision unlike managers who make more of routine decision. Also entrepreneurs are more prone to making decision intuitively in heuristic manner than managers of large organisations. Therefore, the extent to which the manager with accumulated stock of experience would act in the decision making process may differ between the large corporate organizations and the SME's and such could create a disparity in the quality of strategic planning outcomes between these two categories of business organizations.

2.3.1 Decision making comprehensiveness and strategic planning process

Strategic decisions are related to the daily work in an organization. Undoubtedly, they are intricate paradigms that comprise diverse dynamics that influence strategic planning as well as the required comprehensiveness of the decision making process (Carmeli, Sheaffer & Halevi, 2009).

Scholar (Glaister, Dincer, Tatoglu, Demirbag, & Zaim, 2008) argued that recently, strategic planning has increasingly been used by both small and large business organization has as a tool to overcome the complexity associated with decision making. According to Aldehayyat and Khattab (2013), presently strategic planning has become the most widely used apparatus in large and small business firm who strive to allocate and utilize their limited resources in the most efficient and effective manner. However, Boyd and Reuning-Elliott (1998) noted that there is an ongoing argument and discrepancy among these scholars on the construct of strategic planning.

Despite the importance attached to comprehensiveness in the decision making process, Atuahene-Gima and Li (2004) argued that its efficacy (up to this moment) still appears to be obscure. The current business domain is characterized by high-velocity changes and great competition (Brews & Purohit, 2007). The life cycles of modern day products have become short circuited, technological advancement accelerates is at the speed of light, and as such the taste and demands of consumers have become more

complicated, while competition has become heightened. This realities embedded in the business arena according to Brews and Purohit (2007) has elevated the level of uncertainties and business risks thereby creating new challenges and necessity for business firms to step up in their decision making process. This is necessary because only the innovative ones who make the right decision at the right time will survive and excel in this current business trend. Therefore, Handling with these new challenges becomes essential for the survival of business organizations.

Forbes (2007) argued that the most important job of a manager is the ability chose only the relevant information from a vast volume of available information. This is because not all available information is essential for business success. Researches in strategic management have place high priority and meaning on the competitive environment within which modern business firms operate. In that perspective, firms are seen as information-processing constructs and interpretation systems (Forbes, 2007). The success of business firms according to Atuahene-Gima and Li (2004) therefore relies on the appropriateness and scope of its information-processing ability, not necessarily the comprehensiveness of information gathered. However, Fredrickson (1984) opined that the scope of decision making comprehensives is largely dependent on the organizational settings.

Apparently, there is a need to further explore the body of knowledge and to critically investigate which factors actually vital to make most of firm's outcomes. This view is supported by Fredrickson and Mitchel (1984) who argued that despite the importance attached to comprehensiveness in the decision making process and strategic planning as a tool for the long term success of business firms, little is known about their properties. Furthermore, serious research complications and the deficiency of generalizability weaken the informational worth of the findings (Boyd & Reuning-Elliott, 1998; Forbes, 2007). Therefore, there is a need for further research to provide a clear understanding of the diverse factors that determine the usefulness of decision comprehensiveness in strategic planning (Forbes, 2007).

Strategic decision making process is generally classified into two main models namely: the synoptic and incremental model. According to Fredrickson and Mitchell (1984), the most widely accepted of the two models is the synoptic model. This model provides an avenue to for decision makers not only to solve immediate problems but as well anticipate future challenges and as such put them under consideration while making decisions. This means that this model considers both current problems and

those that may arise in the future. Decision Comprehensiveness is an intrinsic and essential part of the decision making process in the synoptic model (Fredrickson & Mitchell, 1984). Conversely, the incremental model is perceived to be a less comprehensive model with fewer alternatives and as such considered as a reaction to the present circumstances (Atuahene-Gima & Li, 2004). Fredrickson and Mitchell (1984) describe it as an adaptive process of decision making which is focused on the present changes in the business environment. The major assumption of this model is that there is no adequate of comprehensive planning process that can put all important variables into consideration.

2.3.2 Decision making extensiveness and strategic planning process

Literature in the decision making arena have identified a dichotomy between comprehensives which is a short term decision making horizon and extensiveness which on the other hand is a long term decision making horizon. The recent studies such as Levy (1994) and Stacey, (1995) on strategy may provide an in-depth understanding of this challenge. Stacey (1995) suggested that the science of complexity can suggest greater understanding into the mechanisms through which strategies emerge than more traditional views to ensure the extensiveness of the decision making endeavour.

Complexity theory perceives organizations as systems operating within complex feedback loops which may either be positive or negative. Long term results are hard to envisage, because they are the product of the entire history of an organization, not of a single action or decision and thus the decision making process must in cooperate effective channel thrust to ensure that the long term value of the decisions made are preserved in the system, this as such informs the extensiveness of the decision making process. Little, unnoticeable decisions can accelerate into major outcomes. Thus short term decisions need to be made within longer term guidelines or intentions which bring decision making extensiveness to play. This idea is peculiar to a highly volatile and unstable business environment. This idea seem to be congruent with that of Hamel and Prahalad's (1989) who suggested that business organization should develop "strategic intent"-a motivating competitive objective, which provides vision and informs the extensiveness of decision making of the entire firm over time. Eisenhardt (1997) also recommends that "improvisation", is a significant metaphor to describe the tension between short term and long term decisions. Also, Eisenhardt's (1989) carried

out a study in a an unstable environment to investigate the ability of managers to be rational while making decision in the face of uncertainty and rapid, discontinuous change: he wanted to find out how managers are able to defeat anxiety and confidently make quality decision while moving quickly. His findings revealed that managers of successful business firm adopt various strategies to accomplish extensiveness in their decision making process. One of his conclusions that “interesting research questions center on problem solving strategies” was subsequently reverberated in Eisenhardt and Zbaracki (1992), who called for research into the heuristics employed in strategic decision making to be more copiously articulated.

McFadzean and Money (1995) also viewed this matter from a technical perspective rather than political point of view to resolving problems. The literature recommends, therefore, that worthy decision processes are described as comprehensive or extensive, referring to the range of choices considered either in the short term or the long term. Some business environment requires quick decision making process. However, complexity theory proposes that short term decisions may need to be made within the context of longer term rules, objectives, or guidelines which informs the importance of extensiveness. The study likewise advocates that the manner wherein managers handle complexity, seemingly in order to make good decisions - is a remarkable topic for further study.

2.3.3 Decision making speed and strategic planning process

Interest in the study of speed in strategic decision-making emerged from the work of Bourgeois & Eisenhardt (1988), who inductively suggests a link between firm performance and speedy decision-making. Eisenhardt, (2009) in her study suggested that the following factors influences decision making speed: (1) planning and real-time information, (2) timing and number of alternatives, (3) power and the role of counselors, (4) conflict and resolution and (5) fragments and decision integration.

This suggestion revealed that in making decision, fast decision makers utilize more information than the slow decision makers. This findings was however in contradiction with the earlier studies of Janis (2002); Mintzberg, Raisinghani and Theoret, (2006); Nutt, 2006 who asserted that considering a few range of alternative and gathering data from sources of expertise with narrowed analysis reduces the strategic decision making process. Fredrickson and Mitchell (2004) noted that by implication, the traditional approach advocates that as more information are used, decision making process slows

down and as such, comprehensiveness in decision making reduces the pace of strategic decision making process. In support of the findings of Eisenhardt (2009), Judge and Miller (2011) gave a quantitative explanation that a greater use of real-time information increases the process of making strategic decisions. Eisenhardt asserted that when decision makers consider several alternative concurrently, the speed of their decision making process will increase thereby leading to a more effective planning process. In contrast to this assertion, Janis (2002); Vroom and Yetton (2003) who noted that the decision making process can be delayed if several alternatives are put into consideration. However, Mintzberg, (2003) and Nutt (2006) suggested that when decision makers consider few alternatives, and obtain input from few sources, they are bound to make quick decision which will in turn lead to a more effective strategic planning. This was strongly supported by Judge and Miller (2011) who proposed that there is a positive association between the numbers of alternatives considered and decision making speed.

Anderson (2003) and Schwenk (2003) supported this when they gave related conclusion that multiple alternatives enhances rationality processing and hence, decision-making speed. They further justify their conclusion by explaining that when a particular alternative falls short of expectation, decision makers can quickly switch to another alternative before the situation fall out of reasonable control. Furthermore, taking different alternatives lessens the possibility of escalating one's commitment to only one option which at the end may not be feasible (Staw, 2011). The implication is that decision makers with several alternative have a lower psychological stake in one single choice and in the case failure can quickly switch to any other option. Eisenhardt (2009) recommends that the more the use of skilled counselors, the faster the promptness of the strategic decision process. On the other hand, when few executives are involved, a decision process can be rapid. For instance, Vroom and Yetton (2003) supported autocratic decision-making in situations where speed is highly important. This approach believed that centralized power accelerates decision-making. However, Eisenhardt (2009) gave a contrary opinion that decision making speed has no correlation with power centralization. Vance (2003) also argued in the same direction that "experienced boards make faster decisions than inexperienced boards because the members because the experienced ones have a better knowledge of the industry in which their organization operates and as such can quickly pat attention to the major strategic issue.

In the same vein, Eisenhardt (2009) observed that the difference between slow and fast decision lies in the web of relationships among choices. She further explained that as decisions become more integrated the speed of decision making process increases and that in so doing managers who integrate strategic decision via tactical plans tend to make faster strategic decisions than those who do not.



3. RESEARCH METHODOLOGY

This chapter presents the various procedures and techniques adopted in the study to proffer solutions to the problems at hand. It focused on the various data collection methods, their valuation techniques and provided a guide on how the hypotheses formulated were tested. Thus, it comprises information such as research instrument, research approach, research strategy, data collection method, validity, reliability, ethics and limitations of the study.

3.1 Research Instrument

This study is majorly aided with the use of questionnaire. A comprehensive questionnaire was designed by the researcher with great care and simplicity to make it easily understood by the respondents. As a result, technical errors were carefully avoided. The questions were structured using the 5-point Likert like Scale ranging from “strongly agree to strongly disagree”. The questionnaire contained questions asked to elicit information about effective decision making process and its effect on the strategic planning process of small and medium scale enterprises in the oil industry. A cover letter explaining the purpose of the study was attached, assuring the respondents of confidentiality. However, aside the use of questionnaire, the researcher also gathered relevant information from other instruments such as journals, periodicals, text books, magazines etc.

3.2 Research Approach

This aspect of the research methodology explains the overall approach to the study. Generally, there are only two likely approaches that can be adopted in research which are the inductive and deductive approaches (Burke 2007). The deductive approach according to Klement (2007) is solely based on facts. Conclusions drawn from this approach is largely dependent on the actual findings rather than estimates and researcher’s interpretations. This approach is mostly adopted for pure scientific and

experimental research. On the other hand, the inductive approach is purely based on observation (Klement 2007). Hence, the conclusions drawn under this approach are based on researcher observation and analysis; subject to the researcher's understanding and ability to interpret results. According to Robson (2002) the inductive approach is more appropriate for theory-based researches. Since this research is primarily focused within the ambit of behavioural science, the inductive approach was adopted.

3.3 Research Strategy And Design

This is the framework or plan that guides the collections and analysis of data for a research study Baridam (2001). It is a model of proof that allows the researcher to draw inferences concerning casual relationships amongst the variables under investigation. (Nachimias & Nachmias, 1976). This research study is a descriptive research study, this is informed by the type of phenomenon under study and also because the variables under study were not under the control of the researcher. Therefore, the quasi-experimental design becomes the most appropriate in achieving the objectives of this study. The researcher adopted the cross-sectional study method on the basis that the research involved selecting samples of elements from the population of interest measurable at a particular point in time. The Cross Sectional design was adopted because it enables researchers to have access to direct information by gathering data from primary sources. It enhances the measurement of the dependent and independent variables; saves time, as well as provide a wider representation of a large target population.

3.4 Data Collection Method

Both Secondary and Primary data were used in this research study for the purpose of gathering the information required to effectively accomplish the objectives of this study. The secondary data used in this study were gathered from; research papers, textbooks, journals, magazines, seminar papers etc. as well as materials from the internet. The chapter on review of related literature relied heavily on this source of information. The primary source of data on the other hand was gotten through the administration of questionnaire by the researcher to the sample units.

3.5 Validity And Reliability Of The Research Instrument

Reliability and validity are two important constructs in the measurement of research variables. For the purpose of this research, face validity was used to establish the validity of the instrument. Copies of questionnaire were sent to experts in the field, to ascertain its validity and improve on the instrument if they considered it valid. The reliability of the study instrument was established via the use of split-half test. In doing this, the researcher administered questionnaire to ten (10) respondents who were into two separate groups. The scores of each group from their responses were correlated and the scores were found to be identical which suggest that the instrument was reliable.

3.6 Sampling Procedure/Sample Size Determination

Sampling involves the taking of a reasonable portion of a population as a representative of a population about which generalization could be made on the basis of the findings derived from the sample (Baridam 2001).

In this study, the target population includes all the small and medium scale enterprises in Nigerian oil sector. However, it will not be possible to access the entire small and medium scale enterprises in Nigerian oil sector. Consequently, an accessible population of small and medium scale enterprises in Port Harcourt was considered. Based on the convenience sampling technique, the researcher selected a sample size of two hundred and fifty (250) respondents from twenty five (25) small and medium scale enterprises in Port Harcourt. Thus ten (10) copies of the research questionnaire were distributed to each of the ten SME's selected for this study; giving rise to a total of two hundred and fifty (250) copies.

3.7 Operational Measures Of Variables

It is very important in statistics to know how a set of observation is measured because this will influence the method of analysis (Adamu & Johnson cited in Baridam, 2001). Hence the variables investigated in this study are effective decision making process and strategic planning process. The independent variable of this study is "Effective Decision Making Process", with its sub measures are Comprehensiveness, Extensiveness and Speed. Meanwhile, the dependent variable of this study is

“Strategic Planning Process”, with its sub measures as; Strategic Analysis, Strategic Choice, Strategy Implementation

3.8 Data Analysis Techniques

Having retrieved the distributed copies of the questionnaire, the data were collated for statistical manipulation and analysis. To present the findings in a concise manner, descriptive statistics involving percentages and tables were used to organize the data. The researcher made use of the Spearman’s Rank Order Correlation Co-efficient in testing the hypotheses in order to affirm the answers that were provided by the data collected from the field. The formula for the Spearman’s rank order correlation coefficient is given as;

$$\rho = 1 - \frac{6\sum d^2}{N(N^2 - 1)}$$

Where:

d = difference in ranks for any two corresponding items

N = number of items sampled

$\sum d^2$ = summation of total value

ρ = rank correlation coefficient between x and y

The Interpretation of the Correlation Relationship (ρ)

+ 0.001 - + 0.499	=	Weak positive relationship
+ 0.5 - + 0.99	=	Strong positive relationship
+1	=	Perfect positive relationship
-0.001 - - 0.499	=	Weak negative relationship
-0.5 - - 0.99	=	Strong negative relationship
-1	=	Perfect negative relationship

3.9 Research Ethics

This research work was carried out with strict adherence to ethical guidelines. As mentioned earlier, quasi-experimental design was adopted in carrying out the research work. This technique as does not require the use of animals or plants for experiment. Hence, there was no abuse of animals' right. Also the study population and sample were adult managers who were not compelled, bribed, lured, forced or influenced in any way to provide data for the study. Also, the researcher strictly based his conclusions on the results from the analysed data. Hence the study was carried out without personal judgements and biases from the researcher.

3.10 Limitations Of The Study

Few constraints were observed while conducting this research work. They have been outlined below

- (i) **Lack of material:** Acquiring the needed materials for this study was very difficult as this area of research is relatively new in Nigeria.
- (ii) **Respondent Bias:** Information was not freely given by most respondents; this was due to the fear of information espionage within the industry.
- (iii) **Coverage areas:** The coverage area for this study was considered vast and the difficulty of meeting respondents within the working hours was experienced. It is however believed that these limitations did not in any way invalidate the findings of this research.

4. PRESENTATION AND ANALYSIS OF DATA

This chapter is committed to the presentation and analysis of the data obtained by the researchers, for the purpose of this study. First, we attempted a demographic presentation of data after which we analysed the information in a tabular form, before the statistical testing of the proposed hypotheses was carried out, and finally we discussed the outcome of the various hypotheses subjected to statistical analyses in this chapter. The outcome of the tests guided the research in drawing worthwhile conclusions

4.1 Response Rate of Questionnaire

Table 4.1: Questionnaire Response Rate

Questionnaire	Frequency	Percentage (%)
Number Administered	250	100
Number Retrieved	242	96.8
Number used	233	93.2%

Source: Desk Research, 2017

A total of two hundred and fifty (250) copies of the research questionnaire were distributed by the researcher. Of the total two hundred and fifty (250) copies of distributed questionnaire only two hundred and forty-two (242) copies were completely retrieved by the researcher, however, only two hundred and thirty-three (233) copies were accurately completed, representing a response rate of 93.2% these two hundred and thirty-three (233) copies constituted the data for this analysis. Nine (9) of the retrieved copies of the research questionnaire were not accurately completed and thus were not used in the analysis.

4.2 Analysis of Data

This section shall deal with the analysis and interpretation of data generated from the field survey. This shall be done by analyzing both the demographic data of respondents and the testing of available hypothesis in the research work which were stated in their null form.

4.2.1 Demographic Analysis

Table 4.2: Age Bracket of Respondents

Age Bracket	Frequency	Percentage (%)
18-25 years	22	9.4
26-35 years	68	29.3
36-45 years	121	51.9
46 years and above	22	9.4
Total	233	100

Source: Desk Research, 2017

Table 4.2 above indicates the age bracket of the respondents that responded to the questions in the research questionnaire. In the table, 9.4% of the respondents fell within 18-25 years bracket, 29.3% fell within the 26-35 years age bracket, 51.9% of the respondents fell within the 36-45 years age bracket, while 9.4% of the respondents fell within the 46 years and above age bracket. This is presented in the pie-chart below.

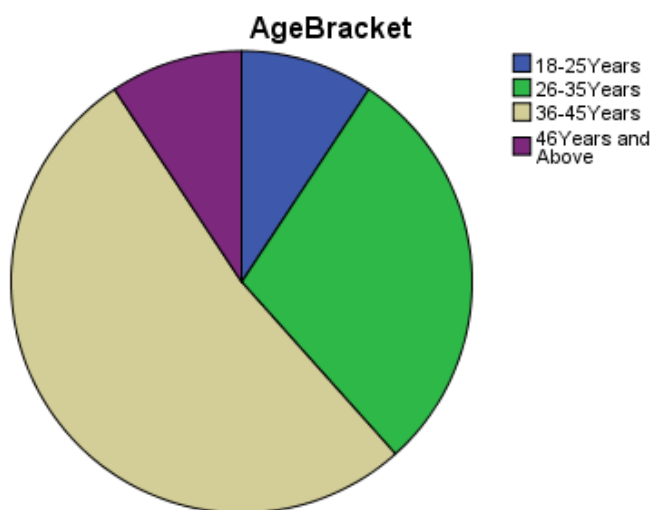


Table 4.3: Gender of the Respondents

Gender	Frequency	Percentage (%)
Male	135	57.9
Female	98	42.1
Total	233	100

Source: Desk Research, 2017

Table 4.3 above indicates the gender (sex) make-up of the respondents. It reveals that out of the total one hundred and thirty-three (233) respondents, 57.9% were males, while 42.1% were females. This is presented in the Pie-chart below.

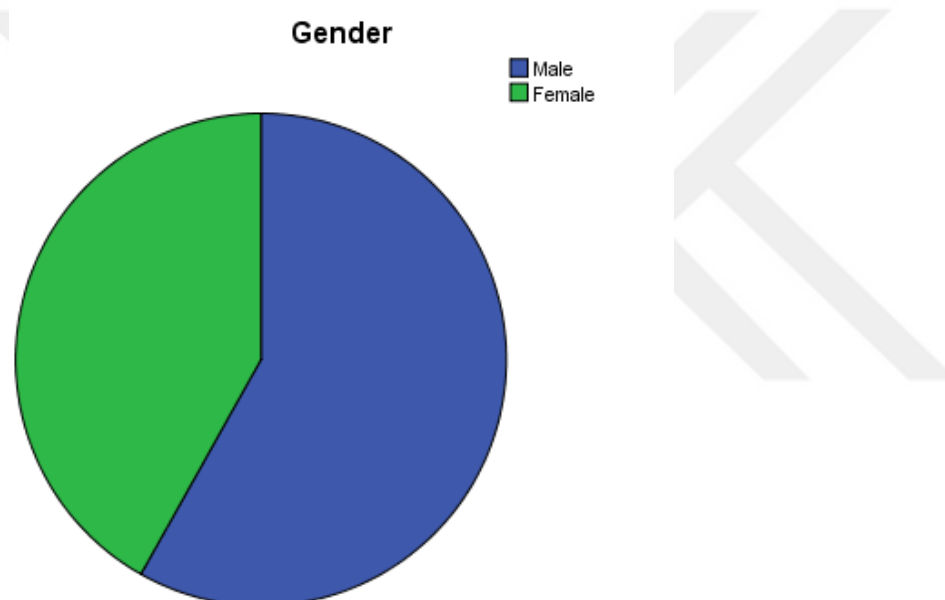


Table 4.4: Educational Qualification of Respondents

Educational Qualification	Frequency	Percentage (%)
WASSCE	11	4.7
OND/HND/NCE	38	16.3
BSC/BA	162	69.5
MSC/MBA/PhD	22	9.5
Total	233	100

Source: Desk Research, 2017

Table 4.4 above shows the educational qualification of the respondents. As evident in the table, 4.7% of the respondents had a senior secondary certificate, 16.3% had an OND/HND/NCE certificate, 69.5% had a BSC/BA degree while 9.5% of total respondent had a MSC/MBA/PhD degree. This information is presented in the pie-chart below.

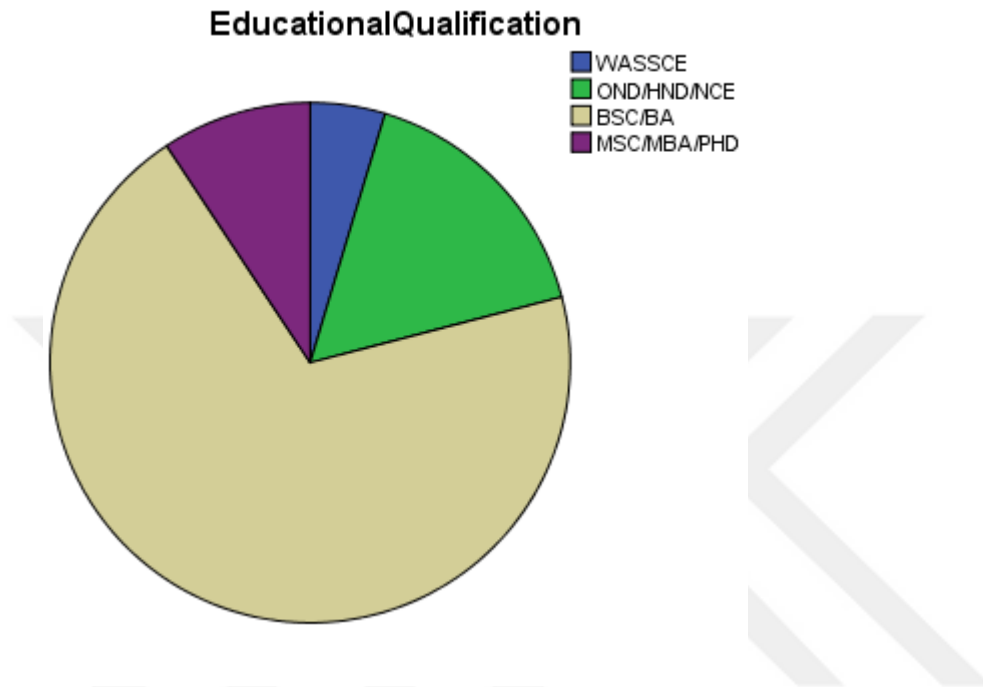


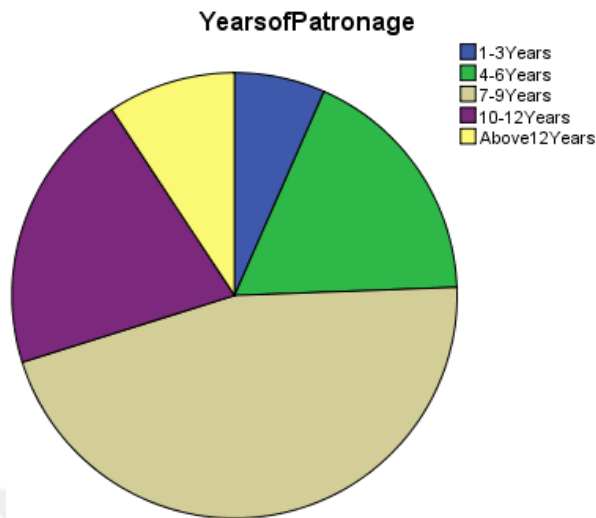
Table 4.5: Years of Existence of the Firms

Years of Existence	Frequency	Percentage (%)
1-3 years	15	6.4
4-6 years	41	17.6
7-9 years	106	45.5
10-12 years	48	20.6
Above 12 years	23	9.9
Total	233	100

Source: Desk Research, 2017

Table 4.5 above indicates the years of operations of the respondents' organizations. From the table, 6.4% of the respondents' firms fell within the 1-3 years category, 17.6% fell within the 4-6 years category, 45.5% fell within the 7-9 years category, 20.6% fell within the 10-12 years category, while 9.9% of the respondents firms fell

within the above 12 years category of operations. This is presented in the pie-chart below.



4.2.2 Analysis of Responses

Table 4.6: Comprehensiveness as a Dimension of Effective Decision Making

Process

S/ N	Opinions	Strongly agree		Agee		Neutra l		Disagre e		disagree Strongl y		Tota l
		No	%	No	%	No	%	No	%	No	%	
1	My firm's decision making endeavour is concise enough to solve short term corporate issues.	100	42.9	73	31.3	25	10.7	22	9.4	13	5.6	233 100
2	We usually revisit our short term decision profiles to attend to unexpected deviations.	113	48.5	62	26.6	32	13.7	13	5.6	13	5.6	233 100
3	Comprehensive summaries of my firm's executive plans are suitable for short term goals	71	30.5	111	47.6	22	9.4	22	9.4	7	3.0	233 100

	accomplishments							
4.	My organization does not over flock our short term decision diary with unrealizable decisions.	120 51.5	69 29.6	28 12.0	16 6.9	0 0.0	0 0.0	233 100
	Total	404 173.4	315 135.1	107 45.8	73 31.3	33 14.2	0 0.0	932 400

Source: Desk Research, 2017

Table 4.6 above represents respondents' opinion on comprehensiveness as a dimension of effective decision making process. To the first question on the table, 42.9% of respondents indicated strongly agree, 31.3% indicated agree, 9.4% indicated disagree, 5.6% indicated strongly disagree, while 10.7% of the respondents were unable to take a stand.

To the second opinion, 48.5% of respondents indicated strongly agree, 26.6% indicated agree, 5.6% indicated disagree, 5.6% indicated strongly disagree, while 13.7% of the respondents preferred to remain neutral.

For the third view, 30.5% of total respondents indicated strongly agree, 47.6% indicated agree, 9.4% indicated disagree, 3.0% indicated strongly disagree, while 9.4% of the respondents were neutral to this view.

To the fourth opinion, 51.5% of respondents indicated strongly agree, 29.6% indicated agree, 6.9% indicated disagree, while 12.0% of the respondents remained neutral. None of the respondent indicated strongly disagree to this view.

Table 4.7: Extensiveness as a Dimension of Effective Decision Making Process.

S/N	Opinions	Strongly agree	Agree	Neutral	Disagree	disagree Strongly	Total
		No %	No %	No %	No %	No %	No %
1	Our decision making processes make provisions for long term goals attainment.	122 52.4	59 25.3	33 14.2	10 4.3	9 3.9	233 100

2	My firm's long term decisions usually complement her short term executive decisions.	108 46.4	9239. 5	11 4.7	11 4.7	11 4.7	233 100
3	Through the calculated implementation of our long term decision processes, my enterprise can face environmental challenges that evolve in the long run.	131 56.2	73 31.3	29 12.5	0 0.0	0 0.0	233 100
4.	Extensive implementation of my firm's decision making process helps sustain our competitiveness in the industry.	77 33.0	122 52.4	22 9.4	12 5.2	0 0.0	233 100
	Total	438 188.0	346 148.5	95 40.8	33 14.2	20 8.6	932 400

Source: Desk Research, 2017

Table 4.7 above shows respondents view on extensiveness as a dimension of effective decision making process. To the first question on the table, 52.4% of the total respondents indicated strongly agree, 25.3% indicated agree, 4.3% indicated disagree while another 3.9% of respondents indicated strongly disagree to this view. However, 14.2% of respondents could not take a stand, they preferred to be neutral.

To the second opinion, 46.4% of respondents indicated strongly agree, 39.5% indicated agree, 4.7% indicted disagree, 4.7% indicated strongly disagree, while another 4.7% of respondents remained neutral.

For the third view, 56.2% of respondents indicated strongly agree, 31.3% indicated agree, while 12.5% of respondents were neutral to this view. No respondent indicated either disagree or strongly disagree.

To the fourth opinion, 33.0% of respondents indicated strongly agree, 52.4% indicated agree, 5.2% indicated disagree, and none of the respondents indicated strongly disagree. However, 9.4% of these respondents preferred to be neutral.

Table 4.8: Speed as Dimension of Effective Decision Making Process

S/N	Opinions	Strongly agree	Agee	Neutral	Disagree	disagree Strongly	Total
		No %	No %	No %	No %	No %	No %
1	Prompt implementation of my firm's decision making process enshrines effectiveness in our operations.	95 40.8	63 27.0	38 16.3	29 12.5	8 3.4	233 100
2	Quick harmonization of our short and long run plans enhances my firm's performance.	86 36.9	86 36.9	27 11.6	22 9.4	12 5.2	233 100
3	Promptness in decision making of my firm enable us handles dynamic trends in our business environment.	52 22.3	105 45.1	32 13.7	22 9.4	22 9.4	233 100
4.	Speed is inevitable if our organizations desire is effectiveness in our decision making process.	66 28.3	95 40.8	33 14.2	22 9.4	17 7.3	233 100
	Total	299 128.3	349 149.8	130 55.8	95 40.7	59 25.3	932 400

Source: Desk Research, 2017

Table 4.8 above reveals the respondents' views on speed as a dimension of effective decision making process. For the first view, 40.8% of respondents indicated strongly agree, 27.0% indicated agree, 12.5% indicated disagree, 3.4% indicated strongly disagree, while 16.3% of the total respondents preferred to be neutral.

To the second view, 36.9% of respondents indicated strongly agree, 36.9% indicated agree, 9.4% indicated disagree, 5.2% indicated strongly disagree, while 11.6% of entire respondents could not take a stand and thus were neutral.

To the third view, 22.3% of respondents indicated strongly agree, 45.1% indicated agree, 9.4% of respondents indicated disagree, 9.4% indicated strongly disagree, while 13.7% of respondents were neutral.

To the fourth view, 28.3% of respondents indicated strongly agree, 40.8% indicated agree, 9.4% indicated disagree, 7.3% indicated strongly disagree, while 14.2% of respondents preferred neutral.

Table 4.9: Strategic Analysis as a Measure of Strategic Planning Process

S/N	Opinions	Strongly agree	Agree	Neutral	Disagree	disagree Strongly	Total
		No %	No %	No %	No %	No %	No %
1	Efficient diagnosis of strategic options enables my organization remain competitive in the industry	145 62.2	88 37.8	0 0.0	0 0.0	0 0.0	233100
2	Proper analysis of strategic options helps set the pace for our corporate goals accomplishment.	108 46.4	68 29.2	22 9.4	20 8.6	15 6.4	233100
3	Prompt examination of strategic planning options enables management take informed decisions that benefits our organization.	134 57.5	71 30.5	20 8.6	8 3.4	0 0.0	233100
4.	Systematic evaluation of available strategic options ensures that	106 45.5	85 36.5	22 9.4	10 4.3	10 4.3	233100

	the best alternative plan is considered.						
	Total	493 211.6	312 134.0	64 27.4	38 16.3	25 10.7	932 400

Source: Desk Research, 2017

Table 4.9 above present's respondents' views on strategic analysis as a measure of strategic planning process. To the first opinion on the table, 62.2% of the respondents indicated strongly agree, 37.8% indicated agree, while none of the respondents indicated any support for either disagree, strongly disagree or neutral.

To the second view, 46.4% of entire respondents indicated strongly agree, 29.2% indicated agree, 8.6% indicated disagree, 6.4% indicated strongly disagree, while 9.4% of respondents preferred to remain neutral.

To the third opinion, 57.5% of respondents indicated strongly agree 30.5% indicated agree, 3.4% indicated disagree, none of the respondents indicated strongly disagree, however, 8.6% of respondents were neutral to this opinion.

To the forth view, 45.5% indicated strongly agree, 36.5% indicated agree, 4.3% indicated disagree, and another 4.3% indicated strongly disagree, while 9.4% of total respondents remained neutral.

Table 4.10: Strategic Choice as a Measure of Strategic Planning Process

S/N	Opinions	Strongly agree	Agee	Neutral	Disagree	disagree Strongly	Total
		No %	No %	No %	No %	No %	No %
1	My organization has always made the right choice in terms of our strategic planning process.	90 38.6	80 34.3	43 18.5	10 4.3	10 4.3	233 100
2	Any choice favoured is usually the best available plan at that point of my firm's strategic planning action.	105 45.1	63 27.0	26 11.2	25 10.7	14 6.0	233 100
3	My enterprise has a sound set of strategic	59 25.3	100 42.9	34 14.6	20 8.6	20 8.6	233 100

	planning team that go all the way to make choices that are goal driven.							
4.	Our organization often revisits strategic choice decisions to ensure effectiveness.	66 28.3	125 53.6	25 10.7	17 7.3	0 0.0	233 100	
	Total	320 137.3	368 157.8	128 55.0	72 30.9	44 18.9	932 400	

Source: Desk Research, 2017

Table 4.10 above represents respondents' opinions on customer retention as a measure of customer loyalty. To the first opinion in the table, 38.6% of respondents indicated strongly agree, 34.3% indicated agree, 4.3% indicated disagree, 4.3% indicated strongly disagree, while 18.5% of the respondents were neutral to this opinion.

To the second opinion, 45.1% indicated disagree, 27.0% indicated agree, 10.7% indicated disagree, 6.0% indicated strongly disagree, while 11.2% of respondents preferred to remain neutral.

To the third opinion, 25.3% of respondents indicated strongly agree, 42.9% indicated agree, 8.6% indicated disagree, while another 8.6% indicated strongly disagree. However, 14.6% of the total respondents were neutral to this opinion.

To the fourth question, 28.3% of respondents indicated strongly agree, 53.6% indicated agree, 7.3% indicated disagree, while 10.7% of respondents preferred to be neutral. None of the respondents indicated strongly disagree.

Table 4.11: Strategy Implementation as a Measure of Strategic Planning Process

S/N	Opinions	Strongly agree	Agee	Neutral	Disagree	disagree Strongly	Total
		No %	No %	No %	No %	No %	No %
1	My organization is always efficient in the implementation of her choice of strategic plans.	113 48.5	68 29.2	26 11.1	17 7.3	9 3.9	233100
2	The mobility and flexibility of our	63 27.0	95 40.8	32 13.7	27 11.6	16 6.9	233100

	strategic choice helps guarantee strategic goals accomplishments.							
3	Implementation outcome often guarantees that my firm has favoured the most desired strategic plan.	81 34.8	99 42.5	21 9.0	17 7.3	15 6.4	233	100
4.	There is a link between the effectiveness in decision making and the success of strategy implementation.	102 43.8	84 36.0	27 11.6	10 4.3	10 4.3	233	100
	Total	359 154.1	346 148.5	106 45.4	71 30.5	50 21.5	932	400

Source: *Desk Research, 2017*

Table 4.11 above represents the respondents' views concerning strategy implementation as a measure of strategic planning process. To the first view on the table, 48.5% of the respondents indicated strongly agree, 29.2% indicated agree, 7.3% indicated disagree, 3.9% indicated strongly disagree, while 11.1% of the entire respondents preferred to remain neutral.

To the second view, 27.0% of respondents indicated strongly agree, 40.8% indicated agree, 11.6% indicated disagree, 6.9% indicated strongly disagree, while 13.7% of the respondents were neutral to this view.

To the third view, 34.8% of all respondents indicated strongly agree, 42.5% indicated agree, 7.3% indicated disagree, 6.4% indicated strongly disagree, while 9.0% of the respondents remained neutral to this view.

To the fourth view, 43.8% of entire respondents indicated strongly agree, 36.0% indicated agree, 4.3% indicated disagree, and another 4.3% indicated strongly disagree, while 11.6% of the respondents preferred to remain neutral.

4.2.3 Statistical Testing of Hypotheses

In this section, the various hypotheses proposed for this study will be subjected to statistical tests using the Spearman's Rank Order Correlation Co-Efficient Statistical Tool.

Table 4.12: Test for hypotheses one, two and three

			Comp.	Stra. Analy.	Stra. Choi.	Stra. Impl.
Spearman's rho	Comp.	Correlation Coefficient	1.000	.743**	.916**	.837**
		Sig. (2-tailed)	.	.000	.000	.000
		N	233	233	233	233
	Stra. Analy.	Correlation Coefficient	.743**	1.000	.772**	.831**
		Sig. (2-tailed)	.000	.	.000	.000
		N	233	233	233	233
	Stra. Choi.	Correlation Coefficient	.916**	.772**	1.000	.911**
		Sig. (2-tailed)	.000	.000	.	.
		N	233	233	233	233
	Stra. Impl.	Correlation Coefficient	.837**	.831**	.911**	1.000
		Sig. (2-tailed)	.000	.000	.000	
		N	233	233	233	233

Source: Data output 2017

Table 4.12 illustrates the relation between:

Comprehensiveness and strategic analysis:

Rho = 0.743

P-value = 0.000 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Comprehensiveness and strategic choice:

Rho = 0.916

P-value = 0.000 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Comprehensiveness and strategy implementation:

Rho = 0.837

P-value = 0.000 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Table 4.13: Test for hypotheses four, five and six

			Extens.	Stra. Analy.	Stra. Choi.	Stra. Impl.
Spearman's rho	Extens.	Correlation Coefficient	1.000	.914**	.833**	.822**
		Sig. (2-tailed)	.	.001	.000	.000
		N	233	233	233	233
	Stra. Analy.	Correlation Coefficient	.914**	1.000	.854**	.902**
		Sig. (2-tailed)	.001	.	.000	.000
		N	233	233	233	233
	Stra. Choi.	Correlation Coefficient	.833**	.854**	1.000	.842**
		Sig. (2-tailed)	.000	.000	.	.
		N	233	233	233	233
	Stra. Impl.	Correlation Coefficient	.822*	.902**	.842**	1.000
		Sig. (2-tailed)	.000	.000		
		N	233	233	233	233

Source: Data output 2017

Table 4.13 illustrates the relation between:

Extensiveness and strategic analysis:

Rho = 0.914

P-value = 0.001 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Extensiveness and strategic choice:

Rho = 0.833

P-value = 0.000 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Extensiveness and strategy implementation:

Rho = 0.822

P-value = 0.000 (p<0.05)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Table 4.14: Test for hypotheses seven, eight and nine

			Speed	Stra. Analy.	Stra. Choi.	Stra. Impl.
Spearman's rho	Speed	Correlation Coefficient	1.000	.835**	.904**	.846**
		Sig. (2-tailed)	.	.000	.000	.000
		N	233	233	233	233
	Stra. Analy.	Correlation Coefficient	.835**	1.000	.846**	.842**
		Sig. (2-tailed)	.000	.	.000	.000
		N	233	233	233	233
	Stra. Choi.	Correlation Coefficient	.904**	.846**	1.000	.854**
		Sig. (2-tailed)	.000	.000	.	.
		N	233	233	233	233
	Stra. Impl.	Correlation Coefficient	.846**	.842**	.854**	1.000
		Sig. (2-tailed)	.000	.000	.000	
		N	233	233	233	233

Source: Data output 2017

Table 4.14 illustrates the relation between:

Speed and strategic analysis:

Rho = 0.835

P-value = 0.000 ($p < 0.05$)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Speed and strategic choice:

Rho = 0.904

P-value = 0.000 ($p < 0.05$)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

Speed and strategy implementation:

Rho = 0.846

P-value = 0.000 ($p < 0.05$)

Where * illustrates significance at 0.05 and **illustrates significance at 0.01.

4.3 Discussion of Findings

Our findings show a significant and strong association between the dimensions of effective decision making process and the measures of strategic planning process. The study finds as follows:

First Finding

What is the relationship between decision making comprehensiveness and strategic planning process? This was tested using Spearman's rank order correlation coefficient at a 0.05 level of significance. The findings of the analysis carried out on the hypotheses in this section shows that a significant relationship exist between comprehensiveness and the measures of strategic planning process, obviously, the findings of this study corresponds with the findings of Carmeli, Sheaffer and Halevi, (2009) in which they discovered a strong positive and correlational relationship between decision making comprehensiveness and the strategic planning process of manufacturing organizations in Pakistan. The findings of this study is also in agreement with the outcome of an empirical study carried out by Atuahene-Gima and Li, (2004) in which they found a positive correlation between comprehensiveness of decision making and the strategic planning success of managers in selected businesses in China. In the same vein, the findings of this study also agree with the findings of Brews and Purohit, (2007) in which they discovered the existence of a positive

relationship between decision making process and strategic planning outcome. However, the findings of this present work did not agree with that of Boyd and Reuning-Elliott, (1998) in which they discovered a positive but non-significant relationship between decision making comprehensiveness and effective strategic planning. Similarly, in the study carried out by Forbes (2007), his result did not correspond with this our present findings as his findings showed a negative correlation between decision making process and success in corporate strategic planning. As a result of the outcome of this analysis and based on the decision rule of $p < 0.05$ for rejecting the null hypothesis, we then reject the null hypotheses one, two and three. We therefore restate that:

- That there is a significant relationship between decision making comprehensiveness and strategic analysis in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making comprehensiveness and strategic choice in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making comprehensiveness and strategy implementation in small and medium scale enterprises in Port Harcourt.

Second Finding

What is the relationship between decision making extensiveness and strategic planning process? This was tested using Spearman's rank order correlation coefficient at a 0.05 level of significance. The outcome of this analysis revealed that decision making extensiveness is instrumental in helping small and medium scale enterprises enhance their strategic planning process. The findings of this empirical analysis conforms with the findings of Levy, (1994) who in his study of extensiveness of decision making in multinational corporations discovered that effective extensiveness in strategic decision making process guides top management in achieving long term strategic objectives. The outcome of our findings also conforms to the findings of Stacey (1995), who in her study discovered that there is a positive relationship between decision making extensiveness and long term strategic goals accomplishments of business organizations. On a similar note the findings of this study also agrees with the stand of Hamel and Prahalad's (1989) who emphatically stated that extensiveness in decision making keeps the decision making process alive as it helps to correct deviations which

the short term comprehensive have failed to address. Also the findings of our study agree with the stand of Eisenhardt, (2009) who stated that decision making extensiveness is a positive channel through which managers translate long term strategic plans into operating plans and consequently into accomplished goals. As a result of the analysis and based on the decision rule of $p < 0.05$ for rejecting the null hypothesis, we then reject the null hypotheses four, five and six. We therefore restate that:

- That there is a significant relationship between decision making extensiveness and strategic analysis in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making extensiveness and strategic choice in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making extensiveness and strategy implementation in small and medium scale enterprises in Port Harcourt.

Third Finding

What is the relationship between decisions making speed and strategic planning process? This was tested using Spearman's rank order correlation coefficient at a 0.05 level of significance. The outcome of the analysis in this section revealed that a speed in decision making is very instrumental in determining the extent to which small and medium scale enterprises are successful in their strategic planning process. Our findings here corresponds with the position of Judge & Miller (2011) who in their study discovered that speed in the decision making process is instrumental in helping top management in developing strategic plans that can help the business achieve her predetermined objectives. Similarly, the findings of this work also agrees with the stand of Eisenhardt, (2009) who in her findings concluded that the speed in decision making enables management to roll out critical decision thrusts that can direct management actions in the strategic planning process which guides the firm in accomplishing her corporate goals. On a similar note, our findings here also corroborates the view of Staw, (2011) that decision making speed enables the organization to effectively put the comprehensiveness characteristics to effective use as such can be implemented without delay, while is sets the pace for the extensiveness thrust to function operationally towards solving lingering issues which could not be solved in the short run so as to guarantee the achievement of strategic goals. The findings of this study also validates the work of Fredrickson and Mitchell (2004) who

opined that decision making speed is instrumental to management in the decision and strategic management process as it helps to stair up swift and quick response of management towards strategic planning actions that will drive corporate actions towards the accomplishment of corporate objectives. As a result of the analysis and based on the decision rule of $p < 0.05$ for rejecting the null hypothesis, we then reject the null hypotheses seven, eight and nine. We therefore restate that:

- That there is a significant relationship between decision making speed and strategic analysis in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making speed and strategic choice in small and medium scale enterprises in Port Harcourt.
- That there is a significant relationship between decision making speed and strategy implementation in small and medium scale enterprises in Port Harcourt.

5. SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary

In chapter one, nine hypotheses were proposed in line with the objectives of the study. The hypotheses focused on the significant influence between effective decision making process and strategic planning process in the small and medium scale enterprises in Port Harcourt; comprehensiveness and strategic analysis in the small and medium scale enterprises, comprehensiveness and strategic choice in the small and medium scale enterprises, comprehensiveness and strategy implementation in the small and medium scale enterprises, extensiveness and strategic analysis in the small and medium scale enterprises, extensiveness and strategic choice in the small and medium scale enterprises, extensiveness and strategic analysis in the small and medium scale enterprises. Also, it examined the relationship between speed and strategic analysis in the small and medium scale enterprises, speed and strategic choice in the small and medium scale enterprises, and speed and strategy implementation in the small and medium scale enterprises.

Chapter two of this study examined related literature. The literature study was grouped into theoretical framework which is anchored on the specific theory adopted by the researcher for the purpose of this study; conceptual framework which focused on dimensions of effective decision making process (comprehensiveness, extensiveness and speed), and the measures of strategic planning process (strategic analysis, strategic choice and strategy implementation) as well as the relationship between the dimensions of effective decision making process and strategic planning process.

Chapter three featured the research methodology for the study, which was grouped under research design, study population, sample size and sampling procedure, operational measure of variable, instrument design, validity and reliability of study variable measures data collection methods, and data analysis techniques. In analyzing the data obtained using questionnaire instrument, percentages and frequency were used

in answering research questions, while Spearman Rank Order Correlation Coefficient statistics was employed in testing the hypotheses formulated.

The findings of this study were analysed statistically using SPSS (Version 20) and presented in tables. The section also discussed extensively, the findings of this study.

5.2 Conclusion

This study sought to examine the effect of effective decision making process strategic planning process of small and medium scale, using the Nigerian oil industry as a case study. Specifically the work examined the effects of the dimensions of effective decision making process (comprehensiveness, extensiveness, and speed) on the measures of strategic planning process (strategic analysis, strategic choice and strategy implementation) in the small and medium scale enterprises in Port Harcourt, and the outcome is presumed to cover the entire small and medium scale enterprises in the oil industry in Nigeria. The essence of the study is to investigate if effective decision making process have any significant effect on the strategic planning process of small and medium scale in the oil industry in Port Harcourt. In achieving this, data was collected from 250 managers of small and medium scale oil business firms in Port Harcourt through an instrument designed by the researcher.

The researcher adopted comprehensiveness, extensiveness and speed as the dimensions of effective decision making process while using strategic analysis, strategic choice and strategic implementation as the measures of strategic planning process. This gave rise to nine research questions and hypotheses which were tested using the Spearman Rank Order Correlation Coefficient statistics.

The findings of the analyses revealed that the dimensions of effective decision making process to a large extent influences the measure of strategic planning process; decision making comprehensiveness influences strategic analysis, strategic choice and strategy implementation in the small and medium scale enterprises; decision making extensiveness influences strategic analysis, strategic choice and strategy implementation in the small and medium scale enterprises; decision making speed influences strategic analysis, strategic choice and strategy implementation in the small and medium scale enterprises. This implies that a well-structured and systematic process of decision making is a vital tool for a sound strategic planning process in small and medium scale businesses.

It is indeed revealing because decision making has been identified as one of the most challenging task faced by managers of business organisations more specifically, the small and medium scale business firms. The job of a manager is not only to make decisions but to make decision that will drive the firm to its desires position. To achieve this daunting task, managers of small and medium scale enterprises cannot afford to rush into making decision without necessary evaluation to ensure that they are on the right track to making a sound decision. Effective decision making process therefore becomes imperative.

For a business firm to succeed and gain competitive advantage, an effective decision making process is therefore an important tool needed by managers to develop strategic plans that can help the business achieve her predetermined objectives. This stems from the fact that effective decision making process can serve as a motivational tool to stair up swift and quick response of management towards strategic planning actions that will drive corporate actions towards the accomplishment of corporate objectives.

Strategic planning involves the process of defining the plan of an organization in order to accomplish its predetermined objectives and mission. It is directed at identifying and operationalizing an approach to business that will guide the organization towards accomplishing the corporate goals of the business. Strategic planning process translates into the development of detailed plans by the business organization that will guide in the implementation and execution of corporate policies and strategies that will guide the firm in attaining corporate objectives and the purpose of the organization. However, this may be practically impossible if the organization does not have an effective decision making process that will that will ensure that appropriate decision are made as the need arises.

Furthermore, the modern day business decisions are carried out under the conditions of risk and uncertainty where managers cannot accurately predict the future outcome of their decision. Addition to this is dynamic nature of business environment where the decision considered suitable today may not be applicable in solving the problems that may arise tomorrow. To avoid the risk of making the wrong decision, managers need to critically analyse the available options and as such chose a solution that best suit the current need of the business organisation.

The findings of this study therefore revealed that there exist, a positive and significant relationship between the dimensions of effective decision making process, and the measures of strategic planning process. Consequently, all the null hypotheses proposed

in the first chapter of this work were rejected, while the alternative hypotheses were accepted. Based on these findings, I therefore conclude that effective decision making process is a veritable tool for a sound strategic planning process.

5.3 Recommendations

Managers' decision is a backbone on which the success or failure of an organization rely as it involves the constant and continuous process of selecting a cause of action that is suitable enough to solving a particular problem. A decision is therefore effective if it is able to provide solution to the problems it purports to solve. For an organization to achieve its goal there is need for managers to make an effective decision. The need for an effective decision making process in small and medium scale businesses can therefore not be overemphasised.

Based on the findings and conclusion of this study, the following recommendations have been made:

1. Since the study revealed that there is a positive significant relationship between effective decision making process and strategic planning process. This implies that managers can improve their strategic plan if they can develop a sound and effective decision making process. Therefore managers of small and medium scale firms in the Nigerian oil industry are urged as a matter of urgency develop a sound and effective decision making process. This will not only enable them make the right decisions but will also guide them from dabbling into making wrong choices without adequate consideration.
2. Organisation should take advantage of effective decision making process in making strategic plan. In fact managers should include a well-developed process of decision making into their corporate policy such that no individual will make any decision without due process. In doing this they should pay particular attention to comprehensiveness, extensiveness and speed since they have been shown in this study to have a significant effect on strategic planning process.
3. The issue of comprehensiveness in the decision making process should be taken seriously by the managers of small and medium scale enterprises since it is proved in this study to be instrumental in guiding managerial actions to

achieving strategic plans towards accomplishing organizational goals. This implies that managers should try as much as possible to carry out a thorough and holistic evaluation before making any decision.

4. Decision making extensiveness in the decision making process should be effectively designed as it could help the small and medium enterprises achieve that long term strategic plans and also solving the issues of short term deviations in the strategic implementation thrust.
5. There should be a constant review of the short run and long run decisions made by management so as to ensure that the purposes for which these decisions are made in line with the strategic plans are being successfully achieved. This is particularly important due to the dynamic nature of the Nigerian business environment where managers could hardly foresee future the outcomes of their decision due inherent high level of business risk and uncertainties.
6. Management must always emphasize not only on the comprehensiveness of the decision making but also on the extensiveness which bring the long term variables to play as such would make the SME's actively competitive in their operating environment.
7. The success of every endeavour depends on the speed at which decisions are taken; therefore the management of the small and medium scale enterprises should always be prompt in making corporate decisions that will guide managerial actions in the strategic planning process. In doing this, they should develop a control mechanism to investigate if decision made are yielding the expected result, and if not necessary corrective measures should be carried out with immediate effect before it becomes too late.
8. Lastly, the beauty of an effective decision making process is to arrive at a most suitable strategic plan that will be well implemented. A decision that is wrongly implemented is as good as not making at all. Therefore managers of SMEs should endeavour to implement their decision in the appropriate manner in order to achieves organizational goals efficiently and effectively.

5.4 Contribution to Knowledge

It is believed that the outcome of this work has in no little way contributed positively to the literature on effective decision making process and strategic planning process in the following ways.

First, since to the best of the research's knowledge, the gap identified in the literature has been addressed, this work has thus contributed in resolving lingering issues relating to effective decision making process and strategic planning process.

Also, in this study, we have proffered positive recommendations based on our findings; it is believed that if acted upon, these recommendations could help the small and medium scale enterprises improve considerably on issues relating to decision making so as to make considerable progress in their strategic planning process and consequently achieve set corporate goals and objectives.

It is equally vital to observe here that the outcome and finding of this study could serve as source of information that can spur up further research in this area of research interest.

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APPENDIX

Department of,
Faculty of,
University of,
Location
Date.

Dear Sir/Madam,

APPLICATION FOR COMPLETION OF RESEARCH QUESTIONNAIRE

The Researcher is a student of the above named University and is currently conducting a research on **Effective Decision Making Process and Strategic Planning Process of Small and Medium Scale Enterprises in the Nigerian Oil Industry**.

The aim of this research is to determine the effect of effective decision making process on strategic planning process of small and medium scale enterprises in the Nigerian oil industry. It is hoped that your response would enable the researcher make sound analysis and recommendations, where necessary.

Please be assured that all information provided would be used purely for academic purpose and treated with utmost confidence. I hereby solicit your response to the questionnaire to assist in finding solution on the subject matter.

Thanks for your anticipated corporation.

Yours faithfully,

Name

(RESEARCHER)

PART ONE: Demographics

PROCEDURE: Please indicate with a (√), circle, underline or fill in, where appropriate the response option you consider approximately applicable to your firm enterprise in each question.

SECTION A: Respondents Demographics – General Questions

A1. Name of your enterprise? (Optional)

A2. Age: A. 18-25yrs

B. 26-35yrs

C. 36-45yrs

D. 46 yrs and Above

A3. Sex: A. Male

B. Female

A4. Educational Qualifications:

A. WASCE

B.ON/HND/NCE

C. Bsc/BA

D. Msc/ MBA/PhD

E. Others Specify_____

A5. Please indicate your present official designation in the firm.

- A). Director
- B). Managing Director
- C). Executive Manager

A6. How long have you being in this business? _____

SECTION B: EFFECTIVE DECISION MAKING PROCESS

S/N	Comprehensiveness	Responses				
		1	2	3	4	5
B1:	My firm's decision making endeavour is concise enough to solve short term corporate issues.					
B2:	We usually revisit our short term decision profiles to attend to unexpected deviations.					
B3:	Comprehensive summaries of my firm's executive plans are suitable for short term goals accomplishments.					
B4:	My organization does not over flock our short term decision diary with unrealizable decisions.					
	Extensiveness					
B5:	Our decision making processes make provisions for long term goals attainment.					
B6:	My firm's long term decisions usually complement her short term executive decisions.					

B7:	Through the calculated implementation of our long term decision processes, my enterprise can face environmental challenges that evolve in the long run.					
B8:	Extensive implementation of my firm's decision making process helps sustain our competitiveness in the industry.					
	Speed					
B9:	Prompt implementation of my firm's decision making process enshrines effectiveness in our operations.					
B10:	Quick harmonization of our short and long run plans enhances my firm's performance.					
B11:	Promptness in decision making of my firm enable us handles dynamic trends in our business environment.					
B12:	Speed is inevitable if our organizations desire is effectiveness in our decision making process.					

SECTION C: STRATEGIC PLANNING PROCESS

S/N	Strategic Analysis	Responses				
		1	2	3	4	5

C1:	Efficient diagnosis of strategic options enables my organization remain competitive in the industry					
C2:	Proper analysis of strategic options helps set the pace for our corporate goals accomplishment.					
C3:	Prompt examination of strategic planning options enables management take informed decisions that benefits our organization.					
C4:	Systematic evaluation of available strategic options ensures that the best alternative plan is considered.					
	Strategic Choice					
C5:	My organization has always made the right choice in terms of our strategic planning process.					
C6:	Any choice favoured is usually the best available plan at that point of my firm's strategic planning action.					
C7:	My enterprise has a sound set of strategic planning team that go all the way to make choices that are goal driven.					
C8:	Our organization often revisits strategic choice decisions to ensure effectiveness.					

S/N	Strategy Implementation	Responses				
		1	2	3	4	5
C9:	My organization is always efficient in the implementation of her choice of strategic plans.					

C10:	The mobility and flexibility of our strategic choice helps guarantee strategic goals accomplishments.					
C11:	Implementation outcome often guarantees that my firm has favoured the most desired strategic plan.					
C12:	There is a link between the effectiveness in decision making and the success of strategy implementation.					



Evrak Tarih ve Sayısı: 04/08/2017-4823



T.C.
İSTANBUL AYDIN ÜNİVERSİTESİ REKTÖRLÜĞÜ
Sosyal Bilimler Enstitüsü Müdürlüğü

Sayı : 88083623-044-4823
Konu : STANLEY CHIEDOZIE NWOSU'nun
Etik Onay Hk.

04/08/2017

Sayın STANLEY CHIEDOZIE NWOSU

Enstitümüz Y1412.130047 numaralı İşletme Anabilim Dalı İşletme Yönetimi Tezli Yüksek Lisans programı öğrencilerinden STANLEY CHIEDOZIE NWOSU'nun "EFFECTIVE DECISION MAKING PROCESS AND ITS IMPACT ON STRATEGIC PLANNING PROCESS: A CASE STUDY OF NIGERIAN OIL INDUSTRY" adlı tez çalışması gereği "Decision Making Process" ile ilgili anketi 06.07.2017 tarih ve 2017/13 İstanbul Aydın Üniversitesi Etik Komisyon Kararı ile etik olarak uygun olduğuna karar verilmiştir. Bilgilerinize rica ederim.

Prof. Dr. Özer KANBUROĞLU
Müdür V.

Evrak Doğrulama İçin : <https://evrakdogrula.aydin.edu.tr/en/VisionDogrula/BelgeDogrulama.aspx?V=BEL9033K>

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RESUME



CURRICULUM VITAE

PERSONAL INFORMATION

Full name: STANLEY CHIEDOZIE NWOSU

Home address: Yesilkent MH. Nazim Hikmet BLV, Innovia 3 H blok Daire 55, Esenyurt, Istanbul Turkey

Mobile: +90 506 020 0972

Email: stanleycnwosu@gmail.com

Gender: Male

Date of birth: 05 June 1992

Nationality: Nigerian

WORK EXPERIENCE

Position held: Student Recruitment Manager (Full time & Part time)

Duration: September 2007 – September 2014

Experience: 7 years

Accomplishments: Processed Admissions for over 100 students to 4 countries in Europe

Description: As a Student Recruitment Manager, it was my duty to create business relationships and representative status with Universities Abroad in Cyprus, Ukraine, Georgia and Belarus where we operate. Working flexible hours in between countries we represent.

Duties:

- Educational Counselling for prospective candidates on University and Country choice
- Admission filing and processing for prospective candidates
- Admission and placements for prospective candidates
- Visa Counselling for successful candidates on admission placements
- Flight and Airport pick up scheduling
- Accommodation placements in designated university campus for new students