What influence the influencers influence?
-An exploratory case study on how management decision-making process is influenced by expansion to China.

Authors: Victor Nilsson, Sebastian Callerud, Guled Mohamed
Supervisor: Krister Jönsson
 Examiner: Åsa Devine
Date: 30/5-2014
Subject: Strategy
Level: Bachelor Thesis
Course code: 2FE16E
Abstract

Course/Level: 2FE16E, Bachelor thesis

Authors: Nilsson Victor, Mohamed Guled, Callerud Sebastian

Tutor: Krister Jönsson

Examiner: Åsa Devine

Title: What influence the influencers influence?

Keywords: Strategic decision-making process, management, business expansion, Expansion to China, Strategy, Influences, decision-making.

Background: The Chinese market is growing fast and rapidly in a high pace. Many foreign companies see the possibilities in this and are expanding their business to China. When operating business in China strategic decisions are taken by the management, sometimes without reflection of what influences the process. This makes the influence on the management strategic decision-making process vital when expanding to China, since it may reflect on the company’s strategic plans.

Purpose: To further explore and extend the research area on how the expansion to China influences the management and their strategic decision-making process.

Research questions: RQ1: Do the expansion to China influence the management strategic decision-making process?

RQ2: How does the expansion to China influence the management strategic decision-making process?

Methodology: Conducted as an abductive qualitative multiple case study, examined with semi-structured interviews with an exploratory purpose.

Conclusion: The empirical investigation showed that the management and their strategic decision-making process are influenced by the expansion to China. The influences are; rationality, decision speed, environment, politics, culture and how management view their strategy through the strategic lenses.
Acknowledgment

This thesis of bachelor level was made during the final and last semester of a three-year Marketing program with a Business to Consumer focus at the Linnaeus University in Växjö, Sweden. The aim with the thesis was to further explore and expand the knowledge of how management and their strategic decision-making process gets influenced when the company expands to China. Therefore this thesis could not have been made without the following persons that have helped the authors with this thesis significantly.

First, we would like to, with our biggest gratitude, thank the respondents and their company who participated in the research. All these provided us with necessary information to conduct the research and let us have inestimable access to their knowledge. As promised and agreed, they have and will stay anonymous, and is therefore not mentioned by name or company. We also want to send a special thanks to Therese Magnusson and Yanni Shizhou at Regionsförbundet Södra Småland, who helped and provided us with information to contact the companies. Also, they helped us in the initial stage of our research with their knowledge, and enthusiasm to help students.

We want to send a special thanks to all the people with academic knowledge and proficiency who helped us on the way. First we want to thank our tutor, Krister Jönsson at Linnaeus University, who indisputable always helped with valuable feedback and recommendations, creative and rational thinking, through the whole thesis at any time. We would also like to send out thankfulness to our examiner, Åsa Devine, which by her feedback and recommendations made it possible to improve the thesis during the process. Furthermore we want to send our thanks to Viktorija Kalonaityte, lecturer at Linnaeus University, which helped us out with the methodical part, Michaela Sandell, who despite highly limit of time helped us with feedback and recommendations. Finally we want to send gratitude to opponents who provided recommendations and opinions.

Växjö, 2014-05-29

________________                      ________________
Victor Nilsson                           Sebastian Callerud                         Guled Mohamed
# Table of Contents

1 INTRODUCTION .................................................................................................................. 1  
1.1 BACKGROUND ................................................................................................................. 1  
1.2 PROBLEM DISCUSSION ................................................................................................. 2  
1.3 PURPOSE ........................................................................................................................... 4  
1.4 RESEARCH QUESTIONS ................................................................................................. 4  
1.5 DELIMITATIONS ............................................................................................................. 4  

2 THEORETICAL FRAMEWORK ............................................................................................. 6  
2.1 STRATEGIC DECISION-MAKING PROCESS ...................................................................... 6  
2.2 THE RATIONAL DECISION-MAKING MODEL ................................................................... 8  
2.3 THE CULTURAL INFLUENCE ......................................................................................... 12  
2.4 THE ENVIRONMENTAL EFFECT ...................................................................................... 13  
  2.4.1 Internal ....................................................................................................................... 13  
  2.4.2 External ..................................................................................................................... 14  
2.5 POLITICAL BEHAVIOR ................................................................................................. 14  
2.6 DECISION SPEED .......................................................................................................... 14  
2.7 RATIONALITY IN DECISION ........................................................................................ 15  
  2.7.1 Bounded rationality ................................................................................................. 16  
  2.7.2 Technical rationality ................................................................................................. 16  
2.8 THE STRATEGY LENSES ............................................................................................... 17  
  2.8.1 The design lens ........................................................................................................ 18  
  2.8.2 The experience lens ................................................................................................. 19  
  2.8.3 The idea lens ............................................................................................................ 20  

3 METHODOLOGY .................................................................................................................... 23  
3.1 PHILOSOPHICAL PERSPECTIVE .................................................................................... 23  
3.2 RESEARCH DESIGN ........................................................................................................ 24  
3.3 RESEARCH APPROACH ................................................................................................. 25  
  3.3.1 Inductive and Deductive ........................................................................................... 25  
  3.3.2 Qualitative and Quantitative research ....................................................................... 26  
  3.3.3 Critique aimed at qualitative research ....................................................................... 28  
3.4 RESEARCH STRATEGY .................................................................................................... 28  
  3.4.1 Case study ............................................................................................................... 29  
3.5 SOURCES OF DATA ....................................................................................................... 31  
  3.5.1 Primary data sources ............................................................................................... 31  
  3.5.2 Secondary data sources ........................................................................................... 31  
3.6 DATA COLLECTION METHOD ....................................................................................... 32  
  3.6.1 Qualitative Interviews .............................................................................................. 32  
  3.6.2 Critique aimed at semi-structured interviews ......................................................... 35  
3.7 SAMPLE SELECTION ...................................................................................................... 35  
3.8 IMPLEMENTATION OF SEMI-STRUCTURED INTERVIEW ............................................ 38  
  3.8.1 Operationalization of semi-structure interview ...................................................... 38  
3.9 QUALITATIVE DATA ANALYSIS METHODS .................................................................... 41  
  3.9.1 Data display and analysis ....................................................................................... 42  
  3.9.2 Unitising data .......................................................................................................... 43  
3.10 TRUSTWORTHINESS IN RESEARCH .......................................................................... 43  
  3.10.1 Reliability ............................................................................................................... 44  
  3.10.2 Validity ................................................................................................................... 45  
3.11 SOURCE CRITICISM ..................................................................................................... 47  
3.12 RESEARCH AND BUSINESS ETHICS .......................................................................... 47  
3.13 OPERATIONALIZATION OF DATA DISPLAY AND ANALYSIS ...................................... 48
1 Introduction

This chapter starts with an introduction of the research field followed by a problem discussion. The problem discussion leads to the purpose, research questions and delimitation of this thesis.

1.1 Background

Emerging markets are those markets that have been growing much faster than those of the advanced economies, which suggest that several emerging markets will join the group of wealthy nations in a not too distant future. Emerging markets are an increasingly important target market, which are buyers of goods and services. Those markets are also excellent targets for sales of raw materials, parts, machinery, and other industrial goods used in the manufacture of finished goods. Countries with emerging markets e.g. China has engaged in substantial privatization, modernization and industrialization. Significantly they have growing middle classes that can afford to participate in the market for a broad variety of goods and services (Keillor, Wilkinson & Thomas, 2007). China is the world's second largest economy in purchasing-power parity terms. Consumer expectations are rising as local governments open markets to international competition. These trends greatly improve the prospects for global business success (Keillor, Wilkinson & Thomas, 2007).

To sate this big upcoming demand from the Chinese market, companies have to move their business to these markets and start to act in it (Cheng, Rhodes & Lok, 2010). Operating in an international arena rather than domestic presents managers of these companies with many new opportunities. However, with all these new opportunities comes the challenge of managing strategy, organizations and operations that are innately more complex, diverse and uncertain (Mintzberg, 2003).

Decision-making is one of the activities a managers needs to do in their daily work, it is safe to say that strategic decision-making is one of the most important, if not the most important, of all company activities. Management theorists and researchers agree that decision-making represents one of the most common and most crucial work roles of executives. Everyday executives make decisions about a wide variety
of topics ranging from the mundane to the monumental and understanding how these decisions are made and influenced is greatly important to the creation as well as the future direction of the organization (Nutt, 2008; Martinsons & Davison, 2007). Strategic decision-making, which further in this thesis will be abbreviated to (SDMP), is a process characterized by a series of iterative behavioral stages that take place over time (Dimitratos et al., 2011). Strategic decision-making can be stated as; “Strategic decision-making is a process wherein executives determine appropriate actions and direction for the firm” (Olson, Bao, & Parayitam, 2007, p. 35), and is therefore seen as one of the most crucial factors for the management in a company (Martinsons & Davison, 2007). Strategic decisions are those, which normally fall within the purview of top management. Broadly speaking, strategic decisions are those, which are "important" to the organization, either through the scope of their impact and/or through their long-term implications (Hambrick & Snow, 1977). The decision is later connected to the company's overall strategy, which affects the whole outcome of the company (Forkmann et al., 2012). Because of their importance, strategic decisions must be closely linked with each other to form a consistent pattern for unifying and directing the organization. This pattern is called strategy, an ongoing stream of decisions aimed at effectively "matching" or aligning organizational resources with environmental opportunities and constraints (Hambrick & Snow, 1977).

1.2 Problem Discussion

Cheng, Rhodes & Lok (2010) states that when a foreign companies are moving their business to China the companies needs to be aware of the cultural differences, since this have effects on the decision-making process to the management. Further Cheng, Rhodes & Lok (2010) argues that the Chinese managers generally has as different way of making their decisions and sometimes even involve provincial government's goal in their planning, this cultural differences may have influences on western companies decision-making process when operating business in China. To emphasize, Olson, Bao & Parayitam (2007) argue that having different cultural backgrounds definitely will affect the decision-making process. On the other hand, Hall (1974) argues that one of the most critical things that leaders do, is engaging in the decision-making process. Their decisions are made about the major functions that leadership is expected to perform - setting goals, deciding upon the means to the end,
defending the organization from attacks from the outside, and resolving internal conflict. Almost every position in an organization involves some decision-making. Such a simple matter as the size of paper to insert in a typewriter involves a judgment (Hall, 1974).

Musso & Francioni (2012) says there is a great deal of awareness regarding the SDMP in international business. Emerging markets like China evolves fast (Keillor, Wilkinson & Thomas, 2007) and in most of these emerging markets, small medium sized companies represent the majority of firms and also plays an important role in the economic growth of these countries (Musso & Francioni, 2012). Further, Eisenhardt (1990) explains that fast evolving business climate affects the quality of the strategic decisions taken by top managers. The speed of the decision-making is essential in the fast evolving, technology driven and highly competitive business climate of emerging markets like China (Keillor, Wilkinson & Thomas, 2007; Eisenhardt, 1990). By making fast decisions, vital information might be overlooked by looking at limited amount of information. However, most managers have recognized that speed matters. A slow strategy is as ineffective as the wrong strategy (Eisenhardt, 1990). Differences in environmental and organizational conditions leads to variations in decision process characteristics. Thus, not only do different combinations of environment and strategic decision process characteristics have different performance effects, but within a given environment, different combinations of decision processes and organizational contexts may also give rise to different performance implications (Rajagopalan, Rasheed & Datta, 1993).

Even though there seems to be many different problems and aspects to be aware of as a manager running a company in China, Olson, Bao, & Parayitam (2007) still holds that strategic decision-making is a vague process. But the process is also seen as complex and because of this the different decisions needs to be well thoughtfulto ensure the quality of the decision (Olson, Bao, & Parayitam, 2007). Despite this, how western companies are dealing with the SDMP is still unknown and there is a gap in the knowledge of how strategic decisions are affected by doing business in China (Cheng, Rhodes & Lok, 2010). It also appears that organizational decision-making largely remains a ‘black box’ in the international business literature (Dimitratos et
al., 2011). Furthermore, the limited knowledge in this particular field of international business gives a reason for this thesis to further explore and conduct a research on how the expansion to China influence the management and their strategic decision-making process.

1.3 Purpose

To further explore and extend the research area on how the expansion to China influence the management and their strategic decision-making process.

1.4 Research Questions

- **RQ1**: Do the expansion to China influence the management strategic decision-making process?

- **RQ2**: How does the expansion to China influence the management strategic decision-making process?

1.5 Delimitations

The result of this thesis is limited to small and medium-sized enterprises. This since, the selective sample of the thesis fitted into the category. Regarding this, the use of the study might be limited to the small and medium-size of enterprise or organization. The study might be used in cases with companies of bigger size, but the study probably wont be able to recreate and therefore a risk of differences in results might occur. The thesis will be limited to Swedish companies that are expanding their already existing business to China, this since the research only used companies of that particular kind. Even tough, this study might be able to use as an example of what future researchers could look for, when investigating companies which has expanded to China. The research is tough limited to investigate the influence on management and their strategic decision making process when expanding business to China.

Further, a limitation for the thesis might be the qualitative research approach that is
used. This could lead to a lack of generalizations of the thesis result. Even despite this Bryman & Bell (2011) holds that the motivation of conducting a qualitative study is not to get a result in a statistical generalization. The aim of a qualitative study is rather to present a result that can be generalized but in an analytical way. This makes a qualitative study applicable to use in a case or study were same concepts with theoretical base is used.

Another limitation with the study might have been the answers from the different respondents. The answers might have included an, so to speak, ethical correct answer instead of the “true” or “real” answer. This might have affected the result of the research but it is hard to prove since ethical answers is hidden and edited to the respondents advantage.
2 Theoretical Framework

*This chapter includes a literature review, which works as a theoretical framework for this thesis. Because of the angle of this thesis, there is a relevance of clearly defining the term strategic decisions and what it includes. At the end of the literature review a model explains the theoretical relationship to the aim of this thesis.*

2.1 Strategic Decision-making Process

Strategic decision-making is the process by which top management makes its most fundamental decisions. Strategic decisions are important, in terms of the action taken, the resources committed, or the precedents set (Mintzberg, 2003; Dean & Sharfman, 1996). Further on, Kreitner & Cassidy (2011) and Porter (2004) defines strategic decisions as an integrated and externally oriented perception of how the organization will achieve its future missions. Lampel et al (1998) also describes that strategic decisions is an ongoing process of ensuring a competitively superior fit between an organization and its changing environment. To move towards the future goals and be able to concur these future missions, Stacey (2007) explains that the decision-making is the process for the management to identify and choosing among alternative courses of action in a manner appropriate to the demands of the situation and in the processes alternative courses of action appears and must be identified, weighed, weeded out and executed.

Linstead et al (2009) even argue that strategic decision-making is one of the most important, if not the most important of all company activities. The authors (Linstead et al., 2009) further argue that strategic decisions is not only itself conceptualize as a set of choices or decisions, it is also a very important communicative tool. Thompson (1997) described decision-making to articulate a desired direction for an organization that can be used by others to understand the organization including investors to inform their strategic choices about where to put their investments. There is a consensus between management theorists and researchers that the decision-making represents one of the most common and most crucial work roles of executives (Finkelstein, Hambrick & Cannella, 2009). Finkelstein, Hambrick & Cannella (2009) also argues that every day executives make decisions about a wide variety of topics,
they range from the mundane to the monumental. Understanding how these decisions are made and influenced is greatly important to the creation as well as the future trajectory of the organization (Greenberg & Baron, 2002).

Rahman & Feis (2009) explain strategic decisions as the responsibility of top management. They reflect the interaction between an organization and its environment and show how an organization manages this relationship. The strategic decisions may be formal or informal and can be both intended and emergent. They are embedded in both the inner context (e.g. psychological, structural, cultural and political factors) and the outer context of the organization, e.g. competitive factors (Nutt, 2008). Furthermore, Butler (2002) explains that strategic decision deals with concerns, which are essential to the livelihood and survival of the organization. Usually it involves a large proportion of the organization’s resources; and they typically address issues, which are unusual for the organization, rather than issues, which lend themselves to routine decision-making, which can be handled in a lower level of an organization (Eisenhardt & Zbaracki, 1992).

Dean & Sharfman (1996) discusses that these decisions are difficult to define or to assess in terms of performance; they are associated with different trade-offs and risk they are interrelated to other decisions in the organization and set precedents for subsequent ones; they carry high levels of uncertainty; they rarely have one best solution and, once a decision is made, it is difficult to reverse (Dean & Sharfman, 1996). It could simply be explained that the strategic decision is unique in the sense that it is a complex and at the same time vast in its descriptions but yet so important (Butler, 2002). Thompson (1997) adds the complexity of the strategic decisions can be seen to involve many different stages or events before an actual decision is taken. Despite the difficulty of pinning what a strategic decision actually is, it is clear that managers do have to make strategic decisions and under varying circumstances, pressures and constraints (Butler, 2002; Thompson, 1997).

Strategic decision also often requires some dramatic changes, which is quite different from ordinary everyday decisions (Eisenhardt, 1999; Schoemaker, 1993; Johanson, Scholes, Whittington, 2005). It should be noted that a decision, which is considered
strategic in one industry, might be less strategic or not strategic at all in another (Eisenhardt, 1999). For managers strategic decisions involves a greater scope than that of any other area of decisions making objectives, strategic decisions is concerned with complexity arising out of abnormal and non routine situations (Baum & Wally, 2003; Kauer Waldeck & Schäffer, 2007).

2.2 The rational decision-making model

A decision is about choosing between alternatives that creates a desired outcome (Bratton, 2007; Dean & Sharfman, 1996). The rational model has been greatly influenced by classical management and economic theory, especially in terms of the notion of a world populated by individuals “rationally” seeking the best rewards using the best methods to achieve them (Kreitner & Cassidy, 2011; Citroen, 2011). Making decisions, and especially making right decisions, is not always an easy task to accomplish (Bratton, 2007). Further, Kandemir & Acur (2012) describes the decision-making as rather complex and that it can be influenced by a large number of factors.

In a rational decision-making process, executives reach strategic decisions without a prejudiced opinion about the eventual decision and only after a structured process of careful consideration of circumstances, alternative lines of thought and consequences of the decision made (Drucker, 1967; Mintzberg, Raisinghani, & Théorêt, 1976,). The structured approach of the rational decision-making process is characterized by the fact that the decision is reached after dealing in due consideration with a number of distinct phases that are programmed in time and that can be observed and studied in a rational and objective way (Porter & Millar, 1985; Baum & Wally, 2003). Furthermore Kandemir & Acur (2012) at the same time say that there is no universal technique on how to make the right decision. Many decisions are considered to be rational and conscious (Nygaard, & Bengtsson, 2002).

One model that often is used to explain the strategic decision-making process is called; the rational decision-making model (Bratton, 2007; Linstead et al., 2009; Nygaard & Bengtsson, 2002). This model consists of seven steps, which takes the whole decision process and breaks it down to its essence (Citroen, 2011). The model
views the whole strategic decision-making process as a sequential series of activities leading from an initial recognition of a problem or opportunities throughout the delineation and evaluation of alternative courses of action, and the selection of the preferred alternative, to the implementation of action (Greenberg & Baron, 2002; Rahman & de Feis 2009; Citroen, 2011).

Figure 1: *The rational decision model*, Adopted from (Bratton, 2007, p. 347)

**Step 1: Identify the problem or the opportunity**

These first steps are about identifying a problem or in some cases recognize an opportunity that clearly can be defined and approached at the best possible angle (Nutt, 1999; Hussey, 1997). There are two angles (opportunity & problem) which are defined as following: A problem is the deviation between the current and desired situation- the gap between what is and what was planned to be, and opportunity is a deviation between current expectations and a potentially better situation, which had not previously been accepted (Bratton, 2007; Greenberg & Baron, 2002; Linstead et al., 2009).
**Step 2: Gather relevant information**

Most decisions require collecting pertinent information. In this step it is important to know what information is needed and how to find it (Rahman & de Feis, 2009; Drucker, 1967; Mintzberg, Ahlstrand & Lampel, 1998). Some information must be sought from within the manager, through a process of self-assessment as well as choosing the way to conduct these decisions (Delbridge, Gratton & Johnson, 2006; Hussey, 1997). If the decision is in a rational, intuitive or another way then other information must be sought from the outside (Citroen, 2011; Delbridge, Gratton & Johnson, 2006). When seeking rational information from the outside, the most relevant information often appears to be the closest co-workers, as well as the rapport and economical background and a variety of other sources (Hammond, Keeney & Raifa, 2006; Bratton, 2007; Rahman & de Feis, 2009). For many years managers have been relying on their own intuition or empirically based information about organizational behavior for the guidance needed to make predictions as has mentioned before but is getting more and more complicated with the speed of the business world is acting (Bratton, 2007; Miller, 1997; Drucker, 1967; Mintzberg, Ahlstrand & Lampel, 1998).

**Step 3: generate alternative solutions.**

Through the process of collecting information it will probably appear several possible paths of action, or alternatives (Citroen, 2011). In this step managers also use their imagination and information to construct new alternatives (Choo, 2006). This step of the decision-making process will list all possible and desirable alternatives (Mintzberg, Ahlstrand & Lampel, 1998). By assessing the type of problem in question and other aspects of the situation, managers may opt to make a decisions themselves delegate the decisions to another, or have group make the decision (Drucker, 1967). Decisions about how to make a decision should be based on research that tells the nature of the decisions made under different circumstances (Bratton, 2007; Bittmann & Gelbard 2007).
**Step 4: Evaluate alternative solutions.**

It must be evaluated whether the need identified in (Step 1), would be helped or solved through the use of each alternative that has been brought to the table (Bratton, 2007; Porter, 2004). In going through this difficult internal process, it begins to be clear to the manager which he/her favor certain alternatives which appear to have higher potential for reaching the goal that has been set up (Nutt, 1999; Citroen, 2011). Eventually after going through these steps the managers are able to place the alternatives in priority order, based upon their own value system (Bratton, 2007; Porter, 2004).

**Step 5: Choose the best solution.**

Once the managers have weighed all the evidence, they are ready to select the alternative, which seems to be best suited to the purpose (Choo, 2006; Citroen, 2011). It may even be chosen in a combination of alternatives, but what the solutions want is to strategically reach the already set goals (Bratton, 2007; Kandemir & Acur, 2012).

**Step 6: Implement chosen solution.**

This step shows the manager that it is time to take action, which begins to implement the alternative chosen in (Step 5), (Bratton, 2007; Citroen, 2011).

**Step 7: Evaluate the decisions.**

In the last step the managers experience the results of the decision and evaluate whether or not it has “solved” the need identified in the first step (Drucker, 1967; Mintzberg, Ahlstrand & Lampel, 1998). If it has, the managers may stay with this decision for some period of time (Nutt, 1999). If the decision has not resolved the
identified need, managers may repeat certain steps of the process in order to make a new decision (Hendry, Johnson & Newton, 1993; Bratton, 2007).

2.3 The Cultural influence

Managers with different national cultural backgrounds tend to approach the decision-making in a different way compared to managers with similar cultural background (Khairullah & Khairullah, 2013; Cheng, Rhodes & Lok, 2010; Carr & Harris, 2004). One example of this is Chinese managers, who show great patience in making decisions, but also shortage of sense for urgency. Some managers are also said to be more informal and not disturbed by time limits in a decision process or when to take a decision compared with others (Cheng, Rhodes & Lok, 2010).

Martinsons & Davison (2007) and Carr & Harris (2004) explain that different countries have big cultural differences, which also affects the process when taking strategic decisions. The national background or social culture is a reason to why processes look in a certain way (Martinsons & Davison, 2007). It is also arguable that a cultural backgrounds has a big impact on the decision-making manager (Olson, Bao, & Parayitam, 2007; Khairullah & Khairullah, 2013). Managers will affect the decision-making with the different values, beliefs and cultural background (Kedia & Bhagat, 1988). The outcome of a decision made by the management is discussed by Olson, Bao, & Parayitam (2007) to be affected by differences in cultural. This compared with the statement by Cheng, Rhodes & Lok (2010) who holds that the differences in cultural rather will affect the particular process of taking a decision.

Another cultural aspect that might have an effect on the management is the importance of hierarchy in organizations that act on other markets than their own market or when leads by a foreign manager (Khairullah & Khairullah, 2013). The hierarchy is stated as a key element in the cultural aspect according to Jin & Mitra (2009). Willis (2009) states tough that the importance of the group is higher than the individual itself which also Cheng, Rhodes & Lok (2010) agrees with, but also that “empirical research has provided support for the notion that the Chinese tend to put the interest of the organization (collective interest) in front of self-interest in the decision process. They also emphasize good relationships by maintaining harmony,
face, and avoiding conflict during the process” (Cheng, Rhodes & Lok, 2010, p. 1389). A decision taken by a group including individuals without knowledge in the specific topic could therefore be irrational. Further on, Cheng, Rhodes & Lok (2010) and Carr & Harris (2004) argues that organizations that are doing business in foreign markets needs to be aware of potential differences in cultural that may exist. For e.g. the importance of age when it comes to right and wrong in decision, which might have a big impact. The cultural tells the individual to show respect to an older person and doing this by listen and not argue against, even if the individual got wrong or have a different opinion. This creates a kind of hierarchy (Cheng, Rhodes & Lok 2010). Khairullah & Khairullah (2013) argues that depending on different cultural, the SDMP is supposed to be made by a highly ranked manager who makes the decision most times based on the hierarchy system. The cultural is telling people to listen to older but also that there is a clear distinction between managers and subordinates in the hierarchy (Cheng, Rhodes & Lok, 2010).

2.4 The environmental effect
The environmental effect on the management and their SDMP is said to be great and may have in some cases a critical role (Hough & White, 2003; Priem, Rasheed & Kotulic 1995; Eisenhardt 1989; Zain & Kassim, 2012).

2.4.1 Internal
According to Khairullah & Khairullah (2013) the internal environment has a big effect on the management and their SDMP when it comes to the employees that still takes decisions but on a non-strategic level. These individuals tends to have less power and will in most cases not let their opinion about a decision out, but instead “follow the leader”, even if their knowledge is higher than a higher ranked individuals or manager (Khairullah & Khairullah, 2013). Hough & White (2003) states that the internal environment is affected and sometimes even created by the firms decision-makers. Zain & Kassim (2012) argues that a creative internal environment will lead to a more creative work and performance by the employees. But according to Khairullah & Khairullah (2013) Chinese workers are passive and uncreative independent of the climate in the internal environment. Further, Priem, Rasheed & Kotulic (1995) still holds that a faster tempo in the internal environment will lead to a higher level of rationality.
2.4.2 External
According to Priem, Rasheed & Kotulic (1995) the environment has a great effect on the management and their SDMP. Further, Priem, Rasheed & Kotulic (1995) describes that when both internal and external environments interact, it has the greatest impact on management. Eisenhardt (1989) and Yang et al (2012) agrees with the parts of this but mostly argues for that speed and comprehensiveness is often found in a dynamic environment in the management. According to Khairullah & Khairullah (2013) the managers needs to make a hierarchy model, which helps the workers to develop both creatively but also to increase their pace in their daily work. Khairullah & Khairullah (2013) and Eisenhardt (1989) argue that a frequent changing and dynamic environment that constant provides opportunities may diminish the need to ensure the rationality in each decision. But Hough & White (2003) still holds that at stabile and non-dynamic environment is to be preferred when a need for rational decisions are supposed to be taken. This since, critical variables can be identified easier (Hough & White, 2003).

2.5 Political behavior
The political behavior is both external and internal for the company and how the manager actions get affected by politics. One of the biggest differences in the management between Chinese and western companies is that the Chinese managers tends to incorporate the central and provincial government goals and planning into their own plans or strategic decisions (Cheng, Rhodes & Lok, 2010; Myers, 1987; Hasche, 2013). This might be based on the collective way of thinking that exists in China (Cheng, Rhodes & Lok, 2010; Khairullah & Khairullah, 2013; Myers, 1987). Further, Hasche (2013) and Myers (1987) argues that the Chinese government has a big impact on the industries and their planning. Hasche (2013) argues that the government has an impact on the business climate and the market rather than the companies.

2.6 Decision speed
The speed in the SDMP can be seen as an important aspect, this because it affects the outcome of the decision. There are both negative and positive sides with letting a foreign manager or involving foreign staff in to the decision process. According to
Cheng, Rhodes & Lok (2010) some managers tend to speed up the decision process if the top administration caught attention to the project. The reason for this, is that the decision often is taken high up in the hierarchy (Cheng, Rhodes & Lok, 2010). In addition Willis (2009) claims that some managers are more flexible with the timeframe. Other managers tend to be more adapting to the need of time in a project and flexible with the timeframe. This makes the manager speed up or slow down the speed of a project, depending on the situation and circumstances. Willis (2009) states that one can find that a business meeting in China can take a long time, since the managers often let it take the time it needs and do not try to speed up the process. On the other hand, this can lead to a longer process if the decisions have to start from the bottom to the top before it is made. Some managers or organizations prefer a system based on set rules and guidelines, also called rule-based system, for taking decisions to speed up the process. This could be positive in some cases but when rare or non-standardized questions are asked or has to be decided this could have a negative effect in a way of less innovative, passive and uncertainty avoidance which leads to longer decision time (Cheng, Rhodes & Lok, 2010).

2.7 Rationality in decision

Rationality in decision-making is common to be used by managers and companies when taking strategic decisions (Cheng, Rhodes & Lok, 2010). Rationality is to select a sensible alternative based on gathered knowledge to achieve a goal (Hough & White, 2003). According to Panagiotou (2008) the organizations may and can require that managers have to be analytical, rational and have the ability to make timely, accurate and objective judgments. Further Panagiotou (2008) explains that managers need to base all his or hers actions, such as; clearly defined problem, analyzing the situation, and developing formal plans, on a rational base. Elbanna (2006) states rationality as; “Rationality is the reason for doing something and to judge a behavior as reasonable is to be able to say that the behavior is understandable within a given frame of reference” (Elbanna, 2006, p. 3). But rationality is not focused on maximizing the expected utility, instead it focuses on the decisions-making process and to make the process more effective (Hough & White, 2003). Further Hough & White (2003) argues that rationality involves comprehensiveness in terms of analysis and integration that drive and develop strategy towards the goal. When managers exclude rationality in the decisions-
making process it may lead to that a wrong decision is taken, this since a lack of preferences and analytics may occur (Cheng, Rhodes & Lok, 2010). Further, Priem, Rasheed & Kotulic (1995) argue that to keep a decision rational, it is important to implement analysis, systematic scanning and include systematic planning. The information that will be analyzed have a big impact on the pace of the decision-making process, new information may actually slow down the process (Hough & White, 2003; Panagiotou, 2008). Some managers still tend to rely qualitative and personal data in uncertain situations, they also accept multiple truths, which can broaden the strategic opinion (Cheng, Rhodes & Lok, 2010). Still, a rational decision process is to be preferred, this according to Priem, Rasheed & Kotulic (1995) which holds that a rational process is positively related to a firms performance, especially in highly dynamic environments. This is something that Hough & White (2003) argues against, instead they claim that because of the inherent uncertainty the rational decision-making process is little assistance to the managers and is therefore not directly correlated with the firms performance.

2.7.1 Bounded rationality
Eisenhardt (1997) and Panagiotou, (2008) explains bounded rationality as an approach used by strategic decision-makers, which use rationality based on their own limitations of their capabilities, even though, managers sometimes approach a problem with a bounded rationality. The outcome and result that the manager is aiming for with this kind of rationality is “good enough” rather than the best. By “good enough” it means that the manager is only looking for a solution to solve the problem but not either the most efficient, rational or best outcome as a solution. During the process of decision the manager often redefined their goals and what they aim for to fit their decisions (Eisenhardt, 1997; Panagiotou, 2008). This method is relatively efficient but within known boundaries and limitations variables such as cost, time, cognitive ability and access to information (Panagiotou, 2008). This makes the approach partially subjective (Eisenhardt, 1997).

2.7.2 Technical rationality
Technical rationality assumes that problems are easily diagnosed, information is widely available and environmental conditions are stable. The managers who use
technical rationality do not take problems as behavioral, time and cost, into consideration. It also assumes that the decision-making manager have a clear understanding of what the firms long-term goals are (Panagiotou, 2008). The goal for the rationality is to solve the problem with best possible solution (Eisenhardt, 1997). The managers are still limited in their ability to fulfill the expectations because of the strategy making and the implementation barrier (Panagiotou, 2008).

2.8 The strategy lenses

Throughout the years strategy has gone through some metamorphoses (Balogun & Hope Hailey, 2008). While this has been ongoing for a long time there have arisen different aspects and perspectives within the subject strategic decision-making. The subject in the matter and the theory is called Strategic lenses and is basically a concept within strategic management decision-making (Johnson, Scholes, & Whittington, 2005). These metamorphoses have created a multi layer perspective and different approaches to some parts of the strategy (Balogun & Hope Hailey, 2008). These approaches can provide different insights on strategic decision-making. The authors Delbridge, Gratton & Johnson (2006) and Johnson, Scholes & Whittington (2005) argue that just taking one approach or one view can lead to a partial and perhaps biased understanding. They further more argue that a fuller understanding of a fuller picture could at the end be the most beneficial for the organization (Delbridge & Johnson, 2006; Johnson, Scholes, & Whittington, 2005). These following three angels; design lens, experience lens and idea lens, are the angels that strategy can be viewed through and possibly be implemented on a corporate and organizational level to determine the direction of the decision-making with in the management (Johnson, Scholes, & Whittington, 2005).

The three different lenses are going to be shown in figures that in a simpler way visualize the different aspects of the lenses. The lenses conduct three dimensions:

*Rationality*: The extent to which the development is a rationally maneuvered strategic move.
**Innovation**: The extent to which the management is likely to develop an innovatory organization.

**Legitimacy**: How the involvement from the management affects the strategic decisions.

### 2.8.1 The design lens

This first lens builds on a principal. This major principle is that a management team as well as the team that do the ultimate decisions within a company or organization has a rational mindset and a rational decision-making ability (Johnson & Whittington, 2012). Furthermore Johnson & Whittington (2012) argue that it is the main and most important ability with a decision maker, which in this lens is the top management. The design lens is about logical determinism that is grounded in rationality, which was created from a heavy analysis background Johonson & Whittington (2012). On the other hand, Delbridge, Gratton & Johnson (2006) argues that rational choice is based on the consideration of the consequences. Therefore the use of this lens is important so that the participation with the people involved, the managers, transmit and constantly weigh in the pros and cons of going through possible different strategy decisions (Johnson, 2007). It may be possible to forecast, predict or build scenarios about future impacts so managers can think through the conditions in which their organization is likely to operate (Johnson, 2007). So the key point as Johnson, Scholes & Whittington (2005) points out is to analyze and try to always in a rational way predict-select and implement the “right” way for the organization as well as have the objectives clear and the different options available and evaluated.
Theoretical Framework

Figure 2. The design lens, adopted from (Johnson, Scholes, & Whittington, 2005, p. 32) The figure shows the design lens, which has a high rationality as well as a quite high legitimacy.

2.8.2 The experience lens

The experience lens can be defined as; "Experience lens views strategy development as the outcome of individual and collective experience of individuals and their taken-for-granted assumptions" (Johnson, Scholes & Whittington, 2005, p. 30). This lens and it’s perspective is in deep contrast to the design lens. This lens is very much into explaining the strategy process as in many terms has a slightly cognitive biases, that is why the interpretation of events and issues in terms of prior experience is destined to occur (Delbridge Gratton & Johnson, 2006). The idea of how managers approach problems and issues of the strategic nature entirely objectively and not have a grain of subjective thoughts as well as experience baggage is unrealistic (Whittington, 2001). Johnson & Newton (1993) explain the experience lens as the single most important aspect when explaining why new strategies allot of times tends to develop from prior strategies and experiences. This argument collectively helps to create a very strong legitimacy within this lens, especially when it comes to the perception of managers and the possible access to strengthen the practical experience (Delbridge Gratton & Johnson, 2006). The extensive experience may well be seen as experts or give significant influences in an organization and in that way create an aura of legitimacy and power (Johnson & Whittington, 2012).
Theoretical Framework

Figure 3. *The experience lens*, adopted from (Johnson, Scholes, & Whittington, 2005, p. 36) The figure shows the experience lens, which has a low rationality and low innovation but a very high legitimacy.

2.8.3 The Idea lens

The Definition of the idea lens is; ”the idea lens sees strategy as emergent from the ideas and innovation that bubble up from the variety and diversity in and around organizations and some time in cooperation of dynamic change” (Johnson, Scholes & Whittington, 2005, p. 36). The idea lens helps with an understanding of where innovative strategies come from and how organizations cope with dynamic environments that is in constant change and has a short decision horizon, the lens further on helps with making it possible to account for innovative strategies, innovative processes and innovative products within the field of strategic decisions (Balogun & Hope Hailey, 2008).

Contrary of the other two lenses, this lens emphasize less on top down design. Here management also deliberately disregarded the possible outcomes and make their decisions “blind” and rely more on intuition as well as innovation (Whittington, 2001; Papadakis & Barwise, 2002). The management seeks to incorporate what some call “playfulness” and “sensible foolishness” into the decisions-making processes. The management wants to see organizations encouraging untried or novel ideas and using intuition to address problems and make decisions (Nygaard & Bengtsson, 2002). The propositions is highlighted by Schoemaker (1993) who argues that
innovation could only occur on a grand scale, if organizational leaders loosen up their control and thereby encourage experimentation and risk taking that is playfulness and foolishness.

The idea lens is most preferred in an environment that is rapidly changing (Johnson, Scholes & Whittington, 2005). From the organizational aspect the lens is most preferred in organizations that operates in different industry sectors. Industry sectors or business environments that are developing and fragmented tends to be more innovative and use this lens in a more frequent attire either currently or in a future transition to a new dynamic market (Rajagopalan, Rasheed & Datta, 1993; Hansen & Tatum, 1996; Balogun & Hope Hailey, 2008).

The stand out difference with this lens compared to the other lenses is that allot of the substance of this lens quite likely outside managers direct control in the lower parts of the organization (Johnson, 2007; Johnson, Scholes & Whittington 2005). The management that in the end execute the strategic decisions listens to the innovation process and makes it a part of the foundation of the decisions (Hendry, Gerry & Newton 1993).

Figure 4. The idea lens, adopted from (Johnson, Scholes, & Whittington, 2005, p. 41)
The figure shows the Idea lens, which has a low rationality, low legitimacy but a high Innovation.
Figure 5. An interpretation from the literature review of how the theoretical framework might look in connection to the management and their strategic decision-making process.
3 Methodology

In this chapter the methodological choices that will be used to conduct the research will be presented and followed by a motivation in every step.

3.1 Philosophical perspective

Epistemology, described as the study of knowledge, concerns the question on what is regarded as acceptable knowledge in a field of study. From a philosophical perspective the knowledge can be divided into the two principles, positivistic and the interpretivistic perspectives. The epistemological perspective of positivism can be described as a philosophical position that can be discerned in research and as pejorative term used to describe crude and often superficial data collection (Bryman & Bell, 2011). Furthermore, Bryman & Bell (2011) argue that the role of positivistic research is to test theories and to provide material for the development of laws. Saunders, Lewis & Thornhill (2009) adds that the principle of positivism believes that the knowledge should derive from developing new hypothesis from existing theory. The developed hypothesis will then either be confirmed or refuted through a quantitative research, which thereafter can be seen as new theory knowledge and can provide the development of future research (Saunders, Lewis & Thornhill, 2009). In contrast to the discussion, Bryman & Bell (2011) brings up interpretivism as a term given to contrasting epistemology to positivism. Interpretivists are critical to the appliance of scientific approach on the social world and Saunders, Lewis & Thornhill (2009) argue that the business management surrounding is too far complex to lend itself to theorizing by definite laws. Instead the interpretivism share a view that the subject matters of the social science, people and their institutions are different from the natural science and therefore require a different research procedure (Bryman & Bell, 2011). According to Saunders, Lewis & Thornhill (2009), the interpretivism “advocates that it is necessary for the researcher to understand differences between humans in our role as social actors” (Saunders, Lewis & Thornhill, 2009, p. 116).
Motivation of philosophical approach

This thesis takes the position from the interpretivist perspective since the business management surroundings can be seen as complex and the research involves getting a deeper understanding of an occurring phenomenon in the social world; how management and their SDMP are influenced when expanding business to China.

3.2 Research design

Saunders, Lewis & Thornhill (2009) points out that a research purpose can take the nature of either exploratory, descriptive, explanatory or a combination of these. Exploratory studies are valuable when the researcher seeks new insight or wants to gather more information surrounding a phenomenon and its characteristics (Saunders, Lewis & Thornhill, 2009). When there is not much known or few studies have been conducted in the chosen research area, the exploratory study is further suggested (Sekaran, 2003). Descriptive study is undertaken to explain certain characteristics of variables into a descriptive context (Sekaran, 2003). Saunders, Lewis & Thornhill (2009) further emphasize that it is important to have a clear picture of the phenomena which data is to be described. Explanatory studies are suitable when there is an interest in describing a relationship between different variables. The data can then be subjected into statistical test such as correlation (Saunders, Lewis & Thornhill, 2009).

Motivation of research design

The research design of this thesis can best be described as an exploratory study. This since the aim of the exploratory research design is to seek “new insight, gather information on what is happening and assess the chosen phenomena in a new light” (Saunders, Lewis, & Thornhill, 2009, p. 140). The exploratory study is also useful when the researcher wish to clarify and understand a problem, or the nature of a problem. Since the research of the chosen phenomena for this thesis is relatively constricted and the area of interest is relatively unexplored, the exploratory research design will be applied.
3.3 Research approach
3.3.1 Inductive and Deductive

Answers to issues can be found either by the process of deduction or the process of induction, or by a combination of the two different processes (Sekaran, 2003). *Deductive* research approach means the use of existing theories and ideas to test the data with and to formulate the research question and objectives. This is considered as a highly structured approach that is commonly used in the scientific research (Saunders, Lewis & Thornhill, 2009). To add, Bryman & Bell (2011), describes that the deductive theory process represents the most common view of the nature of the relationship between theory and research. On the basis of what is known about a particular area and of theoretical considerations in relation to that area, the researcher deduces a hypothesis that must then be subjected to an empirical analysis. Within the hypothesis there will be embedded concepts that the researcher needs to translate into researchable units. To specify how data can be collected in relation to the concepts that make up the hypothesis the researcher must first deduce the hypothesis and second translate it into operational terms, which propose a relationship between two specific concepts or variables (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2009). The characteristic of the deductive approach is that the researcher wants to find or explain causal relationships between variables and it is mostly used on quantitative studies but can also be used on qualitative studies (Saunders, Lewis & Thornhill, 2009).

The inductive approach is referred to as the opposite to deductive, this since it starts with the collection of data through observation and experiences to investigate a problem or situation (Saunders, Lewis & Thornhill, 2009). In order to gathering data through observation and experiences the researcher is able to better describe and understand the nature of a problem. The empirical data is used as a foundation to develop a theoretical framework, which then is used to distinguish a relationship between variables, the theoretical framework can be seen as the outcome of the research (Saunders, Lewis & Thornhill, 2009).

Saunders, Lewis & Thornhill (2009) argues that when there is a research area, containing a wealth of literature and from which a theoretical framework and
hypothesis can be defined from, it lends itself more readily to deduction. With research into a research area that is new and which there is little existing literature on, it may be more appropriate to work inductively by generating data and analyzing and reflecting upon what theoretical themes the data are suggesting (Saunders, Lewis & Thornhill, 2009). Even though there exists a clear division between the different research approaches it is possible to combine deduction and induction within a single research. This is often referred to as an abductive approach and has even shown to be of advantage in several cases (Saunders, Lewis & Thornhill, 2009).

**Motivation of research approach**

This thesis can best be explained to use an abductive approach. The inductive approach since the research of this thesis is designed to gain deep information regarding management and their SDMP, and how the process has been influenced by expansion to China, which is doubtful to generalize. Furthermore, the aim of this thesis led to the formulation of the research questions that are used to find the initial literature on the research area. The research questions also guides the authors to conduct a qualitative data collection and gain deeper knowledge through a literature research, which together is the foundation for further analysis. The existing literature leads to the findings of existing theories on the research area. From the existing theories, concepts are deduced, which works as a basis for the analysis and has the approach of deduction (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2009).

**3.3.2 Qualitative and Quantitative research**

There are mainly two research methods of collecting, processing and analyzing data (Bryman & Bell, 2011). The terms quantitative and qualitative are used widely in business and management research to differentiate both data collection techniques and data analysis procedures (Saunders, Lewis & Thornhill, 2009). The *quantitative* method studies numeric data and the *qualitative* method considers non-numerical data (Bryman & Bell, 2011). Further, quantitative methods are usually presented in numbers and statistics while qualitative information are usually presented in words (Saunders, Lewis & Thornhill, 2009). This qualitative information needs not only to
Methodology

be collected referred to words; it also includes information from pictures and video clips, interviews and the interpretation of data (Bryman & Bell, 2011; Saunders, Lewis & Thornhill, 2009).

The quantitative method is preferably used when the data can be measured or analyzed in numbers. In contrast, the qualitative method is used when the researcher wants to gain deeper information in a research area or a situation that cannot be measured or evaluated in numbers (Saunders, Lewis & Thornhill, 2009). The qualitative research aims to expose the human part of a story, to understand the different meanings that people place on their experiences and to more deeply understand peoples hidden interpretations, understandings, and motivations (Cooper & Schindler, 2011; Jacob & Furgerson, 2012; Bryman & Bell, 2011). Further on Ghauri & Grønhaug (2005) describes that the qualitative methods are suitable and can provide intricate details and understanding to human behavior and functions and is more suitable for studying organizations, groups and individuals. Cooper & Schindler (2011) also emphasize that if a researcher wants to understand why (process) and how (meaning) things happen in a business context, a qualitative research is preferred. There are several approaches for conducting exploratory investigation of management questions. But the authors also highlights that both qualitative and quantitative techniques are applicable, although exploration relies more heavily on qualitative techniques (Cooper & Schindler, 2011).

Motivation of qualitative research

Since the purpose of this thesis is in the nature of an exploratory purpose and the research involves getting a deeper understanding of an occurring phenomenon in the social world; how different managers and their SDMP are influenced when expanding business to China, a qualitative research is applied. The qualitative research approach is also important when taking an interpretivist epistemology. This since it concerns how the researcher understand the meanings that participants ascribe to various phenomena (Saunders, Lewis & Thornhill, 2009).
3.3.3 Critique aimed at qualitative research

In the management and behavioral areas, it is not always possible to conduct investigations that are one hundred percent scientific, in the sense that, unlike in the physical sciences, the results obtained will not be exact and error-free. This is primarily because of difficulties likely to be encountered in the measurement and collection of data in the subjective areas of feelings, emotions, attitudes, and perceptions. These problems occur whenever researchers attempt to quantify human behavior. Difficulties might also be encountered in obtaining a representative sample, restricting the generalizability of the findings (Sekaran, 2003; Bryman & Bell, 2011).

3.4 Research strategy

Strategy is to answer the stated research questions and meet the objectives of the research. The different research strategies available can be applied for the use of exploratory, descriptive and explanatory research (Saunders, Lewis & Thornhill, 2009; Yin, 2003). Furthermore Saunders, Lewis & Thornhill (2009) highlights that no research strategy is superior or inferior to any other. The choice of strategy is initially guided by the respective strategies availability to answer the objectives and research questions, but also by the extent of existing knowledge, amount of time and other resources (Saunders, Lewis & Thornhill, 2009). Yin (2003) highlights five different strategies to choose from when conducting a research; Case study, Experiments, Surveys, Histories and Analysis of archival information. The choice of research strategy is to be guided by three conditions (a) the type of research question posed (b) the control an investigator has over actual behavioral events, and (c) the degree of focus on contemporary events (Yin, 2003).
Table 1. “Comparing different research strategies” Reproduced from (Yin, 2003, p. 5)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>requires control of behavioral events?</th>
<th>Focuses on Contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>how, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>how, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>how, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Yin (2003) means that when a research goal is to describe the frequency or prevalence of a phenomenon or when it to be predictive about certain outcomes, the survey or archival strategies may be of advantage. The survey is usually associated with the deductive approach and the data mainly consist of quantitative data sources (Yin, 2003). Saunders, Lewis & Thornhill (2009) describes that the archival research uses documents and administrative records as the primary source of data. Yin (2003) highlights that case studies, history and experiments deal with operational links that is to be traced over time, rather than frequencies or incidence and are more suited for the explanatory questions.

3.4.1 Case study

When “how” and “why” questions are to be the focus of a study, the degree of the investigators control over and access to actual behavioral events is what separates history, case study, and experiment. The historical method is dealing with primary documents, secondary documents, cultural and physical artifact as it main sources of evidence. Case studies and history is argued to sometimes have the same characteristics, however the case study is tough preferred when examining contemporary events as it relies on many of the same techniques as history, but it adds two sources of evidence, direct observation of the events being studied and interviews of the persons involved in the events (Yin, 2003).
Saunders, Lewis & Thornhill (2009) highlights that the case study strategy will be preferred when the researches wish to gain a rich understanding of the context of research and the processes being enacted. The authors further explain that the case study is often used in explanatory and exploratory research (Saunders, Lewis & Thornhill, 2009). Case studies provide powerful tools for research in management and business subject, including; general management, organization, corporate strategy and more (Gummesson, 2000). Yin (2003) also states that there are four different types of case studies; single case and multiple-case with a holistic or embedded view. To add, Saunders, Lewis & Thornhill (2009) state that a single case study focuses on one extreme and unique case. In contrast, the multiple case study focuses on several different cases, where the research focus on establishing similarities between the cases (Baxter & Jack, 2008). The authors further explain that a holistic view is used when an organization is studied as a whole and the embedded view is used when only a part of the organization is being studied (Saunders, Lewis & Thornhill, 2009).

**Motivation of case study**

Since the case study strategy is used when the questions to be answer involves gaining knowledge of individual, group, organizational, social political and related phenomena (Yin, 2003) and is recommended to use when the researcher wishes to gain a deep understanding of the context of the research and the processes being enacted, it will suit the aim of this thesis. The case study also has a great ability to generate answers to the question why, and how which makes it ideal to use when an explanatory or exploratory research is conducted (Saunders, Lewis & Thornhill, 2009). This thesis has the nature of an exploratory purpose and raise the question on “how”, which favor the use of a case study. The research questions also seek information from several different cases, but only a part of an organization thus makes the use of multiple case study with embedded view preferred in this thesis.
3.5 Sources of data

Data can be described as different types of information sources (Cooper & Schindler, 2011). Further, Krishnaswamy & Satyaprasad (2010) describes data as facts or other relevant materials that serves as a base for the study and analysis. The data is collected throughout the research, and without an analysis of factual data, no specific inferences can be drawn on the questions under study (Krishnaswamy & Satyaprasad, 2010). Sekaran (2003) states that there are several different types of data and Krishnaswamy & Satyaprasad (2010) further say that the data usually is obtained either from the classification of primary or secondary sources. Primary sources of data refer to the information that is obtained firsthand by the researcher. Secondary data sources refer to information gathered from sources already existing (Cooper & Schindler, 2011; Sekaran, 2003; Krishnaswamy & Satyaprasad, 2010).

3.5.1 Primary data sources

These are original sources from which the researcher directly collects data that have not been previously collected (Krishnaswamy & Satyaprasad, 2010). This data are directly connected information obtained firsthand by the researcher and collected through various methods, such as observations, focus groups and interviewing (Sekaran, 2003) but also letter, memos, and speeches (Cooper & Schindler, 2011). The collected data are connected to the variables of interest for the specific purpose of the study (Krishnaswamy & Satyaprasad, 2010) and the primary data can be described as raw, since it has no interpretation or pronouncements that represent an official opinion or position (Sekaran, 2003). Further, Cooper & Schindler (2011) adds that the primary sources of data are the most authoritative data because the information that is gathered has not been filtered or interpreted by a second party.

3.5.2 Secondary data sources

These are sources containing data, which have been collected and compiled for another purpose (Saunders, Lewis & Thornhill, 2009). A secondary source consists of readily available compendia and already compiled statistical statements and reports whose data may be used by researchers for their studies (Sekaran, 2003; Krishnaswamy & Satyaprasad, 2010) Practically all reference material fall into this classification of secondary sources (Cooper & Schindler, 2011).
Motivation of data sources

This thesis uses both secondary and primary sources of data. The secondary sources of data are used since the thesis takes the abductive research approach. Accessible literature and previous research on the research area was gathered to provide this thesis with information. The gathered information was used to form the purpose and research question but also to build the theoretical framework. To answer the purpose and research question of this thesis, a deeper understanding of the relevant field was necessary. To obtain the deeper understanding of the research area, primary data sources are necessary. The primary data will also guide the researchers towards the data collecting methods of qualitative approach.

3.6 Data collection method
3.6.1 Qualitative Interviews

When there is limited information surrounding a research problem, qualitative techniques such as interviews are appropriate (Appannaiah, Reddy & Ramanath, 2010). An interview is a verbal interchange and often involves a face-to-face conversation between the interviewer and the interviewee (Krishnaswamy & Satyaprasad, 2010). The interviewer, attempts to obtain information from another person, often referred to as the respondent, by asking questions (Ekholm & Fransson, 2002; Saunders, Lewis, & Thornhill, 2009). The use of interviews is often seen as superior to other data-gathering methods (Krishnaswamy & Satyaprasad, 2010) and the interview is probably the most widely employed method in qualitative research (Bryman & Bell, 2011; Cooper & Schindler, 2011). Bryman & Bell (2011) highlights two main types of interviews, which are commonly referred by researchers as the unstructured and the semi-structured interviews. These types of interviews is together mainly referred to as qualitative research interviews (Saunders, Lewis, & Thornhill, 2009) and is usually very different compared to quantitative interviews (Bryman & Bell, 2011). The approach of the qualitative interviews are structured to maximize the reliability and validity of measurement of key concepts, but also structured to the specified set of research questions that are to be investigated (Bryman & Bell, 2011). Saunders, Lewis & Thornhill (2009) prefer that when a research has the nature of an exploratory study or an exploratory element the qualitative research interviews is to be considered. The qualitative interviews are also
important when taking an interpretivist epistemology. This since it concerns how the researcher understand the meanings that participants ascribe to various phenomena (Saunders, Lewis & Thornhill, 2009). In qualitative studies there is an emphasis on greater generality in the formulation of initial research ideas and on interviewees own perspectives. In the qualitative interviews there is also an interest in the interviewees point of view in contrast to the quantitative research where the interview reflects the researchers concerns. The qualitative interview is mainly seen as more flexible compared to the quantitative form of the method, this because the researcher allows and encourage the interviewee to “rambling” or going off at tangents. By doing this, the qualitative researcher gets rich, detailed insight into the interviewees perception, attitudes, values, opinions and thoughts (Bryman & Bell, 2011; Krishnaswamy & Satyaprasad, 2010), but also past experiences and future intentions (Krishnaswamy & Satyaprasad, 2010; Ekholm & Fransson, 2002). The unstructured and semi-structured interviews also provides the researcher with the ability to probe answers, to get the interviewee explain, or build on, their responses (Saunders, Lewis, & Thornhill, 2009; Krishnaswamy & Satyaprasad, 2010).

3.6.1.1 Unstructured interviews
Unstructured interviews are often used at the beginning of any research, often referred to as exploratory interviews. This is done when the researchers know little of the subject area and the researcher needs to have a clear research outline. There is no set order or wording of questions, no schedule and the researcher are not looking for the same information from each respondent (Naoum, 2012). On the other hand, Saunders, Lewis & Thornhill (2009) describes this type of interview as where it is no predetermined list of questions and the respondent is thereby given the opportunity to talk freely about events, behavior and beliefs in relation to the topic area. The unstructured interview also uses open-ended or open questions and the questionnaire is often pitched at a very general level so that the researcher can see in what direction the interviewee takes things in their response (Naoum, 2012). Bryman & Bell (2011) highlights that the unstructured interview have the characteristics of a regular conversation.
3.6.1.2 Semi-structured interview

A semi-structured interview is a verbal interchange where one person, the interviewer, attempts to obtain information from another person by asking questions (Krishnaswamy & Satyaprasad, 2010; Ekholm & Fransson, 2002; Saunders, Lewis, & Thornhill, 2009). Even though interviewers tend to prepare a list of predetermined questions, semi-structured interviews usually unfold in a conversational manner offering participants the chance to pursue issues they feel are important (Longhurst, 2009). The researcher use a list of themes and questions to be covered and these can vary from interview to interview (Saunders, Lewis & Thornhill, 2009). By doing this Saunders, Lewis & Thornhill (2009) argues that the researcher may exclude or include questions in some interviews, given a specific organizational context that is encountered in relation to the research matter. Sometimes it may even be necessary to add questions to explore the research question and objectives given the nature of events within particular organizations (Saunders, Lewis & Thornhill, 2009; Aken, Berends & Bij, 2012). Semi-structured interviews are useful for investigating complex behaviors, opinions, and emotions and for collecting information on a diverse range of experiences. They do not offer researchers a route to ‘the truth’ but they do offer a route to partial insights into what people do and think (Longhurst, 2009).

Motivation of Semi-structured interview

“The semi-structured interview attempts to focus on the discussion on the actual effects of a given experience to which the respondents have been exposed” (Krishnaswamy & Satyaprasad, 2010, p. 105). The aim of this thesis is to further explore and extend the research area on how the expansion to China influence the management and their decision-making process. Since the research questions are complex and the order and logic of questioning may need to be varied during the interviews, the semi-structured interview is a suitable method for this thesis. The use of semi-structured interviews are also described to be useful for investigating complex behaviors, opinions, and emotions and for collecting information on a diverse range of experiences and will therefore contribute with relevant data to answer the purpose and research questions of this thesis.
3.6.2 Critique aimed at semi-structured interviews

Even tough interviews are seen as a superior data-gathering method, the method has its limitations. In personal interviewing, the researcher must deal with two major problems, inadequate response, non-response and interviewer's bias (Krishnaswamy & Satyaprasad, 2010). The interview is often seen as expensive, both in economic and time aspects and the results of an interview is highly affected by the interviewers bias (Sekaran, 2003). This bias could exist in the interviewers mode of asking questions and articulate but also in the interaction between the parties (Krishnaswamy & Satyaprasad, 2010). Some of the information that is gathered through the interview might be of a confidential nature, which sometimes provoke uncomfortable emotions for the respondent (Sekaran, 2003). Further, Saunders, Lewis & Thornhill (2009) adds that the data quality issues regarding semi-structured interviews also can be related to the reliability, validity and generalisability. The absence of standardization and the risk of interviewer bias during the interview affect the reliability. If the respondent finds the interviewer as untrustworthy or where the credibility in the interviewer is seen to be missing, the value of the information given can be seen as limited, which is raising questions regarding both the reliability and validity in the research (Krishnaswamy & Satyaprasad, 2010; Saunders, Lewis & Thornhill, 2009).

3.7 Sample selection

A sample means a specimen or part of a whole (population), which is drawn to show what the rest is like (Naoum, 2012). Further Aken, Berends & Bij (2012) explains, if the research consists of a case study interview, then a relatively small number of cases (interview sample) are used for inferences to all cases (a population). The selection of the research sample is of great importance and must be chosen carefully (Naoum, 2012). The researcher must ensure that the characteristics of the chosen sample are very similar as its population and act as representatives of the population as a whole (Bryman & Bell, 2011; Naoum, 2012; Aken, Berends & Bij, 2012) this is done in order to be able to generalize the research findings (Bryman & Bell, 2011). Representative sample are commonly selected either randomly or non-randomly. By random it refers to selecting the subjects, or respondents randomly and without any purpose (Naoum, 2012). Naoum (2012) further describes that the design of the
research sample can take many various forms but the most common samples are: Random sampling and Selected sampling.

Random sampling design is of advantage when the specifics about the characteristics of the sample are non-essential. These characteristics involves such as, background of respondents, size of company and type of work (Naoum, 2012). On the other hand, Aken, Berends & Bij (2012) adds that random sampling is often associated with quantitative research that aims to reach conclusions about a population by statistical generalization from a sample. Instead, selected sampling is recommended when the research is taken with the interview approach. In contrast to the random sampling, the researcher here looks for participants with specific characteristics, for example background of respondents, size of company and type of work, whereas the characteristics works as a criteria for the sample selection (Naoum, 2012). When conducting a qualitative study, only small samples of individuals, groups or events are invariably chosen, in consideration to the in-depth nature of the research. Qualitative studies often use small samples and the generalizability of the findings is therefore very restricted. Data analytic procedures will be mostly of the nonparametric (Sekaran, 2003).

Motivation of sample

Fort this thesis, the selective sample design were chosen. This, to get rich and in-depth information, where the authors looked for participants with specific background, type of work and experience. In order to collect the sample, the organization; Regionsförbundet Södra Småland provided the authors with information to contact respondents, which could benefit the research. They promote internationalization and business development opportunities for businesses in Växjö, Sweden.

The respondents were chosen out of four different criteria. First, the respondents needed to have a management position which deals with the strategic decision-making process on a daily basis. Second, they also needed experience of operating business in China. Third, the organizations country of origin had to be Sweden. Fourth, they needed experience of expansion to China. All these criteria’s were set to
ensure that the respondent had enough knowledge in the relevant field and possessed the ability to answer the interview questions.

Table 2. Sample table

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Management position</th>
<th>Experience of operating business in China</th>
<th>Organizations country of origin</th>
<th>Experience of expansion to China</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>CEO</td>
<td>Yes</td>
<td>Sweden</td>
<td>Yes</td>
</tr>
<tr>
<td>B</td>
<td>CEO</td>
<td>Yes</td>
<td>Sweden</td>
<td>Yes</td>
</tr>
<tr>
<td>C</td>
<td>CEO</td>
<td>Yes</td>
<td>Sweden</td>
<td>Yes</td>
</tr>
<tr>
<td>D</td>
<td>CEO</td>
<td>Yes</td>
<td>Sweden</td>
<td>Yes</td>
</tr>
<tr>
<td>E</td>
<td>CEO</td>
<td>Yes</td>
<td>Sweden</td>
<td>Yes</td>
</tr>
</tbody>
</table>
3.8 Implementation of semi-structured interview

3.8.1 Operationalization of semi-structure interview

Figure 6. *Operationalization of interview questions.*

The model shows the connection between the interview questions and the theoretical framework from the literature review. For more thoroughly information regarding the theoretical connections and the interview guide, see appendix C.
Before interview

The interview with respondent (A) was held on the 12th of May 2014 and lasted for 32 minutes. The interview was conducted through a physical face-to-face interview, in a closed office located in the city center of Växjö, Sweden.

The interview with respondent (B) was held on the 14th of May 2014 and lasted for 36 minutes. The interview was conducted through a physical face-to-face interview in a closed office located in the city center of Växjö, Sweden.

The interview with respondent (C) was held on the 18th of May 2014 and lasted for 60 minutes. The interview was conducted through a video conversation, on the software Skype. The respondent was located in an isolated office in China and the interviewer was located in a closed conference room in Växjö, Sweden.

The interview with respondent (D) was held on the 19th of May 2014 and lasted for 40 minutes. The interview was conducted through a video conversation, on the software Skype. The respondent was located in an isolated office in Göteborg and the interviewer was located in a closed conference room in Växjö, Sweden.

The interview with respondent (E) was held on the 22nd of May 2014 and lasted for 38 minutes. The interview was conducted through a video conversation, on the software Skype. The respondent was located in an isolated office in China and the interviewer was located in a closed conference room in Växjö, Sweden.

The interviews were conducted on five different senior managers from five different multinational companies. It was important for the research that the respondents positions were at least senior managers and that strategic decision-making was one of their daily tasks in their profession. To ensure this, a pre-study was made with an organization, which provides different Swedish companies with contact networks and information regarding expansion to China. After the pre-study were made a
discussion of what kinds of requirements the authors had on the respondents for the study.

Before the interviews were held a letter including the purpose of the research and information regarding the research subject were sent via E-mail to the respondents. Inside the letter, the project were presented, the authors also informed the respondent that the given information during the interview would be considered as confidential material and deleted after the transcript had been written. Before the interview started the authors asked permission to record the interview and confirmed with the respondent that the interview had started.

**During interview**

Before the interview started the respondent got informed of the purpose, a shortly presentation of the study, what subjects that were supposed to be brought up during the interview and how long time the interview approximately would take. In addition the interviewer ensured that the respondents participation would be handled as confidential material. The respondent were also asked what type of current position they had within their organization, this to ensure that he/she had the required knowledge of the research area. The questions that were asked to the respondent were unstructured open-ended questions and the interviewer followed the preset interview guide and developed questions. The respondent were also asked supplementary questions, if it was necessary, this to help the interviewer get the respondent back on the research area. The supplementary questions were also asked if the interviewer wanted the respondent to further develop a specific subject or answer. These questions often started with “describe”, this to make the respondent develop the answer on the specific subject out of his/hers own perception, experience or knowledge. The supplementary questions were also different depending on interview. Each respondent had different pre-knowledge or different experiences regarding the research area of interest and since the area can be describes as rather complex it was necessary to develop these questions during the different interviews.
After interview

After the interviews were held the authors thanked the respondent and informed that they could contact the authors if any questions occurred. The respondents were also informed that a copy of the thesis and transcript was going to be sent to them after the final paper was completed.

3.9 Qualitative data analysis methods

Chenail (2012) state that qualitative data analysis can be seen as a form of knowledge management, that manage analytical processes to transform data into information and information into knowledge and knowledge into wisdom (Chenail, 2012, p. 248). To add, Ghauri & Grønhaug (2005) further describes that the use of qualitative data, is to gain insight and construct explanations or theory. The collection of qualitative data often yields a large amount of raw material Ghauri & Grønhaug (2005) to seek out this amount of data, Saunders, Lewis & Thornhill (2009) highlights that there are two different approaches to qualitative analysis. When the researcher use existing theory to design the approach of the qualitative research process and to aspects of data analysis, it is called using a deductive approach. In contrast, if the researcher uses the gathered data to build up a theory, it is called inductive approach (Saunders, Lewis & Thornhill, 2009). Yin (2003) further suggests the deductive analysis when the research is based on the grounds of existing theory to formulate research question and objectives. To add Saunder, Lewis & Thornhill (2009) also describes that the deductive approach may have certain advantages, this since it links the research into the existing body of knowledge in the subject area and it will also guide the researcher with an initial analytical framework (Saunders, Lewis & Thornhill, 2009). There are also analytical procedures that combine inductive and deductive approach to analyze qualitative data, such as: Data display and analysis.
3.9.1 Data display and analysis

Saunders, Lewis & Thornhill (2009) describes the process of analysis such as consisting of three different sub-processes; data reduction, data display, drawing and verifying conclusion.

Data reduction refers to the process of selecting, focusing, simplifying, abstracting and transforming the data deriving from field notes and transcriptions (Ghauri & Grønhaug, 2005). It also includes summarizing and simplifying the data collected and/or selectively focusing on some parts of the data. The aim of this process is to transform the collected data and concentrate it (Saunders, Lewis & Thornhill, 2009).

Data display consists of organizing and assembling the collected data into summary diagrammatic or visual displays. In addition, Denzin & Lincoln (2000) explains that visual displays are one important aspect of qualitative analysis. Saunders, Lewis & Thornhill (2009) further adds that there are two main groups of data display: matrices and networks. Matrices are generally tabular in form, with defined columns and rows (Saunders, Lewis & Thornhill, 2009). Both matrices and tables can be used to organize and display raw text, or used to summarize data along multiple dimensions where the cells can later be filled by quotes from the respondents (Denzin & Lincoln, 2000). Network on the other hand, consists of nodes or boxes that are linked together to indicate relationships. The boxes or nodes contain brief descriptions or labels to indicate variables or key points from the data (Saunders, Lewis & Thornhill, 2009). Qualitative data collection might consist of a large amount of data, such as audio records from interviews. By transcribing and transform the extended text into figures of visual data it enables the researcher to recognize relationships and patterns in the data, as well as drawing conclusions and verifying these, are contributed by the use of data display. Recognizing relationships and patterns in the data, as well as drawing conclusions and verifying these, are helped by the use of data display. The researcher can use the displays to make comparisons between the different elements of the data and identifying relationships, key themes, patterns and trends that may be evident. The method is suited to both inductive and deductive strategy when analyzing qualitative data (Saunders, Lewis & Thornhill, 2009).
3.9.2 Unitising data

Saunders, Lewis & Thornhill (2009) means that there is no standardized procedure for analyzing qualitative data. However, they describe one approach as *unitising data*. This analytical process is used to attach relevant pieces of data into appropriate categories, which is referred as a unit of data. This unit of data might consist of words, a line of a transcript, a sentence, a complete paragraph or other pieces of textual data that fits the category. By categorizing the data into tables or matrices, the researcher can analyze the data and recognize it into patterns, which are done to shed new light on the gathered data (Saunders, Lewis & Thornhill, 2009).

**Motivation of data analysis**

Since, Saunders, Lewis & Thornhill (2009) states that there is no standardized procedure for analyzing qualitative data. This thesis focused on the *Data display and analysis method*, which is suggested when analyzing qualitative data gathered from interviews (Saunders, Lewis & Thornhill, 2009) Further, this thesis has its base in the theoretical framework. The gathered data were therefore analyzed in regard to the theoretical framework and keywords that had been extracted from the theories. This process consisted of selecting, simplifying, abstracting and transforming the data. To answer the stated purpose and research question, it was appropriate to summarize and simplify the data. The use of figures and tables also provided the analysis with clarity when exploring the influences on managers and their strategic decision-making process. To ensure that the analysis of the interviews and written transcript took a deeper perspective, it was necessary to manually *unitising* the gathered data. Further on, similar statements gathered from the different respondents where therefore categorized into themes and then put into a table.

3.10 Trustworthiness in research

Bryman & Bell (2011) states that the most prominent criteria for the evaluation of business and management research are reliability, replication, and validity (Bryman & Bell, 2011, p. 41). To add, Saunders, Lewis & Thornhill (2009) highlights the use of the two criteria: *reliability* and *validity*. These two aspects are important in order
to achieve high quality throughout the research process. By striving for a high reliability and validity, the credibility can be increased, although they cannot separately ensure high credibility (Saunders, Lewis & Thornhill, 2009). In qualitative research, the researcher is often interpretivist and therefore never completely objective (Farrelly, 2013). Therefore, concepts of validity, reliability and generalizability have to be reinterpreted when conducting a qualitative research and to reflect the key concerns for the interpretivist perspective (Baxter & Jack, 2008).


**3.10.1 Reliability**

Reliability is referred to the question of whether the results of a study are repeatable or not. In qualitative research the question of reliability is particular concerned and it is important that the researcher use a stable measure (Bryman & Bell, 2011). Saunders, Lewis & Thornhill (2009) contributes with three questions to assess high reliability (a) Will the measures yield the same results on other occasions? (b) Will other observers reach similar observations? (c) Is there transparency in how sense was made from the raw data?

**External Reliability**

Refers to the degree to which a study can be replicated. It is impossible to freeze or capture a social setting twice. Therefore the researcher needs to adapt to a similar social role to that adopted by the original researcher (Bryman & Bell, 2011).

**Internal Reliability**

In qualitative research the internal reliability is affected by the number of researchers and how they agree upon what they see and hear during the research (Bryman & Bell, 2011).
3.10.2 Validity

In qualitative research, validity refers to how well the research investigates what it intends to investigate (Baxter & Jack, 2008; Cooper & Schindler, 2011). It is therefore important to show that the research design accurately identifies and describes the phenomenon under discussion (Farrelly, 2013). Bryman & Bell (2011) state the following regarding validity: “Validity refers to whether you are observing, identifying, or measuring what you say you are” (Bryman & Bell, 2011, p. 395).

**Internal Validity: Credibility**

In qualitative research the purpose is to describe or understand the phenomena under investigation from the objects point of view, therefore the objects are the only ones who can legitimately judge the credibility of results (Farrelly, 2013). To prevent the lack of internal validity, the researcher could ask the objects to read through the interview transcripts in order to confirm that the content is correct and that the investigator has correctly understood the social world (Bryman & Bell, 2013).

**External Validity: Transferability**

Transferability refers to the qualitative research results level of generalisability. That means whether or not the results can be generalized or transferred to other context, persons, settings or time (Saunders, Lewis & Thornhill, 2009; Cooper & Schindler, 2011). To add Denzin & Lincoln (2000) defines it as the degree to which the findings are applicable to other populations or samples. By doing a thorough job of describing the research context and the assumptions that were central to the research, the researcher can enhance the transferability (Farrell, 2013; Bryman & Bell, 2011).

**Reliability: Dependability**

Dependability emphasizes the need for the research to account for the ever-changing context within which a research occurs. In general, reliability seen from a quantitative study is based on the assumption of replicability or repeatability. It is
further explained, as whether a research would obtain the same results if it could observe the same thing twice. But from the qualitative view, this would mean to measure two different things (Farrelly, 2013). Therefor the researcher is responsible for describing changes that occur in the settings and how these changes affected the way the researcher approached the study (Bryman & Bell, 2011; Farrelly, 2013).

**Objectivity: Confirmability**

Confirmability refers to the degree to which others could confirm the results of the study. To enhance the confirmability, it is important that the researcher record the processes for checking and rechecking the data throughout the study (Farrelly, 2013). The more objective the interpretation of the data is, the more scientific the research becomes (Sekaran, 2003).

**Replicability**

This criterion relates to whether the research can be repeated. In qualitative research this is difficult to use, since the research consists of unique individuals and their reactions to social phenomena. To replicate or attempting to replicate the precise conditions under which data was originally collected, is of great challenge. It is unlikely that the same respondents taking part in a later study would react in the same way. It is important that the researcher ensures that the data that has been used is free from errors regarding recording and analysis. To ensure this reliability, it is therefore also important that the researcher reports the procedures that led to the research findings, by checking interpretations and allowing the respondents to check their input (Farrelly, 2013).

**Generalizability**

Refers to the applicability of theories, which are generated in one setting, to other settings (Yin, 2003; Sekaran, 2003). Qualitative studies do not intend to generate statistical significance or generalizability. Instead, the main focus is on guarantee appropriate representation of the study’s events and on understanding the key issues under investigation. However, Farrell (2013) states, “because of the nature of
individuals and organizations, it is not unreasonable to expect that some findings may be transferable to other organizations” (Farrelly, 2013, p. 151).

3.11 Source Criticism

Source criticism is used to judge which kind and what kind of sources that are reliable. Knowledge can be written or oral and what the knowledge is based upon can be defined as a source (Thurén, 2013). It is important to be critical when reading sources and using them in the writing process of a paper. One problem can for example be to define what accepted sources are (Friberg, 2012). Though according to Thurén (2013), there are four different aspects to think about when defining a reliable source from a source critical perspective; authenticity, time correlation, independents and free from tendency. These four criteria are important to consider when using source criticism as a method. The part of authenticity is important to consider, this to be sure that the source is real and not false or fake. The time correlation part is also important to consider, cause the older the used source is, the less credible the source tends to be. Further, the source also needs to be independent; otherwise it can be based on an incorrect source. The last criteria are that the source also needs to be free from tendency, which means that the authors to the source for e.g. do not mix in own thoughts or any political messages (Thurén, 2013). This thesis relied upon a heavy amount of academic articles as well as books confirmed from different reliable databases. However to establish the level of reliability for the sources all of the criteria created by Thurén, (2013) was taken into consideration when using the different sources.

3.12 Research and business ethics

Ethics in business research refers to the segment that questions how researchers treat people whom they conduct research on and all parties in research should exhibit ethical behavior (Bryman & Bell, 2011). Cooper & Schindler (2011) states that “the goal of ethics is to ensure that no one is harmed or suffers adverse consequences from research activities” (p. 28). Further, Denscombe (2010) describes business ethics as a complex matter and it can vary from researcher to researcher depending on various different outcomes from cultural aspects to personal views. But there is no single approach to ethics (Cooper & Schindler, 2011). When data are gathered during
Methodology

interviews the participant has many rights to be protected, therefore it is important that the research is designed to uphold the protection of the respondents (Cooper & Schindler, 2011). Further Cooper & Schindler (2011) provides three guidelines to protect the respondent, (1) Explain study benefits, (2) Explain the participants rights and protections (3) Obtain informed consent. Participants should be given as much information as needed to make an informed decision about whether or not to be in the study (Bryman & Bell, 2011). They further explains that the guidance is clear and the objectives of any study do not give researchers a special right to intrude on a respondents privacy nor to abandon normal respect for an individuals value. Open information and open communication with the participants is the key to act within the right frames of business ethics (Crane, 1997).

In order to handle the ethical aspects of this thesis, the data gathered from the respondents is handled confidently and respectfully. The information to be obtained needs to be approved from the respondents before being used in this research. Also the respondents anonymity is one important factor to uphold the ethical aspect. The respondent is given clear information about the study and its purpose before participating. The researchers also make sure they are participating voluntary and can retreat from the study at any time.

3.13 Operationalization of Data display and analysis
3.13.1 Empirical data
Since the coding scheme takes a great amount of space in this thesis, the authors have choses to put this in the appendices. To have a more detailed observation of the empirical material, see appendices D.
3.14 Empirical analysis table

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent Quotes</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDMP</td>
<td>The rational decision-making model</td>
<td>Process bounded problems</td>
<td>&quot;The Chinese think completely different which also can affect our strategic decisions process in every step of the way.&quot;</td>
<td>The Chinese affect our strategic decisions making process</td>
</tr>
</tbody>
</table>

3.14.1 Description of the table

The model that was used to in the operationalization is made in five steps. From the left column to the right. The first column is standing for the different themes that the research including. All these themes have a connection to management and its decision-making process. The second column is including the different theories that are brought up in the theoretical chapter. The third column contains the different keywords that are used to code the empirical material that is gathered by the interviews. The keywords have been used to collect the information, from the interviews. The fourth column consists of quotes extracted from the transcript of the respondents. The fifth column represents a summary of these quotes.

3.14.2 Development of keywords

The development of keywords was made in a way that the authors broke down the theoretical framework from the literature review into concepts. The different produced concepts were after this chosen out by those, which had a direct and strong connection to management and/or SDMP. After this the keyword was checked so it conceptualized the theoretical framework it belonged to and easily could be found be the reader. If the keyword did not fulfill these criteria it was erased. Also keywords that were too similar or unclear were erased to not confuse the reader.
4 Empirical Analysis

In this chapter the analysis of the empirical material is presented. The empirical material consists of primary data sources from the semi-structured interview and transcript. For a complete view of the empirical material see appendices D. First is the data display and analysis presented, then unitising analysis followed by figures that describe the different influences on the management and their SDMP.

4.1 Data display and analysis

Out of the empirical material, Respondent (B) and (D) implied that the use of standardized process occurred in some cases of the decision making process. The management often used this standardized process and used the board of directors as a decision-making group. This standardized process can be described as the essence of the rational decision-making model, which managers use in their SDMP (Mintzberg, Ahlstrand & Lampel, 1998; Porter & Millar, 1985; Baum & Wally, 2003). In this cases, the managements way of deciding strategic decision therefore match the arguments provided by Mintzberg, Ahlstrand & Lampel (1998) and Porter & Millar (1985) and Baum & Wally (2003). On the other hand, respondent (E) described that the management used a thoroughly standardized process when taking decisions. The difference between respondent (B) and (D), was that respondent (D) had started to use a more rational way of taking decisions, while (B) has used the process for a longer time. Respondent (A) and (C) never mentioned anything regarding standardized process, which could be interpreted as there is a lack of using standardized process by the management.

Regarding the process bounded problems, respondent (A) said that the main problem was that the Chinese affected their SDMP, whereas respondent (B) said it was the Chinese culture itself, and (C) said it was due to the Chinese market that was the main issue regarding the process bounded problems. On the other hand, respondent (D) said that the expectations regarding the pace on the SDMP was a great problem and that the management did not had the time to evaluate the different decisions that was made. Process-bounded problems are explained to be complex and have several different bottoms (Kandemir & Acur, 2012; Nygaard, & Bengtsson, 2002). The respondents, which all answered in different fashions, could also justify this.
Furthermore, Kandemir & Acur (2012) explains that there is no universal technique on how to make the right decision, which could be interpreted and confirmed by the answers given by respondent (B), (C), (D) and (E). It can be understood as the management probably stumbles upon problems when using the same standardized process as they used in their country of origin before expanding business to China. Respondent (B), (D) and (E) mentioned that the Chinese culture is a main issue regarding the process bounded problems. This might be due to Chinas different culture compared to the western world, which puts restraints on the rational decision-making.

The answer from respondent (A) shows that the management cannot identify the specific area on the process that was problematized by the Chinese. This compared to the answers from respondent (B), (C) and (E) who according to their answers, connects the process-bounded problems to the culture of China. This since (B) directly mentioned culture as a process bounded problem and (C) puts the market as the main problem, which can be affected by the culture. Respondent (C) answer could also be connected to the answer from respondent (D) who stated that the problem could also occur with the expectations on the pace of the decision-making process. This connection can be seen on a business aspect. There is a coherent pattern between the respondents and their answers, but the answers differ from each other in a way that might show that there is a lack of actual standardized processes. This can be seen as contradict full in connection to the respondents actual answer, which says that they do in fact possess standardized process within the company. This also emphasized that the expansion to China has modified their usage of the rational decision-making model. The influence of the new environment can have resulted in the management changing position or even skipped some of the different steps in the rational decision-making model. This could also be a factor of why the respondents in the empirical material brought up process bounded problems.
4.1.1 Decision speed

Respondent (C) and (D) said that the management needs to change their pace of decision, when operating on the Chinese markets. Both respondent (B) and (E) said there were changes in pace of decision but in their cases the influence of China led to a slower pace of decision-making. In contrast to the other respondents, (A) emphasizes that the decision-making needs to take the time it takes. According to Willis (2009) some managers tends to speed up or slow down the decision process depending on the situation and circumstances. Both (C) and (D) seems to adapt to the situation and circumstances, but to a higher speed in the decision-making process. In addition, respondent (B) and (E) also confirms to adapts to the circumstances and situation, but to a slower process. Respondent (B) and (E) answers might be connected to Cheng, Rhodes & Lok (2010) arguments that decisions start from the bottom to the top before it is made, which slows down the process. Respondent (A) said that the decision-making process takes the time it takes, which can be interpreted as the management do not consider the time aspect of decisions as an important factor. To summarize, all the respondents, except respondent (A), described the pace of decision influenced when expanding to China.
Regarding the flexibility in the decision speed, all of the respondents can be interpreted as relatively flexible. Willis (2009) claims that some managers are more flexible with the timeframe for making decisions. The respondents answers can be connected to this theoretical part, since all of the respondents can be seen as flexible within the decision-making process, but on different levels (Willis, 2009). Respondent (A), said that the flexibility depended on the magnitude of the decision, while respondent (E), said the flexibility developed during the time of a project. This can be interpreted as these managers vary their flexibility depending on the project. In contrast respondent (D) used a lot of intuition and “learning by doing” in order to take faster decisions. Respondent (C) and (B) explained to have a high flexibility since the management often compared different solutions and then made the decision. The reason why the management needs to be flexible might be because they are operating in a new complex environment where there is a lack of previous know-how.

If an organization use a structured and detailed process to manage decisions Cheng, Rhodes & Lok (2010) argue that it might speed up the process of taking the decision. Respondent, (A), (B), (C) and (E) all said to have structured and well planned processes to make a decision, which Cheng, Rhodes & Lok (2010) argues for. The reason for the structured process might be due to the pace of the decision speed of respondent (B) and (E) which experienced it to take a longer time to make decisions in China. On the other hand respondent (C) and (A) said that the decision speed was higher in China but still had a structured process. The structured process is possible the reason of the feeling that the organization needs to adapt themselves to a high pace in the decision-making. Therefore it could be analyzed that a structured process speeds up the decision pace in some cases and some not.
4.1.2 The environmental effect

Respondent (B) and (E) described that the non-management employee interaction is moderate, while respondent (D) had a low interaction with the non-management employees. Instead, respondent (A) and (C) had a high interaction with the non-management employees. Respondent (A) let the employees interact when there is someone obtaining the specific knowledge that is needed. Further on, respondent (C) means that his or her organization could be seen as flat, where everyone is somehow involved in the decision process. The theoretical framework by Zain & Kassim (2012) describes the concept of interaction that a creative internal environment will lead to a more creative work and performance by the employees. Well-planned group from different parts of the organization and individuals who got specific knowledge in the area of the decision. This could be analyzed as respondent (A), (C), (B) and (E) could have a more creative organization, this since they let their non-management interact in their decision-making process. Respondent (A) held that the interaction by non-management is high but still that it is the boss who has the final call when making a decision. The impact from the non-management employees seems therefore to be rather small.
4.1.3 Political behavior

Respondent (A) mentioned that the management perceived the business environment in China as lacking of transparency. The interpretation from this might be that the lack of transparency comes from two directions. One direction might be the political, because the lack of demand when it comes to e.g. the flow of money in a company. The other direction might derive from the cultural aspect. The reason for this argument is possible that the cultural aspect had an influence on the Chinese people where transparency is not of a necessary part. Respondent (B) mentioned that the management had encountered requirements from the Chinese government, which demanded the research and development division on the same market as the organization had their production. This shows that there is an external pressure on the management of respondent (B) company. Respondent (C) described that if one runs a business in China, one will also encounter the complicated bureaucracy. But, the respondent further mentioned that a solution to this problem is to have Chinese contacts, which makes different processes go much smoother and faster than normally. Hasche (2013) argue that the Chinese government has an impact on the business climate and the market rather than the company itself. Regarding what respondent (C) mentioned, there might be some political influence on the organizations market, this since contacts was a solution to the problem and made
different processes go faster and smoother. The business environment can therefore be seen as corrupt. Instead, Respondent (E) only stated that the political system in China affects, but noting regarding how, while respondent (D) never mentioned anything about the political influence. Hasche (2013) argues that the Chinese government has a big impact on the industries and their planning, which seems to be the case regarding respondent (B) description of the situation. Respondent (B) company might have been affected by that Chinese managers tends to incorporate the central and provincial government’s goal and planning into their own planning or strategic decisions. This might be the case, but is not possible to answer out of the empirical material.

![Diagram](image)

Figure 10. The political behavior model and its influence on the management and their SDMP.

### 4.1.4 The cultural influence

Regarding hierarchy and its influence on the management, respondent (A) and (D) said that the board of directors always has the final word regarding strategic decision-making, independent of the situation. On the other hand, respondent (C) and (B) said that the influence of hierarchy is dependent on what type of decision that is to be made. Respondent (C) further emphasizes that the larger the organization grows, the larger will the hierarchy be. According to Khairullah & Khairullah (2013)
managers might be affected by higher leaders in the hierarchy, and the phenomena can be described as “follow the leader”. By looking at how the respondent (A) and (D) answered, the similarities to this statement and how the management perceived the hierarchy is shown. Respondent (E) answer both confirms and disconfirms the statement since the hierarchy in the management is analyzed as moderate.

Respondent (C), (B) and (D) answers, shows that there are other types of factors that affects the hierarchy then the theoretical framework brought up. Respondent (C) answer may be caused by the current type of the organizational structure, which was described as a flat one. Respondent (B) emphasized that the larger investment that is needed to make a strategic decision, the greater need of hierarchy is necessary. Respondent (D) puts himself highest up in the hierarchy since the role of CEO takes all the decisions.

Regarding the time aspect in projects, respondent (A) mentioned that the management took each step at the time. This can be seen as a slow but very safe process since the management can evaluate each step they take. Respondent (B) answered that they followed a set time aspect, but only for bigger decisions. This since the company got a roadmap meeting every half a year where bigger decisions and strategies were made.

Respondent (C) had a similar system but instead used their management located in Sweden as a guide, which took their goal and planning decisions. Respondent (D) stated: “The most significant change that I can think of now is the speed of everything. From creating a proposal to making the decision to implementing the whole idea that has been decided. So I would say the speed that we conduct our business has increased dramatically”. This statement can be seen as a strong quote and there is a strong influence on how the management needs to speed up the decision-making process. On the other hand, respondent (E) explained that the Chinese did not have “the same tradition of trying to reaching consensus before taking a decision”. Either it refers to taking a faster pace of making decisions, or a slower pace of making decisions.
According Cheng, Rhodes & Lok (2010) managers with different cultural backgrounds tend to approach the decision-making in different ways compared to managers with similar cultural backgrounds. Regarding respondents (E) and (D), the situations and problems described might occur due to different cultural backgrounds between the management and the Chinese. As Martinsons & Davison (2007) highlights, the national background or social culture may be the major reason to why the process looked in a certain way. Respondent (A) answer can be seen as flexible since they take each step at a time. This is empathized by Cheng, Rhodes & Lok (2010) who states that some managers is more informal with timeframe and do not use time limits in a decision process.

![Cultural Influence Model](image)

Figure 11. The cultural influence model and its influence on the management and their SDMP.

4.1.5 Rationality in Decision

The answers from respondent (A), (B), (D) and (E) regarding the strategic decision-making process can be interpreted as they all use a rational way to make strategic decisions. This since, Hough & White (2003) describes rationality as to select a sensible alternative based on gathered knowledge to achieve a goal. To further describe, respondent (A) said that when the management took a decision, they put together a well-planned group with specific knowledge from different parts of the
organization in order to make the best decision. Therefore, respondent (A) is using technical rationality when taking strategic decisions. According to Eisenhardt (1997) the goal for the rationality is to solve the problem with best possible solution. Respondent (B) explained that the use of external input was important, often from someone with expertise which later brought this information up in the organization before a decision. Respondent (D) explained that the management based their decisions on the accessible and available information about the market, customers and goals. Respondent (E) said that before a strategic decision is executed there is also analytical work to do. According to Panagiotou (2008) organizations may and can require that managers have to be analytical, rational and have the ability to make timely, accurate and objective judgments.

Priem, Rasheed & Kotulic (1995) argues that to keep a decisions rational it is important to implement analysis, systematic scanning and include methodical planning, which could be seen in both manager (D) and (E) and how they described the highly analytical part before the management actually deciding upon which strategy to choose from. Therefore (D) and (E) are using technical rationality.

In contrast, respondent (C) emphasized that it was good to try and see where and how big the demand was for the products, the manager used the term “learn by doing” referring to strategic decisions. This can be interpreted as a level of bounded rationality, which is described as when decisions are rational based on the manager’s own limitations of their capabilities. Even though managers sometimes approaches a problem with a “bounded rationality”, the outcome and result which the manager is aiming for is “good enough” rather than the best. (Eisenhardt, 1997; Panagiotou, 2008).

Regarding to the planning aspect, respondent (A) put together a strategic team, which planed and took decisions in their specific knowledge field. Respondent (C) and (E) were driven and controlled in their planning by the Swedish board of directors, but with the difference that (E) still had an ongoing interactivity within the organization. Respondent (B) and (D) both planned for their future strategy where (B) only had this kind of meetings once every half a year. According to the answers (D) were more flexible when it came to the time of strategic planning. Respondents (D)
company, according to the answer, made this plan when the need for it occurred. The different answers from the respondents can all be derived to the technical rationality by Panagiotou (2008) who states, that to use technical rationality the decision-making managers need to have a clear understanding of what the firm’s long-term goals are. A problem for respondent (C) and (E) could be that the decisions about the planning is made in another country then it is executed in. This can cause the firms several different complications directly connected to their planning. Therefore, since the organization let their board in Sweden take their planning decision, it can both be seen as technical rationality and bounded rationality. This since the organization let someone who is not stationed in China make the decisions. Respondent (B) firm might risk missing important parts in their planning since they only have the meeting every half a year. Quick strategic decisions and changes in the organizational plan might be missed out of this reason. The probably most analytical organization when it comes to planning was (A), who’s firm even analyzed which individuals who should be put together to analyze and solve a problem. The disadvantage with this is still tough that the organization will move more slowly than if there were a set group who always planned. The respondents answers can therefore be analyzed as most of them use technical rationality in the management.

Respondent (A) said that those who hold key positions within the company, are also expected to have some earlier experience from the market in order to understand how it works. This to make sure that they understand and execute the right strategic decision. Respondent (B) said it was important to have management meetings and be able to bring up problems “During this management meeting it is okay to bring up a problem cause if you do that then it will be everybody’s problem, but if you don’t then it will only be your own”, and therefore solve problems in group. On the other hand, respondent (C) talked about how the management approached several different solutions and then based a decision on intuition, or the gut feeling. On the other hand, respondent (E) analyzed the different solutions and then lift these to the board of directors, which then decided what to do.

Respondent (A) and (E) approach can be seen as technical rationality when it comes to approaching a solution. In contrast, respondent (B) and (C) seems to approach the solution with a bounded rationality (Panagiotou, 2008; Eisenhardt, 1997).
Figure 12. The rationality in decision model and its influence on the management and their SDMP.
4.1.6 Strategic lenses

Respondent (C), (B) and (E) mentioned that there were a high interaction from the non-management employees regarding the SDMP. They all said to have different ways of interactions in the organizations. Respondent (A) seemed to have a moderate interaction, this since “The decision is sometimes based on an hierarchy order and sometimes are a collaborative effort between our Chinese staff that has an extensive pre-knowledge of the market and me that has an overall view of the company”. On the other hand, respondent (C) said that the interaction was due to a flat organization structure, where everyone was involved. Respondent (B) explained that the interaction consisted of expertise from the staff, which was important in order to take the strategic decisions. Respondent (E) used expertise from the outside and the inside of the company, which also consisted on the non-management level. On the other hand, respondent (D) was the only one who never stated anything about the interaction regarding the SDMP. The respondents who answers can be analyzed as highly involved or moderate involved agrees with Johnson (2007) and Johnson, Scholes & Whittington (2005) that the non-management employees got a direct control in the lower parts of an organization. It seems that there could be many different reasons behind the involvement by non-management employees. The reason could be all from, the organization's structure to the employees knowledge.

From the empirical material it is shown that the respondent partly got a similar picture of the involvement from non-management employees. But, another aspect that could be analyzed is that the response from the different respondents in the field of hierarchy was that all of them empathize some level of hierarchy. However, the response in connection to the concept of non-management employee interaction in decision-making was expressed that there is none or a low level of hierarchy. The statements, of the question regarding non-management employee interaction in decision-making, therefore risks to be angled to the respondents advantage since answer “the wrong thing” can be seen as ethical wrong. The data gathered from the respondents also could show a higher grade of involvement between workers in their SDMP, within the companies as a correlation to the expansion to the complex markets of China. The expansion incents this interaction as a process to get a greater understanding of the market with help from Chinese employees.

Regarding the low rationality in the management and their decision-making, respondent (C) were the only one who touched upon the subject. The CEO stated “It
can be described as a learn by doing in order to establish a business”. The other respondents did not talk about a low rationality regarding the SDMP. Also, respondent (C) were the only one who used their intuition when it comes to the SDMP. The respondent quoted “Then I take a decision based on my intuition and if it feels good then we will start the production”. It is clear that the managements SDMP were highly dependent of intuition. This can easily be connected to the arguments by Whittington (2001) and Papadakis & Barwise (2002) who claims that management handle the decision process in “blind”. This means that the management rely more on intuition and has a low level of rationality in the decision-making process. The answers regarding low rationality in the decision-making process and the non-management employees interaction in the decision-making, shows that the respondents and their companies uses the Idea lens but, except from respondent (C), who only used parts of it.

Respondents (A), (B), (D) and (E) used highly structured and analyzed processes before actually deciding on a strategic decision. Johnson, Whittington & Scholes (2012) describes that decisions based on heavy analytic background concerns logical determinism, which is grounded in rationality and connected to the design lens. On the other hand, respondent (C) do not take any decisions guided by structure, instead the management takes the decisions based on their intuition. Further, respondent (A) described that the strategic decisions were based on gathered and suitable data, which they also analyzed before taking important decisions. Instead, respondent (B) described the importance of strategic meetings before actually deciding anything, even though the board of directors took the final decisions on cases that were considered of high magnitude. Respondent (D) described the SDMP as highly structured. This since they often made plans, simulations, and predictions before taking major strategic decisions. Respondent (E) said that before executing a decision, there is analytical work to do. The management also consolidated with the board of directors, which also had the final decision in some cases. Since (A), (B), (D) and (E) used the structured and analytical process which Johnson, Whittington & Scholes (2012) means, their SDMP is related to the use of the design lens. The management transmits and constantly weighs in the pros and cons of going through possible different strategy decision (Johnson, 2007). Further Delbridge, Gratton & Johnson (2006) argues that rational choice is based on the consideration of the
consequences which also respondent (D) emphasizes on, since the use of simulations, and predictions before taking major strategic decisions.

Both respondent (A), (B), (D) and (E) mentioned something that could connect them with a high rationality and therefore to the design lens. Respondent (A) used a top to bottom rationality, which means that the company already got defined structures in every level of the company. Respondent (B) used a firm schedule for board meetings where they evaluated the past, present and future decisions. Respondent (D) used present experience and experts on the area to bring rationality to their decisions. Respondent (E) were the one who was most extreme in their rationality. They used a specific division in business development and quoted “we got an own division that works with business development on increasing our thinking in a rational way for the management”. Johnson, Whittington & Scholes (2012) describes the design lens as where the management team takes the ultimate decisions with a rational mindset and rational decision-making ability. Seen from the provided arguments, both respondent (A), (B), (D) and (E) seems to act according to the design lens.

Within the respondents answers, there seems to be similarities referring to the use of different earlier experience. Respondent (A) highlighted that many of the managers that got key roles in the company has long experience from the actual area of interest and if implemented this was seen as a great advantage. Respondent (B) emphasized that “trial and error” is one important step to create experience for future decision-making. Respondent (C) brought up that the management experience is a vital success factor regarding the decision-making process. Respondent (D) said that the Chinese markets could be seen as an ever-changing environment. Therefore the need of experience is highly favorable in order to have a functional decision-making process that is adapted to the Chinese markets. Respondent (E) perceived experience as an important factor to take the correct decisions, which further could create analytical abilities towards the SDMP. Since Johnson, Scholes & Whittington (2005) states that when management use earlier experience to develop strategic decisions this is seen from the experience lens view which all of the respondent used. All the respondents strategic decisions can therefore be seen as users of the experience lens.
Figure 13. The idea lens model and its influence on the management and their SDMP.

Figure 14. The design lens model and its influence on the management and their SDMP.
Figure 15. The experience lens model and its influence on the management and their SDMP.
### 4.2 Unitising analysis

**Table 4. Unitising analysis table**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Respondent quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent structure in company</td>
<td>“The organization is based on one Parent Company and several sales companies were the parent company is oriented at production.”, Respondent (A).&lt;br&gt;“But in some co-insures there are some strategic decisions that has to be taken from the parent company in a executive way from the board members”, Respondent (B).&lt;br&gt;“The board in Sweden makes sure that I am on the right path and that I know what goals and future plans we have for the organization”, Respondent (C).&lt;br&gt;“The decision process was quite quick and only included me and my boss in Sweden, which also was the owner”, Respondent (D).&lt;br&gt;“There is an ongoing interactivity within the organization. This concerns the corporate activities and the strategic plans that are set by the Swedish board of directors.”, Respondent (E).</td>
</tr>
<tr>
<td>Use Chinese employees</td>
<td>“To make strategic decisions in China the company got both Swedish and Chinese staff in China to operate the business”, Respondent (A).&lt;br&gt;“The mechanisms in China are quite different than those in Sweden. Which has led us to have Chinese employees who have knowledge of our products and the Chinese culture.”, Respondent, (B).&lt;br&gt;“By using the experience that has been accumulated but also the sometimes knowledge of the Chinese workers expertise in the strategic decision-making process.”, Respondent (D).</td>
</tr>
<tr>
<td>Acts differently to reach Chinese customers and market.</td>
<td>“The Chinese do not share the same user experience as here in the western world, particularly Scandinavia. The Chinese greatly appreciate colors such as golden, red, and warm colors. The diverse culture means that we need to adapt more to the Chinese market conditions”, Respondent (A).&lt;br&gt;“It is easy that you are taking a Swedish model and trying to apply it in a different country and it won’t work”, Respondent (B).&lt;br&gt;“It is important to remember that it is very different customers in China, compared with customers in Sweden”, Respondent (C).</td>
</tr>
</tbody>
</table>
Is highly influenced by business partners

“One important factor for why we expanded to China was that our business partners wanted us on place”, Respondent (A).

“The requirements also came from various business partners, that if we are to be a strategic partner to them, we must be on the Chinese market, otherwise they find another partner to collaborate with”, Respondent (B).

“One example is that our biggest customer in Sweden established in China and because we are a subcontractor they wanted us to be close to them so we can be a part of the development of products”, Respondent (D).

One similarity extracted from the transcript was that all the respondent mentioned that they had a parent company structure. This might probably due to the legal framework of operating business in China, where they, by the Chinese laws, might need to set up a subsidiary. The parent company probably has some influence on the management operating in China, which can be seen in the decision process, were a lot of the decisions had to go through the parent company.

Respondent (A), (B) and (D) mentioned that the company used Chinese employees. Same respondents also talked about the interaction between employees within the organization, where everyone was involved. Because of the different cultural backgrounds, and this interaction, the Chinese way of thinking might have a greater influence on the strategic decision-making process than mentioned.

Respondent (A), (B) and (C) highlighted that the company itself where guided by the Chinese market and the Chinese customers demand. The respondents said that they had to adapt parts of their business process in order to attract the Chinese customers on the Chinese market. It might occur that the Chinese markets and its customers influence the managers perception and how they operate different business processes, which also might have an influence on the managements decision-making process.

Respondent (A), (B) and (D) said that the reason for expanding to China had to do with their business partners demands. The various business partners required the companies to act and be attendant on the same market as they operated on. Since the
business partners required the expansion from these companies, they might also have a great influence on the local management and their way of taking strategic decisions, both globally and locally.
5 Conclusion

In this chapter the conclusion of the research is presented and answers to the purpose and research questions.

Purpose
To further explore and extend the research area on how the expansion to China influence the management and their strategic decision-making process.

Research Questions

• RQ1: Do the expansion to China influence the management strategic decision-making process?

• RQ2: How does the expansion to China influence the management strategic decision-making process?

Since this qualitative research has a purpose of the explorative nature and includes the question of how the conclusion will be rather extensive.

From the empirical analysis, the findings suggest that the management is influenced by a number of different factors when expanding business to China. One major influence consisted of the process-bounded problems related to the expansion. The different process bounded problems consisted of the differences in the cultural, market and pace of taking a decision. The use of standardized processes seems to differ when managers take strategic decisions. Even though standardized processes have some influence on the way the managers structure the decision-making process, there is no coherent process pattern among the cases in the research. Therefore the use of standardized process can be seen as relatively vague.

The expansion to China also seem to influence the managers way of developing standardized processes referring to the SDMP. This also emphasized that the
expansion to China has modified the managers usage of the rational decision-making model. The influences of the new environment seem to have resulted in the management changing position or even skipped some of the different steps explained in the model. The managers way of taking strategic decisions and the pace of the decision process were highly influenced by the expansion to China. The decision pace influenced the management and their SDMP either to slow down or speed up the process. Being flexible seem to depend on the projects magnitude, the use of “learning by doing” or comparing different solutions. This shows that there is several ways that flexibility influences the management when taking strategic decisions, which is depending of the operating environment. Time aspect in projects were affected by decision speed and flexibility, where the managers felt they needed to speed up the process and be flexibility in the time aspect of a project, which influenced their SDMP. From the empirical analysis a conclusion can be made that a structured process sometimes speeds up the decision pace and sometimes not. This depending on the different answers regarding the decision speed from all the managers who used a standardized process. To decide upon a strategic decision, the manager interacts with the non-management employees within the organization. The use of local expertise and experts within a particular field was incorporated within the process in order to take the best possible decision in particular situation. Thereby the interactions with the non-management employees influence the management and their SDMP. The unitising analysis showed that the management also incorporated Chinese employees in order to gain knowledge and an understanding of the different environment where they operated business. This possibly affects the management and their SDMP. The companies had to adapt parts of their business process in order to succeed on the Chinese markets. Since the managers need to adapt to the markets, it occur an influence on the managements perception and how they operate different business processes, which in the end could influence the SDMP. The unitising analysis also brought up the reason for expanding to China, which had to do with the organizations different business partners demand. In some of the organizations, business partners required the companies to act and be attendant on the same market as they operated on. Since the business partners required the expansion, they might also have a great influence in China and on the local management and their way of taking strategic decisions.
The political system of China affected the management and their SDMP in several different ways. For instance, the government had requirements regarding business establishment and the legal aspect also influenced the managers. This since the bureaucracy was seen as complex and complicated and also lacked transparency.

The hierarchy within the organization highly influenced the management and their SDMP when operating business in China, mainly because the use of a hierarchical system often was applied when expanding the business. From the unitising analysis a pattern between the respondents could be seen. All the companies were registered in China as subsidiaries to a parent company. The parent company influenced the management and their SDMP in some regards. This since the major decisions had to go through a hierarchical system where the parent company took the final decision.

The majority of the managers used rationality to make strategic decisions. By rational it means the management used well-planned groups with specific knowledge, external expertise input, and information of the market, customers and goals before making a strategic decision. Since rationality is to select a sensible alternative based on gathered knowledge to achieve a goal, this is also an analytical and structured approach. This rationality is correlated with a technical rationality and the design lens, which therefore also is the most commonly used strategy by the different managements. When planning was made in the SDMP all the managers used technical rationality.

In contrast to the technical rationality and the design lens, one of the managers can best be described to use bounded rationality and the idea lens strategy. This manager was shown to have a low level of rationality in the decision-making process and a low level of analytical thinking, which refers to bounded rationality and the idea lens. When the management approached a solution they were both using technical and bounded rationality. Therefore both kinds of rationalities are affecting the management and their SDMP but cannot be separated since the theories are opposites of each other, and might be equally used. Regarding the SDMP, experience played a central part, which is seen from the experience lens strategy. Though this is seen in
different ways, since all managers used their earlier experience in different strategically purposes.

Figure 16. *The factors influencing management and their SDMP when expanding business to China.*
6 Discussion & Further research

In this chapter, the managerial implication will be discussed, trustworthiness and self criticism followed by further research.

6.1 Managerial implication

The findings of this research give a deeper understanding about the complex phenomena regarding management and their strategic decision-making process when expanding business to China. The empirical findings can be used in the field of strategy, focusing on how management is affected by an expansion to China. The empirical findings concluded that there are several factors, which influence the management when expanding business to China. The extracted theories from the literature review showed to have influence but in which degree cannot be answered with a qualitative study.

For companies that have future goals of expanding business to China may use the results of this research in order to be aware of the different influences that might occur on the management. The research can provide information for organizations that are planning an expansion to China. The study can be used as long as it is on a company or organization that is expanding to China and got a management.

6.2 Evaluation of trustworthiness

To argue for the strength regarding the reliability in this thesis the following statements can be considered as complementary. The thesis is conducted through a multiple case study instead of a single case study. The methodology and data collection techniques is also described thoroughly in the methodology chapter and each choice is also motivated so that the reader are well aware of how the different methods was conducted in the research. These statements ensure a higher reliability in this thesis. The Internal reliability is strengthened by several approaches. During the semi-structured interviews, the researchers used an audio recorder in order to store what had been said, and later be able to listen and transcribe the interviews. The recorded audio was transcribed and written in text after all the researchers had listen
to the audio file of the interview. This, to ensure that there was a consensus between the authors regarding the interpretation of the recorded empirical material.

Regarding validity in this research, the theories in the literature review consisted of text from both published books and scientific articles. The researchers were constantly source critical to ensure that the majority of articles had been peer-reviewed and that they contributed to the research. The analysis and coding model of the transcript and the interview questions has also been reviewed by two supervisors at the Linnaeus University, which argues for a higher validity of the data collection methods.

To ensure the internal validity, the transcribed interviews were sent to the respondent. In that way they could give their input if something were incorrect or interpreted in the wrong way by the authors. A short time before the interviews were held, an e-mail were sent to each one of the respondents, this to inform the purpose of the study, ensure their anonymity and also to ensure that all given information would be considered as confidential material and be deleted after the transcribe had been written. Before the interview, the researchers gave an explanation of the project, purpose and information regarding the subject of the interview questions. The respondents were also ensured that they could choose to avoid the participation of this study at any time.

To ensure the external validity and in order to find a representative sample, a pre-study interview was made with Therese Magnusson at Regionsförbundet Södra Småland. Initially, the authors were lacking knowledge in the research area and needed guidance to select a representative sample. The organization provided the authors with several different contacts, which then were selected out of the chosen sample criteria. To ensure the objectivity and transferability of this research, the authors have also tried to thoroughly describe the research process and the changes within it. Thus it has been complicated due to the anonymity of the respondents.

6.3 Self Criticism
The problem with a qualitative study is that it is hard to generalize the result because of the nature of qualitative research that has been applied on this research. The result of a future research, may therefore vary depending on respondents and context, but will make the fields of findings broader and contribute to the researched field. A broader field may lead to a deeper understanding on how management and SDMP get affected by expansion to China.

The sample size of this research might be criticized, but since the limited timeframe and the samples knowledge it is still arguable good for a qualitative study. What also needs to be criticized is that the interviews were held in Swedish. This to help the respondents to understand the questions correctly and avoid language barriers between the authors and respondents. The negative aspect of this is that the empirical material has been translated from Swedish to English by the authors, which increased the risk of mishaps and miss interpretation. Still, this approach is preferred to gather most amount of information and make the respondents as comfortable as possible, since they all got Swedish as native language. Also the use of semi-structured interview can be criticized, since the researchers had to steer the respondents onto the subject of research, which also may have increased the researcher bias on the respondent.

6.4 Further research

For further research the authors recommend other researchers to conduct a quantitative research and with statistical instruments measure if there is any relationship between the different findings of this research. Another approach would be to conduct a research on the qualitative data that was extracted through the unitising analysis of this thesis.

To further research on the relationship between the findings of this research, which one of the outlined influences have the highest degree of influence on managers and their strategic decision-making process when expanding business to China. Also a further study can be to do a market or industry specific research to expand the knowledge of how expanding to China has influenced the management and their strategic decision-making process in a specific market or industry. A research could
also be made on companies from other countries and or on another market where the intended company is supposed to expand to.
References


Appendices


Finkelstein, S, Hambrick, D, & Cannella, A 2009, Strategic Leadership : Theory And Research On Executives, Top Management Teams, And Boards / Sydney Finkelstein,


Jacob, S, & Furgerson, S 2012, 'Writing Interview Protocols and Conducting Interviews: Tips for Students New to the Field of Qualitative Research', *Qualitative Report*, 17.


Appendices


Zain, M, & Kassim, N 2012, 'The Influence of Internal Environment and Continuous Improvements on Firms Competitiveness and Performance', Procedia - Social And
Appendices

A. Introduction letter to interview

Hi,

We are three students studying business economics with specialization in marketing at the Linnaeus University in Växjö. We are now in the 6th and last semester and now writes a bachelor thesis in the subject of strategy. We all have an interest and previous experience from Asia and we decided to take a closer look at China during the thesis. We have chosen to study Swedish businesses, small and medium sized enterprises that has expanded and established their business in China. We would like to examine how the expansion into China affects management's strategic decision-making within the company. The purpose of our thesis is: “To further explore and extend the research area on how the expansion to China influence the decision making process of an organization and its management.”

In this interview we are going to touch the following themes which surrounds the research topic of strategic decision making:

- Strategic Decision Making
- Decision Making Process
- The cultural influence on Strategic Decision Making
- Rationality in strategic decision making
- Different strategy Lenses.

During the interview we will record the conversation to later be able summarize it down into text. The recorded material will be erased as soon as the transcript has been done. The recorded soundfile will only be available to the authors of this research. The whole interview will be treated with respect as confidential material and the name of the company or any other details that could lead to interference in the respondents or company's integrity will not be used.
B. The interview questions

1. Describe how the company manages the decision-making?

2. How would you describe your role in the decision-making process?

3. How do you perceive the expansion to China related to the decision-making process?

4. On what type of grounds do the firm take the strategic decisions?

Operationalization of interview questions

<table>
<thead>
<tr>
<th>Theory</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>The rational decision making model</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td>Decision speed</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td>The environmental effect</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td>Political behaviour</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td></td>
<td>Q4</td>
</tr>
<tr>
<td>The cultural influence</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td>Rationality in decision</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td></td>
<td>Q4</td>
</tr>
<tr>
<td>Strategic lenses</td>
<td>Q1</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
</tr>
<tr>
<td></td>
<td>Q4</td>
</tr>
</tbody>
</table>
C. Theoretical connections to interview questions

To develop questions for the interviews that is relevant to the research, the authors did developed the questions out from the theoretical base that is described in the paper and with a focus on the purpose and research questions.

Rational decision-making model

As described before the rational decision-making model has a broad application foundation. This theory explains in a detail fashion every step of the way when creating a strategic decision, from inception to execution. Therefore it has a connection to each and one of the questions in their own way. But the authors would say that the strongest connection is to question 1 and 3. The connection between these two questions is because, as the theory chapter explains that the majority of managerial decisions has to go through many stages in a calculated and rational way to bring out the most reasonable approach to the facing issue at hand. With these questions the main focus was to bring out the most of each respondent and create a fairly sized bank of information as well as understanding about the respondents’ structure of their strategic decision-making and which of the different steps in the respondents managerial approach that got most effected with the expansion abroad.

Decision Speed

The theoretical framework about speed in the SDM in the paper it is argued that the time of taking a decision is trying to be shorted down to rapid up the process. This in a way of not asking standardized questions but instead follow a rule-based system of making easy decisions. This makes this theory connected to questions number; 1 and 3 since it is about the process of taking decisions. The speed in countries as China is also sometimes slow down by the hierarchy system that exists and is preferred in the cultural. Questions number; 2 is therefore also connected to this theory because it is including what roll the respondent has in the SDMP.
The environmental effect

When it comes to the environmental effect and what kind of effects it may have on the SDMP the authors needed to understand the process of how decision were made and taken. This is something questions number; 1 is answering and is also connected to the theoretical part of the environmental effect since it is based on the internal environment and how it affects by the external environment. This directly connects the theory to question number; 3 that includes the external environment and how the decision-makers have perceived it related to the SDMP.

Political behavior

This theory may not have been interesting if China was not in the context. As the theoretical framework describes; decision-makers in China is sometimes affected by their politicians and even make decisions based on theirs interests. All this makes clear connections to questions number; 1, 3 and 4 by the reason of that how and why a decision was taken.

Cultural influence

The cultural influence has, as described, a big influence on the strategic decision-making when it comes to globalized companies, especially if the companies are making business in a different continent. To answer what affect the cultural has have on the interviewed decision-makers question number; 1,2 and 3. Question number 1 and 3 is connected since it is attaching the overall process of strategic decisions inside a firm. The cultural influence is argued that it can affect more or less all parts in SDMP, this makes the question connected to the theory about cultural influence. Question number; 2 is connected of the reason that the cultural influence includes the hierarchy system inside a firm. The authors here want to know if this has had any affect on the SDMP of the interviewed companies.
Rationality in decision

A rational decision can be defined as to select a sensible alternative based on gathered knowledge to achieve a goal. This is a highly important and interesting question to get answered on for the research since rationality can be connected to how the decisions are made. This makes the theory connected to question number; 1 and 2. The theoretical framework is also connected to question number; 4 since the chapter includes bounded rationality and technical rationality that discuss the background, knowledge and analysis before a decision is made.

Strategic lenses

This chapter about Strategy lenses as well as the question that’s attach to it is vital in the way of getting an overall view inside the managers/CEOs mindset that allow the authors to connect the dots between the personal effect that the management has on the decision-making. The strategy lens theory advocates that strategic decisions can be build from different personal perspectives, which strongly affect the decision process in various different aspects within the management staff. These perspectives as mentioned earlier are called lenses.

The first lens is the design lens. This subchapter explained the management of having the perspective/lens that emphasizes on a principal. The major principle is that a management team as well as the team that do the ultimate decisions within a company/organization has a rational mindset and rational decision-making ability. So to get connection to this theory the questions Q1, Q3 and Q4 was asked. This makes the direct connection to the question because of their overall describing nature of Q1, Q3 and Q4 that explained the SDMP process you could extract with these questions the views of the management in connection to the perspective that is the essence of the design lens.

The second lens is the experience lens. This subchapter explained the management of having the perspective/lens that emphasizes on and explains that the strategy process as in many terms has a slightly cognitive bias feeling. That is why the interpretation of events and issues in terms of prior experience is destined to occur. The lens further
more explains that your own experience has a significant influence on your decision process. So to get a connection to this theory the questions Q1, Q3 and Q4 was asked. This makes the direct connection to the question because of their overall describing nature of Q1, Q3 and Q4 that explained the SDMP process you could extract with these questions the views of the management in connection to the perspective that is the essence of the experience lens.

The third lens is the Idea lens. This subchapter explained the management as the lens that emphasizes less on top down design. In this theory the management also deliberately disregarded the possible outcomes and makes their decisions “blind” and rely more on intuition as well as innovation. So to get connection to this theory the questions Q1, Q3 and Q4 was asked. This makes the direct connection to the question because of their overall describing nature of Q1, Q3 and Q4 that explain the SDMP could extract with these questions the views of the management in connection to the perspective that is the essence of the idea lens.
### D. Empirical material

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent A</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDMP</td>
<td>The rational decision making model</td>
<td>Standardized process</td>
<td>We as a company also strongly believe that to successfully operate within a new market and make the most precise decisions you need to have experience from the particular market. That is something that we strongly advocate in the company.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Process bounded problems</td>
<td>The public sector in China is much more closed than those in Scandinavia. The culture also differs a lot from one another, the general culture of society which we have encountered. The Chinese think completely different which also can affect our strategic decisions process in every step of the way.</td>
<td>The Chinese affect our strategic decisions making process</td>
</tr>
<tr>
<td></td>
<td>Cultural influence on SDM</td>
<td>Decision speed</td>
<td>When the company were planning to expand to China they were letting the strategy growing slowly, not by purpose but cause it took time and was not urgent by then.</td>
<td>Decisions must take the time it takes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flexibility</td>
<td>Making optimal decisions require a balance in all directions, but it's still my boss who has the final say regarding strategic decisions. This depends on the decisions magnitude, that is, how large or important the decision is.</td>
<td>Moderate flexibility, depends on the decisions magnitude</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Structure of process</td>
<td>When the company is taking a strategic decision they put together a well-planned group from</td>
<td>Well planned process</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The environmental effect</strong></td>
<td><strong>Non management internal interaction</strong></td>
<td>different parts of the organization and who’s got specific knowledge in the area of the decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Political behavior</strong></td>
<td><strong>Political influence</strong></td>
<td>When the company is taking a strategic decision they put together a well-planned group from different parts of the organization and who’s got specific knowledge in the area of the decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The cultural influence</strong></td>
<td><strong>Hierarchy</strong></td>
<td>Since the expansion there has been trouble with the lack of transparency in the business environment in China.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rationality in decision</strong></td>
<td><strong>Analytical thinking</strong></td>
<td>Making optimal decisions require a balance in all directions, but it's still my boss who has the final say regarding strategic decisions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td><strong>Analytical thinking</strong></td>
<td>The company is making decisions in a way where they take each step at a time.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Approach to solution</strong></td>
<td><strong>Planning</strong></td>
<td>When the company is taking a strategic decision they put together a well-planned group from different parts of the organization and who’s got specific knowledge in the area of the decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td><strong>Analytical thinking</strong></td>
<td>The goal is that those who hold key positions within the company shall be placed on the market in order to understand how the market works and then make the right decision.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **High interaction of experts** | **Lack of transparency** | **Boss has final call** | **Flexible** | **Puts together a "special-team" to solve problems** | **The planning is based on who’s got the best knowledge** | **Right person on the right place** |
### SDMP: Strategic Lenses

<table>
<thead>
<tr>
<th>Interaction in Decision-Making</th>
<th>Low Rationality</th>
<th>Moderate Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-management employee interaction</td>
<td>Most of the time there is a clear decision process from top to bottom that takes the decisions in a rational way. A strategic decision is made in a way that the company gathered the suitable data and tried to analyze it and use it in a way to put out what way to go.</td>
<td>Top to bottom process</td>
</tr>
<tr>
<td>Structured decision</td>
<td>Most of the time their is a clear decision process from top to bottom that takes the decisions in a rational way</td>
<td>Rational top to bottom process</td>
</tr>
<tr>
<td>High rationality</td>
<td>The company is using earlier experiences to their advantage when it comes to making strategic decisions. Many of the managers that got key roles have been a longer time to the area before they got the manager position of the specific area.</td>
<td>Management use earlier experience</td>
</tr>
<tr>
<td>Experience impact on decision process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Theme: Theoretical Connection

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision making process</strong></td>
<td>The rational decision making model</td>
<td>Standardized process</td>
<td>But in some coin insurers there are some strategic decisions that has to be taken from the parent company in a executive way from the board members</td>
</tr>
<tr>
<td>Cultural influence on SDM</td>
<td>Decision speed</td>
<td>Process bounded problems</td>
<td>It was difficult with the communication because, culturally the Chinese people did not understand our concept and they had difficulty handling the way we conducted our decision process.</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------</td>
<td>-------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Pace of decision</td>
<td>In China it is long processes before a company decides to purchase, you are expected to make big investments before a purchase.</td>
<td>Long processes</td>
</tr>
<tr>
<td>The environmental effect</td>
<td>Structure of process</td>
<td>The different affiliated companies got its own CEO and can thereby act on their own manner. Therefore these have their own management staff and CEO so we try to have as much independent decisions making as possible.</td>
<td>High flexibility</td>
</tr>
<tr>
<td>Non management internal interaction</td>
<td>Non management internal interaction</td>
<td>We got a roadmap meeting once every half a year, were we discuss in what way to go in future strategies. It is in the border meetings that we make and take the decisions if there is a need for a change.</td>
<td>Well planned process</td>
</tr>
<tr>
<td>Political behavior</td>
<td>Political influence</td>
<td>External input usually comes from below the organization, by someone who is &quot;out there&quot; in the market and then brings it up within the organization.</td>
<td>Moderate interaction</td>
</tr>
<tr>
<td>The cultural influence</td>
<td>Hierarchy</td>
<td>There were also demands that not only the production of our products would be in China, but also research and development. This was a requirement from China, if you are to sell your products on the Chinese market, you must also conduct research and development here.</td>
<td>Outer pressure from the Chinese government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If the decision is based on demands and does not need big investments</td>
<td>Hierarchy involvement depending on</td>
</tr>
<tr>
<td>SDMP</td>
<td>Strategic Lenses</td>
<td>Time aspect in projects</td>
<td>Rationality in decision</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>-------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
for example right now we are speaking about how we are going to continue with our aggressive expansion in new markets. Its in the border meetings that we make and take the decisions if there need for a change. Every affiliated companies makes some decisions but it is the board of the parent company who makes decisions as if we are supposed to open business in a new country or similar.

We got a roadmap meeting once every half a year, were we discuss in what way to go in future strategies for example right now we are speaking about how we are going to continue with our aggressive expansion in new markets. Its in the border meetings that we make and take the decisions if there need for a change.

You learn allot along the way by trial and error in different situations, so applying your experience from the area that you operate to bring to the boardroom is a vital thing to think about.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent C</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making process</td>
<td>The rational decision making model</td>
<td>Standardized process</td>
<td></td>
<td>It is also important to adapt your products and actually your thinking to Asia, and we have given much thought to how the adaptation should look like for the Chinese market and how we should need to adapt to the Chinese market and its problems</td>
</tr>
</tbody>
</table>
## Cultural influence on SDM

<table>
<thead>
<tr>
<th>Cultural influence on SDM</th>
<th>Decision speed</th>
<th>Pace of decision</th>
<th>Because of the extreme rapid growth of the country you have to move in a much more rapid way. That has also affected the strategic decisions and forced to speed up the whole decision process a lot.</th>
<th>Adapted to the markets high pace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td></td>
<td></td>
<td>If we e.g. is to develop a new product, I try to find several different connectors, via fairs, contacts etc. Then I take a decision based on my intuition and if it feels good then we will start the production.</td>
<td>The decision speed is very flexible</td>
</tr>
<tr>
<td>Structure of process</td>
<td>Non management internal interaction</td>
<td>Every other month we have a meeting, where I am in the decision making process.</td>
<td>We have a quite flat organization that allow allot of freedom to manage the strategic decision making process. So because of our size every person within the organizations has quite a lot of power to bring to the table in the strategic decision-making.</td>
<td>Flat organization with high interaction</td>
</tr>
<tr>
<td>The environmental effect</td>
<td>Political behavior</td>
<td>Political influence</td>
<td>Further on because out of the political regime in China, it is very difficult to embark on some parts of the market. The market is quite different from Sweden. If you run a business in China, you encounter the complicated bureaucracy, but if you have contacts, it is also much smoother and faster.</td>
<td>Thinks it is difficult to operate business in China without contacts.</td>
</tr>
<tr>
<td>The cultural influence</td>
<td>Hierarchy</td>
<td></td>
<td>The larger the organization becomes, the greater will the</td>
<td>Growth of the company creates a greater hierarchy</td>
</tr>
<tr>
<td>SDMP</td>
<td>Strategic lenses</td>
<td>Non management employee interaction in decision-making</td>
<td>We have a quite flat organization that allow allot of freedom to manage the strategic decision making process. So because of our size every person within the organizations has quite</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>-----------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time aspect in projects</td>
<td>The management in Sweden makes sure that I am on the right path and that I know what goals and future plans we have for the organization.</td>
<td>Planned time aspect</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Analytical thinking</td>
<td>We cannot figure out how the products for the Chinese market is to be sold. Instead, as a company, it is good to try to and see where and how big the demand is for your products. It can be described as a &quot;learn by doing&quot; in order to establish a business.</td>
<td>Lack of analytical thinking since using &quot;using learn by doing&quot;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planning</td>
<td>The management in Sweden makes sure that I am on the right path and that I know what goals and future plans we have for the organization.</td>
<td>The boarder in Sweden makes the future plans.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Approach to solution</td>
<td>If we e.g. is to develop a new product, I try to find several different connectors, via fairs, contacts etc. Then I take a decision based on my intuition and if it feels good then we will start the production.</td>
<td>Use intuition as approach for solution</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
a lot of power to bring to the table in the strategic decision-making. But at the end the corporate CEO always has the last word.

Instead, as a company, it is good to try to and see where and how big the demand is for your products. It can be described as a "learn by doing" in order to establish a business. We must in some clever way, slowly but surely establish our brand in the Chinese market. We want to more and more work by learn by doing since we are such a small brand. Then I take a decision based on my intuition and if it feels good then we will start the production.

<table>
<thead>
<tr>
<th>Low rationality</th>
<th>Learn by doing</th>
<th>Strong intuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured decision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High rationality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience impact on decision process</td>
<td>That's why we as a company value business experience as a vital success factor in our decision making process.</td>
<td>Value business experience as a vital success factor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent D</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making process</td>
<td>The rational decision making model</td>
<td>Standardized process</td>
<td>Today the company uses a more rational way of making the decisions.</td>
<td>Use standardized process</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Process bounded problems</td>
<td>By time I learned that the expectation on us was that we were supposed to take decisions in a faster pace than we could do in the beginning. As well as jump over some steps in the decision process like</td>
<td>Problems with the speed expectations in the process</td>
</tr>
<tr>
<td>Cultural influence on SDM</td>
<td>Decision speed</td>
<td>Pace of decision</td>
<td>We used a lot of intuition and practice the system “learning by doing” which bread a faster process, which was important at that time.</td>
<td>Increased decision pace</td>
</tr>
<tr>
<td>--------------------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td>Flexibility</td>
<td></td>
<td>To use intuition to make decisions.</td>
<td></td>
</tr>
<tr>
<td>The environmental effect</td>
<td>Structure of process</td>
<td></td>
<td>At that time the small staff consisting of me made the process short and fast and I made all the decisions myself.</td>
<td>Low interaction</td>
</tr>
<tr>
<td>Political behavior</td>
<td>Political influence</td>
<td></td>
<td>At the end it is still I as the CEO to see through and implement the decisions that had been made, most often by me or a combination of me and the corporate CEO in Sweden.</td>
<td></td>
</tr>
<tr>
<td>The cultural influence</td>
<td>Hierarchy</td>
<td></td>
<td>The most significant change that I can think of now is the speed of everything. From creating a proposal to making the decision to implementing the whole idea that has been decided. So I would say the speed that we conduct our business has increased dramatically.</td>
<td>CEO takes the decision</td>
</tr>
<tr>
<td></td>
<td>Time aspect in projects</td>
<td></td>
<td>We based on the information we got, those highly planned and analytical.</td>
<td></td>
</tr>
</tbody>
</table>

*Note: SDM stands for Systematic Decision Making.*
<table>
<thead>
<tr>
<th>SDMP lenses</th>
<th>Structure of taking decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Also a business plan were made were we looked for, which customers operated in the area, some kind of simulation and prediction over how the market could look like.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approach to solution</th>
<th>Non management employee interaction in decision-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low rationality</td>
<td>A business plan were made were we looked for which customers operated in the area and some kind of simulation and prediction over how the market could look like.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High rationality</th>
<th>Use experience and experts for rationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience impact on decision process</td>
<td>You also have to adapt and create a new system of working to adapt to the ever-changing Chinese environment. There are plenty of differences in the environment from cultural as well as</td>
</tr>
<tr>
<td>Use experience to adapt to the market</td>
<td></td>
</tr>
</tbody>
</table>

You also have to adapt and create a new system of working to adapt to the ever-changing Chinese environment. There are plenty of differences in the environment from cultural as well as...
communication with your co-workers, but that is something that we adapted to quite quickly.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Theoretical connection</th>
<th>Keyword</th>
<th>Respondent E</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SDMP</strong></td>
<td>The rational decision making model</td>
<td>Standardized process</td>
<td>First we analyze the market, then we put up the specific business case and then it will get to a decision in the consolidate group and that get to the border of the organization. It is the border that takes the decision.</td>
<td>A Thoroughly standardized process</td>
</tr>
<tr>
<td>Cultural influence on SDMP</td>
<td>Decision speed</td>
<td>Pace of decision</td>
<td>However, there is also a comprehensive and time-consuming process to make things work.</td>
<td>Comprehensive and time consuming</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flexibility</td>
<td>When entering a new market you got processes that already are set before you start to operate business, but you have to adapt them all the time to every specific case.</td>
<td>Developing flexibility during time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Structure of process</td>
<td>First we analyze the market, then we put up the specific business cases and then it will get to a decision in the consolidate group and after that get to the border of the organization. It is the border that takes the final decision.</td>
<td>Highly organized process</td>
</tr>
<tr>
<td>The environmental effect</td>
<td>Non management employee interaction in decision-making</td>
<td></td>
<td>There is an ongoing interactivity within the organization. This concerns the corporate activities and the strategic plans that are set by the Swedish board of directors.</td>
<td>Low interaction</td>
</tr>
<tr>
<td>Political behavior</td>
<td>Political influence</td>
<td>The political system in China affects.</td>
<td>Affected by the political systems</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>The cultural influence</td>
<td>Hierarchy</td>
<td>After a Strategic decision is made in Sweden, someone, in this case me have to take care of it and ensure that it is actually happens</td>
<td>Moderate hierarchy</td>
<td></td>
</tr>
<tr>
<td>Time aspect in projects</td>
<td>Analytical thinking</td>
<td>When moving to China we couldn’t see the same tradition of trying to reach consensus before taking a decision. It is more like it’s our business culture that was implemented in the organization rather than the Chinese cultural.</td>
<td>Changes earlier processes</td>
<td></td>
</tr>
<tr>
<td>Rationality in decision</td>
<td>Analytical thinking</td>
<td>Before a strategic decision is executed there is an analytical work to do as well, like to find location, how does the market looks like, to whom are we aiming our business to, the export and import aspects.</td>
<td>Highly analytical, were a research of the market was made</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td>There is an ongoing interactivity within the organization. This concerns the corporate activities and the strategic plans that are set by the Swedish board of directors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approach to solution</td>
<td></td>
<td>First we do an analyze on the market, then we put up the specific business case and then it will get to a decision in the consolidate group and after that get to the border of the organization. It is the border that takes the decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic lenses</td>
<td>Non management employee interaction in decision-making</td>
<td>Cause we are trying in the organization to build on the involvement and entrepreneurship that exists local. In most cases, we use expertise within the company or outside it to guide us on how to do business.</td>
<td>High involvement both from inside and outside the company</td>
<td></td>
</tr>
<tr>
<td>Structured decision</td>
<td>Low rationality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before a strategic decision is executed there is an analytical work to do. First we analyze the market, then we put up the specific business case and then it will get to a decision in the consolidate group and that get to the board of the organization. It is the board that takes the decision.</td>
<td>Management use rational thinking</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High rationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>We got an own division that works with business development on increasing our thinking in a rational way for the management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience impact on decision process</th>
</tr>
</thead>
<tbody>
<tr>
<td>The experience can also be seen as a competent, but as a company we need to satisfy the stakeholders, which is the first goal. Every strategic decision is in need of analysis to enhance the company’s footprint.</td>
</tr>
</tbody>
</table>