Abstract

Building on the achievements of the previous research on strategic issue management practices, this paper provides a systematization of the main body of strategic issue management research into three main research streams. These include research on individual issue perception, intra-organizational actions in the strategic issue management context, and organizational responses to strategic issues. Our paper also provides a detailed analysis of linkages between perception research and research on organizational responses to strategic issues. Based on this analysis, we find that direct linkages can be drawn between the two research areas due to the commonly accepted categorization of strategic issues as opportunities and threats. As a synthesis of our review, we put forward a conceptual model of the linkages between the research on issue perception and organizational responses.

Journal of Economic Literature Classification Numbers: L19 L29

Keywords: Strategy process, strategic issue management, cognition, upper echelon

1. Introduction

It has been over 20 years since Dutton and Duncan (1987) and Dutton and Ottensmeyer (1987) called for more research on strategic issue management. Since then over 200 articles have appeared citing their work, but there are still only a handful of empirical analyses on how companies in practice deal with strategic issues. Also, the theoretical development of the research stream would seem to have slowed down as some of the
pioneers of the field have gradually moved onwards. Yet, in practice understanding how to respond optimally to strategic issues is more relevant than ever due to the increasingly fast-paced changes in the interconnected world.

One of the strengths of the strategic issue management research has been its multifaceted nature. Strategic issues have been conceptualized in different ways. They have been seen, for example, as reputation-related issues (e.g. Heugens, van Riel, and van den Bosch 2004), matters that middle management wishes to bring to the attention of the top management team (Dutton and Ashford 1993; Dutton et al. 1997), issues that form the starting point of a strategy process (Ansoff 1984), threats or opportunities (e.g. Jackson and Dutton 1988), and strategic surprises that a company was not prepared for (Ansoff 1975; Lampel and Shapira 2001).

While the richness of the field has provided a fertile ground for developing different approaches to deal with strategic issues, the fragmentation of the field may have prevented a cohesive body of theorizing on strategic issues to emerge. Therefore, our focus in this paper is on advancing the strategic issue management research by systemizing the main body of research by identifying and conducting an analysis of its substreams and drawing detailed linkages between strategic issue perception research and the organizational response literature.

2. Methodology

2.1. Bibliometric Method and Choice of the Strategic Issue Management Articles

In order to identify the articles representing the main body of strategic issue management research, we used simple bibliometric methods. Pritchard (1969) describes bibliometrics as “the application of statistical and mathematical methods to books and other media of communication”. Bibliometric methods use the bibliographic descriptions of documents as their source of information. These include authors’ names, titles, publication years, document types, language, abstracts, and keywords (Carrizos-Sainero 2000). The journals used in the initial data analysis were selected based on a study of journal influence (Podsakoff et al. 2005). Podsakoff used citations from 28 journals over the past two decades to examine journal influence in the field of management. Based on the results of Podsakoff’s analysis, our search for strategic issue articles was restricted to the seven most influential journals. The journals included in our search were Academy of Management Journal, Academy of Management Review, Administrative Science Quarterly, Journal of Management, Journal of Management Studies, Management Science, and Strategic Management Journal.

2.2. Retrieval of Core Articles

A search was conducted to find articles on strategic issues published in these seven journals between 1986 and 2006. The ISI Web of Science was used for data extraction. The search terms were selected in accordance with the topic of the study, and was “strategic issue*”. The search term thus included both terms “strategic issue” and “strategic issues”, which were looked for in the article titles, abstracts, and keywords. Alternative specifications of the search term were also examined as a robustness test, but the core set of articles retrieved remained basically the same.

The search produced 40 hits, which included 31 articles, 5 reviews, 2 notes, 1 book review, and 1 piece of editorial material. Only those document types that convey unique and novel scientific information should be taken into consideration in
bibliometric studies. Book reviews and editorial material, for example, are only objects
of special bibliometric studies (Glänzel 2003). The book review and editorial material
were thus excluded from the study bringing the number of relevant strategic issue texts
to 38.

2.3. Retrieval of Source Articles

We used a data extraction and analysis software Sitkis (Schildt 2002) to import the data
on the 38 strategic issue texts downloaded from the ISI Web of Science to a Microsoft
Access database. The same software has been used recently also in other papers, for
example, to analyse the structure of the entrepreneurship research and the evolution and
characteristics of the absorptive capacity research.

The 38 strategic issue texts that formed the starting point of our analysis cited a
total of 2,003 texts, of which 31 were discarded by Sitkis. The programme discards “in
press” articles, business press articles where the author is not identified, doctoral theses,
and citations with errors or unidentified symbols, like asterisks. A list of discarded items
produced by the programme showed that there were 16 newspaper or magazine articles,
6 statistical texts or other numerical information, and 4 in press articles. 5 citations
could not be identified. The in-press articles were inserted to the database manually,
while other texts were deemed to be insignificant.

While there are potential errors in the citation data in the ISI Web of Science,
the errors are commonly related to the spelling of the authors’ names, journal names,
volume numbers, and years of publication. Such errors can cause significant distortion
to the results of the analysis, and therefore need to be checked. Due to the large number
of cited articles, not all citations were checked. However, the top 50 most cited authors
were identified, and the possible spelling mistakes regarding these authors were double-
checked and corrected. The list of all cited articles that had received at least three
citations was also checked for any misspellings. The number of potentially remaining
errors should be insignificant and as long as they are equally distributed in the data, they
should not have any distorting effect on the relative importance of individual documents
since even after the corrections altogether 1,915 separate cited documents remained in
the database. In order to focus on the most important core articles, we required a
minimum of 6 citations from among the original 38 strategic issue texts (16%) as the
threshold to be included in the subsequent analysis. We found that at a threshold of 5, 6,
and 7 citations, the speed of decrease in the number of cited texts slows down
significantly, indicating a natural threshold that distinguishes a stable core of the
research stream. Based on this sensitivity analysis, we chose 6 citations as the threshold.
At this point we found 34 source documents, which then provided us the basis for
subsequent analyses.

2.4. Final Set of Articles and Data Analysis

After checking for duplicates, the core and source articles counted 58 altogether. For the
analysis of this body of literature we decided to capture the main dimensions and
content categories of theorizing using facet theory (for a practical example for the use of
facet theory see Oliver and Ebers 1998). Based on our experience with the literature, we
chose categories which would best capture the content of the article. At the end, the
facets included seven categories: theory, research object, subject researched, research
objective, antecedents, research design, and level of analysis. Later, when the final core
body of research had been identified through content analysis, another category of
analysis was added for capturing the research contribution of the article. This coding was performed by one author only, but the results were carefully reviewed by the co-authors.

The content analysis revealed a final set of 24 articles. Of those 21 were part of the original set of 38 articles identified from the period 1986-2006 and three were added from the source article set, including Ansoff 1980, Dutton et al. 1983, and Thomas et al. 1994. All the other articles either did not deal with strategic issues or regarded them as a side issue, e.g. treating it as an example. The first was mainly true in the case of source articles found as a result of the citation analysis and the latter was true of the core articles identified through keyword search.

In the final analysis, only the facets including (1) the research object, (2) the research objective, (3) antecedents, (4) research design, (5) the level of analysis and (6) contribution were used. Other facets, such as theory and subject researched, were put aside for further analyses in the future.

3. Analysis of Strategic Issue Research

3.1. Overview of Strategic Issue Research

Our data analysis revealed three streams of strategic issue research. The very first article to be included in our analysis was that of Ansoff (1980) which underpinned further research on strategic issue management systems and intra-organizational strategic issue actions. The article provided a definition of strategic issues and discussed how firms manage them. The article also made a reference to an earlier article of (Ansoff 1975), which according to our information is one of the very first articles to refer to strategic issues. Nonetheless this article was not included in our analysis as it did not reach our set threshold of relevance indicated by at least 6 citations from the core set of articles. In fact (Ansoff 1980) is the only article to cite it. Altogether the issue management system stream holds 7 articles out of the total of 24 analyzed, with four contributions from the 1980s, two from 1990s, and one from the year 2000.

The second and largest research stream identified is that of strategic issue perception. It deals with how managers perceive strategic issues. This stream was started by Dutton et al (1983) which is also the second article in our data set. Altogether this body of research counts for half of our total set of 24 articles with four contributions in the 1980s, six in the 1990s and two after the year 2000. This research stream can also be divided into four sub-streams with the strategic issue framing antecedents being the largest with seven contributions, all published after 1990.

Finally, the smallest stream of research, with only six contributions evenly distributed over the period 1987-2006, is a stream that deals with organizational responses using issue framing and cognition as an antecedent to organizational responses. We will next discuss these research streams more in-depth starting from the largest research stream and ending with the smallest.

3.2. Research on Strategic Issue Perception

The research on strategic issue perception can be categorised into four distinct substreams. The process substream covers two articles, research on strategic issue dimensions another two and just one article establishes a „stream” of research on cognitive processes underpinning strategic issue perception. Finally, the largest subset of strategic issue framing comprises of seven articles.
The literature on strategic issue perception processes is dedicated to arguments on how strategic issues are made sense of. The first article of the stream (Dutton et al. 1983) lays out a literature review that is based on a conceptual input-process-output model of issue diagnosis. The model includes components pertaining to individual cognitive phenomena (e.g. cognitive maps and political interest) and group phenomena (e.g. heterarchy). Her second article in this research stream (Dutton 1993) is a conceptualisation of how and why individuals engage in automatic strategic issue diagnosis. The article establishes a number of conceptual propositions about the potential antecedents which may be conducive to an automatic diagnosis of strategic issues.

Like in the first substream, the articles of the second stream are predominantly authored or co-authored by Jane Dutton. The first article (Jackson and Dutton 1988) creates 28 scales of antonyms in a laboratory environment with MBA students to describe the dimensions of opportunity and then goes on to test how managers relate issues they label as opportunities or threats to these scales. As a result, the extremes of antonym pairs are found to be either consistent or discrepant with opportunity or threat or, as it happens, in some cases with both. In conclusions they establish three dimensions which describe opportunities and threats: positive-negative, gain-loss, controllable-uncontrollable.

Continuing with this line of reasoning, Dutton’s 1989 article (Dutton et al. 1989) analyses how managers „see“ or make sense of strategic issues when they categorise issue-related information. The issue dimensions suggested in the study include analytic (e.g. abstractness, locus of control, magnitude of impact, etc), content (e.g. geographical orientation, political/economic/social, etc), action (e.g. amount and certainty of payoff, controllability, etc), and issue source (e.g. chosen vs externally induced, etc). As such, the two articles that deal with categorization of issues have a different angle on issue dimensions, the first focusing on elaborating on what is perceived as an opportunity or threat and the other looking in greater detail at different attributes of an issue regardless of whether it is perceived as an opportunity or a threat.

The article by El Sawy and Pauchant (1988) is the sole article dealing with the intricacies of strategic issue cognition. El Sawy and Pauchant operationalise the concept of templates, triggers and twitches for the strategic issue context. They establish the validity of their operational model in laboratory settings and conclude that twitches in cognitive templates happen through both individual reasoning and group discussion, and that the final template is arrived at through a set of twitches, not in big leaps. Moreover, they find that individuals are retrospectively unable to recall these twitches.

The strategic issue framing literature starts off with an article by Thomas and McDaniel (1990) where they test a set of hypotheses about how the interpretation of strategic issues may be influenced by the top management team’s (TMT) information processing structure, strategy type, and individual differences. They build on this in their 1994 study (Thomas et al. 1994), where they also control for cross-level effects establishing that group-level variables such as TMT’s information processing structure, level of political activity and TMT’s level of shared identity, render individual and organizational level predictors insignificant. Albeit with a few minor exceptions.

Article by Schneider and de Meyer (1991) is the first article to deal with cultural influences on issue interpretation establishing that culturally differing perceptions of environmental uncertainty and organizational control have an effect on whether issues are perceived as threats or crises. Higher level of uncertainty and higher level of control were both found to be positively related and, therefore, Latin-European
countries to be more inclined to perceive issues as threat and crisis. The second article dealing with cultural differences is (Barr and Glynn 2004) where higher levels of uncertainty avoidance are found to be negatively related to how controllable a threat is perceived (controllability is a dimension established by Jackson and Dutton 1998)). Surprisingly, they find that cultures with high uncertainty avoidance find opportunities more controllable than those with low uncertainty avoidance. Another article to deploy the controllability dimension is Kuvaas (2002). Kuvaas finds that better availability of information and higher TMT information processing capacity are positively related to the controllability dimension.

Denison et al. (1996) provides an important contribution to understanding the organizational context antecedents to strategic issue framing. Their study focused on whether foreign investments pouring into a country are perceived as either an opportunity or a threat. The predictors that were found positively related to strategic issues being perceived as an opportunity included global business experience of the firm and resources available for responding. Firm’s level of organizational inertia (size) was found to be more conducive to a pessimistic lens and negatively related to a strategic issue being perceived as an opportunity.

Finally, Martins and Kambil (1999) relate previous experience to the perception of issues as opportunities or threats establishing that either possessing more issue-related information or having initial success and positive experience contributes to managers’ perceptions of an issue as an opportunity.

### Table 1. Contributions on Strategic Issue Perception

<table>
<thead>
<tr>
<th>Article</th>
<th>Article type</th>
<th>Contribution to the field</th>
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<tbody>
<tr>
<td><strong>SI cognition process</strong></td>
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<tr>
<td>Dutton et al. 1983</td>
<td>Conceptual</td>
<td>The inputs for SID are cognitive maps, political interests and issue characteristics; the process is characterised by recursiveness, retroductivity and heterarchy; process output consists of assumptions, cause-effect understanding predictive judgements, language and labels</td>
</tr>
<tr>
<td>Dutton 1993</td>
<td>Homothetic</td>
<td>Argues for the need for distinction between reflective/active, unreflective/automatic SID; automatic SID is positively related with higher level of familiarity, self relevance of issue, strength of issue evaluation [attitude], time pressure, information load, specialization and routinization of issue management, consistency norms, past performance success.</td>
</tr>
<tr>
<td><strong>SI dimensions</strong></td>
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<tr>
<td>Jackson and Dutton 1988</td>
<td>Nomothetic</td>
<td>28 pairs of antonyms rated for consistency or discrepancy as descriptors of threat and opportunity dimensions. Three continua represent the labels opportunity and threat: positive-negative, gain-loss, controllable-uncontrollable.</td>
</tr>
<tr>
<td>Dutton et al 1989</td>
<td>Nomothetic</td>
<td>Decision-makers represent issues and distinguish between issues in four dimensions: analytic, content, action, source</td>
</tr>
<tr>
<td><strong>Cognitive processes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Sawy and Pauchant 1988</td>
<td>Nomothetic</td>
<td>How frames of reference change in the process of SI environmental scanning through triggers and twitches in cognitive templates</td>
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</tbody>
</table>
Thomas and McDaniel 1990  Nomothetic  Managers in similar situations may interpret the same stimuli differently depending on TMT information processing structure, strategy type and individual differences

Schneider and de Meyer 1991  Nomothetic  Cultural differences (perceptions of environmental uncertainty and organizational control) influence perceptions of SI-s as threats or crisis. Latin European managers were found to be more likely to interpret an issue as a threat or a crisis.

Thomas et al. 1994  Nomothetic  How strategic [content] and political interpretation of issues depends on individual, group-level and organizational-level variables: individual-level variables (experience, role, education) are not significant, except in post-interpretation of decision responses; group-level variables (information processing structure of TMT, level of political activity, TMT level of shared identity) have the strongest effect; organization-level variables (size, type, ownership) were not significantly related

Denison et al. 1996  Nomothetic  CEOs’ interpretation of foreign investments as opportunities (threats) is positively (negatively) related to global business experience of the firm, negatively (positively) related to firm’s level of organizational inertia and inconclusively positively (negatively) related to resources available for responding

Martins and Kambil 1999  Nomothetic  Previous success with IT solutions is a positive predictor of perceiving IT related SIs as opportunities

Kuvaas 2002  Nomothetic  Managers whose organizations have environmental information readily available to them perceive higher control over issues than managers in organizations with lower informational availability. Managers in top management teams with higher information processing capacity seem to perceive higher degrees of control and manageability, and search for less data in issue interpretation, than managers in teams with lower information processing capacity.

Barr and Glynn 2004  Nomothetic  High uncertainty avoidance cultures indicate perceptions of lower controllability towards threats and higher controllability with opportunity

### 3.3. Research on Intraorganizational Strategic Issue Actions

This is what we call “black box” research and it encompasses publications which deal with intraorganizational actions, activities, and management systems related to strategic issues. The first article in this stream by Ansoff (1980) is also the earliest publication analysed for this paper. It is essentially a recount and generalization of intra-firm strategic issue management system architecture. As the main contribution, Ansoff argues for the pros and cons of strategic issue management systems compared to that of full strategic planning systems.

Dutton (1986) provides a case study based nomothetic view about how crisis issues (CSI) are dealt with compared to non-crisis issues. Her main conclusion is that
motives for initiation are more ambiguous in the case of CSIs and that means-ends interpretations change as the understanding about CSIs develops over time. She makes an observation that although crisis issues are dealt with in a less rational manner when compared to normal strategic issues, the management usually makes it look like they are operating in a more rational manner than usual. Finally, she concludes that analytic comprehensiveness is higher in the case of CSIs.

Dutton and Jackson (1987) build on Roche’s cognitive categorization theory to make a speculative argument about how categorization within a human mind leads to certain action biases in working with issues. She makes the point that managers are more likely to communicate issues which are more congruent with established labels/categories and that out of the self preservation, managers are more likely to work with opportunities rather than threats. She argues that internal adaptation, as a reaction, is stronger in the case of threats rather than opportunities. Finally, she argues that opportunities are acted upon with a weaker and a more external orientation and that threats result in actions that have greater magnitude.

Dutton and Ottensmeyer (1987) provide a conceptual review of strategic issue management (SIM) types with the aid of resource dependence theory (Pfeffer and Salancik 1978) and pressures for accountability (Tetlock 1985) as the starting point. She makes the argument that organizations with higher environmental uncertainty and higher internal diversity use more active strategic issue management systems and that uncertainty and the pressures for accountability both lead towards the use of more active and more symbolic systems.

Dean and Sharfman (1993) identify a host of antecedents predicting the procedural rationality of strategic issue management. He concludes that a competitive threat is strongly and negatively related to procedural rationality. He also finds that the importance of the problem is not related to procedural rationality and that external control is strongly and negatively related to it. Contention (not being able to agree on goals and resources) was not found to be significant and uncertainty was found negatively related to rationality.

Table 2. Contribution on Intra-organizational SI Research

<table>
<thead>
<tr>
<th>Article</th>
<th>Article type</th>
<th>Contribution to the field</th>
</tr>
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<tbody>
<tr>
<td>Ansoff 1980</td>
<td>Conceptual</td>
<td>Review of advantages and disadvantages of using strategic issue management. Advantages are identified as follows: (1) Quick ‘real time’ response to new developments. (2) A quick internal reaction time. (3) Response to problems which may arise from any source, economic, political, social, and technological. (4) A ‘lightweight’ system, which is not affected by organizational size and complexity. (5) It is compatible with most organizational structures and systems. Finally, as a negative factor it is given that the strategic issue management process does not allow rethinking the business as the periodic strategic planning method does.</td>
</tr>
<tr>
<td>Dutton 1986</td>
<td>Nomothetic</td>
<td>Motives for initiation are ambiguous for CSIs, clear and planned for SIs. Means-ends interpretations may change as crises are seen as threats to different ends when understanding them progresses. Instead of being rational, the SI process is more political, but it is made to be seen as rational. Analytic comprehensiveness is enhanced as</td>
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management is more willing to spend time and money on critical issues.

<table>
<thead>
<tr>
<th>Authors</th>
<th>Type</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Dutton and Jackson 1987</td>
<td>Nomothetic</td>
<td>Once issue-relevant information is categorised (categorization theory, Roche 1978) and well communicated, managers will tend to communicate info congruent with the label (“self preservation”). Secondly, managers will more likely work with opportunities than threats. Third, threats are reacted to strongly with internal adaptation. Fourth, opportunities are acted upon weaker and with a more external orientation. Finally, threats result in actions with greater magnitude.</td>
</tr>
<tr>
<td>Dutton and Otensmeyer 1987</td>
<td>Conceptual</td>
<td>Organizations with more environmental uncertainty and higher internal diversity use more active SIM systems. The more uncertain the environment, the more active and symbolic SIM systems are used (more collection and analysis). The more pressure for accountability there is the more active and symbolic SIM systems are used.</td>
</tr>
<tr>
<td>Dean and Sharfman 1993</td>
<td>Nomothetic</td>
<td>Competitive threat is strongly and negatively related to procedural rationality. Importance of the problem is not related to procedural rationality. External control is strongly and negatively related, contention (not being able to agree on goals and resources) is not found to be significant, and uncertainty is negatively related to rationality.</td>
</tr>
<tr>
<td>Dutton et al. 1997</td>
<td>Nomothetic</td>
<td>Favourable context for middle managers for issue selling is dependent on management’s willingness to listen and support; negative consequences, downsizing, and uncertainty were found to be negative for issue selling. Violating norms for issue selling, selling in a politically vulnerable way, and having a distant relationship with management are perceived as potential image risks.</td>
</tr>
<tr>
<td>Andersson and Bateman 2000</td>
<td>Nomothetic</td>
<td>In successful issue championing the critical championing activities are issue identification, issue framing, issue presentation, and influence behaviour.</td>
</tr>
</tbody>
</table>

Finally, Dutton et al. (1997) and Andersson and Bateman (2000) take a championing perspective towards unravelling the “black box” of an organization. Relying on theories of impression management (Schlenker and Weigold 1980) and upward influence (Kipnis et al. 1988) Dutton finds a host of variables that influence whether middle managers decide to sell issues to the top management or not. She concludes that factors that are facilitative for issue selling include TMT’s willingness to listen and support. Negative factors include the possibility of negative consequences, downsizing, and uncertainty. From the image risk point of view, she finds it unfacilitative to violate norms of issue selling, selling in a politically vulnerable way, and having a distant relationship with management. This parallels with Andersson who finds that in order to be successful in issue selling one must put emphasis on issue identification, issue framing, issue presentation, and influence behaviour.

3.4. Research on Organizational Responses to Strategic Issues

This third, final, and smallest section of articles addresses organizational responses to issue labelling. Here the perception of issues is the antecedent, not the output. The section starts with Jane Dutton’s and Robert Duncan’s 1987 article from Strategic
Management Journal where she argues that the qualitative nature of organizational change is very much dependent on how managers perceive the strategic issue which underpins change. She reasons that the perceptions of managers about the feasibility of dealing with an issue, and the urgency that an issue requires, will determine the momentum of change an issue will evoke within an organization.

Ginsberg and Venkatraman (1992) studied technology adoption and capability commitment in the process. Accordingly, if a change is seen relevant (effect valence) and of having a significant effect (effect significance), managers will make an effort to make capability commitments and therefore adopt certain technology. Similarly to Ginsberg who adopted a technology specific view, Sharma (2000) views strategic issues through an environmental issue specific lens. He argues that whether an organization adopts a voluntary or conformance environmental strategy, it will depend on whether managers perceive the environmental issue either as an opportunity or a threat.

Chattopadhyay et al. (2001) take a look at what leads to internally and what to externally directed activities towards dealing with strategic issues. Essentially, the article is a test of two theories, the threat-rigidity hypothesis (Staw et al. 1981) and prospect theory (Kahnemann and Tversky 1979). The results are in line with both of the theories.

Finally, George et al. combine the threat rigidity hypotheses (Staw et al. 1981), prospect theory (Tversky and Kahnemann 1979) and institutional theory (e.g. DiMaggio & Powell) to create a conceptual model of isomorphic and non-isomorphic responses towards strategic issues. In other words, they create a model about situations where strategic issues either create new organizational practices (non-isomorphic) or reinforce the use of old practices.

Table 3. Contributions on SI Research on Organizational responses

<table>
<thead>
<tr>
<th>Article</th>
<th>Article type</th>
<th>Contribution to the field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dutton and Duncan 1987</td>
<td>Nomothetic</td>
<td>Organizational responses in the form of incremental or radical change depend upon issue feasibility and urgency assessments.</td>
</tr>
<tr>
<td>Ginsberg and Venkatraman 1992</td>
<td>Nomothetic</td>
<td>Effect significance and effect valence are positively related to capability commitment and hence new technology adoption.</td>
</tr>
<tr>
<td>Sharma 2000</td>
<td>Nomothetic</td>
<td>The more company managers interpret (environmental) issues as opportunities, the greater the likelihood of a company exhibiting a voluntary environmental strategy. If perceived as a threat, company will exhibit a conformance strategy.</td>
</tr>
<tr>
<td>Chattopadhyay et al 2001</td>
<td>Nomothetic</td>
<td>Control-reducing threats lead to more conservative internally directed actions, likely losses lead to riskier externally directed actions. Organizations interested in development rather than defence are more likely to engage in external activities</td>
</tr>
<tr>
<td>George et al 2006</td>
<td>Conceptual</td>
<td>Potential loss of resources and potential gain of control lead to non-isomorphic organizational actions; potential gain of resources and potential loss of control lead to isomorphic responses.</td>
</tr>
</tbody>
</table>
4. Analysis of Linkages between the Different Research Streams

Three streams of research emerge from our literature review. These include one related to the perception of strategic issues, another on understanding strategic issue related actions within organizations, and the third one examining organizational responses or outcomes. Put differently, strategic issue research would appear to be about understanding how managers perceive strategic issues, how they deal with them internally within the organization, and what the response of the organization is.

Building on this insight, we draw linkages between strategic issue perception research and organizational response literature. The task was not made easier by the fact that not all papers related to organizational responses made a direct link to the opportunity-threat categories typically used in issue interpretation literature and neither do all papers researching issue interpretation use the same dimensions (e.g. controllability) when making that link. What follows is a formulation of how these two streams come together.

Fortunately, most of the papers do use the opportunity-threat categorization towards strategic issue interpretation, largely thanks to the Jackson and Dutton (1988) article which firmly established and more or less institutionalised the two dimensions. That is true in the case of six articles out of seven articles dealing with strategic issue interpretation. The only paper avoiding it is Thomas et al. (1994), which uses political and strategic issue perception instead, leaving it to the reader herself to infer that political and strategic perception may just as well entail perceptions of an issue as an opportunity or threat. E.g. a TMT member may perceive an issue as a threat for either political or strategic reasons or both. Also bucking with the “tradition” is (Schneider and de Meyer 1991) who, in addition to opportunities and threats, also view crises as defined by Billings (1980).

It is important to note also that some articles make use of the dimensions of positive-negative, gain-loss, controllable-uncontrollable that Jackson and Dutton attached to the opportunity/threat categories. To be more precise, Denison et al. (1996) and Kuvaaas (2002) make use of only the controllability dimension, Denison stating that the dimensions of gain-loss and positive-negative are not distinguishable from each other referring to Thomas (1993) in doing so.

On the organizational response side of literature, all but one article make a direct link towards categorizing strategic issues as opportunities or threats. Inadvertently the deviant is an article by Jane Dutton herself (Dutton and Duncan 1987), but at closer inspection the discrepancy is easily explained as this article was published before the 1988 legitimization and proliferation of the opportunity/threat categorization. They use the general term of strategic issue diagnosis instead as in Dutton et al. 1983.

The direct link to the opportunity/threat dimension is dealt with rather differently from article to article. Ginsberg and Venkatraman (1992) attach capability commitment to effect valence and effect significance and in turn these two are directly linked to the opportunity/threat categorization with the first three propositions. Sharma (2000) uses issue interpretation as a direct antecedent to strategy choice, but also uses another set of antecedents as a predictor of issue interpretation, effectively therefore representing both sides of the literature. Chattopadhyay et al. (2001) mix the dimensions with threat-rigidity hypothesis and prospect theory simultaneously using strategy type and slack resources as moderators, in effect also representing both sides of the literature. Finally, George et al. (2006) make a conceptual model based on gain or loss of control or resources as dimensions of threat and opportunity.
5. Conclusions

The main contributions of this article include the systematization of the strategic issue management research into three main streams related to strategic issue perception, intra-organizational actions, and organizational responses to strategic issues. The stream of individual issue perception can be further categorized into four sub-streams. Our analysis was based on facet theory and it categorized each article by research object, research objective, antecedents, research design, and finally also detailed the results and contributions.

The more detailed analysis on the linkages between two of the three research streams showed that a clear linkage can be drawn between strategic issue cognition research and organizational response research. The analysis also shows that this is largely due to the fact that almost all of the literature categorizes strategic issues as opportunities and threats, an original categorization laid down by (Ansoff 1980) and further detailed and legitimized by Jackson and Dutton (1988). Based on our analysis of the literature, we put forward a conceptual model of the linkages between the research on issue cognition and organizational responses.

References


