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## **ANSOFF'S STRATEGIC SUCCESS PARADIGM – EMPIRICAL EVIDENCE SUPPORTS ITS SUCCESS WITH FIRMS COMPETING IN A TURBULENT ENVIRONMENT. WHY THEN IS IT ABSENT FROM ACADEMIC STRATEGIC MANAGEMENT TEXTBOOKS?**

**Summary.** The purpose of this paper is twofold; first, a typology examining the multiple dimensions of H. Igor Ansoff's Strategic Success Paradigm and the frequency of use of each of the paradigm's components relative to the formulation of corporate level strategy in for-profit and not-for-profit organizations.

Based on evidence from industry journals, there is both an implicit and explicit acknowledgement of its acumen and its efficacy as a whole or in part with multinational, multi-business firms faced with volatile, discontinuous, novel and environmental dynamism.

The strategic success paradigm is empirically validated and supported by industry evidence that provides results of a firm's increased financial performance. However, there is a noticeable lack of visibility of Ansoff's Strategic Success Paradigm within the traditional academic strategic management textbooks.

Therefore, the second focus of this paper will attempt to determine through a pragmatic perspective, why this dichotomy exists with respect to the Strategic Success Paradigm's acceptance in industry and its noticeable absence from academic texts.

**Keywords:** strategic management, paradigm, academic education

## PARADYGMAT SUKCESU STRATEGICZNEGO ANSOFFA – DOWÓD EMPIRYCZNY POTWIERDZAJĄCY SUKCES PRZEDSIĘBIORSTW KONKURUJĄCYCH W BURZLIWYM OTOCZENIU. DLACZEGO BRAK TEJ KONCEPCJI W PODRĘCZNIKACH ZARZĄDZANIA STRATEGICZNEGO?

**Streszczenie.** Cel niniejszego artykułu jest dwójaki: po pierwsze, typologia rozpatrywana w wielu wymiarach Strategicznego Paradygmatu Sukcesu Ansoffa oraz częstotliwość wykorzystania poszczególnych komponentów paradygmatu w odniesieniu do strategii formułowanej na poziomie korporacji w organizacjach profit i non profit.

Na podstawie dowodów pochodzących z publikacji branżowych istnieją zarówno pośrednie, jak i bezpośrednie potwierdzenia wnikliwości i skuteczności tej koncepcji jako całości lub w części odnoszącej się do międzynarodowych, wielobranżowych firm o zmiennej, nieciągłej i uzależnionej od środowiska dynamicie.

Paradygmat sukcesu strategicznego został empirycznie potwierdzony i poparty dowodami z branży, które wskazują na polepszenie wyników finansowych przedsiębiorstw. Jednakże, zauważalny jest brak widoczności Paradygmatu Sukcesu Strategicznego Ansoffa w podstawowych podręcznikach akademickich zarządzania strategicznego.

Dlatego drugim celem tej pracy jest próba określenia z perspektywy pragmatycznej przyczyn istnienia tej dychotomii w odniesieniu do przyjęcia Paradygmatu Sukcesu Strategicznego w praktyce przedsiębiorstw oraz jego zauważalnego braku w publikacjach akademickich.

**Słowa kluczowe:** zarządzanie strategiczne, paradygmat, szkolnictwo wyższe

### 1. Introduction

In the last half century there has been a widespread agreement among academics and practitioners that business environments are becoming increasingly multidisciplinary and complex and that a major escalation of environmental turbulence has taken place. This has meant a change in the traditional methods of marketing and production as well as changes in consumer attitudes, societal demands, global competition and the speed and magnitude of change in technology. Technological innovations are both creative and disruptive; an innovation can make an established product obsolete overnight, but also make a multitude of new products possible.

The advent of microprocessors destroyed the market for transistors just as transistors destroyed the market for the vacuum tube, but at the same time created opportunities for industries connected to the microprocessors such as CD players, MP3 players, and personal

computers.<sup>1</sup> This turbulence, unleashed in part by technology, has made it critical for firms to stay focused on their strategic formulation and implementation.

## 2. Environmental serving organizations

Historically, firms were seen distinctly either as „for-profit” (FP) or “not-for-profit” (NFP); the FP firms were viewed as internally efficient, externally entrepreneurial and aggressive, and having a single-mindedness of maximizing corporate profit. Conversely, NFP organizations were viewed as internally bureaucratic, economically inefficient, and lacking inspiration; whose sole purpose was to provide some nebulous form of ‘public service’ with no intent of maximizing profit or drive to increase effectiveness.

Paradoxically, the division today between the two has become increasingly difficult to distinguish. As the national budget deficit grows, NFP organizations are required to be more accountable; demands are made to be more efficient and aggressive like their counterparts in the private sector. Thus, non-profit organizations are now becoming increasingly entrepreneurial, a trait that until recently was only attributed to FP organizations.

The private sector also is under pressure to restrain from its prime directive of profit-seeking and to now conform to such social concerns as greenhouse gas emissions, pollution, and global warming; areas that previously were of little concern to the traditional profit-seeking organizations.

Consequently, the differences and the functions between the two organizations are no longer distinct. As such, for the purpose of this paper, we shall refer to both FP and NFP firms as *Environmental Serving Organizations (ESOs)*, defined by Ansoff as *organizations whose primary function is to supply goods and/or services to society.*<sup>2</sup>

ESOs have seen marked increases in environmental pressures in part due to globalization by firm's either becoming global or are now competing against global firms. The rapidity of information and also the increased volume of this information, via the ubiquitous Blackberry® or Window Mobile® devices, affect today's managers and their business decisions. This increased pressure coupled with the rapidity of new technological advancements driven by high technology products and information technology, is creating a

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<sup>1</sup> D'Aveni R.: *Hyper Competition, Managing the Dynamics of Strategic Maneuvering*. Free Press, New York 1994; Day G.S., Reibstein D.J.: *Wharton on dynamic competitive strategy*. John Wiley & Sons, New York 1997; Eisenhardt K., Brown S.: *Competing on the Edge: Strategy as Structured Chaos*. Harvard Business School Press, Cambridge 1998; Galbraith J.: *Designing Organizations, An Executive Guide to Strategy, Structure, and Process*. Jossey Bass, San Francisco 2002; Normann R.: *Reframing Business. When the Map Changes the landscape*. John Wiley and Sons, Chichester 2001.

<sup>2</sup> Ansoff H.I., Sullivan P.: *Managerial Theory of Strategic Behavior of Environmental Serving Organizations*. The Macmillan Press LTD, London 1993.

dynamic disequilibrium in which the traditional method of strategic formulation based on extrapolation of historical success for the firm's future planning becomes inadequate.

Adding to this complexity, firms are faced with such discontinuities as legal shifts (i.e. patent protection in biotechnology or trade/regulatory barriers in pharmaceuticals), regulatory reform, substitute product technologies, demographic shifts, product life-cycle shifts, and societal demands in the form of more powerful consumer activists groups. Consequently, organizations are finding it a challenge to formulate and implement the successful "corporate strategy" under these complex dynamic conditions and are seeking a solution to address the issue of long-term corporate strategic planning and profitability.

This paper discusses the empirical evidence which depict superior financial performance of ESOs using Ansoff's Strategic Success Paradigm, the implicit and explicit certainties of its components in the literature and industry specific journals. The paper further investigates why Ansoff's Strategic Success Paradigm is not readily presented in academic textbooks along with offerings by Porter, Mintzberg and Drucker.

### 3. History of the strategic success paradigm

During the 1960's and 1970's, advancements into the study of strategic management ensued with identification of several key success variables that support Ansoff's Strategic Success Paradigm structural components.

The foundation of the paradigm components begins with taxonomy of observable environments which are discrete and different from one another. This was first identified in a paper published in a volume of the *Human Relations* by F.E. Emery and E.L. Trist in 1965.<sup>3</sup> This early observation and typography of environmental discontinuities provide support for Ansoff's first rule of the strategic success paradigm; *The aggressiveness of the firm's strategic behavior must match the turbulence of its environment.*

Management's capabilities and their significance in formulating and implementing strategy, was discussed by Alfred D. Chandler in a book titled *Strategy and Structure*,<sup>4</sup> in which he presents finding identifying commonalities in strategic adaptation to environmental discontinuities and the need for management to adapt strategy which will be most effective with each identified environmental discontinuity.

Research conducted by Lyles & Salk,<sup>5</sup> on the role of firm's internal capabilities and knowledge found that, "the development of capabilities and competencies in firms has been

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<sup>3</sup> Ashby W.R.: An Introduction to Cybernetics. Chapman and Hall, London 1956.

<sup>4</sup> Andrews K.: The concept of Corporate Strategy. Irwin, Burr Ridge, IL 1971.

<sup>5</sup> Chandler A.D.: Strategy and Structure. MIT Press, Cambridge, MA 1972.

shown to have a positive effect upon various facets of performance". Another study confirming the concept of corporate strategy and the significance of managerial support was presented by Andrews in 1971 as "the pattern of decisions that determined a company's goal, produced the principle policies for achieving these goals, and defined the range of businesses the company was to pursue".<sup>6</sup>

Chandler's, Lyles & Salk and Andrew's research provide validation for Ansoff's second rule in the paradigm; *The responsiveness of the firm's capabilities must match the aggressiveness of its strategy.*

Ansoff's identification of the success variables was confirmed by empirical research conducted by Leonidou, Katsikeas & Samiee<sup>7</sup>, supporting both the existence and the importance for firms to address the variables in the formulation of the firm's strategies as a determinant of performance and success factors.

Miller and Freisen<sup>8</sup> recognize that the nexus of the variables constitute a complex range of independent variables; it is these variables that must remain coupled in a state of dynamic equilibrium, regardless of environmental turbulence. Miller and Freisen's research validates Ansoff's third component of the strategic success paradigm; *The components of the firm's capabilities must be supportive of one another.*

Using the foundational research developed from Chandler, Andrews, and Emery, et al., Ansoff identifies the three requisite variables for a firm's optimal financial success and from these variables, formed the conventions for the Strategic Success Paradigm.

#### **4. Variables forming the strategic success paradigm**

1. The aggressiveness of the firm's strategic behavior must match the turbulence of its environment.

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<sup>6</sup> Ansoff H.I., Declerck H.: From Strategic Planning to Strategic Management. John Wiley, New York 1976; Ansoff H.I.: Critique of Henry Mintzberg's "The Design School: Reconsidering the basic premises of Strategic Management". Strategic Management Journal 1991, Vol. 12, p. 449-461; Ansoff H.I., Antoniou P., Lewis A.O.: Strategic management: Introduction to the Ansoffian Approach. Xanadu Press, Michigan 2004; Ansoff H.I., McDonnell E.: Implanting Strategic Management. Prentice Hall, New York 1990; Ansoff H.I., Sullivan P.: Competitiveness through strategic response, [in:] Gilman R. (ed.): Making Organizations More Competitive: Constantly Improving Everything Inside and Outside the Organization. Jossey-Bass, San Francisco 1990; Ansoff H.I., Sullivan P.: Managerial Theory of Strategic Behavior of Environmental Serving Organizations. The Macmillan Press LTD, London 1993; Caldart A.A., Ricart J.E.: A Formal Evaluation of the Performance of Different Corporate Styles in Stable and Turbulent Environments. Working Paper, University of Navarra 2006.

<sup>7</sup> Chabane H.: Restructuring and performance in Algerian state-owned enterprises: A strategic management study. Unpublished D.B.A. dissertation. United States International University, San Diego 1987.

<sup>8</sup> Miller D.C., Freisen P.H.: Organisations: A Quantum View. Englewood Cliffs, Prentice Hall, New Jersey 1984.

2. The responsiveness of the firm's capabilities must match the aggressiveness of its strategy.
3. The components of the firm's capabilities must be supportive of one another.

As previously mentioned, the research conducted by Emery and Trist into discrete and different environments led Ansoff to develop a typology of 5 distinct identifiable levels of environmental turbulence. These five distinct environmental turbulence "levels" are based on the complexity of the environment, the speed of change relative to the possible speed of response, the visibility of the future and the predictability of the future.<sup>9</sup>

Zahra<sup>10</sup> supports Ansoff's typology when similarly describing the dimensions of environmental turbulence by including the following in their description of the environment; heterogeneity (diversity of markets), dynamism (rate and unpredictability of change) and hostility (unfavorable business climate, high level of competitive intensity and uncertainty) Zahra & Bogner<sup>11</sup> and Zahra et al.<sup>12</sup>

## 5. Environmental turbulence defined

Ansoff defines turbulence as a combined measure of the changeability and predictability of the firm's environment. The dimensions of changeability and predictability are further defined by four characteristics.

Changeability:

1. *Complexity* of the firm's environment.
2. Relative *novelty* of the successive challenges which the firm encounters in the environment.

Predictability:

3. *Rapidity of change*. This is the ratio of the speed with which challenges evolve in the environment and the speed of the firm's response.

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<sup>9</sup> Chandler A.D.: Strategy and Structure. MIT Press, Cambridge, MA 1972; Cyert R., March J.: A Behavioral Theory of the Firm. Prentice Hall, New Jersey 1963.

<sup>10</sup> Zahra S.A., Newbaum D.O., Huse M.: The effect of the environment on export performance among telecommunications new ventures. Entrepreneurship Theory and Practice 1997, no. 22(1), p. 25-46.

<sup>11</sup> D'Aveni R.: Hyper Competition, Managing the Dynamics of Strategic Maneuvering. Free Press, New York 1994; Day G.S., Reibstein D.J.: Wharton on dynamic competitive strategy. John Wiley & Sons, New York 1997; Eisenhardt K., Brown S.: Competing on the Edge: Strategy as Structured Chaos. Harvard Business School Press, Cambridge 1998; Emery E., Trist E.L.: The causal texture of organizational environment. Human Relations 1965, Vol. 10; Galbraith J.: Designing Organizations, An Executive Guide to Strategy, Structure, and Process. Jossey Bass, San Francisco 2002; Hambrick D.C., Mason P.A.: Upper echelons: The organization as a reflection of its top managers' Academy of Management Review 1984, no. 9(21), p. 193-206.

<sup>12</sup> Zahra S.A., Newbaum D.O., Huse M.: op.cit.

4. *Visibility* of the future which assesses the adequacy and the timeliness of information about the future.<sup>13</sup>

In a recent working paper by Caldart and Ricart,<sup>14</sup> turbulence is recognized as a determining factor of an organization's success and defined as "Environmental dynamism" in which firms compete in an environmental turbulence level that is divided into four dimensions; complexity and dynamism define the conditions of the environment, low (stable) and high (complex) as the range limiters.

Within each dimension, a firm must utilize the appropriate level of strategy, delineated by three methods;

1. Strategic planning – Corporate level, centralized decisions making.
2. Strategic control – Centralized decisions are made by "bottom-up" initiatives.
3. Financial control – Decisions are decentralized at the business level to achieve maximum strategic performance.

The results of their research confirm that firms which utilize the proper strategy to match the environmental turbulence level will achieve positive results.

The relevance of Caldart and Ricart's working paper is that it confirms Ansoff's methodologies used in formulating the Strategic Success Paradigm in which both the environmental turbulence levels and the strategies are acknowledged as critical components of strategic success and must match the turbulence levels in order to achieve optimum performance.

## 6. Typology of environmental turbulence levels

As previously noted, determining the environmental turbulence level in which organizations compete and the strategy used for each turbulence level is a critical component in the strategic success of the firm. Hence, Ansoff developed a topology of the levels of turbulence to assist managers in defining the turbulence level in which they compete.

Ansoff categorized the environment in which firms compete into five distinct and definable turbulence levels (Fig. 1) beginning with Level 1, defined as "stable"; within this level the environment has no change and tomorrow will be similar to the present, hence, planning at level 1 is extrapolative. Level 2 is "expanding"; change is slow and incremental, visible, and predictable, planning at level 2 is also extrapolative. Level 3 is "changing"; although change is fast, it is still incremental and fully visible. The first three levels of

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<sup>13</sup> Ansoff H.I., McDonnell E.: *Implanting Strategic Management*. Prentice Hall, New York 1990.

<sup>14</sup> Caldart A.A., Ricart J.E.: *A Formal Evaluation of the Performance of Different Corporate Styles in Stable and Turbulent Environments*. Working Paper, University of Navarra 2006.

environmental turbulence are sub-classified by Ansoff as “*history driven*” in that the future is a logical extension of the historical past and present.

Levels 4 & 5 are defined as *discontinuous & surprising* by Ansoff; the future is very different from the historical past and past successes do not guarantee future success. Level 4, a major departure from the extrapolative environment, is defined as “discontinuous”. In order to be successful a firm must abandon its historical attachment to particular customers, technologies, and/or products that it was accustomed to in level 3 and formulate its strategy with a new set of rules. The challenges that face a firm in level 4 include limited visibility, partial predictability, rapid change and inability for the firm to react to that change within the time required.

Ansoff’s final level, Level 5 is described as “surprising”; change at this level occurs without notice, without visibility, unpredictable, and extremely rapid. In order for firms to become successful at this level they must be open and flexible to create products and services with advanced innovative technological ideas. Firms whose Strategic Business Areas (SBA) compete globally most likely align within the description of turbulence level 5.

An extension of the definition of a Level 3 environment was provided by Ansoff<sup>15</sup> to include “the pace of change, planned and unplanned product obsolescence coupled with the discontinuous rate of change.” This increased intensity changes the existing paradigm of firms focusing solely on industry competitors, and creates a new paradigm which includes threats from unrelated industries”.

A scale of environmental turbulence is depicted below, as indicated by Ansoff and McDonnell.<sup>16</sup>

Research conducted by Eisenhardt<sup>17</sup>, notes that high-velocity (i.e. turbulent) environments are “particularly challenging because information is poor, mistakes are costly, and recovery from missed opportunities is difficult.”

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<sup>15</sup> Ansoff H.I., Antoniou P., Lewis A.O.: Strategic management: Introduction to the Ansoffian Approach. Xanadu Press, Michigan 2004.

<sup>16</sup> Ansoff H.I., McDonnell E.: op.cit.

<sup>17</sup> Hambrick D.C.: The top management team: Key to strategic success, California Management Review 1987, p. 88-108; Hatziantoniou P.: The relationship of environmental turbulence, corporate strategic profile, and company performance. Unpublished D.B.A. dissertation, United States International University, San Diego 1986; Jaja R.M.: Technology and banking: The implications of technology myopia on banking financial performance, A strategic management analysis. Unpublished D.B.A. dissertation, United States International University, San Diego 1990; Leoidou L.C., Katsikeas C.S., Samiee S.: Marketing strategy determinants of export performance: A metaanalysis. Journal of Business Research 2002, no. 55(1), p. 51-67.



Discontinuity	Complexity	Economic +	Business +	Technology +	Socio Politics	
	Novelty	None	Incremental Slow	Incremental Fast	Discontinuous Familiar	Discontinuous Novel
Predictability	Rapidity	Zero	Slower Than Response	Comparable to Response	Faster Than Response	Surpriseful
	Visibility	Total	Extrapolable	Predictable	Partly Unpredictable	Unpredictable
Turbulence Scale		1	2	3	4	5

Fig. 1. Scale of Environmental Turbulence

Rys. 1. Skala burzliwości otoczenia

## 7. Strategic success paradigm

A common theme thus far in this paper is to provide validated support for Ansoff's Strategic Success Paradigm and its three variables from case studies and journal articles. Empirical evidence supporting the Paradigm's success will be covered in a following section.

Ansoff's Success model (Fig. 2) is explicit in its prescription for strategic success, it consists of three variables; the firm's environmental turbulence level, the firm's level of strategic aggressiveness, and managerial responsiveness capabilities.

Ansoff's Strategic Success Hypothesis states, *the optimal financial performance of a firm will be realized when the firm's strategic aggressiveness, and the general management capability responsiveness are aligned with the environmental turbulence.*<sup>18</sup>

The concept that Ansoff uses as the foundation of his hypothesis is based on W.R. Ashby,<sup>19</sup> *requisite variety theorem* of organizational-environment matching. Ashby's theorem states, *For a successful response to the environment, the complexity and the speed of the firm's response must match the complexity and speed of environmental challenges.*

<sup>18</sup> Ansoff H.I., Declerck H.: From Strategic Planning to Strategic Management. John Wiley, New York 1976.

<sup>19</sup> Ashby W.R.: An Introduction to Cybernetics. Chapman and Hall, London 1956.

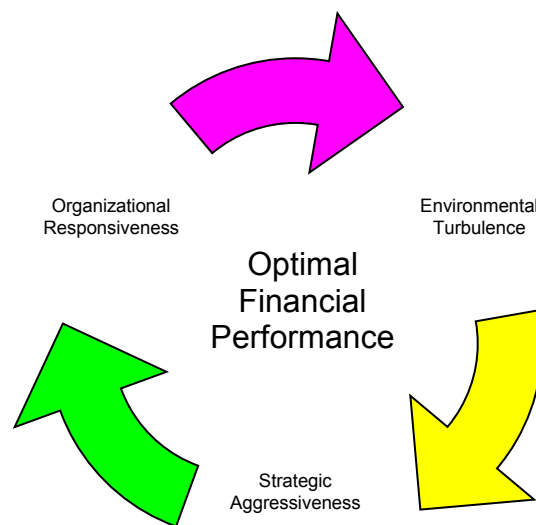


Fig. 2. Optimal Financial Performance  
Rys. 2. Optymalny wynik finansowy

In order to compete successfully, the firm's Strategic Aggressiveness (planned strategy) must at least *align* with the competitive environmental turbulence level or current market conditions in which a firm operates. To have an advantage over the competition, a firm must anticipate future market conditions and position itself to operate more effectively than the competition.

The dynamics of Ansoff's success components of strategy, environment, and capabilities are identified in numerous studies utilizing similar variables to that of Ansoff's Strategic Success Paradigm.

In research conducted by Miller and Freisen,<sup>20</sup> they identify Ansoff's success components as a Nexus, a connection of a linked group (Fig. 3). Their research confirms Ansoff strategic success paradigm in that the organizational competitiveness is based on the interaction among the components rather than their consideration in isolation which fundamentally explains performance, i.e. the whole is greater than the sum of its parts.

<sup>20</sup> Miller D.C., Freisen P.H.: Organisations: A Quantum View. Englewood Cliffs, Prentice Hall, New Jersey 1984.

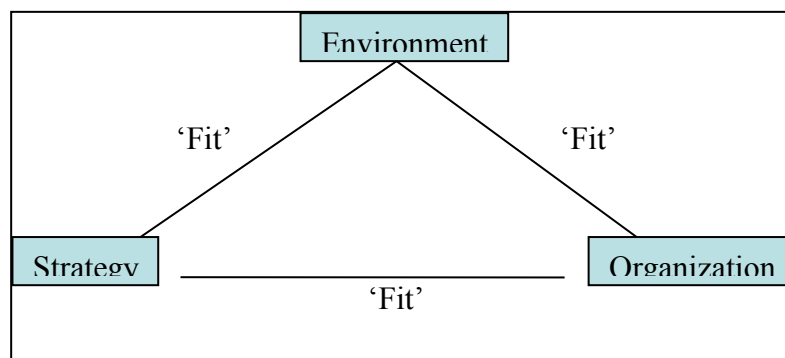


Fig. 3. The environment-strategy-organization nexus

Rys. 3. Związek otoczenie-strategia-organizacja

The organization must create, and maintain the “fit” along each axis of the nexus in order to ensure organizational success. Miller and Freisen’s environment- organization- strategy nexus directly corroborates Ansoff’s strategic success paradigm.

Based on the similar dimensions of Miller and Freisen’s nexus, it would be fair to deduce that Ansoff’s Strategic Success Paradigm was the inspirational model used when formulating the conclusion of their nexus.

## 8. Illustrative example of paradigm

As an illustrative example of the interdependencies of the paradigm’s components on strategic effectiveness, consider a firm in the bio-tech industry whose environmental turbulence level is discontinuous coupled with rapid change, surpriseful, and novel (Ansoff level 5). The bio-tech firm would be ill-advised to formulate the same strategy for growth as would be used by a firm whose strategy is appropriate for a low turbulent environment, such as cement manufacturing (Ansoff level 1-2). The capabilities that is most suitable for a high level of turbulence will be expensive and inefficient for firms operating in levels of low turbulence. Capabilities that are adequate in a low turbulence environment will leave a firm in a poor competitive position in a high turbulence environment. Although this is a cursory example of Ansoff’s paradigm, it helps to illustrate the absurdity of mismatching a strategy to the prevailing level of environmental turbulence. Thus, the aggressiveness of the strategy *must match* the turbulence level of its environment in order for the firm to achieve optimal financial success.

Ansoff addresses the importance of the firms' management capabilities, such as the climate, competency, and capacity and emphasizes that they must also match the environmental turbulence level. For example, management whose multivariate capabilities are solely based on experiential wisdom accumulated from and whose decision-making is based on a low degree of information coupling within other functional areas would be less-likely to achieve optimum success in a highly unpredictable, discontinuous environmentally turbulent industry.

A disparity between current and required management competence capabilities produces an identifiable gap caused by the disparity in the environmental turbulence levels in which the firm competes. This gap in cognitive interpretation of the strategic issues, value judgments, and information processing would exceed, with any reliable degree of integrity, the low environmental turbulence level managerial skills set.

Numerous studies support the significance of managerial competencies as it pertains to the firm's strategy-making and strategic performance. The firm's organizational performance is ultimately influenced and guided by the differences in top manager's skills levels and creative talents. Hambrick and Mason,<sup>21</sup> Hambrick,<sup>22</sup> and Norburn and Birley.<sup>23</sup> "Actors (management) are assumed to be intelligent, but their intelligence is local to their position on the landscape (environment)".<sup>24</sup>

To illustrate his strategic success paradigm, Ansoff constructed a matrix that aligns the turbulence levels with the three key components of the success paradigm; environmental turbulence, strategic aggressiveness, and organizational response. This matrix, (Fig. 4) The Matching Environment – Aggressiveness Responses Triplets®, also known as the matching triplets, provides an easy reference for managers to assist them in identifying their current turbulence level, the aggressiveness of their current strategy, and finally, what is the level of their organizational responsiveness to the current environmental turbulence level. A narrative is provided for each turbulence level and matching success component which clearly references for managers, their firms' position and management styles.

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<sup>21</sup> Hambrick D.C., Mason P.A.: Upper echelons: The organization as a reflection of its top managers' *Academy of Management Review* 1984, no. 9(21), p. 193-206.

<sup>22</sup> Hambrick D.C.: The top management team: Key to strategic success, *California Management Review* 1987, p. 88-108.

<sup>23</sup> Norburn D., Birley S.: The top management team and corporate performance. *Strategic Management Journal* 1988, no. 9(3), p. 225-238.

<sup>24</sup> March J., Simon H.: *Organizations*. John Wiley & Sons, New York 1958; Cyert R., March J.: *A Behavioral Theory of the Firm*. Prentice Hall, New Jersey 1963.

An additional benefit from this matrix is that managers can see what strategic posture their organization must move toward to compete at a higher turbulence level and to increase the likelihood of higher financial returns.

**Matching Environment – Aggressiveness Responses Triplets**

<b>ENVIRONMENTAL TURBULENCE</b>	<b>REPETITIVE</b> Repetitive	<b>EXPANDING</b> Slow Incremental	<b>CHANGING</b> Fast Incremental	<b>DISCONTINUOUS</b> Discontinuous Predictable	<b>SURPRISEFUL</b> Discontinuous Partially Predictable
<b>STRATEGIC AGGRESSIVENESS</b>	<b>STABLE</b> Stable Based on Precedents	<b>REACTIVE</b> Incremental Based on Experience	<b>ANTICIPATORY</b> Incremental Based on Extrapolation	<b>ENTREPRENEURIAL</b> Discontinuous New Based on Observable Opportunities	<b>CREATIVE</b> Discontinuous Novel Based on Creativity
<b>ORGANIZATIONAL RESPONSIVENESS</b>	<b>STABILITY SEEKING</b> Rejects Change	<b>EFFICIENCY DRIVEN</b> Adapts to Change	<b>MARKET DRIVEN</b> Seeks Familiar Change	<b>ENVIRONMENT DRIVEN</b> Seeks Related Change	<b>ENVIRONMENT CREATING</b> Seeks Novel Change
<b>LEVEL</b>	1	2	3	4	5

Fig. 4. Matching Environment – Aggressiveness Responses Triplets  
Rys. 4. Powiązania Otoczenie – Agresywność – Reakcja

## 9. Empirical evidence supporting Ansoff's paradigm

Ansoff's strategic success paradigm has been empirically tested, documented, and validated for over 25 years by strategic management doctoral students at Alliant International University in San Diego. The population database is gathered from over 1056 firms in industries that range from manufacturing, retail, service, banking, and state-owned businesses from the United States, United Arab Emirates, Korea, Japan, Jordan, Algeria, Indonesia, and Ethiopia. Testing data to date has concluded a validity of results of 99.95% supporting the paradigm's effectiveness.<sup>25</sup>

A challenge to the validity and reliability of Ansoff's strategic success hypothesis has been raised by some in academia based on the verity that dissertation research is not subject to the exactitude of peer review. In response, one must not only recognize the statistical significance of the test results, but also the practical significance of 1056 firms, all indicating positive results using the strategic success hypothesis. Thus, one can deduce that due to the significance of the population, the methodologies used for analysis, and the conclusive results; the sweeping assertions of the need of peer review for each individual dissertation, would not alter the results.

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<sup>25</sup> Hatziantoniou P.: The relationship of environmental turbulence, corporate strategic profile, and company performance. Unpublished D.B.A. dissertation, United States International University, San Diego 1986; Salameh T.T.: Analysis and financial performance of the banking industry in United Arab Emirates: A strategic management study. Unpublished D.B.A. dissertation, United States International University, San Diego 1987; Sullivan P.A.: The relationship between proportion of income derived from subsidy and strategic performance of a federal agency under the Commercial Activities Program. Unpublished D.B.A. dissertation. United States International University, San Diego 1987; Chabane H.: Restructuring and performance in Algerian state-owned enterprises: A strategic management study. Unpublished D.B.A. dissertation. United States International University, San Diego 1987; Lewis A.: Strategic posture and financial performance of the banking industry in California: A Strategic management study. Unpublished D.B.A. dissertation, United States International University, San Diego 1989; Jaja R.M.: Technology and banking: The implications of technology myopia on banking financial performance, A strategic management analysis. Unpublished D.B.A. dissertation, United States International University, San Diego 1990; Ansoff H.I., McDonnell E.: *Implanting Strategic Management*. Prentice Hall, New York 1990; Ansoff H.I., Sullivan P.: *Competitiveness through strategic response*, [in:] Gilman R. (ed.): *Making Organizations More Competitive: Constantly Improving Everything Inside and Outside the Organization*. Jossey-Bass, San Francisco 1990.

## 10. A perspective on the absence of the strategic success paradigm

This study has shown that substantial empirical evidence exists to support Ansoff's Strategic Success Paradigm relative to successful financial performance. Ansoff commented that his work has received only a "modicum of acceptance by practicing managers",<sup>26</sup> validation is provided through journal articles confirming its components in use when formulating and implementing strategy, either in part or in their aggregate throughout industry.

The question remains, "Why is the Strategic Success Paradigm absent from Strategic Management textbooks?" It seems only logical that if a given formula has been proven to enhance performance and is currently used (either in a basic form or expanded definition), the Strategic Success Hypothesis has been validated and should be juxtaposed with other contributions such as Michael Porter's view of generic strategies and Five forces, Henry Mintzberg's emergent strategy, as well as strategy tools such as the SWOT, GE/McKinsey, BCG matrix, *et al.*

In an effort to determine the *raison d'être* of its absence from print, two possible explanations surfaced which are now addressed for plausibility.

- *Supposition One – Ansoff's Strategic Management theories are too difficult to explain effectively in undergraduate textbooks.*

This viewpoint is affirmed in correspondence received from publishing house McGraw-Hill's Senior Marketing manager/Higher education Anke Braun, he states, *[the] "problem is, from my view, his background is EE and there are a lot of complicated feedback loops, diagrams, etc. that is really hard to condense in a short space to be relevant clear."*

Mr. Braun's unambiguous statement is only accurate when viewing Ansoff holistically. However, the Strategic Success Paradigm is but a single element of Ansoff's extensive contribution, and its only prerequisite is a basic level of cognition to comprehend and relate its value to a firm.

- *Supposition Two – Since Ansoff's death, his theories have become absent from Strategic Management journals resulting in the consequential decline of their importance.*

This possibility is plausible and is supported by correspondence from Strategic Management textbook authors; Arthur A. Thompson and Gregory G. Dess, in which both state that the topic of Ansoff's Strategic Success Paradigm "isn't mainstream enough to be covered in a general strategy textbook".

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<sup>26</sup> Ansoff H.I.: Critique of Henry Mintzberg's "The Design School: Reconsidering the basic premises of Strategic Management". Strategic Management Journal 1991, Vol. 12, p. 449-461.

Unfortunately, this may hold more truth than originally first considered. In discussions with fellow Strategic Management educators, with few exceptions, Ansoff's Strategies' are not normally included in the undergraduate course curriculum.

## 11. Recommendation for future study

Rather than allowing an integral strategic management tool to die a slow death, this study is an attempt to revitalize its principles. Therefore, future research might focus on investigations utilizing Ansoff's theories. Such studies should make a positive contribution to the study of Strategic Management by offering quantifiable data to support the inclusion of Ansoff's Strategic Success Paradigm's in Strategic management journals and textbooks.

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