STRATEGIC DRIFT

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Reference this article

Abstract / Definition
Strategic drift can be defined as a gradual deterioration of competitive action that results in the failure of an organization to acknowledge and respond to changes in the business environment. The term strategic drift is used to describe a sense of cognitive sloth in the ability to meet the original objectives of an organization. The symptoms of strategic drift are: a homogenous mind set at managerial and board levels, preservation of the status quo, lack of focus on the external environment, and decline in performance. The causes of strategic drift are found in cognitive mapping and organizational culture. When strategists develop cognitive assumptions, they are often limited by intuitive thinking. The strategic decisions made within an organization are framed by culture, which in turn develops around the organizational structure, hierarchy, routines, internal controls, symbols and shared narratives. The paradigms of managerial assumptions provide the foundation of organization culture and have a strong influence on decision making. There are three main approaches of avoiding drift: developing an early warning system, developing strategic resilience and encouraging organizational flexibility. When to implement strategic change versus when to leave it alone is a tactical dilemma for boards and top management.

Keywords
Strategic drift, cognitive maps, culture, strategic resilience, organizational flexibility

Link to publication