



**Management and Organization**  
**a.y. 2015-16**

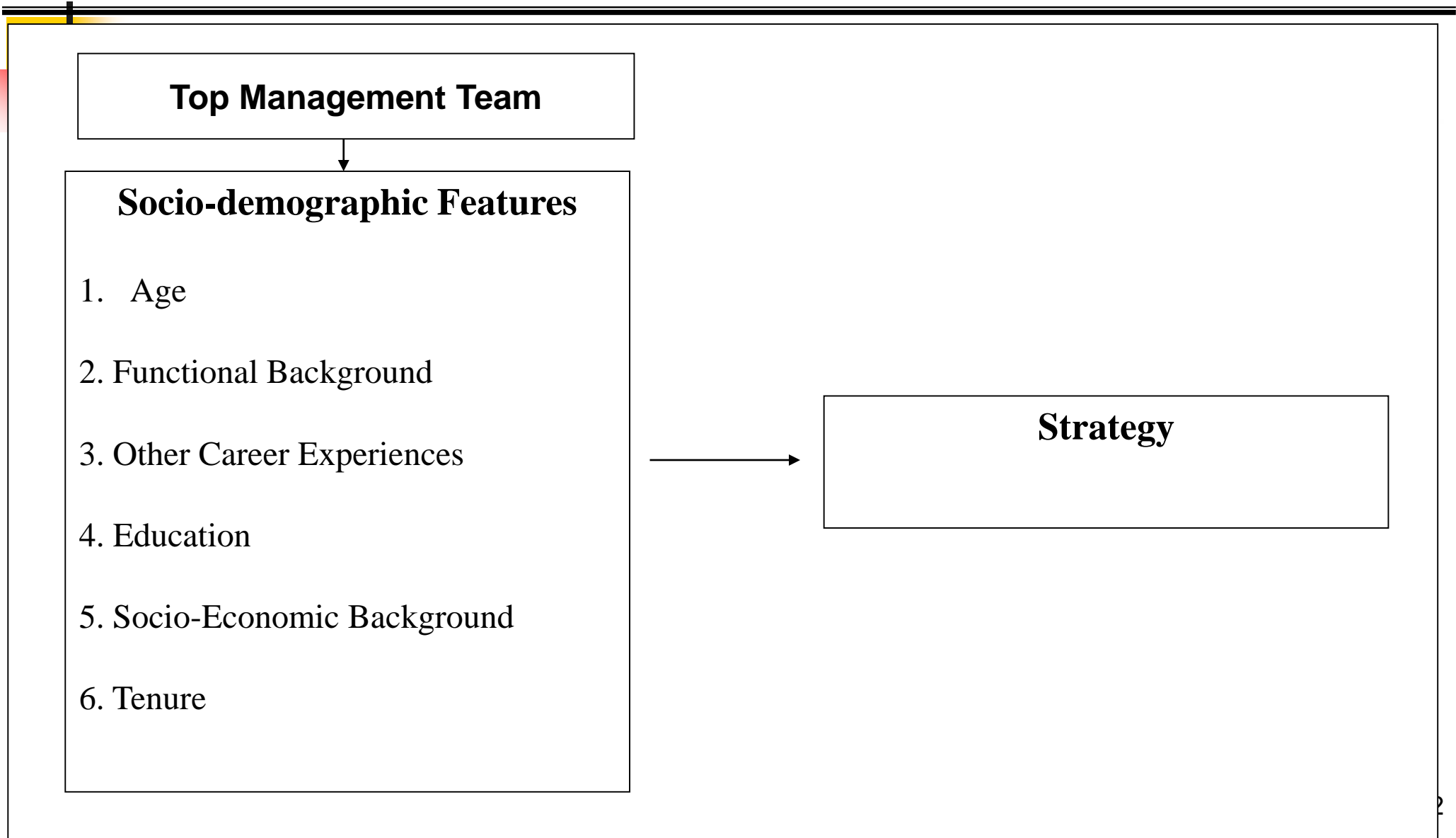
---

# **Towards Behavioral Strategy: The Personality Factor**

Gianpaolo Abatecola, PhD.

Abatecola G., Mandarelli G., Poggesi S. (2013), "The Personality Factor. How Top Management Teams Make Decisions. A Literature Review", *Journal of Management and Governance* .

# Upper Echelons Theory: The Underpinnings (Hambrick, Mason, 1984)



## CEOs' Personality (Narcissism)



---

*“It’s all about me. Narcissistic CEOs and Their Effect on Company Strategy and Performance” (Chatterjee, Hambrick, 2007).*

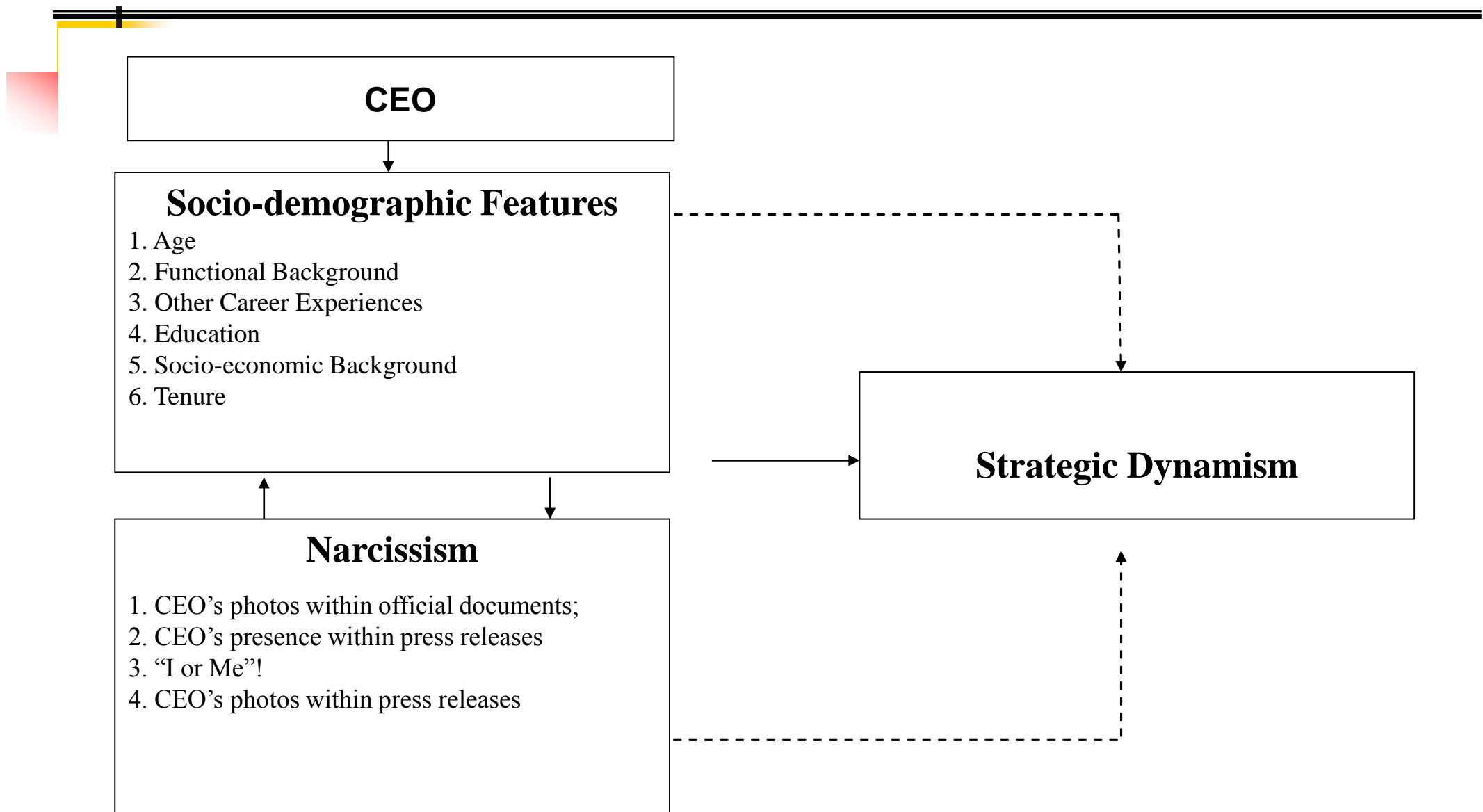
Narcissism is considered as a personality dimension rather than a pathology

Narcissism consists of:

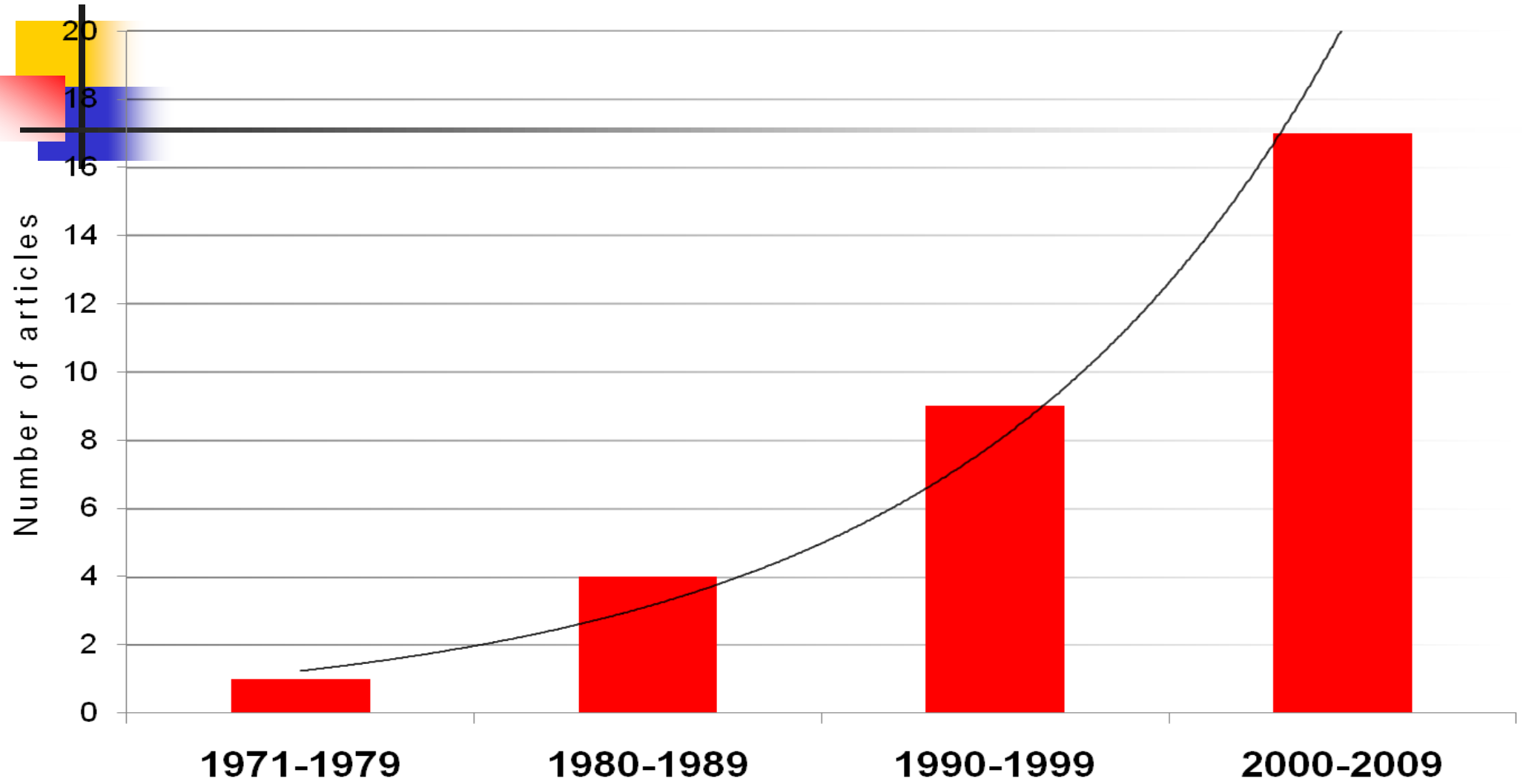
- 1) a belief in one’s superior abilities;
- 2) an intense, continuous need for affirmation – and qualifying

Narcissistic CEOs can be considered as «those who have very inflated self-views, and who are preoccupied with having those self-views continuously reinforced»

# CEOs' Personality (Narcissism)



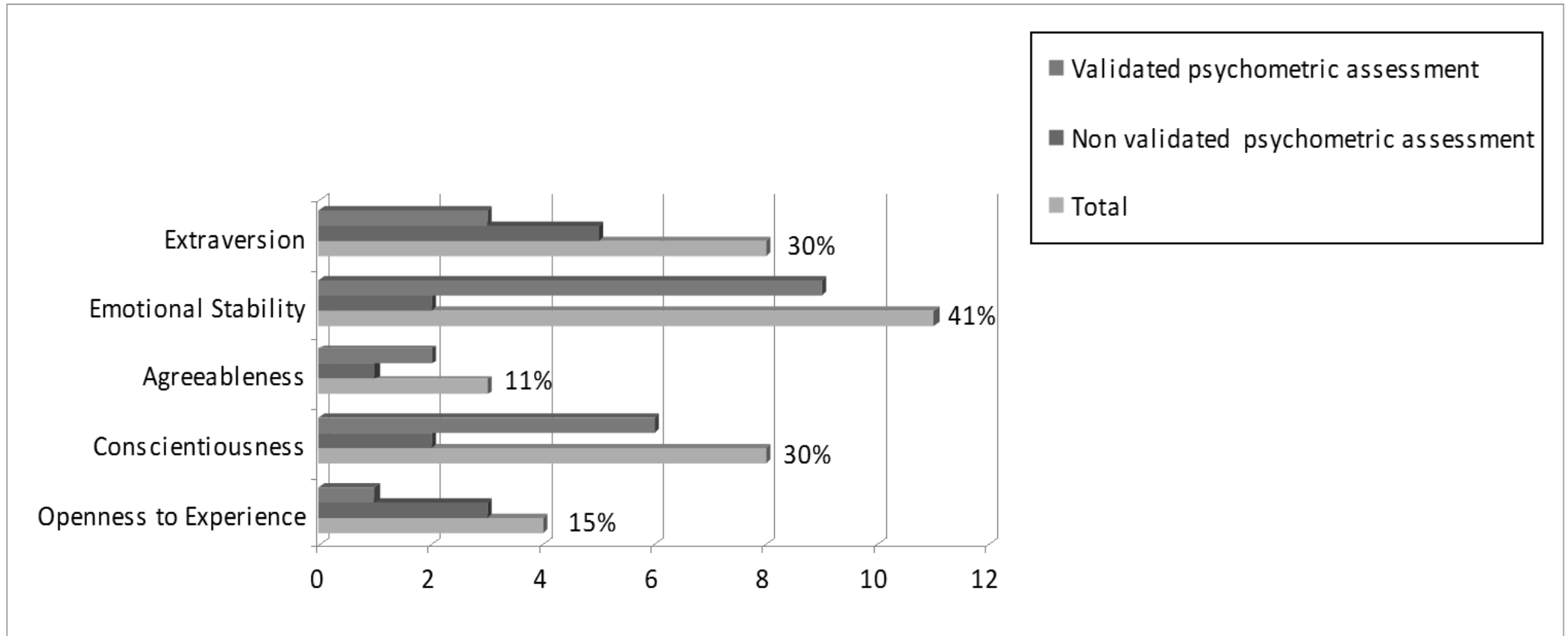
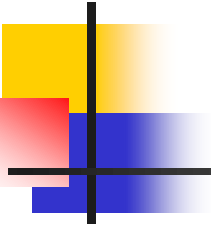
# The influence of Executives' Personality on Strategic-Decision Making: Number of papers published per period



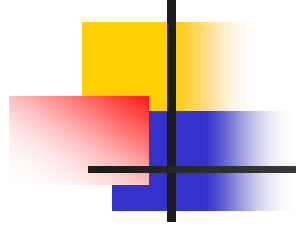
Source: Abatecola, Mandarelli, Poggese (2013).

# Main psychological variables/instruments

- **Locus of control (LOC)** (35.5% of the studies)
  - Internal vs. external control. Internal LOC = trust in individual's own capacity to influence and control events
- **Need for achievement** (35.5%)
  - Need for personal accomplishment through own efforts.
- **Myers-Briggs Type Indicator (MBTI)** (22.6%)
  - Personality theory comprising 4 dichotomies : Extraversion-introversion, sensation-intuition, thinking-feeling, judgment-perception
- **Five-factor personality model ("Big 5")** (16.1%)
  - Personality theory comprising 5 dimensions: Openness, conscientiousness, extraversion, agreeableness, neuroticism
- **Risk attitude** (12.9%)
  - Individuals' propensity towards risk, as opposed to risk aversion
- **Flexibility** (9.7%)
  - Reflects imaginativeness, curiosity, originality, broadmindedness
- **Tolerance for ambiguity** (9.7%)
  - Individuals' tendency to seek out ambiguity and appreciate ambiguity in uncertain environmental conditions



## Discussion of the findings (1/2)



- a. Under dynamic environmental conditions, firms led by internal LOC CEOs seem to perform better than firms led by external LOC CEOs.
- b. CEOs' high need for achievement and internal LOC generally both count in improving firms' strategic pro-activity.
- c. The TMTs' flexibility seems to be a promising predictor of superior firms' performance.
- d. Bureaucratization is generally found to be associated to CEOs' high need for achievement.



# Discussion of the findings (2/2)



## Keynotes

---

1. **Heterogeneity of the strategic management outcomes**
2. **Heterogeneity of the psychological variables**
3. **Innovative personality variables within the field** (Hambrick, Chatterjee, 2007)
4. **Scarce cross-disciplinary research within this area to date**



---

**Gianpaolo Abatecola, PhD.**

Associate Professor of Management  
University of Rome “Tor Vergata”  
Department of Management and Law

Mail to: [gianpaolo.abatecola@uniroma2.it](mailto:gianpaolo.abatecola@uniroma2.it)

- Twitter: @GAbatecola
- Web site: <http://economia.uniroma2.it/faculty/2/abatecola-gianpaolo>
- LinkedIn: <http://it.linkedin.com/pub/gianpaolo-abatecola/42/5b3/549/>
- Research Gate: [http://www.researchgate.net/profile/Gianpaolo\\_Abatecola](http://www.researchgate.net/profile/Gianpaolo_Abatecola)
- Academia: <http://uniroma2.academia.edu/GianpaoloAbatecola>