

THREE ESSAYS ON MICROFOUNDATIONS OF STRATEGIC DECISIONS

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Using microfoundational perspective, this thesis looks at the role of CEOs in the strategic decision making. The first paper looks at the impact of executive general managerial skills on exploration and exploitation. We found that diversity of CEOs lifetime experience has a positive link with exploration and exploitation. Second paper explores the role of CEO narcissism in the innovation strategy of the firm. Using succession events in innovative industries, we found that firms run by highly narcissistic CEOs invest more in R&D, undertake more technological acquisitions and introduce new products at a much faster rate compared to less narcissistic CEOs. Third paper of this thesis looks at the influence of CEO narcissism on the location choice in cross-border acquisitions. Using novel measure of CEO narcissism from the quarterly earnings conference calls, we found that firms run by highly narcissistic CEOs are more likely to enter distant countries in terms of culture, political system, geography and level of economic development. We also found that the gap between performance and aspiration negatively moderates the relationship between CEO narcissism and distance.