## ESADE

Ramon Llull University

ESADE ENTREPRENEURSHIP INSTITUTE

## **RESEARCH SEMINAR**





**Michael Ensley** Chief Research Officer Executive Assessment Institute (EAI) (Morganton, NC, USA)

More information

Date: **23<sup>rd</sup> November 2012** Schedule: **12.00 to 13:30 h** 

Elsarage

Place:

Av. Torre Blanca,57 08172 Sant Cugat

Coordinator: Prof. Dr. Jan Brinckmann

## Abstract

## **CEO Narcissism and Control Need on Empowerment, TMT's Shared Cognition of Entrepreneurial Orientation, and Firm Performance in High Growth Companies.**

The linkage between cognition and the use of leader behaviors by leaders has been well established in the large literature on Core Self Evaluations ("CSE") (see Judge & Bono, 2000; Judge et al., 2002; Chang et al., 2012). The linkage to Transformational Leadership has been researched in some detail and there has been a strong linkage established between CSE and Transformational Leadership (Bono & Colbert, 2005; Bono & Judge, 2003; Ross & Offermann, 1997). However, this linkage has seldom went to the next level to understand the potential impact of the combination of certain CSEs and Transformation Leadership of CEOs on their teams, Entrepreneurial Orientation, and firm performance. In addition, at the CEO level there are other CSEs that appear to be critically important. Hiller and Hambrick (2005) stretched the study of Upper Echelons to use CSEs. However, their findings and those of other recent research have identified other key cognitive mechanisms such as Narcissism and Control (Resick et al, 2009; Bird, 1989). In addition, Kellerl & Dansereaul (1995) noted that Need for Control not Locus of Control had a much greater impact on Leader behaviors than other cognitive factors. To be sure, the linkage between the mind and behavior of the CEO is of great interest. Our interest here is to understand the full linkage between CSEs, Leader Behaviors and those organizational effects. A group of 227 CEOs, Organizations, and Teams from high growth companies in the USA were used to assess this critical research question. A path model was developed and is presented below. The findings clearly demonstrate a linkage between Need for Control and Narcissism by the CEO of Growth Companies, their use of firm level entrepreneurship, and long term financial performance. Using the traditional CSEs as control variables there was little variance between the Need for Control and Narcissism not explained. The findings indicate that over the long term a CEO that has a high Need for Control and is Narcissistic is likely to damage the organization by failing to understand the critical use of Empowerment. They are likely to become rigid and find it difficult to execute the organizational strategy.

