

STRATEGIC MANAGEMENT JOURNAL
SPECIAL ISSUE
CALL FOR PAPERS

PSYCHOLOGICAL FOUNDATIONS OF STRATEGIC MANAGEMENT

Guest Co-editors: Dan Lovallo, Thomas C. Powell, Craig R. Fox, David J. Teece

Special Issue Purpose

The aim of this Special Issue is to promote new theoretical and empirical research on the psychological origins of Strategic Management. A more explicit recognition of the psychological foundations of strategy offers exciting new directions for research on strategic behavior and firm performance.

Background

Strategy research was historically concerned with the responsibilities of general managers, such as evaluating the competitive position of the enterprise, determining its long-term goals, allocating resources, and ensuring that courses of action are implemented. More recently, under the influence of industrial economics and the resource-based view, attention shifted away from general managers toward explaining the phenomenon of sustained competitive advantage. In the resource-based view, competitive advantage is largely determined in factor markets, attributable to firm resources that cannot profitably be acquired by competitors.

This Special Issue seeks to merge traditional and modern perspectives in Strategic Management by exploring the psychological foundations of executive behavior, goal formation, resource formation and deployment, strategy implementation, market efficiency, and firm performance. For example, recent research in Behavioral Economics has documented the economic consequences of individual time-inconsistent behavior, such as procrastination, impulsiveness, addiction, self-denial, impatience, and the inability to execute rationally-optimal plans. These psychological phenomena induce firms to create structural control mechanisms – systems, incentives, standard operating procedures – which themselves have psychological consequences for decision-makers. To generate new theoretical and empirical advances in strategy, it is essential to develop an integrated, empirically-tractable account of how such phenomena influence strategy formation, resource allocation, strategy implementation, market efficiency, and sustained competitive advantage.

We invite conceptual or empirical papers dealing with the psychological origins of strategy, with particular emphasis on how psychology can inform theory and empirical research on strategy formation, resource formation and deployment, strategy implementation, market efficiency, and sustained competitive advantage. For empirical studies, we welcome both conventional methods and new or emerging methodologies, including natural or controlled experiments, numerical or agent-based simulation, mathematical modelling, or neuro-physiological research such as brain scans. The Special Issue is not concerned specifically with traditional research on decision biases, cognition, or bounded rationality, although some of this research may be relevant. The essential criteria are that the research offers robust and specific psychological insights and bears directly on the psychological foundations of strategy formation, resource formation, resource allocation, and other critical strategic issues.

Research Questions

Without unduly constraining the range of research topics, we offer the following as examples of questions suitable for the Special Issue:

1. What are the psychological foundations of firm inefficiency, and why do inefficiencies persist?
2. How efficient are factor and product markets? Why are there profit opportunities, why are they unexploited, and what are the psychological foundations of market inefficiencies?
3. How do emotions such as anger, guilt, shame, and dread influence resource formation and deployment? How do they influence firm and market efficiency? What are the critical “strategic emotions”?
4. What are the psychological implications of causal ambiguity? How do executives choose and allocate resources in uncertain, ambiguous contexts?
5. What are the psychological determinants of general managers’ attributions of competitive success and failure? How do executives’ performance attributions influence critical strategic decisions?
6. How do emotions, beliefs, and delusions inform risk preferences and strategic decisions such as market entry, competitive imitation, new product introduction, pricing, competitive retaliation?
7. What psychological factors inform general managers’ allocations of time and executive attention? How efficient are these allocations?
8. What are the firm and market consequences of emotionally-filtered information, overconfident judgments, and managerial misperceptions about the competitive environment?
9. How do firms cope with the pathologies of strategy implementation (such as time-inconsistent behavior), and what are the psychological and strategic effects of these coping mechanisms?
10. What are the psychological and behavioral micro-foundations of resource formation in firms?
11. What can Strategic Management learn from physiology – e.g., the effects of neural functioning or hormones on strategic behavior?
12. If strategy theory is based on the assumption that successful firms have difficult to imitate resources, what is the role of error, neglect, (mis)perception, (mis)judgement? In addition to resources, do beliefs and behaviors explain why firms earn abnormal returns?

13. If firm or market inefficiencies have psychological foundations, are there skills, tools or insights that enable managers to reduce inefficiencies?
14. How do firms learn or fail to learn from experience? What are the psychological foundations of strategic learning, and how does learning influence performance?
15. What are the consequences of Behavioral Economics and Behavioral Finance for research in Strategic Management? Could “Behavioral Strategy” make a distinctive intellectual contribution?

Although some of these topics have been studied in economic, sociological, or other disciplinary contexts, the Special Issue is concerned specifically with the contributions of psychology to theory and research in Strategic Management. With this in mind, we welcome a broad range of theoretical, empirical and methodological contributions to our understanding of the psychological foundations of strategy.

Deadlines and Submission Instructions

The deadline for submission of papers is January 15, 2009. Please submit your papers online on the *Strategic Management Journal* website and make sure to follow the Submission Guidelines available at:

<http://www3.interscience.wiley.com/journal/2144/home/ForAuthors.html>.

Review Process and Special Issue Conference: The Guest Editors are seeking reviewers for this issue and are soliciting nominations and volunteers to participate in the review process. Reviewers are invited to contact the guest co-editor Dan Lovallo. Papers will be reviewed following the regular *Strategic Management Journal* double-blind review process. After the second round of reviews, the authors of the most promising submissions will be invited to a Special Issue Conference on “The Psychological Foundations of Strategic Management,” to be held in the San Francisco Bay Area in June 2009.

Guest Co-editors’ contact details: Professor Dan Lovallo, University of Western Australia, Australia, e-mail: D.Lovallo@econ.usyd.edu.au; Professor Thomas C. Powell, Oxford University, United Kingdom, e-mail: thomas.powell@sbs.ox.ac.uk; Professor Craig R. Fox, Anderson School of Business, UCLA, email: craig.fox@anderson.ucla.edu; Professor David J. Teece, Haas School of Business, University of California at Berkeley, e-mail: teece@haas.berkeley.edu.