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INTRODUCTION

The importance of knowing oneself and his competitors was already found to be extremely important in ancient war strategies. More than 2000 years ago it has been said:

"Know the enemy and know yourself; in a hundred battles you will never be in peril. When you are ignorant of the enemy but know yourself, your chances of winning or losing are equal. If ignorant both of your enemy and of yourself, you are certain in every battle to be in peril." (Sun, 1971: 84)

Similarly, organizations should know themselves as well as their competitors in order to succeed.

Many researchers have noticed the importance of the CEO in influencing the strategic direction of a firm (e.g. Beatty and Zajac, 1987; Miles and Snow, 1978). The CEO's characteristics such as age, education, tenure or socio-economic roots have been proposed to have an effect on strategic choices as well as on organizational performance (e.g. Hambrick and Mason, 1984; Rajagopalan and

Datta, 1996; Thomas, Litschert and Ramaswamy, 1991). However, as Haley and Stumpf (1989) concluded, those particular characteristics seem unlikely to influence the diagnosis and development of strategic issues directly. Instead of concentrating on observable characteristics, they suggested that personality is the link between cognitive processes and strategic decisions. In a similar vein, Hambrick and Mason (1984: 203) mentioned the importance of psychological characteristics.

Jungian psychological types have been used to provide more integrated views of managers' behavior in some studies (Haley and Pini, 1994; Haley and Stumpf, 1989; Nutt, 1979; Pollay, 1970; Stumpf and Dunbar, 1991). Henderson and Nutt (1980) used Jungian typology in their study of the influence of decision style on decision making behavior. Chanin and Schneer (1984) combined personality dimensions with conflict-handling behavior (see also Kilmann and Thomas, 1977). Stumpf and Dunbar (1991) got results which generally supported the proposed relationship between personality-type preferences and the pattern of choices made in strategic decision situations.

Emphasis has also been put on the fit between managerial characteristics and strategy. It has been found that different CEO profiles are associated with different strategic types (Thomas et al., 1991; Herbert and Deresky, 1987; Wissema, van der Pol and Messer, 1980). Hurst, Rush and White (1989) combined creative management process, cognitive mode and behaviors in their creative management model. Their model is built on the assumption that different compositions of top management teams are needed in organizational renewal. They also proposed links between Jungian cognitive modes and the strategic archetypes of Miles and Snow's (1978) typology. However, their propositions have got only partial empirical support (Saarimaa, 1995).

The purpose of this article is to further develop the idea of the relationship between managers' cognitive style and strategic decisions. It is assumed that individual managers' way of gathering information and evaluating it is reflected in their strategic choices. The subject will be studied theoretically by examining the phenomenon on an individual level. Further theoretical as well as empirical examination of the topic provides deeper understanding of managers' behavior and differences in strategic decisions. Based on prior research, propositions concerning the personality-strategy relationship are made. First, research linking managerial characteristics to strategies will be reviewed.