

CEOs with uncommon names tend to implement unconventional strategies

September 8 2020, by Avery Ruxer Franklin



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If you're looking for an unconventional approach to doing business, select a CEO with an uncommon name, according to new research co-authored by an expert at Rice University's Jones Graduate School of Business.

"Using 19 years of data on 1,172 public firms, we show that firms' distinctive strategies are systematically linked to their CEOs' uncommon names," wrote co-authors Yan Anthea Zhang, the Faye Sarofim Vanguard Professor of Strategy at the Jones School, and Yungu Kang and David H. Zhu of Arizona State University's W.P. Carey School of Business.

Past studies have examined how organizational outcomes are associated with leadership personalities, values, experiences and demographic characteristics, but not CEO's names—"one of the most fundamental attributes," the authors argue. A person's name influences their behavior, cognition and sense of self, according to the paper.

"Studies suggest that individuals with uncommon names tend to have a self-conception of being different from their peers," they wrote.

"Although many people may not have the confidence to exhibit how unique they believe themselves to be, CEOs do—they are generally confident individuals."

CEOs who have uncommon names are motivated to differentiate themselves from other CEOs, they argue, which influences strategic distinctiveness, or the degree that a business' [strategy](#) differs from industry peers.

"This is consistent with findings from [psychological research](#) that successful professionals who have uncommon names tend to view themselves as more special, unique, interesting and creative," they wrote.

Developing and implementing unique [business](#) strategies is "critical for firms to obtain [competitive advantage](#) and achieve superior performance," according to the authors. They argue that CEOs with uncommon names tend to adopt strategies that deviate from the industry norm, leading to distinctive strategies.

"Our findings can help all stakeholders to better understand and predict a CEO's strategic decisions, they wrote. "Because CEOs with uncommon names tend to pursue distinctive strategies, boards that seek to enhance the distinctiveness of their firms' strategies may want to hire CEOs with uncommon names."

"Other [top executives](#), middle-level managers and employees can also expect a higher likelihood of implementing distinctive strategies when their CEOs have more uncommon names," the authors continued.

"Competitors can expect a firm to engage in unusual competitive moves when the CEO has an uncommon name."

More information: Yungu Kang et al. Being Extraordinary: How Ceos' Uncommon Names Explain Strategic Distinctiveness, *Strategic Management Journal* (2020). [DOI: 10.1002/smj.3231](https://doi.org/10.1002/smj.3231)

Provided by Rice University

Citation: CEOs with uncommon names tend to implement unconventional strategies (2020, September 8) retrieved 26 April 2024 from <https://phys.org/news/2020-09-ceos-uncommon-tend-unconventional-strategies.html>

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