

**CALL FOR PAPERS**  
***CALIFORNIA MANAGEMENT REVIEW (CMR)***

**Behavioral Strategy and Management Practice:  
The Psychological Foundations of Strategy**

***GUEST EDITORS***

Dan Lovallo – University of Sydney, Australia  
Thomas C. Powell – University of Oxford, UK  
Olivier Sibony – McKinsey & Company, Paris, France

**INTRODUCTION**

The past five years have seen an upsurge in new research activity on the psychological foundations of strategic management. Journal submissions are on the rise, research handbooks are being published, and workshops on Behavioral Strategy in North America, Europe and Asia are filling to capacity. In 2011, the *Strategic Management Journal* published a Special Issue on the Psychological Foundations of Strategic Management, and in 2013 the Strategic Management Society launched a new interest group on Behavioral Strategy.

What is all the excitement about, and what are its consequences for companies and practicing managers? The purpose of this Special Issue of *California Management Review* is to examine what happens when Behavioral Strategy meets management practice. If decision makers are not rational in a strict economic sense, what are the consequences for competition, organization, and strategy? In a psychologically-informed world, how should executives think about decision processes, market entry, resource allocation, new strategic initiatives, innovation and strategy execution? If decision environments are filled with cognitive biases, emotions, ideologies, social processes, and political conflicts, how can managers best allocate resources and position the firm for competitive advantage?

**THE SPECIAL ISSUE**

In the Special Issue, we focus on how executives can use the knowledge base in Behavioral Strategy to improve actual strategic management practice. What can executives do, *specifically*, to convert behavioral knowledge into better strategy processes and outcomes? Can we show evidence of decision makers employing a psychologically-informed view of strategy to improve decisions or strategy processes? What are the obstacles to converting behavioral theories into practice, and how can they be overcome? How can executives and strategy consultants use behavioral principles to change fundamental processes in organizations, and what are they doing even now? In short: How can the people who are actually engaged in strategic management deploy a knowledge of Behavioral Strategy, grounded in theory and empirical research, to produce more effective organizations?

Powell, Fox and Lovallo (2011) defined Behavioral Strategy as follows: “Behavioral strategy applies cognitive and social psychology to strategic management theory and practice.

It aims to strengthen the empirical integrity and practical usefulness of strategy theory by grounding strategic management in realistic assumptions about human cognition, emotion, and social interaction.” (p. 1369) With this definition in mind, we invite papers on a wide range of topic areas, and we are open to diverse conceptual and empirical contributions. We especially encourage contributions that combine academic rigor with on-the-ground business relevance, and we strongly encourage collaborations among academics, consultants and practicing executives. The core expectation for any successful paper is that it contain a big idea for putting Behavioral Strategy into practice by using theory and evidence to show how a psychologically-informed view of strategy contributes to practice in strategic management. We place a high premium on originality of ideas and all ideas must be grounded solidly in theory and evidence. We are not looking for opinions or frameworks alone, but serious and substantive solutions for hands-on problems in Behavioral Strategy.

## TOPICS

Potential problems for the Special Issue could include:

- Can managers do anything about cognitive and social biases? If so, how? Are there examples of managers or firms engaged in successful de-biasing?
- Is psychological “nudging” relevant to strategy in organizations? If so, what kinds of nudges are most effective?
- How can firms avoid the stultifying effects of habitual behavior and inertia – for example, for strategy processes and capital allocation decisions?
- How can managers generate more and better options in strategy processes? How is it done by the best firms?
- How can top management teams avoid groupthink and related biases? Have organizations successfully implemented these solutions?
- Does brain research (neurostrategy) have anything to say to managers? If so, what is the message and how should managers change their behavior?
- How can managers overcome cognitive complacency and extend their “cognitive distance”? Have any proposed solutions been successful?
- What are the behavioral obstacles to innovation and entrepreneurial thinking? How can firms do better?
- What are the main obstacles to strategic learning, and how have successful firms overcome them?
- What are the practical behavioral issues associated with risk and aspirations, and how can firms address them?

- How can managers avoid sub-optimal outcomes in political and bargaining processes? What do we know from research, and what has worked in practice?
- How does time perception influence strategic investment decisions, and how should managers deal with temporal myopia in strategy?
- How do personality, emotions, and social pathologies influence strategic decisions, and what can be done? Can they be managed?
- Can executives use Behavioral Strategy to inform decisions about corporate growth, such as spinoffs, strategic alliances, and acquisitions?
- What are the main obstacles to clear thinking about markets and competition (e.g., competition neglect, blind spots, overconfidence), and what actions can firms take to improve outcomes in the competitive environment?

These questions are only suggestive, and many other subjects could be addressed, including beliefs and ideologies, causal attributions, management perceptions (and misperceptions), prospect theory, randomness, luck, and the behavioral sources of market inefficiency. Regardless of topic, the main requirement is that the paper combine academic rigor with business application, with demonstrable relevance to the intelligent practicing strategist who seeks to produce better organizational outcomes through Behavioral Strategy.

#### **NEXT STEPS**

Interested contributors should submit a **paper proposal** (maximum 1,500 words) no later than **May 4<sup>th</sup>, 2015**, to this email address: [behavioralstrategy.cmr@gmail.com](mailto:behavioralstrategy.cmr@gmail.com).

The paper proposal should be double-spaced, Times New Roman font-size 12, between 1,000 and 1,500 words (about four or five pages, excluding references and figures). The proposal should clearly state the aim of the paper, the management problem it addresses, its theoretical grounding, research method and data (if empirical), the big idea it has to offer, and a demonstration of the idea's relevance to practicing strategists.

Based on the paper proposals, the Guest Editors will select those that seem most likely to produce high-impact publications. Authors will then be asked to submit **a full draft of their paper online through the CMR system by August 4<sup>th</sup>, 2015**, which will be peer reviewed. After the normal review process, we expect to publish the Special Issue in 2016.