IMPROVING FIRM COMPETITIVENESS VIA BETTER STRATEGIC DECISIONS:
EFFECTS OF CONFLICTED AND INTEGRATED TOP MANAGEMENT TEAMS

O. Volkan Ozbek
Assistant Professor of Management
University of San Diego

Abstract

As argued in the decision making literature, top management team (TMT) members’ decisions have important impacts on firm performance. Decisions of these executives need to be good-quality and timely-made. In other words, the quality and speed of executives’ strategic decisions will become a key influential factor on the firm performance. In this conceptual paper, I argue that the TMT cognitive conflict positively affects the quality of strategic decisions whereas the TMT behavioral integration positively affects the speed of their decisions. As a consequence, firms are expected to experience both better quality and timely strategic decisions made by conflicted and integrated teams (CITs) and these teams will help the firm increase its competitiveness in the industry. This paper is primarily grounded in the upper echelons and decision making theories.

Keywords: Top management teams, Strategic decision making, Cognitive conflict, Behavioral integration.