There are no translations available.
This paper examines whether and to what extent CEO personal traits (hubris, in particular) affect firm environmental innovation. Using the overarching theoretical framework of upper-echelons theory, the paper builds on the insights from the corporate strategy, innovation, and corporate social responsibility literatures. We also examine the moderating role of firm-specific features (e.g. organizational slack) and the external environment (e.g. market uncertainty) in this context. Based on a sample of UK companies operating in sensitive industries, we find that CEO hubris facilitates the engagement in green innovative projects. We also find that CEO hubris does not have a uniform effect: its effect on environmental innovation increases with the organizational slack, but weakens with the extent of environmental uncertainty. Our findings suggest that availability of resources per se is not enough to produce environmental innovation. Instead, it requires a stable external environment that enables the CEO with a hubristic personality to make a correct use of them.
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