

## **CEO Risk-taking Propensity and the Quality of Strategic Decisions: Effects of Living on the Wild Side**

### **Abstract**

CEOs hold positions of great responsibility, yet their effects on organizational outcomes are not well understood. In this study, we examine the effects of CEO risk-taking propensity on the quality of strategic decisions. We include as part of our work an investigation of moderation based on environmental, managerial and decision uncertainty. Despite the potentially important role of CEO risk propensity, it has been infrequently studied in organizational research. Using data from a multi-method field study of 143 strategic decisions, we find evidence for an inverted U-Shaped relationship between this aspect of CEO personality and decision quality. Also, our findings indicate that decision uncertainty is an important moderator. Implications of these findings are discussed for the areas of CEO psychology, upper echelons, and managerial discretion.