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UNDERSTANDING CEO'S SHORT- TERM ORIENTATION: A PROCESSUAL FRAMEWORK ON MEGATRENDS

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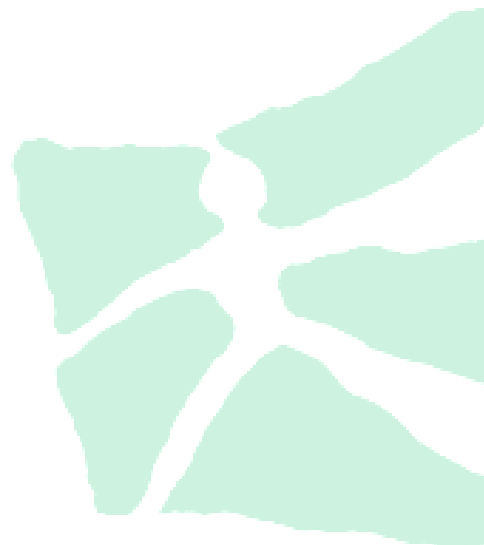
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**UNDERSTANDING CEO'S SHORT-TERM ORIENTATION:
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How do CEOs decide on forming a course of action on emerging demographic changes, increasing environmental pollution or, more generally speaking, on megatrends? This presents a crucial challenge for top executives, since responding to megatrends entails a decision process, characterized by a multitude of peculiarities such as a low perceived urgency for strategic action and a high perceived uncertainty. In this process, a more distinguished perspective on the time-framing of strategic issues is advocated, which has so far remained neglected in strategy literature. To face the challenge, we propose that the cognitive process of scanning, sensemaking, and acting on megatrends needs to be complemented by two elements, cognitive flexibility and time-dependent emotions that, in combination with the cognitive processes, enable more accurately predicting and explaining strategic action on megatrends. The presented conceptual article contributes to strategic issue literature by introducing the importance of time-framing, as well as to emotion theory.