The Power of Caring and Generativity in Building Strategic Adaptability

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Abstract

In this study, we integrate relational theory and the upper echelon perspective to explore how and why caring and generative relationships in top management teams (TMT) can be a source for building strategic adaptability. We argue that when TMT members care for each other’s inner needs, a generative psychological space (which allows individuals to experience positivity and produce enduring transformative outcomes) is nurtured. This generative psychological space, in turn, helps to build a capacity to respond proactively to the external environment and adapt well to environmental jolts. The results lend support to our hypothesized model in which caring among TMT members nurtures generativity, which in turn enhances strategic adaptability. In so doing, we aim to further cultivate discussion on the micro-foundations of strategic management in general and increase interest in the micro-relational foundations of strategic capabilities in particular.

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