

Impact of founder CEO and CEO ownership on entrepreneurial orientation, moderating role of CEO narcissism

CEO
narcissism

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Abstract

Purpose – This study aims to explore the moderating impact of narcissism overload on the relation between founder CEO and entrepreneurial orientation (EO) in registered private schools of Pakistan.

Design/methodology/approach – Data were collected through a stratified random sampling method with the help of previously validated questionnaires. A sample of 121 replies was gathered for analysis. SPSS has been used to find the results.

Findings – Results depict that CEO narcissism moderates the relation between founder CEO and EO and does not moderate the relationship between and CEO ownership and EO.

Originality/value – Many studies focused on the founder personality characteristics (such as generalized self-efficacy or locus of control) are not directly observed, but rather inferred their effect indirectly. The study contributes to examine how the founder CEO variable interacts with CEO personality to influence EO. This study will propose a practical approach to investigate whether and how the narcissism constructs moderate the founder CEO–EO relationship. Direct association between stock ownership and EO will also be examined.

Keywords Founder CEO, CEO Ownership, Entrepreneurial Orientation, CEO Narcissism

Paper type Research paper

1. Introduction

Entrepreneurial behaviors and entrepreneurial conducts are very famous among the current organizational researchers (Lumpkin and Dess, 2001). Until now, we have little knowledge about the impact of these behaviors on entrepreneurial aspects which are very important for organizational success (Stam and Elfring, 2008). In routine work circumstances, the role of a leader or a chief executive officer and its impact on employees' behavior is an undeniable fact. Therefore, it is very appealing to investigate how distinct leadership status and attitudes support the entrepreneurial orientation (EO) (Murad, 2014). The perspective of the current study is the relation between founder leader and EO and the moderating role of narcissism of a leader.

It has been established that the founder CEO is a better protector of the original mission by which the organization was constructed as compared to agent CEO (Randøy *et al.*, 2015).



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Thus, the EO of the organizations led by founder CEO is better than those led by a hired CEO. Research on entrepreneurship has put forward that founder CEOs are above all superior at encouraging expansion by creating and applying strategic schemes to take advantage of on latest opportunities (Jayaraman *et al.*, 2000). Agency theory states that ownership makeup may shape decision-making behavior and organization's performance.

However, the meanings of entrepreneurship varies because it depends on the business nature and the specific situation of the business which can be changes country to country and generation to generation but the main definition used in the current studies Miller's (1983) notion of definition which demonstrates the entrepreneurship is the name of behavior that redistributes the business resources with enterprising spirit and innovativeness by considering risk-taking mind set to create a new worth of theses and resources and business. The purpose of this study is to investigate that how narcissism construct moderating effect between CEO and the EO in small firms i.e. registered private schools in different cities of Pakistan. Where it will also be tested the direct relationship between stock ownership and EO.

2. Literature review and hypotheses

2.1 Founder CEO

Founders have unique relationships with their firms. Because of their privileged position, founders may be able to extract higher private benefits of control (Jayaraman *et al.*, 2000). A person who is founder CEO may also distort decisions related to investment(s) as they are not well-diversified (Fahlenbrach, 2009). Firms do also evolve; people who were founders may no longer possess the necessary expertise to run such companies; at the same time, they may be hesitant to relinquish control (Wasserman, 2003). In case they give up control, it may be a preference for transferring it to the potentially under-qualified person because he is a family member. It is the other thought that founders may be more aligned toward outside shareholders instead of managers who may be professional; this could be due to longer investment horizon and the high ownership percentage they have in the firm (Agrawal and Knoeber, 1996). This may be due to high care for the firm being found by them so they may like to exert more high efforts for the ownership structure woven around them.

2.2 CEO ownership

There is a mixed answer from research findings for considering the effect of ownership percentage by CEO on the value of the firm and EO (Liu *et al.*, 2011; Wang, Sun, Yu, and Zhang, 2014). Few researchers have a firm opinion that there exists a non-linear relationship within percentage ownership of top executives and firm value and some researchers also highlight non-monotonic relationship amongst CEO ownership and value of the firm (Schmidt and Fahlenbrach, 2017). Few also suggest a formula whose value increases if percentage ownership remains 0-15 per cent, declines in the range of 15-50 per cent and finally increases again upon 50 per cent or more ownership level by CEO (Boone *et al.*, 2007). Many researchers investigated the relationship of a firm's value with the structure of equity ownership (Demsetz and Lehn, 1985; McConnell and Servaes, 1990). Another researcher has investigated this relationship of value and ownership by taking the hypothesis that amount of only the ownership of CEO as a singular individual has a significant impact on firm's value (McConnell and Servaes, 1990).

2.3 Entrepreneurial orientation

This specific finding associated with the recent studies by Dess and Lumpkin (2005) and Sanchez (2013), who explained that entrepreneurs have the capability to deliver an

innovative and resourceful solution to sort out the business problems. Thus, creativity and innovativeness had statistically insignificant but positive effect on the performance of enterprise (Dimitratos *et al.*, 2014).

Study of EO concerning literature, people define EO as structure, processes and behaviors characterized through proactiveness, innovativeness, risk-taking, autonomy and competitive aggressiveness (Dai *et al.*, 2014). The five dimensions of EO explained as follows: innovativeness (encouraging and supporting new ideas by encouraging creativity and experimentation); risk-taking (allowing to move in support when the possibility of success is considered low); and proactiveness. According to the Schumpeter (1942) entrepreneurship theory, within a given period, an entrepreneur has a new opportunity to attempt an innovation using his or her skill and knowledge.

The current study states entrepreneurship on the basis of EO by Miller (1983), who has been gained attention of so many researchers recently.

From previous research, EO is found to have three (3) dimensions, these are risk-taking, innovativeness, and pro-activeness (Rauch *et al.*, 2009), alternatively other researchers perceive EO as having five (5) dimensions, these further include competitive aggressiveness and autonomy (Narayanan, 2017). For entrepreneurship, EO is considered the valid concept, due to its ability to act as a tool for evidence gathering for actions of entrepreneurs and decision-making by them across multiple geographic and organizational contexts (Fernández-Mesa and Alegre, 2015).

2.4 CEO narcissism

Narcissism is an inflated but fragile view of one's self-importance; further, it is a construct which generated widespread interest within social science discipline for few decades (Gerstner *et al.*, 2013). It is evident from the literature that negative consequences relating to narcissism are well documented (Chatterjee and Hambrick, 2007). It is true that narcissistic individuals are found principally concerned only with those actions that reflect favorably for themselves, which most of the time leads to perceptions like taking of entitlement, excessive arrogance, shameless self-admiration, and hostility for external criticism (Aktas *et al.*, 2016).

CEO narcissism is considered as charisma in many studies (Agle *et al.*, 2006; Deluga, 1997). In this context, few positive attributes from narcissism operate similarly as those evident from charisma. First of all, both of them may inspire commitment and devotion in others to achieve a higher performance level for the organization (Galvin *et al.*, 2010). This resemblance helps to understand why sometimes individuals are attracted by narcissistic leaders, people may, in this case, view the leadership as transformational. While narcissism at its extreme is considered a personality disorder which can be diagnosed also. Second, research in social science generally views this behavior measured in degree of disorder, ranging from severe to mild. In line with contemporary research in strategic management and social psychology, researchers view narcissism trait among executives like the one which is not necessarily reflecting a personality disorder that presents the disorder in a binary state (Galvin *et al.*, 2015).

2.5 Founder CEO and entrepreneurial orientation

Research related to entrepreneurship suggests that CEOs who are founder are principally excellent in promoting development by devising and carrying out strategic enterprises to take advantage of latest opportunities and taking risks which are core factors of EO (Adams *et al.*, 2009; Wasserman, 2003). Founders, as shown by the word, have more significant occupancy and additional firm related understanding. They are always the expert in internalizing the targets and goals of the firm (Willard *et al.*, 1992) and they pay attention

entirely to accomplish all such goals. For instance, it has been reported in detail that founders, because of their more considerable reputational hazard, possibly will put forth new endeavor to assure firm achievement as compared to non-founders (Willard *et al.*, 1992). Moreover, the existence of a founder as CEO potentially diminishes the chances of conflict and power politics (De Jong *et al.*, 2013). Furthermore, founder CEO has a more extensive business and additional establishment know-how (Zheng *et al.*, 2015), and usually generate commerce in manufacturing wherever they have understanding; which time and again allows competitive advantage (Chen *et al.*, 2015). This show that founder CEO have a direct link to EO.

2.6 Stock ownership and entrepreneurial orientation

The relationship between CEO ownership and EO is mostly advocated through classical agency theory, which states that stockholders stock owner and employee have different interests; hence, when the CEO has a huge ownership share, then interests are shared and EO increases (Eisenhardt, 1989). Moreover, stock ownership has a direct impact on various aspects of EO like risk-taking and strategic proactiveness (Bammens *et al.*, 2015; Zona *et al.*, 2013). Various aspects of stock ownership have been associated to elements of EO such as risk-taking (Dong, Meng, Firth, and Hou, 2014) and innovation (Chen *et al.*, 2014; Shapiro *et al.*, 2015). Usually, the ownership structure of large firms has been discussed where CEO has a small portion of the total fraction, and there is much dispersion in ownership (Zajac and Westphal, 1994). On the contrary, it has been observed that when the ownership increases, the risk-taking ability and intentions decreases (Wright *et al.*, 2002). As CEO of a small firm owns a more substantial part of the firm, hence, the findings of large firms can be applied to the small firms. This shows that stock ownership is associated with EO.

2.7 CEO narcissism and entrepreneurial orientation

The narcissist CEOs are more prone to struggle for daring activities which add to their position by enhancing their leadership level (Pan and Yu, 2017). Narcissists always have competitive intentions; hence, they take risks and dare to do what they want to achieve (Luchner *et al.*, 2011). This is why, narcissistic CEOs inspire their followers to get more out of available resources (Braun *et al.*, 2018). EO relates to the policy-making that firms use to recognize and start on an innovative undertaking (Wales *et al.*, 2013). EO demonstrates a superior degree of being innovative and being proactive; therefore, EO captivates the level to which firm may be dealt entrepreneurial strategic conducts (Lechner and Gudmundsson, 2014). Numerous characteristics of a narcissistic character add to the probability that narcissistic leader behavior will be strongly associated with entrepreneurial, managerial plans (Engelen *et al.*, 2015). This distinctiveness of narcissistic people comprises prejudiced outlook that goal achievement will be winning, a wish to motivate fear and respect between supporters and require of worry for supply limitation when chasing their schedule (Stöckmann *et al.*, 2015).

2.8 Moderating role of CEO narcissism between founder CEO and entrepreneurial orientation

The term narcissism an exaggerated, but the delicate concept that a person may have for his influence and importance (Gerstner *et al.*, 2013). Research work on this term to date has explored only negative implications stem from this phenomenon especially for leadership and individual-level functioning (Gerstner *et al.*, 2013). Despite the research also indicated that quite a many Chief Executive Officers (CEOs) who were considered narcissistic were leading companies which were highly successful (Navis and Ozbek, 2016). Primarily, the

research concerning narcissism revealed the negative effect of the conduct for organization whereas a few works also commented that many narcissistic CEOs pull out enormously prosperous management (Colbert *et al.*, 2014). The originator CEOs of the organization experience individuality regarding personal and production wellbeing thus the central undertaking is the growth of the CEOs personal goals, in the course of heavy affecting affiliations between the originator CEO and their firms (Gali *et al.*, 2016). It is suggested in the present literature that future scholars should find out narcissism as a moderator in the association between founder CEO and EO (Deb and Wiklund, 2017).

2.9 Moderating role of CEO narcissism between CEO ownership and entrepreneurial orientation

One of the critical reasons narcissists tend toward organizational leadership roles is the desire to have an admirable legacy left behind for the achievement being made (Simsek *et al.*, 2010). At few places, Organizational settings are such that it may provide narcissistic leaders opportunities via power and authority that can help facilitate achieve personal ambitions of those persons (Lee and Walsh, 2014). So in general, a role taken as CEO provides a narcissists person with the highest authority; therefore, studies in management discipline's literature were previously focused only on examining CEOs narcissism (Gerstner *et al.*, 2013). The researchers noted about narcissism that typically it is viewed being detrimental, but it can be considered as beneficial in situations for firm's leaders and then it can be linked to EO (Engelen *et al.*, 2016). The CEO who has a more substantial portion of stock ownership are more narcissist and tend to have a more risk-taking and strategic nature (Liu *et al.*, 2011). The moderating role of CEO narcissism can be proven by the upper echelon theory which refers that all the behaviors of the upper echelon, i.e. CEOs may impact the plans and strategies made and patterns taken on by a firm (Seaton and Boyd, 2007). The managerial features change the strategies made and then impact the result for the firm (Higgins and Gulati, 2003), as the CEOs having larger stock and their EO are affected by their narcissist behavior.

The above discussion has made us able to hypothesize the research model as depicted in Figure 1, and the hypotheses are stated as below:

- H1. There is a direct relation between founder CEO and EO.
- H2. There is a direct association between stock ownership and EO.
- H3. There is a significant impact of CEO narcissism on EO.
- H4. CEO narcissism plays a role of moderator between founder CEO and EO.
- H5. CEO narcissism has a moderating role between CEO Ownership and EO.

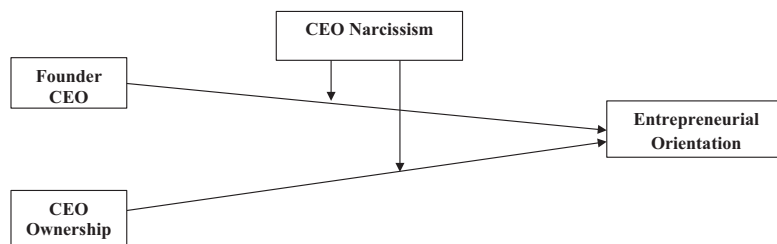


Figure 1.
Research model

3. Research methodology

3.1 Sampling and measurement

The population for the current study consists of CEO heads of private schools in Pakistan. These schools are registered in respective district education offices. They have registered NTN numbers and paid income tax. For getting the data of the survey, the respondents from all four provinces of Pakistan have been approached. Initially, 200 questionnaires (50 to each province) were sent out, of which 121 utilizable questionnaires have been collected. Hence, the rate of response was 60.5 per cent. The scales for all the four variables of interest, which are founder CEO, CEO ownership, EO and CEO narcissism, were used as per literature to produce a questionnaire for the current study. Questions regarding demographics were also included in the questionnaires. The question regarding CEO being a funder or otherwise was asked in Yes or No. The same was later on coded as 1 and 0 in SPSS during data entry.

While designing the questionnaire, the ownership was asked in five major categories. First was 20 per cent ownership, and value below this was coded as 1 in SPSS during data entry. The second was 21-40 per cent, which was coded as 2 in SPSS, third was between 41 and 60 per cent, which was coded as 3, the fourth category was between 61 and 80 per cent, which was coded as 4, and the 81 per cent and above was coded as 5 in SPSS.

The scale of EO was adopted from the previous study by Kam-Sing Wong whereby the full scale has been given (Kam-Sing Wong, 2014). Examples of items are "Rates of change in R&D investment of our industry are very high," "Our firm has a strong proclivity for the high-return high-risk project" and "Our firm typically initiates actions to which competitors have to respond to".

The CEO Narcissism scale was adopted from the paper of Ames, Rose, and Anderson which gives as 16 items scale (Ames *et al.*, 2006). Examples of items of the scale are "I know that I am good because everybody keeps telling me so," "I am going to be a great person" and "I like to be the center of attention".

The data for the study was taken from the CEOs of private schools of all four provinces through a stratified random sampling method where the representation of all four provinces of Pakistan was shown. The total sample was 121 among which 29 samples were from Punjab, 28 from KPK, 40 from Karachi and 24 were from Baluchistan based on the rational estimate of private schools in the provinces.

The two scales of EO and CEO narcissism in the questionnaire were devised on the five-point Likert scale. In SPSS, strongly disagree was coded as 1, disagree was coded as 2, neutral was coded as 3, agree was coded as 4 and strongly agree was coded as 5 on the scale. At the end of the questionnaire, questions regarding demographic variables, i.e. CEO education, CEO tenure, CEO age, CEO gender, board size and firm inheritance, were asked.

4. Results and discussion

The data was examined through SPSS by carrying on statistical analysis of demographics, construct, and hierarchical regression analysis.

The profile of respondents has been given in Table I, showing complete details of all demographic variables.

Before the testing of hypothesis, we performed two types of analysis i.e. validity analysis and reliability testing. Analysis of the reliability test of measurements list means respectively measurement of the identical concept to develop identical progress. The reliability score shows the internal consistency which can be analyzed by using Cronbach's Alpha. It is also called Cronbach's coefficient α . Analysis of validity of the measurement list examines whether measurement list was available to assume that what this survey proposed to achieve. Our paper used hierarchical regression analysis. As two scales were

Demographic variables	F	(%)	CEO narcissism
<i>Gender</i>	121		
Male	65	53.7	
Female	56	46.3	
<i>CEO education</i>			
Intermediate	20	16.5	
Bachelor	21	17.4	
Master	21	17.4	
MPhil	26	21.5	
PhD	33	27.3	
<i>CEO tenure</i>			
1-6 years	63	52	
7-10 years	41	33.9	
11-12 years	17	16.1	
<i>CEO age</i>			
28-38 years	48	39.7	
39-49 years	28	23.1	
50 and above	45	37.2	
<i>CEO gender</i>			
Male	59	48.7	
Female	62	51.2	
<i>Board size</i>			
10	8	6.6	
9	6	5.0	
8	9	7.4	
7	13	10.7	
6	12	9.9	
5	12	9.9	
4	20	16.5	
3	9	7.4	
2	16	13.2	
1	16	13.2	
<i>Firm is inherited</i>			
Yes	65	53.7	
No	56	46.3	

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Table I.

Statistical analysis of demographics

adopted from earlier papers, the Cronbach's alpha was checked using SPSS to find their T2 internal reliability. The values of Cronbach's alpha are given in [Table II](#).

To analyze the collected data to accept or reject our hypothesis, we conducted hierarchical regression analysis through SPSS according to the assumptions laid down by Baron and Kenny ([Baron and Kenny, 1986](#)). The results are shown in [Tables IV](#) and [V](#). [Table III](#) shows the correlation analysis among all variables. This shows that our four main variables are well associated hence we can move toward regression analysis.

Scale	Cronbach's Alpha	N	
EO	0.770	16	
CEO Narcissism	0.817	16	

Table II.

Statistical analysis of construct

H5 states that CEO narcissism has a moderating role between CEO ownership and EO. [Table V](#) shows that moderation does not exist ($\beta = 0.055$, $R^2 = 0.133$, adjusted $R^2 = 0.111$); hence, *H5* has been rejected. This may be due to weak questionnaire formulation or a lack of understanding by the respondent. *H1* states that there is a direct relation between founder CEO and EO. The relation is evident from both the correlational analysis and regression analysis where the values are significant ($r = 0.282^{**}$, $\beta = 0.282^{***}$). Hence, *H1* is accepted. The result is in line with the findings of earlier papers ([Adams et al., 2009](#); [Wasserman, 2003](#)).

The study on EO has revealed that there are positive and negative aspects of the high level of EO ([Wiklund and Shepherd, 2011](#)). It seems that EO works like a double-edged sharp sword where high-level EO linked with short term relative performances in the result of failure with the highest probability. Therefore, managers of small business need to balance both situations. We applied governance as a lens to explain variation in EO across firms which largely support for the future theoretical predictions. The CEO in small business and private firms have the overruling power and this is linked to the related flaws of the board ([Uhlener et al., 2007](#)). So, this study reveals that ownership, Narcissism, and CEO Founder status influence EO ([Figure 2](#)).

Table III.
Correlation analysis

Variables	1	2	3	4	5	6	7	8	9
CEO education									
CEO tenure	0.086								
CEO age	0.076	0.002							
CEO gender	0.016	0.106	-0.036						
Board size	0.012	0.179*	0.061	0.015					
Firm is inherited	0.042	0.045	-0.168	0.125	0.057				
Founder CEO	0.079	-0.020	0.042	-0.058	-0.001	-0.076			
CEO ownership	0.108	-0.095	-0.007	-0.052	-0.033	-201*	0.296**		
EO	0.165	0.045	-0.093	-0.074	-0.119	-0.046	0.282**	0.291**	
CEO narcissism	0.011	-0.016	0.013	0.046	0.005	-0.148	0.221*	0.327**	0.302**



Figure 2.
Interaction effects
of CEO

Notes: Founder status and CEO prior; start-up managerial experience on EO

H2 states that there is a direct association between stock ownership and EO. Like earlier relation, *H2* is accepted as both the correlation and regression values are significant ($r = 0.291^{**}$, $\beta = 0.291^{***}$). The link is established as earlier researchers has been supported (Bammens *et al.*, 2015; Zona *et al.*, 2013). As far as *H3* is concerned, the supposition that there is a significant impact of CEO narcissism on EO has been accepted as the correlation values are $r = 0.302^{**}$ and $\beta = 0.252^{***}$. Thus the studies of Pan and Yu (2017) Luchner *et al.* (2011) are again supported by the current study.

H4 states that CEO Narcissism moderates the relation between founder CEO and EO. The results shown in the regression Table IV states that the significant moderation exists in the immediate relation ($\beta = -1.251^*$, $R^2 = 0.367$, adjusted $R^2 = 0.112^{**}$). The results are in line with the recommendation Deb and Wiklund (2017), which is the fundamental study to theorize about the current model. This study is very consistent in regard that the founder CEO has the highest risk-taking tendency as compared to the CEOs who are just CEOs but not the founder as well (Begley 1995). Additionally, some other studies (Schulze *et al.*, 2001) claim that founder CEO can construct serious like agency problem. Because the founder CEO will take decision linked with an uncertainty that may threaten the long term existence of the firm. *H5* states that CEO Narcissism has a moderating role between CEO Ownership and EO. CEO Narcissism is a crucial aspect in the life of CEO especially in small firms like private schools where all responsibility is considered on the shoulder of CEO. In such circumstances, a person having too much responsibility also devises innovative plans, takes risks and competes in the environment. Therefore, CEOs of such organizations can attend training for a better understanding of the narcissist behaviors so that their decisions may not be impacted by the negative impacts of narcissism which may alternatively decrease productivity. Regular meditation and self-analysis may help the CEOs to control the negative impacts of narcissism and thus increase the EO to increase the performance of the firm. Table V shows that moderation does not exist ($\beta = 0.055$, $R^2 = 0.133$, adjusted $R^2 = 0.111$); hence, *H5* has been rejected. This may be due to weak questionnaire formulation or a lack of understanding by the respondents.

This study makes also theoretical contribution in the literature on the governance of small firms. The literature has mainly consist on traditional industry perceptions (Beuselinck and Manigart 2007). However, calls have been prepared to integrate unconventional theoretical perspectives, i.e. steward theory and also principal–principal agency theory toward small firm’s literature (George *et al.*, 2005; Uhlaner *et al.*, 2007; Wasserman, 2003).

Variables	Dependent variable: EO (Founder CEO)		
	<i>B</i>	R^2	ΔR^2
<i>Step 1</i>			
CEO ownership	0.291***	0.085	0.077***
<i>Step 2</i>			
CEO ownership	0.216**	0.133	0.118**
CEO narcissism	0.232*		
<i>Step 3</i>			
CEO ownership	0.17	0.133	0.111
CEO narcissism	0.213		
EO* CEO narcissism	0.055		

Note: *, ** and *** denote significance at 1%, 5% and 10%, respectively

Table IV.
Regression analysis

Table V.
Regression analysis

Variables	Dependent variable: EO (CEO ownership)		
	<i>B</i>	<i>R</i> ²	ΔR^2
<i>Step 1</i>			
Founder CEO	0.282***	0.291	0.077***
<i>Step 2</i>			
Founder CEO	0.226**		
CEO narcissism	0.252***	0.365	0.118**
<i>Step 3</i>			
Founder CEO	1.421**		
CEO narcissism	0.407***		
EO* CEO narcissism	-1.251	0.367	0.112**

Note: *, ** and *** denote significance at 1%, 5% and 10%, respectively

5. Conclusion

As it has been established from that EO may give inconsistent results when tested in empirical studies and so is the case of narcissism (Wiklund and Shepherd, 2011). Similarly, the personality of CEO is also vital which is impacted by its ownership and shares. However, the force represented by CEO's personality is not sufficient to thoroughly explain the phenomena of changes in performance of the firm. For CEO ambitions and attributes to exert influence upon organizational outcomes, it is a must that those ambitions be translated into the behavior of specific firm-level strategy. On the other hand, EO is considered the valid concept, due to its ability to act as a tool for evidence gathering for actions of entrepreneurs and decision-making by them across multiple geographic and organizational contexts. Such features make it interesting for a comparative study like this. Based on these concepts five hypotheses have been developed which have been discussed in detail below.

CEO Narcissism is a crucial aspect in the life of CEO especially in small firms like private schools where all responsibility is considered on the shoulder of CEO. In such circumstances, a person having too much responsibility also devises innovative plans, takes risks and competes in the environment. Therefore, CEOs of such organizations can attend training for a better understanding of the narcissist behaviors so that their decisions may not be impacted by the negative impacts of narcissism which may alternatively decrease productivity. Regular meditation and self-analysis may help the CEOs to control the negative impacts of narcissism and thus increase the EO to increase the performance of the firm.

Like all other studies, the current study has some limitations. First of all, data was collected in a cross-section manner from various schools of all four provinces located at Lahore, Karachi, Peshawar, and Quetta to give a representation of all provinces. Second, the data were collected through self-reported questionnaires which may bring self-serving bias among the respondents. Third, a sample size of 121 is a bit low because the population was loose and only one respondent, i.e. that the head of the school could respond to our questionnaire. Fourth, the two scales were adopted from previous studies which were not validated in Pakistan. Last, the population comes from only one industry.

Given the above discussion, some directions for future research are advocated. Leading factor is that of sample size which may be so high to support views of all industries and markets. In future studies data from many industries may be collected. Second, EO has five dimensions which could be tested separately in future studies. Last, of all, the present study is restricted to only one moderating variable.

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