

Strategic frames in banking industry: Does board composition matter?*

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Abstract

Strategic frames (or cognitive maps) are the knowledge structures used by top decision makers in formulating firms' strategic guidelines.

This study examines how board composition affects strategic framing in banking industry. Do larger boards and/or boards with more executive directors and/or more interlocking directors make differences in formulating more complex strategies?

Based on a sample represented by 27 listed Italian banks in 2007, results highlight as the higher number of board members, the higher number of non-executive directors and the higher numbers of interlocking directorates increase the complexity of strategic frames. Moreover, results show that larger banks are associated with more complex strategic frames, since their greater size exposes them to a broad range of competitive options.

Keywords: Strategic frames, Board composition, Banking Industry, Content Analysis, Social Network Analysis.

JEL Classification: M10, M19

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