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Organizational Beliefs and Managerial Vision

by [Eric J. Van den Steen](#)

Abstract

Can managers have an impact on their firm that goes beyond their direct actions and decisions? This article shows that a manager with strong beliefs about the right course of action will attract, through sorting in the labor market, employees with similar beliefs. This alignment of beliefs gives direction to the firm and has important implications for incentives and coordination. The article then defines vision, in accordance with the management literature, as a strong belief about the right course of action, and shows that it may be optimal to hire managers with such strong beliefs. Vision will be most important when uncertainty is high and actions are difficult to contract on.

Keywords: [Organizations](#); [Goals and Objectives](#); [Decisions](#); [Labor](#); [Markets](#); [Employees](#); [Motivation and Incentives](#); [Recruitment](#); [Risk and Uncertainty](#); [Values and Beliefs](#);

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