

The aim of the project is to understand why firms adopt different reaction patterns in the same environmental conditions and subsequently achieve varied performance. Contrary to the bulk of strategic management literature the environment is not purely external to the firm. The way managers perceive the surrounding environment and make sense of it drives the actions of firms. However, extant knowledge provides standard ways of describing the environment and recommended actions to be taken. In other words, there is a discrepancy between theoretical recommendations and manager's actual perception and understanding. Here we see the explanation of firm heterogeneity and varied achieved performance.

In order to understand this discrepancy we start with two basic perception frameworks. The first suggests that the environment is a rivalry arena, pure competition where the success of one actor means the failure of others. The second proposes to see the environment as a space of collaboration in order to create value. Next, we will explore the degree to which managers' perception corresponds to these frameworks: the more it is distant, the more they are myopic. By focusing on some elements they fail to see the broader picture and related opportunities. Finally, we will check the extent to which strategic myopia hurts firm's performance.

The completion of our project locates the human being in the center of strategic management. With all shortcomings and boundaries. Measuring them and assessing their impact is a complete novelty, important to understand to better operate on markets and within societies.