

More corporate action based on CEO narcissism character

Edi Edi, Meiliana Meiliana, Evelyn Tanza

Faculty of Business and Management, Universitas Internasional Batam, Batam, Indonesia

*Correspondents e-mail: edi.king@uib.ac.id

Article Info

Article history:

Received : 2023-11-13

Accepted : 2025-03-16

Published: 2025-07-01

JEL Classification Code:

M13, M31, M39

Author's email:

meiliana@uib.ac.id

etanza.08@gmail.com

DOI: 10.20885/jsb.vol29.iss2.art3

Abstract

Purpose – This research finds out the effect of a firm reputation on international acquisition with international acquisition experiences and CEO narcissism as moderating variables.

Design/methodology/approach – Research data samples are companies on the Indonesia stock exchange between 2018 till 2021. To select the research sample, this research conducted purposive sampling.

Findings – The results of this study show that Experience of International Acquisition and CEO Narcissism can moderate the effect of a firm reputation on international acquisitions. This research also found that CEO Narcissism can be the moderating variable for firm reputation and international acquisitions.

Research limitations/implications – The limitation of this research is the object of this research are focusing on cross-border acquisitions. While still there are companies making domestic acquisitions and rarely do cross-border acquisitions, so the data sought is limited and it takes time to find the data. The data can only be accessed via Google and a lot of data is blocked, so it makes it less effective in finding the data needed for research. And some data needed is paid data so it is difficult to access.

Practical implications – The practical implications of this study contributes to helping management when conducting mergers and acquisitions. Management shall be adding CEO narcissism as a new requirement for new recruitment standards. If a CEO has a highly narcissistic character, it will bring more acquisition and merger chances to the company. Adding the prospective CEO's narcissism will simplify the company for deciding to recruit prospective CEO.

Originality/value – The value of this research are using CEO narcissism and LQ45 which is still a new research topic in acquisition research.

Keywords: CEO Narcissism, Firm Reputation, International Acquisition, LQ45, The Experience of International Acquisitions

Introduction

Business strategy has an important role in a firm's success. One of the business strategies that a firm can carry out is to expand its business, or what we usually know as business expansion. Two types of business expansion are external and internal expansion. The most frequent expansions are acquisitions. The acquisition is an essential tool for business expansion in various countries, so many are attracted to work in this field. The acquisition is a form of corporate entrepreneurship that includes taking the assets and technology needed by the firm to meet strategic goals and for firm development (García & Herrero, 2022). Some have noted that companies that often pursue global partnership strategies such as mergers and acquisitions are one of the firm strategies to

enhance their technological capabilities and capitalize on the innovative potential of the acquired firm (Christofi et al., 2019). By innovating in acquisitions, the firm grows and saves costs incurred in using technology (Dagan et al., 2021).

Companies see acquisitions as a window of opportunity to access their partners' key capabilities and resources (Petchsakulwong & Jansakul, 2018; Sigera & Cahoon, 2018). The acquirer will obtain control over the rights of the acquired party (Sutherland, 2021). Such controls include controlling rights over assets, issuing equity interests, providing compensation, or controlling other rights stated in the contract at the time of the acquisition.

For example, Jack Ma is one of the famous CEO who is often covered by the media and show his face in his company's annual report. Jack Ma is the founder of Alibaba Group (Toma, 2019). Alibaba Group was established in China. Alibaba acquired Ele Me in Shanghai in 2008, Sun Art Retail in Hongkong in 1998, Kaola in Beijing in 2015, AutoNavi in Beijing in 2002, Lazada in Singapore in 2012, Cainiao in Hangzhou in 2013, Trendyol in Istanbul in 2010, HungryNaki in Bangladesh in 2021 and others. Alibaba Group has made 21 acquisitions (Rahman, 2025). With much media coverage owned by Jack Ma, it makes Jack Ma even more famous and makes it easier for him to acquire. Despite the large amount of research on cross-border acquisitions, most research has only focused on how cross-border acquisitions affect firm performance. However, rarely research has been conducted on strategies for using intangible assets namely firm reputation in cross-border acquisitions, and rarely research has also been conducted on CEO narcissism and international experiential knowledge that can moderate the effect between firm reputation and cross-border acquisitions. Besides Jack Ma, there is Mark Zuckerberg who is known as a leader with a big and ambitious vision. Facebook, led by CEO Mark Zuckerberg, acquired WhatsApp, a popular instant messaging app, for around \$19 billion (Nogalski, 2022). Mark Zuckerberg has great confidence in his vision to connect the world and build a broader social media ecosystem. Zuckerberg's narcissistic nature is clear in how he views this acquisition as a major strategic move that will strengthen Facebook's position in the international market. Although WhatsApp is already a successful company, this acquisition is seen as a way for Zuckerberg to further assert Facebook's dominance in the digital world. Under Zuckerberg's leadership, Facebook has also smoothly integrated WhatsApp into the company's strategy without changing too many of WhatsApp's functions and uniqueness. This shows how positive narcissism as self-confidence and a clear vision can strengthen strategic decisions made by the CEO.

By examining this topic, it can be discussed more deeply about the moderating effect of CEO narcissism on the firm reputation with cross-border acquisitions. The novelty of this research are using CEO narcissism and LQ45 which is still a new research topic in acquisition research. In this study, CEO Narcissism is discussed to see the impact of CEO Narcissism on a firm reputation with LQ45 as a measurement for firm reputation when doing an acquisition. Based on the description above, this research explains how firm reputation can affect international acquisition or cross-border acquisitions and how the experience of international acquisitions or international experience knowledge and CEO narcissism can moderate corporate reputation and cross-border acquisitions.

Literature Review

According to the Statement of Financial Accounting Standards (PSAK) Number 22 Paragraph 08, Acquisition is a business combination in which one firm, namely the acquiring firm, obtains control over the net assets and control over the operations of the acquired by transferring certain assets, registering liabilities, or issuing shares (Kusumawardani et al., 2020). The acquirer and a party wishing to acquire must be available in an acquisition. If the debt ratio of the firm being acquired is small, the firm will probably become an acquisition target (Dagan et al., 2021). Cross-border acquisitions are the main form of organizing overseas operations (Liu & Meyer, 2020). Cross-border acquisitions can increase a country's economy, one of which is due to the implementation of Global Payment Innovation (GPI), which has made many financial innovations appear. The main reason for cross-border acquisitions is to make global transfers of technology, capital, goods, and services integrated into universal or international networks quickly and efficiently to form an

economic power. This research is related to several basic theories, namely:

1. **Narcissistic Leadership Theory**
This theory focuses on leaders with narcissistic traits, characterized by a strong focus on themselves and a desire for admiration (Steffens et al., 2022). Narcissistic leaders often have grand visions and will take risks, but they may be less receptive to input from others. In cross-border acquisitions, CEOs with narcissistic traits may be more inclined to pursue international acquisitions, driven by a desire for recognition and pursuing greater challenges. So narcissism may amplify the impact of a company's reputation on the success of the acquisition.
2. **Agency Theory**
This theory explains the relationship between the owner (principal) and the manager (agent), where the agent is expected to act in the best interests of the principal (Jeanneret Medina et al., 2024). However, differences in interests and information asymmetry often arise. In cross-border acquisitions, CEOs, as agents, are expected to act in line with shareholders' interests. Yet, personal interests (such as reputation and ambition) can sometimes influence their decisions. Narcissistic CEOs, driven by a personal desire to enhance the company's reputation, may perceive international acquisitions as an opportunity to meet this goal.
3. **Self-Determination Theory**
This theory suggests that individuals are more motivated when they feel in control, competent, and connected to others (Di Domenico et al., 2024). CEOs with extensive international experience are generally more competent in executing cross-border acquisitions. This experience enables them to make smarter and more confident decisions, thus strengthening the company's reputation in the international market and increasing the likelihood of successful acquisitions.
4. **Corporate Social Responsibility (CSR) Theory**
CSR theory emphasizes the importance of companies taking responsibility for the social and environmental impacts of their operations (Huo et al., 2021). In cross-border acquisitions, companies with a strong CSR reputation are often viewed more positively by the global community and stakeholders. CEOs who recognize the value of CSR can enhance the company's credibility and reputation in international acquisitions, helping to streamline the acquisition process and foster long-term relationships with foreign markets.
5. **Upper Echelons Theory**
This theory states that decisions made by top management are influenced by their individual backgrounds, experiences, and values (Ullah Khan et al., 2023). CEOs with international experience gain deeper insights into global markets, enhancing their ability to assess and execute cross-border acquisitions. CEOs who have both extensive international experience and narcissistic traits are often more confident in making risky decisions, such as international acquisitions, which strengthens the connection between corporate reputation and acquisition success.
6. **Hubris Theory: Hubris Theory**
This theory explains the phenomenon where corporate leaders or executives show excessive confidence in their abilities, often because of past successes (Roll, 2014). This overconfidence can lead to risky decisions, such as unrealistic or overly ambitious acquisitions. In the case of narcissistic CEOs, their inflated self-confidence may result in hubris. CEOs who believe they can overcome the challenges of international acquisitions may either amplify or worsen the reputational impact of cross-border acquisitions, depending on whether their decisions succeed or fail.
7. **Resource-Based Theory**
Resource-based theory focuses on how firms can leverage internal resources (such as unique capabilities, knowledge, and assets) to gain a competitive advantage (Craig et al., 2023). In cross-border acquisitions, firms that have resources like extensive international knowledge and a strong reputation in the global market are more likely to succeed in international acquisitions. CEOs with international experience typically have the insights and knowledge needed to identify and use resources in the global market. This experience can provide critical resources that support successful acquisitions, thus enhancing the firm's reputation in foreign markets.

CEOs with narcissistic traits and strong international experience can combine both factors to amplify the positive impact of corporate reputation in cross-border acquisitions. Narcissistic CEOs are often motivated to enhance the company's reputation for personal recognition, while their international experience provides the insights needed to make successful acquisition decisions. This combination enables CEOs to pursue international acquisitions with greater confidence, which can strengthen the company's reputation in the global market and increase the likelihood of successful acquisitions. International experience lets CEOs leverage existing resources in the global market (as outlined in Resource-Based Theory) and find profitable opportunities. The synergy of narcissism and international experience can reinforce cross-border acquisition decisions and strategies, ultimately benefiting corporate reputation and the success of international acquisitions.

Hypothesis Development

Firm reputation is a firm resource that is difficult to measure because it is an intangible asset (Edi et al., 2020). Reputation results from one's view accompanied by its being carried out. A firm's reputation is important in cross-border acquisition decisions (Mukherjee et al., 2021). The firm's view is formed from the firm's experience, public perception, advertising from the media, and the specialist's opinions. Reputation can also be interpreted as a combination of stakeholder views and perceptions of the value of profits and firm capital. A firm reputation can affect its survival of the firm. The firm's intangible assets can help the firm develop its business. Firm reputation can also be defined as a source of competitive advantage for a firm (Edi & Susanti, 2021). Firm reputation is also one of the considerations in acquisitions. Cross-border acquisitions with a better reputation are more likely to make cross-border acquisitions than domestic acquisitions (Lamotte et al., 2021). This strategy lets the firm exploit these substantial assets overseas, and the firm's reputation reduces the costs attached to the acquirer's entry abroad. However, companies will be reluctant to make cross-border acquisitions at a certain reputation level because it is riskier. Failure can disappoint the acquirer's stakeholders, especially investors, and damage their reputation. Reputation for cross-border acquisitions will be favorable if reputation is moderate. If the firm has a good reputation, international investment at the country level will occur (Dau et al., 2020). A reputation for expansion and international acquisitions had an effect (Mukherjee et al., 2021). Reputation is critical to international expansion and acquisition decisions because operating across borders increases information asymmetry and risks adverse choice morals. Reputation is an essential asset for the firm (Hassan et al., 2018). Companies that carry out mergers and acquisitions may consider cross-border acquisitions because of the high risk of not jeopardizing their firm's reputation. If a firm's reputation is high, the potential gains from cross-border acquisitions may not offset the associated risks, leading companies seeking to enter into mergers and acquisitions not to make cross-border acquisitions. Thus, the reputation against cross-border acquisitions will be favorable if the reputation is moderate. The firm's reputation can affect investors' reactions because a good firm's reputation can reduce risk (Lamotte et al., 2021). The level of a firm reputation can also change investors' decisions. A good corporate reputation can increase investor confidence in an acquirer's ability to develop synergies through acquisitions. High corporate reputation can cause companies to reduce their involvement in high-risk investments (Fasaei et al., 2018). This makes companies prefer to invest in companies with low risk. A firm reputation affects investment. Companies with a high reputation tend not to make high-risk investments. Based on the statement above, the first hypothesis of this research is as below:

H₁: Firm reputation improves cross-border acquisitions.

International experiential knowledge is one of the novelties of this research. This novelty found that international experiential knowledge can moderate a firm's reputation on cross-border acquisitions. International experiential knowledge can produce intangible assets or resources (He & Zhang, 2018). With international experiential knowledge, companies will understand more about the acquisition system. The firm will also gain more experience in acquisition activities. Companies with international experiential knowledge will have a better reputation. This can also make the party wishing to acquire more interested in acquiring the firm. A firm's international experiential

knowledge can be a tool to influence acquisition decisions (Lamotte et al., 2021). Experience and business relationships can give companies an intangible re-source, namely knowledge (He & Zhang, 2018). Companies can use this knowledge to enhance international cooperation, such as acquisitions. Apart from knowledge, another intangible resource is firm reputation. A firm reputation is also very much needed for consideration in deciding before an acquisition is carried out. Experience can reduce the strong information asymmetry inherent in cross-border investing thanks to market knowledge (Scalera et al., 2020). Companies with experience in their country can better expect the risks and difficulties that occur, and their experience can be used to offset their reputation. This conclusion was supported by resource-based theory (Craig et al., 2023), which means the company's performance comes from access to valuable, rare, and limited resources. International experience knowledge is one of the company's valuable resources. Based on the statement above, the second hypothesis of this research is as below:

H₂: International experiential knowledge will strengthen the significant impact of a firm's reputation on cross-border acquisitions.

Hubris theory explains that decision-makers in the acquirer have an average too much for their targets in the sample (Roll, 2014). The larger CEO's photo in the annual report, will make CEO's level of confidence is greater. This can make the acquisition rate of the company it leads higher because the CEO believes in his decision to make an acquisitions.

CEO narcissism has a relationship with the results of mergers and acquisitions because narcissistic CEOs often make acquisitions. CEO narcissism can affect acquisitions because a narcissistic CEO often wants to present himself in annual report and other media whether it's about an acquisition or something else (Fidan & Keskin, 2021). A narcissistic CEO will present himself more often because he wants to be seen as good and careful by his stakeholders. CEO narcissism affects business expansion because a narcissistic CEO can make a CEO think of ways to expand his business, for example, expanding his business to foreign countries (White, 2018). CEO narcissism impacts the number of acquisitions the firm makes (Dresen et al., 2019). This is because narcissistic CEOs constantly expand their business so their names are increasingly known. CEO narcissism harms the impression held (Reuling, 2022). CEO narcissism can be a consideration in determining the impression of a firm because if the CEO's narcissism is not good, then the impression/reputation of the firm is also not good. Based on the statement above, the third hypothesis of this research is as below:

H₃: CEO narcissism will amplify the significant impact of corporate reputation on cross-border acquisitions.

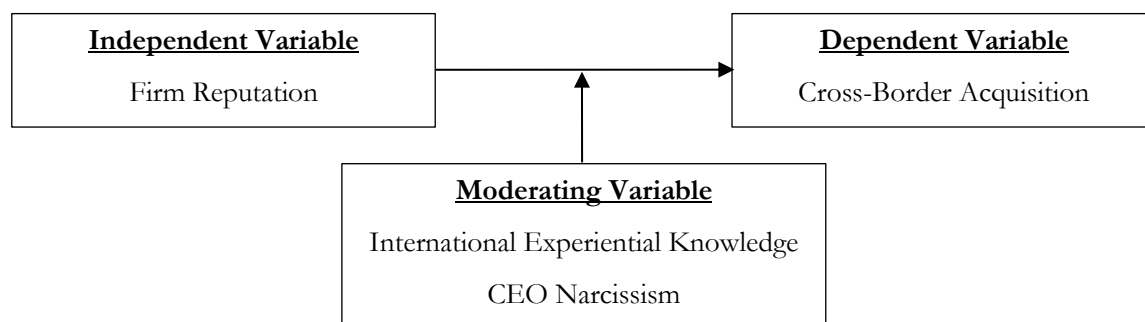


Figure 1. Research Model

Research Methods

Sample Selection

This research sample used in this study are companies in Indonesia that acquired a foreign companies in the Business Competition Supervisory Commission (KPPU) or the Indonesia Stock Exchange (IDX) with records of the firm's annual report in the year the acquisition occurred and companies on the LQ45 index. The method used in this research is purposive sampling, where the sample

selection is based on certain conditions (Conlon et al., 2020). The requirement for choosing samples is companies that have carried out acquisition activities are listed on the Business Competition Supervisory Commission (KPPU) or the Indonesia Stock Exchange (IDX), publish annual reports on the Indonesia Stock Exchange (IDX), the firm's official website, or the Business Competition Supervisory Commission (KPPU) website, and present an annual report during the acquisition event.

Measurement of Cross-Border Acquisition

Cross-border acquisition's indicator is a dummy variable (Lamotte et al., 2021). This variable can be measured by taking the data in the firm's annual report, which can be viewed on the Indonesian Stock Exchange (IDX) website or the Business Competition Supervisory Commission (KPPU) website. On KPPU's website, one must see code A to find out that the firm is making an acquisition. If a firm makes cross-country acquisitions, it will be marked with a measurement result of 1. If a firm made acquisitions in the same country, it would be marked with a measurement result of 0.

Measurement of Firm Reputation

Firm reputation can be measured based on LQ45 (Edi & Wati, 2022). Using the measurement above, it can be seen whether the firm has a good reputation. These measurement is an index to measure the price performance of shares of the top 45 companies with high liquidity and large market capitalization and supported by good company's fundamentals. LQ45 can be seen at Indonesia Stock Exchange (IDX). If the company is not at the top 45 on Indonesia Stock Exchange, it will be marked with a measurement result of 0. If a firm made acquisitions in the same country, it would be marked with a measurement result of 1.

Measurement of International Experiential Knowledge

International experiential knowledge can be measured by the number of acquisitions made by the acquirer during the last ten years before transactions are analyzed (Lamotte et al., 2021). The firm with longer international experiential knowledge will be more skilled in carrying out acquisition activities. The firm will also be increasingly informed about cross-border acquisitions.

Measurement of CEO Narcissism

CEO narcissism can be measured on a scale of how large a CEO's photo is displayed in its company's annual report (Fionita et al., 2022).

Table 1. Criteria of CEO Narcissism

Photo's Description	Scale	Category
CEO's photo full page	5	Very High Narcissism
CEO's photo half page	4	High Narcissism
CEO's photo less than half page	3	Moderate Narcissism
There's one CEO's photo with other executive colleagues	2	Low Narcissism
There's no CEO's photo	1	Very Low Narcissism

Results and Discussion

The table below results from the descriptive statistics of this research.

Table 2. Descriptive Statistic

Variable	N	Minimum	Maximum	Mean	St. Deviation
Firm Reputation (LQ45)	40	0	1	0,38	0,49
International Experiential Knowledge	40	0	5	0,43	0,98
CEO Narcissism	40	1	5	3,80	1,26
Cross-Border Acquisition	40	0	1	0,15	0,36

Source: Secondary data processed 2023

Table 3. Descriptive Statistic

		Frequency	Percentage
Cross Border Acquisition	0: If the acquirer and the target are in the same country	34	85%
	1: If the acquirer and the target are not in the same country	6	15%
Firm Reputation (LQ45)	0: If the company is not at the top 45 on Indonesia Stock Exchange most liquid traded stock in 6 months	25	62,5%
	1: If the company is at the top 45 on Indonesia Stock Exchange most liquid traded stock in 6 months	15	37,5%

Source: Secondary data processed 2023

Table 2 shows the descriptive statistics of the entire company's research data. The results of the descriptive analysis of LQ45 show a standard deviation of 0,49 or 49% of the average, so the LQ45 in this study sample has a high variation. From the average value of 0,38, it can be concluded that companies that make an acquisition are the top 45 on Indonesia Stock Exchange included in the minimal category. The company show a minimum figure of 0%, 25 companies are not the top 45 on Indonesia Stock Exchange. Maximum data of 100% is on 15 companies are the top 45 on Indonesia Stock Exchange. The meaning of these results is that most companies that make an acquisitions are not the top 45 on Indonesia Stock Exchange.

The results of the descriptive analysis of international experiential knowledge show a standard deviation of 0,98 or 98% of the average, so international experiential knowledge in this research sample has a high variation. There are 40 companies studied. The least international experiential knowledge is 0, and those with the highest are five times acquisitions or acquired by cross-border companies. From the average value of 0,43, it can be concluded that the international experiential knowledge of companies in Indonesia is still in the minimal category.

The results of the descriptive analysis of CEO Narcissism show a standard deviation of 1,26 or 126% of the average, so the level of CEO Narcissism in this study sample has a low variation. From the average value of 3,80, it can be concluded that CEO narcissism in the maximal category. The least CEO narcissism is 1, and the highest are 5.

The results of the descriptive analysis for the Cross-Border Acquisition variable carried out by the company show a minimum figure of 0%, 34 companies make domestic acquisitions. Maximum data of 100% is on 6 companies that made international acquisitions. The meaning of these results is that most companies in Indonesia still make domestic acquisitions compared to international acquisitions. The standard deviation of this variable is 0,36 or 36% of the average, so the Cross-Border Acquisition in this study sample has a high variation. From the average value of 0,15, it can be concluded that the cross-border acquisition carried out by companies in Indonesia is included in the minimal category.

Table 4. Structural (Inner) Model Evaluation

Variable	Adjusted R Square
Cross Border Acquisition	0,261

Source: Secondary data processed 2023

Based on the R Square value in Table 4 above, it shows that firm reputation with LQ45 as measurement can explain the variability of the cross-border acquisition construct of 26,1% and the remaining 73,9% is explained by other factors not examined in this research model.

Table 5 shows the summary of hypothesis test results. Based on table above, firm reputation has a significant positive effect on cross-border acquisitions, international experiential knowledge will strengthen the significant positive impact of a firm reputation on cross-border acquisitions, and CEO narcissism will amplify the significant positive impact of a firm reputation on cross-border acquisitions.

Table 5. Hypothesis Test Results

Num.	MV	IV	DV	Coefficient	P-value	Explanation
H ₁		Firm Reputation	→ Cross-Border Acquisition	14.790	0,005	Significant (+)
H ₂	International Experiential Knowledge	→ Firm Reputation	→ Cross-Border Acquisition	4.755	0,041	Significant (+)
H ₃	CEO Narcissism	→ Firm Reputation	→ Cross-Border Acquisition	11.019	0,008	Significant (+)

Source: Secondary data processed, 2023

Further Discussion

H₁: Firm reputation has a significant positive effect on cross-border acquisitions.

Based on the tests conducted, this study shows that the firm reputation has a significant positive effect on cross-border acquisition, as indicated by the results of a t-statistic of 14.790 and a p-value of 0,005. The results of the t-statistic are significant because it is over 1,96 (for a significance level of 0,05). So it can be concluded that the first hypothesis is accepted. The results follow research conducted by (Chalençon et al., 2021; Dau et al., 2020; Fasaei et al., 2018; Hassan et al., 2018; Lamotte et al., 2021; Mukherjee et al., 2021). Firm reputation has a significant positive effect on cross-border acquisitions because if a firm has a good reputation, other companies will do an acquisition. In that case, cross-border acquisition at the country level will occur. Using LQ45 as a measurement can make a firm reputation higher because LQ45 is an index including 45 companies with the highest market capitalization. If a firm reputation is getting higher, then the firm negotiating power will also be higher when the company acquires other companies. Especially in cross-border acquisitions, the firm reputation is highly regarded because when carrying out cross-border acquisitions the company includes the government during the acquisition. This can make the government more confident in the acquisitions made and believe in the economic results generated and provided by the company to the state by making acquisitions. So, perhaps this research is proven to be following the hypothesis and shows that a firm reputation has a significant positive effect on cross-border acquisitions.

H₂: International Experiential Knowledge will amplify the significant positive impact of a firm reputation on cross-border acquisitions.

Based on the tests conducted, this study showed the results of a t-statistic value of 4.755 and a p-value of 0,041. The results of the t-statistic are significant because it is over 1,96. So it can be concluded that the second hypothesis is accepted. The results follow research conducted by (He & Zhang, 2018; Lamotte et al., 2021; Scalera et al., 2020). International experiential knowledge will amplify the significant positive impact of a firm reputation on cross-border acquisition because companies with international experiential knowledge will have a better reputation. International experiential knowledge is an asset or company resource used to help companies to minimize failures in acquisitions. The more international experiential knowledge obtained, it can strengthen the acquirer's level of confidence in acquiring a company (Edi & Susanti, 2021). It can also make those wishing to acquire more interested in acquiring the firm, and international experiential knowledge can be used by companies to enhance international cooperation such as through acquisitions. Apart from knowledge, another intangible resource is firm reputation. This research is proven to be following the hypothesis and shows that international experiential knowledge will amplify the significant impact of a firm reputation on cross-border acquisitions.

H₃: CEO narcissism will amplify the significant positive impact of a firm reputation on cross-border acquisitions.

From the calculation (see Table 5), we can summarize that CEO narcissism has the moderating effect or amplify the significant influence of a firm reputation on cross-border acquisition, a

narcissistic CEO can make the CEO think of ways to expand, can make a positive influence on the number of acquisitions made by the firm. CEO narcissism can increase the company's ability to make cross-border acquisitions because by carrying out cross-border acquisitions, The CEO will usually proudly show its face in the annual report and the CEO will receive more media coverage than domestic or intercompany acquisitions. Narcissistic CEO will be happy if there is a lot of media coverage. The level of public or private acquisitions will appear more often if the acquisition occurs across countries. So this can motivate the CEO to make cross-border acquisitions because it can increase the attention of the CEO in making these acquisitions. This research is proven to be following the hypothesis and shows that CEO narcissism will amplify the significant impact of a firm reputation on cross-border acquisitions.

Theoretical Implication and Managerial Implication

CEO narcissism and international experiential knowledge amplify the positive impact of a firm reputation on cross-border acquisitions. The theoretical implications of this finding relate and can be linked to theories of leadership behavior, organizational reputation, and international business strategy. Existing leadership theory may need to incorporate the idea that a narcissistic CEO, with their strong drive for personal recognition and success, can use corporate reputation to leverage strategic advantage in international markets. This research may lead to the development of a new framework in leadership theory that explores how CEO personal traits, such as narcissism, interact with organizational strategy to influence international expansion. Reputation theory has traditionally focused on how a firm's reputation influences stakeholder perceptions and market performance. The finding that international experiential knowledge interacts with CEO narcissism to strengthen the role of reputation may suggest that reputation may have different impacts depending on the leadership style and the firm's international experience. This may lead to theoretical implications for understanding how firms with high levels of international experiential knowledge may use their reputation as a resource more effectively in cross-border transactions, especially when led by a narcissistic CEO. Current international business theory usually focuses on the role of market conditions, institutional factors, and resource-based advantages in cross-border acquisitions. Theoretical implications here may suggest that the psychological traits of individual leaders (such as narcissism) and the international knowledge accumulated in the firm (experiential knowledge) are important factors in enhancing the effectiveness of reputation in cross-border strategies. This study may suggest new avenues for research in which international business strategies incorporate the external environment and internal psychological factors that shape strategic decision-making in cross-border acquisitions.

The theoretical implications of these findings may lead to a broader and more nuanced understanding of how CEO features, experiential knowledge, and reputation work together to shape strategic outcomes in cross-border acquisitions.

The managerial implication of this study contributes to helping management when conducting mergers and acquisitions. Management shall be adding CEO narcissism as a new requirement for new recruitment standards. If a CEO has a highly narcissistic character, it will bring more acquisition and merger chances to the company. Adding the prospective CEO's narcissism will simplify the company for deciding to recruit prospective CEO.

The limitation of this research is the object of this research are focusing on cross-border acquisitions. While still there are companies making domestic acquisitions and rarely do cross-border acquisitions, so the data sought is limited and it takes time to find the data. The data can only be accessed via Google and a lot of data is blocked, so it makes it less effective in finding the data needed for research. And some data needed is paid data so it is difficult to access.

Conclusion and Future Direction

This study examined the effect of corporate reputation on international acquisitions with international acquisition experience and CEO narcissism as moderating variables in the firm's annual report in Indonesia Stock Exchange Data. Firm reputation has a significant positive effect

on cross-border acquisitions because when the firm has a good reputation will give more negotiating power when acquires other companies. A firm reputation can make the government more confident in the acquisitions made and believe in the economic results generated and provided by the company to the state by making acquisitions. International experiential knowledge will amplify the significant positive impact of a firm reputation on cross-border acquisition because companies' international experiential knowledge is an asset or company resource used to help companies to minimize failures in acquisitions. The more international experiential knowledge obtained, it can strengthen the acquirer's level of confidence in acquiring a company. CEO narcissism has a moderating effect or amplifies the significant influence of a firm reputation on the cross-border acquisition, a narcissistic CEO can make a CEO think of ways to expand, and can make a positive influence on the number of acquisitions made by the firm. CEO narcissism can increase the company's ability to make cross-border acquisitions because by carrying out cross-border acquisitions, The CEO will usually proudly show its face in the annual report and the CEO will receive more media coverage than domestic or inter-company acquisitions.

For further research is research's goals can be more vast by also using companies that acquire domestically to deepen the research result of CEO narcissism to acquisition and merger.

References

- Chalençon, L., Colovic, A., Lamotte, O., & Mayrhofer, U. (2021). La réputation de l'acquéreur et la réaction des marchés financiers à l'annonce de fusions-acquisitions internationales. *Management International*, 25(1), 131–151. <https://doi.org/10.7202/1076021ar>
- Christofi, M., Vrontis, D., Thrassou, A., & Shams, S. M. R. (2019). Triggering technological innovation through cross-border mergers and acquisitions: A micro-foundational perspective. *Technological Forecasting and Social Change*, 146(April), 148–166. <https://doi.org/10.1016/j.techfore.2019.05.026>
- Conlon, C., Timonen, V., Elliott-O'Dare, C., O'Keeffe, S., & Foley, G. (2020). Confused About Theoretical Sampling? Engaging Theoretical Sampling in Diverse Grounded Theory Studies. *Qualitative Health Research*, 30(6), 947–959. <https://doi.org/10.1177/1049732319899139>
- Craig, C. A., Ma, S., & Feng, S. (2023). Climate resources for camping: A resource-based theory perspective. *Tourism Management Perspectives*, 45(January 2023), 101072. <https://doi.org/10.1016/j.tmp.2022.101072>
- Dagan, J. G., Rafi, M. R., Sia, Y. B., & Dilla, S. (2021). How Business Innovation Affects a Company to Improve the Organization, Entrepreneurship, and Business Model. *Advances in Economics, Business and Management Research*, 198, 98–102. <https://doi.org/10.2991/aebmr.k.211207.015>
- Dau, L. A., Moore, E. M., & Newburry, W. (2020). The grass is always greener: The impact of home and host country CSR reputation signaling on cross-country investments. *Journal of International Business Policy*, 3(2), 154–182. <https://doi.org/10.1057/s42214-020-00049-7>
- Di Domenico, S. I., Ryan, R. M., Duineveld, J. J., Bradshaw, E. L., Parker, P., & Steward, B. A. (2024). Exploring facets of student motivation using a Bass Ackward strategy and the conceptual lens of self-determination theory. *Contemporary Educational Psychology*, 79(November), 102321. <https://doi.org/10.1016/j.cedpsych.2024.102321>
- Dresen, C., Sprenger, R., Dresen, C., Sprenger, R., & Jankensgård, H. (2019). The Impact of CEO Narcissism on M&A Performance – Examining on Different Narcissism Variables [Lund Unoversity]. In *LUP Student Papers* (Issue May). <https://lup.lub.lu.se/student-papers/search/publication/8984241>
- Edi, Basri, Y. Z., & Arafah, W. (2020). The Effect of Acquisition Synergy on Firm Performance moderated by Firm Reputation. *Journal of Accounting, Finance and Auditing Studies*, 6(1), 16–

32. <https://doi.org/10.32602/jafas.2020.002>
- Edi, E., & Susanti, E. (2021). The Role of Firm Reputation and Management Experience for Firm Performance after Merger and Acquisition. *Jurnal Reviu Akuntansi Dan Keuangan*, 11(1), 150–167. <https://doi.org/10.22219/jrak.v11i1.14067>
- Edi, E., & Wati, E. (2022). Measuring Intangible Asset: Firm Reputation. *Business: Theory and Practice*, 23(2), 396–407. <https://doi.org/10.3846/btp.2022.15945>
- Fasaei, H., Tempelaar, M. P., & Jansen, J. J. P. (2018). Firm reputation and investment decisions: The contingency role of securities analysts' recommendations. *Long Range Planning*, 51(5), 680–692. <https://doi.org/10.1016/j.lrp.2017.07.010>
- Fidan, S. S., & Keskin, H. (2021). CEO Narsisizmi Araştırmalarının Metodolojik Açidan Sistematiik İncelenmesi ve Eleştirel Değerlendirilmesi. *Business and Economics Research Journal*, 12(2), 399–417. <https://doi.org/10.20409/berj.2021.329>
- Fionita, I., Lestari, N. T., Situmorang, K. S., & ... (2022). The Influence of CEO Narcissism on Financial Performance with Corporate Social Responsibility (CSR) as a Mediating Variable. *Proceeding International Conference on Information Technology and Business*. <https://jurnal.darmajaya.ac.id/index.php/icitb/article/view/3391>
- García, C. J., & Herrero, B. (2022). Corporate entrepreneurship and governance: Mergers and acquisitions in Europe. *Technological Forecasting and Social Change*, 182, 121845. <https://doi.org/10.1016/j.techfore.2022.121845>
- Hassan, I., Ghauri, P. N., & Mayrhofer, U. (2018). Merger and acquisition motives and outcome assessment. *Thunderbird International Business Review*, 60(4), 709–718. <https://doi.org/10.1002/tie.21967>
- He, X., & Zhang, J. (2018). Emerging market MNCs' cross-border acquisition completion: Institutional image and strategies. *Journal of Business Research*, 93(January 2017), 139–150. <https://doi.org/10.1016/j.jbusres.2018.04.014>
- Huo, C., Ahmed Dar, A., Nawaz, A., Hameed, J., Albashar, G., Pan, B., & Wang, C. (2021). Groundwater contamination with the threat of COVID-19: Insights into CSR theory of Carroll's pyramid. *Journal of King Saud University - Science*, 33(2), 101295. <https://doi.org/10.1016/j.jksus.2020.101295>
- JEANNERET MEDINA, M., Baudet, C., & Lebraty, J.-F. (2024). Blockchain and agency theory in supply chain management: A question of trust. *International Journal of Information Management*, 75(June 2023), 102747. <https://doi.org/10.1016/j.ijinfomgt.2023.102747>
- Kusumawardani, M., Soediro, A., Adhitama, F., & Yanto, D. (2020). Debt Costs and Acquisition in Indonesia. *Proceedings of the 5th Srinijaya Economics, Accounting, and Business Conference (SEABC 2019)*, 142(Seabc 2019), 273–276. <https://doi.org/10.2991/aebmr.k.200520.046>
- Lamotte, O., Chalençon, L., Mayrhofer, U., & Colovic, A. (2021). Intangible resources and cross-border acquisition decisions: The impact of reputation and the moderating effect of experiential knowledge. *Journal of Business Research*, 131(March 2020), 297–310. <https://doi.org/10.1016/j.jbusres.2021.03.044>
- Liu, Y., & Meyer, K. E. (2020). Boundary spanners, HRM practices, and reverse knowledge transfer: The case of Chinese cross-border acquisitions. *Journal of World Business*, 55(2), 100958. <https://doi.org/10.1016/j.jwb.2018.07.007>
- Mukherjee, D., Makarius, E. E., & Stevens, C. E. (2021). A reputation transfer perspective on the internationalization of emerging market firms. *Journal of Business Research*, 123(October 2019), 568–579. <https://doi.org/10.1016/j.jbusres.2020.10.026>
- Nogalski. (2022). Mark Zuckerberg: a portrait of successful high-tech Entrepreneur. *International Journal of Advanced Multidisciplinary Research and Studies*, 2(2), 29–34.

<https://www.multiresearchjournal.com/arclist/list-2022.2.2/id-122>

- Petchsakulwong, P., & Jansakul, N. (2018). Board of directors and profitability ratio of Thai non-life insurers. *Kasetsart Journal of Social Sciences*, 39(1), 122–128. <https://doi.org/10.1016/j.kjss.2017.11.005>
- Rahman, M. S. (2025). *E-commerce Evolution: A Strategic Analysis of Alibaba's Business Ecosystem*. <https://doi.org/10.2139/ssrn.5109165>
- Reuling, S. (2022). *Remain in The Spotlight or Retreat Into the Shadows? The Relationship Between CEO Narcissism, Impression Offsetting and The Stock Market Reaction to an Acquisition Announcement*. Radboud University.
- Roll, R. (2014). The Hubris Hypothesis of takeovers. *The Journal of Business*, 59(2), 197–216. <http://www.jstor.org/stable/2353017>
- Scalera, V. G., Mukherjee, D., & Piscitello, L. (2020). Ownership strategies in knowledge-intensive cross-border acquisitions: Comparing Chinese and Indian MNEs. *Asia Pacific Journal of Management*, 37(1), 155–185. <https://doi.org/10.1007/s10490-018-9616-6>
- Sigera, I., & Cahoon, S. (2018). Processes Adopted to Integrate Intangible Resources in Global Acquisitions among Container Lines: Perceptions of Acquirer and Acquired. *Asian Journal of Shipping and Logistics*, 34(1), 1–11. <https://doi.org/10.1016/j.ajsl.2018.03.001>
- Steffens, N. K., Chong, M. S. P., & Haslam, S. A. (2022). The narcissistic appeal of leadership theories. *American Psychologist*, 77(2), 234–248. <https://doi.org/10.1037/amp0000738>
- Sutherland, K. E. (2021). Your Competitors. *How to Conduct a Social Media Audit*, 133–140. https://doi.org/10.1007/978-981-16-1146-9_15
- Toma, S. I. (2019). *Successful Entrepreneurship In China: The Case Of Jack Ma*. VII(14), 121–126. <https://ideas.repec.org/a/cmj/networ/y2019i14p121-126.html>
- Ullah Khan, R., Saqib, A., Abbasi, M. A., Mikhaylov, A., & Pinter, G. (2023). Green Leadership, environmental knowledge Sharing, and sustainable performance in manufacturing Industry: Application from upper echelon theory. *Sustainable Energy Technologies and Assessments*, 60(July), 103540. <https://doi.org/10.1016/j.seta.2023.103540>
- White, S. (2018). *Narcissistic Chief Executive Officers and Corporate Acquisitions: an Upper Echelons Perspective* [University of Skövde]. <https://his.diva-portal.org/smash/record.jsf?pid=diva2%3A1219094&dswid=-8496>