**CEO overconfidence and company’s value: the role of intangibles**

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**Abstract**

The aim of the current paper is to reveal the influence of CEOs’ self-confidence on the results of the investments in innovative activity. In contrast to the previous research we regard several personal traits that may influence managers’ decisions on the investments in research and development: overconfidence, age and experience. We test our hypothesis on the sample of 1 455 large European companies for the time period from 2008 to 2013. The results show that at least two traits of self-confidence, namely overconfidence and experience, affect R&D expenditures. The results of R&D investments made by overconfident managers are not significantly better or worse than their peers’. Too experienced managers overinvest in R&D that leads to the decrease of firm value.