University of Cincinnati

Date: 6/27/2022

I, Bina Ajay, hereby submit this original work as part of the requirements for the degree of Doctor of Philosophy in Business Administration.

It is entitled:

A Love-Hate Relationship: CEO Emotivity and its Implications for CEOs and Their Firms

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A Love-Hate Relationship: CEO Emotivity and its Implications for CEOs and Their Firms

A dissertation submitted to the

Graduate School

of the University of Cincinnati

in partial fulfillment of the

requirements for the degree of

Doctor of Philosophy

in the Department of Management

of the Carl H. Lindner College of Business

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June 27, 2022

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ABSTRACT

Social evaluations refer to the collective perceptions that stakeholder audiences hold about CEOs. Some of these evaluations capture stakeholders' emotional experiences and an implicit assumption in this line of work has been that stakeholders can experience either positive or negative emotions towards CEOs, but not both at the same time. On the other hand, research on emotions suggests that the experience of ambivalence is common both at the individual and group levels. In my dissertation, I examine mixed emotions of stakeholder groups towards the CEO and the implications thereof for CEOs and their firms. Specifically, I develop a new construct, CEO emotivity, to capture intense stakeholder emotional ambivalence towards the CEO. I define CEO emotivity as "the simultaneous experience of intense positive and negative emotions towards the CEO among a stakeholder group." I examine how inconsistency in CEO actions leads to CEO emotivity and the implications that CEO emotivity has for both CEOs and firms. In order to better understand the antecedents of CEO emotivity, I conducted Studies 1 and 2, using archival data and experimental data, respectively. My analysis reveals that while inconsistent actions are associated with the experience of emotional ambivalence, further examination is needed to understand how this experience aggregates to the level of a collective (i.e., stakeholder group). Further, I conducted study 3 using archival data to examine the consequences of CEO emotivity, and contrary to prediction, I find that CEO power and CEO emotivity interact to reduce CEO tenure. Overall, my dissertation advances understanding of stakeholder emotional responses towards CEOs in the face of inconsistent CEO actions.

ACKNOWLEDGMENTS

My Ph.D. journey would not have been the same without the love, help, support, and encouragement of many individuals and I wish to express my gratitude to them for being an integral part of my life.

A big thank you to my friend, Sadia Raveendran, for being one of the first people to encourage me as I was considering a transition from an industry career to academia. I am also extremely thankful to my aunt, Saras Sarasvathy, for being an amazing mentor, for rejoicing with me in the many happy moments, and for being a great source of support during the rough times.

I am really glad that I got the opportunity to work with and learn from Joanna Campbell, my advisor and dissertation committee chair. Joanna, you have always encouraged me to push the boundaries in terms of my research and have been instrumental in my development as a scholar, and I cannot thank you enough for it. I hope to make you proud with my work in the years to come.

I also wish to express my gratitude to the other members of my dissertation committee – Ryan Rahinel, Craig Crossland, and Eni Gambeta – for their support as I planned and completed my dissertation. Ryan, I really appreciate your guidance on designing and implementing the experiment, and your feedback on the rest of the dissertation. Craig, thank you for encouraging me to dig deeper into the core issues associated with new construct development and establishing relevance. Eni, I am thankful for your insights on methodological aspects and your questions that helped me strengthen the arguments I put forth in the dissertation.

I am grateful to Elaine Hollensbe, Head of the Department of Management, who has always been around to help and guide me as I navigated the challenges of the Ph.D. program. Elaine, it has been a pleasure collaborating with you on research and I have learnt a lot from you.

A special thank you to Heather Vough, former faculty member at UC, who saw potential in me and invited me to collaborate with her on an existing project. Heather, I am glad that you constantly challenged me to better myself and continue to do excellent work, even when the impact of that work was not immediately visible. I also wish to thank Jonathan Miles, another former faculty member at UC, for being a great mentor and my go-to person for teaching related questions. Jon, I have very much enjoyed our myriad conversations and brainstorming sessions over the years that have helped me grow into a more effective teacher.

I have been fortunate enough to find wonderful friends during the doctoral program, who kept me going. Achira, thank you for always being there for me and I am really glad to have you as a close friend. Omowumi (Mo), I want to thank you for believing in me, even when I was not confident in myself; my challenges seemed much less daunting every time I talked to you. Harshad, thank you for being a great listener and always providing sound practical advice. There are other wonderful people at UC who have impacted my work and life in a positive way and I am thankful for the opportunity to get to know them – Suzanne Masterson, Charles Matthews, Eli Awtrey, Rhett Brymer, Tricia Burger, Marilyn Kump, Daniel Peat, Zhuo Lin, Annie Peng, Huimiao Zheng, Olivia Anger, and Kaiqi Zhang.

Finally, a very special thank you to my parents (Kala Ajay and Ajay Krishnan), my grandparents, members of my extended family, and one of my closest friends, Apoorv Kulkarni. Amma and Appa, I cannot imagine coming this far without the support and encouragement you have provided all my life. Apoorv, you are confidante, sounding board, shoulder to cry on, all rolled into one, and I thank you for reassuring me when I needed it the most.

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INTRODUCTION

Chief Executive Officers (CEOs) play a key role in organizations and their actions have the potential to affect not just their firm and its shareholders, but also a broader set of groups that come in contact, directly or indirectly, with the firm (Parmar, Freeman, Harrison, Wicks, Purnell, & de Colle, 2010). These could include diverse collectives such as employees, customers, suppliers, media, securities analysts, and environmental groups (Garcia-Castro & Francoeur, 2016). As a result of the widespread impact of a CEO's actions, these collectives are likely to be interested in what CEOs do, pay greater attention to the CEO's actions, and develop views and feelings about the CEO in the process (Pollock, Lashley, Rindova, & Han, 2019). These assessments can influence subsequent dealings of the stakeholder group with the firm, potentially impact outcomes for the firm as instrumental stakeholder theory argues (Jones, 1995), and lead to consequences for the CEO and firms as the literature on social evaluations has found (Boivie, Graffin, & Gentry, 2016; Cho, Arthurs, Townsend, Miller, & Barden, 2016; Flickinger, Wrage, Tuschke, & Bresser, 2016; Semadeni, Cannella Jr., Fraser, & Lee, 2008; Shi, Zhang, & Hoskisson, 2017). I add further nuance to the research on stakeholder assessments by introducing a new construct – CEO emotivity – to specifically focus on intense ambivalent feelings that stakeholder groups have towards the CEO.

So, what do these stakeholder assessments look like in extant research? Stakeholder assessments fall under the broader umbrella of social evaluations, which have been described as "socially constructed, collective perceptions" (Pollock et al., 2019: 444). Several types of social evaluations have been examined in this stream of research, including stigma (Goffman, 1963), status (Washington & Zajac, 2005), reputation (Schepker & Barker, 2018), celebrity, and infamy (Lovelace, Bundy, Hambrick, & Pollock, 2018). Of these, stigma, status, and reputation are

considered to be more rationally-driven evaluations and have been studied extensively. Stigma involves assessing whether a social actor (e.g., CEO) possesses an attribute that is discrediting, behaves in a manner that invites discredit, or is associated with discredited others (Goffman, 1963; Pozner, 2008; Vergne, 2012). Status, on the other hand, is a rank ordering of social actors based on an agreed social hierarchy (Washington & Zajac, 2005) and is indifferent to the actor's performance. Reputation involves evaluating a social actor's prior conduct and capabilities to form a judgment about them and their potential for future performance (Rindova, Williamson, Petkova, & Sever, 2005; Schepker & Barker, 2018). Celebrity and infamy are more newly introduced, less explored, more emotion-laden social evaluations that are gaining interest among scholars (Pollock et al., 2019). While celebrity involves attracting positive emotional responses from the firm's stakeholders and is said to arise from *consistent* and distinctive actions of the CEO, infamy involves attracting negative emotional responses (Lovelace et al., 2018).

Despite the focus on emotions, the social evaluations literature has paid limited attention to the simultaneous existence of positive and negative emotions among stakeholders. Although research on celebrity and infamy acknowledges that the two types of emotions can coexist (Zavyalova, Pfarrer, & Reger, 2017), the implicit assumption is that an individual stakeholder is unlikely to feel both simultaneously. This assumption extends to stakeholder groups as well, wherein a stakeholder group is likely to feel either positive or negative emotions, but not both at the same time (Pollock, Mishina, & Seo, 2016). Thus, celebrity and infamy may coexist, but in different stakeholder groups.

The above mentioned assumption about the non-occurrence of simultaneous positive and negative emotions within a stakeholder/same stakeholder group is problematic and limits our understanding of stakeholder assessments. It contradicts prior research on emotions, which

suggests that both individuals and groups may experience mixed feelings about people, such as simultaneously liking and disliking them, or admiring and resenting them (Sincoff, 1990). As Norris, Gollan, Berntson, and Cacioppo (2010) note, both positive and negative evaluative processes in a person's brain can be coactivated, given the right signals, and lead to emotional ambivalence, defined as "the simultaneous experience of positive and negative emotions" (Fong, 2006: 1016). Scholars have also found that such mixed feelings are associated with different stimuli (Larsen, McGraw, & Cacioppo, 2001) and have different outcomes compared with purely positive or purely negative emotions (Plambeck & Weber, 2009; Rothman & Melwani, 2017). Thus, one can expect that the antecedents and consequences of mixed feelings towards the CEO among any stakeholder group would be distinct from those of other social evaluations.

Examining mixed feelings towards the CEO among a stakeholder group has both theoretical and practical relevance. Given that ambivalence is a possible and common occurrence, at the individual and group level (Ashforth, Rogers, Pratt, & Pradies, 2014), one can expect that emotional ambivalence would be prevalent among stakeholder groups as well, making it theoretically interesting to understand how such ambivalence may develop and its implications for CEOs and their firms. There are also myriad real-life examples of mixed feelings towards prominent CEOs. Steve Jobs (former CEO of Apple) famously evoked both positive and negative emotional responses for being both an innovator and an undesirable boss (Crust, 2015). More recently, Elon Musk (CEO of Tesla) has attracted varied emotional responses for being a visionary CEO and someone embroiled in multiple controversies involving recreational drugs, tweets of insider information, and media criticism (Bomey, 2018). Other CEOs include Mark Zuckerberg (Facebook – now Meta), Jeff Bezos (Amazon-former CEO), and

Marissa Mayer (Yahoo-former CEO). Thus, studying mixed feelings towards the CEO among a stakeholder group is also practically relevant.

Through a series of three studies, I extend our understanding of stakeholders by challenging the assumption that stakeholder groups are likely to have either strongly positive or negative emotional responses towards the CEO. I develop a new social evaluation construct to capture mixed feelings among stakeholders. I label the construct CEO emotivity and define it as *the simultaneous experience of intense positive and negative emotions towards the CEO among a stakeholder group*. I expect this to be different from a simple sum of positive emotions within some individuals, negative emotions within some others, and ambivalence within the remaining. Instead, I suggest intense emotional ambivalence at the stakeholder group level is a function of individual ambivalence and subsequent spread of such ambivalence, in line with prior research arguing that diffusion of ambivalence is likely when individuals interact with others in the group who are ambivalent (Ashforth et al., 2014). I focus on a stakeholder group instead of individual stakeholders because of the ability of a group as a collective to exert influence on the CEO and consequently affect strategic choices and firm outcomes. Further, I focus on intensity of ambivalence given that emotional intensity has different (Segerstrom & Smith, 2019) and more meaningful (Ashforth et al., 2014) implications.

CEO emotivity is a relevant construct although stakeholder groups vary in their level of influence (Garcia-Castro & Francoeur, 2016). Laplume, Sonpar, and Litz (2008) observed that factors such as organization's culture and life cycle could make certain stakeholders more influential compared to others. Mitchell, Agle, and Wood (1997) noted that highly influential stakeholder groups have more than one of the following attributes – greater power, more legitimacy, and a greater sense of urgency attached to their interests. I argue that as a result of the

presence of a variety of media (including social media) (Roulet & Clemente, 2018), many stakeholder groups (e.g., activists) can now wield some power and create urgency for their interests, making CEO emotivity a construct with potentially widespread applicability. In order to demonstrate this, I use both a primary stakeholder group, i.e., customers (Garcia-Castro & Francoeur, 2016), and a secondary stakeholder group, i.e., securities analysts (Fanelli, Misangyi, & Tosi, 2009), to examine how emotivity develops and its implications for CEOs and firms.

CEO emotivity develops as emotional ambivalence at the individual level moves to the stakeholder group through two concurrent processes – information cascades and emotional contagion. Information cascade implies that individuals rely on shared sources of information and potential expert opinion (media representations/analyst reports) to assess CEOs (Bonardi & Keim, 2005). As information passes through their hands, they are likely to experience emotions which spread to the group through emotional contagion, defined as "a process in which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion states and behavioral attitudes" (Barsade, 2002: 646).

I further argue that in contrast to research on CEO celebrity, which suggests that celebrity develops from consistent and distinctive actions (Lovelace et al., 2018), *emotion-inducing inconsistent* actions initiated by the CEO drive CEO emotivity. CEO actions act as signals to stakeholders, providing them with information that they may not otherwise be able to access (Ogunfowora, Stackhouse, & Oh, 2018). Signal consistency is the "agreement between multiple signals from one source" (Connelly, Certo, Ireland, & Reutzel, 2011: 54) and if the CEO were a source, emotion-inducing inconsistent CEO actions would be actions that do not agree with one another, sending conflicting signals. I identify emotion-inducing actions as actions that a CEO takes both in their capacity as CEO and at a personal level which are deeply tied to values people

espouse, as value conflicts have been suggested as a trigger for emotions (Schwartz, 2012; Wright, Zammuto, & Liesch, 2017; Zavyalova et al., 2017). Specifically, socially responsible actions, socially irresponsible actions, CEO activism (Chatterji & Toffel, 2019), and the CEO's actions in their private lives (Grover & Hasel, 2015) would arouse emotions in stakeholders, as they resonate with self-regarding values such as power, achievement, or hedonism and other-regarding values such as universalism and benevolence (Adams, Licht, & Sagiv, 2011; Agle, Mitchell, & Sonnenfeld, 1999; Schwartz, 2012).

To the extent that the CEO's actions belong to both categories, there would be some level of inconsistency. For example, Jeff Bezos's pursuit of efficiencies in Amazon's operations at the cost of employee well-being is reflective of achievement and power (Stossel, 2018), while his $10 billion donation towards climate change is indicative of universalism (Schleifer, 2020), creating some inconsistency in signals. Such inconsistency would trigger both the positive and negative evaluative processes, leading to intense emotional ambivalence among stakeholder groups (Larsen et al., 2001; Norris et al., 2010). By arguing that emotivity forms under different conditions, I strengthen the case for emotivity being different from existing emotionally driven social evaluations.

I also examine key consequences of CEO emotivity for the CEOs and their firms. I focus on the outcomes already studied in the social evaluations' literature such as CEO tenure (Flickinger et al., 2016; Schepker & Barker, 2018), compensation (Graffin, Wade, Porac, & McNamee, 2008; Kaplan, Samuels, & Cohen, 2015; Wade, Porac, Pollock, & Graffin, 2006), risk-taking in the form of acquisitions (Cho et al., 2016; Shi et al., 2017), and stock market reactions (Boivie et al., 2016; Shi et al., 2017; Wade et al., 2006), to be able to compare emotivity with other evaluations. In addition, this set of outcomes allows me to examine how a

range of groups (boards of directors, investors, and management of target firms) can impact the CEO or firm, highlighting the widespread nature of CEO emotivity. Specifically, I examine the effects of CEO emotivity on CEO tenure, CEO compensation change, stock market performance extremeness, and premium paid for acquisitions.

To accomplish my goals, I conduct three separate studies. In Study 1, I use archival data to examine the antecedents of CEO emotivity and focus on an important stakeholder group – securities analysts (Bednar, Love, & Kraatz, 2015; Fanelli et al., 2009; Gomulya & Boeker, 2014; König, Mammen, Luger, Fehn, & Enders, 2018). Study 2 is a laboratory experiment using a sample from the 'customer' stakeholder group to show the possibility of emotional ambivalence at the individual level in response to inconsistent CEO actions and the mechanisms underlying the emergence of CEO emotivity. Study 2 allows me to validate the inferences drawn from Study 1, specifically that inconsistent actions are responsible for the experience of emotional ambivalence. Study 3 uses archival data, focusing on CEO emotivity among securities analysts and the effects of emotivity on various CEO-level and firm-level outcomes. I use securities analysts to measure emotivity in studies 1 and 3 as they have been shown to be a key stakeholder, capable of influencing firms through expression of their views on the firm.

These studies have multiple implications for extant research. First, I contribute to work on social evaluations of CEOs through the development of a new construct – CEO emotivity – which captures the ill-addressed phenomenon of emotional ambivalence among stakeholders. Existing social evaluations also focus on the consistency of actions (Lovelace et al., 2018). CEO emotivity, on the other hand, emphasizes the inconsistency in the CEO's actions and as the results of Study 2 indicate, inconsistency of actions is associated with the experience of emotional ambivalence. Social evaluations are considered to be attributes of CEOs that have the

potential to affect future strategic choices and consequent firm-level outcomes (Liu, Fisher, & Chen, 2018). As such, I also contribute to upper echelons theory which advocates for the role of CEOs in firm-level decisions and consequences (Hambrick & Mason, 1984).

In addition to upper echelons theory, my work also contributes to emotions research. Theories that deal with emotional ambivalence such as the evaluative space model (Cacioppo & Berntson, 1994) and the dual tuning model (George & Zhou, 2007) highlight how mixed emotions are usually transient phenomena (Larsen & McGraw, 2014). The evaluative space model suggests that positive and negative evaluative processes can be activated simultaneously leading to ambivalence but argues that this co-activation is not long-lasting. The feeling of indecision soon passes as individuals take an approach or avoidant action. The dual tuning model mainly deals with the sequential occurrence of positive and negative emotions. Even though it acknowledges the presence of simultaneous mixed emotions, it argues that such mixed emotions are not the ideal state that individuals would want to achieve for themselves (George, 2011). CEO emotivity, which is based on intense emotional ambivalence at a collective level, can be seen as a way in which ambivalence may persist over time. Specifically, emotional contagion acting as a trigger (Elfenbein, 2007) and the fact that emotivity is both a collective and intense experience will make it harder for emotional ambivalence to die down. Thus, in developing the construct of CEO emotivity, I contribute to the emotions literature in general and the evaluative space model in particular.

Lastly, I add to research on stakeholder theory in terms of understanding how emotions about the CEO might drive stakeholder behavior towards the CEO and the firm. Emotional ambivalence has been studied in relation to CEOs, but from the perspective that the individual CEO may experience ambivalent emotions that influence their decisions and actions (Plambeck

& Weber, 2009; Rothman & Melwani, 2017). Emotivity flips the viewpoint towards stakeholders and attempts to encapsulate stakeholders' mixed feelings towards a CEO. A key question in stakeholder research relates to stakeholder motivations and resultant behaviors (Bridoux & Stoelhorst, 2014). CEO emotivity helps understand one source of stakeholder motivation (i.e., intense emotional ambivalence) and consequent implications for the CEO and firm.

SOCIAL EVALUATIONS

Past research on social evaluations has focused on constructs such as stigma, status, reputation, celebrity, and infamy. In this study, I develop the construct of CEO emotivity, which stems from the interplay of two concurrent processes – information cascades and emotion contagion – both of which involve social construction. Emotivity is also a collective phenomenon since it deals with the emotions among a stakeholder group towards the CEO. Thus, emotivity satisfies the conditions to include it under the category of social evaluations.

A key question in the development of any new construct is whether and how it differs from other similar, possibly related, constructs. As I explain further below, stigma, status, and reputation are more about cognitive processes whereas celebrity and infamy are more emotion-laden constructs. While emotivity is primarily about emotions and is closer to celebrity and infamy in that regard, I distinguish it from the other social evaluation constructs as well to clearly delineate its position as a new construct within the social evaluations literature stream. After discussing the various social evaluations already studied, I highlight how emotivity differs from each of them.

Stigma

Stigma has been studied at the individual and organizational levels. Individual level stigma was initially conceptualized as "an attribute that is deeply discrediting" (Goffman, 1963: 12), where

attribute referred to specific physical characteristics, cultural characteristics, and labels associated with individual conduct. According to Goffman, people may compare an individual's attributes with normative characteristics or conduct (stereotypes) to determine whether that individual must be stigmatized or not. However, this is not the only way stigma may arise. Subsequent research has found that stigma can also be triggered through associations with stigmatized individuals, groups, or events (Pozner, 2008) and affect outcomes for the individuals such as employment opportunities (Jiang, Cannella, Xia, & Semadeni, 2017; Semadeni et al., 2008).

At the organizational level, stigma has been divided into core and event stigma, where core stigma accounts for the stigmas that persist whether or not there is a matching with stereotypes. Core stigma has been defined as "an evaluation held and often expressed by some social audience(s) that an organization or set of organizations is discounted, discredited, and/or tainted in some way owing to some core attribute or attributes" (Hudson, 2008: 254). This definition alludes to the possibility of there being a stigmatized group or category. Vergne (2012) explored the notion of categories further and argued that multiple categories of stigma may exist within the same industry and firms that associate with these categories face disapproval. Vergne (2012) found that dilution of association with stigmatized categories lowers disapproval of the organization, especially when such categories are more salient.

As can be seen above, common characteristics exist between individual and organizational level stigma. First, stigma is likely to continue over the long term without constant reinforcement, irrespective of what triggers it. Second, stigma has a clear negative connotation and is associated with detrimental consequences for the firm and the individual when the firm or individual does not reduce their association with stigmatized categories or events, respectively

(Jiang et al., 2017; Semadeni et al., 2008; Vergne, 2012). An exception to this is Helms and Patterson's (2014) study of stigmatized mixed martial arts organizations, which found that organizational actors were able to benefit from stigma by using it to create awareness about their organizations and eventually gain social acceptance. Third, the process of stigmatization, which is defined as "process through which actors' social identity is diminished through association with either discrediting characteristics or discredited others" (Pozner, 2008: 144), is a cognitive one that involves processing information to ascertain discredit of an individual, organization, or group of organizations. Emotions may be a by-product of stigma, but the stigma is essentially a cognitive evaluation (Pollock et al., 2019). Fourth, stigma is treated as a binary construct with individuals, organizations, or groups being either stigmatized or not.

At the individual level, stigma does not appear to have been measured directly. Instead, both Semadeni et al. (2008) and Jiang et al. (2017) measured stigma management behavior (likelihood of leaving the organization in anticipation of a stigmatizing event) and studied the consequences of such behavior on employment outcomes. Stigma, in this case, was posited as the mechanism driving stigma management behavior, but it was not measured. At the organizational level, scholars have used grounded theory, content analysis of news articles, and narratives to understand stigma and its consequences in specific industries (Pollock et al., 2019). For instance, Lashley and Pollock (2019) employed the grounded theory approach to explore the core-stigma reduction process in a stigmatized category, namely the medical cannabis industry. Helms and Patterson (2014) content analyzed the interviews, media reports, and other texts that captured the experiences of the audience that evaluated the mixed martial arts organizations in their study, and coded for the negative labels used to stigmatize the organizations. Tracey and Phillips (2016) used narrative analysis to explore how an organization managed the effects of

stigma on its identity. Vergne (2012) used interviews with defense experts and industry professionals to identify the categorical structure within the global arms industry, and subsequently assessed stigma dilution quantitatively by computing the proportion of total sales made to stigmatized categories.

Status

Status has been defined more generally as a "socially constructed, intersubjectively agreed-upon and accepted ordering or ranking of individuals, groups, organizations, or activities in a social system" (Washington & Zajac, 2005: 284). Specifically at the upper echelons level, status has been conceptualized as "individuals' social ranking or the esteem accorded to them in relation to other members of the corporate elite" (Westphal & Khanna, 2003: 369). Both definitions highlight that status is a mutually agreed upon social rank with little or no reference to specific attributes or conduct of the social actor, suggesting that status is independent of who the actor is and what they do. Like stigma, status is also a cognitive assessment and involves an understanding of the social hierarchy applicable to the social actor.

Washington and Zajac (2005) argue that historical legacy and status diffusion aid in the development and sustenance of status. According to these authors, a social actor who was considered high-status historically is likely to continue enjoying the privileges associated with this status over time, irrespective of performance. They also suggest that when individual social actors associate with high or low status actors, they are more likely to be perceived as high or low status themselves, as a result of status diffusion. Such status diffusion is supported in Graffin et al.'s (2008) study where they found that the star-status of a CEO was positively associated with the average compensation of other members of the top management team (TMT) and the likelihood of a TMT member being promoted to CEO in the future. Status has been found to

have an effect on a wide variety of outcomes such as departure of acquired executives (Hambrick & Cannella, 1993), extent of social distancing (Westphal & Khanna, 2003), ingratiation, flattery, and opinion conformity towards the CEO (Park, Westphal, & Stern, 2011; Westphal & Stern, 2006), and CEO dismissal (Flickinger et al., 2016).

Status has been measured across studies using archival data. Hambrick and Cannella (1993) studied departure of executives of an acquired firm and measured status as a binary variable, coded as 0 or 1 depending on whether the executive was made an officer/director of the post-acquisition firm. Subsequent studies have typically used more than one indicator of status. For instance, Westphal and Khanna (2003) measure status using four indicators - board appointments, whether the CEO is the chief executive of a large firm, prestige of the CEO's primary employer and prestige of their outside board appointments, and educational background. Park et al. (2011) measured status in the corporate elite using five indicators, namely, the number of corporate board appointments held, the number of nonprofit board appointments held, elite education, the average stock rating of firms where the individual served as outside director, and memberships in prestigious social clubs. Some studies have also measured status using awards and certifications such as the "CEO of the year" award (Graffin et al., 2008; Pollock et al., 2019), which conflates the measure of status with those of reputation and celebrity, both of which have been measured using awards as described below.

Reputation

Unlike status, reputation considers the past performance of an individual, group, or organization and the expectations that audience members may have about the quality or capabilities of such individuals, groups, or organizations as a result. At the organizational level, reputation has been defined "as comprising two dimensions: (1) a perceived quality dimension, which captures the

degree to which stakeholders evaluate an organization positively on a specific attribute, such as ability to produce quality products, and (2) a prominence dimension, which captures the degree to which an organization receives large-scale collective recognition in its organizational field" (Rindova et al., 2005: 1035). Rindova et al. (2005) combine insights from the economic and institutional perspectives on reputation. While the economics perspective argues that organizations signal their attributes to stakeholders through their choices, the institutional perspective suggests that some actors (e.g., media) have greater access to information about organizations and a greater ability to disseminate such information to stakeholders. In either case, the stakeholders make a cognitive judgment based on information processing. At the individual level, reputation has been conceptualized as "collective judgment of observers regarding the quality or capabilities of a focal actor within a specific domain that is earned over time" (Schepker & Barker, 2018: 2568). Thus, reputation can be seen as a subjective evaluation based on a set of information about the quality, visibility, or performance of actors. There is little or no emotional assessment involved in the development of a reputation at either individual or organizational levels.

In line with the conceptualization of reputation, the antecedents of reputation include various aspects that signal quality, capability, conduct, or prominence. For instance, Rindova et al. (2005) found that quality of inputs, organization's position in media rankings, expert intermediary certifications, and affiliation with high-status actors influenced an organization's perceived quality or prominence. Bednar et al. (2015) studied managerial engagement in the controversial practice of using poison pills to deter takeover bids and found that existence of a poison pill, higher media coverage of such practice, and lower prior adoptions of the pill had an adverse effect on managerial reputation. Love, Lim, and Bednar (2017) found that the tenor

(positive/negative) of media attention on a company's CEO, the number of industry awards the CEO has won, and the CEO's standing as an outsider impacts the reputation of the company. The consequences of reputation studied in prior research include price premiums (Rindova et al., 2005), stock market reactions (Boivie et al., 2016), investor views on CEO compensation (Kaplan et al., 2015), and future employment opportunities with respect to CEO reputation (Schepker & Barker, 2018).

Reputation has been measured using archival data and experimental manipulation. Bednar et al. (2015) and Love et al. (2017) measured firm reputation using the Fortune magazine's firm rankings. Rindova et al. (2005), whose sample comprised U.S. business schools, measured firm reputation through its constituent dimensions. Perceived quality was estimated using ratings assigned to schools by a recruiter panel and prominence was measured using the number of recruiters that nominated a school. At the individual level, Kaplan et al. (2015) used alternate scenarios to manipulate a CEO's reputation for financial reporting while Bednar et al. (2015) used executive and analyst ratings on managerial quality in the Fortune most admired companies survey. Other studies used measures similar to that of status and/or celebrity. For example, Boivie et al. (2016) used industry awards to measure CEO reputation and Schepker and Barker (2018) measured reputational capital based on inclusion in a magazine "Best CEOs" list.

Celebrity

In one of the initial studies that examined CEO celebrity, Hayward, Rindova, and Pollock (2004: 639) proposed that "Celebrity arises when journalists broadcast the attribution that a firm's positive performance has been caused by its CEO's actions." The authors argued that distinctive and/or consistent strategic actions, and successful firm performance brought firms to the attention of journalists, who then attributed such actions and performance to the CEO to create

celebrity. Hayward et al.'s (2004) definition dealt with the antecedents of celebrity rather than the nature of celebrity itself. Subsequent empirical studies of CEO celebrity developed their own definitions of CEO celebrity that did not clearly distinguish the construct from status and/or reputation. For instance, Wade et al. (2006:644) equated "Star CEOs" with celebrity CEOs and suggested that "if the CEO certification process creates expectations that future firm performance will be high, CEOs may suffer negative outcomes if these expectations are not met." This description seems closer to reputation, given the role of prior performance and expectations for future performance. Cho et al. (2016: 2678) conceptualized CEO celebrity as "a unique form of social status that is conferred on CEOs by their peers." Similar to Wade et al. (2006), Shi et al. (2017: 2080) proposed that "CEOs typically experience a sharp increase in their social recognition and receive celebrity status as superstar CEOs."

More recently, however, the nature of the celebrity construct has been explored with Chatterjee and Pollock (2017: 707) conceptualizing it as "high levels of public attention combined with positive emotional responses from stakeholders" and Lovelace et al. (2018: 421) defining it as "the extent to which a CEO elicits positive emotional responses from a broad public audience." These two recent definitions align with the definition of organizational celebrity as "an important social approval asset that is conferred on an organization by constituents' high levels of attention and positive emotional responses" (Zavyalova et al., 2017: 461). Thus, celebrity has a strong emotional content and is triggered by attention to the object of celebrity (either firm or CEO).

As mentioned above, distinctive and/or consistent actions, and successful firm performance have been theorized as antecedents of celebrity (Hayward et al., 2004). These are likely to attract attention and thereby generate the positive emotional responses that make up

CEO celebrity. At the firm level, Zavyalova et al. (2017) argued that actions containing information about firm identity lead the media to cast the firm as a central character in its narratives, capture public attention, and generate positive emotional responses when individuals in the public perceived a congruence between firm values and their personal values. Although empirical research on consequences of CEO celebrity using the more recent definitions is sparse, prior research on star CEOs has found that it affects CEO or competitor CEO risk-taking in the form of acquisition premiums (Cho et al., 2016; Shi et al., 2017), short-term market performance, and CEO compensation (Wade et al., 2006).

In line with the description of celebrity as star CEOs, CEO celebrity has been largely measured using certification contests (with rankings) and awards (Cho et al., 2016; Shi et al., 2017; Wade et al., 2006). Organizational celebrity, however, has been measured in a way that captures both attention and emotional content in the audience response. Pfarrer, Pollock, and Rindova (2010) used the number of articles published about a firm in BusinessWeek as a proxy for public attention. The authors also assessed the degree of positive emotional coverage through content analysis of the BusinessWeek articles. They then created a binary variable to capture whether a firm was in the top quartile for both attention and positive emotional response. Pollock et al. (2019) suggest employing a similar measure for CEO celebrity in future research, since it is better aligned with the definition of CEO celebrity.

Infamy

Hayward et al. (2004: 650) proposed CEO infamy as a construct to capture the effect of "media attributions for negative organizational outcomes." However, despite the authors' calls for more theoretical and empirical work on the antecedents and consequences of this construct, study of CEO infamy has been limited. More recently, Lovelace et al. (2018: 421) have conceptualized

CEO infamy as "negative emotional responses from a broad public audience." Lovelace et al. (2018) suggest that a CEO can move back and forth between celebrity and infamy, indicating that it is unlikely for both celebrity and infamy to coexist. On the other hand, at the organizational level, Zavyalova et al. (2017) propose that celebrity and infamy can indeed coexist, as different constituents may have either positive or negative emotional responses towards the organization based on whether they see the organizational values as congruent or incongruent with their personal values. Zavyalova et al. (2017: 470) define organizational infamy as "a form of social disapproval that is associated with constituents' high levels of attention and negative emotional responses toward an organization." According to Pollock et al. (2019), there is scope for undertaking further theoretical and empirical work on infamy. Table 1 below provides a comparative summary of the CEO emotivity and the other social evaluations.

Insert Table 1 about here

CEO EMOTIVITY

CEO emotivity attempts to capture the ambivalent nature of emotional responses that stakeholder groups have towards the CEO. Ambivalence refers to "simultaneously positive and negative orientations toward an object" (Ashforth et al., 2014: 1454) and emotional ambivalence has been defined as "the simultaneous experience of positive and negative emotions" (Fong, 2006: 1016). As Ashforth et al. (2014) note, ambivalence can vary in its intensity, where highly intense ambivalence means that individuals experience strong positive and negative orientations simultaneously. They also observe that lower intensity in ambivalence among employees in a firm has little impact on behavior. More recent reviews of moral emotions (Greenbaum, Bonner, Truit, & Gray, 2020) and individual differences in responses to emotions (Segerstrom & Smith,

2019) also observe that there are differences in the experience of and outcomes of emotions that represent different levels of intensity. Greenbaum et al. (2020) provide the example of anger and contempt to illustrate the varying level of emotional arousal in each case. Segerstrom and Smith (2019) distinguish between the level of fear experienced when a stranger makes a threatening move in a dark street (intense) and the level of fear when riding a roller coaster, and suggest that in the former, a fight or flight response may be triggered unlike in the case of the latter. Thus, they note that intensity of emotions can lead to qualitatively distinct responses. Extending the logic to emotional ambivalence among stakeholder groups, I propose that when stakeholder groups experience weak positive and negative emotions simultaneously, it is unlikely to change their behavior towards the CEO and therefore has negligible influence on CEO-level or firm-level outcomes. I therefore define CEO emotivity as "a simultaneous experience of intense positive and negative emotions towards the CEO among a stakeholder group."

Prior research suggests that emotional ambivalence can be triggered among employees when they receive both positive and negative signals surrounding organizational actions or events (Ashforth et al., 2014; Rothman, Pratt, Rees, & Vogus, 2017). Coexistence of positive and negative signals indicates that there is potential for liking and disliking something about the action or event at the same time. For example, Vince and Broussine (1996) studied the emotional reactions of managers in organizations that were undergoing change and found that managers often experienced simultaneous positive and negative emotions such as excitement and anxiety respectively, as they could see both positive and negative outcomes of the changes and were uncertain which way it would go. Similar to employees, other stakeholders may also interpret actions or events with both types of elements to be uncertain and dynamic and their feelings about the CEO could evolve accordingly.

CEOs take multiple actions for the firm during their tenure. In addition, CEOs may also engage in actions on a personal level that attract attention. Some of their actions have the potential to evoke emotional responses among stakeholders. Prior research has found that value conflicts can trigger emotional reactions (Wright et al., 2017), suggesting that actions that are deeply connected to values people espouse would be emotion-inducing (Zavyalova et al., 2017).

Examples of such emotion-inducing actions include socially responsible actions, socially irresponsible actions (Groening & Kanuri, 2018), CEO activism—which has been defined as "corporate leaders speaking out on social and environmental policy issues not directly related to their company's core business" (Chatterji & Toffel, 2019: 159)—and personal actions of the CEO that are value-laden (Grover & Hasel, 2015). I expect that when the underlying values of the many actions taken by the CEO for the firm and at a personal level are different from each other, it results in a set of emotion-inducing inconsistent actions.

Prior research in management has categorized values into self-regarding and other-regarding values (Agle et al., 1999). Self-regarding values are values that motivate individuals to behave in a self-interested manner, while other-regarding values are tied to altruistic motivations (Adams et al., 2011). This stream of work has drawn from the theory of basic values (Schwartz, 2012) and as Adams et al. (2011: 1335) note, "self-regarding versus other-regarding motivations map onto Schwartz's self-enhancement/self-transcendence dimension, both conceptually and empirically." Self-regarding values include power, achievement, and hedonism, while other-regarding values include universalism and benevolence.

Studies have found that self-regarding and other-regarding values are associated with different behaviors and have different consequences. For instance, Stevens, Moray, Bruneel, and Clarysse, (2015) found that other-regarding values of CEOs had a positive influence on the

relative attention they paid to social goals. Adams et al. (2011) found that when board members held power and achievement values (self-regarding), they were more likely to focus on shareholder interests and when they espoused benevolence and universalism as values (other-regarding), they were concerned about other stakeholders. This suggests that self-regarding values and other-regarding values may be construed as opposites and actions associated with them would therefore be inconsistent. An example of such inconsistency would be socially responsible actions taken by the CEO which may align with universalism or benevolence followed by irresponsible actions that are likely to align with power. Prior research has found that corporate social responsibility (CSR) and corporate social irresponsibility (CSiR) are distinct from each other in terms of their motivation and the signals they provide, which provides further evidence that these actions are inconsistent. These emotion-inducing inconsistent actions will in turn provide mixed signals about the CEO.

Jonas, Diehl, and Brömer (1997) conducted a laboratory experiment in which they used inconsistent information about a product to induce ambivalence among the participants and they found that the manipulation worked, suggesting that inconsistency could be a predictor of ambivalence. When a CEO takes a series of actions that do not conform to a pattern (in terms of the underlying values), it may send out mixed signals (positive and negative). I therefore contend that an inconsistent set of actions taken by the CEO would be the basis for development of CEO emotivity. How do inconsistent actions lead to CEO emotivity? In other words, what mechanisms underlie the development of CEO emotivity? I propose that information about emotion-inducing inconsistent actions must first be dispersed in some manner to individual stakeholders, be able to arouse both positive and negative emotions simultaneously, and then

spread to the collective (stakeholder group). I argue that there are two concurrent processes making this happen - information cascades and emotional contagion.

Firms often share information about their actions through annual reports, investor presentations, interviews with the top executives, or press releases. Since these sources originate within the firm, the likelihood is that they emphasize the positive aspects of the action, as signaling theory would suggest (Connelly et al., 2011). CEOs who are responsible for initiating the actions are given prominent roles in the narratives that firms share (Hayward et al., 2004) and it is easy to attribute firm actions to their CEOs. Despite the presence of information, individual stakeholders may be unable to gather all relevant material about CEO actions due to time and access constraints. As Bonardi and Keim (2005) argue, in the absence of complete information, individuals tend to rely on other individuals, especially experts, to form evaluations. Information cascade is the process of trickling down of information to individuals wherein journalists, consultants, and analysts can play a major role. Bonardi and Keim (2005: 556) describe it as occurring "when an individual, having observed the actions of others, chooses to follow others' behavior, regardless of personal information possessed, because he or she thinks the others are more knowledgeable."

Let us take the example of an individual analyst. This analyst gathers and processes information about CEO actions but also relies on information collected and evaluated by other analysts and/or journalists. As the CEO takes emotion-inducing inconsistent actions, the analyst receives mixed signals from the CEO and feels emotionally ambivalent towards the CEO. The analyst's rational assessment and their emotional assessments reflect in how they write about the CEO in their reports.

Now imagine another analyst is doing exactly the same, and they are influenced by the content that the first analyst has shared. They process not only the rational elements but also the emotional elements inherent in the first analyst's report. For example, if the first analyst has expressed both excitement and doubt about the CEO's actions, the second analyst is likely to pick up these feelings when reading the report. This represents emotional contagion, which has been defined as "a process in which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion states and behavioral attitudes" (Barsade, 2002: 646). As Elfenbein, (2007) argues, contagion occurs when multiple individuals have access to the same stimuli having the potential to generate emotions and when individuals engage in social comparisons of how they are feeling vis-à-vis similar others.

In a recent review of the emotional contagion research, Barsade, Coutifaris, and Pillemer (2018) note that not only is emotional contagion possible at the level of a large collective, both inside and outside organizations, but that different forms of media and social media play a role in emotional contagion outside organizations. All these arguments suggest that the second analyst who reads the first analyst's report will be exposed to the emotional content as well, shaping and/or enhancing their own emotional ambivalence. Elfenbein (2007) also suggests that such emotional contagion may itself act as a stimulus for future emotions, triggering stronger emotions in the process. Thus, we can expect that simultaneous and intense positive and negative emotions will develop at the level of the "analyst" stakeholder group. In other words, CEO emotivity will arise.

As mentioned earlier, the core element of stigma is discredit, either direct or through associations with others. Discrediting may be a result of assessing conduct, similar to CEO

emotivity, which involves evaluating a CEO's actions. However, while CEO emotivity has strong positive and negative emotion components, negative emotions are only a by-product of the stigmatization process. CEO emotivity therefore has limited overlap with stigma.

This is true of status and reputation as well. Unlike status, CEO emotivity does not adhere to a pre-ordered ranking of CEOs. Any CEO may gain emotivity given the presence of triggering conditions. Emotivity also does not arise merely from legacy and is more malleable than status. Emotivity depends on the actions taken by the CEO while status is independent of the conduct or performance of the CEO. The emotional content in status has been considered to be limited (Pollock et al., 2019), while emotions are inherent in the definition of CEO emotivity. With reputation, there is some overlap in that reputation is dependent on prior demonstration of capabilities and performance while emotivity also depends on prior CEO actions. However, reputation has a large rational component, unlike CEO emotivity. Overall, the content of the CEO emotivity construct is conceptually distinct from status and reputation.

Celebrity and infamy come closest to CEO emotivity in terms of their emphasis on emotional responses. While celebrity refers to positive emotional responses, infamy focuses on negative emotional responses from a broad public audience. Even though emotivity considers both positive and negative emotions, it is not a mere sum of celebrity and infamy which would lead to one cancelling out the other and being considered as neutral. Pradies and Pratt (2010) distinguish between two types of group ambivalence – ideographic group ambivalence and holographic group ambivalence. Aggregating celebrity and infamy would be akin to ideographic group ambivalence, i.e., ambivalence that is a result of some individuals feeling positive and others feeling negative about an object or person. In this case, ambivalence at the group level is caused by mixed emotions across rather than within individuals (Pradies & Pratt, 2010).

However, according to work on group polarization, such type of ambivalence would dissipate quickly as two separate sub-groups form. According to this literature, interactions between group members have been argued to intensify the pre-interaction inclination of group members. For instance, Zhu (2014) found that when outside directors supported a high level of CEO compensation already, they were likely to support even higher CEO compensation after board discussions. This was the case with support for low compensation as well. As such, one can expect that if there are individuals who feel positive and other individuals who feel negative within a group (i.e., ideographic ambivalence), what we might end up with is a polarized group that thinks and acts as two separate groups (Mäs, Flache, Takács, & Jehn, 2013). This would be different from that of a single group composed of ambivalent individuals, which is how emotivity is conceptualized and described in greater detail below. The measurement of emotivity is aligned with its conceptualization, as it relies on a numerical estimate of the combined experience of positive and negative emotions (the formula uses absolute values of both types of emotions thus ensuring that they do not get cancelled out).

As argued previously, the emotion-inducing inconsistent CEO actions send out mixed signals, activating emotional ambivalence even at the individual level. This means at least some individuals are likely to be ambivalent. Research on ambivalence and emotional contagion has argued that ambivalence spreads as ambivalent individuals interact with others, including non-ambivalent individuals. For example, Gutierrez, Howard-Grenville, and Scully (2010) found that a small group of a few ambivalent parishioners who were positive about their faith but were disturbed about the sexual abuse of minors by priests quickly grew into a 20,000-member organization. Thus, even if some individuals within a stakeholder group may initially hold purely positive or purely negative emotions, as they interact with other members of the group that are

ambivalent, they are likely to turn ambivalent themselves. Emotivity captures the simultaneous experience of strong positive and negative emotions within the same stakeholder group, arising from the experience of emotional ambivalence at the individual stakeholder level. In addition to emotivity being conceptually distinct from aggregating celebrity and infamy, its antecedents are different. While deviant actions that are consistent have been proposed as an antecedent of CEO celebrity, I argue that deviant actions, when consistent, do not provide mixed signals that trigger emotional ambivalence. I argue that it is inconsistency in emotion-inducing actions that gives rise to CEO emotivity. Thus, CEO emotivity stands as a separate and distinct construct that is not a sum of celebrity and infamy. Figure 1 below summarizes how CEO emotivity relates to the other social evaluations discussed earlier based on different characteristics and antecedents of these social evaluations. In addition to developing this new construct, the core research questions I investigate are the following: (1) What leads to CEO emotivity? and (2) What are the implications of CEO emotivity for CEOs and the firms they lead?

Insert Figure 1 about here

CHAPTER 1: ANTECEDENTS OF CEO EMOTIVITY

STUDY 1: MAIN STUDY USING ARCHIVAL DATA

HYPOTHESES

In this section, I draw primarily on the emotions and information processing literatures to describe the relationships summarized in Figure 2. First, I use the evaluative space model to explain the emergence of ambivalence at the individual level. I then use the concept of emotional contagion in conjunction with the information cascade process to explain how CEO emotivity develops. Before moving on to my hypothesized relationships, I provide a brief overview of the evaluative space model, emotional contagion, and affect-as-information theory.

The evaluative space model was developed in response to theories of emotions such as the circumplex model (Russell, 1980) and appraisal theory (Lazarus, 1991) that emphasized reciprocal activation of positive and negative emotions, i.e., activation of positive emotions implies reduction in negative emotions and vice versa. The evaluative space model, on the other hand, argued that positive and negative evaluative processes in a person's brain could also be co-activated, given the presence of conflicting stimuli in the person's environment (Cacioppo & Berntson, 1994). When individuals receive signals that suggest that they should approach and avoid a certain stimulus at the same time, the evaluative processes are co-activated, and ambivalence results from such co-activation.

Larsen et al. (2001) used student samples and conducted multiple studies wherein they examined whether people could feel happy and sad at the same time. As predicted by the evaluative space model, they found that moving out of dormitories before the summer vacation and the experience of graduation from college triggered mixed emotions. They suggested that since these events were associated with an excitement for the future and a disappointment at leaving something behind, they provided conflicting cues to individuals in their sample, resulting in emotional ambivalence. The model's predictions have held in subsequent studies as well

(Larsen & McGraw, 2014). One assumption that the evaluative space model makes is that ambivalence is likely to be a transient state. However, with emotional contagion in the picture and a resultant continuing flow of conflicting stimuli, emotional ambivalence may last longer than predicted by the evaluative space model and other theories of emotions that acknowledge ambivalence (George & Zhou, 2007).

As mentioned in the previous section, emotional contagion refers to the spread of emotions from the individual to the collective level. As individuals experience emotions, they are likely to express these emotions such that they act as a stimulus for other individuals they interact with directly or indirectly (Elfenbein, 2007). Emotional contagion can take place through automatic behaviors such as mimicry and through more conscious routes that involve observing and processing social cues and engaging in social comparisons (Barsade et al., 2018; Foulk, Woolum, & Erez, 2016). Emotional contagion has been shown to occur in groups that work together and are able to interact with each other in person. Barsade (2002) first introduced emotional contagion to management research, studying the implications of contagion on group-level outcomes such as cooperation, conflict, and task performance. Barsade found that positive emotional contagion (i.e., the group experiences positive emotions due to the spread of such emotions among its members) led to better cooperation, reduced conflict, and a higher perceived task performance. However, as Barsade et al. (2018) point out, emotional contagion can also occur among dispersed collectives through spread of information and access to others' emotions through sources that do not require a physical presence (e.g., a blog post, social media comments, media articles, etc.)

Information cascades help in directing attention to information about how specific individuals (e.g., experts) feel about actions or events in the environment, including about CEO

actions. Thus, information cascades act as the social cues and basis for social comparison among a physically distant group of individuals and help with emotional contagion. As Elfenbein (2007) points out, emotional contagion can act as a stimulus for future emotions and therefore help sustain the emotions over longer periods of time (Barsade, 2002). These emotions, including the emotional ambivalence that forms the basis of CEO emotivity, can act as informational cues about the external environment and its constituents for individuals, according to the affect-as-information theory I describe next.

Affect-as-information theory argues that emotions and moods can provide information about the environment to the people who experience them and accordingly influence their subsequent actions (Schwarz & Clore, 2003). When individuals experience positive emotions, it signals that the environment around them is non-threatening and ripe for engaging in exploration. In other words, it inspires them to take "approach-oriented" actions. On the other hand, negative emotions hint at an environment that is potentially dangerous and the need to be cautious in interactions with the environment (George & Zhou, 2007). Emotional ambivalence—i.e., the simultaneous experience of positive and negative emotions—suggests that the environment may actually be unusual, uncertain, and dynamic (Fong, 2006) and may require greater systematic information processing to arrive at a decision/proposed action (Jonas et al., 1997).

Rothman and Melwani (2017) use the affect-as-information theory to further argue that one person's experience of ambivalence has the capacity to provide information about the environment to others interacting with such person and influence their consequent inferences and actions. Thus, CEO emotivity (or the collective and strong emotional ambivalence that stakeholder groups experience towards the CEO) can be informative not only to the stakeholder

group experiencing the ambivalence but also to other stakeholder groups that become aware of such ambivalence.

I use the arguments advanced in the literature on evaluative space model, emotional contagion, and affect-as-information theory to support the rationale for the relationships outlined below in Figure 2 and subsequently in Figure 4.

Insert Figure 2 about here

Inconsistent CEO Actions as an Antecedent of CEO Emotivity

A CEO's role involves taking several actions on behalf of their firm during their tenure. In addition, CEOs engage in actions in their private lives that garner attention as a result of their position as CEO. While all of their actions may not evoke strong emotional responses, some of these actions could be emotion-inducing, specifically actions that are closely tied to basic values that motivate people (Schwartz, 2012; Wright et al., 2017). Examples of these actions include socially responsible actions, socially irresponsible actions (Groening & Kanuri, 2018), CEO activism (Chatterji & Toffel, 2019), and actions the CEO takes in their personal life (Cline, Walking, & Yore, 2018; Grover & Hasel, 2015). When it comes to actions related to values, scholars have also argued that people experience intense emotions (Eury, Kreiner, Treviño, & Gioia, 2018; Wright, Meyer, Reay, & Staggs, 2021). For instance, Eury et al. (2018) studied how Penn State alumni responded to the Sandusky child sexual abuse scandal and found that among other responses, these stakeholders experience intense emotions given the value-laden nature of the actions that gave rise to the scandal. I argue here that inconsistency in such emotion-inducing actions is positively associated with CEO emotivity, which is an experience of intense emotional ambivalence.

As mentioned earlier, the CEO's actions send signals to stakeholders that have the potential to influence stakeholder assessments of CEOs and subsequent responses (Ogunfowora et al., 2018). Signaling theory suggests that such signals may be consistent or inconsistent, and defines signal consistency as "agreement between multiple signals from one source" (Connelly et al., 2011: 54). Thus, if the actions taken by the CEO send similar signals to stakeholders, they would be considered consistent. On the other hand, actions that send different signals to stakeholders would be deemed inconsistent with one another. What types of CEO actions could be considered inconsistent? In order to answer this question, I rely on the categorization used by management scholars to study how CEO and director values influence their behavior and consequent outcomes.

Agle et al. (1999) classified CEO values into self-regarding, which suggests a self-interested motivation, and other-regarding, which suggests an altruistic motivation. They examined the association between the other-regarding values of CEOs and the stakeholder salience of non-shareholders. Adams et al. (2011) observed that self-regarding and other-regarding categories mapped onto the self-enhancement and self-transcendence categories proposed in the theory of basic values (Schwartz, 2012). According to the theory of basic values, self-enhancement (or self-regarding) values include power, achievement, and hedonism (Adams et al., 2011; Schwartz, 2012). Power relates to social status and prestige and control or dominance over people and resources. Achievement is tied to personal success that involves showing competence in accordance with social standards. Hedonism relates to pleasure and gratification for the self. On the other hand, self-transcendence (or other-regarding) values include benevolence and universalism connected with the welfare of people with whom one is in frequent contact and the welfare of all people, respectively (Schwartz, 2012; Stevens et al.,

2015). Each emotion-inducing action that the CEO takes may be aligned with one or more values in either of these two categories and actions in different categories would be inconsistent with one another.

Inconsistencies in the CEO's actions act as a stimulus and send mixed signals to stakeholders. These mixed signals trigger opposing appraisal dimensions (pleasant and unpleasant, approach and avoid) in the emotion process, affecting how the stimulus is registered (Elfenbein, 2007). As mentioned earlier, the evaluative space model (Cacioppo & Berntson, 1994) suggests that conflicting cues can elicit mixed emotions (Larsen & McGraw, 2014) and it argues that the evaluative processes in a person's brain underlying opposing appraisal dimensions are separable, indicating that they may be co-activated. Such co-activation of positive and negative evaluative processes is likely to cause emotional ambivalence (Larsen et al., 2001). Since mixed signals give rise to conflicting appraisal dimensions, co-activation is likely when encountering mixed signals as a stimulus and individual stakeholders are likely to experience emotional ambivalence when faced with the CEO's emotion-inducing inconsistent actions. As mentioned above, such experience of emotional ambivalence may be expected to be intense.

I further argue that such individual emotional ambivalence aggregates to the collective (i.e., stakeholder group) through information cascades and emotional contagion. Stakeholders may not be able to gather all relevant information about CEO actions due to lack of time or issues around accessing certain information sources. In this situation, they will likely rely on other, potentially more knowledgeable stakeholders to make assessments about the CEO (Bonardi & Keim, 2005). Information cascades, which take place "when an individual, having observed the actions of others, chooses to follow others' behavior, regardless of personal

information possessed, because he or she thinks the others are more knowledgeable" (Bonardi & Keim, 2005: 556), describe how different individual stakeholders draw on information from others and about others' feelings, which in turn can influence their own feelings.

Emotional contagion has been defined as "a process in which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion states and behavioral attitudes" (Barsade, 2002: 646). It occurs when individuals have access to the same set of stimuli and are able to make comparisons with one another (e.g., how does another person feel about the CEO's actions) (Elfenbein, 2007). As a result, I expect that when individual stakeholders access information about how others' assess the CEO, they are likely to experience the emotions that the other person is experiencing, which facilitates the spread of emotional ambivalence from the individual to the collective. Thus, emotion-inducing inconsistent actions give rise to emotional ambivalence at the individual stakeholder level and through information cascades and emotional contagion lead to an entire stakeholder group having a strong emotional ambivalence towards the CEO (i.e., CEO emotivity).

Hypothesis 1. Inconsistency in emotion-inducing CEO actions is positively associated with CEO emotivity.

Moderating Effect of Firm Media Prominence

Different firms attract varying levels of attention in the media as a result of factors such as size, presence in a stigmatized industry, performance, or specific events. There are two ways in which such extended media coverage of a firm can affect the amount of information individual stakeholders (and consequently stakeholder groups) have about the firm's CEO. First, when firms attract media coverage, their CEOs gain visibility among stakeholders. Stakeholders keep

seeing the CEO's name in the media and social media, and both the name and its association with a specific firm becomes recognizable in their minds. Going forward, they start paying attention to information that comes out about that CEO, which in turn could help generate emotional experiences. As Elfenbein (2007: 322) explains "the first step in emotional registration is attention—not necessarily conscious attention, but literally that the actor's sensory organs are oriented to take in the stimulus."

Second, signaling theory suggests signal observability as a necessary characteristic for a signal to be efficacious and defines it as the "extent to which outsiders are able to notice the signal" (Connelly et al., 2011: 45). Firm media prominence lends such observability to the actions of CEOs. This is true not only for signals that the CEOs actively strive to send, but also unintended signals that get sent in the process of engaging in an action (Perkins & Hendry, 2005). Receiving these signals would arouse the interest of stakeholders and encourage them to seek more information. For example, in recent times, Boeing has been mentioned in the media frequently in connection with the 737 MAX controversy. Governments and other stakeholders have been paying attention to the actions of its CEO Dennis Muilenburg, who was eventually fired (Gurdus, 2019). Subsequently, as stakeholders seek more information about CEOs, they are more likely to know about CEO actions and more likely to receive mixed signals as a result. Thus, firm media prominence will increase the extent to which stakeholders receive conflicting signals about emotion-inducing inconsistent CEO actions. I therefore argue that firm media prominence (Love et al., 2017) will strengthen the relationship between emotion-inducing inconsistent CEO actions and CEO emotivity.

Hypothesis 2. Firm media prominence strengthens the positive relationship between emotion-inducing inconsistent CEO actions and CEO emotivity such that the greater the prominence, the more positive this relationship will be.

METHODS

In order to test the antecedents of CEO emotivity, I conducted two separate studies. In Study 1, I used archival data to assess the influence of CEO emotion-inducing action inconsistency on CEO emotivity and the moderating effect of firm media prominence (Hypotheses 1 and 2). In this study, I specifically focused on securities analysts as a stakeholder group and measured emotivity accordingly. My sample comprised of 671 firms that had been part of the S&P 500 index at any time during the period from 2010 through 2018, and I had an unbalanced panel dataset with 5553 firm-year observations. I used this longitudinal dataset since I expect CEO emotivity and its effects to unfold over time.

For my independent variable, CEO emotion-inducing action inconsistency, I identified the list of CEO actions through the RavenPack News Analytics database, which uses a proprietary method to classify news items according to their relevance, topic etc. I relied on the categorization used in the KLD STATs database to classify an action into socially responsible (strength) or socially irresponsible (concern) and connect them with other-regarding and self-regarding values respectively. The data on firm media prominence and CEO media prominence was collected from articles published in a general news outlet (New York Times-NYT), and a business specific news outlet (Wall Street Journal -WSJ), as has been done in prior research (Love et al., 2017). Data for measuring CEO emotivity was collected from year-end securities analyst reports published by Morningstar, available on the Thomson One database, that have a focus on CEOs (the reports have a section titled ‘Stewardship’). Data for control variables (other

than CEO media prominence) was collected from Compustat, Bloomberg, Institutional Shareholder Services (ISS), Institutional Brokers' Estimate System (I/B/E/S), Execucomp, Notable Names Database (NNDB), ReferenceUSA, and company websites.

Dependent Variable

In keeping with the definition of *CEO emotivity*, its measurement involved two key stages – measurement of emotional ambivalence and comparison with a threshold to assess intensity of such ambivalence. In order to measure emotional ambivalence, I downloaded all relevant securities analyst reports (with emphasis on CEOs) that refer to each firm in my sample for every year. As securities analysts follow the firms that they report on closely, they are likely to be aware of the extent of inconsistency in the CEO's actions. I selected the text under the section titled "Stewardship" in each report to isolate the portion of their reports that focused on the CEOs specifically, and used the emotion dictionaries in the Linguistic Inquiry Word Count (LIWC) software to identify the positive and negative emotion words in each report (please see Appendix A for a sampling of words from the positive and negative emotion dictionaries in LIWC).

I used the percentage of positive and negative emotion words in a piece of text that LIWC provides separately and applied the similarity-intensity model to assess emotional ambivalence (Fong, 2006). The similarity-intensity model helps assess how much positive and negative emotions are present (similarity in levels of both type of emotions) and the intensity of those emotions (greater or less arousal of each type of emotions). The formula used for measuring emotional ambivalence is $[(P+N)/2] - |P - N|$, where P represents count of positive emotion words and N represents count of negative emotion words (Thompson, Zanna, & Griffin, 1995). My measurement of emotional ambivalence using LIWC aligns with a recent study that assessed

emotional ambivalence in a similar manner (Harrison & Dossinger, 2017). Harrison and Dossinger (2017) further compared the measure using LIWC with ratings of emotional ambivalence of the same texts by two graduate assistants blind to the study hypotheses and found that the LIWC measure captures what people would assess as emotional ambivalence.

The next stage involved comparing the emotional ambivalence with a threshold to assess whether such ambivalence was intense or not. The LIWC language manual has mean levels of positive emotion words and negative emotion words in different types of texts that have been used to build the LIWC2015 dictionaries. I used the mean level of ambivalence present in New York Times texts (0.87) since it is most similar to text in securities analyst reports and classified anything above the mean as comprising CEO emotivity. I needed this type of threshold given that emotivity is about intense emotional ambivalence and not just the experience of emotional ambivalence. Any value less than this mean of 0.87 was coded as zero since the construct definition encompasses only intense emotional ambivalence. All values above zero were retained as is. Thus, the measure of *CEO emotivity* comprised of zero values (non-intense) and continuous positive values (intense – indicating the degree of emotivity).

I collected data on CEO status and CEO celebrity to assess discriminant validity. Since there is no existing measure of infamy (which is the other emotion-laden social evaluation), I did not include the same in my assessment. I also excluded reputation as the measure of CEO reputation overlaps with that of CEO celebrity, i.e., awards won (Boivie et al., 2016). I did not include stigma as well since it has been measured mainly using a qualitative approach (Pollock et al., 2019). CEO celebrity has been measured as a dichotomous variable based on awards granted by Businessweek, Financial World Gold/Silver Awards, Forbes, Chief Executive, and Harvard Business Review (Cho et al., 2016; Shi, Zhang, et al., 2017; Wade et al., 2006). CEO status has

been measured as a dichotomous variable coded as 1 if the CEO possessed one or more of the following characteristics - a degree from an elite educational institution, experience as an executive at the level of vice president or above at a Standard & Poor's (S&P) 500 company (employment prestige), or experience as an outside director in an S&P 500 firm (directorial prestige) (Acharya and Pollock, 2013). I measured CEO celebrity and CEO status accordingly.

In a recent article, Rönkkö and Cho (2020: 11) provided a generalized definition of discriminant validity – "two measures intended to measure distinct constructs have discriminant validity if the absolute value of the correlation between the measures after correcting for measurement error is low enough for the measures to be regarded as measuring distinct constructs." They also indicated that the factor analysis approach would not be appropriate for single-indicator measures, as is the case with the three measures I am comparing. While they have not provided specific guidance for single-indicator measures using archival data, they do suggest correlations as a way to assess discriminant validity. Accordingly, I computed the correlations of the three measures (Table 2) and the results indicated that all the pairwise correlations were less than 0.06. As such, the measures may be regarded as measuring distinct constructs.

Insert Table 2 about here

Independent Variable

In order to assess *CEO emotion-inducing action inconsistency*, I used actions listed in the RavenPack News Analytics dataset. In this dataset, each news item is coded into categories that helps one understand what the news is about. For instance, if the news item is about corruption, the category could be "corruption-defendant," indicating that in this case, the focal CEO's firm was involved in corruption. There are 988 such categories in RavenPack and I mapped each of

them onto the categorization scheme in the KLD STATS database which ranks firms on strengths and concerns in seven different qualitative issue areas – Community, Corporate governance, Diversity, Employee relationship, Environment, Human rights, and Product. The KLD STATS database defines what constitutes a strength or a concern under each of these issue areas. For example, the database indicates that a no-layoff policy would constitute a strength in terms of employee relationship. Thus, if a company institutes such a policy, it would be a socially responsible action (strength). On the other hand, laying off employees would amount to a concern in the area of employee relationship within the KLD STATS database (please refer to Appendix B for more details on RavenPack's and KLD STATS' classification schemes).

I used these definitions to classify the categories in RavenPack as a strength/concern (e.g., "corruption-defendant" was classified as a concern) and accordingly as an action that is associated with other-regarding or self-regarding values, which have been used to study CEO values (Agle et al., 1999). Self-regarding values include power, achievement, and hedonism, while other-regarding values comprise of universalism and benevolence (Adams et al., 2011; Schwartz, 2012). I requested another independent rater to map the categories in RavenPack onto the strength/concern dimensions in KLD STATS and the inter-rater agreement was 88.26% (kappa 0.6591, $p = 0.000$). The two of us discussed the areas of disagreement to finalize the mapping. I then used the mapping on each news item in RavenPack and computed the number of actions associated with self-regarding and other-regarding values. Using these number of actions in each category, I computed Blau's index of heterogeneity (Blau, 1977) to assess the level of inconsistency. This is in line with the measurement of variety proposed in Harrison and Klein (2007) since actions in multiple categories represents variety in the action repertoire and implies inconsistency. Appendix C provides examples of emotive and non-emotive CEOs in my sample

and the actions associated with them. Prima facie, there appears to be greater inconsistency of actions associated with emotive CEOs.

Moderator

Prior research has measured *firm media prominence* as a count of the number of mentions a firm receives in the media. For example, Vanacker and Forbes (2016), who were studying Belgian firms, identified the total number of media citations that a venture capital firm garnered in Belgian national newspapers. They used a natural logarithm of such media citations plus a constant equal to 1 as their measure of firm media prominence. Love et al. (2017), who studied a sample of large U.S. firms used a count of the articles that were published about a focal firm in NYT and WSJ to measure firm media prominence. I used the measure employed by Love et al. (2017) to measure firm media prominence, since I am also using a sample of U.S. firms.

Control Variables

I included several control variables related to the firm, its board, the CEO, and securities analysts that may potentially influence the effect of inconsistent CEO actions on CEO emotivity. CEOs of larger firms and firms that have been in existence longer are likely to attract more attention from media and other stakeholders. I therefore controlled for *firm size*, measured as the natural logarithm of the number of employees using data from Compustat, and *firm age*, measured as the number of years since founding (Mannor, Wowak, Bartkus, & Gomez-Mejia, 2016), using information collected through the Bloomberg and Hoover company profiles. I also controlled for the *percentage of institutional ownership* in the firm, which has been associated with the independence of securities analysts, (Boivie et al., 2016), whose reports are used to measure CEO emotivity. I used the ISS database to obtain the institutional shareholding and Compustat to obtain the common shares outstanding for each firm every year. I also controlled for the *analysts*

following the firm, which was measured as the number of analysts issuing recommendations on the firm using data from the I/B/E/S database (Kish-Gephart & Campbell, 2015), since this variable could affect CEO emotivity. At the board level, I controlled for *board size* and *average board tenure* as these may affect the extent of oversight the board has on the CEO and its ability to monitor the CEO's actions (Gomulya & Boeker, 2016). Data for both these variables was obtained from ISS.

At the CEO level, I controlled for *CEO media prominence* as stakeholders are also likely to pay attention to CEOs who are mentioned frequently in the media. I measured CEO media prominence as a count of the number of articles in NYT and WSJ about a firm wherein the CEO was a "keyword", indicating that they were a key entity mentioned in those articles (Love et al., 2017). I also controlled for *CEO age* as older CEOs are likely to have held senior positions for longer and may have a higher recall among stakeholders. The data for this was collected from Execucomp, and missing values were filled using other databases such as Bloomberg and NNDB. A similar rationale as age would apply to *prior CEO experience*, measured as a dichotomous variable to capture whether an executive had served as the CEO of another public company prior to their stint as the CEO of the focal firm, and *industry experience*, measured as a count of the number of years of experience the CEO has had in the industry in which the focal firm operates (Schepker & Barker, 2018). I hand-collected this data using Bloomberg's CEO profiles.

I also controlled for the *analyst experience in total, analyst experience with the firm's stock*, and *analyst job demands*, as these are likely to affect the amount of attention securities analysts pay to the firm and the way they write their reports. Securities analysts' experience in total was measured as the average number of years since issuance of their first recommendation

captured on the I/B/E/S database (which begins in 1992), experience with the firm's stock was the average number of years the analysts had been covering the focal firm's stock, and analyst job demands were the number of firms the analyst was covering in a year (Boivie et al., 2016). Finally, I controlled for industry effects and year effects using industry and year dummies.

Analysis

Given that my dependent variable, CEO emotivity, is a censored dependent variable, I used the XTTOBIT command in STATA to run panel data models. In the models, I used a one year lag for the dependent variables, measured at time t + 1. All other variables were measured at time t. The independent variable and moderator were grand mean-centered in the tests of moderation to reduce non-essential multicollinearity and aid interpretation.

RESULTS

Table 3 contains the descriptive statistics and pairwise correlations for all the variables used to test my hypotheses. Since there was a significant correlation between *analyst experience* and *analyst experience with the firm's stock* (0.68), I used only one of the variables as a control in the analyses reported below. However, in separate analyses not reported here, the results remained unchanged when the total analyst experience variable was also included.

Insert Table 3 about here

Table 4 presents the results of models estimated for CEO emotivity as the dependent variable. Model 1 is the base model with only the control variables, Model 2 includes the independent variable CEO emotion-inducing action inconsistency and the moderator variable firm media prominence, and Model 3 includes the main effects and the interaction effect of CEO emotion-inducing action inconsistency and firm media prominence. As the results of model 2

show, there is no significant association between CEO emotion-inducing action inconsistency and CEO emotivity and Hypothesis 1 is not supported. The interaction between CEO emotion-inducing action inconsistency and firm media prominence is positive and marginally significant ($\beta = 0.004$, $p = 0.081$) in Model 3, suggesting that firm media prominence strengthens the effect of CEO emotion-inducing action inconsistency on CEO emotivity in line with Hypothesis 2.

Insert Table 4 about here

I performed a set of additional analyses to strengthen confidence in my results. First, to assess if outliers had an impact, I examined the kurtosis of each continuous variable in my model, identified ones where it indicated a presence of outliers, and winsorized them at the 1st and 99th percentile levels in my model. Table 5 presents the results of models estimated with the winsorized variables. As Model 2 in Table 5 shows, Hypothesis 1 is not supported. This model also eliminates the marginal support that Hypothesis 2 had in the original results.

Insert Table 5 about here

Second, I checked if my results held when I introduced a different time lag (two years instead of one) for the dependent variable. Models 2 and 3 in Table 6 once again demonstrate that neither Hypothesis 1 nor Hypothesis 2 are supported.

Insert Table 6 about here

Third, I introduced two additional control variables - CEO status and CEO gender - which could buffer and/or make more salient the actions of the CEO, in the eyes of stakeholders. As the results in Table 7 show, there is marginal support for Hypothesis 2, but none for Hypothesis 1.

Insert Table 7 about here

Finally, in order to test whether there was any difference in the relationship between CEO emotion-inducing action inconsistency and CEO emotivity at different levels of the independent variable (action inconsistency), I used spline regression. In a recent article about using spline regression to study congruence, Edwards and Parry (2018: 70) describe it as "a method for estimating functions that change slope at one or more points" where these points (called 'knots') may be pre-specified. If there is a single knot, for instance, the spline function would split the continuous independent variable to be studied into two variables. Thus, we can model the relationship of the independent and dependent variables below the knot separately from the relationship above the knot value. Spline regression has been used in strategy research in the past. For example, Tuggle, Sirmon, Reutzel, and Bierman (2010) examined the impact of deviation from prior performance on board behavior and used the spline function to model the relationship between positive deviation from performance and board behavior separately from negative deviation and board behavior. In another study, De Stefano, Bonet, and Camuffo (2019) use an optimal value close to the median as the knot to split their independent variable "planned temporary worker turnover" into low and high levels and examine the relationship of these two levels with the dependent variable (unit performance). In my study, action inconsistency ranges from 0 to 0.5 and is censored as there are more zeros than positive observations. As such, using the mean or median as the knot may not be appropriate, given that it will likely be close to 0 and will not help split the variable meaningfully to observe its effects. I used the 90th percentile cut-off (0.44) as the knot to split the variable into low and high inconsistency and re-ran the models. The results in Table 8 do not reveal a significant association between action inconsistency and CEO emotivity both below and above the 90th percentile cut-off. However, there is a marginally

significant interaction effect (Model 3), supporting Hypothesis 2, but only in the case of high inconsistency.

Insert Table 8 about here

STUDY 2: VALIDATION EXPERIMENT

INTRODUCTION

Study 1 examines the relationship between CEO emotion-inducing action inconsistency and CEO emotivity using archival data. In this study, I validate this relationship with a different source of data and a different group of stakeholders, i.e., customers. Specifically, I predicted that inconsistent actions are positively associated with emotivity. Further, I expected that information cascades and emotional contagion were the mechanisms involved in this process. In order to test this, I manipulated consistency of actions and information sharing and measured emotional ambivalence before and after the information sharing. The entire study was run using a Qualtrics survey. Overall, I expected to see the participants in the inconsistent actions condition experience emotional ambivalence and the participants in the consistent actions to not experience such ambivalence. I also predicted that information sharing would impact emotional ambivalence and that whatever emotional ambivalence my participants experienced in the inconsistent actions conditions would increase post information sharing (underlying mechanisms being information cascades and emotional contagion).

METHODS

Experimental Design, Participants, and Procedure

A total of 192 undergraduate students at a large midwestern university in the United States participated in this study in exchange for course credit. Table 9 provides more details about the sample, such as the number of participants and their demographic information.

Insert Table 9 about here

Upon arrival at the laboratory, participants were directed to the workstations and provided with a code that allowed them to access the Qualtrics survey. The survey was designed

to randomly assign each participant to one of two conditions (inconsistent actions vs. consistent actions) and subject them to the inconsistency manipulation described below. Then, they were asked to fill out an open-ended assessment of their emotions, complete a scale-based assessment, and complete a manipulation check. Next, Qualtrics randomly assigned participants within the inconsistent and consistent actions conditions to either an "information shared" or a "information not shared" condition. Those in the information shared condition were provided with two write-ups randomly chosen from the open-assessments that participants had completed in the previous step. Those in the information not shared condition were asked to read their own write-up again. After the information sharing manipulation, participants were asked to complete a scale-based assessment of emotions once again, complete a manipulation check, and fill up demographic information. Figure 3 describes the study flow in Qualtrics.

Insert Figure 3 about here

Inconsistency Manipulation

This manipulation was designed to activate emotional ambivalence within the inconsistent actions condition (vs the consistent actions conditions). Specifically, both groups of participants were presented with two news articles about the CEO of a fictitious company, prefaced with the following text: *"Please note that names of the CEO, company, and countries have been changed to preserve confidentiality. Alex is the CEO of a US based company XYZ Inc. Alex's actions as the CEO often attract the attention of popular news media, as you can see in the following news articles. Please read them carefully and note how you feel as you read about what Alex did."*

For the participants in the inconsistent actions condition, the first article mentioned that the CEO spearheaded an initiative for creating local jobs in a foreign country. In the second

article, the CEO authorized a layoff of employees at the company's subsidiary in a different foreign country. For the consistent actions condition, both articles were about laying off employees at different subsidiaries of the company. Appendix D contains the text of the articles presented to participants in each of the conditions. I pretested the articles with a smaller sample of 39 participants to assess whether they adequately manipulated inconsistency and found that was the case, with the participants in the inconsistent actions conditions rating the articles they read as more socially responsible (M = 7.73, SD = 1.88) compared with those in the consistent actions condition (M = 6.00, SD = 2.57, t(37) = -2.39, p =0.02)

Information Sharing Manipulation

Once the participants completed the inconsistency manipulation and associated measures, they were randomly assigned to either the "information shared" or the "information not shared" condition. The participants in the information shared condition were allowed to view randomly chosen write-ups of how others felt about the CEO. In a recent Reuters Institute report, it has been noted that on an average people have just one online news subscription (Newman, Fletcher, Kalogeropoulos, & Kleis Nielsen, 2019). However, a report on profiles of news consumption from the Rand Corporation indicates that people get news from more than one source (Pollard & Kavanagh, 2019). Given constraints on people's time and attention, it would be reasonable to assume that they would look for one other source at most in addition to any subscription they have.

In order to mirror this real-world scenario, I allowed the participants in my study to view two write-ups from other participants. These write-ups belonged to participants from the same initial condition (i.e., inconsistent actions or consistent actions). The prompt of the survey in the information shared condition was *"other participants were shown the same news articles you*

read and were asked to describe how they felt. We are sharing a couple of such descriptions with you. Please read them and note what you feel as you read along." Participants were also allowed to view the articles again at this stage if they wished to do so. This simulated a real world environment where individual stakeholders have access to some interpretation of CEO actions and emotional responses of others in written form. The participants in the information not shared condition were allowed to re-read their own write-ups.

Dependent Measures

After completing the inconsistency manipulation, the participants were asked to respond to an open-ended assessment of emotions: *"Based on the news articles you just read, please describe how you feel. We are interested in the different emotions (positive, negative, or both) you experienced after reading the articles. Your response may include between 100 - 3000 characters."* Then they were asked to rate the degree to which they felt various emotions (Gross & Levenson, 1995): anger, disgust, fear, sadness, happiness, excitement, pleasure, and admiration on a scale that ranged from 0 (did not feel at all) to 8 (very strongly). I used a list of emotions instead of just happiness and sadness, since it represented a range of emotional responses individuals are likely to experience upon knowing about the CEO's actions and allowed for more accurate responses. Using two ways to assess emotional ambivalence is similar to Fong (2006), who measured emotional ambivalence using a scale and through an open-ended question to provide greater evidence of validity. Once the participants completed the information sharing manipulation, they were asked to fill out the emotions scale again.

Manipulation Checks

The manipulation check after completing the inconsistency manipulation and completing the dependent measures involved asking participants to rate the extent to which they considered the

actions in the news articles to be socially responsible on a 7-point Likert scale that ranged from "not at all" to "extremely."

After completing the information sharing manipulation, in order to assess whether information cascade had been an influence, I asked participants to report on whether reading about how others felt/re-reading their own write-up, as the case may be, helped them alter their feelings about the CEO, once again using the 7-point Likert scale ranging from "not at all" to "extremely."

RESULTS

I computed the emotional ambivalence at the individual level using the similarity-intensity model equation (Thompson et al., 1995). This equation helps understand how much positive and negative emotions are elicited (similarity in levels of both type of emotions) and the intensity of those emotions (greater or less arousal of each type of emotions). In my study, I aggregated the responses on the positive emotions (happiness, excitement, pleasure, and admiration) and the negative emotions (anger, disgust, fear, sadness). The formula used to calculate ambivalence is $[(P+N)/2] - |P - N|$. Suppose a participant scored a 20 out of 32 on the positive emotions (P) and a 22 out of 32 on the negative emotions (N). Emotional ambivalence was computed as $[(20+22)/2] - |20 - 22|$, which is equal to 19. For the first manipulation check, I summed up the ratings that participants provided for each of the two articles they read. For the second manipulation check, no additional computation was needed and I used the ratings provided by the participants.

In order to test the relationship between consistency of actions and ambivalence (pre information-sharing), I conducted an independent samples T-test. I found that as expected, participants in the inconsistent actions condition were more ambivalent ($M=2.56$, $SD = 6.90$) compared with those in the consistent action condition ($M=-5.19$, $SD = 4.13$, $t(158) = 9.46$, $p <$

0.001). Further, as expected, the mean of the consistent actions condition was negative, indicating that the participants in this condition did not experience ambivalence. Rather, in line with the two articles in this condition being about "less socially responsible" behavior, these participants experienced negative emotions. A t-test on the manipulation check indicated that the participants in the inconsistent actions condition viewed the actions as significantly more socially responsible ($M = 8.27$, $SD = 1.87$) compared with participants in the consistent actions condition ($M = 6.35$, $SD = 2.66$, $t(169) = 5.75$, $p < 0.001$).

In order to analyze the effect of information sharing and the interactive effect of consistency of actions and information sharing, I conducted a 2 (consistency of actions: inconsistent vs consistent) x 2 (information sharing: shared vs not shared) x 2 (ambivalence: pre-information sharing vs post-information sharing) mixed analysis of variance (ANOVA) with consistency of actions and information sharing as between-subjects factors and ambivalence as a repeated measure. The mixed ANOVA revealed that, contrary to what I had predicted, there was no significant main effect of information sharing, i.e., the emotional ambivalence post the sharing manipulation experienced by participants in the 'information shared' condition ($M = -1.87$, $SD = 6.62$) was not different from participants in the 'no information shared' condition ($M = -1.00$, $SD = 7.76$, $F(1, 188) = 0.570$, $p = 0.451$). I did find a significant three-way interaction in that the ambivalence post information sharing ($M = 0.31$, $SD = 6.75$) was different from the ambivalence pre-information sharing ($M = 2.68$, $SD = 6.72$) only when information was shared with participants in the inconsistent actions condition ($F(1, 188) = 4.35$, $p = 0.038$). However, while I had hypothesized that information sharing would result in an increase in emotional ambivalence, the movement I observed was in the opposite direction to what I had predicted.

DISCUSSION

In Study 1, I examined whether there was a positive relationship between CEO emotion-inducing action inconsistency and CEO emotivity and whether firm media prominence strengthened this relationship. While I did not find a significant association between action inconsistency and CEO emotivity, the interaction effect was significant and as hypothesized.

In Study 2, I examined the relationship between inconsistent actions and emotional ambivalence and found a positive association, suggesting internal validity for the core argument I made about emotivity. However, the results from study 2 are contrary to study 1. Given that study 1 uses secondary data, there might be other explanations for the null findings, and I compare the two studies here to highlight some of the challenges with the secondary data. In study 2 for instance, the link between the CEO and the actions taken was clear. Secondly, the participants were specifically focusing on the study, and as such, it is likely that what they were reading was salient to them and influenced how they felt. In addition, they did not have other information about the focal CEO. In Study 1, on the other hand, I used the section of the analysts' reports that talked about the CEO, but there was no way to ensure that there was a one-on-one match between the specific emotion-inducing actions and what they expressed about the CEO. Unlike in Study 2, stakeholders in the real world often have a baseline evaluation of a CEO that holistically considers the CEO's past and current actions (both emotion-inducing and non-emotion-inducing), their personality, and demographic characteristics such as gender and ethnicity. As such, it is possible that when analysts were writing their reports, they were influenced by this baseline in addition to the emotion-inducing actions.

In order to capture the direct link between emotion-inducing actions and stakeholder group emotional responses better, a different dataset might be more helpful – in future research, I could focus on a few CEOs and use a textual analysis approach on social media comments about

relevant emotion-inducing actions. This would help establish more clearly the connection between the actions, stakeholder awareness of the actions, and the salience of these actions to them. I plan to identify the CEOs from my Study 1 sample who continue to be a CEO in the year 2022. From among this list, I will select the 5 CEOs who were most inconsistent in their actions and the 5 CEOs who were the least inconsistent and conduct a comparative case study of the emotional responses their current actions evoke. An inductive multiple-case method is appropriate to be able to answer a process related question (Garg and Eisenhardt, 2017), which is my goal for this study. Specifically, I will track the actions of these CEOs for a few months. For each action, I will follow the responses of a group of stakeholders on Twitter over a certain period after knowledge of the action becomes public. As mentioned above, textual analysis techniques (including manual coding) may be appropriate to understand the shifting patterns of emotional responses to each action over time and how subsequent actions and conversations around it alter such emotional responses.

While Study 2 established that inconsistent actions is associated with the initial experience of emotional ambivalence, information cascades and related emotional contagion did not have the intended effect of increasing such ambivalence. In fact, they had the opposite effect in the case of participants in the inconsistent actions condition. There could be two potential reasons this may have happened. First, prior research has suggested that objective information can dampen the emotional experience (Rees et al., 2013). In Study 2, the information shared related to how others felt about the CEO – a less than objective piece of information. However, it is still possible that the time interval that ensued between the initial experience of ambivalence and the subsequent one resulted in reassessment and reduced the intensity of the emotional experience. The information may have played a secondary role and may not have been as

influential as the time delay. A second reason could be that there are nuances in the information cascade and emotional contagion processes that unfold between the initial experience of emotional ambivalence and its aggregation at the stakeholder group level as CEO emotivity.

More work is needed to understand whether and which of these reasons might apply. Additional lab experiments may help isolate the reasons. For instance, prior research on information cascades has suggested that information received from experts is likely to be more influential (Bonardi & Keim, 2005). I expect that varying the power (derived from expertise) of the person whose write-up my participants read (e.g., an industry expert, international business expert vs another consumer as in the current study), would help understand if information sharing only has the intended impact when it comes from a powerful source, while not adding value otherwise. Further, as emotional contagion is the transfer of emotions from a person or group to another person or group, one can expect that the more persuasive the initial expression is, the more impactful it will be at altering emotions in another (Barsade, 2018). In addition to the study where I vary power, as part of future research, I plan to conduct another study where I vary the persuasiveness of the write-ups to understand if this made information sharing impactful, and in the intended direction.

Overall, this future research would not only allow to strengthen the initial finding from study 2 but also allow me to dig deeper into how the information cascade and emotional contagion process unfolds, and what other processes could be in place that counter some of the effects of these processes.

CHAPTER 2: CONSEQUENCES OF CEO EMOTIVITY

STUDY 3: USING ARCHIVAL DATA

HYPOTHESES

In this section, using the evaluative space model, affect-as-information theory, the primacy of affect perspective, and emotional contagion, I delineate the relationships between CEO emotivity and various outcomes for the CEO and the firm, as shown in Figure 4 below. These outcomes represent the consequences studied in the social evaluations literature. In addition, they reflect the influence of a broad range of groups on the CEO or the firm, highlighting the pervasive nature of CEO emotivity. The group that has the most direct impact on CEOs is likely to be the board of directors, with the mandate to monitor the CEO's behavior (Dalton, Hitt, Certo, & Dalton, 2007). Hence, at the CEO-level, I am examining two often studied outcomes in the corporate governance literature. Specifically, hypotheses 3 and 4 concentrate on tenure and compensation change, respectively, while hypothesis 5 focuses on the moderating effect of CEO power. At the firm-level, the group with the most direct impact on firm value is likely to be investors who can influence the market performance of firms on an ongoing basis. In addition, target firms in potential acquisitions could influence the future value that a firm captures. Therefore, Hypotheses 6 and 7 test the impact of CEO emotivity on two firm level outcomes – market performance extremeness and premium paid for acquisitions, respectively – while hypothesis 8 examines the moderating effect of prior firm performance on these relationships.

Insert Figure 4 about here

Impact of CEO Emotivity on CEO Tenure

Boards are tasked with overseeing the management of a company and are responsible for the removal of the CEO in instances when the CEO is underperforming or acting against the interests of the firm (Dalton et al., 2007). Ideally, one would expect that board members would

receive all the information they need from within the firm to perform their monitoring function effectively. However, prior research has shown that the relationship between the board members and CEOs could be less than transparent, with CEOs attempting to retain as much control as possible (Westphal & Graebner, 2010; Zajac & Westphal, 1996). Therefore, in order to discharge their duty, directors are also likely to rely on external experts and on information that they gather independently in addition to that which is provided by the CEO and other TMT members (Hambrick, Misangyi, & Park, 2015). I expect that in this search, they will get a sense of whether and the extent to which a CEO is emotive.

The more emotive the CEO, the less the directors will be able to make a clear case of whether a CEO's emotional appeal among audiences is positive or negative. Additionally, board members may themselves experience emotional ambivalence towards the CEO through contagion of the ambivalence they see among other groups (Barsade, 2002). Board members have also been shown to engage in informal interactions (Westphal & Khanna, 2003) and such interactions are only likely to further fuel emotional ambivalence as they share information and express how they feel about the CEO. As a result of the above, the board may collectively experience a reduced inclination to make a decision on CEO removal (Rothman et al., 2017).

Affect-as-information theory suggests that experiencing emotional ambivalence hints at an environment that is unusual and requires careful evaluation before making decisions (Fong, 2006). Prior research on ambivalence has shown that it does lead to more systematic processing of information (Jonas et al., 1997). As directors feel more ambivalent towards the CEO themselves, they will engage in such processing, which would reduce their willingness to remove the CEO quickly, as firing CEOs has the potential to disrupt the operations of the firm. In addition, prior research has shown that directors face detrimental social consequences such as

social distancing when they advocate for actions that threaten the corporate elite of which both they and the CEO are a part (Westphal & Khanna, 2003). The influence of emotional ambivalence on the directors' willingness to fire the CEO makes it more likely that an emotive CEO will have a longer tenure. I therefore hypothesize the following:

Hypothesis 3. CEO emotivity is positively associated with CEO tenure.

Impact of CEO Emotivity on CEO Compensation Change

As discussed above, directors can assess whether a CEO is emotive and the extent to which the CEO is emotive through the information they receive from various sources. They are also likely to experience emotional ambivalence themselves towards the CEO, intensified through the processes of emotional contagion and information sharing.

When CEOs are emotive, the board of directors would be inclined to tread carefully and avoid making adverse changes to the CEO's compensation. Similar to the arguments above for tenure, the directors' inclination is constrained because they are receiving conflicting cues about the CEO. In accordance with the contentions of affect-as-information theory, as the directors engage in greater systematic processing, considering multiple perspectives (Rothman et al., 2017) and evaluating the CEO holistically, their willingness to make adverse changes is lowered. As mentioned above, directors also experience social consequences for advocating decisions that may threaten other members of the corporate elite such as CEOs (Westphal & Khanna, 2003). This further inhibits their inclination to make any detrimental changes to the CEO's compensation.

Additionally, CEO compensation is reduced when CEOs are not performing well (Gao, Harford, & Li, 2012) and adverse changes to CEO compensation can signal that the firm is not doing well and that the CEO is to blame, exacerbating negative emotions towards the CEO and

moving an ambivalent stakeholder group closer to a more negative feeling state. This is a result of the negativity bias, conceptualized in the evaluative space model as greater activation of negative evaluative processes compared with positive evaluative processes in the face of strong aversive stimuli (Norris et al., 2010). Thus, the directors' willingness to make such negative changes to CEO compensation is reduced further. In addition, as a result of systematic processing, they may be unable to provide a convincing reason to themselves that the CEO's compensation needs to be altered favorably either, thus restricting their willingness to increase the CEO's compensation. I therefore expect that more emotive the CEO, the less likely it is that their compensation would significantly change year-to-year. Therefore:

Hypothesis 4. CEO emotivity is negatively associated with CEO compensation change.

Moderating Effect of CEO Power

In hypotheses 3 and 4, I have argued that directors are likely to struggle in terms of their willingness to make decisions that are detrimental to the CEO. While they are contemplating whether to remove a CEO or change their compensation, a powerful CEO can step in and take advantage of their seeming indecision to obtain decisions in his or her favor. Research in strategic leadership and governance has suggested that powerful CEOs are able to sway decisions the way they see fit (Bromiley & Rau, 2016).

Power has been defined as "capacity of individual actors to exert their will" (Finkelstein, 1992: 506) and CEO power has been found to have implications for board composition and board decisions. For example, Krause, Withers, and Semadeni (2017) suggested that when CEOs were powerful, they were not likely to appreciate the potential challenge from an independent director. Since they had power to push for decisions that favored them, appointment of a lead independent director on boards of firms with powerful CEOs tended to be more symbolic. Thus,

they found that CEO power weakened the positive association between lead independent director appointment and subsequent firm performance (Krause et al., 2017). Haynes and Hillman (2010) found that CEO power moderated the positive relationship between board capital breadth and strategic change such that at high levels of CEO power, board capital breadth produced less strategic change. They argued that while board capital breadth made board members more likely to embrace diverse perspectives and change, powerful CEOs tended to favor commitment to status quo and were able to get their way because they had power. Thus, CEO power gives an advantage to CEOs with respect to their interactions and dealings with the firm's board of directors.

As mentioned above, when directors are aware of CEO emotivity and experience emotional ambivalence towards the CEO themselves, their inclination to dismiss the CEO and make any changes to the CEO's compensation is diminished (Rothman & Melwani, 2017). In addition, their willingness is impacted as they engage in systematic processing as predicted in the emotions literature (Fong, 2006; Jonas et al., 1997). In such a situation, if the emotive CEO is also powerful, they can take advantage of the flux and perceived indecision of the board to protect their own interests. I therefore expect that when directors are unable and unwilling to dismiss the CEO or make clear decisions about their compensation, emotive CEOs who are also powerful will be able to make a case that they deserve to remain CEO and are entitled to compensation increases. I therefore hypothesize the following:

Hypothesis 5a. CEO power moderates the positive relationship between CEO emotivity and CEO tenure such that greater the CEO power, the more positive this relationship will be.

Hypothesis 5b. CEO power moderates the negative relationship between CEO emotivity and CEO compensation change such that greater the CEO power, the less negative this relationship will be.

Impact of CEO Emotivity on Market Performance Extremeness

Performance extremeness has been described as "very big wins or losses" in a firm's performance compared with the average performance of industry peers (Chatterjee & Hambrick, 2007; Sanders & Hambrick, 2007). These scholars theorized that the type of CEO compensation and narcissism, respectively, have a positive relationship with performance extremeness. I argue that CEO emotivity will have an opposite effect on performance extremeness. I focus specifically on the performance extremeness in the stock market for two reasons. First, emotions have been linked to investor reactions and stock market movements (Pham, 2007; Strahilevitz, Odean, & Barber, 2011), and emotivity being an emotion-based social evaluation, it is more likely to affect stock prices. Second, investors and securities analysts (indirectly) could have a more immediate and stronger impact on stock prices compared with accounting performance. As CEO emotivity is associated with the simultaneous existence of both positive and negative emotions, one would expect that investors would be more likely to act in the face of it (Plambeck & Weber, 2009) and this would potentially lead to greater swings in stock prices. However, my arguments below offer a more counter-intuitive view—i.e., CEO emotivity restricts extreme shifts in stock prices.

CEO emotivity refers to collective and intense emotional ambivalence towards the CEO at the level of the stakeholder group. At the individual level, ambivalence has been shown to lead to systematic processing as the individuals experiencing them grapple with conflicting cues and are unable to quickly make up their mind about a decision (Jonas et al., 1997). At the collective level, individuals have to deal with not just mixed signals but they cannot look to others to help

resolve the tension and make a quick decision. On the other hand, emotional contagion can itself act as a stimulus for future emotions (Elfenbein, 2007) and the collective could reinforce the ambivalence experienced at the individual level. Thus, CEO emotivity can keep the collective in an emotionally ambivalent state, prompting individuals in a stakeholder group to keep looking for more cues to help resolve their dilemma. The primacy of affect perspective suggests that in the case of many decisions, affect has the first and dominant impact on behavior (Camerer, Loewenstein, & Prelec, 2005; Zajonc, 1984). Positive emotions have been associated with more exploratory behaviors suggesting that individuals experiencing them might engage more on the stock market, while negative emotions have been associated with greater attention to diagnostic information that might inhibit behaviors on the stock market (Pham, 2007). In the face of emotional ambivalence, which is associated with an unusual, dynamic environment (Fong, 2006; Rothman & Melwani, 2017), we can expect that individuals would be torn in different directions and as a result exercise caution in their dealings on the stock market. Thus, in the presence of CEO emotivity, investors and analysts are going to be more reluctant to make rash and quick decisions, which are often a common reason for extreme stock price movements.

Hypothesis 6. CEO emotivity is negatively associated with market performance extremeness.

Impact of CEO Emotivity on Premium paid for Acquisitions

Affect-as-information theory states that both self and others' emotions provide different cues about the environment, which in turn affect future thoughts and behavior (Schwarz & Clore, 2003). Emotional ambivalence has been associated with signals that the environment is uncertain and dynamic, and navigating such an environment requires systematic thinking (Fong, 2006; Jonas et al., 1997; Rothman & Melwani, 2017). Knowing that a CEO attracts intense

simultaneous positive and negative feelings could therefore signal that the CEO does not often do things consistently, infusing uncertainty as regards future actions. Such a signal about the acquirer's CEO would be especially relevant for a target firm that is considering making a deal with the emotive CEO's firm, as acquisitions already involve a lot of uncertainties (Shen, Tang, & Chen, 2014) and this would only add on to it. Greater uncertainty with respect to the target has been associated with higher bargaining power for the acquiring firm (Lee, 2018) and I expect that in the opposite instance – greater uncertainty associated with the acquirer, the target firm's bargaining power would rise.

Extant research suggests that target firms may already possess bargaining power when they have resources whose value does not depend upon the acquirer's ability to harness it (Capron & Pistre, 2002). Similarly, target firms may also have greater knowledge about acquisitions and consequently be able to negotiate a better value for themselves (Cuypers, Cuypers, & Martin, 2017). Target firms may also be able to use information asymmetry between themselves and the acquirer as a leverage during the negotiations. Combined with the uncertainty arising from the presence of CEO emotivity and associated with the CEO's future actions, such bargaining power would allow targets to demand higher premiums to strike a deal with a firm with an emotive CEO. I therefore expect that when the firm with an emotive CEO does enter into an acquisition agreement, it will have to do so for a larger premium. Accordingly, I hypothesize the following:

Hypothesis 7. CEO emotivity is positively associated with the premium paid for acquisitions.

Moderating Effect of Prior Firm Performance

CEO emotivity is an emotion-laden construct and can act as a cue for future decisions and actions for different individuals/groups who deal with organizations (Schwarz & Clore, 2003). However, since purchase and sale of a company's stock or acquisition deals with an acquiring company are decisions that may have serious financial implications for the decision-makers (investors/target organizations), it is likely that these decision-makers would rely on more than just emotion to guide them (Payne & Bettman, 2008). In addition, presence of emotional ambivalence leads to greater consideration of diverse perspectives in making decisions. For example, Rees, Rothman, Lehavy, and Sanchez-Burks (2013) studied the effects of ambivalence on how individuals evaluated the merits of an employee for promotion and found that these individuals paid attention to both positive and negative information about the focal employee. The investors/target firm's management are themselves likely to be experiencing some emotional ambivalence as a result of contagion that may occur within their own stakeholder group or through observation of such ambivalence among other stakeholder groups. As such, they will be more likely to seek out objective information to a greater extent, compared with a situation where there is no emotional ambivalence towards the CEO.

As investors and target firm management assess and understand the CEO emotivity and potentially deal with their own ambivalence towards the CEO, they will also demonstrate openness to receiving objective information about how the firm is doing in the hope of improving their assessment of the situation. Prior firm performance represents an objective piece of information on which these decision-makers may rely. According to signaling theory, prior firm performance acts as a signal that influences expectations of future quality (Xia, Dawley, Jiang, Ma, & Boal, 2016) When prior firm performance has been high, it signals that even if the

CEO is emotive, there is less uncertainty about future performance, since past performance signals quality. Thus, the investors who are engaging in systematic processing will use this information as another indicator that they do not need to take any drastic decisions about the purchase or sale of the firm's shares in light of new firm information. Prior firm performance will therefore strengthen the negative relationship between CEO emotivity and market performance extremeness.

Hypothesis 8a. Prior firm performance moderates the negative relationship between CEO emotivity and market performance extremeness, such that the higher the prior firm performance, the more negative this relationship will be.

In the case of the target firm's management negotiating a potential acquisition, prior performance helps them get some comfort about their dealings with the firm. If prior firm performance is high, it will help reduce such uncertainty by impacting expectations that future firm performance is likely to be high as well and make them more open to dealing with the firm at the relatively lower premium. I therefore expect prior firm performance to weaken the positive relationship between CEO emotivity and premium paid for acquisitions.

Hypothesis 8b. Prior firm performance moderates the positive relationship between CEO emotivity and premium paid for acquisitions, such that higher the prior firm performance, the less positive this relationship will be.

METHODS

The sample for this study constitutes the same set of 671 S& P 500 firms that I used in Study 1. The data for this study was collected from various sources: Morningstar's analyst reports (from the Thomson One database), Compustat, Execucomp, I/B/E/S, Bloomberg, Wharton Research Data Services (WRDS)' Beta Suite, Zephyr, and Institutional Shareholder Services (ISS).

Dependent Variables

CEO tenure has been measured as the number of years an executive has remained the CEO at a focal firm (Takacs Haynes, Campbell, & Hitt, 2017). For instance, if an executive became the CEO of the firm in 2005 and were also the current CEO in 2010, CEO tenure would be 5 years. I used the same measure of CEO tenure in this study and I relied on Execucomp and Bloomberg to obtain information to compute this measure: the date the person became the CEO, the date they left as CEO, and whether the person was a current CEO in a particular year. Prior research has measured CEO compensation as a total of salary, bonus, stock option awards, and stock ownership percentage (Kish-Gephart & Campbell, 2015). In line with this, for *CEO compensation change*, I used the value in Execucomp that represents annual change in a CEO's total compensation (i.e., the column titled TDC1 (% change)).

I measured *market performance extremeness* using stock price volatility during each year in my data, represented by beta (Scholes – William) values obtained from the WRDS Beta Suite (Sanders & Hambrick, 2007). In line with prior research, I measured *premium paid on acquisitions* by computing the announcement-day premium, which is the focal firm's offer divided by the target firm's stock price one day prior to the announcement (Cho et al., 2016). I downloaded both pieces of information from the Zephyr database, which is a comprehensive database that records M&A, IPO, private equity, and venture capital deals. I calculated premiums for each deal, and then summed up the premiums for each firm for each year in my data.

Independent Variable

I used the measure of *CEO emotivity* calculated for Study 1 in this study as well.

Moderators

Prior research has measured *CEO power* with an index made up of four indicators - duality (i.e., whether the CEO is also board chair), ratio of nonaffiliated to total number of directors (board independence), ratio of CEO to board equity holdings of the focal firm, and the ratio of directors who were appointed after the CEO began their tenure to the number of total directors (Haynes & Hillman, 2010). I collected the data for these indicators from ISS and Execucomp. For CEO duality, if the CEO was also designated as Chairperson/Chairman in Execucomp, I coded it as 1, else as 0. For board independence, I identified the number of independent directors (those coded as "I" on ISS) for each firm every year and divided the total by the board size. In order to compute the ratio of CEO to board equity holdings of the focal firm, I divided the shares that the CEO held (from Execucomp) by the total shares held by the directors, excluding CEO (from ISS). Finally, for the ratio of directors who were appointed after the CEO began their tenure to the number of total directors, I compared the date service began for each director (in the ISS data) with the date the CEO began their tenure as CEO in the firm (as per Execucomp), added up the number of directors for each firm every year who had been appointed after the CEO began their tenure, and divided by board size. I calculated the CEO power index by standardizing each indicator, adding CEO duality, ratio of CEO to board shares, ratio of directors who were appointed after CEO began their tenure, and subtracting the board independence.

Prior firm performance has been measured using both market-based and accounting measures. Tobin's Q, the ratio of market value to book value, captures both elements and has been used in recent strategic leadership research (Campbell, Jeong, & Graffin, 2019) and I used data from Compustat to calculate this measure.

Control Variables

As with study 1, I included control variables related to the firm, its board, the CEO, and securities analysts that may potentially influence my hypothesized relationships. I controlled for *firm size*, measured as the natural logarithm of the number of employees (Mannor et al., 2016). I also controlled for *firm slack* since this could impact acquisitions and premium paid for such acquisitions and I measured it as the firm's cash holding scaled by its market capitalization (Tang, Qian, Chen, & Shen, 2015) using data from Compustat. Since the number of years a firm has been in existence can affect its capacity to engage in and its experience with acquisitions, I also controlled for *firm age*, measured as the number of years since founding (Mannor et al., 2016). In addition, I controlled for the *percentage of institutional ownership* in the firm, which has been associated with the independence of securities analysts, (Boivie et al., 2016), whose reports are used to measure CEO emotivity. I also controlled for the *analysts following the firm,* measured as the number of analysts issuing recommendations on the firm.

At the board level, I controlled for *board size* as a board with more directors would have greater resources to engage in information search related to the CEO and *average board tenure* as this may affect the board's ability to monitor the CEO's actions (Gomulya & Boeker, 2016). *Board independence*, measured as the ratio of the of independent directors to board size (Shi, Connelly, & Hoskisson, 2017), has been found to affect CEO dismissal and compensation decisions through its impact on the board's willingness to be a strong monitor. As such, I controlled for board independence as well.

At the CEO level, I controlled for *CEO age* as older CEOs are likely to have held senior positions in the past as well and may be better at managing impressions with stakeholders. Executives who have joined from outside the firm may have greater visibility and their outsider

status may also affect their compensation (Wade et al., 2006) and dismissal (Flickinger et al., 2016). Thus, I also controlled *CEO insider-outsider status*, measured as a dichotomous variable, coded 1 if the CEO is an insider and 0 otherwise. A CEO will be considered an outsider if the difference between a CEO's organizational tenure and positional tenure is less than or equal to three years (Wade et al., 2006). I used both Execucomp and Bloomberg data, compared the date the CEO joined the company with the date on which they became the CEO (if one/both dates were missing in Execucomp, filled in from Bloomberg career history information). If the difference was less than or equal to three years, then I coded the CEO as outsider, else as insider. I also controlled for *CEO gender* (coded as 1 if Male and 0 if Female), using data from Execucomp, since this could be a consideration in how the board reacts to CEO emotivity and how parties in potential acquisitions might respond in the face of CEO emotivity.

Similar to study 1, I also controlled for *analyst experience, analyst experience with the firm's stock*, and *analyst job demands* as these are likely to affect the amount of attention securities analysts pay to the firm and the way they write their reports. Finally, I controlled for industry effects and year effects using industry and year dummies.

Analyses

I ran separate models for each of the dependent variables: CEO tenure, CEO compensation change, market performance extremeness, and premium paid on acquisitions. Specifically, for the first three dependent variables (H3, H4, H5a, H5b, H6, and H8a), I used the XTREG command in STATA to run panel data models with fixed-effects. In the models, I used a one year lag for the dependent variables, measured at time $t + 1$. All other variables were measured at time t. The main variables (independent variable and moderator) were grand mean-centered in the tests of moderation to reduce non-essential multicollinearity and aid interpretation.

I used the two-stage Heckman selection model (HECKMAN command in STATA) in case of the last dependent variable, i.e., premium paid on acquisitions (H7 and H8b). Since acquisition activities are not random, it could lead to a biased sample of firms that chose to undertake acquisitions (Shi, Zhang, & Hoskisson, 2019). The two-stage Heckman selection model helps address potential sample selection bias when testing Hypothesis 7 and 8b (Heckman, 1979). The exclusion restriction I included in the selection equation was the CEO's *industry experience*, which could drive acquisitions. As with the other models, I used grand-mean centering for the independent variable and moderator prior firm performance.

RESULTS

Table 10 contains the descriptive statistics and pairwise correlations for all the variables used to test my hypotheses. Since there was a significant correlation between *analyst experience* and *analyst experience with the firm's stock* was 0.68, I used only one of the variables as a control in the analyses reported below. However, in separate analyses not reported here, the results remained unchanged when the total analyst experience variable was also included.

Insert Table 10 about here

Table 11 presents the results of models estimated for CEO tenure as the dependent variable. Model 1 is the base model with only the control variables, Model 2 includes the independent variable CEO emotivity and the moderator CEO power, and Model 3 includes the main effects and the interaction effect of CEO emotivity and CEO power. As the results of model 2 show, there is no significant association between CEO emotivity and CEO tenure and Hypothesis 3 is not supported. This model does show that CEO power has a significant positive association with CEO tenure ($\beta = 1.15$, $p < 0.01$), something one would expect based on prior research. However,

as Model 3 shows, there is a negative and significant interaction of CEO emotivity and CEO power ($\beta = -0.254$, $p < 0.01$), which is contrary to what I had predicted in Hypotheses 5a.

Insert Table 11 about here

Table 12 presents the results of models estimated for CEO compensation change as the dependent variable. Model 1 is the base model with only the control variables, Model 2 includes the independent variable CEO emotivity and the moderator CEO power, and Model 3 includes the main effects of CEO emotivity and CEO power and the interaction effect of CEO emotivity and CEO power. As the results of model 2 show, there is no significant association between CEO emotivity and CEO compensation change and Hypothesis 4 is not supported. In addition, Hypotheses 5b is not supported as there is no significant interaction effect of CEO emotivity and CEO power on CEO compensation change (see Model 3).

Insert Table 12 about here

Table 13 presents the results of models estimated for market performance extremeness as the dependent variable. Model 1 is the base model with only the control variables, Model 2 includes the independent variable CEO emotivity and the moderator prior firm performance, and Model 3 includes the main effects of CEO emotivity and prior firm performance, and the interaction effect of CEO emotivity and prior firm performance. As model 2 shows, there is no significant association between CEO emotivity and market performance extremeness and Hypothesis 6 is not supported. In addition, Hypotheses 8a is not supported as there is no significant interaction effect of CEO emotivity and prior firm performance on market performance extremeness (see Model 3).

Insert Table 13 about here

Table 14 presents the results of the Heckman two-stage procedure. In the selection stage, the exclusion restriction was positive and significant as expected ($\beta = 0.01$, $p < 0.05$). However, the coefficients in the second stage equation for CEO emotivity and the interaction between CEO emotivity and prior firm performance were not significant and as such, Hypotheses 7 and 8b were not supported. Table 15 summarizes the predictions and results from all three studies.

Insert Table 14 and 15 about here

ADDITIONAL ANALYSES

Similar to Study 1, I conducted additional analyses to strengthen confidence in my results. I winsorized the continuous variables with potential outliers (again based on the kurtosis). Table 16 contains the revised results based on the models estimated for CEO tenure as the dependent variable. As seen in Model 2, Hypothesis 3 is not supported. As was the case in the original results, the interaction effect in Model 3 (Hypothesis 5a) is contrary to what I had predicted.

Insert Table 16 about here

Table 17 presents the results for the models estimated for CEO compensation change as the dependent variable. As seen in Model 2, Hypothesis 4 is not supported. Hypothesis 5b is also not supported, as was the case in the original results (Model 3).

Insert Table 17 about here

Table 18 presents the results for the models estimated for market performance extremeness as the dependent variable. As seen in Model 2, Hypothesis 6 is not supported. Hypothesis 8a is also not supported, as was the case in the original results (Model 3).

Insert Table 18 about here

Table 19 presents the results for the models estimated for premium paid on acquisitions as the dependent variable. The coefficients in the second stage equation for CEO emotivity and the interaction between CEO emotivity and prior firm performance were not significant and as such, Hypotheses 7 and 8b were not supported.

Insert Table 19 about here

I re-ran the models for tenure, compensation change, and market performance extremeness using a spline function for my independent variable, CEO emotivity, with the 95th percentile value (1.35) as the knot to split the variable into low and high emotivity. Tables 20, 21, and 22 contain the results of these models.

Insert Tables 20, 21, and 22 about here

As seen in Table 20, Hypothesis 3 is not supported (Model 2), while the interaction effect (Hypothesis 5a) is contrary to what was predicted (Model 3), similar to the original results. Table 21 shows that low CEO emotivity has a marginally significant positive relationship with CEO compensation change – contrary to what I had predicted in Hypothesis 4 (Model 2). There is no support for Hypothesis 5b (Model 3). As seen in Table 22, high CEO emotivity has a negative relationship with market performance extremeness (Model 2), in line with Hypothesis 6. However, H8a is not supported (Model 3).

In a separate analysis, I examined Glassdoor rankings as a dependent variable. CEOs may receive positive or negative recognition (best/worst rankings) during their tenure from various groups such as customers and employees. While this may not directly impact their day-to-day job, it could have effects on their confidence and morale over time. Usually, one would expect that CEOs who do well on these rankings would try to maintain the recognition and those who do poorly would continue to perform badly as negative impressions are difficult to shake off. Thus, the year-on-year variations in the nature of recognition would be low. However, I expect that CEO emotivity will be associated with greater variations in the recognition CEOs receive year-on-year, given the inconsistencies in their behavior that lead to emotivity. For this additional analyses, I used data from Glassdoor, a widely used job and recruitment website that allows employees to provide CEO ratings to compute an overall approval rating for CEOs and rank CEOs every year on a top 100 CEOs list. As mentioned above, I expected the CEO's rank on this list to fluctuate widely over time and the CEO to even be dropped off the list at times. I used firm size and the CEO-level controls for the models. Table 23 contains the descriptive statistics and pairwise correlations for all the variables used in the additional analysis.

Insert Table 23 about here

Table 24 presents the results of models estimated for Glassdoor ranking change as the dependent variable. Model 1 is the base model with only the control variables while Model 2 includes the independent variable CEO emotivity. As the results of model 2 show, there is no significant association between CEO emotivity and Glassdoor ranking change.

Insert Table 24 about here

DISCUSSION

Study 3 focused on examining the impact of emotivity on CEO and firm level outcomes. An interesting finding emerging from Study 3 was a significant interaction effect of CEO emotivity and CEO power. Specifically, CEO power interacted with CEO emotivity in a way it impacted tenure negatively instead of positively as hypothesized. A potential reason for this finding may be because greater power allows CEOs to sway decisions (Blagoeva, Mom, Jansen, & George, 2020) and it is possible that CEOs in my sample with greater power got away with making decisions in the past that did not quite align with what the board of directors had in mind. CEO emotivity may be acting as a tool in the hands of the board of directors in disciplining such CEOs by highlighting the mixed emotional responses they evoke among stakeholder groups.

However, none of the hypotheses were supported in the original analysis. One potential reason could be that the different outcomes were related to both the CEO and the firm, and as such, stakeholders struggled with isolating the impact of the CEO on how they felt from the impact of the firm more broadly. This suggests studying outcomes that are more clearly tied to the CEO may be a way forward to examine the implications of CEO emotivity. Another reason for the null findings could be the use of a one year lag between the independent and dependent variables. The potential for intense emotional experiences to impact outcomes may dwindle over time and studying outcomes that are closer in time to the actions that trigger emotivity (e.g., change in revenues resulting from changes in consumers' choices, employee turnover) could be part of the future research agenda. The additional analysis presented in Table 22 suggests that high emotivity may have a negative relationship with market performance extremeness. As such, another future direction could be to focus on CEOs high on emotivity and more immediate market reactions to CEO actions to establish the relationship more clearly.

GENERAL DISCUSSION

The social evaluations literature has assumed that stakeholders and stakeholder groups are likely to experience either only positive or only negative emotional responses (Pollock et al., 2016) towards CEOs and firms. In contrast to this assumption, work on emotions has suggested that the experience of emotional ambivalence is common, not only within an individual, but within groups as well. Using this as a starting point, and challenging the assumption in social evaluations research, I developed the construct of CEO emotivity in my dissertation. The construct captures the experience of intense emotional ambivalence towards a CEO. I specifically focused on such experience within a stakeholder group, as a group is more likely to exert influence on CEOs and firms, as opposed to a single individual. In the construct, I also emphasized the intensity of the emotional experience for two reasons. First, emotions are associated with value-laden triggers and these triggers have been found to arouse more intense emotions (Eury et al., 2018). Second, intensity of the emotional experience is more likely to leave an impact (Ashforth et al., 2014).

The construct of CEO emotivity adds on to prior work on social evaluations, especially those that are more emotion-oriented, i.e., celebrity and infamy. In addition, unlike prior research in this domain, I explored the role of inconsistent actions in stimulating the intense emotional ambivalence among stakeholders. This helps get a better understanding of what inconsistencies in the CEO's actions, particularly those that are closely connected to values, can do to the audience who is watching them. In addition to developing the new construct, I conducted three separate studies to examine two key research questions about CEO emotivity: (1) What leads to CEO emotivity and (2) What are the implications of CEO emotivity for CEOs and the firms they lead? I expected that answering these questions would not only clarify the construct of CEO

emotivity, but also assess its role in and relevance for business. In order to study these research questions, I hypothesized and tested the relationship between CEO emotion-inducing action inconsistency and CEO emotivity, and the moderating impact of firm media prominence on this relationship. I also hypothesized and tested the implications of CEO emotivity for two CEO-level outcomes – tenure and compensation change – and the moderating effect of the CEO's power. Further, I studied the implications of CEO emotivity for two firm-level outcomes – market performance extremeness and premium paid on acquisitions – and the moderating impact of an objective piece of information available to stakeholders (i.e., prior firm performance).

Implications and future research

Study 1 and Study 2 focused on the antecedents of CEO emotivity, with Study 2 investigating the mechanisms underlying the development of CEO emotivity in greater detail while also validating the core prediction in Study 1. Overall, I found initial support for the idea that inconsistency of emotion-inducing actions taken by the CEO led to the experience of emotional ambivalence among stakeholders. I found support for the relationship in Study 2, a laboratory experiment. Given the nature of the study, I was able to isolate the impact of the CEO's actions without interference from the multiple other factors that might be playing a role in the real world.

The participants were presented with a clear scenario where they read two news articles about a fictional CEO. Making the CEO a fictional as opposed to a real person served to eliminate any potential effects that a real CEO's personality and/or demographics might have on stakeholder emotions. The result I found is therefore promising from a construct validity standpoint. As mentioned above, social evaluations' research fails to account for the existence of emotional ambivalence among stakeholders and this finding helps challenge the assumption in this literature stream and contribute to work on upper echelons. Further, I had expected to

contribute to stakeholder theory, in particular to understand the motivations that could influence stakeholder behaviors. The finding from Study 2 established one way in which stakeholders develop an 'emotional' motivation for what they do subsequently.

While Study 2 established the core relationship, I did not find support for the relationship between action inconsistency and CEO emotivity in Study 1, something that potentially stems from the nature of the data and the stakeholder group I chose to study. I used secondary data to examine the hypothesized relationships in Study 1. As such, I could not manipulate some key aspects that may be essential to stakeholders' experience of emotions in response to what CEOs do. First, it was difficult to ascertain whether the stakeholders were reading about and aware of all the value-laden actions that formed part of my measure of CEO emotion-inducing action inconsistency. However, given that the stakeholders were securities analysts, it is a reasonable assumption to make that they are likely aware of most, if not all, actions. Second, securities analysts come across more than just value-laden actions, and unlike other stakeholder groups, are likely to pay attention to all such actions. While I was able to isolate what they said about the CEO from what they said more generally about the firm in order to measure emotivity (by focusing on the 'Stewardship' section of their reports), I was unable to parse out what they wrote into the part based on emotion-inducing actions (relevant for my measure) and the part based on non-emotion-inducing actions. Third, given the nature of the data and measure, it was more akin to capturing emotional expression as opposed to the actual experience.

While this was the case in Study 2 as well, i.e., the emotional ambivalence was based on a self-report, it was close enough in timing to the experience of the emotion to be considered as such. In addition to finding that inconsistent actions was positively associated with emotional ambivalence, Study 2 also revealed a surprising finding that could also potentially explain the

null finding for Hypothesis 1 in Study 1. In Study 2, I found that information cascades and the corresponding emotional contagion did not intensify emotional ambivalence as I had expected. Instead, it ended up reducing the emotional intensity. The information that participants read were the subjective write ups of other participants about their emotional experience after reading the news articles about the CEO. These write-ups were expected to have an emotional tone and result in the ambivalence spreading to others as they read them. However, this did not happen, indicating either that information of any kind (emotional or otherwise) could lead to a reduction in emotions or that time delay may be triggering more cognitive processes that suppress the emotions. Either of these explanations are possible in the case of the securities analysts in Study 1 as well – especially the fact that there is likely a time gap between when the CEO takes actions and when the analyst writes about the CEO.

Overall, the core finding in Study 1 and the finding in Study 2 about the reduction of emotional ambivalence when information is forthcoming calls for modifications in future studies. First, examining the immediate and short term impact of CEO actions on stakeholder group emotions response combinations is likely to be more fruitful and reflective of emotional experience that examine the emotional experience far removed from the timing of the actions. Second, it suggests examining the processes in play that lead to aggregation of individual level emotional ambivalence at the group level. Laboratory experiments designed to capture different details of these processes would be a useful future research approach. Finally, one of the issues with Study 1 seems to be the nature of the data and what it captures. i.e., expression instead of experience. As such, collecting and analyzing data that is more reflective of the emotional experience of the stakeholder groups, perhaps using more qualitative methodological approaches, would be appropriate. This data could also help with the second point, in terms of understanding

the processes of information cascades, emotional contagion, and any others that are important for group level emotional ambivalence. In addition, it could facilitate the study of how and when intense emotional ambivalence at the group level would last over time. At present, based on my findings, it is evident that there is a time element attached to the experience of and sustenance of ambivalence, but it needs further investigation to be able to contribute more strongly to the emotions literature which has maintained that emotional ambivalence does not last.

Study 1 also investigated the moderating effect of firm media prominence. Although I did not find support for the main effect in Study 1, I found that firm media prominence strengthened the relationship between CEO emotion-inducing action inconsistency and CEO emotivity. This suggests that there may be some impact of prominence on whether or not CEO emotivity matters. In line with this, future work could focus on studying CEO emotivity among stakeholders of prominent firms and comparing with the stakeholders of firms not high on prominence.

As mentioned earlier, in Study 3, I examined the implications of CEO emotivity for CEOs and firms. I had hypothesized the CEO emotivity would be positively related to CEO tenure and negatively with compensation change, given that emotivity would allow the board of directors to play a waiting game with CEOs and make it more difficult for them to justify strong actions against the CEO. However, these relationships were not supported. A potential reason could be that directors do not care about stakeholder emotions towards the CEO. However, this runs counter to recent experiences in the world of business. Another reason could be that in many cases, boards of directors may be friends with the CEO, and stakeholder emotions may therefore not have as severe an impact on their decision-making with respect to the CEO as I had predicted. The measure of board independence used in the current study does not capture

friendship ties. Once again, this may be something that is better captured through interviews and surveys, something that future work could attempt.

Study 3 also looked at the moderating role of CEO power. Surprisingly, the interaction effect of CEO emotivity and CEO power indicated that tenure would reduce instead of increase as had been hypothesized. This gives rise to the idea that powerful CEOs may have strained relationships with directors as a result of over exercising their power, leading directors to use the first available opportunity to turn against them (e.g., CEO emotivity as opposed to celebrity). Future research could explore the nature of the personal relationships of the directors and CEO and attempt to identify the nature of relationships that would engender positive versus negative behavior towards the CEO in line with how stakeholders perceive CEOs.

In addition to examining CEO-level outcomes, Study 3 also looked at firm-level outcomes. Specifically, I had predicted that CEO emotivity would have a negative relationship with market performance extremeness and premium paid on acquisitions. Market performance extremeness prima facie appears to be a more immediate implication of the emotions that stakeholders experience. However, this relationship was not supported, prompting the question of whether other aspects affecting stakeholder psychology were obscuring the effects of their emotions. As such, focusing on a specific market reaction in future research may help reduce extraneous influences and capture the quick and real impact of CEO emotivity. The relationship with premium paid on acquisitions and the moderating influence of prior firm performance on both these main relationships were not supported either. It is plausible that bargaining for a better deal in acquisitions is more about the objective influence that each party has as opposed to the emotional aspects. As with the directors, one could also expect that top executives at the target firm may have friendship ties to the CEO and may fail to notice things about the CEO they may

have been noticed otherwise. The key takeaways from the results of Study 3 are the need to focus on more immediate as opposed to longer-term implications and consider the role of social relationships in the process.

To summarize, my dissertation contributes to work on social evaluations and consequently, upper echelons, and to work on stakeholder motivations. Given the limitations I have outlined above, future studies could benefit from collecting more qualitative data, focusing on proximal outcomes, investigating the role of time, and considering relationships between the people impacted by the CEOs actions and the CEO. Future work in these directions has the potential to further contribute to the theories mentioned above and to work on emotions, especially emotional ambivalence.

Conclusion

CEOs have been known to trigger emotional responses in stakeholders and by developing the construct of CEO emotivity, this dissertation specifically attempts to distill mixed emotional responses that stakeholder groups are likely to experience when faced with a CEO's inconsistent actions. In addition, I explore how and when CEO emotivity has an impact on CEOs and firms. The findings from my dissertation point towards the existence of ambivalence as a response to inconsistencies in actions and suggest directions for examining in greater detail (a) the mechanisms through which individual emotional ambivalence aggregates to the group and (b) the implications thereof for outcomes that are closer in terms to time to the emotional experience. I also see potential for expansion of the construct of emotivity to other top executives and other individuals in the public eye such as politicians.

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FIGURE 1
CEO Emotivity and Related Constructs

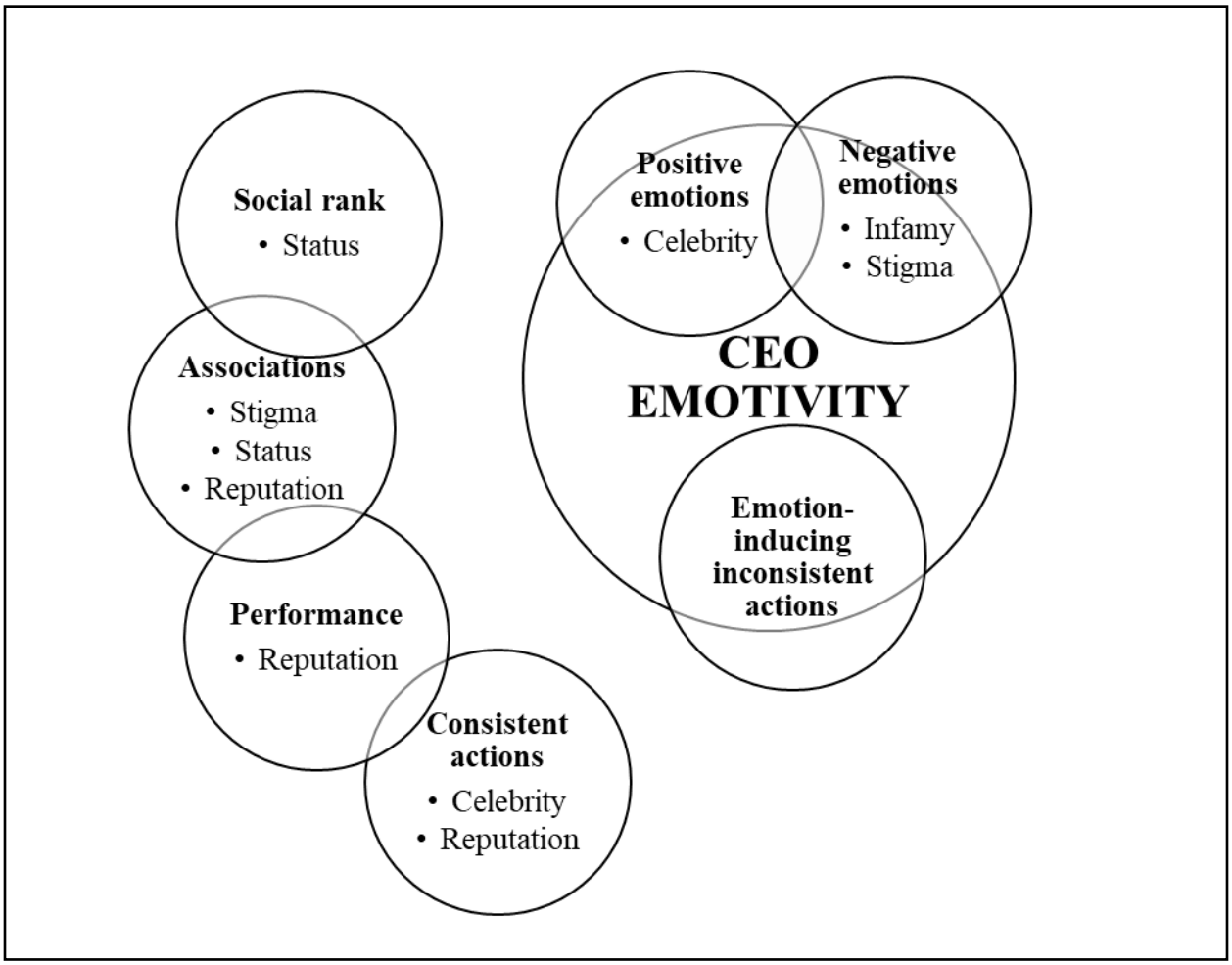

FIGURE 2
Antecedents of CEO Emotivity

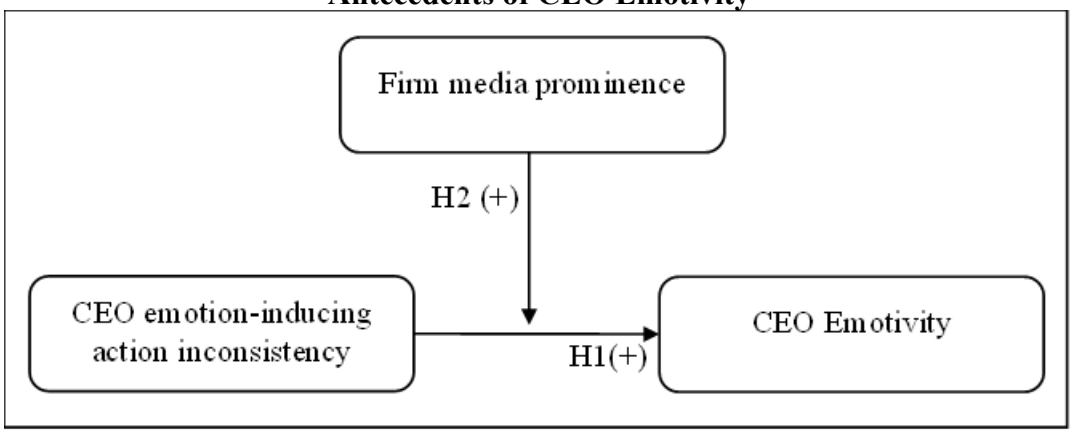

FIGURE 3
Study 2: Survey Flow in Qualtrics

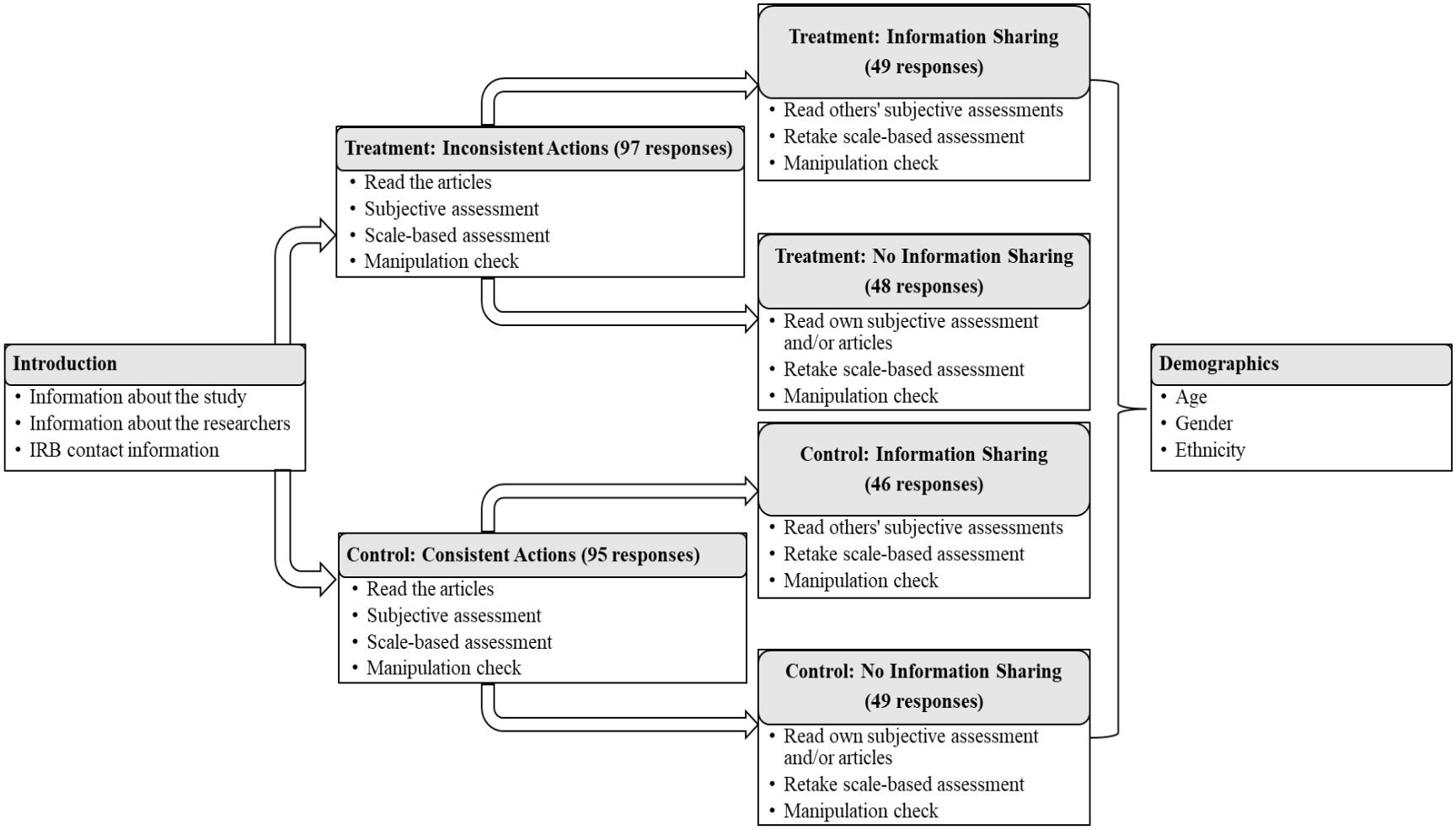

FIGURE 4
Consequences of CEO Emotivity

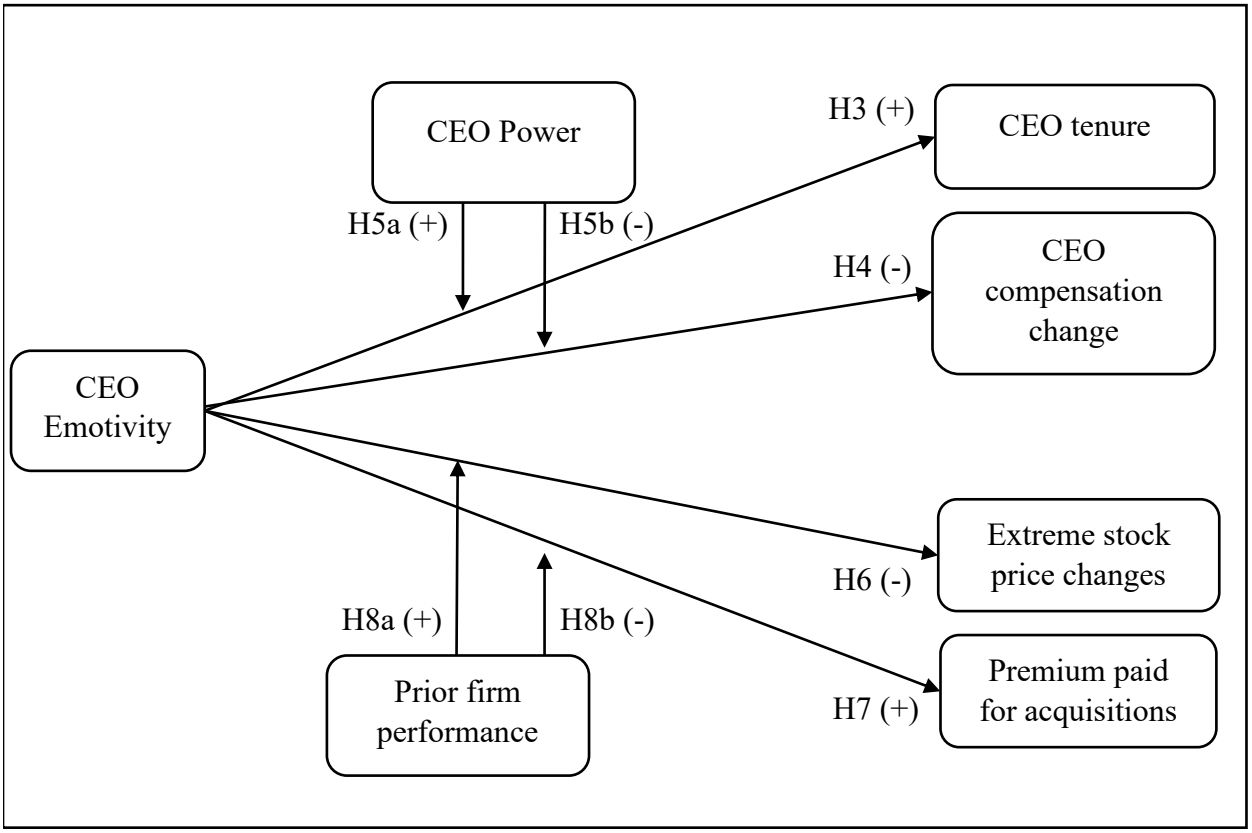

TABLE 1
Comparing CEO Emotivity with Other Social Evaluations

Criteria	Stigma	Status	Reputation	Celebrity	Infamy	Emotivity
Definition	"an attribute that is deeply discrediting" (Goffman, 1963: 12); expanded to include events (Hudson, 2008) and associations with discredited persons/groups (Pozner, 2008; Vergne, 2012)	"socially constructed, intersubjectively agreed-upon and accepted ordering or ranking of individuals, groups, organizations, or activities in a social system" (Washington and Zajac, 2005: 284)	"collective judgment of observers regarding the quality or capabilities of a focal actor within a specific domain that is earned over time" (Schepker and Barker, 2018: 2568)	CEO – "extent to which a CEO elicits positive emotional responses from a broad public audience" (Lovelace et al., 2018: 421); Firm – "a social approval asset that is conferred by constituents' high levels of attention and positive emotional responses" (Zavyalova et al., 2017: 461)	CEO – "negative emotional responses from a broad public audience" (Lovelace et al., 2018: 421); Firm – "a form of social disapproval that is associated with constituents' high levels of attention and negative emotional responses toward an organization." (Zavyalova et al., 2017: 470)	CEO - simultaneous experience of intense positive and negative emotions towards the CEO among a stakeholder group
Underlying mechanism	Matching of characteristics/ conduct/event/ associations with stereotypes to see if it is discrediting	Understanding the social hierarchy and the placement of individuals members on it	Audience forms expectations based on assessment of prior activities and/or performance	CEO –journalist attributions; Firm - casting firm as main character + value congruence with constituents	CEO – NA; Firm - casting firm as the main character + value incongruence with constituents	Information cascades, emotional contagion
Antecedents	Personal characteristics,	Historical legacy, accumulation of	CEO media prominence and	Actions with information about	NA	Inconsistent actions

Criteria	Stigma	Status	Reputation	Celebrity	Infamy	Emotivity
	conduct, associations, events, group membership	positive association (status contagion)	tenor, awards, affiliations with high-status actors	firm identity, CEO - distinctive and consistent actions		(moderator – firm media prominence)
Outcomes	Disapproval (firm), employment opportunities	Ingratiation, flattery towards high-status individuals, executive departure, director recruitment, CEO dismissal, TMT compensation, CEO-TMT pay gap, social distancing	Investor views on CEO compensation, price premiums (firm)	CEO overconfidence, commitment to celebrated actions, compensation, risk-taking, competitor risk-taking behavior	NA	CEO tenure, CEO compensation change, market performance extremeness, premium paid on acquisitions
Measures	Binary (stigmatized vs not stigmatized); Qualitative (narratives, interviews); Quantitative (belongingness to stigmatized groups)	Combination of archival measures such as board appointments, employer prestige, elite education; awards	Managerial quality assessed in the Fortune most admired companies survey by executives and analysts, awards; experimental manipulation using a news story – favorable vs unfavorable reputation	CEO certifications, CEO awards	NA	Securities analysts' reports – similarity-intensity model used to compute ambivalence

TABLE 2
Correlations – CEO Emotivity, Celebrity, and Status

	Variable	1	2	3
1	CEO emotivity	1.00		
2	CEO celebrity	-0.01	1.00	
3	CEO status	-0.06*	0.03*	1.00

TABLE 3

Study 1: Descriptive Statistics and Correlations for Variables Used in Testing Hypotheses

	Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	CEO emotivity	0.15	0.51	1															
2	CEO emotion-inducing action inconsistency	0.09	0.17	0.02	1.00														
3	Firm media prominence	85.30	361.04	0.05*	0.18*	1.00													
4	Firm size	2.79	1.48	0.02	0.23*	0.18*	1.00												
5	Firm age	35.50	30.50	-0.02	0.06*	0.01	0.25*	1.00											
6	Percentage of institutional ownership	52.30	40.14	0.03	-0.05	-0.05*	-0.02	0.01	1.00										
7	Analysts following the firm	20.30	8.00	0.06*	0.14*	0.24*	0.22*	-0.09*	0.03	1.00									
8	Board size	10.59	2.24	0.02	0.09*	0.12*	0.29*	0.19*	-0.05*	0.07*	1.00								
9	Average board tenure	8.74	6.34	-0.03	-0.02	-0.04*	-0.02	0.03	0.05*	-0.01	-0.05*	1.00							
10	CEO media prominence	5.21	24.38	0.05*	0.16*	0.62*	0.14*	-0.05*	-0.03	0.18*	-0.01	0.02	1.00						
11	CEO age	56.92	6.42	0.01	0.06*	-0.10*	0.08*	0.06*	0.05*	-0.08*	0.04*	0.10*	-0.04*	1.00					
12	Prior CEO experience	0.11	0.32	0.00	0.08*	-0.02	-0.04*	-0.10*	-0.06*	0.00	-0.02	-0.08*	-0.04	0.08*	1.00				
13	CEO industry experience	21.99	10.48	0.06*	0.10*	-0.02	0.14*	0.15*	0.05*	0.08*	0.11*	0.09*	0.06*	0.39*	-0.11*	1.00			
14	Analyst job demands	5.37	3.30	0.07*	0.03	0.04*	0.09*	0.06*	0.18*	0.10*	0.12*	0.01	0.05*	0.06*	-0.08*	0.09*	1.00		
15	Analyst experience	8.61	4.34	0.01	0.00	0.00	0.08*	0.06*	0.35*	0.03*	0.03*	-0.02	-0.02	0.06*	-0.05*	0.08*	0.52*	1.00	
16	Analyst experience with the firm's stock	3.50	2.57	0.04*	0.04	0.00	0.14*	0.13*	0.26*	0.06*	0.09*	0.04*	-0.05*	0.06*	-0.10*	0.16*	0.39*	0.68*	1.00

TABLE 4
Study 1: CEO Emotion-inducing Action Inconsistency and CEO Emotivity

Variable	Model 1	Model 2	Model 3
CEO emotion-inducing action inconsistency		-0.95	-2.13^{+}
		[1.03]	[1.25]
Firm media prominence		0.00	-0.00
		[0.00]	[0.00]
CEO emotion-inducing action inconsistency*firm media prominence			0.00^{+}
			[0.00]
Firm size	-0.20	-0.19	0.02
	[0.21]	[0.31]	[0.33]
Firm age	-0.00	0.02^{+}	0.02^{+}
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	-0.01	-0.03^{+}	-0.03^{+}
	[0.01]	[0.01]	[0.01]
Analysts following the firm	-0.03	-0.01	0.01
	[0.03]	[0.04]	[0.04]
Board size	-0.07	-0.23^{+}	-0.23^{+}
	[0.08]	[0.13]	[0.13]
Average board tenure	-0.08	-0.09	-0.09
	[0.06]	[0.09]	[0.09]
CEO media prominence	0.01	0.03^{+}	0.03^{+}
	[0.01]	[0.01]	[0.02]
CEO age	-0.04	0.03	0.04
	[0.03]	[0.04]	[0.04]
Prior CEO experience	0.17	-0.18	-0.15
	[0.54]	[0.76]	[0.76]
CEO industry experience	0.03	0.00	-0.00
	[0.02]	[0.03]	[0.03]
Analyst job demands	0.11*	0.02	0.02
	[0.05]	[0.08]	[0.08]
Analyst experience with the firm's stock	0.01	-0.01	0.01
	[0.08]	[0.12]	[0.12]
Constant	3.25	-0.62	-2.49
	[2.87]	[3.68]	[3.80]
Observations	1326	512	512

Note: Standard errors clustered by firms in brackets
**p < .01; *p < .05; $^{+}$p < .10.

TABLE 5
Study 1 Additional Analysis: Outliers

Variable	Model 1	Model 2	Model 3
CEO emotion-inducing action inconsistency		-0.81	-1.59
		[0.97]	[1.27]
Firm media prominence		-0.00*	-0.00*
		[0.00]	[0.00]
CEO emotion-inducing action inconsistency*firm media prominence			0.00
			[0.00]
Firm size	-0.22	-0.02	0.03
	[0.20]	[0.30]	[0.31]
Firm age	-0.00	0.02*	0.02*
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	-0.01	-0.02^{+}	-0.02^{+}
	[0.01]	[0.01]	[0.01]
Analysts following the firm	-0.03	0.00	0.01
	[0.03]	[0.04]	[0.04]
Board size	-0.08	-0.22^{+}	-0.23^{+}
	[0.08]	[0.12]	[0.12]
Average board tenure	-0.09	-0.12	-0.12
	[0.06]	[0.08]	[0.09]
CEO media prominence	0.01	0.04*	0.04*
	[0.01]	[0.01]	[0.02]
CEO age	-0.04	0.03	0.04
	[0.03]	[0.04]	[0.04]
Prior CEO experience	0.17	-0.25	-0.23
	[0.53]	[0.71]	[0.71]
CEO industry experience	0.03^{+}	-0.00	-0.00
	[0.02]	[0.03]	[0.03]
Analyst job demands	0.11*	0.02	0.02
	[0.06]	[0.08]	[0.08]
Analyst experience with the firm's stock	0.01	0.01	0.02
	[0.08]	[0.11]	[0.11]
Constant	3.27	-1.32	-2.46
	[2.89]	[3.56]	[3.69]
Observations	1326	512	512

Note: Standard errors clustered by firms in brackets
**p < .01; *p < .05; $^{+}$p < .10.

TABLE 6
Study 1 Additional Analysis: Time Lag of Two Years

Variable	Model 1	Model 2	Model 3
CEO emotion-inducing action inconsistency		0.26	0.46
		[0.88]	[1.03]
Firm media prominence		0.00**	0.00**
		[0.00]	[0.00]
CEO emotion-inducing action inconsistency*firm media prominence			0.00
			[0.00]
Firm size	0.07	0.34	0.34
	[0.23]	[0.29]	[0.28]
Firm age	0.01	0.02^{+}	0.02^{+}
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	-0.01	-0.01	-0.01
	[0.01]	[0.01]	[0.01]
Analysts following the firm	0.01	0.03	0.03
	[0.03]	[0.04]	[0.04]
Board size	-0.15	-0.17	-0.17
	[0.09]	[0.11]	[0.11]
Average board tenure	-0.08	-0.12	-0.12
	[0.07]	[0.08]	[0.08]
CEO media prominence	-0.02	0.03	0.03
	[0.02]	[0.02]	[0.02]
CEO age	-0.02	0.02	0.02
	[0.03]	[0.04]	[0.04]
Prior CEO experience	0.14	-1.36^{+}	-1.37^{+}
	[0.55]	[0.75]	[0.75]
CEO industry experience	0.01	0.01	0.01
	[0.02]	[0.02]	[0.02]
Analyst job demands	0.03	-0.05	-0.05
	[0.06]	[0.07]	[0.07]
Analyst experience with the firm's stock	0.00	0.06	0.05
	[0.08]	[0.10]	[0.10]
Constant	2.43	-1.88	-2.13
	[3.21]	[3.44]	[3.48]
Observations	1292	494	494

Note: Standard errors clustered by firms in brackets
**p < .01; *p < .05; $^{+}$p < .10.

TABLE 7
Study 1 Additional Analysis: Two Controls Added

Variable	Model 1	Model 2	Model 3
CEO emotion-inducing action inconsistency		-0.95	-2.18^{+}
		[1.03]	[1.26]
Firm media prominence		0.00	0.00
		[0.00]	[0.00]
CEO action inconsistency*firm media prominence			0.00^{+}
			[0.00]
Firm size	-0.18	-0.16	0.06
	[0.21]	[0.32]	[0.35]
Firm age	0.00	0.02^{+}	0.02^{+}
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	-0.01	-0.03^{+}	-0.03^{+}
	[0.01]	[0.01]	[0.01]
Analysts following the firm	-0.03	0.01	0.00
	[0.03]	[0.04]	[0.05]
Board size	-0.07	-0.23^{+}	-0.23^{+}
	[0.08]	[0.13]	[0.13]
Average board tenure	-0.07	-0.08	-0.09
	[0.06]	[0.10]	[0.10]
CEO media prominence	0.01	0.02^{+}	0.03^{+}
	[0.01]	[0.02]	[0.02]
CEO age	-0.04	0.03	0.04
	[0.03]	[0.04]	[0.04]
Prior CEO experience	0.02	0.00	0.04
	[0.57]	[0.79]	[0.80]
CEO industry experience	0.03^{+}	0.00	0.00
	[0.02]	[0.03]	[0.03]
Analyst job demands	0.12*	0.02	0.02
	[0.05]	[0.08]	[0.08]
Analyst experience with the firm's stock	0.01	-0.02	0.00
	[0.08]	[0.12]	[0.12]
CEO status	-0.52	0.32	0.36
	[0.52]	[0.98]	[0.99]
CEO gender	0.68	0.90	1.03
	[0.81]	[1.26]	[1.27]
Constant	2.84	-1.97	-4.08
	[3.04]	[4.03]	[4.21]
Observations	1312	504	494

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10.

TABLE 8
Study 1 Additional Analysis: Spline Regression

Variable	Model 1	Model 2	Model 3
CEO emotion-inducing action inconsistency low (CAI1)		-1.32	-0.89^{+}
		[1.34]	[1.59]
CEO emotion-inducing action inconsistency high (CAI2)		5.61	-17.70
		[14.66]	18.60
Firm media prominence		0.00	0.00^{+}
		[0.00]	[0.00]
CAI1*firm media prominence			0.00
			[0.00]
CAI2*firm media prominence			0.07^{+}
			[0.04]
Firm size	-0.20	-0.18	0.14
	[0.21]	[0.31]	[0.34]
Firm age	-0.00	0.02^{+}	0.02^{+}
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	-0.01	-0.03^{+}	-0.02^{+}
	[0.01]	[0.01]	[0.01]
Analysts following the firm	-0.03	-0.01	0.01
	[0.03]	[0.04]	[0.04]
Board size	-0.07	-0.23^{+}	-0.22^{+}
	[0.08]	[0.13]	[0.13]
Average board tenure	-0.08	-0.09	-0.09
	[0.06]	[0.09]	[0.09]
CEO media prominence	0.01	0.03^{+}	0.03^{+}
	[0.01]	[0.02]	[0.02]
CEO age	-0.04	0.03	0.03
	[0.03]	[0.04]	[0.04]
Prior CEO experience	0.17	-0.17	-0.16
	[0.54]	[0.76]	[0.75]
CEO industry experience	0.03	0.00	0.00
	[0.02]	[0.03]	[0.03]
Analyst job demands	0.11*	0.02	0.00
	[0.05]	[0.08]	[0.08]
Analyst experience with the firm's stock	0.01	-0.02	0.01
	[0.08]	[0.12]	[0.12]
Constant	3.25	-0.65	-2.21
	[2.87]	[3.68]	[3.76]
Observations	1326	512	512

Notes: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10.

TABLE 9
Study 2: Summary of Responses and Demographic Information

		Age	Ethnicity					Gender	
	Total responses	**Range**	**African American**	**Asian**	**Hispanic or Latino**	**Native Hawaiian or Other Pacific Islander**	**White**	**Male**	**Female**
Treatment group	97	18 - 24	3	2	3	1	88	48	49
Control group	95	18 - 24	4	10	0	0	81	49	46
Treatment - info sharing	49	18 - 23	0	0	2	1	46	29	20
Treatment - no info sharing	48	18 - 24	3	2	1	0	42	19	29
Control - info sharing	46	18 - 24	3	5	0	0	38	23	23
Control - no info sharing	49	18 - 23	1	5	0	0	43	26	23

TABLE 10
Study 3: Descriptive Statistics and Correlations for Variables Used in Testing Hypotheses

	Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	CEO tenure	6.70	6.38	1.00																				
2	CEO compensation change	73.82	1846.93	-0.02	1.00																			
3	Market performance extrem	1.08	0.50	0.00	0.01	1.00																		
4	Premium paid on acquisitior	780.35	9259.30	-0.05	0.00	0.16*	1.00																	
5	CEO emotivity	0.15	0.51	-0.01	-0.01	0.05*	0.00	1.00																
6	CEO Power	0.01	2.10	0.60*	0.00	0.02	-0.04	0.03	1.00															
7	Prior firm performance	4.46	65.91	0.02	0.00	-0.02	-0.01	-0.01	0.00	1.00														
8	Firm size	2.79	1.48	-0.01	0.00	-0.09*	0.01	0.02	0.04*	0.03*	1.00													
9	Firm slack	0.16	3.82	0.00	0.00	0.30*	0.12*	0.13*	-0.05*	0.00	0.02	1.00												
10	Firm age	35.50	30.50	-0.04*	0.00	-0.06*	-0.02	-0.02	-0.02	0.02	0.25*	-0.01	1.00											
11	Percentage of institutional o	52.30	40.14	0.03*	0.00	0.00	0.04	0.03	-0.05*	0.02	-0.02	-0.02	0.01	1.00										
12	Analysts following the firm	20.30	8.00	0.04*	-0.02	0.06*	0.05	0.06*	0.09*	0.02	0.22*	-0.03	-0.09*	0.03	1.00									
13	Board size	10.59	2.24	-0.07*	-0.02	-0.10*	-0.10	0.02	-0.04*	0.00	0.29*	0.03	0.19*	-0.05*	0.07*	1.00								
14	Average board tenure	8.74	6.34	0.20*	0.01	-0.03	-0.02	-0.03	0.08*	0.00	-0.02	-0.06*	0.03	0.05*	-0.01	-0.05*	1.00							
15	Board independence	0.83	0.10	-0.14*	-0.03*	-0.03	0.00	0.09*	-0.39*	0.00	0.10*	0.03	0.13*	0.05*	0.00	0.12*	-0.18*	1.00						
16	CEO age	56.92	6.42	0.44*	-0.03	-0.01	-0.05	0.01	0.31*	0.01	0.08*	-0.01	0.06*	0.05*	-0.08*	0.04*	0.10*	-0.01	1.00					
17	CEO insider-outsider status	0.62	0.49	-0.13*	0.00	-0.08*	0.04	0.00	-0.09*	0.01	0.19*	0.01	0.16*	0.09*	0.05*	0.12*	0.07*	-0.02	-0.03*	1.00				
18	CEO gender	0.96	0.21	0.10*	0.00	0.04*	0.01	-0.02	0.05*	0.00	-0.05*	0.00	-0.05*	0.02	0.03*	-0.06*	0.06*	-0.02	0.04*	0.04*	1.00			
19	Analyst total experience	8.61	4.34	0.01	-0.04*	-0.10*	0.01	0.01	-0.05*	0.01	0.08*	-0.04*	0.06*	0.35*	0.03*	0.03*	-0.02	0.08*	0.06*	0.12*	0.02	1.00		
20	Analyst experience with the	3.50	2.57	0.00	-0.03*	-0.13*	0.01	0.03*	-0.06*	-0.01	0.14*	-0.02	0.13*	0.26*	0.06*	0.09*	0.04*	0.11*	0.06*	0.18*	0.01	0.68*	1.00	
21	Analyst job demands	5.37	3.30	-0.01	-0.03*	-0.19*	0.00	0.07*	0.00	0.00	0.09*	-0.03*	0.06*	0.18*	0.10*	0.12*	0.01	0.10*	0.06*	0.14*	-0.02	0.52*	0.39*	1.00

TABLE 11
Study 3: CEO Emotivity and CEO Tenure

Variable	Model 1	Model 2	Model 3
CEO emotivity		0.17	0.21
		[0.23]	[0.23]
CEO power		1.15**	1.23**
		[0.19]	[0.16]
CEO emotivity*CEO power			-0.25**
			[0.05]
Firm size	-0.43	-0.87^{+}	-0.55
	[0.44]	[0.50]	[0.45]
Firm slack	-2.26*	-1.38	-1.50
	[0.98]	[1.00]	[0.97]
Firm age	-0.06	-0.08	-0.07
	[0.09]	[0.12]	[0.11]
Percentage of institutional ownership	-0.01	0.00	-0.01
	[0.01]	[0.01]	[0.01]
Analysts following the firm	0.01	-0.01	-0.00
	[0.04]	[0.04]	[0.04]
Board size	0.03	-0.05	-0.06
	[0.03]	[0.13]	[0.13]
Average board tenure	0.02	0.02	0.02
	[0.01]	[0.01]	[0.01]
Board independence	3.52	14.23**	15.05**
	[2.68]	[3.19]	[3.13]
CEO age	0.23**	0.08^{+}	0.07
	[0.03]	[0.04]	[0.04]
CEO insider-outsider status	-0.24	0.01	0.04
	[0.43]	[0.53]	[0.52]
CEO gender	0.68	-0.47	-0.39
	[0.82]	[0.69]	[0.68]
Analyst experience with the firm's stock	-0.01	-0.06	-0.06
	[0.05]	[0.06]	[0.06]
Analyst job demands	0.02	0.06	0.07
	[0.05]	[0.06]	[0.06]
Constant	-6.90^{+}	-2.83	-4.26
	[3.56]	[4.82]	[4.71]
Observations	4053	2919	2919
Adjusted R^2	0.04	0.10	0.14

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 12
Study 3: CEO Emotivity and CEO Compensation Change

Variable	Model 1	Model 2	Model 3
CEO emotivity		7.80	7.70
		[4.81]	[4.74]
CEO power		0.98	0.81
		[2.13]	[2.20]
CEO emotivity*CEO power			0.53
			[1.63]
Firm size	-11.16	14.85	14.14
	[23.72]	[11.29]	[11.85]
Firm slack	-38.10	51.98	52.20
	[94.80]	[40.09]	[39.79]
Firm age	-19.04	2.41	2.38
	[21.80]	[2.68]	[2.68]
Percentage of institutional ownership	1.63	-0.06	-0.06
	[1.49]	[0.18]	[0.18]
Analysts following the firm	-3.12	-2.08	-2.10
	[2.03]	[2.04]	[2.05]
Board size	11.61	1.99	1.99
	[9.59]	[2.23]	[2.23]
Average board tenure	-1.44	0.14	0.14
	[2.41]	[0.23]	[0.23]
Board independence	109.00	-48.24	-50.03
	[220.26]	[56.50]	[57.66]
CEO age	-2.55	-0.10	-0.07
	[3.32]	[0.87]	[0.86]
CEO insider-outsider status	17.03	14.34	14.27
	[18.71]	[10.14]	[10.13]
CEO gender	-4.58	-4.01	-4.17
	[22.21]	[19.17]	[19.18]
Analyst experience with the firm's stock	22.99	1.90	1.91
	[20.86]	[1.69]	[1.69]
Analyst job demands	-17.18	-0.18	-0.19
	[16.64]	[1.61]	[1.61]
Constant	761.58	-52.41	-47.76
	[783.21]	[143.12]	[145.14]
Observations	4024	2897	2897
Adjusted R^2	0.00	0.00	0.00

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 13
Study 3: CEO Emotivity and Market Performance Extremeness

Variable	Model 1	Model 2	Model 3
CEO emotivity		0.00	0.00
		[0.02]	[0.02]
Prior firm performance		0.00^{+}	0.00
		[0.00]	[0.00]
CEO emotivity*Prior firm performance			0.00
			[0.00]
Firm size	-0.09*	-0.04	-0.04
	[0.04]	[0.04]	[0.04]
Firm slack	0.37**	0.24	0.24^{+}
	[0.13]	[0.14]	[0.14]
Firm age	-0.00	0.00	-0.00
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Analysts following the firm	-0.00	0.00	-0.00
	[0.00]	[0.00]	[0.00]
Board size	0.00	0.01	0.01
	[0.01]	[0.01]	[0.01]
Average board tenure	-0.00**	0.00**	-0.00**
	[0.00]	[0.00]	[0.00]
Board independence	0.09	0.12	0.12
	[0.17]	[0.22]	[0.23]
CEO age	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
CEO insider-outsider status	0.01	0.05	0.05
	[0.04]	[0.05]	[0.05]
CEO gender	-0.13^{+}	-0.05	-0.05
	[0.07]	[0.07]	[0.07]
Analyst experience with the firm's stock	0.00	0.00	0.00
	[0.00]	[0.01]	[0.01]
Analyst job demands	0.01**	0.01**	0.01**
	[0.00]	[0.00]	[0.00]
Constant	1.44**	1.01*	1.01**
	[0.39]	[0.46]	[0.46]
Observations	3134	2298	2298
Adjusted R^2	0.02	0.01	0.01

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 14
Study 3: CEO Emotivity and Premium Paid on Acquisitions

Variable	Selection model	Main model
CEO emotivity	-0.01	16.30
	[0.08]	[43.87]
Prior firm performance	0.00	-1.19
	[0.00]	[1.06]
CEO emotivity*Prior firm performance	0.00	-3.45
	[0.01]	[5.82]
Firm size	0.11**	3.06
	[0.03]	[36.70]
Firm slack	0.15	-387.86
	[0.38]	[250.27]
Firm age	0.00	-0.72
	[0.00]	[0.75]
Percentage of institutional ownership	0.00	-0.25
	[0.00]	[0.75]
Analysts following the firm	0.01	1.76
	[0.01]	[3.67]
Board size	-0.03	-0.45
	[0.02]	[15.14]
Average board tenure	0.00	1.71
	[0.01]	[7.26]
Board independence	0.85^{+}	412.99
	[0.45]	[394.58]
CEO age	-0.01	1.90
	[0.01]	[4.24]
CEO insider-outsider status	-0.10	30.40
	[0.09]	[55.61]
CEO gender	-0.16	12.23
	[0.18]	[108.49]
CEO industry experience	0.01*	
	[0.00]	
Analyst experience with the firm's stock	0.01	-1.09
	[0.02]	[10.24]
Analyst job demands	-0.01	-3.26
	[0.01]	[8.14]
Constant	-1.73**	140.32
	[0.59]	[843.09]

Note: **p < .01; *p < .05; $^{+}$p < .10

TABLE 15
Summary of Predictions and Results

Predictions	**Results**
Study 1	
Hypothesis 1: Inconsistency in emotion-inducing CEO actions is positively associated with CEO emotivity.	Not supported
Hypothesis 2: Firm media prominence strengthens the positive relationship between emotion-inducing inconsistent CEO actions and CEO emotivity such that the greater the prominence, the more positive this relationship will be.	Strengthened the relationship as expected
Study 2	
Inconsistent actions is positively related to the experience of emotional ambivalence	Supported
Information sharing intensifies the experience of emotional ambivalence in the inconsistent actions condition (showing that information cascades and contagion has an effect)	Contrary to prediction - reduction in emotional ambivalence post information sharing
Study 3	
Hypothesis 3: CEO emotivity is positively associated with CEO tenure.	Not supported
Hypothesis 4: CEO emotivity is negatively associated with CEO compensation change.	Not supported
Hypothesis 5a: CEO power moderates the positive relationship between CEO emotivity and CEO tenure such that greater the CEO power, the more positive this relationship will be.	Contrary to prediction - weakened the relationship
Hypothesis 5b. CEO power moderates the negative relationship between CEO emotivity and CEO compensation change such that greater the CEO power, the less negative this relationship will be.	Not supported
Hypothesis 6. CEO emotivity is negatively associated with market performance extremeness.	Not supported
Hypothesis 7. CEO emotivity is positively associated with the premium paid for acquisitions.	Not supported

Predictions	Results
Hypothesis 8a. Prior firm performance moderates the negative relationship between CEO emotivity and market performance extremeness, such that the higher the prior firm performance, the more negative this relationship will be.	Not supported
Hypothesis 8b. Prior firm performance moderates the positive relationship between CEO emotivity and premium paid for acquisitions, such that higher the prior firm performance, the less positive this relationship will be.	Not supported

TABLE 16
Study 3: Additional Analysis CEO Tenure as DV: Outliers

Variable	Model 1	Model 2	Model 3
CEO emotivity		0.24	0.20
		[0.24]	[0.25]
CEO power		1.27**	1.26**
		[0.14]	[0.14]
CEO emotivity*CEO power			-0.28^{+}
			[0.16]
Firm size	-0.60	-0.72^{+}	-0.64
	[0.43]	[0.43]	[0.45]
Firm slack	-2.62*	-1.50	-1.50
	[1.26]	[1.28]	[1.28]
Firm age	0.33	0.01	0.02
	[0.41]	[0.25]	[0.25]
Percentage of institutional ownership	-0.01	0.00	-0.01
	[0.01]	[0.01]	[0.01]
Analysts following the firm	0.01	-0.01	0.00
	[0.03]	[0.04]	[0.04]
Board size	-0.02	-0.12	-0.12
	[0.10]	[0.11]	[0.11]
Average board tenure	0.25**	0.31**	0.30**
	[0.07]	[0.08]	[0.08]
Board independence	3.73^{+}	14.51**	14.66**
	[2.22]	[2.30]	[2.30]
CEO age	0.22**	0.05	0.05
	[0.03]	[0.04]	[0.04]
CEO insider-outsider status	-0.28	-0.04	-0.04
	[0.41]	[0.49]	[0.48]
CEO gender	0.49	-0.65	-0.61
	[0.79]	[0.65]	[0.64]
Analyst experience with the firm's stock	-0.02	-0.08	-0.08
	[0.05]	[0.05]	[0.05]
Analyst job demands	0.01	0.05	0.05
	[0.05]	[0.06]	[0.06]
Constant	-20.43	-6.28	7.01
	[13.87]	[9.34]	[9.50]
Observations	4053	2919	2919
Adjusted R^2	0.00	0.27	0.25

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 17
Study 3: Additional Analysis CEO Compensation Change as DV: Outliers

Variable	Model 1	Model 2	Model 3
CEO emotivity		8.00	8.48
		[5.02]	[5.26]
CEO power		1.65	1.81
		[1.83]	[1.82]
CEO emotivity*CEO power			3.82
			[3.81]
Firm size	3.34	6.25	5.14
	[7.89]	[9.50]	[9.87]
Firm slack	57.26*	67.49*	67.26*
	[22.97]	[32.22]	[32.28]
Firm age	-0.46	0.74	0.58
	[2.78]	[3.71]	[3.69]
Percentage of institutional ownership	0.02	-0.15	-0.14
	[0.11]	[0.13]	[0.13]
Analysts following the firm	-0.32	-0.19	-0.22
	[0.55]	[0.67]	[0.67]
Board size	0.19	0.89	0.89
	[1.31]	[1.62]	[1.62]
Average board tenure	0.43	1.09	1.09
	[1.03]	[1.31]	[1.31]
Board independence	-46.38	-10.75	-13.03
	[32.75]	[40.40]	[40.51]
CEO age	1.08**	0.28	0.30
	[0.40]	[0.47]	[0.46]
CEO insider-outsider status	7.87	10.92	10.94
	[6.95]	[7.68]	[7.67]
CEO gender	-5.53	-5.23	-5.82
	[12.93]	[15.91]	[15.90]
Analyst experience with the firm's stock	2.13*	2.37*	2.37*
	[0.86]	[1.10]	[1.10]
Analyst job demands	-0.33	-0.55	-0.57
	[0.77]	[0.92]	[0.91]
Constant	-8.35	-59.42	-47.30
	[104.30]	[143.84]	[143.48]
Observations	4024	2897	2897
Adjusted R^2	0.01	0.00	0.00

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 18
Study 3: Additional Analysis Market Performance Extremeness as DV: Outliers

Variable	Model 1	Model 2	Model 3
CEO emotivity		0.01	0.01
		[0.02]	[0.02]
Prior firm performance		0.00	0.00
		[0.00]	[0.00]
CEO emotivity*Prior firm performance			0.00
			[0.00]
Firm size	-0.06^{+}	-0.03	-0.03
	[0.04]	[0.04]	[0.04]
Firm slack	0.34**	0.16	0.16
	[0.13]	[0.17]	[0.17]
Firm age	-0.03	-0.01	-0.01
	[0.02]	[0.01]	[0.01]
Percentage of institutional ownership	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Analysts following the firm	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Board size	0.00	0.01	0.01
	[0.01]	[0.01]	[0.01]
Average board tenure	0.00	0.00	0.00
	[0.00]	[0.01]	[0.01]
Board independence	-0.06	-0.01	-0.01
	[0.16]	[0.20]	[0.20]
CEO age	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
CEO insider-outsider status	0.01	0.06	0.06
	[0.03]	[0.05]	[0.05]
CEO gender	-0.12^{+}	-0.04	-0.04
	[0.07]	[0.07]	[0.07]
Analyst experience with the firm's stock	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Analyst job demands	0.01**	0.01**	0.01**
	[0.00]	[0.00]	[0.00]
Constant	2.57**	1.15^{+}	1.17^{+}
	[0.81]	[0.66]	[0.66]
Observations	3134	2298	2298
Adjusted R^2	0.01	0.00	0.01

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 19
Study 3: Additional Analysis Premium Paid on Acquisitions as DV: Outliers

Variable	Selection model	Main model
CEO emotivity	-0.02	13.10
	[0.09]	[49.03]
Prior firm performance	-0.01	-6.69^{+}
	[0.01]	[3.77]
CEO emotivity*Prior firm performance	0.01	-1.37
	[0.01]	[6.85]
Firm size	0.11**	0.72
	[0.03]	[35.72]
Firm slack	0.20	-439.19^{+}
	[0.42]	[257.41]
Firm age	0.00	-0.69
	[0.00]	[0.78]
Percentage of institutional ownership	0.00	-0.17
	[0.00]	[0.75]
Analysts following the firm	0.01^{+}	1.34
	[0.01]	[3.72]
Board size	-0.02	-2.12
	[0.02]	[15.33]
Average board tenure	0.01	0.31
	[0.01]	[8.09]
Board independence	0.90^{+}	405.04
	[0.49]	[405.40]
CEO age	-0.01^{+}	1.77
	[0.01]	[4.47]
CEO insider-outsider status	-0.11	26.42
	[0.09]	[57.20]
CEO gender	-0.18	10.28
	[0.18]	[111.87]
CEO industry experience	0.01*	
	[0.02]	
Analyst experience with the firm's stock	-0.01	-1.01
	[0.01]	[10.43]
Analyst job demands	0.01*	-4.52
	[0.00]	[8.85]
Constant	-1.76**	313.42
	[0.64]	[846.24]

Note: **p < .01; *p < .05; $^{+}$p < .10

TABLE 20
Study 3: Additional Analysis CEO Tenure as DV: Spline Regression

Variable	Model 1	Model 2	Model 3
CEO emotivity low		0.22	0.16
		[0.35]	[0.35]
CEO emotivity high		0.06	0.23
		[0.51]	[0.53]
CEO power		1.15**	1.21**
		[0.19]	[0.16]
CEO emotivity low*CEO power			-0.49**
			[0.17]
CEO emotivity high*CEO power			0.04
			[0.19]
Firm size	-0.43	-0.86^{+}	-0.58
	[0.44]	[0.50]	[0.46]
Firm slack	-2.26*	-1.35	-1.34
	[0.98]	[1.01]	[0.99]
Firm age	-0.06	-0.08	-0.07
	[0.09]	[0.12]	[0.11]
Percentage of institutional ownership	-0.01	0.00	-0.01
	[0.01]	[0.01]	[0.01]
Analysts following the firm	0.01	-0.01	-0.01
	[0.04]	[0.04]	[0.04]
Board size	0.03	-0.05	-0.06
	[0.03]	[0.13]	[0.13]
Average board tenure	0.02	0.02	0.02
	[0.01]	[0.01]	[0.01]
Board independence	3.52	14.23**	15.07**
	[2.68]	[3.19]	[3.13]
CEO age	0.23**	0.08^{+}	0.07
	[0.03]	[0.04]	[0.04]
CEO insider-outsider status	-0.24	0.01	0.04
	[0.43]	[0.53]	[0.52]
CEO gender	0.68	-0.47	-0.38
	[0.82]	[0.69]	[0.68]
Analyst experience with the firm's stock	-0.01	-0.06	-0.06
	[0.05]	[0.06]	[0.05]
Analyst job demands	0.02	-0.06	0.06
	[0.05]	[0.06]	[0.06]
Constant	-6.90^{+}	-2.85	-4.09
	[3.56]	[4.82]	[4.71]

Observations	4053	2919	2919
Adjusted R^2	0.04	0.11	0.14

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 21
Study 3: Additional Analysis CEO Compensation Change as DV: Spline Regression

Variable	Model 1	Model 2	Model 3
CEO emotivity low		14.63^{+}	15.10^{+}
		[8.14]	[8.21]
CEO emotivity high		-6.44	-6.85
		[10.29]	[10.12]
CEO power		1.01	0.98
		[2.12]	[2.18]
CEO emotivity low*CEO power			3.32
			[4.84]
CEO emotivity high*CEO power			-2.65
			[3.97]
Firm size	-11.16	16.00	15.44
	[23.72]	[11.33]	[11.86]
Firm slack	-38.10	55.31	53.80
	[94.80]	[38.17]	[38.21]
Firm age	-19.04	2.32	2.31
	[21.80]	[2.70]	[2.70]
Percentage of institutional ownership	1.63	-0.06	-0.06
	[1.49]	[0.18]	[0.18]
Analysts following the firm	-3.12	-2.07	-2.07
	[2.03]	[2.04]	[2.05]
Board size	11.61	1.98	1.99
	[9.59]	[2.23]	[2.23]
Average board tenure	-1.44	0.13	0.13
	[2.41]	[0.23]	[0.23]
Board independence	109.00	-47.98	-50.03
	[220.26]	[56.55]	[57.68]
CEO age	-2.55	-0.11	-0.07
	[3.32]	[0.87]	[0.86]
CEO insider-outsider status	17.03	14.15	14.01
	[18.71]	[10.17]	[10.17]
CEO gender	-4.58	-3.67	-3.95
	[22.21]	[19.11]	[19.10]
Analyst experience with the firm's stock	22.99	1.89	1.89
	[20.86]	[1.70]	[1.70]
Analyst job demands	-17.18	-0.16	-0.15
	[16.64]	[1.61]	[1.62]
Constant	761.58	-53.62	-49.69
	[783.21]	[143.10]	[145.40]

Observations	4024	2897	2897
Adjusted R^2	0.00	0.00	0.00

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 22
Study 3: Additional Analysis Market Performance Extremeness as DV: Spline Regression

Variable	Model 1	Model 2	Model 3
CEO emotivity low		0.04	0.04
		[0.04]	[0.04]
CEO emotivity high		-0.08^{+}	-0.06
		[0.04]	0.05
Prior firm performance		0.00^{+}	0.00
		[0.00]	[0.00]
CEO emotivity low*Prior firm performance			0.00
			[0.00]
CEO emotivity high*Prior firm performance			0.01
			[0.01]
Firm size	-0.09*	-0.03	-0.03
	[0.04]	[0.04]	[0.04]
Firm slack	0.37**	0.26^{+}	0.26^{+}
	[0.13]	[0.14]	[0.14]
Firm age	-0.00	0.00	0.00
	[0.01]	[0.01]	[0.01]
Percentage of institutional ownership	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Analysts following the firm	-0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Board size	0.00	0.01	0.01
	[0.01]	[0.01]	[0.01]
Average board tenure	-0.00**	0.00**	0.00**
	[0.00]	[0.00]	[0.00]
Board independence	0.09	0.12	0.12
	[0.17]	[0.22]	[0.22]
CEO age	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
CEO insider-outsider status	0.01	0.05	0.05
	[0.04]	[0.05]	[0.05]
CEO gender	-0.13^{+}	-0.04	-0.05
	[0.07]	[0.07]	[0.07]
Analyst experience with the firm's stock	0.00	0.00	0.00
	[0.00]	[0.00]	[0.00]
Analyst job demands	0.01**	0.01**	0.01**
	[0.00]	[0.00]	[0.00]
Constant	1.44**	1.02*	1.04*
	[0.39]	[0.46]	[0.46]

Observations	3134	2298	2298
Adjusted R^2	0.02	0.01	0.01

Note: Standard errors clustered by firms in brackets **p < .01; *p < .05; $^{+}$p < .10

TABLE 23
Descriptive Statistics and Correlations for Variables Used in Glassdoor Analysis

	Variable	Mean	S.D.	1	2	3	4	5	6
1	Glassdoor ranking change	11.16	39.58	1					
2	CEO emotivity	0.15	0.51	0.03	1.00				
3	Firm size	2.79	1.48	0.02	0.02	1.00			
4	CEO age	56.92	6.42	0.02	0.01	0.08*	1.00		
5	CEO insider-outsider status	0.62	0.49	0.00	0.00	0.19*	-0.03*	1.00	
6	CEO gender	0.96	0.21	-0.06	-0.02	-0.05*	0.04*	0.04*	1.00

TABLE 24
CEO Emotivity and Glassdoor Ranking Change

Variable	Model 1	Model 2
CEO emotivity		-2.29
		[7.00]
Firm size	-18.87	5.64
	[26.19]	[14.82]
CEO age	-1.49	-1.58
	[1.75]	[1.23]
CEO insider-outsider status	-39.95*	0.00
	[18.03]	[0.00]
CEO gender	-19.44	-14.60**
	[13.43]	[4.93]
Constant	226.51**	107.58^{+}
	[78.20]	[60.75]
Observations	218	199
Adjusted R^2	0.05	0.17

Note: Standard errors clustered by firms in brackets
**p < .01; *p < .05; $^{+}$p < .10

APPENDIX A

Sample Words from the Emotion Dictionaries in LIWC

The Linguistic Inquiry Word Count software analyzes texts and compares the words in the text with in-built dictionaries to understand the structure of the text and its cognitive and emotional content. For my study, I relied on the positive emotion and negative emotion dictionaries. I have provided examples of the words that are part of these two dictionaries below.

Positive emotion dictionary: sample words

Admir*, brilliant, charm*, deligh*, enjoy, fearless*, good, harmon*, impress*, joy*, kind, liking, magnific*, nice, okay, passion*, reassure*, satisf*, thrill*, useful, virtuo*,warm

Negative emotion dictionary: sample words

Annoy, burden, cruel, depriv*, embarrass*, fault*, guilt, hate, inadequa*, jealous, lose, miser*, nervous, offend*, panic*, rage*, severe*, terrible, unfortunate, vulnerab*, weird, yell

APPENDIX B

Details on RavenPack News Analytics' and KLD STATS' Classification Schemes

RavenPack News Analytics

RavenPack News Analytics scans news items all around the world and provides event data and sentiment analysis of the news. The database categorizes each item in a detailed manner including multiple levels of classification. The table below describes how the classification scheme works.

Level	**Classification details**
Level 1: Topic	Business, Economy, Environment, Politics, and Society
Level 2: Group	Under each of the level 1 topics, there are multiple groups. Examples 1. "business" topic – acquisition-mergers, labor-issues 2. "economy" topic – taxes, balance-of-payments 3. "society" topic – legal, security
Level 3: Type	This further distills groups into specific issues/items Examples 1. Labor-issues – executive-salary 2. Taxes – tax-break 3. Security – cyber-attacks
Level 4: Sub-type	Examples 1. Executive-salary – cut, increase 2. Tax-break – ended 3. Cyber-attacks - threat
Level 5: Property	Captures the role played by key entity in a news item – for example, in an acquisition, it states whether the entity is the acquirer or acquiree.
Level 6: Category	This is the level of classification I have used in my study. It provides all the information about how a news item has been classified. There are a total of 988 categories in the database. Examples 1. acquisition-failed-acquiree 2. executive-salary-increase 3. copyright-infringement-defendant 4. legal-issues-defendant 5. legal-issues-dismissed-defendant 6. water-contamination-polluter

KLD STATS

KLD STATS is a dataset where KLD Research & Analytics, Inc rates companies on their environmental, social, and governance performance each year. The organization appraises companies on seven different issue areas. The table below provides examples of firm activities that would be considered as a strength or a concern under each of the issue areas.

Issue areas	**Activities constituting strengths (examples)**	**Activities constituting concerns (examples)**
Community	Charitable giving (both in the U.S. and abroad) Support for housing Support for education	Tax disputes Investment controversies Indigenous Peoples relations
Corporate governance	Limited compensation to top executives Transparency in reporting Political accountability (i.e., responsible leadership on public policy issues)	High compensation Accounting controversies Lack of transparency
Diversity	Having a woman as a CEO/CEO from a minority group Work/life benefits Gay & Lesbian policies	Non-representation of women on the board/TMT Controversies related to affirmative action
Employee relations	No-layoff policy Cash profit-sharing Employee involvement	Health & safety issues Workforce reductions Inadequate retirement benefits
Environment	Pollution prevention Recycling Clean energy	Hazardous waste Ozone depleting chemicals Substantial emissions
Human rights	Labor rights and good union relations	Labor rights concern
Product	Quality R&D/Innovation Benefits to economically disadvantaged	Product safety issues Marketing/contracting practices/controversies Antitrust violations

APPENDIX C

Examples of Emotive and Non-Emotive CEOs and Associated Actions

Year	Name of CEO	Name of firm	Types and number of actions	Emotive/Non-emotive
2010	Miles D. White	Abbott Laboratories	Responsible (e.g., awards) – 12 Irresponsible (e.g., layoff) – 2	Non-emotive
2010	W. James McNerney, Jr.	Boeing Co	Responsible (e.g., regulatory approvals) – 3 Irresponsible (e.g., legal issues) – 4	Emotive
2011	Gregg W. Steinhafel	Target Corp	Responsible – 0 Irresponsible – 3	Non-emotive
2011	Robert P. Kelly	Bank of New York Mellon Corp	Responsible – 10 Irresponsible – 11	Emotive
2012	James Dimon	JP Morgan Chase	Responsible – 3 Irresponsible – 26	Non-emotive
2012	Brian Thomas Moynihan	Bank of America Corp.	Responsible – 6 Irresponsible – 5	Emotive
2013	H. Lawrence Culp, Jr.	Danaher Corp	Responsible – 5 Irresponsible – 0	Non-emotive
2013	Mark Elliot Zuckerberg	Facebook Inc	Responsible – 3 Irresponsible – 4	Emotive
2014	Virginia M. Rometty	IBM Corp	Responsible – 11 Irresponsible – 1	Non-emotive
2014	Rex Tillerson	Exxon Mobil	Responsible – 2 Irresponsible – 1	Emotive
2015	Blake W. Nordstrom	Nordstrom Inc.	Responsible – 4 Irresponsible – 0	Non-emotive
2015	Gary C. Kelly	Southwest Airlines	Responsible – 2 Irresponsible – 3	Emotive
2016	John G. Stumpf	Wells Fargo	Responsible – 0 Irresponsible – 5	Non-emotive
2016	David C. Dvorak	Zimmer Biomet Holdings Inc	Responsible – 1 Irresponsible – 3	Emotive
2017	John A. Hayes	Ball Corp	Responsible – 5 Irresponsible – 0	Non-emotive
2017	Randall L. Stephenson	AT&T Inc	Responsible – 1 Irresponsible – 1	Emotive

APPENDIX D

Text of Articles in the Inconsistency Manipulation

Common text for both conditions

Please note that names of the CEO, company, and countries have been changed to preserve confidentiality.

Alex is the CEO of a US based company XYZ Inc. Alex's actions as the CEO often attract the attention of popular news media, as you can see in the following news articles. Please read them carefully and note how you feel as you read about what Alex did.

Treatment condition: Inconsistent actions

September 25, 2021 Alex, CEO of XYZ, announces a new initiative to generate 10000 new jobs in the tiny nation of Lynx.

Lynx was left devastated after a massive earthquake hit two months ago and many of its residents lost their sources of livelihood. The country and its people are now thanking Alex for the new initiative, titled 'Empowering Lynx', which aims to create 10000 new jobs for the local unemployed youth. Earlier today, Alex announced that XYZ Inc. would be donating USD 20 Million to a local non-governmental organization in Lynx that would work to create entrepreneurship opportunities for the residents, which in turn is expected to have a long term impact of generating multiple jobs in the economy that is still reeling under the effects of the disaster that occurred in July 2021. XYZ already has a presence in Lynx where it sells consumer products and has been operating for the last 12 years.

October 1, 2021 CEO of XYZ Inc., Alex, announced a massive layoff in the company's factories located in the small nation of Margay.

Around 3000 workers of XYZ Inc.'s subsidiary in Margay will be laid off in a phased manner over the next 30 days, the company's CEO Alex announced today. Speaking about the layoffs, Alex said “It has been difficult for us to achieve our revenue targets and the company has been making a loss every quarter. We were faced with a tough choice and I am sorry that it had to be this way.” The CEO also said that there were no plans to pay the workers more than a month's wages in compensation or to help these workers re-skill themselves and find other jobs. XYZ Inc. already has a presence in many foreign countries where it sells consumer products and has been operating internationally on an average for 10 years.

Control conditions: Consistent actions

September 25, 2021 CEO of XYZ Inc., Alex, announces a massive layoff in the company's factories located in the small nation of Margay.

Around 3000 workers of XYZ Inc.'s subsidiary in Margay will be laid off in a phased manner over the next 30 days, the company's CEO Alex announced today. Speaking about the layoffs, Alex said “It has been difficult for us to achieve our revenue targets and the company has been making a loss every quarter. We were faced with a tough choice and I am sorry that it had to be this way.” The CEO also said that there were no plans to pay the workers more than a month's wages in compensation or to help these workers re-skill themselves and find other jobs. XYZ Inc. already has a presence in many foreign countries where it sells consumer products and has been operating internationally on an average for 10 years.

October 1, 2021 Alex, the CEO of XYZ Inc., announced that 4000 workers would be laid off in the company's factories located in Lynx.

Alex announced today that XYZ's subsidiary in Lynx plans to terminate the employment of 4000 of its workers in a bid to restructure its operations in that country. The company has been reducing the scope of its operations in many foreign countries. Only a few days ago, Alex had announced another layoff of 3000 workers in Margay. When asked what prompted this decision, the CEO said: "we are taking stock on our loss making operations around the world and engaging in some restructuring to allow us to focus on the business interests that have been generating cash steadily over the years." This news is a rude shock to the local community in Lynx that has banked on the employment from XYZ's subsidiary for years now.