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CEO influence on strategic decisions and firm outcomes

A behavioral perspective

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Introduction

1.1 General introduction

'Strategy is a human construction' (Andrews, 1971, p.107).

Firms nowadays have to navigate a highly complex societal landscape, facing multiple disruptive developments such as digital disruption - including artificial intelligence (AI) - globalization, labor and resource constraints, geopolitical tensions, and growing trade interdependence. Simultaneously, firms experience increasing pressures to take responsibility for their impact on stakeholders (Howard-Grenville, Davis, Dyllick, Miller, Thau & Tsui, 2019). Stakeholders are defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984, p. 46). Moreover, individuals, firms, and society more broadly share a rising interdependence to sustain long-term prosperity. These dynamics have challenged the business landscape and raised questions about traditional economic perspectives that once portrayed firms solely as vehicles for shareholder wealth.

In light of these developments, this dissertation focuses on chief executive officers (CEOs) to gain a deeper understanding of what drives firm action. Motivated by the conviction that strategy is profoundly human, I seek to explore how the personal and often less overt, dimensions of CEOs drive firm behavior. This dissertation is positioned in the broader strategic leadership literature, and more specifically, the upper echelons and the CEO effect literatures. Strategic leaders are defined as the most senior leaders of an organization who have overall decision-making responsibility (Crossland, Campbell & Hill, 2024). Among these strategic leaders, the CEO is the most powerful and holds ultimate responsibility for the actions of the firm. The CEO is the focal actor in this dissertation. Chapters two and four rely exclusively on CEO data. Chapter three relies on primary survey data, and given the challenging nature of collecting original data on CEOs, the sample criteria were broadened to ensure the feasibility of obtaining sufficient data. We incorporated data from current and former executive and non-executive directors. While a rough estimate suggests that 10–20% of those invited to participate were current or former CEOs, the exact number of CEO respondents is not available.

Scholars and society have a long-standing interest in CEOs due to their disproportionate influence on organizations, for example by setting strategic agendas and shaping strategic outcomes. To understand how CEOs shape the fate of their organizations, I begin by outlining the theoretical developments that have formed the foundations of managerial theorizing on CEOs. Most scholarly work on strategy, corporate governance and economics is based on Agency Theory (Jensen & Meckling, 1976). Agency Theory posits that principals (typically shareholders) delegate decision-making to agents (managers, such as the CEO). Agents are argued to act self-serving when given the opportunity. This necessitates governance mechanisms such as contracts, incentives, and monitoring to align agents’ actions with principals’ interests. The Agency framework allows for parsimonious theorizing as it rests

on the assumption of perfect rationality and complete information. Yet, empirical reality provides a more nuanced picture (Van Ees, Gabrielsson & Huse, 2009).

Decision-making contexts are often characterized by incomplete information, and decision-makers' time and cognitive abilities are inherently limited, impairing perfectly rational decision-making. Even when given the opportunity, individuals do not universally behave opportunistically, and many firms explicitly aim to positively influence multiple stakeholders beyond shareholders. The search for a more comprehensive view of firms and their decision-makers has given rise to a behavioral perspective (Van Ees, Gabrielsson & Huse, 2009; Westphal & Zajac, 2013).

The seminal work, 'A behavioral theory of the firm', by Cyert and March (1963), laid the foundations for an alternative approach to management theorizing. Cyert and March (1963) argue that complex decisions are primarily the result of behavioral factors rather than economic optimization. This work has had a profound and lasting impact on scholarly efforts in multiple fields, particularly management, economics, political science, and sociology. Argote and Greve (2007) provide an overview of the scholarly developments over the 40 years following this seminal contribution, illustrating how it fundamentally changed both theorizing and empirical work on executives and their impact on firms. Central to the work of Cyert and March are the concepts of bounded rationality, problemistic search, dominant coalitions, standard operating procedures, and slack (Argote & Greve, 2007), some of which are applicable to varying degrees in the setting of this dissertation.

Van Ees and colleagues (2009) applied this theory specifically to the governance setting, arguing for a behavioral theory of corporate governance. Below I provide an overview of the core concepts that are most relevant to this dissertation. First, bounded rationality refers to the notion that decision-makers in organizations experience limits in their ability to process information and solve complex problems (Simon, 1955; March & Simon, 1958; Cyert & March, 1963; Van Ees et al., 2009). Second, satisficing behavior suggests that actors tend to accept choices or judgments that are 'good enough' based on their most pressing concerns, instead of aiming for an optimal solution. As decision-makers tend to be primarily concerned with immediate problems and short-run solutions, this motivates satisficing behavior. The notion of problemistic search is closely related, it occurs when an organization fails to satisfy one or more of its self-imposed goals, or when failure becomes highly likely, prompting organizational search driven by performance relative to aspiration levels (March & Simon, 1958; Cyert & March, 1963; Argote & Greve, 2007).

Third, routinization of decision-making refers to routines as the codified memory of the organization, embodying the past experience, knowledge, beliefs, values, and capabilities of the organization and its decision-makers (March & Simon 1958, Cyert & March, 1963; Van Ees et al. 2009). Routines are crucial for ensuring organizational stability, yet they must also adapt when the circumstances require. Therefore, both routinization and unlearning are essential in behavioral governance. Fourth, political bargaining and coalitions refer to organizations as politically charged environments in which various coalitions pursue

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potentially conflicting goals, driving a diverse array of often conflicting and inconsistent goals (March, 1962; Cyert & March, 1963; Van Ees et al., 2009). Lastly, slack - the availability of overcapacity in terms of resources - can foster innovation and adaptation (Argote & Greve, 2007), but it is not a primary focus of this dissertation.

The behavioral governance perspective thus views executives as bounded rational decision-makers, embracing behavioral factors shaping complex decisions and outcomes, rather than narrowly self-serving calculations predicted by traditional models (Westphal & Zajac, 2013). In this perspective, under conditions of incomplete information, time constraints and cognitive constraints, individuals attempt optimal decisions within their constrained abilities (Cyert & March, 1963; Crossland et al., 2024). Westphal and Zajac (2013) provide insight into the mechanisms of behavioral governance, doing so by building on multi-level theory based on social dynamics, emphasizing the critical role of social context, relationships, and perceptions in shaping governance behaviors. They argue that executives' decisions and actions are shaped through socially situated mechanisms (immediate social contexts and relationships) and socially constituted mechanisms (broader socialization and personal experiences).

In sum, the strategic behavior of complex organizations is thus subject to social dynamics and reflects the distinct predispositions, preferences, and personalities of executives, both individually and collectively, who are well-intentioned yet cognitively constrained (Crossland, Campbell & Hill, 2024; Westphal & Zajac, 2013). This dissertation builds on Upper Echelons Theory (UET; Hambrick & Mason, 1984; Hambrick, 2007), arguably the most prominent theory in scholarly work on strategic leaders (Crossland et al., 2024). The original UET article sparked a surge in empirical work focused on the upper echelons (Crossland et al., 2024; Hambrick, 2007). I use UET as the theoretical foundation for this dissertation, complemented by insights from other theories in the studies incorporated in this dissertation. The following paragraph outlines the main premises of UET.

1.2 Theoretical foundation: Upper Echelons Theory

UET proposes that the cognitive base and values of the members of the upper echelons are reflected in strategic choice and firm outcomes (Hambrick & Mason, 1984; Hambrick, 2007). Top managers are viewed as the dominant coalition, and the theory argues that their decision-making impacts the firm. The upper echelons consist of the Top Management Team (TMT) and the CEO, though the exact composition of the TMT remains a topic of scholarly debate (Van Doorn, Heyden, Reimer, Buyl & Volberda, 2022). Typically, the upper echelons include executives at the top of the organization – including at least the CEO, Chief Financial Officer (CFO), and Chief Operating Officer (COO) – but definitions vary. Broadly speaking, most upper echelons research can be placed in one of three categories: studies on CEOs, studies on TMTs, and studies that focus on the CEO-TMT interface (Bromiley & Rau, 2016).

As mentioned previously, I focus on the CEO. Different compositions of the upper echelons have been shown to be predictive of firm outcomes (e.g. Abatecola & Cristofaro, 2018; Bromiley & Rau, 2016; Crossland & Hambrick, 2007; Wernicke, Sajko & Boone, 2022).

Before going into how the upper echelons affects strategic choice, I will define strategic choice: *‘Strategic choice includes choices made formally and informally, indecision as well as decision, major administrative choices (e.g. reward systems and structure) as well as the domain and competitive choices more generally associated with the term “strategy”* (Hambrick & Mason, 1984, p.195; Child, 1972). The cognitive base and values of a decision-maker affect strategic choice twofold: through their impact on managerial perception, which informs strategic choice, and by their direct effect on strategic choice.

Each decision-maker brings their own set of “givens” (March & Simon, 1958). These givens are reflected in the cognitive base by knowledge or assumptions about future events, knowledge of alternatives, and knowledge of consequences attached to alternatives (Hambrick & Mason, 1984). These givens also reflect the values of the decision-makers and help order consequences or alternatives to suit their preferences. Regarding managerial perception, the givens serve as a filter and alter the interpretation of the current situation. A limited field of vision, as well as selective perception and interpretation, inform managerial perception, which provides the basis for strategic choice. The available choices are then weighted in light of the values of the decision-maker, causing certain choices to be preferred over others.

The figure below (Figure 1) illustrates how bounded rationality affects how stimuli are processed and converted into strategic choice.

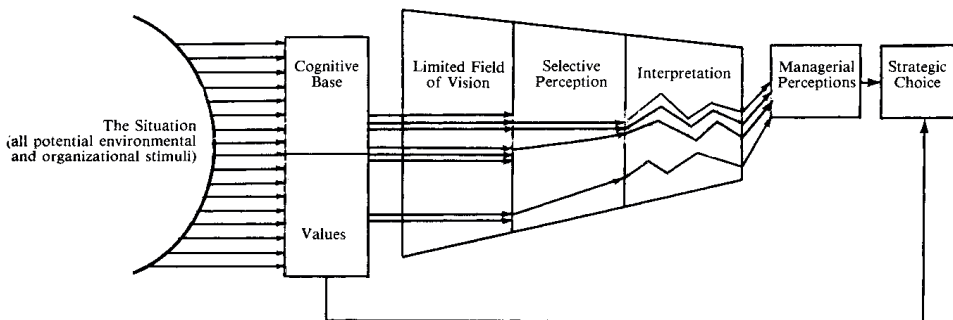


Figure 1. Strategic choice under conditions of bounded rationality (Hambrick & Mason, 1984)

This interplay of the cognitive base and values of the executive affect strategic choice, enabling executive decision-making to impact the firm’s strategies and firm outcomes. The original model is displayed below (Figure 2). As certain characteristics are likely to shape this process in a similar manner across individuals, incorporating these characteristics allows the

model to have predictive qualities for firm performance. Notably, while some characteristics are more easily observable (e.g. age), others are less overt (e.g. socioeconomic roots, values).

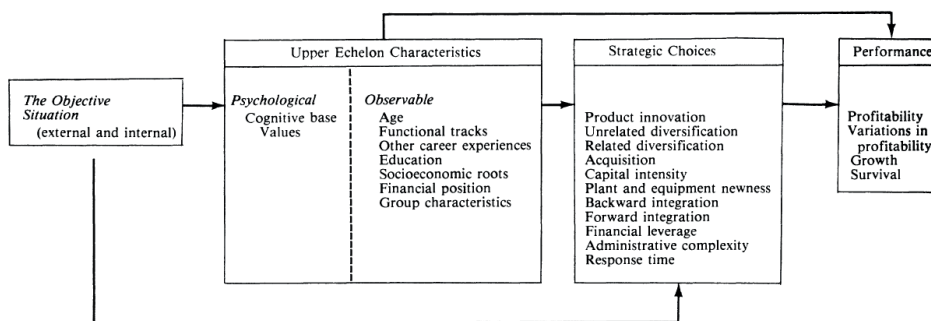


Figure 2. An upper echelons perspective of organizations (Hambrick & Mason, 1984)

As the application of UET developed over time, the focus on the characteristics studied evolved. Early work primarily focused on TMT characteristics such as age, gender, tenure, international experience, and functional background (Abatecola & Cristofaro, 2018; Bromiley & Rau, 2016). Later work shifted attention to the influence of TMTs on firm processes and the role of the external situation (e.g. organizational, industrial, or institutional context) in decision-making (Abatecola & Cristofaro, 2018). More recent work has examined underlying characteristics such as narcissism, charisma, greed, humility, or values, as well as contextual (contingency) factors (e.g. Boone, Buyl, Declerck & Sajko, 2022; Bromiley & Rau, 2016; Busenbark, Krause, Boivie & Graffin, 2016; Chin, Hambrick & Treviño, 2013; Gupta, Mariam & Nadkarni, 2019; Sajko, Boone & Buyl, 2021).

In 2007, Hambrick wrote an update in response to the extensive scholarly application of UET, reflecting on the development of the theory and a potential future research agenda. For studies that focus on a broader group of executives, Hambrick (2007) noted that some TMT members have more influence on decisions and actions than others and that the extent to which TMT members collaborate differs. He proposed intra-TMT power distributions and TMT behavioral integration as potential moderators. The extent to which the TMT functions as a team instead of a collection of individuals or subgroups varies (e.g. Hambrick, Humphrey & Gupta, 2015).

Scholars have sought to investigate how much variance can be explained by factors attributable to a firm's executives. For studies that involve more executives than the CEO, the behavioral integration of this group plays a large role in the extent to which executives' cognitions and values affect strategic choice. Considering I only focus on CEOs, the power

distribution in the TMT and the amount of collaboration will not be further discussed. Regarding CEO studies, Crossland and Hambrick (2007) examined CEOs' influence on firm performance across the U.S., Japan, and Germany, indicating a particularly strong effect in the U.S. More recently, Wernicke, Sajko, and Boone (2022) found that CEOs account for 30% of the variance in corporate social responsibility (CSR). These studies underscore the significant impact of CEOs on firm outcomes, especially in the U.S. context. Next, I will discuss the core concepts that are central to this dissertation.

1.3 Core concepts

This dissertation focuses on the impact of CEOs on various decisions that firms face. Hambrick and Mason (1984, p. 194) wrote that *'Generally, the more complex the decision, the more applicable the behavioral theory is thought to be. So, for that class of choices called "strategic" -- complex and of major significance to the organization -- the behavioral theory is especially apt.'* The commonality among the strategic decisions examined in this dissertation lies in their inherent complexity and the uncertainty surrounding the benefits of allocating firm resources. While all firms must pursue profit-making to ensure their survival, the benefits of investing in corporate social responsibility (CSR), sustainable development goals (SDGs), or firm growth are more ambiguous. Shareholders differ in their appreciation of these efforts, and while they are often beneficial for public relations, backlash is not uncommon (e.g. Lewin & Warren, 2024). This makes their pursuit particularly dependent on the preferences and inclinations of the CEO in charge. In this dissertation, I aim to shed light on what causes some CEOs to be more inclined than others to pursue CSR, SDGs, or firm growth strategies.

1.3.1 Corporate social responsibility

The firm outcome that the second chapter of this dissertation focuses on is CSR. There is a long history of scholarship examining how corporations and their executives address the concerns of multiple stakeholders, which has resulted in an extensive body of literature on CSR (Freeman, 1984; Freeman, Dmytriyev & Phillips, 2021; Recendes, Chandler, Huang & Hill, 2024). Executives must prioritize the needs of the firm and its stakeholders to ensure long-term competitiveness (Hillman & Keim, 2001; Jamali, Safieddine & Rabbath, 2008). In this dissertation, CSR is defined as: the extent to which the firm responds actively to demands from a broad range of stakeholders (McWilliams & Siegel, 2001).

CSR is based on a composite measure that combines the firm's strengths and weaknesses in five categories: community relations, employee relations, diversity, product quality, and the natural environment (MSCI ESG database, see 1.5.2. methods, following; Choi & Wang, 2009; Hillman & Keim, 2001; Gupta et al., 2019; Tang et al., 2015). The composite measure enables a concise assessment of firms' CSR and is frequently used in practice (Chatterji

et al., 2016; Gupta et al., 2019). There is ongoing scholarly debate about combining CSR strengths and weaknesses into one measure (e.g. Tang et al., 2015). Chapter 2 employs a composite measure based on theoretical considerations.

1.3.2 Sustainable development goal contribution preferences

The third chapter addresses the SDGs. The SDGs are a set of 17 goals - economic, social, and environmental - that are part of the United Nations (UN) 2030 agenda for sustainable development. These 17 goals define key priorities for the global community in achieving a sustainable future and were collectively adopted by all countries in 2015 (United Nations, 2015). By definition, the SDGs embody “grand challenges”, characterized by complex causality, and interactions between and among diverse stakeholders (Ferraro, Etzion, & Gehman, 2015; George, Howard-Grenville, Joshi & Tihanyi, 2016; Howard-Grenville et al., 2019). Public institutions, businesses, organizations, and individuals are all encouraged to actively contribute to addressing these challenges. Firms played a large role in drafting the SDGs, and the 2030 agenda “calls upon all businesses to apply their creativity and innovation to solving sustainable development issues” (United Nations, 2015). Many companies turn to the SDGs to guide their efforts in achieving a positive societal impact (Howard-Grenville et al., 2019).

The SDGs can be categorized into three overarching pillars: economic (efficient allocation: building a living economy), social (fair distribution: protecting capabilities for flourishing) and environmental (sustainable scale: staying within planetary boundaries) (Costanza et al., 2016). While the economic SDGs emphasize building a thriving economy as a foundation for sustainable development, the social and environmental SDGs focus on establishing conditions that enable economic benefits to be both sustainable and equitably shared (Costanza et al., 2013; Costanza et al., 2016; Schaltegger & Wagner, 2017). In chapter three, SDG preferences are reflected in an economic-social/environmental SDG continuum that is based on a 100-euro allocation dilemma.

1.3.3 Firm growth

Lastly, the fourth chapter of this dissertation is focused on firm growth. Firm growth is a key concept in strategic management and entrepreneurship, reflecting a firm’s ability to leverage resources and innovate to achieve competitive advantage. The implications of firm growth extend beyond the firm, playing a vital role in economic development, employment creation, and industry evolution (Penrose, 1959; Wiklund, Patzelt & Shepherd, 2009). Building on Penrose’s (1959) foundational work, we define firm growth as the process by which the firm increases its scale of operations (e.g., productive capacity, employment, and sales). The pursuit of growth opportunities is enabled by the interaction between the firm’s resource base and managerial vision. At the core is the idea that a firm is greater than the sum of its resources, with managers playing a crucial role in identifying and capitalizing on growth opportunities. Pursuit of firm growth is characterized by uncertain outcomes and

challenging non-routine decisions (Nuschler, Engelen & Zahra, 2019; Wan, Zhang & Wei, 2023).

Most scholarly work on firm growth uses employee growth or sales growth (Davidsson & Wiklund, 2017). Sales growth, that is, the annual increase in sales (Heavey & Simsek, 2015; Murphy, Trailer & Hill, 1996; Wan et al., 2023), is most frequently used, and an increase in sales tends to precede workforce expansion (Davidsson & Wiklund, 2017). Sales growth provides a measure of how well an organization successfully expands and grows (Heavey & Simsek, 2015; Wan et al., 2023). Chapter four therefore utilizes sales growth to capture firm growth.

The following paragraph describes the main explanatory variables at the executive level that are investigated as part of this dissertation.

1.3.4 Definitions of main CEO-level concepts

This dissertation investigates the effects of various independent variables at the CEO-level that shape their givens and thereby affect strategic choice. Table 1 provides an overview of definitions of the main concepts at the CEO-level that are used as explanatory variables in this dissertation.

Table 1. Table with definitions of main CEO-level concepts

Masculinity-femininity is defined as: “an enduring characteristic of an individual that encompasses traits, appearances, interests and behaviors” (Constantinople, 1973; Constantinople, 2005). What is considered either more masculine or feminine is informed by widely held views of what is more typical of men and women. M-F is seen as the product of an individual’s social context and biological predisposition. Chapter two investigates the consequences of the M-F balance in masculine and feminine qualities.

Political orientation is defined as: “an interrelated set of attitudes and values about the proper goals of society and how they should be achieved” (Tedin, 1987, p. 65). Chapter three examines the impact of variations in political orientation, specifically conservatism and progressivism, within the Dutch context.

Social class background is conceptualized as: “a person’s perceived place in a societal and economical hierarchy” (Kish-Gephart & Campbell, 2015; Liu, Ali, Soleck, Hopps & Pickett Jr, 2004). Chapter three focuses on social class background, as previous research has demonstrated the lasting impact of the social class in which one grew up (Domhoff, 2010; Kish-Gephart & Campbell, 2015; Stephens et al., 2012).

Openness to change values. Values more broadly are conceptualized as “cognitive representations of desirable, trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or group” (Schwartz, 1992). Chapter three studies openness to change values more specifically, a subset of the ten values recognized by Schwartz. Openness to change values consist of self-direction and stimulation values, emphasizing the individual and self-expansion, as well as coping with challenges and growth (Caprara, Schwartz, Capanna, Vecchione & Barbaranelli, 2006; Schwartz, 2006; Schwartz, 2012; Shukov, Sihvonen, Olsson & Magnusson, 2018).

Life events: marriage & parenthood. Life events are defined as: “a social experience or change with a specific onset and course that has a psychological impact on the individual” (Goodyer, 1991). Chapter four focuses specifically on two life events: marriage and parenthood. A CEO is considered married if sources mention them being married in a given year, and being a parent if sources mention the CEO having a child or multiple children in a given year.

1.4 Research gaps and questions

The scholarly positioning of this dissertation is rooted in the strategic leadership field, and more specifically in two of its prominent subdomains. In line with most research in strategic leadership, I ground my work in Upper Echelons Theory (UET; Hambrick & Mason, 1984; Hambrick, 2007). Given the reliance on UET in all chapters and the focus on CEOs, this dissertation primarily contributes to the upper echelons and CEO effect literatures, as well as strategic leadership scholarship more broadly.

This dissertation responds to the growing recognition that CEOs' strategic choices are shaped not solely by their roles and incentives. Scholars continue to unravel how CEOs shape organizational outcomes, with research on the influence of more personal beliefs and experiences gaining a surge of interest. Crossland and colleagues (2024) identified several prominent subdomains within the strategic leadership field and note that the breadth of the field makes it difficult to cover all the subdomains that have emerged over time. They offer a synthesis of the literature on three widely studied main subdomains: managerial discretion, executive dispositions and values, and executive experiences. This dissertation, solely focusing on CEOs, contributes to two of these subdomains: chapter two and chapter three add to the executive dispositions and values domain, while chapter three and chapter four contribute to the literature on executive experiences. All chapters contribute to the upper echelons literature stream, providing insights into the role of CEOs in strategic choice and firm outcomes.

Grounded in the belief that CEOs do not leave their convictions and life experiences at the door when assuming professional responsibilities, I aim to illuminate how some less overt yet consequential, deeply personal beliefs and experiences shape CEOs' strategic choices. The following sections elaborate on the specific theoretical and empirical gaps addressed by the three studies in this dissertation.

1.4.1 Chapter 2 - CEO masculinity-femininity and corporate social responsibility

During the ongoing academic interest in CSR, the CEO has become a focal point in understanding the drivers of CSR. Studies on CEO effects on CSR have mainly gained traction in the past 15 years. Previous research has identified a variety of factors that shape a CEO's approach to CSR, including demographics (Manner, 2010), gender stereotype adherence (Mui & Hill, 2024), political ideology (Chin et al., 2013; Hafenbrädl & Waeger, 2017), hubris (Tang, Mack & Chen, 2018; Tang, Qian, Chen, & Shen, 2015), regulatory focus (Gamache, Neville, Bundy & Short, 2020), extraversion (Gupta, Nadkarni & Mariam, 2019), narcissism (Bouzouitina, Khairreddine, & Jarboui, 2021; Gupta et al., 2019; Petrenko, Aime, Ridge & Hill, 2016; Tang et al., 2018) and overconfidence (Bouzouitina et al., 2021). The significance of CEOs in shaping CSR is underscored by Wernicke, Sajko, and Boone (2022), who demonstrate that CEOs account for roughly 30% of the variance in a firm's CSR. Meanwhile, societal pressures emphasize the importance of CSR. Research that aids with

further understanding how CEOs foster CSR is therefore both relevant and timely.

A candidate for such understanding comes from the field of psychology, as substantial empirical evidence shows that an individual's masculine or feminine inclination significantly affects decisions in domains such as risk-taking, career choices, and ethical behavior (Brough, Wilkie, Ma, Isaac & Gal, 2016; Meier-Pesti & Penz, 2008; Weisgram, Dinella & Fulcher, 2011). Predominantly scholars in developmental psychology, social, and personality psychology have a longstanding interest in investigating masculinity-femininity (M-F). Management scholars have largely neglected the impact of M-F on executive decision-making. Some scarce early endeavors that focus purely on male CEOs have identified links between vocal masculinity and pay, as well as enactment of masculinity and rewards and performance (Nair, Haque & Sauerwald, 2022; Joshi, Misangyi, Rizzi & Neely, 2018). A study on female CEOs and visual stereotypical femininity showed CSR benefits when stereotypical congruence was present (Mui & Hill, 2024). Byrne, Radu-Lefebvre, Fattoum, and Balachandra (2021) focused on how gender identities are enacted by male and female CEO successors in family firms in pursuit of legitimacy.

Previous studies have thus focused on single-gender samples, narrow conceptualizations of masculinity and femininity, or conceptualizations of M-F as something that is performed, rather than a stable psychological inclination. Thus, a crucial gap remains regarding how a balanced, more comprehensive view of M-F across both genders influences strategic decisions like CSR. This chapter addresses this knowledge gap by answering the following research question:

“How does CEO masculinity-femininity influence firms’ corporate social responsibility outcomes?”

1.4.2 Chapter 3 – CEOs’ political orientation, social class, openness to change values and contributions to the sustainable development goals

In the face of mounting global challenges - including climate change, biodiversity decline, and socioeconomic disparity - corporations are increasingly expected to define and fulfill their societal responsibilities, moving beyond a sole focus on shareholder value. Recent geopolitical developments have challenged this shift. Yet the majority of the past decade has witnessed a surge in corporate engagement with the United Nations’ SDGs (Howard-Grenville et al., 2019). As businesses have a critical role to play in enabling the achievement of the SDGs (Howard-Grenville et al., 2019), it is particularly important to understand why some CEOs are more inclined than others to contribute to the SDGs. As CEOs wield influence that extends from their individual decisions to their organizations and beyond, their engagement with the SDGs has the potential to accelerate the achievement of the SDGs.

While existing scholarship on SDGs and their adoption has primarily examined macro- and organizational-level factors, the role of individual-level determinants remains underexplored (Hu, Zeng, Zang & Shu, 2018). In addition, most studies have focused on a

single SDG or a narrow subset of goals (Nakamura, Pendlebury, Schnell & Szomszor, 2019). Some initial research has explored individual-level determinants with a broad take on the SDGs. For instance, Hu and colleagues (2018) found that mortality salience decreased individuals' perceived importance of socially related SDGs and, to a lesser extent, ecological SDGs. Likewise, Gaur and colleagues (2021) sought to predict SDG preferences of youth in Serbia and India based on personal characteristics, reporting an overall prioritization of environmental, followed by social and economic goals. These findings highlight the relevance of personal characteristics and experiences in shaping SDG-related preferences.

However, a systematic understanding of the individual-level factors that shape CEOs' preferences for specific SDGs is lacking. This chapter examines how CEOs' political orientation, social class background, and openness to change values influence their inclination to support different subsets of SDGs. We focus on these three factors due to prior evidence of their significant influence on individual-level decision-making (e.g. Cannavale, Nadali & Esemio, 2020; Côté, 2011; Fiske & Markus, 2012; Gupta et al., 2019; Kish-Gephart & Campbell, 2015). In doing so, this study responds to calls for more research on these factors and their effects on strategic decision-making (Kish-Gephart & Campbell, 2015; Semadeni, Chin & Krause, 2022), as well as broader calls for management research that tackles 'grand challenges' (Howard-Grenville et al., 2019).

The study also responds to a pressing empirical need for more access to executives in research, including hard to reach CEOs (Crossland et al., 2024). Through access to a Dutch educational institute for executive education, there was an opportunity to collect novel primary data. Given the sensitivity of information concerning political orientation, social class background, and personal values, the collection of original data is particularly valuable. This chapter, therefore, addresses both a theoretical and an empirical research gap. The central research question of chapter three is:

“How do CEOs' political orientation, social class background, and openness to change values shape their preferences regarding contributions to the sustainable development goals?”

1.4.3 Chapter 4 - CEO life events and firm growth

Scholarship and society have demonstrated growing interest in the private lives of CEOs (Lovelace, Bundy, Hambrick & Pollock, 2018), and a nascent literature examines the spillover of executives' private lives into the professional domain (Van Doorn, Heyden & Reimer, 2023). Although scholars have sought to unravel how experiences affect executive decision-making, most efforts have focused on work-related experiences (Crossland et al., 2024). As a result, the influence of private life events on strategic outcomes remains insufficiently understood.

As marriage and parenthood are life events that affect most individuals - including CEOs - I seek to understand how they shape CEO decision-making (Cho, Mooney, Choi & Via, 2023; Van Doorn et al., 2023). Prior work on marriage or parenthood has predominantly

studied these life events separately, leaving the combined effects unexplored (Van Doorn et al., 2023). For instance, existing studies demonstrate that CEO marital status affects stock return volatility, investment policies, and responses to changes in idiosyncratic risk (Roussanov & Savor, 2014); marriage influences corporate innovation efficiency, impact, and tolerance for failure (Zhang et al., 2022); CEOs with daughters contribute more actively to CSR (Cronqvist & Yu, 2017); and the number of children a CEO has shapes corporate investment decisions (Liao, Nguyen & Pawlina, 2022). Collectively, these studies highlight a growing recognition that personal life experiences can shape professional judgment—yet this remains understudied in contrast to work-related experiences (Crossland et al., 2024).

Despite firm growth being a central topic in both the strategic leadership and entrepreneurship literatures (Penrose, 1959; Wiklund, Patzelt & Shepherd, 2009), there is a substantial knowledge gap regarding the micro-level antecedents of firm growth (Preller, Patzelt & Breugst, 2020). Some initial studies point to the substantial influence of CEOs on driving firm growth. While growth can enhance profitability to ensure the long-term sustainability of firms, CEOs differ in the degree to which they prioritize growth as a strategic objective. Wan, Zhang and Wei (2023) show that the degree of congruence between CEOs and TMTs in terms of growth-need strength significantly affects firm growth. Kor and Tan (2025) establish relationships between the CEOs' firm-specific and versatile experiences and their pursuit of firm growth.

Given firm growth's critical role in driving firm profitability, job creation, and economic prosperity (Penrose, 1959; Wiklund et al., 2009), it is crucial to understand the drivers of firm growth. This could offer valuable insights that support firms in achieving long-term success in dynamic and competitive environments. Currently, it remains unclear whether and how CEO life events influence strategic decisions regarding firm growth. This dissertation addresses this critical empirical and theoretical gap by examining how CEO life events - particularly marriage and parenthood - shape strategic decision-making and firm growth outcomes. Chapter four therefore explores the following research question:

“How do CEO life events - specifically marriage and parenthood - influence firm growth?”

The subsequent sections detail how this dissertation systematically addresses the aforementioned research questions.

1.5 Dissertation outlook: structure, methods & overview of studies

1.5.1 Structure

Regarding the structure of this dissertation, the second chapter presents the first study,

which investigates how the CEO's M-F inclination shapes their tendency to drive CSR. Chapter three outlines the second study, exploring how CEOs' political orientation, social class background, and openness to change values shape their preferences for SDGs. Chapter four presents the third study, which investigates how life events, marriage and parenthood influence the CEO's inclination to drive firm growth. The main variables of interest across the three studies are visualized in Figure 3.

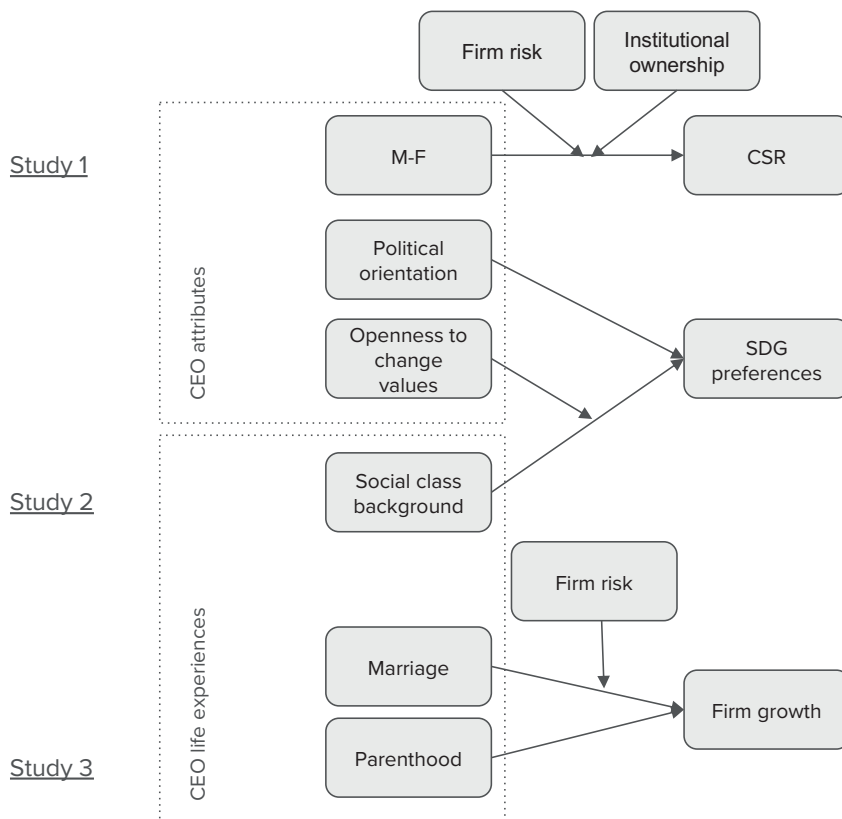


Figure 3. Overview of studies and main variables

1.5.2 Methods

This dissertation applies quantitative methods. The first study, detailed in chapter two, is based on panel data of U.S. S&P 100 firms and their CEOs. For the prime variable of interest, masculinity-femininity, text analysis was applied to letters to shareholders using NVivo 12. CSR data was obtained from the Morgan Stanley Capital International's (MSCI) Environmental, Social, and Governance (ESG) database. Data on other variables were collected via archival

databases such as Compustat, Execucomp, BoardEx, and Thomson Reuters Institutional Holdings (13F) database. Regarding the level of analysis, the main independent variable of interest, M-F, is measured at the individual-level, and the dependent variable, CSR, is measured at the firm-level. The moderators, firm risk and institutional ownership, are measured at the firm-level as well. Various control variables were included at the CEO, board, firm, and industry level. Analyses were performed using GEE models in STATA.

The second study, captured in chapter three, is based on original empirical data. A questionnaire was constructed and distributed using non-probability purposive sampling, leading to 150 complete survey responses (17.4% response rate). Existing scales were used for the independent variables: political orientation and social class background, as well as the moderator variable: openness to change values. The dependent variable: SDG preferences, was operationalized as an economic-social/environmental SDG continuum, measured through a 100 euro allocation dilemma. Participants were asked to allocate 100 euros over three SDG pillars (economic, social, environmental), after which - in accordance with the economy or social/environmental first vision - the social and environmental allocation was combined, resulting in a continuum that represents a balance of economic versus social-environmental SDGs in an allocation decision. Various controls were included. As to the level of analysis, all variables were measured at the individual-level. Hypotheses were tested using ordinary least squares (OLS) regression.

The third study, outlined in chapter four, uses panel data on the CEOs of S&P 100 firms in the U.S. Data on the explanatory variables CEO marriage and parenthood were hand-collected, following previous studies in collecting data from news articles, company websites, and biographical websites, including; Referenceforbusiness, Britannica, Notablebiographies, Marquis Who's Who in Finance and Industry, and the Notable Names Database. Data on the other variables were obtained from archival databases, including Compustat, Execucomp, MSCI ESG, and BoardEx. The primary independent variables in this study, CEO marriage and CEO parenthood, are assessed at the individual-level, while the dependent variable, firm growth, is evaluated at the firm-level. The moderator, firm risk, is also a firm-level variable. In addition, several controls and a moderator are incorporated at the CEO, board, firm, and industry level. GEE models were specified in STATA to test the hypotheses.

1.5.3 Overview of studies

Table 2 provides an overview of the research questions, theoretical lenses, methods, samples and contributions of the studies incorporated in this dissertation.

Table 2. Overview of studies

	Overarching research question	Theoretical lens(es)	Method & sample	Main contribution(s)
<i>Chapter 2 - Study 1</i>	How does CEO masculinity-femininity influence firms' corporate social responsibility outcomes?	<ul style="list-style-type: none"> Upper Echelons Theory Developmental, social & personality psychology Corporate social responsibility 	<ul style="list-style-type: none"> Unbalanced panel of 969 firm-year observations of US S&P 100 firms for 2003-2013 Computer-aided content analysis Archival sources & letters to shareholders GEE 	<ul style="list-style-type: none"> This study adds to the Upper Echelons literature by arguing, measuring, and testing how CEO masculinity-femininity affects CSR. Thereby highlighting the consequences of M-F for strategic choice. These findings contribute to scholarly knowledge on CEO effects and CEO's strategic role in fostering CSR. We also provide a methodology that can be used by scholars and practitioners. Insights may aid practitioners who hire CEOs or aim to influence or predict CSR.
<i>Chapter 3 – Study 2</i>	How do CEOs' political orientation, social class background, and openness to change values shape their preferences regarding contributions to the sustainable development goals?	<ul style="list-style-type: none"> Upper Echelons Theory Political theory Sociological theories on class and socioeconomic background Schwartz Theory of Basic Values Sustainable development 	<ul style="list-style-type: none"> Sample of 150 responses of Dutch current and former executive and non-executive directors, collected in 2022 Surveys OLS regression 	<ul style="list-style-type: none"> This study advances the upper echelons and the CEO effects literature by theorizing and empirically testing how CEOs' political orientation, social class, and openness to change values shape their SDG contribution preferences. Thereby adding to the management literature on grand challenges and scholarship on the SDGs and sustainable development. In addition, it aids those who seek to boost SDG involvement of CEOs and their firms.
<i>Chapter 4 - Study 3</i>	How do CEO life events - specifically marriage and parenthood - influence firm growth?	<ul style="list-style-type: none"> Upper Echelons Theory Life events Job demands Organizational identification Firm growth 	<ul style="list-style-type: none"> Unbalanced panel of 949 firm-year observations of US S&P 100 firms for 2003-2013 Archival sources, biographical websites and media messages GEE 	<ul style="list-style-type: none"> By arguing and testing how CEO marriage and parenthood impact firm growth, this study contributes to the upper echelons and CEO effects literatures, as well as to scholarly knowledge on life events. Moreover, it adds to the nascent literature on the micro-level antecedents of firm growth. As such, it is relevant for practitioners who are interested in CEO motivation or interpretation of firm actions.

1.6 Declaration of contribution

Through this declaration of contribution I confirm my involvement in this dissertation and declare the involvement of other persons and organizations that supported its realization. Prof. Dr. Henk Volberda and Prof. Dr. Harry Commandeur were both involved in the role of promotor. Prof. Dr. Jatinder Sidhu was involved as co-promotor. Erasmus Governance Institute, part of Erasmus School of Accounting & Assurance, provided the funding for my employment during the realization of this dissertation.

Chapter 1. This chapter was written individually by the author of this dissertation. Feedback was provided by Prof. Dr. Henk Volberda, Prof. Dr. Harry Commandeur and Prof. Dr. Jatinder Sidhu.

Chapter 2. The initial research idea and collection of the initial data were orchestrated by Prof. Dr. Jatinder Sidhu. Prof. Dr. Jatinder Sidhu and the author further refined the research question, the theoretical foundation and the initial analysis. The author collected additional data, performed subsequent analyses and wrote up the paper. Prof. Dr. Jatinder Sidhu, Prof. Dr. Harry Commandeur and Prof. Dr. Henk Volberda provided feedback during the research process and in the writing phase of this chapter.

Chapter 3. The author was the initiator of this study and has defined the research question, developed the survey tool, conducted the literature review, collected the data and wrote up this chapter. Prof. Dr. Henk Volberda, Prof. Dr. Harry Commandeur and Prof. Dr. Jatinder Sidhu aided by providing feedback on the survey tool and in the writing process.

Chapter 4. This chapter is based on the idea, data collection, analysis and writing of the author. Prof. Dr. Henk Volberda, Prof. Dr. Harry Commandeur and Prof. Dr. Jatinder Sidhu contributed by providing feedback on the positioning of the study and through feedback during the writing phase.

Chapter 5. The author wrote this chapter of the dissertation. Prof. Dr. Harry Commandeur, Prof. Dr. Henk Volberda, and Prof. Dr. Jatinder Sidhu provided feedback.

In addition, I would like to declare the insights I gained from other scholars at conferences and workshops. I am thankful for their contributions to this dissertation.

To conclude, this chapter serves as the introduction to this dissertation. The remainder of this dissertation is organized into four chapters. The next three chapters each consist of a study. The final chapter, chapter five, places the findings in a broader academic and societal context, highlights the contributions, and discusses recommendations for future research.