

Call for Papers
Corporate Governance: An International Review
Special Issue on
“Chief Executive Officers With A Cause?
CEO Activism And Firms’ Governance, Strategy, And Performance”

Special Issue Submission Deadline: September 30, 2024

Guest Editors

Jatinder S. Sidhu, University of Leeds, UK
Dimitrios Georgakakis, University of York, UK
Wei Shi, University of Miami, USA
Mariano L.M. Heyden, Monash University, Australia
Albert A. Cannella, Jr., Texas A&M University, USA

BACKGROUND

The fortunes of firms are said to depend on their chief executive officers (CEOs). The last ten years have witnessed the emergence of an intriguing new phenomenon that is consequential for the governance, strategy, and performance of firms – CEO sociopolitical activism, or more simply, CEO activism. The phenomenon does not resonate well with the traditional models and understanding of the substance and boundaries of a CEO’s role. Described as the taking of public stances on socio-economic and socio-political issues that often do not have an evident relationship with the business of a company, CEO activism is mushrooming and may have implications beyond firms for the broader society (Chatterjee & Toffel, 2018; Hambrick & Wowak, 2021; Hersh, 2023; Krause & Miller, 2020). Whereas in the past, CEOs avoided becoming involved in contentious societal debates, lest it may antagonize internal and external stakeholders, this is not the case anymore. From capital-intensive manufacturing concerns, through consumer-goods companies, fashion houses, and social-media enterprises, to financial services and investment firms, CEOs in diverse sectors have become vocal proponents of social causes, boldly going where corporate leaders had not gone before (Branicki et al., 2021; Chatterjee & Toffel, 2019; Rumstadt & Kanbach, 2022).

CEO activism has a society-oriented aspect to it that puts CEOs outside their conventional role as either the agents or stewards of companies, who, while reporting to a board of directors, manage the operations and resources of a company on behalf of its owners and stakeholders (Cannella & Monroe, 1997; Finkelstein et al., 2009; Georgakakis et al., 2022; Shi & Hoskisson, 2021). Increasingly, nowadays, CEOs conduct themselves as if they were also the representatives of society, using their position and status to bring about change for the sake of a greater good, for example, climate and racial justice in the world (Rizzi, 2021; Shandwick & KRC Research, 2018; Wolfe, 2019). As scholars begin to take note of CEO activism and to explore its nature and features (Chatterjee & Toffel, 2018; Rumstadt & Kanbach, 2022), the need for a coherent and concerted examination of the various drivers and implications of CEO activism has become apparent for building a robust body of theoretical and empirical knowledge on the subject. There are many unknowns about CEO activism, including its relationship with the broader current climate of activism (Eilert & Nappier Cherup, 2020; Shi et al., 2022) and the civic and institutional desire for cultural change to address the grand challenges humanity faces (George et al., 2016; Wickert et al., 2021).

It is conceivable that CEO activism reflects an expansion in CEOs' understanding of their job, role, and responsibilities as the view takes hold that the purpose of firms is to pursue both economic and social goals (Gartenberg & Serafeim, 2019; Glamboosky et al., 2023; Henderson, 2021). Alternatively, CEO activism may be an instrument for private and corporate gain in a landscape of changing norms and values. For example, political beliefs and personality traits (Kalogeraki & Georgakakis, 2022; Narayan et al., 2021) may motivate CEO activism as a vehicle to attract attention and gain admiration rather than to achieve a social goal (Arena et al., 2018; Tang et al., 2018). As well, how do the identities and experiences of CEOs, as shaped by their education, ethnicity, gender, and generational cohort membership relate to the issues CEOs take a public stance on and the passion with which they do it? In this context, we do not know much about how the motivators of CEO activism interact with CEO characteristics to affect the focus, frequency, and vividness of CEO activism (Hambrick & Wowak, 2021; Wowak et al., 2022). The literature is also silent on how CEO activism relates to variables at the organization (for, e.g., commitment to CSR and corporate reputation) and industry (for, e.g., industry legitimacy and intensity of competition) levels.

In addition, given the growing power of institutional investors and their involvement in politics (DesJardine et al., 2023; McNulty & Nordberg, 2016), could it be that CEOs engage in activism to mitigate pressure from their investors? Research on corporate political activity (Hadani et al., 2015; Shi et al., 2021) also hints at the possibility that CEO activism may be an effort to complement donations, lobbying, and other nonmarket strategies to orchestrate a favorable policy environment. In contrast, nascent research on corporate wokeism (Fan, 2019; Wright, 2022) indicates that CEO activism may be driven by a desire to ingratiate oneself with the promoters and adherents of initiatives and movements associated with a liberal progressive ideology (Vredenburg et al., 2021; Rizzi, 2021), although this may alienate customers and investors espousing a different ideology (Burbano, 2021; Kauffman, 2021). A further gap in the literature concerns the relationship between CEO activism and corporate boards. While one expects vigilant boards to keep an eye on CEO activism (see Bedendo & Siming, 2021; Hou & Poliquin, 2022), we do not have much insight into how boards deal or should deal with CEO activism (see Larcker et al., 2018). Overall, the interplays between CEO activism and firm's governance, strategies, and performance await systematic investigation.

AIMS AND SCOPE

The objective of this special issue is to advance our understanding of CEO activism and its antecedents and consequences. We therefore invite papers that examine the theoretical domain and measurement of CEO activism, the factors at the individual, board, company, and industry levels that affect the substance and style of CEO activism, and the effects of CEO activism on the governance and strategies of firms and the pursuit and attainment of financial and social goals. We invite theory building and theory testing papers and we are open to the use of any theoretical lens and methodological approach. We identify below a set of themes and indicative issues and questions that fall within the aims and scope of the special issue. This set is by no means intended to suggest an exhaustive list and we encourage submissions centering on themes and issues that may not be listed below:

- How should we theorize CEO activism? While it may signify an innately driven expression of moral values by CEOs whose cognition about their role has progressed to encompass the leading of social change, it could also represent

behavioral conditioning and the seizing of performative opportunities as social mores and expectations change.

- Do we need typologies and taxonomies to advance our knowledge of CEO activism? Furthermore, how should we develop reliable and valid measures to enable theory testing and knowledge aggregation?
- With reference to CEO personality, do variables such as charisma, hubris, narcissism, and risk aversion predict the issues CEOs take an explicit stance on? Do they regulate the endurance, intensity, and scope of CEO activism?
- Do CEO age, ethnicity, gender, and founder status affect CEO activism? At the firm level, how do the expectations of different internal (e.g., employees and shareholders) and external (e.g., customers and suppliers) stakeholders matter? At the industry level, what is the influence of factors such as regulations and level of dynamism?
- Regarding the interplay between CEO activism and corporate governance. Do factors, such as, CEO – board-chair relationship, board independence, activist board members, and board directors' external affiliations matter for CEO activism?
- What influence does external governance emanating from competitors, creditors, institutional investors, media, and rating agencies have on CEO activism?
- Empirical work shows a negative effect of CEO activism on shareholder value. However, are there circumstances when it may affect a firm's market performance positively?
- Are there organizationally relevant differences between conservative-leaning and liberal-leaning CEO activism? Does board members' partisanship shape CEOs' willingness to engage in activism of a particular kind?
- How does CEO activism affect social dynamics? While it may have a contagion effect on other executives and employees, its value-laden nature could surface internal tensions and fault-lines, resulting in polarization and the influencing of the strategic decision-making process and strategy implementation.
- Research hints that CEO activism can affect customers' and employees' identification with a company. It may have further effects on other stakeholder groups (e.g., financial activism by investors). Also, how does it affect image and legitimacy, and thus a firm's ability to attract resources (e.g., media coverage and financial analysts' attention)?

- Inasmuch as CEO activism may affect internal dynamics in a company and the perceptions of important external stakeholders, what is its impact on organizational attention, search, learning, and innovation, and hence financial performance?
- As a symbolic action, CEO activism may aim to influence public perception and the policy sphere. But does it also influence substantive actions pertaining to, for instance, the allocation of resources to CSR initiatives, ESG/sustainability reporting practices, engagement with the U.N.'s sustainable development goals, and corporate purpose?
- How is CEO activism affecting society, and with what implications for firms, corporate governance, and competitive dynamics?

SUBMISSION TIMELINE AND PROCESS

The deadline for the submission of full papers to the Special Issue (SI) is September 30, 2024. The SI is expected to be published in 2026. Manuscripts should be prepared using the CGIR Author Guidelines and must be uploaded using the CGIR Manuscript Central website (<https://mc.manuscriptcentral.com/cgir>). All manuscripts will be reviewed according to the CGIR standard double-blind review process. We intend to organize a Paper Development Workshop (PDW) in the last week of April 2024. We encourage prospective contributors to submit their draft papers to the PDW (we will also consider extended abstracts of 10 pages; tables and references excluded). We plan to select the most promising draft papers / extended abstracts for presentation at the PDW. Further details regarding the PDW will be announced in due course. While participation in the PDW is recommended, it is not required for submission to the SI. Please also note that participation in the PDW does not necessarily guarantee the acceptance of a paper in the SI.

REFERENCES

- Arena, C., Michelon, G., & Trojanowski, G. (2018). Big egos can be green: A study of CEO hubris and environmental innovation. *British Journal of Management*, 29(2): 316-336.
- Bedendo, M., & Siming, L. (2021). To advocate or not to advocate: Determinants and financial consequences of CEO activism. *British Journal of Management*, 32(4): 1062-1081.
- Branicki, L., Brammer, S., Pullen, A., & Rhodes, C. (2021). The morality of “new” CEO activism. *Journal of Business Ethics*, 170: 269-285.
- Burbano, V. C. (2021). The demotivating effects of communicating a social-political stance: Field experimental evidence from an online labor market platform. *Management Science*, 67(2): 1004-1025.
- Cannella Jr, A. A., & Monroe, M. J. (1997). Contrasting perspectives on strategic leaders: Toward a more realistic view of top managers. *Journal of Management*, 23(3): 213-237.
- Chatterji, A. K., & Toffel, M. W. (2018). The new CEO activists. *Harvard Business Review*, 96(1): 78-89.
- Chatterji, A. K., & Toffel, M. W. (2019). Assessing the impact of CEO activism. *Organization & Environment*, 32(2): 159-185.
- DesJardine, M., Shi, W., & Westphal, J. (2023). Shareholder politics: The influence of investors’ political affiliations on corporate social responsibility. *Journal of Management*, doi.org/10.1177/01492063221151161.
- Eilert, M., & Nappier Cherup, A. (2020). The activist company: Examining a company’s pursuit of societal change through corporate activism using an institutional theoretical lens. *Journal of Public Policy & Marketing*, 39(4): 461-476.
- Fan, J. S. (2019). Woke capital: The role of corporations in social movements. *Harvard Business Law Review*, 9(2): 441-494.
- Finkelstein, S., Hambrick, D. C., & Cannella, A. A., Jr. (2009). *Strategic leadership: Theory and research on executives, top management teams, and boards*. Oxford University Press.
- Gartenberg, C., & Serafeim, G. (2019). 181 top CEOs have realized companies need a purpose beyond profit. *Harvard Business Review*, August 20, 2019.

- Georgakakis, D., Heyden, M. L., Oehmichen, J. D., & Ekanayake, U. I. (2022). Four decades of CEO–TMT interface research: A review inspired by role theory. *The Leadership Quarterly*, 33(3): 101354.
- George, G., Howard-Grenville, J., Joshi, A., & Tihanyi, L. (2016). Understanding and tackling societal grand challenges through management research. *Academy of Management Journal*, 59(6): 1880-1895.
- Glabosky, M., Jory, S. R., & Ngo, T. (2023). Stock market response to the statement on the purpose of a corporation: A vindication of stakeholder theory. *Corporate Governance: An International Review*, <https://doi.org/10.1111/corg.12508>
- Hadani, M., Dahan, N. M., & Doh, J. P. (2015). The CEO as chief political officer: Managerial discretion and corporate political activity. *Journal of Business Research*, 68(11): 2330-2337.
- Hambrick, D. C., & Wowak, A. J. (2021). CEO sociopolitical activism: A stakeholder alignment model. *Academy of Management Review*, 46(1): 33-59.
- Henderson, R. M. (2021). Changing the purpose of the corporation to rebalance capitalism. *Oxford Review of Economic Policy*, 37(4): 838-850.
- Hersh, E. (2023). The political role of business leaders. *Annual Review of Political Science*, doi.org/10.1146/annurev-polisci-051921-102505
- Hou, Y., & Poliquin, C. W. (2022). The effects of CEO activism: Partisan consumer behavior and its duration. *Strategic Management Journal*, doi.org/10.1002/smj.3451.
- Kalogeraki, O., & Georgakakis, D. (2022). Friend or Foe? CEO gender, political ideology, and gender-pay disparities in executive compensation. *Long Range Planning*, 55(3), doi.org/10.1016/j.lrp.2021.102126.
- Kauffman, E. (2021). “Woke” CEOs: Risky business or the next great awakening? *Wall Street Journal*, May 3, 2021. <https://on.wsj.com/3RPOxSY>.
- Krause, R., & Miller, T. L. (2020). From strategic leaders to societal leaders: On the expanding social role of executives and boards. *Journal of Management*, 46(8), 1315-1321.
- Larcker, D. F., Miles, S., Tayan, B., & Wright-Violich, K. (2018). The double-edged sword of CEO activism. Rock Center for Corporate Governance at Stanford University Closer Look Series: *Topics, Issues and Controversies in Corporate Governance*, No. CGRP-74. Stanford University Graduate School of Business.

- McNulty, T., & Nordberg, D. (2016). Ownership, activism and engagement: Institutional investors as active owners. *Corporate Governance: An International Review*, 24(3), 346-358.
- Narayan, S., Sidhu, J. S., & Volberda, H. W. (2021). From attention to action: The influence of cognitive and ideological diversity in top management teams on business model innovation. *Journal of Management Studies*, 58(8), 2082-2110.
- Rizzi, G. A. (2021). The activist CEO in the era of woke capitalism: From shareholders' agent to agent of change. Unpublished doctoral dissertation, The Pennsylvania State University.
- Rumstadt, F., & Kanbach, D. K. (2022). CEO activism. What do we know? What don't we know? A systematic literature review. *Society and Business Review*. 17(2): 307-330.
- Shandwick, W., & KRC Research (2018). CEO activism in 2018: The purposeful CEO. https://www.webershandwick.com/wp-content/uploads/2018/07/CEO-Activism-2018_PurposefulCEO.pdf.
- Shi, W., Gao, C., & Aguilera, R. V. (2021). The liabilities of foreign institutional ownership: Managing political dependence through corporate political spending. *Strategic Management Journal*, 42(1): 84-113.
- Shi, W., & Hoskisson, R. E. (2021). *Understanding and managing strategic governance*. John Wiley & Sons.
- Shi, W., Xia, C., & Meyer-Doyle, P. (2022). Institutional investor activism and employee safety: The role of activist and board political ideology. *Organization Science*, 33(6), 2404-2420.
- Tang, Y., Mack, D. Z., & Chen, G. (2018). The differential effects of CEO narcissism and hubris on corporate social responsibility. *Strategic Management Journal*, 39(5): 1370-1387.
- Vredenburg, J., Kapitan, S., Spry, A., & Kemper, J. A. (2020). Brands taking a stand: Authentic brand activism or woke washing? *Journal of Public Policy & Marketing*, 39(4), 444-460.
- Wickert, C., Post, C., Doh, J. P., Prescott, J. E., & Prencipe, A. (2021). Management research that makes a difference: Broadening the meaning of impact. *Journal of Management Studies*, 58(2): 297-320.
- Wolfe, S. J. (2019). Business Playing Politics: Strengthening shareholders' rights in the age of CEO activism. *Lewis & Clark Law Review*, 23: 1469-1509.

- Wowak, A. J., Busenbark, J. R., & Hambrick, D. C. (2022). How do employees react when their CEO speaks out? Intra-and extra-firm implications of CEO sociopolitical activism. *Administrative Science Quarterly*, 67(2), 553-593.
- Wright, P. (2022). Woke corporations and worldview: Making moral proclamations from shaky moral foundations. *Academy of Management Perspectives*, doi.org/10.5465/amp.2021.0187.