Research Seminar: Dr. Shavin Malhotra
Associate Professor of Strategy, Conrad Business, Entrepreneurship and Technology Centre, Faculty of Engineering, University of Waterloo

Title: The Value of CEO Extraversion: Implications for CEO Pay and Firm Performance
Friday, March 16, 2018 from 12:00-1:30 PM in the Business and Economics building, room 402

ABSTRACT
We study the effect of chief executive officer (CEO) extraversion on CEO pay. Integrating research on personality and career outcomes, we theorize that CEO’s pay and other career related outcomes will differ across more and less extraverted CEOs. We collected longitudinal data on a sample of 3,149 unique CEOs from 1,703 S&P 1500 firms from 2003 to 2013. To measure personality traits of CEOs, we used computerized text analysis on the language spoken by CEOs in the discussion portion of the quarterly earnings conference calls over a multi-year period (2003 to 2013). We find that, in comparison to less extraverted CEOs, more extraverted CEOs earn a significantly higher pay, they also earn higher relative pay via-a-vis other top managers in the firm, and are also more likely to come first-time CEOs at a younger age. A one-unit increase in CEO extraversion is associate with a $233,260 increase in CEO’s total pay. Moreover, the effect of CEO extraversion on CEO pay is partially mediated by the size of CEO’s board network. Finally, consistent with the better fit explanation of the effect of CEO extraversion on CEO pay, we find that CEO extraversion has a positive impact on firm performance.

To RSVP please contact Sheryl at GSBfacultysupport@uvic.ca or call 250-472-5647