Do Powerful Female CEOs prefer relational CSR compared to Males CEOs?

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Overview

Research exploring the impact of women in the C-suite on strategic marketing choices in general and CSR in particular is scant. To that end, this study explores whether and how firms led by female CEOs differ from those led by male CEOs with regard to the types of CSR. The study divides CSR into two types: rational (product, environment, and corporate governance) and relational CSR (employees, human rights, community, and diversity). To create our sample, we combined four databases: Compustat, Execucomp, Center for Research in Security Prices (CRSP) and Kinder, Lydenberg, Domini and Co., Inc. (KLD). Data for the time period between 1992 and 2013 (both inclusive) were used for the investigation. The final sample comprised of 2,739 firms, for a total of 19,969 firm–year observations (an unbalanced panel). Building on self-construal theory and theory of female ethics, the authors theorize and find evidence that while firms led by male and female CEOs are not significantly different with regard to rational CSR performance, firms led by female CEOs outperform those led by male CEOs with regard to their relational CSR performance. Furthermore, CEO power increases the link between CEO gender and CSR. The authors also find that different types of CEO power (i.e., managerial power, legitimate power, and formal power) moderate the link between CEO gender and CSR differently.

Executive takeaways:

- CEO power is important for firms' CSR behavior, but it needs to be dis-integrated further.
- Boards should consider CEO's gender and CEO's future power in their hiring decisions.
- Female CEOs should take advantage of the positive aspects of their relational CSR tendencies