Online Appendix
to
Superstar CEOs

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This appendix contains supplementary evidence and robustness checks to accompany the published version of the paper. The contents are as follows:

1. Figure OA1 plots the distribution of earnings surprises as a function of CEOs' award histories. The figure is a more comprehensive version of Figure 4 from the published text and breaks the "1, 2, or 3" awards category into separate categories for exactly 1, exactly 2, and exactly 3 awards.

2. We include additional statistics on the distribution of the Gompers, Ishii, and Metrick (2003) governance index for our sample (GIM, or "Gindex"). Figure OA2 graphs the distribution of the index – measured for all firms in each month in which a sample award is granted – separately for award winners, predicted winners and the full sample. Table OA3 reports the transition matrix among the three governance subsamples considered in the published text ($7 \leq$ Gindex; $7 <$ Gindex ≤ 9; $9 <$ Gindex). For this analysis, we consider index levels in all sample firm-years. These results demonstrate (1) that there are no systematic differences in the governance distributions across the three groups and (2) that the governance classification used in the paper is stable over time.

3. We re-run the governance tests from the published text, splitting the sample in two at the overall sample median of the governance index (9). Table OA4 includes the results of the tests reported in Tables 5, 6, and 7 of the published text. The main finding – that the negative ex post impact of awards is concentrated in firms with weak shareholder rights – is robust to this change in the cutpoints.

4. We estimate the treatment effect (winning an award) on performance and compensation using two alternative methodologies described in Section 3.1 which do not rely on nearest-neighbor matching: propensity score weighting (DiNardo, Fortin, and Lemieux (1996))[1] and control functions (Heckman and Navarro-Lozano (2004))[2]. Table OA5 reports the results. We tabulate the results of the governance splits reported in Table 5 of the published text. Confirming the results in the paper, we find reduced performance and increased total compensation, concentrated in firms with the weakest shareholder rights.

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[1] To estimate the average treatment effect of the treated, the exact regression weights for non-treated observations are $\left[\dfrac{PScore_i}{(1 - PScore_i)} \right]\left[\dfrac{1 - PTreat}{PTreat} \right]$, where $PScore_i$ is the estimated propensity score for observation i. The second term is a scaling factor that does not vary with i, where $PTreat$ is the fraction of treated observations in the sample. Treated observations receive a regression weight of 1.

[2] As control functions, we include first-, second-, and third-order monomials in the propensity score, estimated as in the published text.

5. We perform robustness checks of the main findings of the paper by considering subsamples of the awards data. In all cases, we tabulate the governance splits reported in Tables 5, 6, and 7 of the published text on the alternative samples.
    a. In Table OA6, we exclude arguably the two least prominent awards from the sample: the Ernst & Young and *Electronic Business Magazine* awards.
    b. In Table OA7, we include only the two most prominent awards: the *BusinessWeek* and *Financial World* awards.
    In all cases, the results are similar.
6. We re-run the regressions reported in Table 6 of the published version substituting CEO fixed effects for the firm fixed effects (Table OA8). These tests confirm that the increased frequency of books and board seats among award winners also hold comparing the CEOs' pre-award tenure to their post-award tenure.
7. We include the table referred to at the end of Section 5 in the published text which reports regressions of an indicator for negative quarterly earnings announcements on the CEOs' award histories (Table OA9). We include size decile dummies (as in Table 7), month and year fixed effects, and firm fixed effects. We also estimate the regression on the full sample of firm quarterly announcements and on the three governance samples considered elsewhere in the paper ($7 \leq$ Gindex; $7 <$ Gindex ≤ 9; $9 <$ Gindex). We show that the probability of a negative earnings announcement significantly increases five years after the CEO's last award and, as elsewhere in the paper, the effect is concentrated in the bad governance subsample.
8. In Panel A of Table OA10, we tabulate five additional firm-level summary statistics to append to Table 1 of the published text. The variables – sales growth, investment/assets, R&D/sales, advertising/sales, and asset tangibility – are designed to capture "high tech" or "growth" firms. As the table shows, the sales ratios have very high standard deviations in the overall sample, similar to ratios with equity in the denominator (see ROE in Table 1). The asset ratios have better properties, which is one reason we focus on ROA as a measure of operating performance. Nevertheless, the match succeeds in bringing the means and medians of these additional variables closer to the winners sample. The key exception is in sales growth. Given the residual significant difference between winners and matched predicted winners in sales growth, we re-do the match in two ways. First, we include sales growth as an additional match variable (with the propensity score from the model in Table 2) and use the bias adjustment to correct any differences which survive the match. Second, we re-estimate the logit model from Table 2 including sales growth as an explanatory variable and re-match on the resulting propensity scores. In Panel B of Table OA10, we tabulate the average treatment effects on stock returns, compensation and ROA under these two alternative approaches. We find that the results in the paper are not driven by the differences in sales growth between winners and their matches.
9. We report summary statistics of television interviews, print interviews, and total mentions in the print media, as discussed in Section 6 of the published text, both for winners and predicted winners. Predicted winners are matched to winners using a nearest neighbor propensity-score match, as in Table 3 of the published text. For each winner and predicted winner, we collect the number of TV

interviews, the number of articles mentioning the CEO in the *New York Times*, *Business Week*, *Financial Times*, *The Economist*, and *Wall Street Journal* and the number of interviews with the CEO in the same publications. We use LexisNexis and Factiva searches, cataloguing the "number of TV interviews in which the CEO appears," the "number of articles mentioning the CEO's name" and the "number of interviews granted" by each actual and predicted winner for the 3 years prior to their respective award dates (with the beginning of the month prior to the award month marking the end of the three years). In order to capture only clear interviews between the CEO and journalists, we manually remove press releases, statements around earnings announcements, court filings, (internal) memos, and quotes from shareholder meetings from the initial set of print interviews. We also count only one interview for cases in which the same CEO quotes are referenced in multiple print articles. We run each of the three searches for each winner and predicted winner for the three year window preceding each sample award, resulting in a data collection effort that requires a total of 5,247 searches.

We find no significant differences across the two groups in interviews or total press coverage. In addition to comparing the raw numbers of interviews and total press mentions across the two groups, we also consider the ratio of print interviews to total mentions in the print media. This ratio is undefined for cases with zero total mentions, creating unbalanced samples of winners and predicted winners. In Table OA11, we address this issue by dropping winners if all matched predicted winners have missing ratios and, likewise, dropping predicted winners if the matched winner has a missing ratio. Another possibility is to set the ratio to 0 for cases with no total mentions. (This alternative yields similar results.)

In addition, note that drawing inference based on the ratio is problematic because the number of interviews is approximately linear in total mentions up to 200 mentions, but not above. (See Figure OA12.) Moreover, the "self-promoter hypothesis" predicts differences between winners and predicted winners in both interviews and total mentions.[3] Despite the econometric issues, we find similar results using the ratio: there is little evidence of significantly higher "self-promotion" among the winner CEOs.

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[3] Note one way around this problem would be to include the total mentions as an additional match variable and then to compute the average treatment effect of the treated on interviews. However, we only have the press data for the subsamples of winners and predicted winners. For the same reason, we are not able to bias adjust differences in the press variables across the two samples.
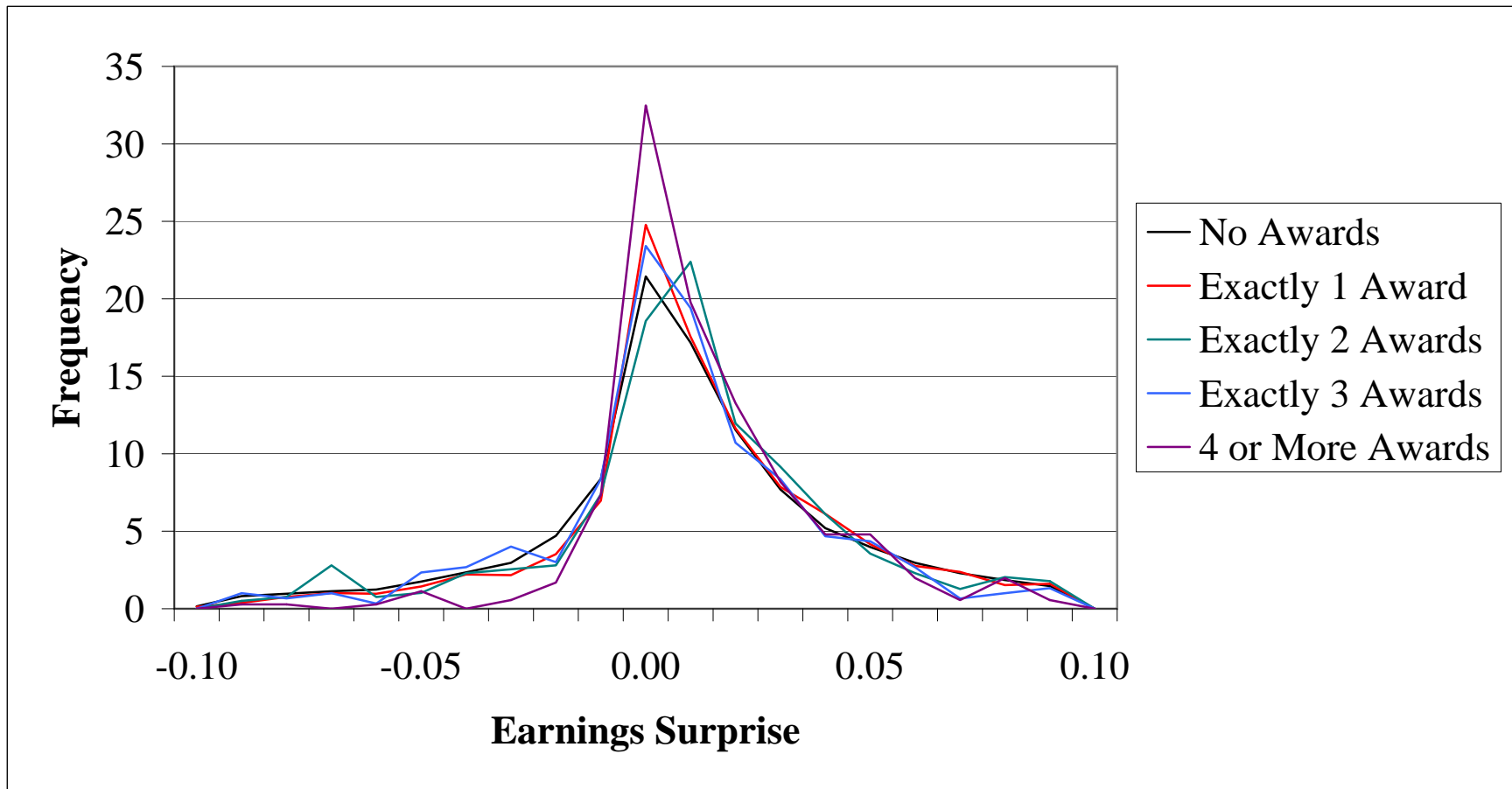
Figure OA1. CEO Awards and Earnings Management. Earnings surprise is the difference between the firm's quarterly earnings announcement and the median analyst forecast among all analysts that make a forecast in the 30 calendar days prior to the announcement. The figures count the number of awards the CEO has won in prior years, inclusive of awards won in other companies.

Gindex Distribution

Frequency (in %) vs Gindex

Legend: Full Sample, Winners, Predicted Winners
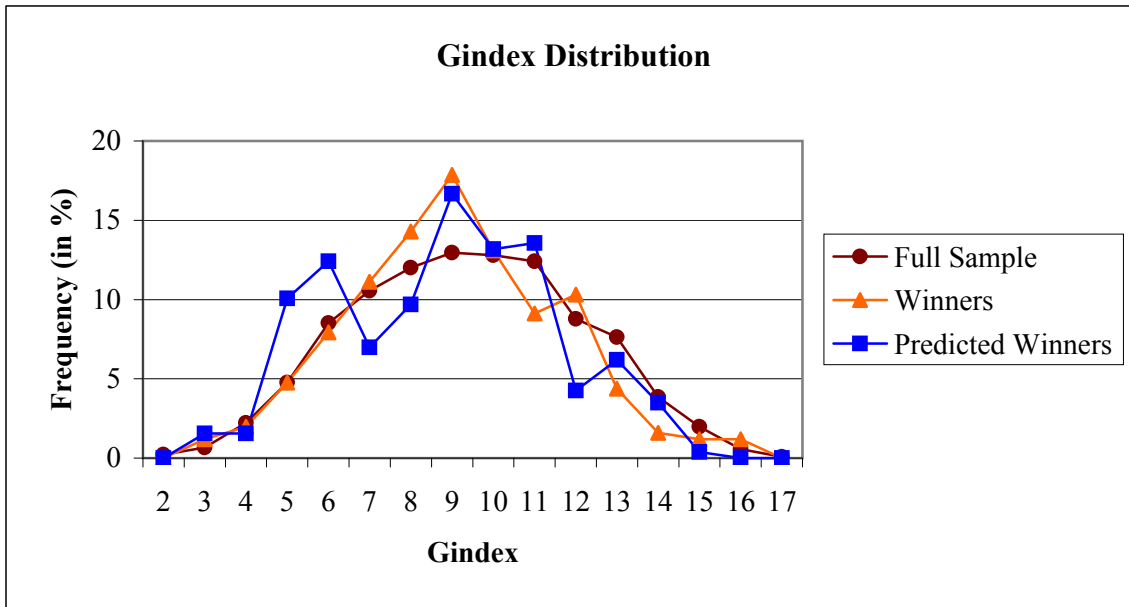
Figure OA2. Distribution of Gompers, Ishii, and Metrick (2003) Governance Index (Gindex).

Table OA3
Transitions Between Governance Subsamples

	Transition Matrix			
	Gindex≤7	7<Gindex≤9	Gindex>9	N
Gindex≤7	4,013	322	48	15,477
7<Gindex≤9	60	3,446	324	
Gindex>9	10	86	7,168	

Notes: Gindex is the governance index contructed by Gompers, Ishii, and Metrick (2003). In the Figure, Gindex is measured for all firms in each sample award month. In the Transition Matrix, Gindex is measured annually for all sample firm-years.

Table OA4
Governance Splits at Median

Panel A. Average Treament Effect of the Treated using Propensity Score Match

	Good Governance (GIM < 9) Bias-Adjusted Difference	Bad Governance (GIM ≥ 9) Bias-Adjusted Difference
CAR [6, 255]	0.125	-0.078
	(1.45)	(1.97)**
	N=104	N=148
CAR [6, 510]	0.141	-0.150
	(1.04)	(2.39)**
	N=104	N=148
CAR [6, 765]	0.096	-0.203
	(0.54)	(2.29)**
	N=104	N=148
ΔROA [-1, +2]	0.056	-0.014
	(1.87)*	(1.44)
	N=78	N=118
ΔTotal Compensation [-1, 0]	8,285.92	5,949.86
	(0.90)	(1.86)*
	N=94	N=130
ΔCash Compensation [-1, 0]	265.16	100.28
	(0.65)	(0.55)
	N=95	N=134

Notes: Specifications as defined in Table 5 except the sample is split into only two governance subsamples at the overall median GIM (9).

Panel B. OLS Regressions

	I. Books		II. At Least 5 Board Seats	
	Good Governance (GIM < 9)	Bad Governance (GIM ≥ 9)	Good Governance (GIM < 9)	Bad Governance (GIM ≥ 9)
Award Dummies				
At least 1 award	0.0031	0.0001	-0.0358	0.045
	(0.42)	(0.03)	(1.88)*	(2.90)***
At least 2 awards	-0.0005	0.033	-0.0173	-0.0568
	(0.04)	(3.13)***	(0.49)	(1.56)
At least 3 awards	-0.0003	0.0033	0.0936	-0.0257
	(0.02)	-0.28	(2.25)**	(0.62)
Book-to-Market Ratio	-0.0003	-0.0016	-0.0069	-0.0168
	(0.11)	(1.03)	(1.10)	(2.93)***
Market Capitalization	-0.0004	-0.001	0.0033	-0.0087
	(0.17)	(0.67)	(0.61)	(1.65)*
CEO Age	0.0005	0.0001	0.0007	0.0028
	(1.61)	(0.67)	(0.90)	(4.10)***
CEO Tenure	-0.0005	0.0000	0.002	0.0014
	(1.75)*	(0.18)	(2.64)***	(2.12)**
Year Fixed Effects	X	X	X	X
Firm Fixed Effects	X	X	X	X
Observations	5,297	8,139	4,196	6,328
Number of Firms	1,084	1,299	1,032	1,271
R^2	0.00	0.00	0.03	0.03

Notes: Specifications as defined in Table 6 except the sample is split into only two governance subsamples at the overall median GIM (9).

Table OA4 (continued)

Panel C. OLS Regressions: Zero Surprise

	Good Governance (GIM < 9)	Bad Governance (GIM ≥ 9)
Award Dummies		
At least 1 award	0.0217	0.0659
	(0.85)	(2.86)***
At least 2 awards	-0.0407	-0.0739
	(0.90)	(1.68)*
At least 3 awards	-0.0197	0.0323
	(0.39)	(0.73)
At least 4 awards	0.0757	0.1168
	(1.00)	(2.20)**
Book-to-Market Ratio	-0.0069	-0.0134
	(0.46)	(1.19)
CEO Age	-0.0003	0.005
	(0.01)	(0.52)
CEO Tenure	-0.0035	-0.0055
	(0.58)	(1.06)
Number of Forecasts	0.0032	0.0024
	(1.96)*	(2.25)**
Market Capitalization Deciles	X	X
Month Fixed Effects	X	X
Year Fixed Effects	X	X
CEO Fixed Effects	X	X
Observations	9,053	15,588
R^2	0.26	0.22

Notes: Specifications as defined in Panel I of Table 7 except the sample is split into only two governance subsamples at the overall median GIM (9).

Table OA5

Treatment Effect Estimates using Propensity Score Weighting and Control Functions

	Propensity Score Weighting Estimators			Control Function Estimators		
	Good Governance (GIM ≤ 7)	**(7 < GIM ≤ 9)**	**Bad Governance (GIM > 9)**	**Good Governance (GIM ≤ 7)**	**(7 < GIM ≤ 9)**	**Bad Governance (GIM > 9)**
CAR [6, 255]	-0.042	0.072	-0.106	-0.074	0.077	-0.110
	(0.54)	(1.47)	(3.00)***	(1.10)	(1.36)	(2.55)**
	N=13,217	N=12,237	N=23,605	N=13,208	N=12,233	N=23,593
CAR [6, 510]	-0.101	0.066	-0.188	-0.161	0.064	-0.193
	(0.81)	(0.78)	(3.32)***	(1.52)	(0.71)	(2.84)***
	N=13,217	N=12,237	N=23,605	N=13,208	N=12,233	N=23,593
CAR [6, 765]	-0.198	0.059	-0.223	-0.264	0.034	-0.222
	(1.20)	(0.49)	(2.84)***	(1.87)*	(0.27)	(2.46)**
	N=13,217	N=12,237	N=23,605	N=13,208	N=12,233	N=23,593
ΔROA [-1, +2]	-0.017	0.020	-0.008	-0.009	0.014	-0.010
	(0.73)	(1.22)	(0.91)	(0.46)	(0.86)	(0.91)
	N=10,551	N=9,482	N=18,566	N=10,542	N=9478	N=18,554
ΔTotal Compensation [-1, 0]	3,203.34	2,878.04	7,924.03	-811.53	7,109.16	8,512.87
	(0.45)	(1.06)	(3.51)***	(0.28)	(2.49)**	(8.37)***
	N=12,754	N=11,647	N=22,336	N=13,954	N=12,743	N=24,521
ΔCash Compensation [-1, 0]	-127.47	-93.34	-17.53	-94.39	184.89	-121.23
	(0.58)	(0.29)	(0.08)	(0.75)	(0.99)	(0.58)
	N=13,117	N=11,935	N=22,844	N=14,349	N=13,068	N=25,070

Notes: Both approaches include all sample observations in award months. The left panel uses weighted regressions with an indicator for winning an award as the explanatory variable, where the weights are a function of the propensity score. See Section 3.1, footnote 12 for the exact formulas and DiNardo, Fortin, and Lemieux (1996) for details on the econometrics of the estimator. The right panel uses OLS with an indicator for winning an award as an explanatory variable plus functions of the estimated propensity score as additional controls. As control functions, we include linear, quadratic, and cubic functions of the propensity score. See Heckman and Navarro-Lozano (2004) for details on the econometrics of this approach. In all cases, the propensity score is the fitted probability from the logit regression reported in Table 2.

Table OA6

Main Results without Ernst & Young or *Electronic Business Magazine* Awards

Panel A. Average Treament Effect of the Treated using Propensity Score Match

	Good Governance (GIM ≤ 7)	(7 < GIM ≤ 9)	Bad Governance (GIM > 9)
	Bias-Adjusted Difference	Bias-Adjusted Difference	Bias-Adjusted Difference
CAR [6, 255]	0.182	0.046	-0.177
	(1.79)*	(0.88)	(3.46)***
	N=63	N=80	N=103
CAR [6, 510]	0.184	0.040	-0.294
	(1.09)	(0.46)	(3.60)***
	N=63	N=80	N=103
CAR [6, 765]	0.107	0.007	-0.332
	(0.53)	(0.06)	(2.98)***
	N=63	N=80	N=103
ΔROA [-1, +2]	0.050	0.003	-0.023
	(1.38)	(0.27)	(2.39)**
	N=49	N=56	N=87
ΔTotal Compensation [-1, 0]	-6,246.15	6,249.86	11,512.26
	(0.81)	(0.65)	(2.66)***
	N=58	N=69	N=91
ΔCash Compensation [-1, 0]	-216.09	560.26	-67.59
	(0.75)	(0.98)	(0.32)
	N=59	N=70	N=94

Notes: Specifications as defined in Table 5. Note that on this sample the ROA difference is also significant (p=0.067) in the bad governance subsample controlling for the lag of ROA

Table OA6 (continued)

Panel B. OLS Regressions

	I. Books			*II. At Least 5 Board Seats*		
	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
Award Dummies						
At least 1 award	0.006	0.0059	-0.0025	0.0057	-0.0128	0.0484
	(0.54)	(0.89)	(0.50)	(0.23)	(0.54)	(2.71)***
At least 2 awards	-0.0017	0.026	0.0041	-0.0557	0.0112	-0.0785
	(0.08)	(2.43)**	(0.28)	(1.24)	(0.30)	(1.61)
At least 3 awards	0.0006	-0.0243	0.0459	-0.0022	0.0908	-0.07
	(0.03)	(1.60)	(2.80)***	(0.04)	(1.55)	(1.26)
Book-to-Market Ratio	-0.0014	-0.0011	-0.0009	-0.0064	-0.0284	-0.009
	(0.48)	(0.44)	(0.45)	(0.96)	(3.53)***	(1.23)
Market Capitalization	-0.0021	-0.0013	0.0004	0.0029	-0.0097	-0.007
	(0.73)	(0.67)	(0.22)	(0.45)	(1.41)	(1.04)
CEO Age	0.0005	0.0000	0.0003	-0.0002	0.0041	0.0022
	(1.26)	(0.07)	(1.21)	(0.20)	(4.04)***	(2.75)***
CEO Tenure	-0.0008	-0.0001	0.0000	0.002	0.0020	0.0014
	(1.86)*	(0.37)	(0.15)	(2.17)**	(2.07)**	(1.83)*
Year Fixed Effects	X	X	X	X	X	X
Firm Fixed Effects	X	X	X	X	X	X
Observations	3,656	3,371	6,409	2,919	2,627	4,978
Number of Firms	818	827	1,032	774	777	1,005
R^2	0.00	0.01	0.01	0.03	0.04	0.03

Notes: Specifications as defined in Table 6.

Table OA6 (continued)

Panel C. OLS Regressions: Zero Surprise

	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
Award Dummies			
At least 1 award	0.0373	0.0180	0.0559
	(1.44)	(0.56)	(2.31)**
At least 2 awards	-0.0326	-0.0005	-0.0794
	(0.54)	(0.01)	(1.43)
At least 3 awards	-0.0453	0.0453	0.1174
	(0.67)	(1.00)	(1.90)*
At least 4 awards	0.1102	0.1457	0.1033
	(0.93)	(1.68)*	(1.15)
Book-to-Market Ratio	-0.0132	-0.0193	-0.0178
	(1.56)	(1.08)	(1.98)**
CEO Age	-0.0168	-0.0285	0.0028
	(1.35)	(1.23)	(0.31)
CEO Tenure	0.0027	0.0129	-0.0013
	(0.39)	(0.90)	(0.26)
Number of Forecasts	0.0069	0.0062	0.0032
	(5.19)***	(4.59)***	(3.50)***
Market Capitalization Deciles	X	X	X
Month Fixed Effects	X	X	X
Year Fixed Effects	X	X	X
CEO Fixed Effects	X	X	X
Observations	11,335	10,607	20,787
Number of CEOs	1,063	1,045	1,559
R^2	0.23	0.22	0.18

Notes: Specification as defined in Panel I of Table 7. Restriction to quarters with at least 5 forecasts removed due to smaller sample of awards. Estimates with the restriction are similar in magnitude, but have less power (At Least 1 Award is marginally insignificant in the Bad Governance subsample).

Table OA7
Main Results including only *BusinessWeek* and *Financial World* Awards

Panel A. Average Treament Effect of the Treated using Propensity Score Match

	Good Governance (GIM ≤ 7)	(7 < GIM ≤ 9)	Bad Governance (GIM > 9)
	Bias-Adjusted Difference	Bias-Adjusted Difference	Bias-Adjusted Difference
CAR [6, 255]	0.027	-0.006	-0.123
	(0.30)	(0.11)	(2.28)**
	N=50	N=71	N=85
CAR [6, 510]	-0.089	-0.077	-0.219
	(0.67)	(0.87)	(2.56)***
	N=50	N=71	N=85
CAR [6, 765]	-0.166	-0.113	-0.252
	(0.97)	(1.01)	(2.16)**
	N=50	N=71	N=85
ΔROA [-1, +2]	-0.018	-0.011	-0.023
	(0.58)	(0.58)	(1.92)*
	N=38	N=53	N=73
ΔTotal Compensation [-1, 0]	-4,292.60	15,258.78	11,087.33
	(0.61)	(1.38)	(2.24)**
	N=44	N=60	N=74
ΔCash Compensation [-1, 0]	-183.35	1,054.35	-173.78
	(0.40)	(2.19)**	(0.79)
	N=45	N=61	N=77

Notes: Specifications as defined in Table 5. Note that on this sample the ROA difference is also significant (p=0.035) in the bad governance subsample controlling for the lag of ROA

Panel B. OLS Regressions

	I. Books			*II. At Least 5 Board Seats*		
	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
Award Dummies						
At least 1 award	0.006	0.0060	-0.0071	-0.001	-0.0235	0.0359
	(0.53)	(0.89)	(1.41)	(0.04)	(0.99)	(2.00)**
At least 2 awards	-0.002	0.0234	0.0214	-0.0605	0.072	-0.0542
	(0.09)	(2.26)**	(1.54)	(1.22)	(1.95)*	(1.17)
At least 3 awards	0.0008	-0.0178	0.0749	-0.0356	0.0991	-0.064
	(0.03)	(1.10)	(4.37)***	(0.60)	(1.66)*	(1.07)
Book-to-Market Ratio	-0.0014	-0.0011	-0.0008	-0.0063	-0.0284	-0.009
	(0.47)	(0.43)	(0.43)	(0.94)	(3.53)***	(1.20)
Market Capitalization	-0.0021	-0.0014	0.0006	0.0035	-0.0102	-0.006
	(0.72)	(0.72)	(0.32)	(0.54)	(1.48)	(0.90)
CEO Age	0.0005	0.0000	0.0003	-0.0002	0.0042	0.0022
	(1.26)	(0.02)	(1.35)	(0.19)	(4.09)***	(2.78)***
CEO Tenure	-0.0008	-0.0001	0.0000	0.002	0.0021	0.0013
	(1.86)*	(0.22)	(0.16)	(2.15)**	(2.12)**	(1.70)*
Year Fixed Effects	X	X	X	X	X	X
Firm Fixed Effects	X	X	X	X	X	X
Observations	3,656	3,371	6,409	2,919	2,627	4,978
Number of Firms	818	827	1,032	774	777	1,005
R^2	0.00	0.01	0.01	0.03	0.05	0.02

Notes: Specifications as defined in Table 6.

Table OA7 (continued)

Panel C. OLS Regressions: Zero Surprise

	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
Award Dummies			
At least 1 award	0.0398	0.0343	0.0655
	(1.56)	(1.08)	(2.48)**
At least 2 awards	-0.0906	0.0029	-0.0587
	(1.79)*	(0.06)	(1.05)
At least 3 awards	0.0334	0.1151	0.0300
	(0.68)	(2.01)**	(0.34)
At least 4 awards	0.1306	0.1003	0.1322
	(1.41)	(1.17)	(1.45)
Book-to-Market Ratio	-0.0125	-0.0189	-0.0177
	(1.50)	(1.07)	(1.97)*
CEO Age	-0.0163	-0.0283	0.0028
	(1.31)	(1.22)	(0.32)
CEO Tenure	0.0017	0.0126	-0.0012
	(0.24)	(0.88)	(0.23)
Number of Forecasts	0.0070	0.0062	0.0033
	(5.19)***	(4.60)***	(3.47)***
Market Capitalization Deciles	X	X	X
Month Fixed Effects	X	X	X
Year Fixed Effects	X	X	X
CEO Fixed Effects	X	X	X
Observations	11,335	10,607	20,787
Number of CEOs	1,063	1,045	1,559
R^2	0.23	0.22	0.18

Notes: Specification as defined in Panel I of Table 7. Restriction to quarters with at least 5 forecasts removed due to smaller sample of awards. Estimates with the restriction are similar in magnitude, but have less power (At Least 1 Award is significant at 10% in the Bad Governance subsample).

Table OA8
Distractions Results with CEO Fixed Effects

	I. Books				II. At Least 5 Board Seats			
	Full Sample	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)	Full Sample	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
Award Dummies								
At least 1 award	0.0104	0.0156	0.0137	0.0084	0.0149	-0.0028	-0.0216	0.0431
	(2.31)**	(1.15)	(1.81)*	(1.18)	(1.25)	(0.10)	(0.82)	(1.84)*
At least 2 awards	0.0076	-0.0071	0.0317	0.0151	-0.0118	-0.0692	0.0037	-0.0523
	(0.85)	(0.31)	(2.89)***	(0.81)	(0.51)	(1.33)	(0.10)	(0.90)
At least 3 awards	0.0111	-0.0035	-0.017	0.0794	0.007	-0.0306	-0.0156	-0.0176
	(1.04)	(0.14)	(1.05)	(3.46)***	(0.25)	(0.57)	(0.24)	(0.24)
Cumulative awards effect	0.029	0.005	0.028	0.103	0.010	-0.103	-0.033	-0.027
	(2.62)***	(0.20)	(1.68)*	(4.42)***	(0.33)	(1.75)*	(0.48)	(0.32)
Book-to-Market Ratio	0.0001	-0.0008	0.0007	-0.0009	-0.0041	-0.0085	-0.044	-0.0036
	(0.05)	(0.22)	(0.23)	(0.36)	(1.58)	(0.96)	(4.17)***	(0.42)
Market Capitalization	0.0006	-0.0003	0.0007	-0.0001	-0.0019	0.0061	-0.0175	-0.0042
	(0.64)	(0.08)	(0.30)	(0.02)	(0.76)	(0.82)	(2.47)**	(0.58)
CEO Age	-0.0003	-0.0004	0.0021	0.0001	0.0001	-0.0032	0.0279	0.0004
	(0.18)	(0.06)	(0.20)	(0.06)	(0.03)	(0.29)	(0.84)	(0.04)
CEO Tenure	-0.0005	0.0044	-0.0004	0.0003	-0.0026	0.0164	-0.0459	-0.0109
	(0.70)	(1.34)	(0.14)	(0.20)	(1.49)	(2.08)**	(2.56)**	(2.36)**
Year Fixed Effects	X	X	X	X	X	X	X	X
CEO Fixed Effects	X	X	X	X	X	X	X	X
Observations	17,850	3,656	3,371	6,409	14,190	2,919	2,627	4,978
Number of CEOs	3,740	1,105	1,078	1,603	3,490	1,021	987	1,457
R^2	0.00	0.01	0.01	0.01	0.02	0.04	0.03	0.02

Notes: Specification as defined in Table 6, but replacing the firm fixed effects with CEO fixed effects.

Table OA9
Negative Earnings

	Full Sample	Good Governance (GIM≤7)	7<GIM≤9	Bad Governance (GIM>9)
	(1)	(2)	(3)	(4)
Won award last year	-0.0112	-0.007	-0.0338	-0.0065
	(1.64)	(0.51)	(2.47)**	(0.61)
Won last award 1 year ago	-0.0052	-0.0046	-0.0453	0.0052
	(0.71)	(0.28)	(2.35)**	(0.49)
Won last award 2 years ago	0.0052	0.0026	-0.0349	0.0178
	(0.51)	(0.12)	(1.76)*	(1.06)
Won last award 3 years ago	0.0036	-0.0689	-0.008	0.046
	(0.29)	(3.03)***	(0.32)	(2.22)**
Won last award 4 years ago	-0.0178	-0.0014	-0.076	0.0113
	(1.56)	(0.06)	(3.97)***	(0.66)
Won last award 5 years ago	-0.004	0.0323	-0.0865	0.0349
	(0.28)	(0.96)	(3.42)***	(1.53)
Won last award more than 5 years ago	0.0541	0.011	0.0066	0.1216
	(3.80)***	(0.34)	(0.25)	(5.02)***
CEO Age	0.0009	0.0001	0.0011	0.0006
	(2.45)**	(0.15)	(1.18)	(1.07)
CEO Tenure	-0.0001	0.0003	-0.0003	-0.001
	(0.38)	(0.34)	(0.33)	(2.03)**
CEO Female	0.0225	0.0104	-0.1195	-0.1126
	(0.83)	(0.27)	(1.87)*	(2.35)**
Size Decile Dummies	X	X	X	X
Year Dummies	X	X	X	X
Month Dummies	X	X	X	X
Firm Dummies	X	X	X	X
Observations	55,778	11,358	10,626	20,816
R-squared	0.42	0.51	0.47	0.39

Notes: Full sample of quarterly earnings announcements by firms with Execucomp, Compustat, and CRSP data. The dependent variable is a binary indicator equal to 1 if the announced earnings are less than zero. Award variables are binary indicators. GIM is the governance index of Gompers, Ishii, and Metrick (2003), measured in the quarter of the earnings announcement. All standard errors are clustered by earnings announcement date. * significant at 10%; ** significant at 5%; *** significant at 1%.

Table OA10
Additional Firm-Level Controls

Panel A. Summary Statistics

	CEO Award Winners (W)				*All Non-Award Winners (A)*				*Predicted Winners (P)*				*Differences in Means*	
	Obs.	Mean	Median	Std. Dev.	Obs.	Mean	Median	Std. Dev.	Obs.	Mean	Median	Std. Dev.	p(W - A)	p(W - P)
Sales Growth	264	0.165	0.153	0.165	60,272	-0.038	0.084	6.688	264	0.116	0.098	0.155	0.622	0.001***
Investment/Assets	251	0.070	0.060	0.053	56,113	0.069	0.053	0.063	252	0.070	0.062	0.047	0.645	0.954
R&D/Sales	264	0.047	0.012	0.102	60,306	0.150	0	4.335	264	0.055	0.025	0.105	0.700	0.352
Advertising/Sales	264	0.016	0	0.030	60,306	0.013	0	0.296	264	0.016	0	0.030	0.838	0.982
Tangibility (PPE/Assets)	259	0.288	0.233	0.229	59,702	0.319	0.260	0.245	263	0.300	0.266	0.200	0.042**	0.518

Notes: Predicted Winners are chosen using a nearest neighbor propensity score match, as in Table 3. In all cases the match brings the means closer (that is abs(W-P) < abs(W-A)). This is harder to see in the differences p-values because the scaled variables have massive standard deviations in the full sample due to extreme outliers. Note that ROE, which is already on Table 1, has this same property which is one reason why we focused only on ROA for our analysis of operating performance. Asset-normalization seems to cause less problems (see ROA, I/A, and Tangibility).

Panel B. Matching on sales growth

|	ATT	
	Table 2 Propensity Score with Sales Growth Control	Re-estimated Propensity Score Including Sales Growth
CAR [6, 255]	-0.190	-0.179
	(2.49)**	(2.20)**
ΔTotal Compensation [-1, 0]	8109.27	10,132.27
	(1.96)**	(2.59)***
ΔROA [-1, +2]	-0.014	-0.020
	(0.86)	(1.30)

Notes: Bias-adjusted estimates.

Table OA11
CEO TV and Print Interviews

Panel A. Summary Statistics

	CEO Award Winners (W)				Predicted Winners (P)				
	Obs.	Mean	Median	Std. Dev.	Obs.	Mean	Median	Std. Dev.	p(W - P)
TV Interviews	264	1.712	0	3.821	264	1.295	0	3.129	0.170
Print Interviews	264	25.595	15	30.315	264	23.297	11	35.851	0.427
Total Print Articles	264	81.667	31	144.530	264	100.515	25.5	261.266	0.306
Print Interviews / Total Print Articles	243	0.447	0.442	0.241	243	0.413	0.402	0.232	0.110

Notes: Predicted Winners are chosen using a nearest neighbor propensity score match, as in Table 3. Print articles come from *Business Week, New York Times, Financial Times, The Economist,* and the *Wall Street Journal* . When we compute the ratio of Print Interviews to Total Print Articles, we drop winners if all matched Predicted Winners have 0 Total Print Articles and, therefore, the ratio is undefined. Likewise, we drop Predicted Winners (P) if their matched Winner has 0 Total Print Articles.
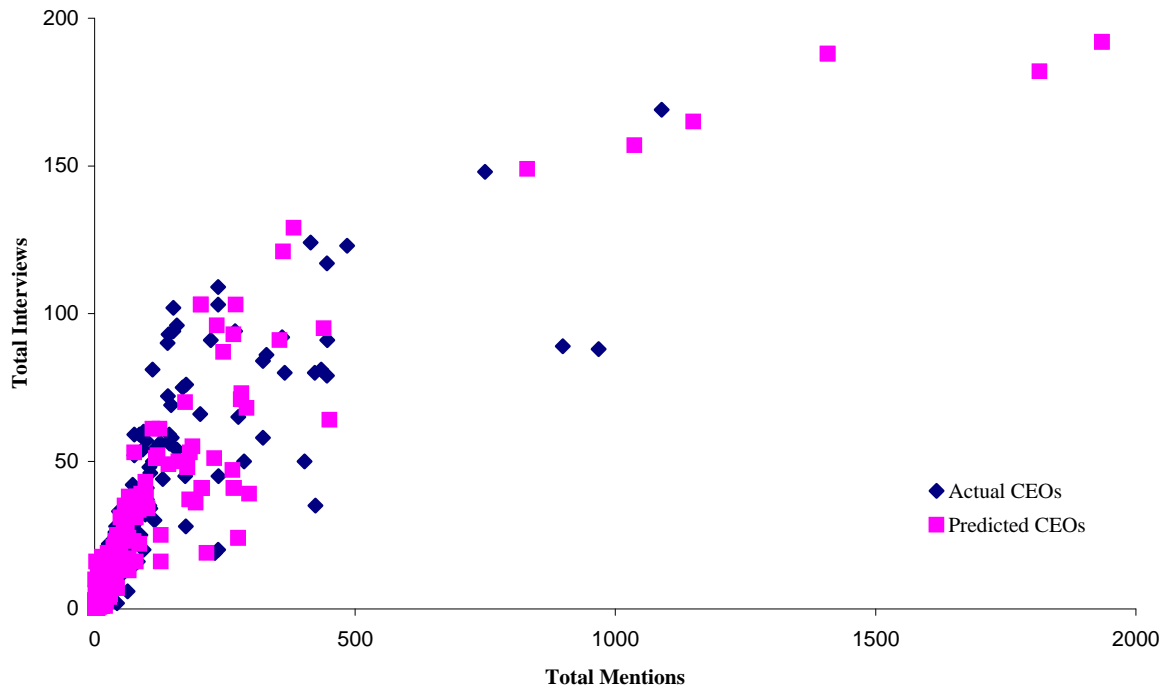
Figure OA12. Interviews in the Print Media as a Function of Total Mentions