

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar

Decision to Speak: How Social Context Shapes Opportunity Structure for Ideology-Driven CEO Activism

By

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Date : 21 Jan 2025 (TUE)
Time : 10:30 am – 12 noon
Venue : M802, PolyU

Abstract

CEOs are increasingly engaging in liberal-leaning sociopolitical activism, publicly expressing their stances on contentious societal issues. What motivates them to engage in public discourse despite potential harm to their firms, however, remains uncertain. We argue that the social context surrounding CEOs shapes their discretion to act according to their personal ideology, thus shaping the opportunity structure for CEO activism. Specifically, building on the baseline prediction that CEO liberalism increases the likelihood of CEO activism, we explore how a firm's social evaluations—status, reputation, and stigma—and the environmental openness to activism at industry and community levels, attenuate and amplify the effect of CEOs' ideology. Our findings based on CEO activism incidents during 2015-2018 confirm that while CEO liberalism is a significant driver of CEO activism, its effect is significantly bounded by the opportunity structure, or lack thereof, provided by social context. Our contribution lies in shedding light on CEO activism's antecedents and acknowledging the role of social context as a factor that can either enable or constrain managerial discretion, hence moving beyond the ideological motivations behind this practice.

Dr Jung-Hoon Han is an assistant professor of management at the SKK Graduate School of Business, Sungkyunkwan University. He received his PhD from the Pennsylvania State University. His research focuses on the sociocognitive processes shaping firms' behaviors and outcomes with an emphasis on the role of social evaluations such as status, reputation, and celebrity.

All interested are welcome.



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