

THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar

CEO divorce, psychological stress, and
firm performance: Gender effects and
consequences for wages and mobility
By



Prof. Nicolai Foss
Copenhagen Business School

Date : 19 Feb 2024 (MON)

Time : 2:30 – 4 pm

Venue : M802

Abstract

There is increasing research interest in the private life events of executives. Thus, research has shown that divorce may negatively influence firm performance. However, it is unclear 1) how and why divorce impacts firm performance, 2) whether the influence depends on the CEO's gender, and 3) what are the consequences for employees in terms of wages and mobility. We hypothesize that the negative link between CEO divorce and firm performance is moderated by gender. Focusing on female CEOs, we proffer competing hypotheses with respect to the effects of the divorce of a female CEO. We also hypothesize that a CEO divorce is negatively associated with employee wages and is positively associated with employees exiting the firm. Analyzing Danish register data, we replicate the finding that a CEO divorce event has negative effects on firm performance. However, we also find that the relation is stronger when the CEO is female. Additionally, we find that while the divorce of a CEO has no effects on employee wages, divorce does influence the gender pay gap: Following the divorce of a female CEO the gap decreases (conversely for male CEOs). Moreover, relatively more men leave in the wake of a female CEO divorce.

Prof. Nicolai Foss is a Professor of Strategy at the Department of Strategy and Innovation, CBS, Honorary Adjunct Professor, Department of Marketing & Management, Southern Denmark University, External Chair, Danish Institute for Advanced Studies, 2020-2025, and a Professor II at the Norwegian School of Economics. He is a Knight of the Order of the Dannebrog.

Trained as an economist at the Copenhagen University (M.Sc.,1989), Foss has received his PhD degree from the Copenhagen Business School in 1993, where he was Assistant, Associate and Full Professor, before he moved to Bocconi University 1 September 2016. From 2016-2019 he was the Rodolfo DeBenedetti Chaired Professor of Entrepreneurship at the Bocconi University, Milano. He has held part-time and visiting professorships at the Warwick Business School, Hong Kong Polytechnic University, Norwegian School of Economics, Lund University, Luiss Guido Carli-Roma, ERC Rennes, and Agder University.

Foss founded the Center (later Department) of Strategic Management and Globalization at the Copenhagen Business School in 2005, and served as its Director/HoD until 1 April, 2015. He managed two CBS "World Class Environment" programs at CBS (2008-2015; 2014-2016). Foss has served as a panel member of the European Research Council and on the Board of Directors of the Strategic Management Society. Foss is a member of Academia Europaea, and a Fellow of the Strategic Management Society. He was the 2020 Chairperson of the Behavioral Strategy Interest Group.

Encompassing 264 journal articles, 109 book chapters and 26 books (edited as well as monographs), his work has been published in the *Academy of Management Review*, *Academy of Management Journal*, *Organization Science*, *Strategic Management Journal*, *Journal of Management*, *Journal of International Business Studies*, *Journal of Management Studies*, and several other leading journals. He has published books with leading publishers, such as Cambridge University Press and Oxford University Press. Many of his papers have been reprinted in research handbooks, and several of his articles and books are translated into Chinese, Russian, Polish, Hungarian, and Spanish. His research has been discussed in such outlets as *Wall Street Journal*, *Forbes*, and *Fortune*, as well as on leading podcasts and talkshows.

His google scholar citations are 55,200, and his H-index is 113. He has been listed as a Clarivate Highly Cited Researcher since 2018. He is currently the 11th most cited living business administration scholar worldwide. Foss was one of the founders of the Danish Research Unit for Industrial Dynamics and a co-founder of the industry-funded Center for Policy Studies, the most influential privately-funded think tank in DK. He was listed as the "best Danish economist" by the newspaper, *Børsen*, in 2013, 2014, and 2015. He has been a regular columnist at newspapers *Børsen* and *Berlingske*.

All interested are welcome.



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