

# THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

## Departmental Research Seminar



Employee Approval and CEO Turnover  
By

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Date : 14 Mar 2019 (THU)  
Time : 10:30 am – 12:00 nn  
Venue : M802

### Abstract

Using a unique social media dataset that captures the level of employees' approval of their own CEOs, this paper explores the relationship between firm performance and CEO turnover. Our results show that CEOs with low approval are more likely to be replaced when firms perform poorly while this performance-turnover sensitivity is less pronounced for CEOs with high approval. The board's difficulties in replacing poorly-performing CEOs with high popularity among employees may not necessarily support the manager-worker alliance hypothesis. Rather, we find that employees' endorsement of CEOs likely reflect the quality of the CEOs known only to the employees. This study suggests that employee opinions matter, providing information not necessarily reflected in firm performance.

**Prof. Sea-Jin Chang** is a Lim Kim San Chair Professor of Business Administration, National University of Singapore and also a Techno-SK Chair Professor at Korea Advanced Institute of Science and Technology (joint appointment). He previously taught at NYU Stern School and Korea University and had visiting appointments at Stanford, INSEAD, London Business School, and Hitotsubashi University. Professor Chang is primarily interested in the management of diversified multinational enterprises. His research has been published in premier academic journals. His recent book, *Sony vs. Samsung: The Inside Story of the Electronics' Giants Battle for Global Supremacy* (Wiley, 2008), was selected as one of the best books for the year by BCG. His recent book, *Multinationals in China: Entry Strategies, Competition, and Performance* (Oxford University Press, 2013), examines the evolution of strong local companies and localized multinationals in China and competition between them. He previously served as an Area Editor of the *Journal of International Business Studies*, and is an Associate Editor of the *Strategic Management Journal* and *Industrial and Corporate Change*.

**All interested are welcome.**



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