

CEOs' Behavioral Integrity and their Narratives when Communicating with Stakeholders

Faculty Member: [Thomas Steffen](#)

Proposal Description: Behavioral integrity captures the perceived alignment between an individual's words and actions (Simons 2002). In a recently published article (Dikolli et al. 2020), my coauthors and I proposed a method of measuring the behavioral integrity of public company CEOs. Using this new measure, we show that auditors charge higher fees to companies led by CEOs with lower behavioral integrity. The critical data source in developing this measure of behavioral integrity is the letter written from the CEO to the company's shareholders each year as part of the annual report.

This work on CEO behavioral integrity has led to an interest in better understanding various aspects of the narratives presented by CEOs to their stakeholders and how these aspects vary across CEOs. We are currently working on expanding our dataset of shareholder letters, and we hope to begin working with these letters in earnest during the spring and summer. The ultimate goals of this project are to (1) extend prior work on CEO behavioral integrity, and (2) provide new evidence about the impact of CEOs' characteristics and narratives on important economic outcomes.

Requisite Skills and Qualifications: Behavioral integrity captures the perceived alignment between an individual's words and actions (Simons 2002). In a recently published article (Dikolli et al. 2020), my coauthors and I proposed a method of measuring the behavioral integrity of public company CEOs. Using this new measure, we show that auditors charge higher fees to companies led by CEOs with lower behavioral integrity. The critical data source in developing this measure of behavioral integrity is the letter written from the CEO to the company's shareholders each year as part of the annual report.

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Award: Rishabh Bhargava

Tobin Application Link: [Tobin Application](#)

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