


Unpacking Functional Experience Complementarities in Senior Leaders' Influences on CSR Strategy: A CEO–Top Management Team Approach

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Abstract In this study, we examine the influence of senior leadership on firms' corporate social responsibility (CSR). We integrate upper echelons research that has investigated either the influence of the CEO *or* the top management team (TMT) on CSR. We contend that functional experience complementarity between CEOs and TMTs in formulating and implementing CSR strategy may underlie differentiated strategies in CSR. We find that when CEOs who have predominant experience in output functions are complemented by TMTs with a lower proportion of members who have experience in output functions, there is a pronounced effect on the community, product, and diversity dimensions of CSR. In turn, when output-oriented CEOs are complemented by output-oriented TMTs, we observe an effect on the employee relations dimension of CSR. Interestingly, we find no influence of CEO-TMT complementarity on the environment dimension of CSR. In general, our empirical results support the relevance of the interaction between CEOs and their TMTs in defining their firms' CSR profile.

Keywords CEOs · Corporate social responsibility · Functional background · Senior leadership · Top management teams · Upper echelons theory

Abbreviations

CEO Chief executive officer
CSR Corporate social responsibility
TMT Top management team
UET Upper echelons theory

Introduction

Senior leaders are increasingly expected to drive corporate social responsibility (CSR) (Christensen et al. 2014). By “doing good,” senior leaders position their firms to benefit from loyal clientele, committed employees, and supportive communities (Cheng et al. 2014; McWilliams et al. 2006). Prominent CEOs such as Paul Polman of Unilever, Sustainable Business Leader of the Year (Confino 2014), have advocated this view: “It is important to make people feel more comfortable working in situations where the win–win is not driven just by your shareholder but by all stakeholders.” With mutual benefits for not only shareholders, but also the natural environment, the community, consumers, employees, and underrepresented groups (Wang et al. 2016; Aguinis and Glavas 2012; Mitchell et al. 1997), it is important to investigate the extent to which senior leaders formulate and implement multi-dimensional CSR strategies (Waldman et al. 2006b).

Recent studies have alluded to increased CSR activity over the last decades (Brammer et al. 2012; Short et al. 2016). Yet, CSR is multi-dimensional and why firms differ in particular patterns of CSR strategy remains unexamined. Given the growing influence of senior leaders (Quigley and

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Hambrick 2015), firms may emphasize different dimensions of CSR (e.g., environment, community, product, employee relations, diversity) based on the characteristics of CEOs and their TMTs. Indeed, upper echelons theory (UET) describes senior leaders' characteristics as useful for inferring the stimuli to which they are most sensitive, the opportunities they recognize, the interpretations they bring to task-related discussions, and the stakeholders they prioritize (Agle et al. 1999; Carpenter et al. 2004; Heyden et al. 2017b; Cho and Hambrick 2006). Accordingly, UET offers a timely and important vantage point to examine how CEO and TMT characteristics underpin CSR patterns.

In this study, we respond to recent calls for unpacking the dimensions of CSR (e.g., Wang et al. 2016; Short et al. 2016; Orlitzky et al. 2015) by examining the joint influence of CEO and TMT characteristics on the different dimensions of CSR strategy. We draw on the premise from UET that dominant functional experiences condition beliefs about the firm in relation to its environment (Dearborn and Simon 1958; Waller et al. 1995; Hambrick and Mason 1984). This approach emphasizes the distinction between output and throughput functional experience among strategic leaders (e.g., Barker III and Mueller 2002; Cho and Hambrick 2006; Heyden et al. 2015; Bermiss and Murmann 2014). Output orientation is market-focused and includes experiences in functions such as marketing, sales, and R&D. Throughput orientation is organization-focused and includes experiences in functions such as production, process engineering, accounting and finance, and administration. We contend that functional experience complementarity between CEOs and their TMTs helps explain why senior leaders emphasize specific dimensions in their CSR strategies.

Our study contributes to the literature on senior leadership drivers of CSR in several ways. First, it helps to clarify why senior leaders compose different CSR strategies. We contend that conceptualizing CSR strategy as inherently multi-faceted explains why firms differ not only in their *level* of CSR, but in the specific *patterns* of CSR strategy (i.e., which dimensions are emphasized). The literature on antecedents of CSR has emphasized the country-, temporal-, industry-, and firm-level determinants of overall and specific CSR dimensions (Orlitzky et al. 2015; Rathert 2016; Short et al. 2016). Our study introduces the micro-foundational role of senior leaders in composing CSR strategy as a crucial omission in this literature (Christensen et al. 2014; Godos-Díez et al. 2011).

Second, in studying the influence of senior leaders on CSR, some scholars have focused on the influence of the TMT as a unitary group (Lau et al. 2016; Wong et al. 2011), whereas others have emphasized the influence of the CEO in isolation (e.g., Chin et al. 2013; Manner 2010; Slater and Dixon-Fowler 2009; Tang et al. 2015). We

bridge these two approaches by building on an emerging integrative framework of CEO-TMT interrelationships that conceptualizes senior leadership as a hierarchical decision-making body (Arendt et al. 2005; Heyden et al. 2017b; Olie et al. 2012). Our CEO-TMT integration is timely, as studies of senior leader influences on CSR have been fragmented and have neglected the distinct yet complementary roles of CEOs and their TMTs (Klimoski and Koles 2001). By emphasizing the roles of CEOs in direction setting and TMTs in implementing CSR strategies (Heyden et al. 2017b), we develop a more ecologically valid understanding of how senior leaders drive CSR.

Finally, we argue that firms display specific patterns of CSR depending on their leaders' dispositions. Providing an evidence-based understanding of patterns of preferences across multiple dimensions for composing CSR strategy is important, as senior leaders with particular functional characteristics may be inclined to pursue specific dimensions of CSR, but not others. This approach can reveal potential preferences and tradeoffs in CSR strategy (Parent and Deephouse 2007). The literature on antecedents of separate dimensions of CSR is still in an embryonic stage, and studies that have applied decomposed approaches to CSR typically have focused on single dimensions (e.g., Sharma 2000; Orlitzky et al. 2003). Thus, our expected and unexpected findings underscore the need to move away from conceptualizing and measuring CSR as a mono-dimensional phenomenon and instead focus on senior management attributes as important determinants of differential patterns of CSR strategy between firms.

Conceptual Background and Hypotheses

The Multi-dimensional Nature of CSR Strategy

CSR has been traditionally described as “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams and Siegel 2001, p. 117). Yet, firms may face inherent tradeoffs when devising CSR strategy (Parent and Deephouse 2007), as they incur opportunity costs from allocating scarce resources to distinct CSR activities that address particular stakeholder needs (Fombrun et al. 2000). Thus, although CSR strategy aims to benefit both the firm and its multiple stakeholders (Mitchell et al. 1997), the complex reality of CSR also implies that senior leaders are bound by resource constraints that may underpin their emphases on some ways to “do good,” while focusing less on others (Agle et al. 1999; Chin et al. 2013).

We thus advocate a conceptualization of CSR strategy as multi-dimensional, which requires theorizing along its distinctive dimensions (Wang et al. 2016; Orlitzky et al.

2015). As these dimensions may align with externally or internally focused organizational functions, we advance UET as a useful bridge for understanding why senior leaders emphasize different dimensions in their CSR strategy. UET suggests that senior leaders focus on strategies that correspond with their idiosyncratic predispositions and beliefs (Hambrick and Mason 1984), such as those accrued through their functional formative experiences (Dearborn and Simon 1958; Bermiss and Murmann 2014). Thus, focusing on senior leaders' characteristics may clarify why firms emphasize different dimensions in their CSR strategy.

Senior Leaders' Influences on CSR Strategy

Senior leaders have been shown to be important drivers of CSR levels (e.g., Tang et al. 2015; Wong et al. 2011). Studies on the impact of senior leaders on CSR can be distinguished along two broad lines: CEO focus and TMT focus. Most studies have emphasized that a focal leader (i.e., CEO) drives CSR strategy (e.g., Waldman et al. 2006b) and assumed that this leader's preferences are sufficient for understanding complex CSR decisions. This research has investigated antecedents such as leadership styles (Maak et al. 2016; Waldman et al. 2006b), integrity (Waldman et al. 2006a), education (Manner 2010), political ideologies (Chin et al. 2013), openness to change (Mazutis 2013), gender and tenure (Manner 2010; Huang 2013), altruism (Borghesi et al. 2014), career horizons (Kang 2016), hubris (Tang et al. 2015), and narcissism (Petrenko et al. 2016). While the literature tends to emphasize CEOs as chief architects of firms' CSR strategies, CEOs do not act in a social vacuum (Heyden et al. 2017b). Indeed, "the complexity of creating and carrying out the strategic decisions of an entire organization demands more skill and effort than a single leader can effectively provide" (Colbert et al. 2014, p. 351). As such, CEOs rely on TMTs for realizing their CSR strategies (Arendt et al. 2005; Cao et al. 2010).

Recent CSR studies have explicitly advised to include TMT characteristics when analyzing the influence of CEOs on CSR (Orlitzky et al. 2015; Slater and Dixon-Fowler 2009). Yet, only a few studies have explicitly theorized on TMT characteristics as antecedents of a firm's CSR strategy. Wong et al. (2011, p. 1208) argued and found support that a TMT's "ability to differentiate among and integrate multiple perspectives" increases corporate social performance. Recently, Lau et al. (2016) argued that in the Chinese context CSR is more pronounced when firms have foreigners or managers with international experience on the TMT. However, these studies did not differentiate CEOs from their TMTs, which could be a limitation given the identifiable effect CEOs have on firm processes and outcomes (Quigley and Hambrick 2015).

To synthesize this emerging literature on the influence of senior leaders on CSR, we incorporate CEO and TMT assumptions in a CEO-TMT framework to emphasize how complementarities between the two elucidate different patterns of CSR strategy. The CEO-TMT interface conceptualization emphasizes how interrelations between the CEO and the TMT collectively shape strategy. This conceptualization highlights their co-dependence and acknowledges their differentiated roles (Klimoski and Koles 2001; Cao et al. 2010; Arendt et al. 2005). This approach advances a more ecologically valid interpretation of how CEOs and TMTs drive strategy, acknowledging that "TMTs are essentially hierarchical bodies in which the CEO has disproportionate influence on decision making" (Olie et al. 2012, p. 87). Studies adopting the CEO-TMT interface conceptualization have emphasized the complementary role of the TMT in counterbalancing or accentuating CEO dispositions (Heyden et al. 2017b). By examining complementarities, we can start to explain why TMTs counterbalance or amplify the initial disposition of the CEO toward specific CSR dimensions.

CEO-TMT Functional Complementarities and CSR

Functional experience of senior leaders has a long tradition of strong explanatory power in UET research more generally (Bantel and Jackson 1989; Menz 2012; Wiersema and Bantel 1992). Functional career tracks typically condition executives into an output or throughput functional orientation (Barker III and Mueller 2002; Bermiss and Murmann 2014; Chang and Harrington 2000; Cho and Hambrick 2006; Hambrick and Mason 1984).

Previous research on CEO functional experience has produced notable results. For instance, Mazutis (2013) found a direct effect of CEO output orientation on CSR. Slater and Dixon-Fowler (2009) investigated the interaction between functional experience and international assignment experience and found that the positive effect of international assignment experience on CSR is stronger if the CEO has an output-oriented background. Similarly, Manner (2010) found that CEOs who have a higher breadth of career experience are associated with enhanced CSR performance. However, studies have yet to examine the role of TMT functional experience as a driver of CSR. Thus, we hypothesize how CEO-TMT complementarities in output/throughput experience relate to the different dimensions of CSR.

CEO-TMT Influence on the Environment Dimension of CSR Strategy

The environment dimension of CSR refers to conscious efforts by the organization to minimize its footprint on the

natural environment (Hart and Ahuja 1996; Ambec and Lanoie 2008; Clemens 2006). Such efforts include reducing environmental pollution and embracing renewable energy sources (Dangelico and Pujari 2010), offsetting the firm's carbon footprint (Dhanda and Hartman 2011), recycling (Weaver et al. 2015), adopting efficient energy standards (Darnall et al. 2016), and expressing commitment to the natural environment (Bansal and Clelland 2004). This dimension recognizes the natural environment as a key stakeholder (Driscoll and Starik 2004) that must be addressed for legitimacy and strategic reasons (Babiak and Trendafilova 2011; Esty and Winston 2009; Berchicci et al. 2012).

CEOs who have more experience in output functions tend to be more sensitive to the market-side opportunities conferred by portraying a greener corporate profile (Ambec and Lanoie 2008). Ambec and Lanoie (2008) note that on the market side, environmentally focused CSR can increase revenue by increasing access to certain markets (e.g., selling to the public sector, where suppliers are scrutinized by other stakeholders). In addition, environmentally responsible companies often experience significant stock price increases (Flammer 2013). In turn, their CEOs enjoy higher total compensation for increasing firm wealth more generally (Jensen and Murphy 1990) and through environmental performance more specifically (Berrone and Gomez-Mejia 2009). In formulating CSR strategy, output-oriented CEOs are likely to understand the principal and organizational benefits of investing in the environment dimension of CSR.

Simultaneously, implementing CSR initiatives in the environment dimension involves strong process components that require insights in budgeting, feasibility, and deliverables. Given that the TMT is in charge of these implementation trajectories, those TMTs with a lower proportion of members with experience in output functions would complement the agenda-setting task of the CEO. Ambec and Lanoie (2008) note that implementing "green" initiatives can have internally focused benefits for the organization (e.g., in the area of cost management). Although initial investments in recycled materials, renewable energy sources, and efficient production technologies may be sizeable, the long-term costs may be minimized (Reiche and Bechberger 2004). Thus, a TMT that is more focused on improving the internal functioning of the organization will be more likely to implement CSR initiatives in the environment dimension.

Hypothesis 1 (H1) TMTs characterized by a lower proportion of members who have predominant output experience will be instrumental in realizing the inclination of CEOs who have predominant output experience to emphasize CSR in the environment dimension.

CEO-TMT Influence on the Community Dimension of CSR Strategy

The community engagement dimension of CSR refers to charitable giving, supporting educational and residential development, volunteer programs, and non-evasive tax behavior (Hess et al. 2002; Seitanidi and Ryan 2007). It addresses the social needs of the communities within which firms operate or that are affected by its presence indirectly (Marquis et al. 2007). Godfrey et al. (2009), for instance, has suggested that community engagement activities, such as corporate philanthropy, can function as a social insurance policy (Koh et al. 2014). This is in line with Wang et al. (2008, p. 144), who have suggested that philanthropy enhances firm reputation, because it "helps firms to secure the critical resources controlled by various stakeholders and provides insurance-like protections that reduce the firms' exposure to the risk of losing critical resources."

Community engagement is largely an externally focused aspect of CSR strategy. CEOs who have more output experience understand the potential relational benefits that accrue from community CSR (Fry et al. 1982; Porter and Kramer 1999). These CEOs tend to prioritize relational benefits, as they understand that firms achieve superior outcomes by leveraging relationships with corporate partners, consumers in their communities, and others. For instance, corporate philanthropy helps firms to secure critical resources from relevant stakeholders, and volunteer programs increase social capital (Spence and Schmidpeter 2003; Russo and Perrini 2010). Thus, CEOs with more experience in output functions can be expected to emphasize community engagement in formulating CSR strategy.

The logic behind community CSR, apart from altruistic and reputational benefits, remains complex. Output-oriented CEOs thus benefit from TMTs that further underline, monitor and address the core needs of communities. For instance, TMTs whose members have output experience can help identify community stakeholders who would benefit most from corporate philanthropy and community initiatives that align best with the values of the organization (Wang et al. 2008). Given the sensitive political nature of these non-enforceable exchange relationships (Kilkenny et al. 1999), it becomes increasingly important to weigh the different options carefully to ensure continuity and long-term relations with the community. TMTs whose members are familiar with community actors will thus add most to the decision-making process at the executive suite on community-driven CSR practices (Carter 2006). Taken together, it can be expected that CEOs who have output experience and who are supported by a TMT that has a higher proportion of members with output experience will notably emphasize CSR in the community dimension.

Hypothesis 2 (H2) TMTs characterized by a higher proportion of members who have predominant output experience will be instrumental in realizing the inclination of CEOs who have predominant output experience to enhance CSR in the community dimension.

CEO-TMT Influence on the Product Dimension of CSR Strategy

The product dimension of CSR generally refers to product quality, product safety, and product innovation, especially pertaining to sustainable product solutions and applications (Bodur et al. 2015). It is primarily focused on creating benefits for customers (Kaynak 2003), encouraging fair trade and sustainable sourcing of component materials (Ingenbleek and Reinders 2013), and complying with regulatory and industry product standards (Anderson et al. 1999).

CEOs whose predominant experience is in output functions tend to better understand the complex, intangible ways in which customers derive value from sustainable products (Luo and Bhattacharya 2006) and, thus, how the firm can differentiate itself from its competitors through these offerings. For example, these CEOs tend to emphasize the commercial upside of sustainable products and services (e.g., long life span, safety). They also can identify market segments where customers are willing to pay more for eco-friendly products, thus mitigating the initial high costs of developing these products (Bask et al. 2013; Mandhachitara and Poolthong 2011). This advances the firm's reputation in the industry, builds customer goodwill, and increases perceived product quality, all of which enhance the market positions for premium differentiated products (Delmas and Grant 2014; Boehe and Cruz 2010).

Product-based CSR applications are inherently strategic and apply directly to the key activities of the firm (Phillips et al. 1983). Thus, integrating and implementing these complex initiatives is best managed by a TMT that has a lower proportion of members with experience in output functions. This kind of TMT can manage potentially diverging emphases between existing products and emerging products that create CSR value but may require changes to production lines, compliance trajectories, or staff training (Cho and Hambrick 2006; Hoque 1999). It is also important to understand what is feasible, what fits current activities, and how to manage enhanced quality standards in the product and service dimensions (Hallstedt et al. 2013). Hence, we expect CSR in the product dimension to be most pronounced for firms characterized by CEOs who have predominant output experience and TMTs that have lower output experience.

Hypothesis 3 (H3) TMTs characterized by a lower proportion of members who have predominant output experience will be instrumental in realizing the inclination of CEOs who have predominant output experience to enhance CSR in the product dimension.

CEO-TMT Influence on the Employee Relations Dimension of CSR Strategy

The employee relations dimension of CSR refers to firm policies pertaining to retirement programs, profit sharing, organizational health and safety, and employee involvement (Mirvis 2012). Firms that have well developed employee relations emphasize relationships with employees beyond what is legally prescribed. This in turn has been shown to matter for motivating extra-role behaviors of employees (Pendleton 2006), reducing turnover (Allen et al. 2003), and increasing job satisfaction (Brown et al. 2008).

CEOs vary in their emphasis of employee well-being (Papalexandris and Galanaki 2009). CEOs who have predominant experience in throughput functions tend to focus on practices aimed at improving efficiency and process enhancements "within" the firm that they can control (Cao et al. 2010). These CEOs prefer benefits that can be derived from enhanced working conditions. For instance, retirement programs and profit sharing can strengthen employee trust and their commitment to long-term goals (Hales and Gough 2003; Coyle-Shapiro et al. 2002), and employee involvement and broadened decision mandates support employee self-actualization (Den Hartog and Belschak 2012; Hornung and Rousseau 2007). Nurturing employee relations requires an understanding of the internal processes and practices aimed at incentivizing and motivating employees. Thus, we expect CEOs who have throughput experience to emphasize employee relations in CSR strategy.

Implementing employee-focused adjustments requires a TMT that understands formal procedures and the translation of explicit decisions into practice (Pedersen 2006). CSR opportunities in employee relations are typically system based. Anticipated adjustments typically affect costs, rules, and regulations, as well as employee mandates across organizational levels. These changes require advanced organizational-focused knowledge to preempt potential bottlenecks (Guest 1987; Kalleberg 2009). Throughput-oriented TMTs have experience and more knowledge in streamlining processes and optimizing resulting outcomes. As such, they are better equipped to select viable CSR initiatives for employee relations and develop them to fit incumbent schemes. The notion of fit is important, as it pertains to the suitability of changes to existing systems that are expected to be more tenable over time. When CEOs and TMTs align their emphases on

employees, the efficiency of related processes improves. Attention on the connection between formal changes and desired outcomes increases the number of employee relation initiatives that aim to improve employee well-being.

Hypothesis 4 (H4) TMTs characterized by a lower proportion of members who have predominant output experience will be instrumental in realizing the inclination of CEOs who have predominant throughput experience to enhance CSR in the employee relations dimension.

CEO-TMT Influences on the Diversity Dimension of CSR Strategy

The diversity dimension of CSR covers the degree to which a company recognizes the equal rights of women and minorities (McCarty Kilian et al. 2005). Firms that focus on this dimension tend to implement policies to improve diversity and inclusion of underrepresented groups across all organizational ranks. These policies include promoting gender parity across organizational ranks (Labelle et al. 2015; Helfat et al. 2006), racio-ethnic minority group representation (Richard 2000), LGBTQI policies (Chuang et al. 2016; Hillman and Keim 2001), and participation of employees with physical impairments (Dwertmann and Boehm 2015; Santuzzi and Waltz 2016). Additionally, it refers to programs that address inclusion of underprivileged or underrepresented groups (e.g., childcare, flextime).

Diversity CSR has been primarily linked to reputational advantages, such as better customer relationships (Richard et al. 2015; Leonard et al. 2004). CEOs who have predominant experience in output functions tend to have a broader external stakeholder focus and are more aware of minority groups (Slater and Dixon-Fowler 2009). They value these reputational advantages, which include public espousal of the firm's diversity objectives and past achievements. Further, these CEOs are more likely to recognize the benefits of a diverse workforce, including enhanced creativity and innovation (Day and Greene 2008; Dezsö and Ross 2012). Given their experience in functions that draw on these qualities for improving output results, these CEOs will be inclined to stimulate a more diverse workforce and actively underline how different aspects of diversity may reinforce each other to achieve equity (Cook and Glass 2016).

However, although diversity and inclusion strategies benefit the individual, the organization, and society, they also carry costs and challenges to their implementation (Glass and Cook 2016). Diversity has been described as a double-edged sword (e.g., Van Knippenberg and Schippers 2007), due to its potential downside to produce conflicts (Garcia-Prieto et al. 2003). These conflicts include

miscommunications and trust issues, which can increase coordination complexity (Pelled et al. 1999). As a result, developing a cohesive yet diverse workforce presents a key implementation challenge for TMTs, especially in terms of integrating diversity policies with established practice. TMTs whose members have more throughput experience can preempt conflict, because they understand current practices and approaches for creating trust and cohesion and are more attentive to emerging tensions. Thus, CSR policy in the diversity dimension will be best enabled by a more throughput-oriented TMT.

Hypothesis 5 (H5) TMTs characterized by a lower proportion of members who have predominant output experience will be instrumental in realizing the inclination of CEOs who have predominant output experience to enhance CSR in the diversity dimension.

Data and Methods

We conduct our investigation using data from 100 randomly selected US industrial and commercial machinery firms (SIC code 35) for the years 1998–2008. Focusing on a single industry sector, rather than a cross section of firms, provides a set of more comparable firms (e.g., Fortune 500 firms). Restricting the sample to publicly traded firms in the USA, which follow standardized data mandates of the Securities and Exchange Commission (SEC), yields a set of firms with comparable financial information. Moreover, unlike firms in the oil or banking industries, which have dominant stakeholder groups (e.g., environmental NGOs or regulators) that reduce the managerial discretion of senior leaders, manufacturing companies usually are not dominated by one particular stakeholder group, which gives senior leaders relative high discretion to manage the diverse stakeholder interests. Accordingly, we believe that this sector is a suitable empirical context to test our theory. We exclude all firm years with missing data on relevant CSR dimensions. In addition, we include only those firms whose CEOs had been in office for at least one fiscal year so that they had time to shape their firms' CSR strategy. Our analysis is based on 316 firm years and 91 CEOs.

Variables

Dependent Variables

The dependent CSR variables (*CSR environment, CSR community, CSR product, CSR employee relations, CSR diversity*) come from the KLD (Kinder, Lydenberg, Domini) database, which covers multiple sub-indicators in

several CSR dimensions. Based on input from surveys, financial statements, press, and other public reports, KLD analysts assign a rating of 1 to each sub-dimension that indicates a specific strength or weakness. Despite its limits (Chiu and Sharfman 2011), KLD data “have been widely used and are generally considered the best available data for comprehensively measuring CSR” (Chen et al. 2013, p. 210).

In line with prior research, we focus on five dimensions: environment, community, product, employee relations, and diversity (e.g., Choi and Wang 2009; Tang et al. 2015). These dimensions, respectively, reflect the demands of primary stakeholder groups (Hillman and Keim 2001). Although a few scholars (e.g., Manner 2010) have argued that CEOs may have more discretion over strong social performance (i.e., CSR strengths) than poor social performance (i.e., CSR concerns), we instead follow the dominant research paradigm arguing that, consciously or subconsciously, senior leaders strive to balance “doing well and minimizing harm” and therefore consider both sides of the CSR ledger: investing to increase strengths and decrease concerns (e.g., Chin et al. 2013; Wong et al. 2011). Hence, we build net scores (CSR strengths minus CSR concerns) for each of the five dimensions.

Predictor Variables

In line with other studies (e.g., Carpenter 2002; Geletkanycz and Hambrick 1997), for all firm years in our sample, we identify TMTs as the upper two tiers of corporate management, as listed in 10-K SEC filings. Empirically, this implies that TMTs comprise senior leaders who have one or more title of vice president or higher. In line with conventional approaches in UET scholarship (e.g., Bantel and Jackson 1989; Wiersema and Bantel 1992), we first gather data for individual senior leaders in our sample by using 10-K SEC forms, the *Dun and Bradstreet* reference book of corporate management, and *Hoover's* database. Additional biographical data are obtained as needed via popular business press sources, such as *Forbes* and *Business Week*.

For our binary variable, *CEO output orientation*, we divide the number of years a CEO worked in output functions such as engineering, R&D, marketing, and sales by their total working years (Slater and Dixon-Fowler 2009; Thomas et al. 1991). If the ratio in a given year is 0.5 or above, we assign a 1 and 0 otherwise.

Consistent with UET research, *TMT output orientation* is operationalized as the proportion of TMT members (excluding the CEO) who have dominant experience in output functions (Cho and Hambrick 2006; Herrmann and Datta 2005). We mean-center this variable (Slater and Dixon-Fowler 2009) before generating the interaction term (*CEO output orientation* × *TMT output orientation*).

Controls

We include several controls on the industry, firm, TMT, and CEO levels in our analysis. On the firm level, we control for *CSR total* as a firm's overall level of CSR activities in a year to capture the general momentum, intensity, and tendency of firms to engage in CSR more generally (Short et al. 2016). For this variable, we add the strengths of all five CSR dimensions and subtract the sum of concerns of all five CSR dimensions. We also control for *firm size* as the log of the number of employees (Wong et al. 2011) and for *firm performance* as the return on assets (net income divided by total assets; Petrenko et al. 2016). Prior studies have argued and shown that larger and more profitable firms tend to engage more in CSR (Tang et al. 2015; Waddock and Graves 1997).

On the team level, we include *TMT size* as the number of senior leaders in a firm year and *TMT average tenure* as the average time TMT members served in that position during that year (Boeker and Wiltbank 2005). Both variables can influence the level of informational attributes and decision-making dynamics in the TMT and thus the potential for CSR strategizing (Amason and Sapienza 1997; Halebian and Finkelstein 1993; Wiersema and Bantel 1992).

On the individual level, we control for *CEO career horizon* (measured as 65—CEO age), because CEO retirement can negatively affect firms' commitment to CSR (Kang 2016). We control for CEO educational background, because it can shape their values and beliefs, which in turn can affect CSR (Manner 2010). Hence, we include dummy variables for *CEO business education*, *CEO humanities education*, and *CEO engineering education*. Moreover, we include several indicators of CEO power as controls (Finkelstein 1992). We control for *CEO pay rank* within the firm, because pay differentials between the CEO and TMT reflect relative power (Ridge et al. 2015). This ordinal variable is 1 if the CEO is the highest paid manager, 2 if the CEO is the second-highest paid manager, and so on. Additionally, we control for *CEO duality* as a binary variable that is 1 if the CEO is also chairman of the board and 0 otherwise. CEO duality also indicates a high control over decisions and prioritization of agenda items (Krause et al. 2014). We control for the status of *CEO founder* as a binary variable that is 1 if the CEO is also the founder of the firm and 0 otherwise. CEO founders have long-term relationships with the company and the board, which can be important sources of power (Finkelstein 1992). Finally, we control for *CEO elite education*. D'Aveni (1990) has argued that a manager's educational background can be a source of prestige, which has been associated with the ability to exert social influence. This binary variable is 1 if a CEO attended an elite school based on a list of universities suggested by Finkelstein (1992) and 0 otherwise.

Analysis and Results

We analyze the data using the generalized estimating equations approach, which extends the generalized linear model. This multivariate technique is suitable in the event of non-independent observations, such as longitudinal datasets (Hanley et al. 2003; Liang and Zeger 1986). It also has been lauded as an emerging best practice in quantitative management research (Echambadi et al. 2006), as its estimates account for both time-invariant effects (“subject effect”) and auto-correlated, time-varying, “within-subject” effects (Ballinger 2004). This technique has further demonstrated its usefulness and versatility for longitudinal data structures commonly used in studies on executive influences on firms’ outcomes (e.g., Chatterjee and Hambrick 2007; Crossland et al. 2014; Quigley and Hambrick 2012; Henderson et al. 2006) and on CSR practices (e.g., Petrenko et al. 2016), as it accounts for both unobserved effects from the same firm and CEO and inter-temporal correlations among outcome variables for individual CEOs and firms. We specify a CEO-firm subject effect to account for the unobserved tendencies of different CEOs to invest in CSR, and we treat the repeated annual observations as within-subject effects. Model fit is assessed based on the level and significance of the Wald’s Chi-square statistic.

Table 1 summarizes the descriptive statistics, and Table 2 presents the correlations for the variables in the

subsequent multivariate analysis. Proceeding to the multivariate analysis, we approach model specification in a stepwise procedure. We first estimate a model with control variables only. Then we include both predictor variables (*CEO output orientation* and *TMT output orientation*) as main effects. In the last step, we run our models with the interaction term of both variables for all five CSR dimensions.

Table 3 contains the results for the different specifications of our five CSR dimensions. When interpreting the models, a significant positive (negative) interaction effect of two predictor variables X1 and X2 indicates an increasing (decreasing) slope for increasing values of X1 and X2. For example, in our paper, as TMT output orientation is increasing the slope for CSR employee relations increases (i.e., the line turns in the anti-clockwise direction) reflecting a positive interaction effect. In contrast, as TMT output orientation is increasing, the slope for CSR in the community dimension decreases (i.e., the line turns in the clockwise direction) reflecting a negative interaction effect.

In model 1c, we test the interaction effect of CEO and TMT functional backgrounds on the environment dimension. According to our H1, we expect a positive complementary effect of CEO and TMT functional backgrounds such that a lower proportion of TMT members who have output experience would be instrumental in realizing the

Table 1 Descriptive statistics (means, medians, and quartiles)

Variables	<i>n</i>	Mean	SD	Min	p25	p50	p75	Max
CSR employee relations	316	−0.06	0.94	−3.00	−1.00	0.00	0.00	4.00
CSR environment	316	0.14	0.67	−2.00	0.00	0.00	0.00	4.00
CSR community	316	0.18	0.59	−1.00	0.00	0.00	0.00	4.00
CSR diversity	316	0.57	1.51	−2.00	0.00	0.00	1.00	7.00
CSR product	316	0.04	0.40	−1.00	0.00	0.00	0.00	1.00
CSR total	316	0.87	2.65	−3.00	−1.00	0.00	2.00	14.00
Firm size ^a	316	14.01	21.41	0.27	1.90	5.20	17.83	172.00
Firm performance	316	2.02	2.83	0.18	0.94	1.52	2.18	38.93
CEO duality	316	0.65	0.48	0.00	0.00	1.00	1.00	1.00
CEO founder	316	0.08	0.27	0.00	0.00	0.00	0.00	1.00
CEO elite education	316	0.38	0.49	0.00	0.00	0.00	1.00	1.00
CEO pay rank	316	1.30	0.93	1.00	1.00	1.00	1.00	5.00
CEO career horizon	316	10.46	6.05	−3.00	6.00	11.00	15.00	26.00
CEO business education	316	0.67	0.47	0.00	0.00	1.00	1.00	1.00
CEO humanities education	316	0.05	0.23	0.00	0.00	0.00	0.00	1.00
CEO engineering education	316	0.25	0.43	0.00	0.00	0.00	0.50	1.00
TMT size	316	8.88	3.30	3.00	6.00	8.00	11.00	16.00
TMT tenure	316	10.16	4.98	2.00	6.53	8.94	13.21	26.57
TMT output orientation ^b	316	0.25	0.21	0.00	0.00	0.22	0.40	0.80
CEO output orientation	316	0.16	0.37	0.00	0.00	0.00	0.00	1.00

^a Before taking log

^b Before mean-centering

Table 2 Correlations

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1 CSR employee relations	1.00																			
2 CSR environment	0.07	1.00																		
3 CSR community	0.16	0.33	1.00																	
4 CSR diversity	0.24	0.32	0.49	1.00																
5 CSR product	0.02	0.12	-0.02	0.13	1.00															
6 CSR total	0.54	0.55	0.64	0.86	0.25	1.00														
7 Firm size	0.23	0.20	0.27	0.52	0.05	0.49	1.00													
8 Firm performance	0.19	0.00	-0.04	-0.01	-0.07	0.04	-0.01	1.00												
9 CEO duality	-0.05	-0.01	-0.05	0.05	-0.14	-0.02	0.13	-0.24	1.00											
10 CEO founder	0.01	-0.01	-0.09	-0.01	0.09	-0.01	-0.18	0.00	-0.13	1.00										
11 CEO elite education	0.18	-0.05	0.17	0.08	-0.05	0.12	0.02	0.20	-0.21	0.01	1.00									
12 CEO pay rank	0.08	0.01	0.05	0.08	0.02	0.09	0.04	0.11	-0.13	0.28	0.02	1.00								
13 CEO career horizon	0.00	0.05	0.13	0.17	0.21	0.17	-0.12	0.11	-0.25	0.14	-0.10	0.15	1.00							
14 CEO business education	-0.07	-0.19	0.03	-0.06	-0.09	-0.11	0.16	-0.06	0.17	-0.42	0.25	-0.13	-0.08	1.00						
15 CEO humanities education	-0.09	0.45	0.21	0.48	0.08	0.41	0.32	-0.07	0.17	-0.07	-0.19	-0.06	0.05	-0.34	1.00					
16 CEO engineering education	0.12	0.00	-0.12	-0.14	0.06	-0.06	-0.30	0.10	-0.22	0.51	-0.13	0.19	0.05	-0.83	-0.14	1.00				
17 TMT size	-0.04	0.24	0.20	0.26	0.02	0.24	0.51	-0.12	0.23	-0.09	-0.18	-0.08	-0.04	-0.07	0.36	-0.10	1.00			
18 TMT tenure	0.02	0.12	0.07	0.09	0.12	0.12	0.36	-0.07	0.30	-0.16	-0.10	-0.24	-0.34	0.06	0.11	-0.14	0.25	1.00		
19 TMT output orientation	0.07	-0.02	-0.08	-0.05	0.03	-0.02	-0.46	0.27	-0.20	0.28	0.08	0.19	0.32	-0.25	-0.14	0.34	-0.19	-0.20	1.00	
20 CEO output orientation	0.01	-0.04	-0.07	-0.11	0.26	-0.05	-0.12	-0.04	-0.08	0.29	-0.16	0.26	0.18	-0.25	-0.10	0.35	0.02	-0.18	0.26	1.00

Correlations greater than 0.111 are significant at $p < 0.05$

Correlations greater than 0.151 are significant at $p < 0.01$

Table 3 GEE results for decomposed CSR scores

	H1: CSR environment			H2: CSR community			H3: CSR product								
	Model 1a: controls		Model 1b: main effects		Model 2a: controls		Model 2b: main effects		Model 3a: controls		Model 3b: main effects		Model 3c: interaction		
	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.	
Intercept	0.163	0.325	0.129	0.329	0.133	0.329	0.282	0.279	-0.024	0.222	-0.069	0.209	-0.078	0.206	
Firm total CSR score	0.152 ***	0.016	0.154 ***	0.016	0.156 ***	0.016	0.130 ***	0.008	0.032 **	0.012	0.035 **	0.011	0.032 **	0.011	
Firm size	-0.035	0.041	-0.044	0.043	-0.042	0.043	-0.002	0.028	-0.033	0.028	-0.048 †	0.028	-0.050 †	0.028	
Firm performance	0.004	0.009	0.005	0.009	0.005	0.009	-0.016 ***	0.004	-0.011	0.007	-0.007	0.007	-0.008	0.007	
CEO duality	-0.049	0.080	-0.044	0.080	-0.044	0.080	-0.241 ***	0.038	-0.040	0.059	-0.060	0.057	-0.059	0.056	
CEO founder	-0.050	0.255	-0.012	0.259	-0.019	0.260	-0.115	0.256	-0.031	0.162	0.014	0.148	0.030	0.146	
CEO elite education	-0.126	0.113	-0.130	0.114	-0.132	0.114	-0.038	0.091	-0.016	0.075	0.057	0.070	0.057	0.069	
CEO pay rank	-0.015	0.031	-0.012	0.031	-0.014	0.031	0.045 ***	0.013	0.050 **	0.025	-0.039	0.025	-0.034	0.024	
CEO career horizon	-0.017 *	0.007	-0.015 *	0.007	-0.014 *	0.007	0.004	0.005	0.004	0.003	0.003	0.005	0.014 **	0.005	
CEO business education	0.264	0.293	0.282	0.295	0.282	0.296	0.049	0.276	0.042	0.271	0.028	0.181	-0.029	0.178	
CEO humanities education	1.210 **	0.384	1.198 **	0.386	1.189 **	0.387	0.035	0.358	-0.014	0.351	0.014	0.357	0.080	0.233	
CEO engineering education	0.345	0.305	0.396	0.310	0.394	0.311	-0.067	0.289	-0.037	0.286	-0.035	0.290	0.236	0.186	
TMT size	-0.013	0.013	-0.012	0.013	-0.012	0.013	0.021 **	0.006	0.024 ***	0.007	0.026 ***	0.007	-0.008	0.009	
TMT tenure	-0.003	0.009	-0.002	0.009	-0.003	0.009	-0.019 ***	0.005	-0.013 *	0.005	-0.010	0.006	0.013 *	0.006	
TMT output orientation															
CEO output orientation															
TMT output x CEO output															
Wald	149.5***		152.09***		152.92***		515.03***		443.52***		376.56***		48.34***		52.40***
df	13	15	16	16	16	16	13	15	15	15	15	15	15	16	
n	316	316	316	316	316	316	316	316	316	316	316	316	316	316	
H4: CSR employee relations															
	Model 4a: controls		Model 4b: main effects		Model 4c: interaction		Model 5a: controls		Model 5b: main effects		Model 5c: interaction				
	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.			
	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.	b	s.e.			
Intercept	-0.187	0.457	-0.108	0.458	-0.075	0.450	-0.427	0.426	-0.365	0.419	-0.373	0.413			
Firm total CSR score	0.291 ***	0.018	0.289 ***	0.018	0.300 ***	0.018	0.407 ***	0.023	0.404 ***	0.023	0.396 ***	0.023			
Firm size	-0.013	0.053	0.004	0.055	0.017	0.054	0.103 †	0.054	0.134 *	0.057	0.129 *	0.056			
Firm performance	0.010	0.009	0.007	0.009	0.009	0.009	0.004	0.014	-0.002	0.014	-0.003	0.014			
CEO duality	0.289 **	0.092	0.282 **	0.093	0.289 **	0.092	-0.035	0.115	-0.025	0.114	-0.013	0.113			
CEO founder	-0.403	0.387	-0.453	0.388	-0.518	0.380	0.498	0.308	0.466	0.298	0.501 †	0.293			
CEO elite education	0.380 *	0.159	0.367 *	0.160	0.332 *	0.157	-0.137	0.144	-0.154	0.140	-0.148	0.138			
CEO pay rank	-0.068 *	0.033	-0.072 *	0.033	-0.091 **	0.034	0.092 †	0.049	0.086 †	0.049	0.096 †	0.049			
CEO career horizon	0.016 *	0.008	0.014 †	0.008	0.018 *	0.008	-0.004	0.009	-0.004	0.009	-0.006	0.009			
CEO business education	-0.897 **	0.428	-0.894 **	0.427	-0.879 **	0.418	0.528	0.374	0.541	0.363	0.540	0.358			
CEO humanities education	-2.864 ***	0.559	-2.836 ***	0.556	-2.897 ***	0.546	1.413 **	0.489	1.405 **	0.473	1.462 **	0.467			
CEO engineering education	-0.424	0.446	-0.439	0.449	-0.453	0.441	0.059	0.387	0.103	0.379	0.116	0.373			
TMT size	0.019	0.014	0.016	0.015	0.013	0.015	0.003	0.018	0.000	0.018	0.000	0.018			
TMT tenure	0.023 *	0.011	0.019 †	0.011	0.014	0.011	-0.004	0.013	-0.009	0.013	-0.006	0.013			
TMT output orientation															
CEO output orientation															
TMT output x CEO output															
Wald	390.28***		388.17***		401.23***		562.01***		592.86***		613.21***		613.21***		
df	13	15	16	16	16	16	13	15	15	15	15	15	16		
n	316	316	316	316	316	316	316	316	316	316	316	316	316		

† p<0.1; * p<0.05; ** p<0.01; *** p<0.001

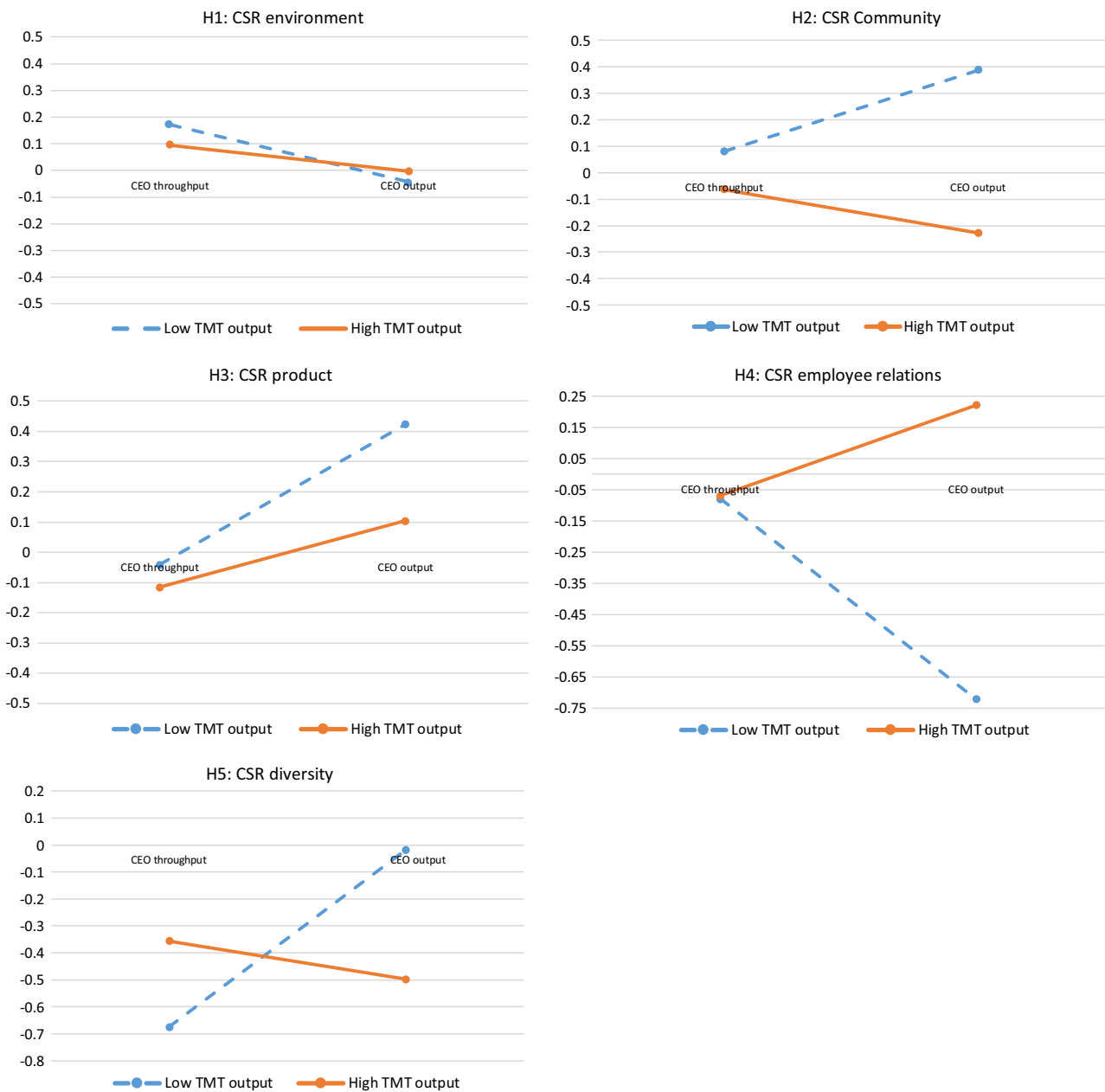


Fig. 1 Simple slopes of interaction effects

inclination of CEOs who have predominant output experience to enhance CSR in the environment dimension. However, the interaction term in model 1c is not significant ($b = 0.271$, n.s.). Thus, we have to reject H1.

In model 2c, we test the interaction effect of CEO and TMT functional backgrounds on the community dimension. According to H2, we expect that a TMT that has a high proportion of output-experienced members will assist output-oriented CEOs in enhancing the community dimension of their CSR. We find a significant interaction

effect ($b = -1.096$, $p < 0.01$). The simple slopes in Fig. 1, however, rather suggest a complementary relation between CEO and TMT backgrounds. High CSR levels in the community dimension are achieved when CEOs who have predominant experience in output functions work together with TMTs with lower proportions of members with output experience. Therefore, we have to reject H2.

In model 3c, we test the interaction effect of CEO and TMT functional backgrounds on the product dimension. For H3, we expect a complementary effect of CEO and

TMT functional backgrounds, i.e., a TMT that has a low proportion of output-experienced members will assist output-oriented CEOs in enhancing the product dimension of their CSR. We indeed find a marginally significant negative interaction effect ($b = -0.570$, $p < 0.1$). The plot for this interaction in Fig. 1 shows that a lower proportion of output-oriented TMT members seems most beneficial when complementing an output-oriented CEO. This lends support for H3.

In model 4c, we test the interaction effect of CEO and TMT functional backgrounds on employee relations. For H4, we expect that a TMT that has a low proportion of output-experienced members will assist throughput-oriented CEOs in enhancing the employee relations dimension of their CSR. Here, we find a significant interaction effect ($b = 2.167$, $p < 0.01$). However, Fig. 1 shows that the plots contradict our expectation and suggest that it benefits CSR strategy if CEOs who have predominant output experience are complemented by TMTs that have a higher proportion of members with output experience. Hence, we have to reject H4.

In model 5c, we test the interaction effect of CEO and TMT functional backgrounds on diversity. For H5, we theorize that a TMT that has a lower proportion of output-experienced members will assist output-oriented CEOs in enhancing the diversity dimension of their CSR. In model 5c, we find an expected significant negative interaction effect ($b = -1.434$, $p < 0.05$), indicating complementarity. The corresponding plot in Fig. 1 shows that TMTs that have lower proportions of members with output experience seem to be most beneficial when complementing output-oriented CEOs. This lends support for H5.

Discussion

In this study, we examine the influence of senior leadership on CSR by focusing on how functional complementarities between CEOs and their TMTs are associated with different emphases in CSR strategy. The literature on the influence of senior leaders on CSR has been characterized by two parallel streams of inquiry: CEO focus or TMT focus. CEO-focused literature has examined the influence of the CEO in isolation (e.g., Chin et al. 2013; Manner 2010; Slater and Dixon-Fowler 2009; Tang et al. 2015). In turn, TMT-focused literature has examined the undifferentiated group effect of senior leadership on CSR (Lau et al. 2016; Wong et al. 2011). We have made a preliminary attempt to integrate these streams by theoretically differentiating between the distinct yet interdependent roles of CEOs and TMTs (Arendt et al. 2005; Heyden et al. 2017b; Olie et al. 2012). The synthesizing theoretical

premise of CEO-TMT research is that decision making is not equally distributed within the executive group (i.e., the TMT) or controlled by a single actor (i.e., the CEO; Klimoski and Koles 2001; Cao et al. 2010; Buyl et al. 2011). Rather, we acknowledge the CEO's distinct role as the most senior leader who defines strategic directions (Klimoski and Koles 2001) and the important influence of other senior executives in implementing strategy (Cao et al. 2010). As such, our study offers a preliminary approach to consolidating the nascent literature on senior leaders' influences on CSR.

We also unpack the different dimensions of CSR. Studies about the influence of senior leaders on CSR have predominantly focused on singular dimensions of CSR (e.g., Berrone and Gomez-Mejia 2009; Cho et al. 2010; Ye and Zhang 2011) or aggregate interpretations (e.g., Waddock and Graves 1997; Linthicum et al. 2010; Barnea and Rubin 2010). Although both perspectives are informative, our approach responds to recent calls in the literature to disentangle the dimensions of CSR strategy (e.g., Wang et al. 2016; Short et al. 2016; Orliczky et al. 2015) by identifying the dimensions on which senior leaders have the most influence.

UET informs us that senior leaders emphasize resource allocations that are aligned with their worldviews. In organizational settings, these priorities are often informed by their experience in output or throughput functions and the associated internal process orientation versus external market exchange focus (Barker III and Mueller 2002; Bermiss and Murmann 2014; Chang and Harrington 2000; Cho and Hambrick 2006; Hambrick and Mason 1984). We uncover patterns in the dimensions of CSR strategy that are attributable to the preferences and beliefs of senior leaders. We also theorize and show that the way in which CEOs and TMTs complement each other's functional dispositions may incline them to prioritize certain dimensions of CSR over others.

Implications for Theory

Dimensionality of CSR

Our study highlights why senior leaders emphasize different dimensions of CSR. Although CSR has become a "catch-all" term, in reality, and as we have shown, it is a much more complex and multi-faceted phenomenon. Our study shows that senior leaders tend to leverage their strengths when devising CSR strategy. As a result, some firms display particular strengths along some dimensions but might be less active along others. Recently, Wang et al. (2016) have called for more attention to individual dimensions of CSR. Our approach enables us to uncover patterns in the dimensionality of CSR that reflect the

configurations of CEOs and TMTs in terms of their functional experience (Klimoski and Koles 2001).

Our preliminary examination highlights the importance of unpacking the dimensionality of CSR. Yet, it also highlights the complexity and further need to move away from treating CSR as a singular concept. As senior leaders face tradeoffs in addressing multiple stakeholders (Parent and Deephouse 2007; Agle et al. 1999), they may display preferences and capabilities along certain dimensions, but not others. Treating CSR as a unitary phenomenon, then, may mask variable preferences among senior leaders for developing distinctive CSR profiles (Delmas and Blass 2010; Oikonomou et al. 2012; Capelle-Blancard and Petit 2015). This extends to studies that investigate external macro-drivers (Lim and Tsutsui 2012), industry determinants (Palazzo and Richter 2005), and temporal (Short et al. 2016) or firm-level antecedents (Brammer and Millington 2003) of CSR. These studies can predict an overall rise or reduction of CSR, and they can benefit from decomposing CSR to understand the tradeoffs and resulting differences between CSR profiles.

CEO-TMT Interface Approach to Studying Senior Leaders' Influence on CSR

Senior leaders have started to gain attention from scholars seeking to understand CSR. This is particularly in line with an increased weighting of corporate leaders on firm policy (Quigley and Graffin 2016). Although studies have documented both CEO and TMT effects on CSR in parallel, they either have not distinguished the CEO from the TMT or have focused exclusively on the CEO. These studies are prone to omit potentially important TMT attributes, which have documented influence on CSR and its dimensions (Wang et al. 2016). Our CEO-TMT approach bridges these two traditions, thereby increasing the comprehensiveness and predictive validity of UET for understanding CSR.

We add to the literature on senior leadership antecedents of CSR by proposing an integrative approach to conceptualizing how CSR strategy reflects executive team characteristics. We draw from the emerging literature on the CEO-TMT interface (e.g., Buyl et al. 2011; Cao et al. 2010; Heyden et al. 2017b) and argue that the complex interplay between CEO and TMT characteristics offers an authentic interpretation of real-life decision contexts. Our approach is informative for the ecological validity of models attempting to apply UET explanations to understand organizational processes and outcomes, such as CSR.

Crafting Multi-dimensional CSR Strategies

We offer important preliminary evidence that patterns in CSR strategy can be inferred from the characteristics of senior

leaders. Empirically examining how functional complementarities between CEOs and TMTs influence their dispositions toward different dimensions of CSR reveals complex patterns. Consistent with our intended contribution, our results underline the importance of unpacking the CSR composite measure, i.e., we find that functional complementarities at the CEO-TMT interface differentially impact the distinct dimensions of CSR which challenges the rationale for using a measure for overall CSR.

For H1, we do not observe a discernible effect of CEO-TMT complementarity on the environment dimension of CSR. One explanation for this non-finding could be that the manufacturing firms in our sample must comply with environmental standards (Sarkis 2003), such as meeting ISO certifications, avoiding fines for excessive CO2 emissions, and pollution prevention. Because managers must comply with these regulations, firms tend to display similar patterns of investments in environmental technologies, regardless of specific managerial attributes (Klassen and Vachon 2003). Some UET studies have echoed this logic, highlighting that idiosyncrasies of senior managers may not be reflected in organizational processes over which they have no discretion (Finkelstein and Hambrick 1990). Accordingly, although CSR is assumed to be a discretionary variable (e.g., Siegel 2014), managers may not have the equal latitude of action to decide over each dimension, which further supports the need to unpack dimensions of CSR. Taken together, this means that UET, particularly functional attributes, may have limited explanatory power in the environment dimension of CSR in this specific setting.

Our findings for H2, relating to the community dimension of CSR, are intriguing. We find that community engagement, contrary to our prediction, is highest when a CEO with predominant output experience is complemented by a TMT that has a smaller proportion of members with output experience. Our initial understanding of the community dimension, which is rooted in externally focused aspects of community engagement, prompted us to hypothesize that output-oriented CEOs would be best complemented by a TMT that has similar output experience. Yet, our results underline the link with internal activities. A potential explanation for our finding could be that community engagement beyond charitable giving and school support could have strong interrelations with a firm's internal processes. For instance, community investments are not random, as the community itself is multi-faceted. As such, internally focused managers could prioritize community issues that are dearest to members of its workforce. For instance, HR could view the community as an extension of the workforce. Strategically, this can help managers to focus their investments on areas that will foster employee goodwill, loyalty, and organizational attachment.

For H3, we find marginal evidence that CSR in the product dimension is most pronounced when CEOs who have predominant output experience are complemented by TMTs with a low proportion of output-oriented members. This is in line with our theorizing that these CEOs better understand the potential upsides of product CSR (Luo and Bhattacharya 2006; Delmas and Grant 2014) and that the processes of product CSR are best managed by a TMT that has a lower proportion of members with output experience (Hoque 1999).

Results for H4 show that CSR in the employee relations dimension is largely driven by CEOs and TMTs characterized by output experience. This is not in line with our theory that the human resources aspect (i.e., throughput experience) will be important at the CEO and TMT levels. One explanation for this could be that investing in employee relations is strategic, and thus output-focused senior leaders might strive to boost their firms' external reputations by achieving a "best places to work" rank (Theurer et al. 2016; Auger et al. 2013). Saini et al. (2014, p. 95) notes that firms with a "consistent or recent listing in [best employer surveys] receive a significantly higher intention to apply than firms present only in one or an older [best employer surveys]." As output-oriented senior leaders are more likely to focus on innovative market-side differentiation (see e.g., H3), they may be most concerned with leveraging their companies' reputations to compete in the market for talent and develop the human capital that can help drive market-side growth (Selvarajan et al. 2007; Shrader and Siegel 2007). Accordingly, although employee relations may seem to be an internally oriented aspect of CSR on the surface, output-oriented senior leaders may be encouraged to focus on this dimension for strategic reasons.

For our H5, we find that CSR in terms of diversity and inclusion is most pronounced when CEOs who have predominant output experience are complemented by TMTs with lower proportions of members with output experience. These CEOs recognize the upside of diversity policies (Day and Greene 2008; Richard 2000). TMTs with less output experience can play an important role in realizing the benefits of diversity while circumventing the well-documented risks (Pelled et al. 1999).

Our findings highlight why certain senior leaders focus on some dimensions of CSR but not others and thus exposes potential preferences and tradeoffs among senior leaders (Parent and Deephouse 2007). The non-findings are informative and underline potential boundary conditions that should be considered in future UET-driven CSR studies. Addressing the needs of multiple stakeholders involves tradeoffs and opportunity costs (Parent and Deephouse 2007). For some dimensions of CSR, senior leaders may wish to differentiate their organizations by

going the "extra mile"; for others, it may suffice to just meet the minimum needs of stakeholders (Deephouse 1999). The environment, community, and employee relations dimensions in particular offer passive opportunities for senior leaders to "do no harm," whereas other dimensions offer active opportunities to "do good" (Matten and Moon 2008). For instance, by not actively promoting diversity, managers perpetuate social inequality and miss out on the potential value-in-diversity (Richard 2000; Richard et al. 2015). In this scenario, stakeholder needs (e.g., inclusion, equity, representation) in the diversity dimension cannot legitimately be met by simply aiming to do no (additional) harm.

A fundamental way in which commercial organizations differentiate themselves from competitors is through the unique selling proposition of their product-market offerings (Rosen 1974). Senior leaders cannot expect to gain any advantage from passively avoiding harm in their products, rather, they must constantly seek opportunities by creating innovative new products or adding novel features to existing offerings (Boeche and Cruz 2010). As such, an important boundary condition that our study alludes to is that the impact of senior leaders may be most pronounced along dimensions where stakeholder needs must be met by actively doing good, as opposed to passively doing no harm (Matten and Moon 2008). Both our findings and our non-findings reinforce the need for more research unpacking the dimensions of CSR to pinpoint the influence of senior leaders on a multi-dimensional view of CSR strategy.

Limitations and Future Research

Our study provides a good starting point for future inquiries to adopt a CEO-TMT approach to study CSR. We have aimed to arrive at an initial understanding of the importance of the CEO-TMT interface and have found intriguing results that warrant future research. However, our research has some limitations. We conduct our research in a single industry, namely manufacturing firms, in the USA. This allowed us to control for industry effects, but it is unclear how these processes would unfold in a different industry. This is important, as managerial discretion varies across industries and countries. Further cross-sectional and cross-country studies would be informative, and we encourage efforts to expand or complement the size and scope of our sample.

Although we use established measures from UET research to capture the dominant functional backgrounds of CEOs and TMTs, future research could benefit from complementary measures by collecting details about the full range of functional, industry, and geographic

heterogeneity in CEO and TMT career tracks (Crossland et al. 2014; Georgakakis et al. 2016). Future studies also could address the role of additional TMT and CEO characteristics, as well as characteristics of other influential managerial ranks, such as middle managers and frontline employees (Heyden et al. 2015; Heyden et al. 2017a; Reimer et al. 2016). Another fruitful avenue could be the role of CEO advice-seeking, as it provides key inputs on the broader stakeholder environment. It would be interesting to examine processes such as behavioral integration, as these play important roles in information processing of senior leaders.

In our effort to map the impact of the CEO and TMT, we advance understanding of the role of senior management in the formulation of CSR strategy. An important extension of this approach would be to include the role of the board and particularly board committees, such as the audit committee (Khan et al. 2013). Audit committees influence CSR disclosure and help to monitor and legitimize CSR strategies (Jizi et al. 2014). Hence, it could be prudent to account for its influence in CSR decision making (Goh 2009).

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