

Leadership Front and Center Stage: The CEO as Organizational Dramaturgist



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Research Objectives

We relate cultural, business, and institutional shifts over the past 30 years to the changing role of the CEO.

We develop a theoretical understanding of the CEO as a cultural product and focus on the modern phenomenon of CEO dramaturgy.

We show how firms have responded to this changed role of the CEO.

Cultural Shifts: From the 1980's to the Present

- The rise of mass finance
- The rise of mass communication and business media
- The rise of mergers and acquisitions
- From a *culture of character*, where fame is based on achievement, to a *culture of personality and lifestyle* (Susman, 2003) where a celebrity is “a person who is known for his well-knownness” (Boorstin, 1961)
- Audiences changes in scale, breadth, and composition
- Because the CEO plays to a larger audience seeking personalized connection, trust, and intimacy, *our expectation is that there will be an observable shift toward CEO dramaturgy i.e., more theatrical performance by the CEO.*

Dramaturgy

“One person at a time tends to be given the focus of the stage, front and center. The others onstage, especially those not engaged in talk with the current central person, tend to be arranged out of focus, their actions muted, the result being that the attention of the audience is led to the speaker.” (Goffman, 1959, p. 140).

Core Elements of Dramaturgy

- 1. Focus on one central performer**, on stage at a time, front and center. “The others onstage tend to be arranged out of focus, their actions muted, the result being that the attention of the audience is led to the speaker” (Goffman, 1959, p. 140).
- 2. Performance matters as much as information.** “The expressiveness of the individual appears to involve two radically different kind of sign activity: the expression that he *gives* and the expression that he *gives off*... The first is to convey the information...in the traditional and narrow sense. The second involves a wide range of action that others can treat as symptomatic of the actor, the expectation being that the action was performed for reasons other than the information conveyed in this way.” (Goffman, 1959, p. 2).
- 3. Dramaturgical performance is intendedly interactive to connect personally with the audience** making the actor more accessible. “During a legitimate stage performance ... the audience responds indirectly ... cheering on but not intercepting (Goffman, 1959, p. 127).

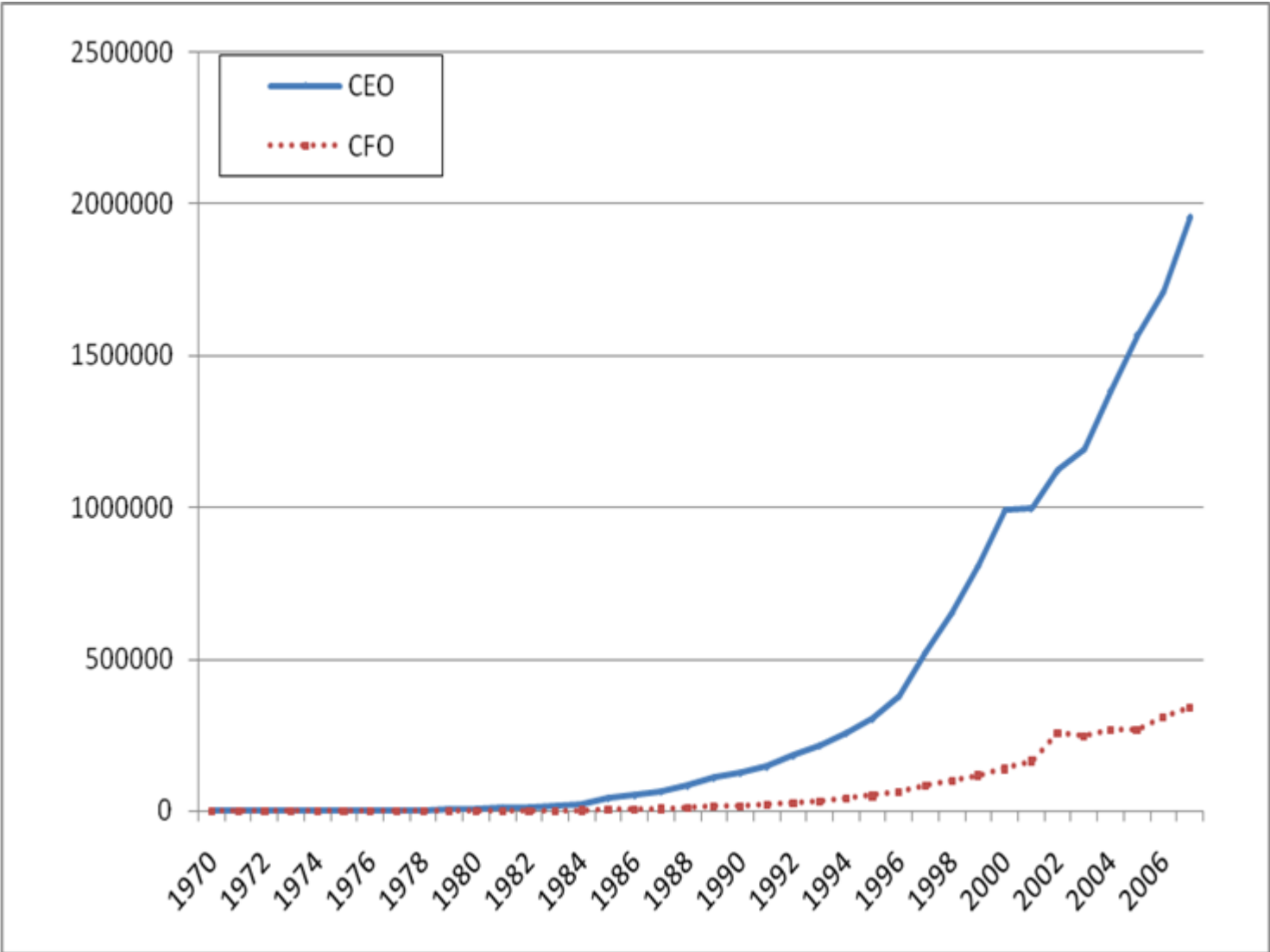
Research Hypotheses

- Hypothesis 1 (H1). In a culture oriented to personality, media attention will increasingly focus on the CEO more than other members of the firm's top management team.
- Hypothesis 2 (H2). In a culture oriented to personality, the public presentation of the CEO in the media will increasingly emphasize dramaturgical performance.
- Hypothesis 3 (H3). In a culture oriented to personality, the incidence of dramaturgical self-presentation by CEOs will increase; more CEOs will author their autobiographies.
- Hypothesis 4 (H4). In a culture oriented to personality, firms will pay a dramaturgical premium; CEO dramaturgical performance will be positively associated with the difference in compensation between the CEO and other members of the firm's top management team not performing dramaturgical roles.

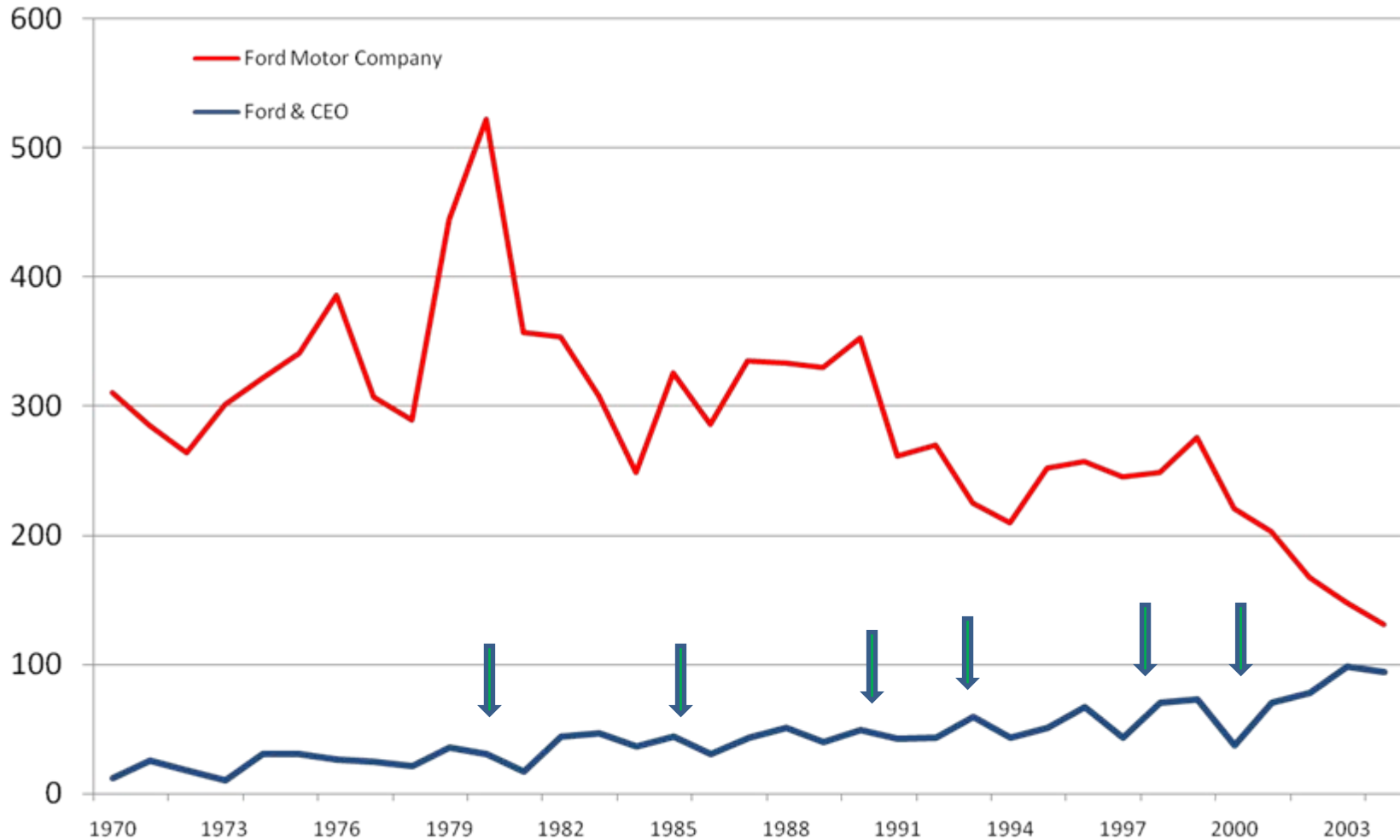
Data and Methods

- Longitudinal Study: 1970 – 2008
- Quantitative and Qualitative Analyses
- Data sources
 - Articles from Dow Jones Factiva & New York Times (H1)
 - Business Week Covers (H1 & H2)
 - CEO autobiographies (H3)
 - Compensation Data from ExecuComp (H4)

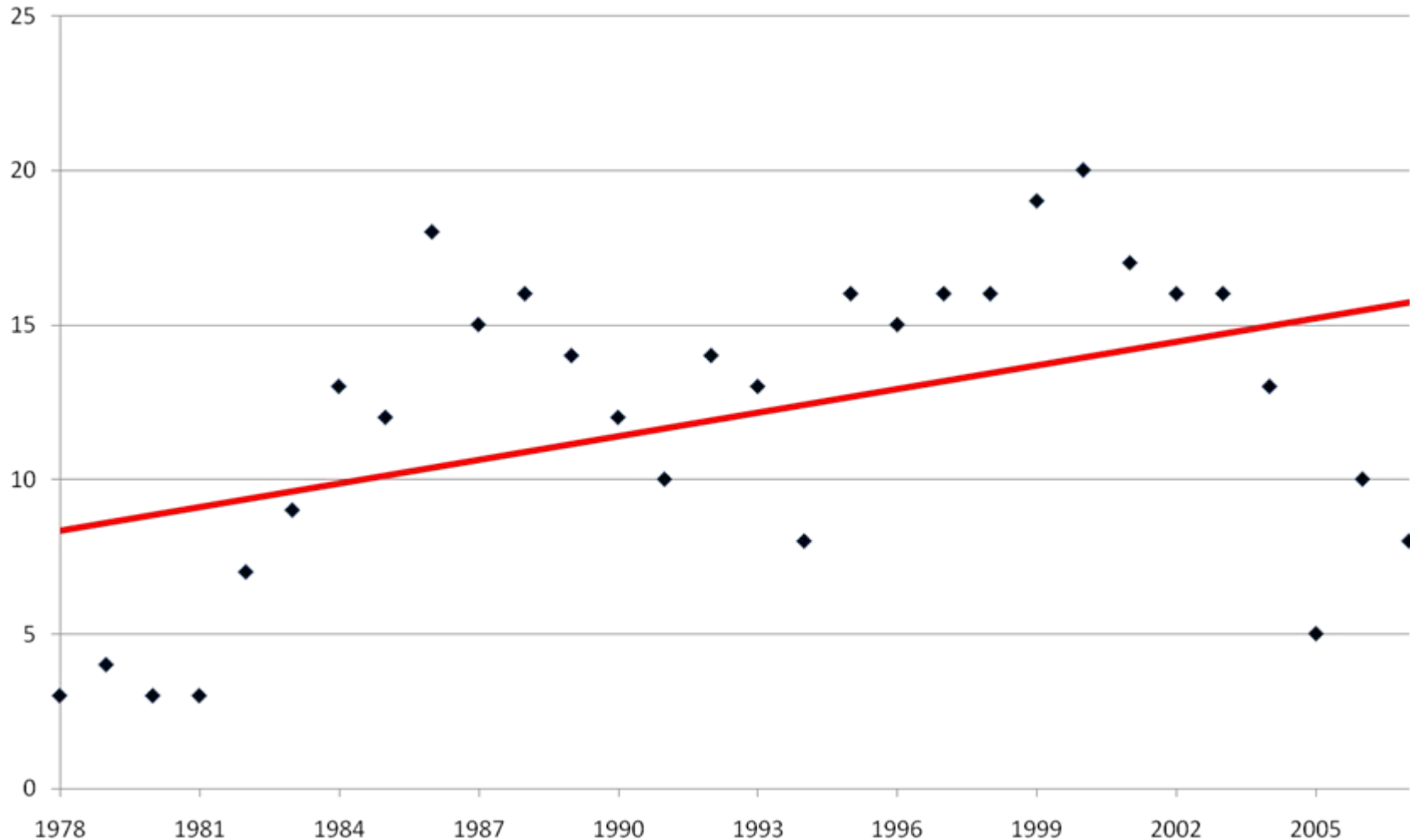
H1: Increasing media attention paid to CEO relative to the CFO



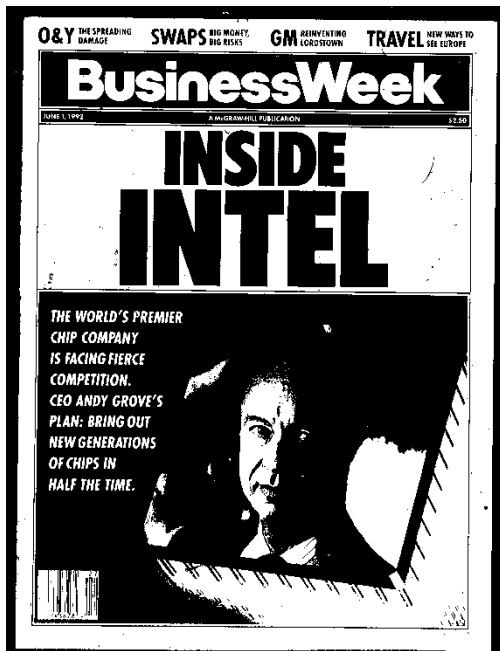
H1: Increasing attention paid to CEO relative to the firm as a whole (e.g., Ford)



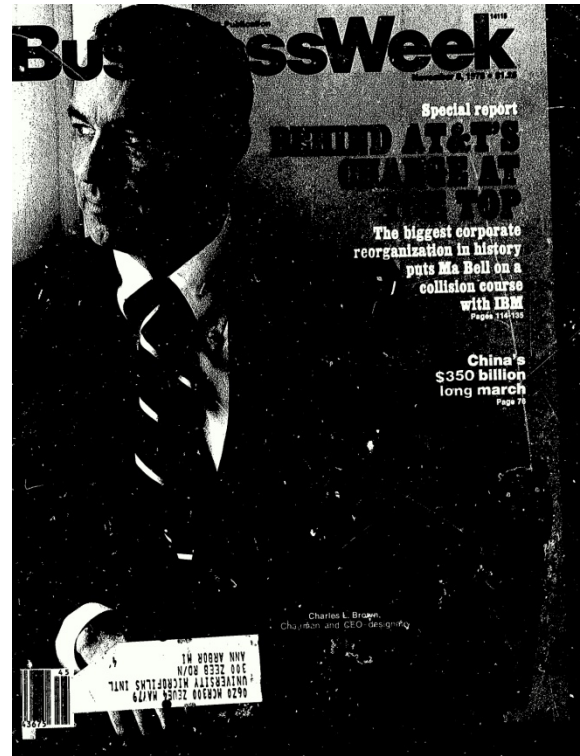
H1: Increasing media attention paid to CEO as an *individual*: Increase in appearance on BusinessWeek covers



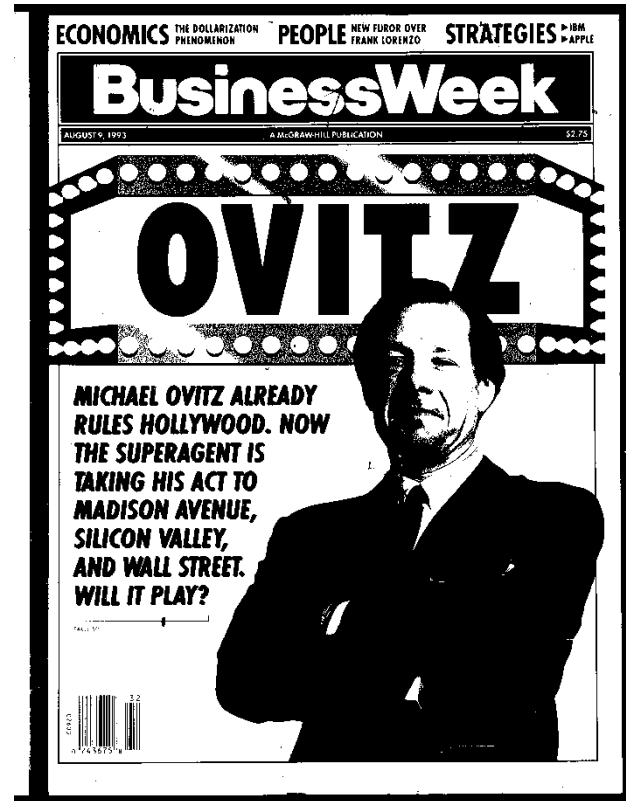
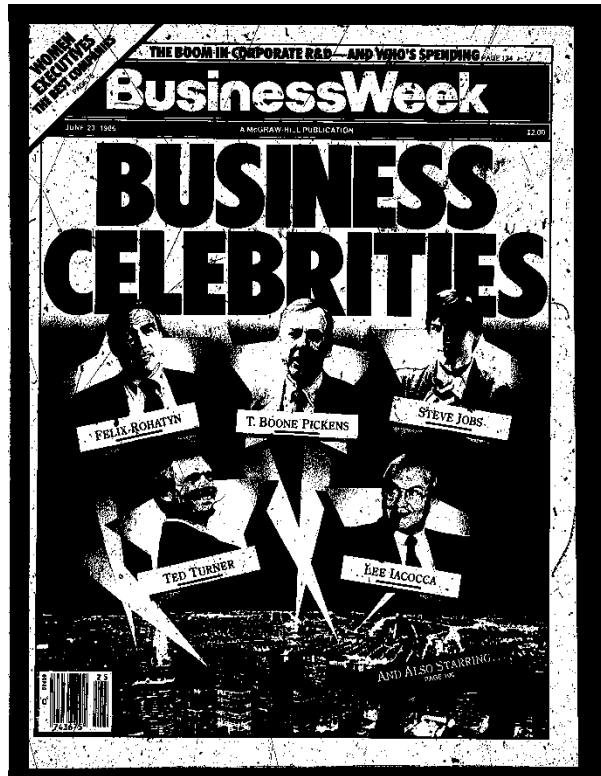
- Qualitative analysis of the BusinessWeek covers from 1978 – 2008 to test H2.
 - Two independent raters coded 361 CEO Cover Appearances
 - Differentiation between
 - “Organization Man” (Whyte, 1956)
 - Portraiture, formal appearance, inanimate
 - “Dramaturgist” (Goffman, 1959)
 - Theatrical performance, props, animated



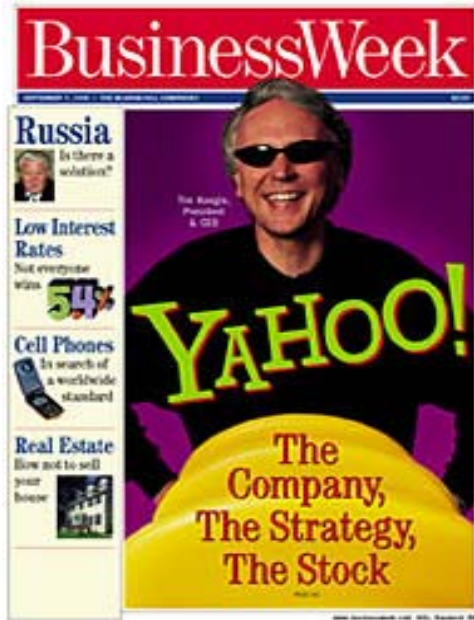
The Org Man



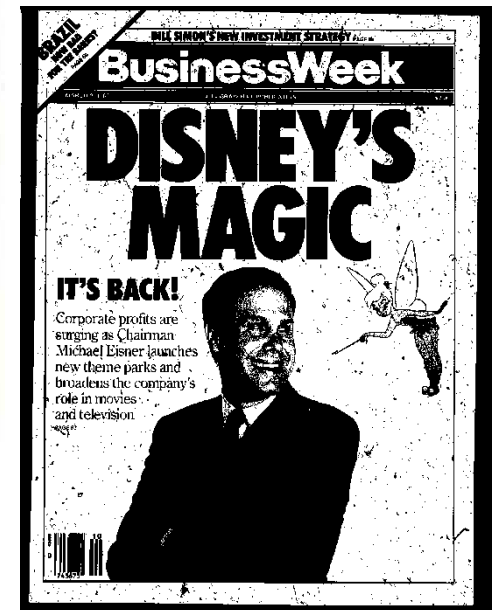
The Shift to Dramaturgy: 1985



The Dramaturgist: Front & Center, “gives off” personality



The Dramaturgist: Personality & Performance



CEO Dramaturgy

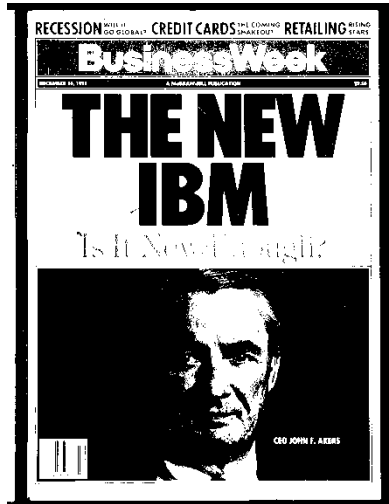


Increasing Dramaturgy in BusinessWeek Cover for IBM CEO, 1991-1999

Organization Man



Dramaturgist



1991



1995

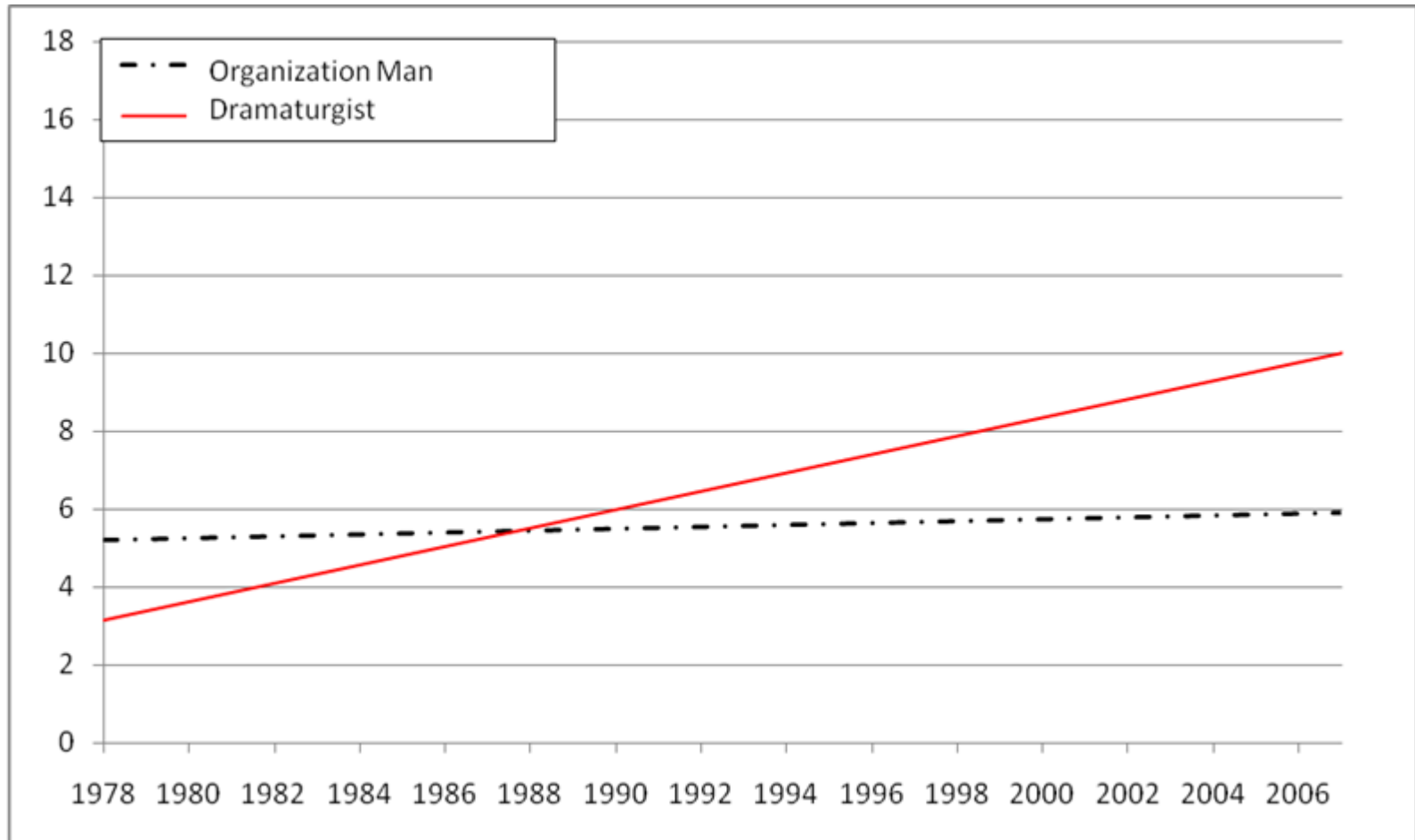


1996

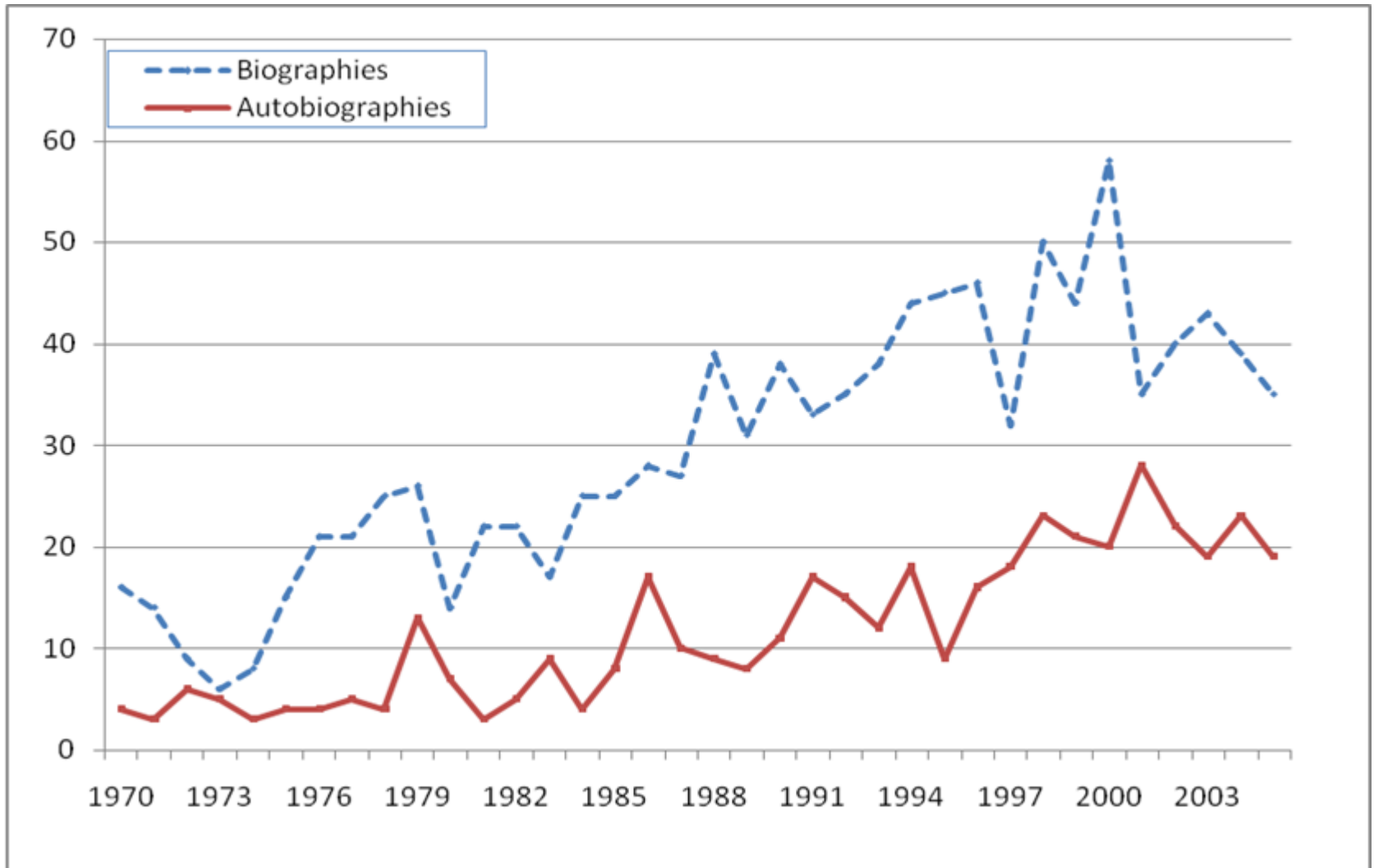


1999

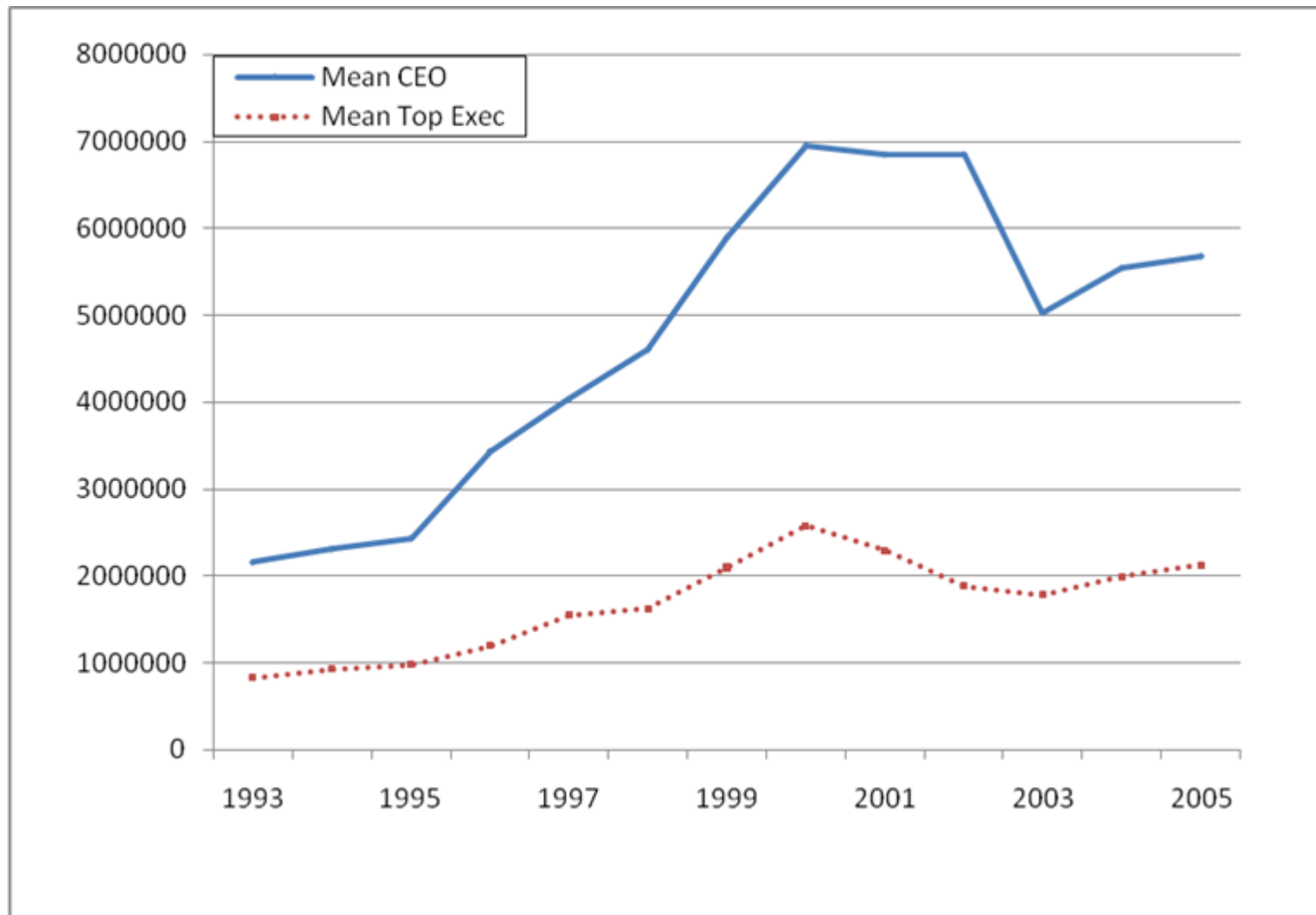
H2: Comparison of Trends in BusinessWeek Covers, 1978-2007: CEO as Organization Man versus Dramaturgist



H3: An increase in CEO dramaturgical performance: an upward trend in publishing autobiographies.



H4: Firms pay a dramaturgical premium to the CEO for this new role: a widening gap in average CEO Compensation and average TMT compensation.



Model

Dependent Variable

- Pay Gap between CEO and Top Executives

Independent Variables **All Lagged One Year**

- Number NYT articles mentioning CEO
- Number of BusinessWeek Organization Man Covers
- Number of BusinessWeek Dramaturgist Covers
- Number of CEO Autobiographies
- Number of CEO Biographies

Control Variables

- Year (Dummy)
- Industry
- Number of Domestic Mergers and Acquisitions (Lagged)

Statistical Model

- Cross Sectional Time Series Regression Analysis

Variable	Coefficients
Controls	
Number of Domestic Mergers & Acquisitions	495.35*** (140.18)
Year (Dummy Coded)	All p values >.3
Independent Variables	
Number of CEO Articles (+)	558.54** (178.65)
Number of CEO Autobiographies (+)	364.05** (105.34)
Number of CEO Biographies (ns)	-79.70 (194.75)
Number of Dramaturgist Covers (+)	580.30*** (150.87)
Number of Organization Man Covers (ns)	-134.92 (211.41)
Constant	3000.99
Number of Observations = 288	
Number of Industry Groups = 24	
R squared = .21	

* p <.05, ** p< .01, *** p< .001; two-tailed tests

Std errors are shown in parenthesis below regression coefficients

Hypothesis	Findings	Evidence
<p>Hypothesis 1 (H1). In a culture oriented to personality, media attention will increasingly focus on the CEO more than other members of the firm's top management team.</p>	<p>Supported</p>	<ul style="list-style-type: none"> •Increase in NYT & Factiva articles mentioning CEO relative to CFO and Firm •Increase in BusinessWeek covers featuring a CEO
<p>Hypothesis 2 (H2). In a culture oriented to personality, the public presentation of the CEO in the media will increasingly emphasize dramaturgical performance.</p>	<p>Supported</p>	<ul style="list-style-type: none"> •Increase in BusinessWeek cover appearances of CEO as Dramaturgist
<p>Hypothesis 3 (H3). In a culture oriented to personality, the incidence of dramaturgical self-presentation by CEOs will increase; more CEOs will author their autobiographies.</p>	<p>Supported</p>	<ul style="list-style-type: none"> •Increase in autobiographies published
<p>Hypothesis 4 (H4). In a culture oriented to personality, firms will pay a dramaturgical premium; CEO dramaturgical performance will be positively associated with the difference in compensation between the CEO and other members of the firm's top management team not performing dramaturgical roles.</p>	<p>Supported</p>	<ul style="list-style-type: none"> •Increase in compensation gap between CEO and TMT •Dramaturgical evidence is a positive predictor of the gap between CEO and TMT compensation

Conclusions

- We find that culture plays a role in producing the public presentation of the CEO and that CEOs act in accord with this role.
 - *“Every generation throws a hero up the pop charts”* ~ Paul Simon, Boy in a Bubble
- CEOs bring value to firms that is not only strategic and symbolic but is also dramaturgical, vivid, animated and performative.
- Understanding this phenomenon requires innovative methods and novel data sources. We demonstrate the value of visual coding but live performance would also be a source of data (e.g., commercials, blogs, pitches, speeches, etc.)

References

Boorstin, D.J. 1961. The image: a guide to pseudo-events in America. New York: Vintage Publishers.

Goffman, E. 1959. The presentation of self in everyday life. New York: Doubleday Publishing.

Susman, W.I. 2003. Culture as History. Washington: Smithsonian Institution Press.

Whyte, W. H. 1956. The organization man. Philadelphia: University of Pennsylvania Press.