

Summer 2016

Founder CEOs and Initial Public Offerings: The Role of Narratives, Institutions and Cultural Context

Christina Helen Tupper
Old Dominion University

Follow this and additional works at: https://digitalcommons.odu.edu/management_etds

Part of the [Business Administration, Management, and Operations Commons](#), [Entrepreneurial and Small Business Operations Commons](#), and the [International Business Commons](#)

Recommended Citation

Tupper, Christina H.. "Founder CEOs and Initial Public Offerings: The Role of Narratives, Institutions and Cultural Context" (2016). Doctor of Philosophy (PhD), dissertation, , Old Dominion University, DOI: 10.25777/9df1-a091
https://digitalcommons.odu.edu/management_etds/2

This Dissertation is brought to you for free and open access by the Department of Management at ODU Digital Commons. It has been accepted for inclusion in Management Theses & Dissertations by an authorized administrator of ODU Digital Commons. For more information, please contact digitalcommons@odu.edu.

**FOUNDER CEOS AND INITIAL PUBLIC OFFERINGS: THE ROLE OF
NARRATIVES, INSTITUTIONS AND CULTURAL CONTEXT**

by

Christina Helen Tupper
B.S. May 2009, Louisiana Tech University
MBA August 2010, Jacksonville State University

A Dissertation Submitted to the Faculty of
Old Dominion University in Partial Fulfillment of the
Requirements for the Degree of

DOCTOR OF PHILOSOPHY

MANAGEMENT

OLD DOMINION UNIVERSITY
August 2016

Approved by:

William Q. Judge (Chair)

Jing Zhang (Member)

Ryan L. Klinger (Member)

Mohammad Najand (Member)

ABSTRACT

FOUNDER CEOS AND INITIAL PUBLIC OFFERINGS: THE ROLE OF NARRATIVES, INSTITUTIONS AND CULTURAL CONTEXT

Christina Helen Tupper
Old Dominion University, 2016
Chair: Dr. William Q. Judge

This is a two essay dissertation which explores how founder and non-founder CEOs influence the IPO process and seeks to better understand their impact on IPO performance in a cross-national set of firms. Essay 1 addresses the question ‘how founder and non-founder CEOs’ narratives are portrayed differently in business media.’ Using insights from the narrative paradigm and utilizing qualitative content analysis for 1,057 units of data, I find that founders and non-founders’ media narratives differ in three important ways based on the amount of personal information about founders, how founders talk about their business operations, and positive and negative name association.

Essay 2 addresses the related question of ‘how does national context influence the relationship between founder CEO presence and IPO long-run performance across multiple nations?’ Using insights from upper echelon theory and utilizing hierarchical linear modeling to analyze over 1,000 firms, I find that founder CEOs perform best in IPO firms in a national context where managerial discretion is low, uncertainty avoidance is high, and fewer firms have founders as CEO.

Copyright, 2016, by Christina Helen Tupper, All Rights Reserved

This dissertation is dedicated to the many fabulous people who have supported me along the way as well as all of the difficult, but essential, lessons life has taught me. While some of my experiences were not fun, I am glad that I had them.

ACKNOWLEDGEMENTS

I am not sure if I can even think of every single person I need to thank for helping me complete this dissertation. If you are reading this, just know that I am thanking you!

I, of course, need to give an exponential number of thanks to my chair, Dr. William Q. Judge, and my committee members: Dr. Jing Zhang, Dr. Ryan Klinger, and Dr. Mohammad Najand. All of you have been fantastic. Bill, while at times this process has been frustrating, I deeply appreciate your quick responses and continual guidance. I am glad that you pushed me to make this dissertation better and to be a great doctoral student throughout my time at Old Dominion University. Jing, I have appreciated your positive attitude and in-depth reviews of the multitude of versions of this manuscript. Ryan, your help with methodology and keen eye for detail have helped develop this manuscript significantly. Mohammad, your knowledge has also helped me develop this paper into a readable manuscript. I dearly thank all of you!

I would also like to thank the whole community of doctoral students here in the Strome College of Business at Old Dominion University. I have received an incredible amount of helpful advice from so many of you. I would particularly like to thank my cohort member, Orhun Guldiken, not only for helping me code part of this dissertation, but for sharing in both my misery and joy along the way. I would also like to thank all of the members of the Gymstrada Gymnastics family who have made this dissertation possible in unofficial ways. Gymstrada Gymnastics has not only helped me survive financially throughout this process by supplying me with supplemental income for the past 3 years, but has allowed me to meet many inspiring people. For all of the other great people have provided moral support along the way, you know who are, I appreciate you greatly. Never stop being wonderful!

TABLE OF CONTENTS

	Page
LIST OF TABLES.....	viii
Essay 1	
1. INTRODUCTION.....	1
2. THEORETICAL CONTEXT.....	4
3. RESEARCH CONTEXT.....	7
4. METHODS.....	9
4.1 DATA SOURCES.....	9
4.1.1 FIRM SELECTION.....	10
4.1.2 MEDIA ARTICLES AND SEGMENTATION.....	11
4.2 DATA ANALYSIS.....	15
4.2.1 CODING STRATEGY.....	15
5. FINDINGS.....	17
5.1 THEME 1.....	17
5.2 THEME 2.....	23
5.3 THEME 3.....	27
6. DISCUSSION.....	28
6.1 CONTRIBUTIONS.....	29
6.2 LIMITATIONS & DIRECTIONS FOR FUTURE RESEARCH.....	31
6.3 CONCLUSION.....	32
Essay 2	
7. INTRODUCTION.....	34
8. THEORETICAL FOUNDATIONS.....	37
9. THEORETICAL DEVELOPMENT.....	39
9.1 NATIONAL MANAGERIAL DISCRETION.....	39
9.2 CONTINGENT INFLUENCE OF INFORMAL INSTITUTIONS.....	41
9.2.1 UNCERTAINTY AVOIDANCE.....	43
9.2.2 FUTURE ORIENTATION.....	44
9.2.3 STANDARD PRACTICE.....	46

10. METHODS.....	49
10.1 SAMPLE.....	49
10.2 DEPENDENT VARIABLES.....	51
10.3 INDEPENDENT VARIABLES.....	51
10.4 CONTROL VARIABLES.....	52
10.5 ANALYSIS.....	54
11. EMPIRICAL RESULTS.....	54
12.DISCUSSION.....	63
12.1 THEORETICAL IMPLICATIONS.....	66
12.2 PRACTICAL IMPLICATIONS.....	67
12.3 STUDY LIMITATIONS.....	68
12.4 FUTURE RESEARCH.....	68
REFERENCES.....	70
VITA.....	79

LIST OF TABLES

Table	Page
1. Matched Pair Sample.....	13
2. Themes within the Findings.....	19
3. Descriptive Statistics for Each Country Included.....	50
4. Descriptive Statistics.....	57
5. Means Values by Stock Exchange.....	58
6. HLM Results for Managerial Discretion Interaction for 1 Year BHAR.....	59
7. HLM Results for Managerial Discretion Interaction for 3 Year BHAR.....	60
8. HLM Results for Informal Institution Interactions for 1 Year BHAR.....	61
9. HLM Results for Informal Institution Interactions for 3 Year BHAR.....	62

ESSAY 1: MEDIA PERCEPTIONS OF FOUNDER CEOS VS. NON-FOUNDER CEOS IN INITIAL PUBLIC OFFERINGS

1. INTRODUCTION

Entrepreneurs have unique relationships with the firms they have created. Once an entrepreneur has successfully created a new venture, there are a multitude of benefits they can reap from remaining with their firm over time. One such benefit is performing well in the IPO process if it is undertaken (Nelson, 2003; Fischer & Pollock, 2004; Bains, 2007; He, 2008; Gao & Jain, 2011). Frequently, researchers that have studied the relationship between founder CEOs and IPO performance have investigated moderator variables between the presence of a founder CEO and IPO performance such as the amount of inside directors (Nelson, 2003), whether the company is in a high technology industry (Gao & Jain, 2011), the presence of entrepreneurial orientation (Mousa & Wales, 2012), and the size of CEO compensation packages (He, 2008). Thus, while we know that a relationship between founder CEOs and IPO performance exists, we do not clearly understand why it exists.

In management literature and business news, it is consistently stressed that quality management is essential to a firm's success. Given the amount of uncertainty and information asymmetry during the IPO process (Cohen & Dean, 2005), the importance of signifying appropriate leadership is amplified. However, despite research that shows that founders perform well even when they are running a large corporation (Fahlenbrach, 2009), there are mixed perceptions about founder CEOs' abilities. For instance, when venture capitalists are involved in investing in an IPO firm, they take measures to "professionalize" the company including often

removing the founder and replacing them with a new CEO (Hellmann & Puri, 2002). However, removing founders prior to making an IPO is not always the best decision. Bains (2007) found that for a sample of biotechnology firms in the U.K., replacing members of the founding team prior to an IPO had an adverse effect on the company. Therefore, it is of interest to see how founders' competence in running a public company is manifested through investigating their media presence and narratives.

In order to understand how founder CEOs contribute to how their firms perform after making an IPO, it must be understood how founders and non-founders are portrayed to investors. For IPO firms, investors supplement information from prospectuses and minimal publicly available information on IPO firms with media information (Bhattacharya, Galpin, Ray, & Yu, 2009; Pollock & Rindova, 2003; Pollock, Rindova, & Maggitti, 2008). The media is also how the larger society understands what constitutes appropriate organizational actions (Hartz & Steger, 2010). Business media helps form narratives about firms that influence public opinion. Therefore, in this study, the narrative paradigm is used to investigate how founders and non-founders in IPO firms are portrayed differently. The narrative paradigm considers the world as a series of stories that individuals deduct reality from (Stutts & Barker, 1999) and helps the general public form impressions of organizations (Merkl-Davies & Brennan, 2007).

Narratives are how a population communicates events (Fenton & Langley, 2011) and processes social information (Dailey & Browning, 2014; Taylor & Van Every, 2000). Information about and provided by the CEO of a company particularly, is how a company's strategy is communicated to others and is powerful in shaping perceptions of that same company (Amernic & Craig, 2007). Qualitatively investigating narratives about founder and non-founder CEOs can help understand the complexity behind investor and the public's perception of newly

public firms. Using media information one year following an IPO for a group of matched pair firms and using a qualitative content analysis, I seek to reveal how founders and non-founders are represented differently.

Specifically, I find three major themes in the media articles about founders and non-founder CEOs in IPO firms that contribute to the literature on founder CEOs and the narrative paradigm. First, founder CEOs are more likely to have personal information and their background recorded by the media. This shows how entrepreneurs develop personal identities with their venture (Jones, Latham, & Betta, 2006) and how it can contribute to the strength of the narrative of a newly public company.

Second, how founder CEOs narrate their business operations are different from non-founders. Founder CEOs narrate how their business is improving and expanding in a way that puts their excellent social capital developed in their entrepreneurial process on display (Davidsson & Benson, 2003). Founders are more likely to describe certain processes in a technical way and then translate them for a broader audience to understand. Non-founder CEOs are more likely to only use technical language that could potentially isolate those that do not understand the particular industry. Founders seem to use their cognitive social capital (Nahapiet & Ghoshal, 1998) they have developed throughout the entrepreneurial process to present a narrative that has the potential to be understood by a wider audience.

Third, founder CEOs are more likely to be quoted talking about highly positive information such as making a contribution to society or their industry or winning an award. While both founders and non-founder CEOs win awards, founders express their gratitude for winning an award whereas non-founders are not quoted. Non-founder CEOs are more likely to be quoted talking about business operational issues.

In developing my arguments, I make three main contributions. First, I begin to address the direct relationship between founder CEO presence and IPO performance. I begin to answer the question ‘why do founder CEOs have an advantage in IPOs?’ I move beyond the widely-held academic assumption that founders behave differently. In other words, this study begins to explore a potential causal underpinning of a widely established empirical fact.

Second, I highlight how companies’, particularly IPO firms’, narratives unfold over time. Research about organizations, especially IPO firms, tends to focus on what happens during a snapshot of time. Martens, Jennings, and Jennings (2007) took into consideration how entrepreneurial narratives played a role in IPO firms acquiring resources. However, they looked at information in the prospectus and what happening at the time of the IPO. I extend research such as Martens et al.’s (2007) to investigate narratives that develop in media and statements over time.

Third, I add to the literature about how narratives help individuals external to the organization form impressions about the organizations. Studies that address how media constructs stories about organizations and management are underrepresented in the literature, especially considering the role mass media plays in the lives of individuals (Hartz & Steger, 2010). There has also been minimal investigation into how entrepreneurial and managerial identity impacts how investors perceive an organization and its worthiness (Davis & Glynn, 2011).

2. THEORETICAL CONTEXT: NARRATIVE PARADIGM

According to the narrative paradigm, the world consists of a series of stories which people use to deduce reality from (Stutts & Barker, 1999). Narratives are a form of

discourse and discourse is how individuals represent “particular aspects of social life” through language (Fairclough, 2013: 453). Stories are particularly important because this medium is the primary means by which a social group communicates events and (Fenton & Langley, 2011) processes social information (Dailey & Browning, 2014; Taylor & Van Every, 2000). Stories are frequently used in communication since they are easy to understand as well as remember and they create a common ground between individuals (Barker & Gower, 2010).

Narratives help an organization continue to exist. Internally, the iteration of narratives within the organization helps an organization’s citizens understand one another (Weick & Browning, 1986), legitimizes or illegitimizes particular organizational practices (Siltaoja, 2009) and helps formulate the organization’s strategy (Fenton & Langley, 2011). Narratives shape organizational culture by giving members a collective identity that is constructed by organizational actors through time (Ravasi & Schultz, 2006). Externally, narratives help the general populace form impressions of the organization (Merkl-Davies & Brennan, 2007), create a close relationship between an organization and its external stakeholders (Hatch & Schultz, 2002), and form a collective identity of organizational members (Brown, 2006). Given that managing reputation through public relations has been shown to influence financial performance of organizations (Kiouisis, Popescu, & Mitrook, 2007; Kim, 2001), managers certainly care about how their narratives are crafted and perceived by the public.

Research has shown that the proportion of narrative material to generic financial information has increased over the years (Merkl-Davies & Brennan, 2007; Arthur Andersen, 2000). Corporations voluntarily report information that they believe will strengthen their narrative and investors’ and the external community’s impression of their purpose. For instance, reporting both financial expenditures and narrative information related to corporate social

responsibility has increased in popularity (Dhaliwal, Li, Tsang, & Yang, 2011). Growing access to information through multiple media formats has made forming narratives about an organization for the outside world to understand considerably more complicated and more important. This is particularly true for IPO firms.

For IPO firms, there is not a lot of information available to individuals external to the organization relative to well-established and older public firms (Fernhaber & McDougall-Covin, 2009). When a firm makes the transition from being private to becoming public they are making the decision to be more openly scrutinized by public opinion. Information beyond the financial information required to be reported in prospectuses, particularly through media channels, is what helps investors and external members of organizations form impressions about IPO firms (Bhattacharya et al., 2009; Pollock & Rindova, 2003; Pollock et al., 2008). Media is frequently how society understands what constitutes appropriate organizational actions (Hartz & Steger, 2010). The general public and investors are considerably impressionable when it comes to IPO firms since they most likely have limited information about the inner workings of the firm. The narratives formed while a firm is making a public offering can set the tone for its public reputation down the line.

Given the limited amount of information available about most IPO firms, investors often turn to the media for supplementary information. Media has been shown to impact IPO firms in a number of ways. A larger volume of news articles causes less underpricing in IPOs since investors have become more familiar with a firm when it has more exposure (Pollock & Rindova, 2003). Furthermore, the firms that analysts choose to provide more coverage to, and therefore produce more information about, tend to perform better in the IPO market (Das, Guo, & Zhang, 2006). In a study analyzing over 5,000 IPO companies and their institutional

ownership Field and Lowry (2009) found that institutions only own approximately 25% of IPO companies stock the first month of listing on average. Given a large percentage of retail investors, and that many firms price their IPO to attract retail investors (Fernando, Gatchev, & Spindt, 2005), narratives formed by the media are of particular interest since many retail investors get their information from business sources.

3. RESEARCH CONTEXT: FOUNDER CEOs AND IPOs

A founder CEO is the individual that created a business and has remained in charge of that business since its inception (Nelson, 2003). A founder of a company considerably influences the identity of an organization. Certain characteristics of the founder, including educational background, often determine the path the firm takes and strongly influences its eventual longevity (Bates, 1990). If an entrepreneur remains with their firm as it continues to grow, their personality and identity continues to be intertwined with the venture. Entrepreneurs frequently show a considerable amount of passion towards their organization because they are “engaged in something that relates to a meaningful and salient self-identity for them” (Cardon, Wincent, Singh, & Drnovsek, 2009: 516).

Frequently, companies decide to go public after periods of high growth (Pagano, Panetta, & Zingales, 1998) and need additional infusions of capital to continue to grow (Gompers, 1995). Once a company is growing at a certain pace, an entrepreneur may decide to exit or may be replaced by a venture capitalist. The conventional thinking that an entrepreneur would not be able to handle a large complex organization as well as a professional manager has been challenged over the years (Willard, Kreuger, & Feeser, 1992).

Nonetheless, organizational research consistently shows that when bankers are pricing initial public offerings for firms run by founder CEOs, they price the founder-run firms lower due to their frequent lack in expertise in running a public firm (Certo Certo, Covin, Daily, & Dalton, 2001). However, investors do not always share these impressions. Specifically, investors value founder-run firms favorably, therefore causing an underpricing effect for the IPO offerings (Certo et al., 2001). It has been found in an array of studies since Certo et al's (2001) findings that founder CEOs often outperform non-founder CEOs in IPOs with respect to short-term stock market returns (Nelson, 2003; Fischer & Pollock, 2004; Bains, 2007; He, 2008; Gao & Jain, 2011).

There has been some recent research seeking to understand how founders are different from non-founders with respect to subsequent financial performance of the IPO event. First, founder CEOs tend to have more inside directors at the time of IPO than non-founders (Nelson, 2003). While the presence of more outside directors can enhance the amount of monitoring the board does of the management team (Faleye, Hoitash, & Hoitash, 2011), it has been shown that having more inside directors is useful for young entrepreneurial firms that are making IPOs (Kroll, Walters, & Le, 2007). Inside directors are able to provide more firm-specific guidance that allows for the firm to make decisions best for that particular company. Second, founder CEOs lead to higher performance in technology-related industries and not in nontechnology industries (Gao & Jain, 2011). It is likely that technology companies that make IPOs are younger in age and have more idiosyncratic operations that would benefit from the leadership of someone that help create and promote the technology.

Third, founders often encourage and support entrepreneurial risk-taking in their firms more so than non-founders (Mousa & Wales, 2012). Indeed, firm-wide entrepreneurial

orientation, which promotes innovation and outside-the-box thinking in an organization, has been shown to be positively related to firm performance (Davis, Bell, Payne, & Kreiser, 2010). Fourth, founders are often perceived to be valuable to investors because they are the best management for the money. Founder CEOs, on average, receive smaller compensation packages than non-founders (He, 2008). Even though founders may make less, they are still highly incentivized to help the firm perform well since so much of their own effort was expended in the creation process.

While previous studies have provided useful insight into understanding entrepreneurs and what contributes to their value long into their company's operations, the research has mostly just added moderating and mediating variables between founder CEOs and IPO performance to try to explain why this effect exists. We know that founder CEOs are often associated with higher levels of inside directors (Nelson, 2003), more developed entrepreneurial orientation (Mousa & Wales, 2012), greater salary discounts (He, 2008) that can lead to higher IPO performance. Quantitative analyses have shown us how certain groups lead to performance outcomes but do not describe the "how." In other words, we do not fully understand the direct link between a founder CEO and IPO performance as the "how" this is achieved is largely speculative. To fully understand how founders and non-founders are perceived differently by investors, we need to understand their stories. This study attempts to do that through an inductive research design.

4. METHODS

4.1 Data Sources

To unravel the narratives of founder CEOs and non-founder CEOs and unveil why they may be perceived differently by individuals external to the organization, a blended narrative and

ethnographic approach was taken. Narrative and ethnographic approaches are two of the five major data analysis traditions within qualitative research (Creswell, 2003). A narrative approach involves taking spoken or written words that give an account of an event or actions that are connected chronologically (Czarniawska, 2004). An ethnographic approach involves studying members of a group with shared values or behaviors and how these values are expressed through language. The types of stories that can be recorded in the narrative approach can be told to the researcher by the subjects, can be co-constructed between the researcher and the subjects, or be part of a performance (Creswell, 2012).

A narrative approach to qualitative research typically brings to light how individuals identify and see themselves (Creswell, 2012). However, I am interested in how a medium (a third party) portrays the narratives of founder and non-founder CEOs. The media represents an important medium between businesses and the general population/investors. The business press are not considered a culture-sharing group in the traditional sense, but are actually part of forming shared opinions and influencing behaviors of those external to organizations. Blending a narrative approach and ethnography most accurately represents how a narrative about one party (CEOs of IPOs) are shaped by another party (the media) and are interpreted by a third party (investors). A blended approach offers a valuable and unique opportunity for understanding this complex relationship.

4.1.1 Firm Selection A subsample of matched pairs was derived from all 309 U.S.-based IPOs that went public on the NYSE and NASDAQ stock exchanges between 2009 and 2011. Approximately 35% of all firms that made an IPO in this time frame had a founder CEO (107 firms). When conducting a qualitative analysis, matched pairs is an optimal way to control for influencing factors outside the realm of the study. In line with previous literature, foreign

companies were removed from the sample (Chatalova, How, & Verhoeven, 2016) and matched pairs were based on comparable industry and size characteristics (Bruton, Filatotchev, Chahine, & Wright, 2010; Fulmer, Gerhart, & Scott, 2003; Barber & Lyon, 1996; Loughran & Ritter, 1997). Industry for each IPO was matched by 3-digit SIC code (Fulmer et al., 2003). IPO firms were also matched based on number of employees (Jorissen, Laveren, Martens, & Reheul, 2005). A deviation of less than 20% was allowed in size to assure comparability. When measuring size based on number of employees, the 20% deviation standard is commonly used (Allouche, Amann, Jaussaud, & Kurashina, 2008). Each matched pair had one firm that had a founder CEO and one firm that had a non-founder CEO. Overall, this matching procedure yielded a total of 20 matched pairs (40 firms) during the study period. This sample represents 17% of all IPOs conducted for the selected time frame and a little over 20% of the IPO firms that have a founder CEO.

4.1.2. Media Articles and Segmentation As previously mentioned, there is limited information about most IPO firms in their initial foray into the public markets and investors often turn to the media for supplementary information. The story media tells to their audience about IPO companies becomes embedded in the reputation and narrative of the organization. News articles about the firm were pulled from Factiva database. Factiva provides content from new media (i.e., newspapers, newswires, trade presses), social media (i.e., social networks, newsgroups, blogs) and multimedia (i.e., digital videos and TV transcripts) (Factiva, 2015). For the 40 IPO firms in the population, each firm was searched for in the Factiva database by entering the official company name in the “company” category and setting the date range to display articles for the day of the initial public offering to exactly one year after the company’s first day on the market. One year after the IPO was examined because the first year of being

public is an important time in the life of a company. It effectively sets the tone of the company's narrative and influences. What happens in year one, influences whether a company survives to become a "seasoned" firm after five years (Fischer & Pollock, 2004).

The data from this search was selected in three steps. First, all news articles about the IPO firm published within one year from the IPO date were downloaded from the Factiva database. Second, using the "subject" function on Factiva, news articles that mentioned the CEO were extracted. Third, paragraphs from each article that mentioned, quoted, or referred to the CEO were separated and included as one unit of data. Once the data was segmented, one pair of firms had to be eliminated for insufficient data. The firms in the pair did not have at least five articles that mentioned the CEO and it would be difficult to construct a narrative with such minimal information.

The final sample yielded 19 pairs (38 firms), 1,305 articles, and 1,057 code-able paragraphs. The sample of firms and initial data is included in Table 1. As can be seen in Table 1, approximately 60% of the pairs had more articles about the founder CEO and 40% had more articles about the non-founder CEO. Table 1 contains the distribution of code-able paragraphs.

Table 1: Matched Pair Sample

No	Pair	Company	Date of IPO	SIC	Empl	CEO	Founder	Percentage of Articles about CEO	Paragraphs of Data
1	1	Laredo Petroleum Inc	12/14/11	1311	266	Randy Foutch	1	13%	44
2		Memorial Production Partners LP	12/9/11	1311	309	John Weinzierl	0	20%	23
3	2	Omeros Corp	10/8/09	2836	67	Gregory Demopulos	1	4%	3
4		Anacor Pharmaceuticals Inc	11/24/10	2834	65	David Perry	0	24%	36
5	3	Zogenix Inc	11/23/10	2834	149	Roger Hawley	1	11%	30
6		AVEO Pharmaceuticals Inc	3/12/10	2834	147	Tuan Ha-Ngoc	0	15%	40
7	4	Anthera Pharmaceuticals Inc	3/1/10	2834	14	Paul Truex	1	12%	15
8		Aegerion Pharmaceuticals Inc	10/22/10	2834	8	Marc Beer	0	10%	28
9	5	NuPathe Inc	8/6/10	2834	26	Jane Hollingsworth	1	4%	4
10		AcelRx Pharmaceuticals Inc	2/11/11	2834	25	Richard King	0	23%	20
11	6	Solazyme Inc	5/27/11	2869	229	Jonathan Wolfson	1	15%	55
12		KiOR Inc	6/24/11	2869	212	Fred Cannon	0	8%	10
13	7	Ubiquiti Networks Inc	10/14/11	3663	183	Robert Pera	1	25%	107
14		Boingo Wireless Inc	5/4/11	3669	160	David Hagan	0	2%	9
15	8	MaxLinear Inc	3/24/10	3674	177	Kishore Seendripu	1	5%	8
16		Inphi Corp	11/12/10	3674	166	Young Sohn	0	4%	12
17	9	InvenSense Inc	11/16/11	3674	16800	Steven Nasiri	1	10%	38
18		Freescale	5/26/11	3674	16500	Richard Beyer	0	4%	28

Semiconductor Ltd									
19	10	Electromed Inc	8/13/10	3845	66	Robert Hansen	1	34%	19
20		Zeltiq Aesthetics Inc	10/19/11	3841	52	Gordon Nye	0	4%	11
21	11	SS&C Technologies Holdings Inc	3/31/10	7372	1399	William Stone	1	29%	79
22		Rosetta Stone Inc	4/16/09	7372	1218	Tom Adams	0	3%	5
23	12	LogMeIn Inc	7/1/09	7372	209	Michael Simon	1	11%	23
24		SolarWinds Inc	5/20/09	7372	268	Michael Bennett	0	4%	19
25	13	Cornerstone OnDemand Inc	3/17/11	7372	750	Adam Miller	1	18%	56
26		Qlik Technologies Inc	8/4/10	7372	780	Lars Bjork	0	4%	25
27	14	Imperva Inc	11/9/11	7372	580	Shlomo Kramer	1	11%	22
28		Jive Software Inc	12/13/11	7372	673	Anthony Zingale	0	10%	78
29	15	Carbonite Inc	8/11/11	7379	421	David Friend	1	12%	38
30		IntraLinks Holdings Inc	8/6/10	7372	454	J Andrew Damico	0	1%	5
31	16	ServiceSource International In	3/25/11	7373	2609	Michael Smerklo	1	7%	22
32		Active Network Inc/The	5/25/11	7372	3036	David Alberga	0	13%	25
33	17	Voltari Corp	6/18/10	7389	339	Ryan Wuerch	1	10%	39
34		OpenTable Inc	5/22/09	7389	300	Jeffrey Jordan	0	7%	10
35	18	Envestnet Inc	7/29/10	7389	457	Judson Bergman	1	6%	8
36		Higher One Holdings Inc	6/17/10	7389	450	Dean Hatton	0	17%	18
37	19	Zillow Inc	7/20/11	7389	688	Spencer Rascoff	1	6%	38
38		QuinStreet Inc	2/11/10	7389	637	Douglas Valenti	0	6%	7
Totals:									1,057

4.2 Data Analysis

4.2.1 Coding Strategy Once the data was segmented, a coding frame was assembled. A coding frame was built from a pilot study of 5 pairs (10 firms) that were randomly selected. Pilot studies should include at least 10% of the data (Schreier, 2012). Using 22% of the firms in my data set allowed me to assure representativeness in information while building my coding frame. A coding frame is based off of what information is found within the data and theory (Joffe, 2012). The coding frame was constructed based on a contrasting coding frame (Schreier, 2012). A contrasting coding frame involves identifying similarities with one source (founder CEOs), identifying similarities within a second source (non-founder CEOs), and then identifying differences between the two sources. Through an iterative process, the coding frame presented in Figure 1 was developed. The coding is appropriately exhaustive and saturated (Hopkins & King, 2010). All categories are represented in the data multiple times and the residual category is only recorded sparingly (about 5% of the data). Any paragraph that does not fall under any of the categories developed in the coding frame is recorded as “residual.”

Figure 1: Coding Frame

- Positive
 - Quote
 - Business expansion/ growth
 - Financial growth (PQBF)
 - Operation/ firm-specific growth (PQBO)
 - Mergers and acquisitions/ alliances/ JVs/ partnerships (PQBM)
 - Contribution to economy/ community/ industry (PQC)
 - Accomplishments/ awards (PQA)
 - Residual (PQR)
 - Nonquote
 - Accomplishments/ awards (PNA)
 - IPO success/ positive company performance (PNI)
 - Financing/ support (PNF)
- Negative
 - Quote
 - Operational issues/ problems (NQO)
 - Nonquote
 - Poor performance of stock/ company (NNP)
 - CEO exit (NNC)
- Neutral
 - Quote
 - Quarterly/ overall assessment of strengths and weaknesses (NEQQ)
 - Company goals (NEQC)
 - Personnel changes/ human resources (NEQP)
 - Nonquote
 - Stock options/ compensation (NENS)
 - Conferences/ public relations (NENC)
 - CEO background, experience, business endeavors not related to the company (NENB)
 - Patents/ legal filings (NENP)
- Residual (R)

To assess the reliability of the coding frame, approximately 18% of the data was coded by a second individual who is familiar with the literature. Pairs of firms were selected at random to be coded twice. Inter-rater reliability was calculated through a coefficient of agreement (Schreier, 2012) and was approximately 77%. Between 70% and 80% agreement is considered acceptable (George & Mallery, 2003). When coders disagreed on the classification of a paragraph, it was reviewed again and a consensus met.

5. FINDINGS

After comparing founder CEOs and non-founder CEOs in IPOs portrayal in the media, three major narrative themes were revealed by the data. Summaries of each theme and representative quotes from the data are included in Table 2.

5.1 Theme 1: Strength of Founder CEOs' Personal Narratives

By far, the biggest difference between the information presented about non-founder CEOs and founder CEOs of IPO companies in the media was the amount of personal information about the CEO. Overwhelmingly, founder CEOs had their personal narrative included in the media more frequently than non-founders. This information was coded under the category "Neutral, Nonquote, and CEO Background."

For founder CEOs, 12 of the 19 firms (55%) included some detailed information about who the founder was. For non-founders, CEO personal and background information was only included for 4 firms (18%). A little over 14% of all the data coded for founder CEOs was about their background or experience while only 2% of the non-founder information was coded as such.

Beyond the frequency counts, the content about founders was typically much different from non-founders. The background about founder CEOs was typically more personal than that about non-founders. As can be seen in Table 2 in a quote about wireless technology company Ubiquiti Networks' founder Robert Pera, the quote explains how Pera "lives lean" and how he approaches his personal life as well as his business is "sparse," "stripped-down," and "efficient." The media paints a picture of an entrepreneur who directly identifies with their company. The quote about Robert Pera exemplifies how individuals "orient themselves around particular organizational issues" and entrepreneurs form identities through the venture creation process (Jones et al., 2006: 332). There are other instances throughout the data that exemplifies how entrepreneurs identify with their companies. For instance, an article about motion tracking sensor firm InvenSense mentions how their founder CEO has been working in their particular technology niche of the company for "35 years and accumulated the kind of people who are as passionate about the technology as he is." Steven Nasiri's identity is tied into the development of motion-sensor technology and actually has a technology platform named after him (Bloomberg, 2015).

Theme	Description	Representative Data*	
		Company/ Founder	Quote
1. Strength of founder CEOs' personal narratives	The background about CEOs personal and business experience was much more prevalent and in-depth for founder CEOs than non-founder CEOs of IPO companies.	Laredo Petroleum (founder)	“Foutch started three companies prior to Laredo, choosing to keep all privately held and later sell them. Last year he took Laredo public, saying it was built ‘for the long haul.’”
		Ubiquiti Networks (founder)	“Robert J. Pera lives lean. The Apple engineer turned entrepreneur never checks a bag at the airport, leases a BMW and keeps a sparsely furnished one-bedroom apartment in San Jose, Calif. Pera takes a similar stripped-down approach toward running Ubiquiti Networks, the maker of wireless-networking gear he founded in 2005 and that went public in October. ‘My aim is to build something great as efficiently as possible,’ he says.”
		Electromed Inc (founder)	CEO Bob Hansen and his brother Craig founded Electromed in 1992. Hansen said they aimed to help people with excess secretions in their lungs to breathe easier. The two brothers initially worked out of the University of Wisconsin-Stout's incubator, where they conducted early experimentation and prototyping.
		Jive Software (non-founder)	“Zingale became Jive's chairman and CEO in February 2010 and helped guide it to its public offering. He and the founders celebrated at their January board meeting by opening a 60-year-old bottle of scotch. Zingale previously served as CEO of Mercury Interactive, until its acquisition by HP, and as president and CEO of the sales outsourcing and strategy firm Clarify.”
		Aegerion Pharmaceuticals (non-founder)	“Before creating Viacell, Marc Beer held several senior positions both in global marketing and business development, including being responsible for the global launch of several products for orphan diseases as Vice President of Global Marketing within Genzyme's therapeutics division. He has also held the position of VP, Sales & Marketing at Biostar, Inc. as well as senior management positions in the Pharmaceutical and Diagnostic divisions of Abbott Laboratories. He serves on the Biotechnology Industry

			Organization (BIO) Emerging Companies Section Governing Body, he is Chairman of Good Start Genetics, and a member of the board of Seaside Therapeutics.”
2. How founder CEOs narrate business operations	Founders are more likely to describe certain processes in a technical way and then translate them for a broader audience to understand. Non-founder CEOs are more likely to only use technical language that could potentially isolate those that do not understand the particular industry.	Zogenix Inc (founder)	“Roger Hawley, chief executive officer of Zogenix, stated, ‘...SUMAVEL DosePro is being used as a treatment alternative for patients who require fast onset of pain relief during migraine attacks as well as by those who do not adequately respond to oral triptans for more challenging migraine attacks that are very painful, disabling and disruptive to their lives and careers.’”
		SS&C Technologies Holdings Inc (founder)	“‘Since its release, the new integrated Syndicated Bank Loans processing software and related software-enabled services has generated interest and provides the support needed to manage this complex asset class without having to rely on spreadsheets or specialty systems which make it more difficult to control your investment and reporting processes,’ said Bill Stone, Chairman and Chief Executive Officer, SS&C Technologies Holdings, Inc. “
		Anacor Pharmaceuticals (non-founder)	“‘In the short time since our IPO, we have executed on our goals of initiating our two Phase 3 trials for AN2690 in onychomycosis and initiating the final Phase 2b trial for AN2728 in psoriasis. In addition we signed a collaboration agreement with Medicis to leverage our boron chemistry platform toward the discovery of a new acne therapy,’ said David Perry, Chief Executive Officer of Anacor Pharmaceuticals.”
		SolarWinds Inc (non-founder)	“‘Mike Bennett: SolarWinds CEO calls Tek-Tools 'a great fit,' says its lineup complements his company's. Austin-based SolarWinds Inc. on Wednesday expanded its network management software line by acquiring Tek-Tools Inc. of Dallas for \$42 million in cash and stock.”
3. Positive and negative name association	Founder CEOs are more likely to be quoted talking about highly positive information such as making a	MaxLinear Inc (founder)	“MaxLinear Inc., (NYSE: MXL) a leading provider of integrated radio frequency (RF) and mixed-signal integrated circuits for broadband communication applications, announced that Dr. Kishore Seendripu, Chief Executive Officer, received the Ernst & Young Entrepreneur Of The Year(R) 2010 Award in the technology category in San Diego. According to Ernst & Young LLP, the award recognizes outstanding entrepreneurs

<p>contribution to society or their industry or winning an award. Non-founder CEOs are more likely to be quoted talking about business operational issues.</p>		<p>who are building and leading dynamic, growing businesses. Seendripu was selected by an independent panel of judges, and the award was presented at a gala event at the Hyatt Regency La Jolla on June 9.”</p>
	<p>Carbonite Inc (founder)</p>	<p>“The companies that Smaller Business Association of New England (SBANE)... will be honoring have all made a positive impact on the lives of their customers, their employees and the economy of our region,’ said Friend. ‘I am excited to be a part of this event and to have the opportunity, along with SBANE, to honor pioneering ideas and the businesses pursuing them.’”</p>
	<p>Freescale Semiconductor Ltd (non-founder)</p>	<p>“Asked why his company's IPO was so lackluster after last week's blockbuster stock-market debut of social-networking company LinkedIn Corp.—whose shares rose as much as 173% from their IPO price—Mr. Beyer said it wasn't fair to compare the two deals. 'I think the social-networking companies are operating in a different realm right now,' he said. ‘They are just not tied to the same macroeconomic conditions.’”</p>
	<p>AcelRx Pharmaceuticals Inc (non-founder)</p>	<p>“AcelRx Pharmaceuticals, Inc. (Nasdaq: ACRX), a specialty pharmaceutical company focused on the development and commercialization of innovative therapies for the treatment of acute and breakthrough pain, today announced that Richard King, President and Chief Executive Officer, will present at the Rodman & Renshaw Global Investment Conference in New York, NY at The Waldorf Astoria. The presentation is scheduled for Tuesday, September 13, 2011 at 1:35 p.m. ET.”</p>
<p>*Founder CEO firms are in the gray columns and non-founder CEO firms are in the white columns</p>		

There was also a considerable amount of background information about founder CEOs that was related to their personal motivation. For instance, the Electromed founders, Bob and Craig Hansen, references how they were motivated to help particular patients and how they were able to test their ideas in a business incubator. Furthermore, a quote about Cornerstone OnDemand, a cloud-based human resources company, mentions how their founder CEO, Adam Miller, also runs their foundation to “help empower communities” and focuses on “education, workforce development and disaster relief.”

According to O’Connor (2002), the three basic categories of entrepreneurial narratives are personal, generic, and situational series. Personal stories entail an important moment in the entrepreneur’s life, a particular breakthrough innovation, or their personality. A generic story may pertain to how the company competes or is strategically oriented. And a situational story is about factors outside the entrepreneur’s control and how the company is just a small piece of a larger puzzle. The data here shows that founder CEOs that eventually take their firms through an IPO are more likely to adapt a personal narrative. The information coded frequently shows how lifestyle (such as Pera) passion (such as Nasiri or Miller) and technological breakthroughs (such as the Hansens) are the driving factors of their success.

In contrast, the background information that is included about non-founder CEOs of IPO companies is not as personal in nature. The quote in Table 2 about Jive Software CEO celebrating with a nice bottle of scotch of their IPO paints a picture of extravagance and not personal motivation. The quote about Zingale of Jive is very different regarding (firstname) Pera of Ubiquiti. Pera left a major company (Apple) and lives efficiently while Zingale sold a company to another major company (HP) and drinks scotch at board meetings. Zingale’s story is about celebrating the business accomplishment of making an IPO and Pera’s story is about his

business being an extension of his personality. The two companies and CEOs may or may not actually be that much different in their behavior. However, the media paints very contrasting views. Moreover, the paragraph about Agerion Pharmaceuticals CEO (see Table 2) lists his previous experience that is rather impressive. However, his personal motivation for his job choice is not included and the readers do not get a sense of his personality. This is much different from the quote about the Hansen brothers interested in helping individuals breathe easier through biomedical technology. All the examples mentioned in this section show how founders' narratives are prevalent in the information presented to the investment community. Given the findings of Theme 1, the following proposition is advanced:

Proposition 1: Founder CEOs elicit more personal stories in the media than non-founder CEOs during the first year after an initial public offering.

5.2 Theme 2: Founder CEOs Narrating Business Operation

The most frequently coded category of the whole coding frame was “Positive, Quote, Business Expansion/Growth, Operation/Firm-specific Growth.” CEOs of IPO companies are most often described in the media if they are talking about how their firm is advancing in some way. Since the media helps investors form impressions about IPO firms (Bhattacharya et al., 2009; Pollock & Rindova, 2003; Pollock et al., 2008), it makes sense that CEOs would try to use that opportunity to their advantage by talking about what their company does to the media.

Furthermore, it is also notable that most information that CEOs are quoted saying is overwhelmingly positive about their company. This could be explained by the “Pollyanna principle” where positive language is used more frequently than negative language (Rutherford, 2005). The Pollyanna principle is frequently used in annual reports, letters to shareholders, and financial reviews (Rutherford, 2005; Hildebrandt & Snyder, 1981). Basically, anything the CEO

touches is going to appear to be overly positive. Primarily positive information could also be explained by CEO's impressions of their company at time of IPO. A CEO may not take their company, or investors will not have a CEO in place during IPO, that does not feel like the company is going in a positive direction.

Looking at the frequency counts, founder CEOs are more frequently in the media talking about their company's progress than non-founders. Overall, there are 219 quotes from founders compared to 149 from non-founders. Within the category of business expansion and growth there were three subcategories, financial growth, operations or firm-specific growth, and external diversification (i.e., mergers, acquisitions, joint ventures). A larger percentage of the total information about non-founders are these quotes about business operations. External diversification is mentioned frequently because a common reason for a company to make an IPO is to gain capital to make acquisitions and externally diversify. A little over 30% of companies start engaging in mergers and acquisitions within the first year of being public (Celikyurt, Sevilir, & Shivdasani, 2009). In this study, 10 of the 22 (45%) non-founder-run companies mention external diversification in some way. This is significantly more than the 5 of 19 (26%) of founder ran companies. This means that not only are founders more likely to talk about their own business operations, but they are more likely to focus on their current business and not rapid expansion.

One of the most telling difference between founders and non-founders of IPO firms when being quoted about their business operations is how they narrate what is happening in their firm. If you compare the quote of founder CEO Roger Hawley of Zogenix Inc and non-founder CEO David Perry of Anacor Pharmaceuticals in Table 2 you can see this difference. Both companies are in the pharmaceuticals industry and are talking about different drugs they are developing.

Hawley translates how the drug works in laymen's terms. He says that it is helpful for those who experience migraines that are "painful, disabling and disruptive to their lives and careers." This is powerful imagery that most people can relate to or imagine. In Perry's case he is descriptive in a more technical way. He talks about leveraging their "boron chemistry platform" and "initiating the final Phase 2b trial." Using more technical language can make the firm seem more impersonal. Examining the quotes from CEOs about business operations from a matched pair in the dataset further exemplifies the difference in narration.

The founder CEO of LogMeIn Inc, a technology company providing cloud-based services, is quoted saying their services allow customers "access to their applications and files anytime, from wherever they are" and that his company has a human resource strategy oriented towards providing "an environment that is both fun and professionally fulfilling." In comparison, non-founder CEO of SolarWinds Inc, a company that develops software for IT professionals, is quoted saying that his employees "remain focused on consistently executing upon every element of the business" and that they are happy with the "strength of [their] business model." The difference in language used can resonate differently with their customers.

The type of language used by the CEOs depends on their level of social skills. Founder CEOs are successful entrepreneurs and successful entrepreneurs typically have well-developed social skills that allow them to interact effectively with others and adapt appropriately to different social contexts (Baron & Markman, 2000). When considering a narrative, it is important that a common ground exists between the party communicating the narrative and the party reading or listening to the narrative (Fuller & Tian, 2006). This ensures that the receiving parties continue to have interest in the narrative. Therefore, when non-founders appear to use

more technical language that is rather specific to their business, they are minimizing the individuals with which they share common ground.

Founders, who use some technical language and explain operations in a way that a broader audience can understand, may spark the interest of more investors. Indeed, founder CEOs may be more effective at expressing ideas and feelings openly and clearly (Baron & Tang, 2008). It is quite possible that by the time an entrepreneur has successfully completed an IPO, their social skills have become even stronger. The ability to effectively justify business operations to a wide range of people during the entrepreneurial process may prove to give founder CEOs an edge in appearing personable in the media.

To make sure that how founder CEOs talk about their company is indeed a function of their social capabilities and not of the source in which the story was reported, an ad-hoc test was performed. A portion of the quotes about firm-specific information from the CEO were reexamined taking into account whether the quote was technical or not technical and which news source the quote was reported in to eliminate any source bias. The ad-hoc test revealed that the news sources for each pair of companies were typically the same or similar. Both companies with founder CEOs and non-founder CEOs were in a mix of sources including standard business media (i.e., Globenewswire and Businesswire) and local news sources (i.e., Tulsa World and Austin American-Statesmen), and there was no difference between CEOs using technical or nontechnical language based off of the source. Given the new insight gained from Theme 2, I propose that:

Proposition 2: Founder CEOs in first-year IPO firms possess unique social skills that help portray their business operations more clearly and in simpler language than non-founder CEOs.

5.3 Theme 3: Positive and Negative Name Association

In instances where CEOs were asked to comment on or were quoted talking about a particular award/accomplishment or a contribution to society or their industry it was always a founder CEO who was being quoted. There were 4 founder CEOs who specifically mentioned how they felt it was important that they were contributing to society in some way. One example is included in Table 2. Carbonite Inc founder CEO stresses the importance of being part of an event that honors companies that have “a positive impact on the lives of their customers, their employees and the economy of our region.” There are no such quotes that take about impact from non-founder CEOs. Founder CEOs are also much more likely to talk about awards they have received. Six founder CEOs were quoted talking about specific awards or personal accomplishments, such as the Ernst & Young Entrepreneur of the Year award won by Kishore Deendripu of MaxLinear Inc reflected in Table 2. There are a few instances (for two companies) that non-founders are mentioned for winning an award of a major accomplishments. However, the CEO does not actually comment on the award. For example, non-founder Lars Bjork of QlickTech won an Ernst & Young award as well. However, the paragraphs containing the information just had one sentence acknowledging the fact with no quote from Bjork.

Conversely, non-founder CEOs are more frequently in the media talking about issues with business. There was not a lot media within the dataset that had a negative sentiment. There were a few instances where both founders and non-founders were mentioned along with struggling IPO performance and 3 CEOs (1 founder and 2 non-founders) actually exited their company within the first year. However, when it came to CEOs being quoted about something that had a negative impact on their business, it was more frequent that non-founders were quoted. An example of quote reflecting negative sentiment is recorded in Table 2 for Freescale

Semiconductor Ltd. The CEO had to explain why the company's IPO was not performing well in comparison to others. Taken together that more founder CEOs talk about awards, accomplishments and contributions and more non-founder CEOs talk about performance or business issues, it is possible that investors and the general public can form opinions of CEOs and their abilities by these associations.

It is also notable that founders and non-founders make public appearances equally as often. When tabulating the number of times it was announced that a CEO would be appearing or speaking at a conference, it was about equal for founders and non-founders. There were 16 firms and 63 total announcements for non-founders CEOs and 17 firms and 64 announcements for founders. An example of such an announcement is included in Table 2 for AcetRx Pharmaceuticals. Therefore, the associations with positive and negative associations have added importance. Given the findings from Theme 3, the following propositions are made:

Proposition 3a: Founder CEOs appear to spend more time highlighting positive accomplishments of both themselves and their company during the first year of IPO than non-founder CEOs.

Proposition 3b: Non-founder CEOs appear to face more media scrutiny than founder CEOs one year following an IPO.

6. DISCUSSION

My objective in this study was to understand how founder and non-founder CEOs' narratives are portrayed differently in business media. I studied media articles about CEOs of companies one year after their IPO and how their narratives were formed differently. Specifically, I found that founder CEOs have more personal information/background that

showcases their entrepreneurial identity, founder CEOs narrate their business operations in a way that a broader audience can understand rather than using mostly technical language like non-founders, and that founders are more likely to be quoted talking about societal contributions and winning awards while non-founder CEOs are more likely to be quoted talking about business operational issues. I believe my findings can contribute to research on the narrative paradigm in organizations as well as research on founder CEOs.

6.1 Contributions

This study makes three main contributions to the literature. First, it extends the literature on organizational narratives by examining how narratives are constructed about CEOs in the media. Frequently, in organizational studies and in qualitative research, researchers consider how narratives are representative of the person or the group of individuals that are telling the narrative. The narratives shaped and told by an intermediary and how the constructed narratives impact the identity of an organization is not studied as frequently. Narratives have been shown to help the general populace form impressions of an organization (Merkl-Davies & Brennan, 2007). Furthermore, how managerial decisions are presented does influence media coverage and media coverage sentiment can influence CEO job security and elements of CEO compensation (Bednar, 2012).

Therefore, it is important to analyze the narratives of CEOs in IPO companies since it sets the tone for the perception formed by the general public over time. A CEO's narrative can play a significant role in influencing their organization's narrative in the eyes of outsiders. CEOs are able to not only use their interpersonal skills to win over members internal to the organization but try to influence external members including the media (Bednar, 2012). Founder CEO's influence was shown by the large amount of quoted information from CEOs about their

companies, how founder CEOs did a good job translating their operations into layperson terms, and their discussion of awards that they have won being meaningful.

Second, this study shows how third party narratives develop over time and contribute to the organizational identity of an IPO company by bridging the founder CEO and IPO literature with the entrepreneurial identity and organizational identity literature. How an entrepreneur or a CEO identifies with their company influences the organization's identity. Navis and Glynn (2011) propose that an entrepreneur's ability to develop a "legitimately distinctive entrepreneurial identity" is how they win over investors. An identity that is both legitimate and distinct has similarities between established businesses (legitimacy) but also some noticeable differences (distinctiveness) (Navis & Glynn, 2011). The fact that founder CEOs are more prevalent in the media, have more background information about them that shows their entrepreneurial identity, and that founders are more likely to translate their firm's operations for a broader audience shows both their entrepreneurial identity helps create their organizational identity. Constructing a positive organizational narrative in the media is particularly useful for IPO firms since media impacts investor perception of the IPO (Pollock & Rindova, 2003) and lays the groundwork for the company's corporate reputation.

Third, this study shows the importance of a salient relationship between the CEO and their company. Internally, a CEO needs to show commitment and credibility to keep their employees on board with the company's mission and engaged in their work (Men, 2012). However, a CEO's commitment and relationship with their company needs to be show to members outside an organization in a socially salient way. In a study about the perceptions of ethical leadership, Treviño, Brown, and Hartman (2003) show that CEOs must engage in behaviors that are noticeable to individuals outside of the top management team in order to be

perceived as an ethical leader. Similarly, a CEO needs to show socially salient behavior that identifies them with their company in an IPO setting. Founder CEOs in IPO firms were required to develop and hone particular human capital and social skills to be able to successfully create their venture and maintain the head of the company through the IPO process. These attributes are both noted in the media through including personal information about many of the founder CEOs and showcased in the media through founders' discussion of their company's operations and what contributions they make to their community and society. It is possible that this is seen as socially salient behavior to investors.

6.2 Limitations & Directions of Future Research

In addition to the findings about CEO narratives, there was some information found in this study that extends prior research in the area. First, interestingly, there were more reports of stockholdings of CEOs changing for founder CEOs than non-founder CEOs within the first year of making an IPO. 69 different reports of stockholdings changing for 17 founder-ran firms were reported while only 40 reports of stockholdings changing for 15 non-founder-ran firms were reported. This could potentially indicate the importance of CEO ownership in IPO valuations discussed by Certo, Daily, Cannella, and Dalton (2003). While Certo et al. (2003), focus on investor evaluation at the time of IPO based on the stock option packages indicated in prospectuses, this study shows that it could be potentially fruitful for researchers to look at what happens as stock options change after the issuing of an IPO. Founders are typically known for being paid less than a hired manager (He, 2008), therefore, it is interesting that their stock options change more frequently. Further research about the exact nature of these changes and how it impacts performance could be undertaken in the future.

Second, the nature of doing more in-depth qualitative research involves smaller sample sizes. Sometimes this can limit the generalizability of a study; however, the firms included in the 38 firm sample of this study include firms from the most popular industries that make IPOs. Between 2009 and 2012 the most common industry to have IPOs was the technology sector (Renaissance Capital, 2015). The technology sector is represented by pairs 13 through 25 seen in Table 1. In 2013 and 2014, the most common industry sector of IPOs was healthcare (Renaissance Capital, 2015), which is represented in pairs 3 through 7. Therefore, the results here have some power to be generalized. However, it would be interesting in the future to compare different industries and how that determines the prevalence and content of CEO narratives. It is possible that companies in industries that more visible to mass public have CEOs that get more exposure. Technology firms that make products for the general public versus firms that do business to business sales could be represented differently, for example. It would also be interesting to interview and survey investors about their impressions of content about IPO firms in the future.

Third, looking at information about an IPO firm one year after it is made is important step in understanding how their narrative starts form as a newly publicly traded company. However, it would be of interest to investigate what happens after this stage. An area of research for future studies would be to extend a small sample of companies' narratives into the future. IPO firms that experience different types of outcomes, such as delisting, acquisition, and so forth, could be investigated to see if there are some similarities.

6.3 Conclusion

In this study I addressed how narratives about founder and non-founder CEOs influence the perception of IPO firms to those external to the company. I found that founder CEOs have

more personal information/background that showcases their entrepreneurial identity, founder CEOs narrate their business operations in a way that a broader audience can understand rather than using mostly technical language like non-founders, and that founders are more likely to be quoted talking about societal contributions and winning awards while non-founder CEOs are more likely to be quoted talking about business operational issues. This research contributes to the literature about founder CEOs, IPOs, and organizational narratives in a meaningful way.

ESSAY 2: THE ROLE OF NATIONAL CONTEXT IN THE RELATIONSHIP BETWEEN FOUNDER CEOS AND IPO PERFORMANCE

7. INTRODUCTION

We know from previous research that founder CEOs of IPO companies generally perform better than non-founder CEOs in the United States (Nelson, 2003; Fischer & Pollock, 2004; He, 2008; Gao & Jain, 2011). Previous explanations for this difference are: (1) Founders invest more in research and development than non-founders (Fahlenbrach, 2009), (2) they have more ownership and control over certain governance mechanisms at IPO (Nelson, 2003), (3) they possess unique human capital relevant to the company's operations (Fischer & Pollock, 2004), and (4) they are psychologically connected to their firms as stewards (Walters, Le, & Kroll, 2015). Founders outperforming non-founders challenges the notion that founder CEOs do not have what it takes to run a more complex and publicly traded company within the United States (Bloom & Van Reenen, 2010).

However, the impact of founder CEOs on IPO performance outside the United States has yet to be explored. Conclusions drawn from the United States market may not be valuable outside the United States because the United States has a unique business environment (Busenitz, Gómez, & Spencer, 2000) that gives managers a lot of power to make decisions (Crossland & Hambrick, 2011) and makes the IPO market robust and diverse (Ernst & Young, 2011). Upper echelon theory's basic premise, officially introduced by Hambrick and Mason in 1984, is that managers' experiences, interpretations of situation and personalities influence how they make decisions. The CEOs of companies in different national settings and their participation in different social practices leads to different perceptions (Nisbett & Miyamoto, 2005). Given

contextual differences, specific characteristics of managers may not equate the same outcomes in different national settings. For example, Engelen, Schmidt, Strenger, & Brettel (2014) found that certain leadership behaviors and whether they lead to innovation in organizations was moderated by national culture. In another example, Brodbeck et al. (2000) found that leaders being participative was much more important in Northern and Western Europe than in Southern and Eastern Europe and administrative capabilities were viewed as essential to be a good leader in Russia and Georgia while not in other countries in Europe. Therefore, culture can influence the perception of leaders and management. Therefore, this study answers calls in the literature to investigate upper echelon theory outside the United States (Hambrick, 2007; Finkelstein, Hambrick, Cannella, 2009) since the influence of upper echelons varies with macrosocial context (Hambrick, 2007). It is possible that the culture surrounding a stock market exchange can influence the perception of what experiences and attributes in a manager are best for leading a newly public company.

Furthermore, national level variables do influence IPO performance. Notably, the culture of the market influences investors' behavior in IPO firms (Costa, Crawford, Jakob, 2013). In fact, Engelen and van Essen (2010) found that across different nations, 10% of the level of underpricing in IPOs was explained by national context and Costa et al. (2013) found that multiple cultural factors within nations explained around 40% variance in underpricing between different countries.

Founder CEOs, who have been in charge of their organizations since inception, have unique characteristics that a lot of non-founder CEOs do not have. Founders tend to be more future-oriented than individuals without entrepreneurial experience (Das & Teng, 1997) and have the ability to handle uncertainty well (Shane, Venkataraman, & MacMillan, 1995; de Luque &

Javidan, 2004). Founder CEOs are successful entrepreneurs who were able to stay with their companies even after they went public. Founders do maintain many behaviors of entrepreneurs even when managing a larger and publicly-traded firm (Fahlenbrach, 2009). Given that entrepreneurs do align with particular values, such as being oriented towards the future, it is possible that sociocultural factors influence how investors make decisions about entrepreneurs and the companies they run.

This paper attempts to answer the question “how does national context influence the relationship between founder CEO presence and IPO long-run performance across multiple nations?” I want to investigate how certain societal factors influence IPO investment decisions in IPO firms that are founder run. With the globalization of stock markets and increased IPO activity across the world, it is important for management to understand what makes their offering valuable in the eyes of investors. This study contributes to a growing area of cross-national IPO research in management. IPO activity is inherently different across markets given institutional factors (Lewellyn & Bao, 2014) and the role and perception of management is often different dependent upon culture norms (Matsuda, Vanderwerf, & Scarbrough, 1994). Therefore, investigating the relationship between culture, management, and IPO performance will allow for a more robust understanding of how upper echelon influence varies across contexts.

This paper uses hierarchical linear modeling and a sample of over 1,000 firms across eight nations and nine exchanges to investigate how certain institutional factors influence how founder CEOs perform in IPOs compared to hired managers. Namely, the role of managerial discretion, uncertainty avoidance, future orientation, and standard practices are investigated. The analysis shows that international exchanges do not behave the same as the United States.

Notably, managerial discretion, uncertainty avoidance, and standard practices at the national level show the most influence on how a founder CEO performs in an IPO firm.

8. THEORETICAL FOUNDATIONS

Previous research on the link between founder CEOs and IPO performance has comprised a range of theoretical explanations including information theories such as signaling theory (Certo, Covin, Daily, & Dalton, 2001; Jain & Tabak, 2008), resource-based theories such as resource dependency theory (Nelson, 2003) and resource-exhaustion-based perspective (Mousa & Wales, 2012), social theories such as social capital theory (Fischer & Pollock, 2003) and network theory (Yang, Zimmerman, & Jiang, 2011) and mix of other theories such as agency/stewardship theory (He, 2008), and institutional economic theory (Ding, Nowak, & Zhang, 2010). Each study has contributed to the understanding of the relationship between founder CEOs and IPO performance within the particular context being studied. In order to understand the relationship between founder CEOs and IPOs across multiple nations, a broader theoretical context is needed.

Upper echelon theory is founded on the logic that managers' experiences, interpretations of situations, and personalities influence how they make organizational and strategic decisions (Hambrick & Mason, 1984). A manager's personality and experiences influences their decision making patterns because people are boundedly rational (Simon, 1979) and are unable to know every possible alternative when making a complex strategic decision (Cyert & March, 1963). In complicated situations, it is not easy to recognize the best choice and there may not be one best choice. Therefore, managers "inject a great deal of themselves" including their personality into how they make decisions (Finklestein, Hambrick, & Cannella, 2009: 44).

Management, particularly CEOs, have considerably more influence over their firm the smaller the organization (Carpenter, Geletkanycz, & Sanders, 2004). Therefore, management's influence declines as firms grow in size. The event of an IPO offers an interesting context to study the role of upper echelon influence on their firm since it is a large milestone in the development of an organization. CEOs are inevitably under public scrutiny. Investors make judgments of venture quality based off of management characteristics (Higgins & Gulati, 2003) and important managerial decisions at the time of IPO determine how well the firm will perform or even survive as a publicly traded company in future (Jain & Kini, 2008). Upper echelon theory can help distinguish the differences in performance for founder CEOs and non-founder CEOs in IPO companies because the amount of influence a CEO has on their company at IPO varies based on their status as a founder or not as founder. Founders and their personality and experiences exert more influence over the organization in two important ways.

First, entrepreneurs and their identities are imprinted on their organization. During the startup phase, strategic imperatives and most likely the same as the founder's personal motivation for starting a company (Souder, Simsek, & Johnson, 2012). The founder sets the tone for the strategic direction of their company. Founder-managed companies typically closely reflect the personality of the founder and their background (Gedajlovic, Lubatkin, & Schulze, 2004). Therefore, as a firm grows and progresses, founders know how to influence members within their organization that is consistent with the company's values because it is often closely tied to their own values.

Second, founders typically hold a large portion of the ownership in their companies (Miller, Breton-Miller, & Lester, 2011) even after making an IPO (Nelson, 2003). Founders have been shown to own over 30% of the shares outstanding in their companies after IPO (Bruton,

Chahine, & Filatotchev, 2009) as opposed to the average of 14% ownership of a sample of all CEOs in IPO companies (Certo, Daily, Cannella, & Dalton, 2003). Ownership in a company, whether it is possessed by management team members, board directors, or those outside the firm, is associated with more identification with the company and its objectives (Filatotchev & Bishop, 2002). Given that a founder has larger financial ties to their organization on average, a founder's imprint can continually influence the company's strategic direction.

Given that managers influence their firm's performance based on their characteristics and experiences and experiences and characteristics vary internationally, how different managers perform in IPO firms across nations will be explored in this study. The next section will develop the hypotheses about which contextual factors moderate the relationship between founder presence in IPO firms and stock market performance.

9. THEORETICAL DEVELOPMENT

This section begins with a discussion of what national managerial discretion is, and then advances a specific hypothesis on the moderating influence of national managerial discretion. Next, it looks at subsets of managerial discretion by investigating various dimensions of informal institutions and their moderating role in CEO's influence on IPO performance in order to refine and extend our understanding.

9.1 National Managerial Discretion

Managerial discretion is how much latitude a manager has to make decisions and how much management's decisions actually influence the company's operations (Finkelstein & Boyd, 1998). Managerial discretion does vary across nations and cultures (Crossland & Hambrick, 2011). Different institutional factors (Crossland & Hambrick, 2011), a region's identity

(Molotch, Freudenburg, & Paulsen 2000), and societal perceptions influence the amount of managerial discretion in a particular region.

Given that founder CEOs have imprinted their own personality on their business, they naturally possess the knowledge and skills to influence organizational actors in line with the firm's goals. Indeed, the impact of founder CEOs in the United States has been shown to be stronger than non-founder CEOs in large corporations (Adams, Almeida, & Ferreira, 2009), small companies (Ling, Simsek, Lubatkin, & Veiga, 2008), and IPOs (Nelson, 2003). However, managerial discretion in the United States is high (Crossland & Hambrick, 2011). Therefore, CEOs have more power to influence their firm and founders' can more easily use their superior knowledge of their company to influence its performance. Moreover, CEOs that more embedded in their organization are better able to increase their company's market performance by utilizing discretion. CEOs that owned a larger percentage of their company had a greater impact on their company's market performance when managerial discretion was high (Lilienfeld-Toal & Ruenzi, 2014). As mentioned previously, founders typically own a higher percentage of their firm than non-founders (Nelson, 2003) and are more likely to hold a significant portion (above 10%) of their company's stock (Lilienfeld-Toal & Ruenzi, 2014). Founders not only have the ability to make decisions that best align with their company's identity but are highly incentivized to do so.

Managerial discretion gives CEOs power. CEOs that are given discretion via their national culture, can make more drastic decisions. Managerial discretion has been found to moderate many relationships between CEOs/CEO characteristics and decisions and performance outcomes. For instance, Li and Tang (2010) find that elements of managerial discretion moderate the relationship between CEO hubris and risk taking in organizations. This shows that managerial discretion allows CEOs' personality traits to more strongly influence decision

making in their organization. In addition, Rabl, Jayasinghe, Gerhart, and Kahlmann (2014) found that elements of managerial discretion moderated the relationship between chosen human resource practices and firm performance. High performance work systems are more strongly related to business performance when managers have the discretion to properly implement them (Rabl et al., 2014). This shows that not only does managerial discretion allow for CEOs to make the decisions they want, but shows that making the same decisions can be more powerful when they have discretion.

Difference in managerial discretion across multiple nations is particularly important in determining a CEO's influence on their firm. Crossland and Chen (2013) found that in nations where managerial discretion is higher, CEOs are more likely to be dismissed for poor performance since important stakeholders believe that CEOs play a more integral role in influencing performance. Consequently, CEOs of IPO firms in nations with high managerial discretion will be perceived as more instrumental in determining their firm's market performance. Given that founders have an even larger influence on their firm due to their level of ownership and the imprint of their personality on the business' decisions, founder CEOs in higher discretion nations will have an even stronger relationship to their firm's performance. Therefore, I hypothesize the following relationship:

Hypothesis 1: National managerial discretion will positively moderate the founder CEO-IPO performance relationship.

9.2 Contingent Influence of Informal Institutions

On a national level, informal institutions are also largely influential on the relationship between CEO's decisions and firm performance. As noted above, managerial discretion is the

latitude that a manager has in making decisions (Crossland & Hambrick, 2011). Constraint of discretion is determined by powerful stakeholders. Stakeholders determine which actions are acceptable or not based off of societal norms that are influenced by informal institutions such as culture and common practices (Crossland & Hambrick, 2011). In this section, I will discuss three prominent informal institutions which previous literature suggests might influence this relationship (1) uncertainty avoidance (2) future orientation and (3) standard practice.

Uncertainty avoidance, future orientation, and standard practice are three informal institutions that are particularly salient in determining the influence of founder CEOs. According to upper echelon theory, the background, tendencies, and personality of the manager impact the direction of the company. Founders and non-founder CEOs will frequently differ in specific tendencies they have given whether they went through the process of founding their company or not. Founders will differ in their ability to handle uncertainty since the entrepreneurial process requires a certain level of tolerance for change and ambiguity (Shane et al., 1995) that many hired managers have not had to face. Founders will differ in their propensity to be oriented towards the future since the entrepreneurial process is undertaken with the anticipation of a long term payoff (Das & Teng, 1997). A non-founder CEO may see their position with the company as a career stepping stone. CEOs that have prior executive experience take their firms to IPO earlier the company's lifecycle (Yang et al., 2011).

On the other hand, there is no significant relationship between the presence of a founder CEO and time to IPO (Yang et al., 2011). This shows that founders may be more concerned with the appropriate time to take their company public than quickly taking advantage of an opportunity like some experienced managers do. Lastly, founders in IPO companies increasingly become novelties in large developed market given the professionalization of management in such

markets. Whether a company subscribes to common institutional norms or not is a choice (Gelfand, Nishii, & Raver, 2006). Choosing to have a founder CEO to take an IPO to market is a choice to deviate from informal norms and makes founders' unique relationship with their firm even more pronounced. Each informal institution will be discussed in more detail in the subsequent sections.

9.2.1 Uncertainty Avoidance. Uncertainty avoidance is the extent to which individuals tolerate ambiguity versus how much individuals prefer order (de Luque & Javidan, 2004). The event of an IPO is surrounded by a significant amount of uncertainty. Subsequently, making an IPO in a culture that is avoidant of uncertainty could be particularly challenging. However, countries that rate highly in uncertainty avoidance see much less underpricing in IPOs (Costa et al., 2013). Less underpricing in uncertainty avoidant cultures signifies that parties on both sides (within the organization and outside the organization) are both looking for the IPO process to involve less uncertainty. Countries that embrace uncertainty more have to deal with more ambiguity in the IPO process. Consequently, low uncertainty avoidant cultures will value founder CEOs more highly since embracing ambiguity is a particular skill acquired by founders during the entrepreneurial process.

A theoretical construct encompassed in upper echelon theory is human capital of top management team members (Carpenter et al., 2004). Going through the entrepreneurial process of starting a company from scratch influences how a founder CEO behaves and perceives situations and adds to their human capital. Founders and their entrepreneurial teams learn skills that are both simple and complex that shape their future decision making capabilities (Hsu, 2007). Participating in the entrepreneurial process also requires tolerance of uncertainty and unanticipated changes (Shane et al., 1995; de Luque & Javidan, 2004). Mueller and Thomas

(2001) found that individual entrepreneurial orientation (being both innovative and having a high internal locus of control) was more significant in low uncertainty avoidance cultures than high uncertainty avoidance cultures. Therefore, founders, who have successfully gone through the entrepreneurial process, will be able to tolerate uncertainty to a larger extent than those who have not experienced the entrepreneurial process.

Tolerance of uncertainty is an element of human capital that can be useful for when undergoing an event wrought with uncertainty such as an IPO. As mentioned previously, countries that have low uncertainty avoidance experience more underpricing (Costa et al., 2013) and stakeholders internal and external to IPO firms experience more ambiguity. Given the added amount of uncertainty within the IPO process in these nations, investors will see a manager who has the appropriate human capital to handle uncertain situations in a positive light. In line with this argument, I propose the following hypothesis:

Hypothesis 2a: The extent of uncertainty avoidance in the national culture will negatively moderate the founder CEO-IPO performance relationship.

9.2.2 Future orientation. This informal institution is the “degree by which a collectivity encourages and rewards future-oriented behaviors such as planning and delaying gratification” (Ashkanasy, Gupta, Mayfield, & Trevor-Roberts, 2004: 284). In the IPO process, companies that are future oriented are more interested in raising the amount of capital to benefit the company’s growth objectives (Costa et al., 2013). In fact, in high future-oriented cultures, less investors flip IPO shares for short term gains causing an underpricing effect (Costa et al., 2013). However, in many markets it has been shown that underpricing is not correlated to long-run performance of IPO firms (e.g. Lee, Taylor, & Walter, 1996). A way that future-oriented investors can decide

whether an IPO aligns with their interests is based on who the top management team is. A management team that is seen as appropriate to run a IPO company is shown to send a signal to investors about the attractiveness of the firm (Cohen & Dean, 2005).

Markets embedded in future oriented cultures are going to be interested in investing in CEOs that they also believe care about the long run of the firm. CEOs play an integral role in the IPO process and given limited time and information to make decisions, their background and experience will play a large part in what kinds of decisions they make at the time of IPO that are either short or long term oriented (Andrews & Welbourne, 2000). Founders, given their experience as entrepreneurs and having to engage in risk behavior that involves taking considerable gambles for the possibility of long-term payoff (Das & Teng, 1997), tend to be more future-oriented than non-founder CEOs.

Founder CEOs maintain their future orientation even when managing a publicly traded company for a long period time. Fahlenbrach (2009) found in a sample of large United States companies in the S&P 500 that founder CEOs have a longer planning horizon and make investment decisions in line with maximizing shareholder value over time and not empire-building. Founders have been shown to have a positive influence on long-term performance measures in IPO firms including survival (He, 2008) and for five year buy-and-hold returns (Gao & Jain, 2011) in United States' samples. Founder CEOs naturally identify with the business they have created. The identity of the founder becomes "imprinted" on the business through important decisions made by the founder since inception (Fauchart & Gruber, 2011).

Moreover, founder CEOs tie more of their wealth into the company by having a higher level of ownership than non-founders at IPO (Nelson, 2003). Intuitively, founders also are more likely to create entrepreneurial orientation in their company (Mousa & Wales, 2012).

Entrepreneurial orientation, involves a company being autonomous, innovative, proactive, competitively aggressive, and willing to take risks (Lumpkin & Dess, 1996). The results of entrepreneurial orientation are not always evident immediately. Founder CEOs who have personally invested financially and psychologically into their own venture and have managed to remain with their company through the IPO process, are likely to care about what happens to the company in the long term. Therefore, investors in cultures that value future orientation, may value future-oriented founder CEOs more so than hired managers and will invest in IPOs accordingly. Although non-founder CEOs may have more experience in managing publicly-traded companies, there is always a risk that they do not have the company's and the shareholders' best interest at heart. Therefore, investors will value founder CEOs more the more future orientation is valued in their society. Given the above argument, future orientation of an exchange will positively moderate founder CEO's positive performance in IPOs.

Hypothesis 2b: The extent of future orientation in the national culture will positively moderate the founder CEO-IPO performance relationship.

9.2.3 Standard Practice. Standard practice is when a company has a particular characteristic or behaves in a certain way that the majority of other firms in the particular context do. Organizations that retain the founder as their CEO through the IPO process are going against standard practice since the majority of IPO companies do not have the original founder at the helm when they make an IPO (Martens, 2005). As organizations grow, it is possible that the management expertise needed to run the company effectively changes (Jain & Tabak, 2008). Indeed, particular events in a company's progression such as securing a round of financing motivates CEO succession (Wasserman, 2003). However, certain companies do retain founder

CEOs given their unique human capital and ability to run the firm in which they created. Therefore, in this case, having a founder CEO during the IPO process is going against the standard practice of the market.

Whether to conform or deviate from societal norms is ultimately a choice that organizations make (Gelfand et al., 2006). Management literature over the past quarter of a century has been particularly interested in the role of CEOs and management team's role in the IPO process and in IPO performance (Certo, Holmes, & Holcomb, 2007). Different stakeholders are involved in making the decision about who is going to be at the helm during an IPO. Upper echelon theory states that managers make decisions based off of what information falls within their cognitive capabilities (Seaton & Boyd, 2007; Hambrick & Mason, 1984). Whether or not the cognitive capabilities and experiences are in line with the projected path of a company making an IPO is a decision made by stakeholders. Jain and Tabak (2008) find that factors influencing founders' cognitive processes including their functional background (output-based versus throughput-based), their age, founding team size, and the structure of the board of directors, determine whether they remain with their company through IPO.

When both important external stakeholders and the CEOs themselves believe that the CEO's experiences have prepared them to lead a company making an IPO the founder is more likely to remain the company (Jain & Tabak, 2008). A CEO that has an output-based functional background, involvement in marketing, merchandising, product research and development, and so forth, will more likely define problems, process information, and make decisions in a way that better handles uncertainty and ambiguity than a manager with a through-put background (Herrmann & Datta, 2005). Being able to handle ambiguity is seen as a useful skill when

undergoing an IPO. However, the decision to have a founder in charge during IPO is not the most popular decision.

Founder CEOs have been shown to bring beneficial experience to the IPO companies they manage. The various challenges founders have to face and overcome on their route to managing an IPO company can make it difficult for them to remain with their firm during IPO. Over the past 35 years (1980 through 2015) in the United States, the average age of a company making an IPO was 8 years old (Ritter, 2016). Between the 1990s and the 2000s in the United States, firm age at IPO has gotten larger (Ritter, 2016). During the similar time periods in the other markets, the average age was older. In London, the average age of an IPO company was 17 in the 1980s, 1990s, and 2000s (Paleari, Piazzalunga, Redondi, Trabucchi, & Vismara, 2009) and in the 1990s in Hong Kong, the average age of IPO firms was 16 years (Carey & Steen, 2006). Given the time taken to get to the offering stage and the continual professionalization of management, founder CEOs have become less popular of a choice in IPO companies. Therefore, the founders that do make it to the IPO stage are not only equipped with a unique set of firm-specific human capital, but are battle-tested. Conflicting with standard practice can be advantageous for a company since it shows an element of uniqueness in the eyes of investors. As noted previously, companies managed by founders are an extension of the founder and their background (Gedajlovic et al., 2004) which give founders the ability to influence organizational actors consistent with the company's values. Being able for founders to understand their firm so intimately will stand out even more against a backdrop of a large portion of firms managed by non-founder CEOs. Founders that stand out in their market will be of more interest to investors and perform even better in the long run after IPO.

Hypothesis 2c: Standard practice will negatively moderate the founder CEO-IPO performance relationship.

10. METHODS

10.1 Sample

Ten exchanges in nine countries were selected from the World Federation of Exchanges that had a minimum of 15 IPOs between 2009 and 2011 and at least 5% of the IPOs were foreign listings. Nine countries exceed the minimum number of countries established by Franke and Richey (2010) to be able to draw reasonable conclusions in an international study. One country (Taiwan) had to be dropped from the dataset given the unavailability of a score for national managerial discretion. The years 2009, 2010, and 2011 were selected to avoid the macroeconomic issues of the global financial crisis of 2008 and provide three full years of data at the time of collection. All IPOs completed on each exchange was included in the sample except funds, corporate spin-offs, secondary offerings, and other offerings not representing a company going public for the first time (Carpenter, Pollock, & Leary, 2003). Any firms that did not record at least one year on the market were also eliminated given lack of data. Firms that were acquired, delisted, merged with another company, or changed after one year of listing were included in the dataset for as long as they were listed as the company that made the IPO. Descriptive statistics for each country included the dataset is included in Table 3.

Table 3: Descriptive Statistics of Each Country Included

Exchange	MidCap Index	No. of IPOs 2009-2011	Percentage Foreign Listings	Percentage Founder CEOs	Managerial Discretion	Uncertainty Avoidance	Future Orientation
Australian Securities Exchange	S&P/ ASX Midcap 50 Index	226	6%	18%	5.7	4.39	4.09
Frankfurt Stock Exchange	Deutsche Borse AG Midcap Indexx	34	12%	21%	4.1	5.22	4.27
Hong Kong Stock Exchange	Hang Seng Composite Midcap Index	220	63% or 6%*	39%	5.0	4.32	4.03
London Stock Exchange	FTSE Smallcap Index	114	46%	25%	6.0	4.65	4.28
New York Stock Exchange/ NASDAQ	S&P Midcap 400 Index	309	24%	39%	6.6	4.15	4.15
Oslo Bors	FTSE Norway Midcap Index	19	32%	21%	5.2	4.31	4.48
Singapore Exchange	MSCI Singapore Midcap Index	67	28%	36%	4.8	5.31	5.07
Toronto Stock Exchange	TSX Smallcap Index	50	12%	28%	5.9	4.58	4.44
Total		1,039	27.88%	28.38%			
*For the Hong Kong Stock Exchange, Chinese companies are listed as foreign listings. The first number is the total number of foreign listings that include Chinese companies and the second number is the total number of foreign listings that are not Chinese companies							
**Excludes Chinese firms that list on the Hong Kong Stock Exchange							

10.2 Dependent Variables

IPO Performance. Following previous management and finance literature, IPO long-term stock market performance was measured using buy-and-hold abnormal returns (BHARs) (e.g., Jaskiewicz, González, Menéndez, & Schiereck, 2005; Chang, Chung, & Lin, 2010). Two commonly utilized time periods, one year (e.g., Bhabra & Pettway, 2003) and three years of BHARs (e.g., Chang et al., 2010) are recorded. The performance and operations of IPO companies are generally different one year after the IPO and two or more years after IPO (Mikkelsen, Partch, & Shah, 1997) and therefore, using more than one time period is useful. To adjust for market performance, the mid-cap index for each country is used. Mid-cap indices are the most appropriate benchmark for IPO companies since they contain firms of similar size and market-to-book ratio to the IPO companies on the market (Brav & Gompers, 1997; Jaskiewicz et al., 2005). Using a comparable sample for a benchmark has been shown to give more powerful and less biased results than using more general benchmark such as the S&P 500, FTSE 100, and Hang Seng Index, for example (Gao & Jain, 2011). All financial information to calculate BHARs were downloaded from a Bloomberg Terminal.

10.3 Independent Variables

Founder CEO Status Founder CEO status is recorded as a dichotomous variable coded as “1” if a company has a founder CEO and “0” if a company has a non-founder CEO (Nelson, 2003; Jain & Tabak, 2008).

Managerial Discretion Managerial discretion, the latitude a manager has to make decisions and how much management’s decisions actually influence the company’s operations (Finkelstein & Boyd, 1998), was measured via the scores provided by Crossland and Hambrick

(2011). Crossland and Hambrick (2011) used expert panelists to arrive at their managerial discretion scores for each nation.

Uncertainty Avoidance Scores for uncertainty avoidance, the extent to which individuals tolerate ambiguity versus how much individuals prefer order (de Luque & Javidan, 2004), were obtained from the GLOBE study (House, Hanges, Javidan, Dofrman, Gupta, 2004). The GLOBE study (House et al., 2004) surveys the perception of individuals about their cultural viewpoints across 64 nations. The “as is” measure of society, which captures how people believe people behave in their society right now, was used (House et al., 2004).

Future Orientation Scores for future orientation, the “degree by which a collectivity encourages and rewards future-oriented behaviors such as planning and delaying gratification” (Ashkanasy et al., 2004: 284), were also taken from the GLOBE study and the “as is” component of the measure.

Standard Practice Standard practice, when a company has a particular characteristic or behaves in a certain way that the majority of other firms in the particular context do, is how common founder CEOs are in a nation in this context. Standard practice is measured by the percentage of firms in the IPO sample that have founder CEOs. As seen in Table 3, percentage of founder CEOs in a country range from 18% in Australia to 39% in the United States and in Hong Kong.

10.4 Control Variables

Firm Size Firm size is measured by the natural log of the number of employees for each firm at time of IPO (Kroll, Walters, Le, 2007). This data was downloaded from a Bloomberg terminal. Any missing data was obtained from official company statements (i.e., the company prospectus).

Venture Capital and Private Equity Backing Given that private equity and venture capital backing varies across nations and can impact IPO performance in some nations such as the United States (Brav & Gompers, 1997), it was controlled for using a dichotomous variable. A “1” was recorded for a company that had private equity or venture capital funding and “0” for each company that did not have backing from either private equity or a venture capitalist.

CEO Tenure CEO tenure is controlled for by recording the number of years and months in decimal form that a CEO has been in their position at the time of the IPO. Controlling for CEO tenure separates the founder effect from firm-specific capital a CEO may have acquired from a long tenure.

Firm Age Firm age is controlled for by recording the number of years and months in decimal form the company has been in operation since founding at the time of IPO.

Industry Industry was controlled for by the first digit of the SIC code.

CEO Entrepreneurial Experience Prior entrepreneurial experience of the CEO, whether they are the founder or not, is noted as “1” if the CEO has successfully started a business and “0” otherwise. Past experience was recorded from the CEO’s profile on a Bloomberg Terminal. Prior entrepreneurial experience signifies that the CEO acquired a particular set of human capital (Ucbasaran, Wright, & Westhead, 2003) and needs to be separated from the founder effect.

Formal Institutions When considering how informal institutions impact decisions at the national level such as culture, formal institutional factors need to be controlled for. Roughly following Crossland & Hambrick (2011), three formal institutions were controlled for including legal origin, labor market flexibility, and protection of minority shareholders. The formal institutional variable was recorded for the home country for each firm. 43 countries in total were represented in the dataset. Scores were taken from the World Economic Forum’s Global

Competitiveness Reports (2016) for each year. The Global Competitiveness Reports use an opinion survey from executives to assess the business environment as well as information from international agencies such as the United Nations (World Economic Forum, 2016). Legal origin was (denoted “1” if civil law and “0” if common law). Labor market flexibility was the sum of three categories that included (1) cooperation in labor-employer relations, (2) flexibility in wage determination, and (3) hiring and firing practices each scored from 1 to 7. Protection of minority shareholders was also recorded on scale from 1 to 7.

10.5 Analysis

Given the nested nature of the data, hierarchical linear modeling (HLM) was utilized for analysis. Given the skewed nature of the dependent variable of BHARs the variable was transformed by adding a constant and taking the log. Furthermore, five extreme outliers were removed from the dataset after an outlier analysis identified them as problematic. Level 2 (country level variance) was significant and explained between 2% and 18% of firm performance which is consistent with other studies that compare IPOs across nations (e.g. Engelen & van Essen, 2010).

11. EMPIRICAL RESULTS

Bivariate correlations are presented in Table 4. Table 5 shows the means and descriptive statistics for control and dependent variables broken down by country in the dataset. Table 6 shows the results for Hypothesis 1 for one year of BHARs. The interaction between founder CEO presence and managerial discretion is significant ($F = -.058$; $p < .05$), but in the opposite direction hypothesized. The coefficient is negative and therefore, founder CEO presence is negatively related to market performance the greater the discretion the CEO has in the country.

Notably, three control variables, including CEO entrepreneurial experience, foreign listings, and firm size are all significant which suggests that there might be an interactive effect that theory has not yet predicted. Larger firms, domestic firms, and firms with CEOs that have previous entrepreneurship experience perform better on average. For BHARs after three years, the interaction is not significant as shown in Table 7. Therefore, Hypothesis 1 is not supported by our data.

The results for Hypothesis 2 are included in Table 8 and 9. For uncertainty avoidance, the interaction is moderately significant in the opposite direction hypothesized ($F = .110$; $p < .10$). The presence of a founder CEO more significantly impacts market performance the higher the country scores in uncertainty avoidance. For three years of BHARs, the interaction is not significant. Therefore, Hypothesis 2a is not empirically supported, but this significant finding is interesting and will be explored further in the discussion section.

For future orientation, the interaction is not significant for either one or three years of market performance. Hypothesis 2b, which states that founder CEO presence would be more significantly related to market performance for an IPO firm the higher the future-orientation of the exchange was not supported.

Hypothesis 2c, which predicted that the larger the standard practice, the more negatively related founder CEO presence to market performance was supported for one year of market performance ($F = -.005$; $p < .005$) but not three years. The coefficient is negative for the interaction which shows that the lower the percentage of founder CEOs at the helm of IPO firms in the particular country for the years included, the more positively the founders that are CEOs perform. Firm size is shown to be significant for one and three years. In year one, entrepreneurial experience of the CEO is significant, while CEO tenure is significant after three years. As far as

the formal institutional controls, in year one common law origin is significantly related to performance of the IPO company while labor market flexibility becomes more important after three years.

Table 4: Descriptive Statistics

	Mean	Std. Dev.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. CEO Entre Exp	.16	.37															
2. Dom/For	.30	.46	.04														
3. CEO Tenure	4.65	6.95	-.01	.04													
4. Firm Age	15.05	23.47	-.10	-.02	.10												
5. Firm Size	5.44	2.58	-.07	.31	.18	.24											
6. VC/PE	.25	.43	.03	.13	.16	.07	.36										
7. Legal Origin	.30	.46	0	.66	.04	.04	.40	.12									
8. Labor Market Flexibility	14.67	1.82	-.04	-.21	.09	.02	.18	.07	-.39								
9. Shareholder Protection	4.94	.42	-.01	-.59	-.07	.01	-.41	-.30	-.59	.14							
10. Founder CEO	.31	.46	.22	.11	.24	-.13	.09	.18	.09	.08	-.12						
11. Managerial Discretion	5.74	.70	.08	-.16	.06	-.01	-.10	.25	-.37	.06	-.08	.04					
12. Uncertainty Avoidance	4.42	.32	-.04	-.02	-.05	.03	-.09	-.25	.06	.01	.33	-.05	-.62				
13. Future Orien	4.20	.25	.02	-.05	.02	.05	-.07	-.08	-.11	.26	.34	.02	-.23	.79			
14. Std Pract	30.72	9.27	.05	.27	.16	.13	.46	.42	.13	.51	-.44	.20	.16	-.27	.07		
15. BHAR 1 Yr (ln)	5.27	.28	.03	-.07	-.02	.03	.06	-.01	-.11	.02	.02	-.03	0	-.06	-.09	-.04	
16. BHAR 3 Yrs (ln)	5.05	.50	-.03	.05	.08	.07	.20	.06	.04	.18	-.09	-.01	-.04	-.15	-.08	.19	.25

Significant correlations are bolded

Table 5: Means Values by Stock Exchange

Stock Exchange	CEO Tenure	Firm Age	Number of Employees	VC/PE Backing	BHAR 1 Year	BHAR 3 Years
Australian Securities Exchange	2.08	7.67	248	1%	19.16%	-45.37%
Frankfurt Stock Exchange	4.86	35.15	1705	26%	-11.25%	-83.79%
Hong Kong Stock Exchange	4.92	14.35	7977	28%	7.52%	15.97%
London Stock Exchange	3.76	12.87	2030	6%	39.55%	-14.53%
New York Stock Exchange/ NASDAQ	6.22	19.80	4677	55%	-4.53%	-13.16%
Oslo Bors	6.35	28.28	1285	0%	-6.57%	-18.94%
Singapore Exchange	5.45	19.13	1024	12%	-32.64%	-30.34%
Toronto Stock Exchange	2.81	3.20	766	14%	53.69%	-8.73%

Table 6: HLM Results for Managerial Discretion Interaction for 1 Year BHAR

	Model 1	Model 2	Model 3	Model 4
Fixed Effect	Controls	Direct Effect- Founder	Managerial Discretion	Founder x Discretion
Founder CEO		-.010		.012
Founder x Managerial Discretion				-.058**
<i>Control Variables</i>				
CEO Prior Entrepreneurship Experience	.039*	.040*	.038	.040*
Domestic/ Foreign Listing	-.083****	-.082****	-.083****	-.080****
CEO Tenure	.000	.000	-.001	.000
Firm Age	.000	.000	.000	.000
Firm Size (Employees)	.016****	.015****	.016****	.016****
VC/PE Backing	.003	.003	.000	.002
<i>Level 2 Variables</i>				
Managerial Discretion			0.036	0.035
Random Effect	Variance Component			
Level 2 effect, U	.00248****	.00248****	.00247****	.00275****
Level 1 effect, e	.07746	.07753	.07942	.07717
N=1011 *p<0.10 **p<0.05 ***p<0.01 ****p<.001				

Table 7: HLM Results for Managerial Discretion Interaction for 3 Year BHAR

Fixed Effect	Model 5		Model 6	Model 7
	Controls	Direct Effect- Founder	Managerial Discretion	Founder x Discretion
Founder CEO		-.050		-.060*
Founder x Managerial Discretion				.050
<i>Control Variables</i>				
CEO Prior Entrepreneurship Experience	-.012	.000	-.012	-.002
Domestic/ Foreign Listing	-.035	-.032	-.035	-.035
CEO Tenure	.004*	.004**	.004*	.004**
Firm Age	.001	.000	.001*	.001
Firm Size (Employees)	.027***	.027*****	.027*****	.027*****
VC/PE Backing	.001	.013	.008	.011
<i>Level 2 Variables</i>				
Managerial Discretion			.120	.120
<i>Random Effect</i>				
	Variance Component			
Level 2 effect, U	.05213	.0515*****	.05223*****	.05179*****
Level 1 effect, e	.22435	.2242	.22431	.2241
N=1011 *p<0.10 **p<0.05 ***p<0.01 ****p<.001				

Table 8: HLM Results for Informal Institution Interactions for 1 Year BHAR

	Model 8	Model 9	Model 10	Model 11	Model 12	Model 13
Fixed Effect	Formal Controls	Direct Effect- Institutions Founder	Informal Institutions	Founder & UA Interaction	Founder & FO Interaction	Founder & Standard Practice Interaction
Founder CEO		-.003	-.003	.018	-.002	.018
Founder x UA				.110*		
Founder x FO					.009	
Founder x SP						-.005**
<i>Control Variables</i>						
Legal Origin	-.180****	-.180****	-.190****	-.180****	-.190****	-.190****
Labor Market Flexibility	-.013	-.012	-.013	-.013	-.013	-.013
Shareholder Protection	-.070*	-.062*	-.060	-.058	-.060	-.062*
CEO Entr Exp	.039*	.041*	.042*	.041*	.041*	.041*
Domestic/ Foreign	-.083****	-.010	-.001	-.002	-.002	-.001
CEO Tenure	.000	.000	.000	.000	.000	.000
Firm Age	.000	.000	.000	.000	.000	.000
Firm Size (Employees)	.016****	.016****	.016****	.017****	.017****	.017****
VC/PE Backing	.003	.002	.002	.000	.000	.005
<i>Level 2 Variables</i>						
Standard Practice			-.004	-.004	-.004	-.003
Uncertainty Avoidance			-.078	-.078	-.078	-.075
Future Orientation			-.013	-.012	-.012	-.014
Random Effect	Variance Component					
Level 2 effect, U	.00248****	.00233****	.00233****	.00119**	.00118**	.00118**
Level 1 effect, e	.07746	.07679	.07687	.07692	.07672	.07662
N=1011 *p<0.10 **p<0.05 ***p<0.01 ****p<.001						

Table 9: HLM Results for Informal Institution Interactions for 3 Year BHAR

	Model 14	Model 15	Model 16	Model 17	Model 18	Model 19	
Fixed Effect	Controls	Formal Institutions	Direct Effect- Founder	Informal Institutions	Founder & UA Interaction	Founder & FO Interaction	Founder & Standard Practice Interaction
Founder CEO			-.044	-.043	-.054	-.039	-.036
Founder x UA					-.056		
Founder x FO						.025	
Founder x SP							-.002
<i>Control Variables</i>							
Legal Origin		.084	.089	.091	.089	.091	.092
Labor Market Flexibility		.035*	.035*	.035*	.035*	.035*	.035*
Shareholder Protection		.014	.013	.012	.010	.012	.011
CEO Entr Exp	-.012	-.001	.002	.000	-.001	.000	.000
Domestic/ Foreign	-.035	-.023	-.023	-.025	-.025	-.025	-.030
CEO Tenure	.003*	.004	.004*	.004*	.004*	.004*	.004*
Firm Age	.001	.001*	.001	.001	.001	.001	.001
Firm Size (Employees)	.027*****	.025***	.025***	.025***	.025***	.025***	.025***
VC/PE Backing	.010	.015	.019	.015	.015	.015	.017
<i>Level 2 Variables</i>							
Standard Practice				.006	.006	.006	.006
Uncertainty Avoidance				-.530*	-.530*	-.530*	-.530*
Future Orientation				.460	.460	.460	.460
Random Effect	Variance Component						
Level 2 effect, U	.05213*****	.05202*****	.05150*****	.03353*****	.03349*****	.03353*****	.03348*****
Level 1 effect, e	.22435	.22358	.22348	.22343	.22359	.22366	.22362
N=1011 *p<0.10 **p<0.05 ***p<0.01 *****p<.001							

12. DISCUSSION

This study found that founder CEOs had more influence on one year IPO performance in countries that had less founder CEOs in IPO companies, had less managerial discretion, and rated higher in uncertainty avoidance. Management's impact on IPO performance does vary across nations. A CEO's personal and cultural values influence the organizational culture of the company they run (Giberson, Resick, Dickson, Mitchelson, Randall, & Clark, 2009). For instance, managers who are more open to experience tend to manage a less hierarchical organization (Giberson et al., 2009). It is important for an organization to have a CEO in place who is a good fit for their organizational goals. The "fit" of a CEO with the company is something that investors consider when evaluating IPO firms. In the context of the United States, it is often discussed why it is preferable for a company making an IPO to have a professional manager to understand and appropriately deal with the challenges of a publicly-traded firm (Moore, Filatotchev, Bell, & Rasheed, 2012).

However, a professional manager may not be the best "fit" for all IPO companies. IPO firms are typically judged on their potential and not raw accounting measures. For instance, biotechnology companies that make IPOs create the most value by investing in research and development more intensely when they make their offer (Deeds, 2001). Showing long term potential and growth is showing investors that the IPO company is entrepreneurial. Having an entrepreneurial CEO such as a founder CEO can fit the objective of a growth-oriented IPO company. However, investors across different cultural contexts value such fit differently.

Countries that allow for less managerial discretion actually value founder CEOs more. It is possible that founder CEOs are better able to exert control in environments where CEOs are just given less discretion. Nelson (2003) found that founders have more ownership and control

over certain governance mechanisms at IPO which then leads to better IPO performance. Being able to wield control, could be more valuable in an environment where such control is more difficult to attain. It was originally hypothesized that larger managerial discretion would allow founders the freedom to use their unique firm-specific capital to manage their organizations better. However, it is quite possible that founders are better able to mitigate low levels of discretion on a national level than non-founders given their unique abilities.

Countries that are higher in uncertainty value founder CEOs more. Of the nations represented in this study, Singapore, Germany, and London have the highest uncertainty avoidance scores. Singapore, which has the highest uncertainty avoidance score of 5.31, is a market of particular interest in this dataset. Even though Costa et al. (2013) found that countries with high uncertainty avoidance have less underpricing, Singapore has been shown to have historically high levels of underpricing (Singh & Van der Zahn, 2007). Singaporean IPOs still have underperformance issues even after one and three years as evident from the data in Table 3. Even though Singapore is a country that largely avoids uncertainty, much of their IPO market is dependent upon technology companies that rely primarily on intangible resources such as intellectual capital (Singh & Van der Zahn, 2007). Given the large portion of technology-related IPOs, founders in the Singaporean context could be seen as the best managers of the intellectual capital of the firms they have created. Therefore, in a way, a founder CEO represents less complications and uncertainty in the IPO stage given their close connection with their firm. In the IPO market in the United Kingdom, Moore et al. (2012) note that the market emphasizes more compliance with informal codes and are more reliant on social networks than in the market in the United States. Founder CEOs, who have achieved many network connections throughout their entrepreneurial journey, are seen as an advantage as a CEO (Moore et al., 2012). The

United States, given the level of uncertainty accepted in society, more formal restrictions need to be put in place during a big event such as an IPO as compared to places that control uncertainty through informal constraints. Entrepreneurs, who are more network-embedded in the United Kingdom, may reduce uncertainty in the eyes of investors since their social capital may be seen as stronger than a member hired from outside the firm. The social capital acquired by founders prior to IPO enable them to gather more resources outside their organization and use them collaboratively (Shiplov & Danis, 2006) which can be valued in the United Kingdom market.

This study originally hypothesized that markets that were less uncertainty avoidant would value founder CEOs more highly since founders are less uncertainty avoidant than non-founder CEOs and align with market cultural values. Given that the results were found in the opposite direction; it is possible that certain characteristics of founders such as their network connections in the United Kingdom and their ability to manage intellectual capital in Singapore will make them more attractive to investors who shy away from uncertainty. It is also possible that in environments where uncertainty avoidance is higher, founder CEOs that can handle uncertainty may be a welcome change. It has been found in China that founder CEOs do take more risks than hired managers (Tang, Li, & Liu, 2016). China is traditionally a country that loads high in uncertainty avoidance, and the risk taking level of founders will seem more pronounced against the backdrop of a culture that is generally conservative.

Lastly, when a founder CEO is less common in an environment, they stand out more. Founder CEOs who have unique firm-specific capital and who have been battle-tested stand out in markets where they are rarer. For a resource to be strategically valuable it must be valuable, rare, inimitable, and exploitable (Barney, 1991). Experience at the management level can be a firm's strategic resource (Carpenter, Sanders, & Gregersen, 2000). It has been shown that many

of founder's specific characteristics have shown to be valuable in multiple contexts (Colombo & Grilli, 2005). There is no other individual that can completely imitate the founder of a company. Founders that remain with their companies through IPO have also shown stakeholders that they can exploit their particular human capital in a meaningful way. This study shows that increasing the rarity of founders, increases their value on the stock market.

12.1 Theoretical Implications

This study contributes to two growing streams of literature. First, what constitutes the "best" manager or leader in a particular context is culturally dependent. A growing body of literature has investigated which elements of culture influence which managers are viewed favorably. As previously mentioned, the perception of management and what makes a good leader is dependent upon culture norms (Matsuda et al., 1994; Brodbeck et al., 2000). There has been a large decline in research that seeks for universal leadership values (Dickson, Den Hartog, & Mitchelson, 2003) and scholars are trying to get a better picture of all the factors that influence valued traits across different cultural contexts. Understanding how different CEOs in IPO firms match with market preferences helps contribute to the contextual differences in leadership preferences. Given the key findings, this study shows that not all CEOs are valued based on how well they align with prevailing cultural values. Entrepreneurs, who are typically able to handle uncertainty better than hired managers, are actually more valued in uncertainty avoidant cultures. Founder CEOs, who are more likely able to wield discretion over their firm, are also more valued in countries where managerial discretion is lower. Lastly, founder CEOs in IPO firms are more valued in countries where they are rarer. Given these findings, there are contexts where cultural norms have the opposite effect on desired management traits.

Second, this study contributes to the emergent literature on upper echelons across national contexts. After Hambrick and Mason (1984) popularized upper echelon theory, most of the research on management's impact on firm performance was within the United States (Hambrick, 2007) where management is given a high level of discretion compared to other countries (Crossland & Hambrick, 2011). A more global perspective is being developed in how management impacts firm behavior in recent studies. Elenkov and Manev (2005) show that sociocultural context is indeed a moderator between management influence and firm behavior across 12 European countries. Additionally, Guitierrez, Spencer, & Zhu (2012) found that managers in the United States, India, and China used different methods to effectively influence organizational members. Moreover, Flatten, Adams, and Brettel (2015) found that elements of national culture moderate the relationship between leadership style and absorptive capacity. Flatten et al. (2015) also had a finding in the reverse to what they predicted for moderation of uncertainty avoidance. Countries that are higher in uncertainty avoidance saw an increased relationship between transformational leadership and realized absorptive capacity. Given that founders are also valued more in IPO companies in uncertainty avoidant cultures, it is possible that stronger characteristics (founder status or being a transformational leader) are more powerful in environments made more challenging by uncertainty avoidance. Looking at management's influence on IPOs has largely been conducted in single nation studies and this study adds that market preferences for CEO characteristics in IPOs varies across countries based off of uncertainty avoidance, managerial discretion, and standard practice.

12.2 Practical Implications

When a company is considering making an IPO Ernest & Young (2013) suggests a company answers the question of "how do I prepare properly for the IPO transaction, cultivate

worthy investment in a dynamic market and steer my business to success as a public entity?” (pp. 2). Understanding executive leadership preferences in a market can help a company be seen as a valuable. Given that stock markets are continually internationalizing and the importance of market timing, managers have numerous choices on when and where to go public. To optimize market performance in the long run, a company needs to maximize their perceived value in the eyes of investors. This study shows that choosing whether to have a founder CEO or a hired manager can make a difference in the long-run performance of an IPO. It also shows that if a company already has a particular type of CEO (founder or non-founder), they can appropriately choose the market in which they can make an IPO to properly fund their growth in the long run.

12.3 Study Limitations

The markets examined in this study were all large, developed, international stock markets. Having similar sized and developed markets helped for comparability purposes but limited the generalizability of this study. There are some elements of developing economy capital markets that are similar to developed economies, but some elements that are different (Booth, Aivzazian, Demirguc-Kunt, & Maksimovic, 2001). Therefore, the relationship between who the CEO is and IPO performance could be considerably different in developing economies.

The moderating variable that did not produce any significant results was future orientation. Future orientation scores had the smallest variation between nations as evident in Table 3. Every country except Singapore loaded between 4.00 and 4.50. The small variation in the sample could have been responsible for the nonsignificant findings. Investigating countries that have significantly different scores for future orientation may result in different findings.

12.4 Future Research

The entrepreneurial experience of CEOs was found to be a significant indicator of performance for the first year of IPO performance. Given the needed balance between the logics of an established firm and an entrepreneurial firm, prior successful entrepreneurial experience of the CEO could be an interesting variable that contributes to achieving the balance between these two logics. Prior entrepreneurship experience has shown to be a determining factor in early venture performance (Stuart & Abetti, 1990) and it would be interesting to investigate how entrepreneurship experience plays a role in IPO performance. Having a founder and having a hired manager with prior entrepreneurship experience may be substitutable. Entrepreneurial experience in different kinds of ventures may also play a role in how successful a CEO is in the IPO process.

National institutional factors varied in their significance based off of the time period. Whether an IPO's home country was of common or civil legal origin was largely significant in the first year of IPO performance (evident from Table 6). However, the legal origin difference did not play a factor in three-year performance of the IPO while labor market flexibility did. Just as Bell et al. (2014) found, protection of shareholders in the country of origin was positively associated with IPO success and performance in an intermediate term. However, for three years, this variable was not significant (as shown in Table 7). Therefore, it would be interesting to build on this literature stream by investigating what institutional variables matter in the long term compared to the short term.

REFERENCES

- Adams, R., Almeida, H., & Ferreira, D. 2009. Understanding the relationship between founder CEOs and firm performance. *Journal of Empirical Finance*, 16, 136-150.
- Allouche, J., Amann, B., Jaussaud, J., & Kurashina, T. 2008. The impact of family control on the performance and financial characteristics of family versus nonfamily businesses in Japan: A matched-pair investigation. *Family Business Review*, 21, 315-329.
- Andrews, A.O. & Welbourne, T.M. 2000. The people/performance balance in IPO firms: The effect of the chief executive officer's financial orientation. *Entrepreneurship Theory and Practice*, 25, 93-106.
- Arthur Andersen. 2000. Spice up the story: A survey of narrative reporting in annual reports. Arthur Andersen, London.
- Ashkanasy, N.M., Gupta, V., Mayfield, M.S., & Trevor-Roberts, E. 2004. Future orientation. *Culture, leadership, and organizations: The GLOBE study*, 282-342.
- Bains, W. 2007. When should you fire the founder? *Journal of Commercial Biotechnology*, 13, 139-149.
- Barber, B.M., & Lyon, J.D. 1997. Detecting long-run abnormal stock returns: The empirical power and specification of test statistics. *Journal of Financial Economics*, 43, 341-372.
- Barker, R.T. & Gower, K. 2010. Strategic application of storytelling in organizations: Toward effective communication in a diverse world. *Journal of Business Communication*, 47, 295-312.
- Barney, J. 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.
- Baron, R.A. & Markman, G.D. 2000. Beyond social capital: How social skills can enhance entrepreneurs' success. *Academy of Management Executive*, 14, 106-116.
- Baron, R.A. & Tang, J. 2008. Entrepreneurs' social skills and new venture performance: Mediating mechanisms and cultural generality. *Journal of Management*, 35, 282-306.
- Baron, J.N., Hannan, M.T., & Burton, M.D. 2001. Labor pains: Change in organizational models and employee turnover in young, high-tech firms. *American Journal of Sociology*, 106, 960-1012.
- Bates, T. 1990. Entrepreneur human capital inputs and small business longevity. *The Review of Economics and Statistics*, 72: 551-559.
- Bednar, M.K. 2012. Watchdog or lapdog? A behavioral view of the media as a corporate governance mechanism. *Academy of Management Journal*, 55, 131-150.
- Bell, R.G., Filatotchev, I., & Aguilera, R.V. 2014. Corporate governance and investors' perception of foreign IPO value: An institutional perspective. *Academy of Management Journal*, 57, 301-320.
- Bhabra, H.S. & Pettway, R.H. 2003. IPO prospectus information and subsequent performance. *Financial Review*, 38, 369-397.
- Bhattacharya, U., Galpin, N., Ray, R., & Yu, X. 2009. The role of the media in the internet IPO bubble. *Journal of Financial and Quantitative Analysis*, 44: 657-682.
- Bloom, N. & Van Reenen, J. 2010. Why do management practices differ across firms and countries? *The Journal of Economic Perspectives*, 24, 203-224.
- Bloomberg. 2015. Executive profile: Steven Saeed Nasiri. Retrieved from <http://www.bloomberg.com/research/stocks/people/person.asp?personId=23970290&ticker=INVN>

- Brav, A. & Gompers, P.A. 1997. Myth or reality? The long-run underperformance of initial public offerings: Evidence from venture and nonventure capital-backed companies. *The Journal of Finance*, 52, 1791-1821.
- Brodbeck, F.C., Frese, M., Akerblom, S., Audia, G., Bakacsi, G., Bendova, H., ... & Castel, P. 2000. Cultural variation of leadership prototypes across 22 European countries. *Journal of Occupational and Organizational Psychology*, 73, 1-29.
- Brown, A.D. 2006. A narrative approach to collective identities. *Journal of Management Studies*, 43, 731-753.
- Bruton, G.D., Chahine, S., & Filatotchev, I. 2009. Founders, private equity investors, and underpricing in entrepreneurial IPOs. *Entrepreneurship Theory and Practice*, 33, 909-928.
- Bruton, G.D., Filatotchev, I., Chahine, S., & Wright, M. 2010. Governance, ownership structure, and performance of IPO firms: The impact of different types of private equity investors and institutional environments. *Strategic Management Journal*, 31, 491-509.
- Busenitz, L.W., Gómez, C., & Spencer, J.W. 2000. Country institutional profiles: Unlocking entrepreneurial phenomena. *The Academy of Management Journal*, 43, 994-1003.
- Cardon, M.S., Wincent, J., Singh, J., & Drnovsek, M. 2009. The nature and experience of entrepreneurial passion. *Academy of Management Review*, 34, 511-532.
- Carpenter, M. A., Geletkanycz, M. A., & Sanders, W. G. 2004. Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30, 749-778.
- Carpenter, M.A., Pollock, T.G., & Leary, M.M. 2003. Testing a model of reasoned risk-taking: Governance, the experience of principals and agents, and global strategy in high-technology IPO firms. *Strategic Management Journal*, 24, 803-820.
- Carpenter, M.A., Sanders, W.G., & Gregersen, H.B. 2000. International assignment experience at the top can make a bottom-line difference. *Human Resource Management*, 39, 277-285.
- Celikyurt, U., Sevilir, M., & Shivdasani, A. (2010). Going public to acquire? The acquisition motive in IPOs. *Journal of Financial Economics*, 96, 345-363.
- Certo, S.T., Covin, J.G., Daily, C.M., & Dalton, D.R. 2001. Wealth and the effects of founder management among IPO-stage new ventures. *Strategic Management Journal*, 22, 641-658.
- Certo, S.T., Daily, C.M., Cannella, A.A., & Dalton, D.R. 2003. Giving money to get money: How CEO stock options and CEO equity enhance IPO valuations. *Academy of Management Journal*, 46, 643-653.
- Certo, S.T., Holmes, R.M., & Holcomb, T.R. 2007. The influence of people on the performance of IPO firms. *Business Horizons*, 50, 271-276.
- Carey, P. & Steen, A. Changing conditions in the Hong Kong new issues market. *Pacific-Basin Finance Journal*, 14, 484-500.
- Chang, S.C., Chung, T.Y., & Lin, W.C. 2010. Underwriter reputation earnings management and the long-run performance of initial public offerings. *Accounting & Finance*, 50, 53-78.
- Chatalova, N., How, J.C.Y., & Verhoeven, P. 2016. Analyst coverage and IPO management forecasts. *Journal of Corporate Finance*, In press.
- Cohen, B.D. & Dean, T.J. 2005. Information asymmetry and investor valuation of IPOs: Top management team legitimacy as a capital market signal. *Strategic Management Journal*, 26, 683-690.
- Colombo, M.G. & Grilli, L. 2005. Founders' human capital and the growth of new technology-based firms: A competence-based view. *Research Policy*, 34, 795-816.

- Costa, B.A., Crawford, A., Jakob, K. 2013. Does culture influence IPO underpricing? *Journal of Multinational Financial Management*, 23, 113-123.
- Creswell, J.W. 2012. *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. Thousand Oaks: Sage.
- Creswell, J.W. 2003. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Thousand Oaks: Sage.
- Crossland, C. & Chen, G. 2013. Executive accountability around the world: Sources of cross-national variation in firm performance-CEO dismissal sensitivity. *Strategic Organization*, 11, 78-109.
- Crossland, C. & Hambrick, D.C. 2011. Differences in managerial discretion across countries: How nation-level institutions affect the degree to which CEOs matter. *Strategic Management Journal*, 32, 797-819.
- Cui, H. & Mak, Y.T. 2002. The relationship between managerial ownership and firm performance in high R&D firms. *Journal of Corporate Finance*, 8, 313-336.
- Cyert, R.M. & March, J.G. 1963. *A behavioral theory of the firm*. Englewood Cliffs, NJ.
- Czarniawska, B. 2004. *Narratives in Social Science Research*. Thousand Oaks: Sage.
- Dailey, S.L. & Browning, L. 2014. Retelling stories in organizations: Understanding the functions of narrative repetition. *Academy of Management Review*, 39, 22-43.
- Das, S., Guo, R.J., Zhang, H. 2006. Analysts' selective coverage and subsequent performance of newly public firms. *The Journal of Finance*, 61, 1159-1185.
- Das, T.K. & Teng, B.S. 1997. Time and entrepreneurial risk behavior. *Entrepreneurship Theory and Practice*, 22, 69-88.
- Davis, J.L., Bell, R.G., Payne, G.T., & Kreiser, P.M. 2010. Entrepreneurial orientation and firm performance: The moderating role of managerial power. *American Journal of Business*, 25, 41-54.
- De Luque, M.S. & Javidan, M. 2004. Uncertainty avoidance. *Culture, leadership, and organizations: The GLOBE study*, 602-653.
- Deeds, D.L. 2001. The role of R&D intensity, technical development and absorptive capacity in creating entrepreneurial wealth in high technology start-ups. *Journal of Engineering Technology Management*, 18, 29-47.
- Dhaliwal, D.S., Li, O.Z., Tsang, A., & Yang, Y.G. 2011. Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting. *The Accounting Review*, 86, 59-100.
- Dickson, M.W., Den Hartog, N.D., & Mitchelson, J.K. 2003. Research on leadership in a cross-cultural context: Making progress, and raising new questions. *The Leadership Quarterly*, 14, 729-768.
- Ding, Y., Nowak, E., Zhang, H. 2010. Foreign vs. domestic listing: An entrepreneurial decision. *Journal of Business Venturing*, 25, 175-191.
- Elenkov, D.S. & Manev, I.M. 2005. Top management leadership and influence on innovation: The role of sociocultural context. *Journal of Management*, 31, 381-402.
- Engelen, A., Schmidt, S., Strenger, L., & Brettel, M. 2014. Top management's transformational leader behaviors and innovation orientation: A cross-cultural perspective in eight countries. *Journal of International Management*, 20, 124-136.
- Engelen, P.J. & van Essen, M. 2010. Underpricing of IPOs: Firm-, issue- and country-specific characteristics. *Journal of Banking & Finance*, 34, 1958-1969.

- Ernst & Young. 2012. *Global IPO Trends 2011*. Retrieved from https://drivkraft.ey.se/wp-content/blogs.dir/5/files/2011/06/Global_IPO_trends-report_2011.pdf. Access date: May 3rd, 2016.
- Ernst & Young. 2013. *EY's Guide to Going Public*. Retrieved from [http://www.ey.com/Publication/vwLUAssets/EY_-_Guide_to_going_public/\\$FILE/EY-guide-to-going-public-SGM.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Guide_to_going_public/$FILE/EY-guide-to-going-public-SGM.pdf). Access date: July 6th, 2016.
- Factiva. (2015). Factiva sources. Dow Jones Corporate Website. Retrieved from <http://new.dowjones.com/factiva-sources/>
- Fahlenbrach, R. 2009. Founder CEOs, investment decisions, and stock market performance. *Journal of Financial and Quantitative Analysis*, 44, 439-466.
- Fairclough, N. 2013. *Critical Discourse Analysis: The Critical Study of Language*. London: Routledge.
- Faleye, O., Hoitash, R., & Hoitash, U. 2011. The costs of intense board monitoring. *Journal of Financial Economics*, 101, 160-181.
- Fauchart, E. & Gruber, M. 2011. Darwinians, communitarians, and missionaries: The role of founder identity in entrepreneurship. *Academy of Management Journal*, 54, 935-957.
- Fenton, C. & Langley, A. (2011). Strategy as practice and the narrative turn. *Organization Studies*, 32, 1171-1196.
- Fernando, C.S., Gatchev, V.A., Spindt, P.A. 2005. Wanna dance? How firms and underwriters choose each other. *The Journal of Finance*, 60, 2437-2469.
- Fernhaber, S. A., & McDougall-Covin, P. P. 2009. Venture capitalists as catalysts to new venture internationalization: the impact of their knowledge and reputation resources. *Entrepreneurship Theory and Practice*, 33: 277-295.
- Field, L.C. & Lowry, M. 2009. Institutional versus individual investment in IPOs: The importance of firm fundamentals. *Journal of Financial and Quantitative Analysis*, 44, 489-516.
- Filatovchev, I. & Bishop, K. 2002. Board composition, share ownership, and 'underpricing' of UK IPO firms. *Strategic Management Journal*, 23, 941-955.
- Finkelstein, S. & Boyd, B.K. 1998. How much does the CEO matter? The role of managerial discretion in the setting of CEO compensation. *The Academy of Management Journal*, 41, 179-199.
- Finkelstein, S.A., Hambrick, D.C., Cannella Jr., A.A. 2009. *Strategic leadership: Theory and research on executives, top management teams, and boards*. Oxford University Press: New York, NY.
- Fischer, H.M. & Pollock, T.G. 2004. Effects of social capital and power on surviving transformational change: The case of initial public offerings. *Academy of Management Journal*, 47, 463-481.
- Flatten, T., Adams, D., & Brettel, M. 2015. Fostering absorptive capacity through leadership: A cross-cultural analysis. *Journal of World Business*, 50, 519-534.
- Franke, G.R. & Richey Jr, R.G. 2010. Improving generalizations from multi-country comparisons in international business research. *Journal of International Business*, 41, 1275-1293.
- Fuller, T. & Tian, Y. 2006. Social and symbolic capital and responsible entrepreneurship: An empirical investigation of SME narratives. *Journal of Business Ethics*, 67, 287-304.

- Fulmer, I.S., Gerhart, B., & Scott, K.S. 2003. Are the 100 best better? An empirical investigation of the relationship between being a “great place to work” and firm performance. *Personnel Psychology*, 56, 965-996.
- Gao, N. & Jain, B.A. 2011. Founder CEO management and the long-run performance of IPO firms. *Journal of Banking & Finance*, 35, 1669-1682.
- Gedajlovic, E., Lubatkin, M.H., & Schulze, W.S. 2004. Crossing the threshold from founder management to professional management: A governance perspective. *Journal of Management Studies*, 41, 899-912.
- Gelfand, M.J., Nishii, L.H., & Raver, J.L. 2006. On the nature and importance of cultural tightness-looseness. *Journal of Applied Psychology*, 91, 1225-1240.
- George, D. & Mallery, P. 2003. *SPSS for Windows Step by Step: A Simple Guide and Reference*. Boston: Allyn & Bacon.
- Giberson, T.R., Resick, C.J., Dickson, M.W., Mitchelson, J.K., Randall, K.R., & Clark, M.A. 2009. Leadership and organizational culture: Linking CEO characteristics to cultural values. *Journal of Business and Psychology*, 24, 123-137.
- Gioia, D.A., Schultz, M., & Corley, K.G. 2000. Organizational identity, image, and adaptive instability. *The Academy of Management Review*, 25, 63-81.
- Gompers, P.A. 1995. Optimal investment, monitoring, and the staging of venture capital. *The Journal of Finance*, 50, 5: 1461-1489.
- Gutierrez, B., Spencer, S.M., & Zhu, G. 2012. Thinking globally, leading locally: Chinese, Indian, and Western leadership. *Cross Cultural Management*, 19, 67-89.
- He, L. 2008. Do founders matter? A study of executive compensation, governance structure and firm performance. *Journal of Business Venturing*, 23, 257-279.
- Higgins, M.C. & Gulati, R. 2003. Getting off to a good start: The effects of upper echelon affiliations on underwriter prestige. *Organization Science*, 14, 244-263.
- Jain, B.A. & Kini, O. 2008. The impact of strategic investment choices on post-issue operating performance and survival of US IPO firms. *Journal of Business Finance & Accounting*, 35, 459-490.
- Jain, B.A. & Tabak, F. 2008. Factors influencing the choice between founder versus non-founder CEOs for IPO firms. *Journal of Business Venturing*, 23, 21-45.
- Jaskiewicz, P., González, V.M., Menéndez, S., & Schiereck, D. 2005. Long-run IPO performance analysis of German and Spanish family-owned businesses. *Family Business Review*, 18, 179-202.
- Jones, R., Latham, J., & Betta, M. 2006. Narrative construction of the social entrepreneurial identity. *International Journal of Entrepreneurial Behavior & Research*, 14, 330-345.
- Hambrick, D.C. 2007. Upper echelons theory: An update. *Academy of Management Review*, 32, 334-343.
- Hambrick, D.C. & Mason, P.A. 1984. Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9, 193-206.
- Hartz, R. & Steger, T. 2010. Heroes, villains and ‘honourable merchants’: Narrative change in the German media discourse on corporate governance. *Organization*, 17, 1-19
- Hatch, M.J. & Schultz, M. 2002. The dynamics of organizational identity. *Human Relations*, 55, 989- 1018.
- He, L. (2008). Do founders matter? A study of executive compensation, governance structure and firm performance. *Journal of Business Venturing*, 23, 257-279.

- Hellman, T. & Puri, M. 2002. Venture capital and the professionalization of start-up firms: Empirical evidence. *The Journal of Finance*, 57, 169-197.
- Hermalin, B.E. & Weisbach, M.S. 1991. The effects of board composition and direct incentives on firm performance. *Financial Management*, 20, 101-112.
- Herrmann, P. & Datta, D.K. 2005. Relationship between top management team characteristics and international diversification: An empirical investigation. *British Journal of Management*, 16, 69-78.
- Hildebrandt, H.H. & Snyder, R. 1981. The Pollyanna hypothesis in business writing: Initial results, suggestions for research. *Journal of Business Communication*, 18, 5-15.
- Hopkins, D.J. & King, G. 2010. A method of automated nonparametric content analysis for social science. *American Journal of Political Science*, 54, 229-247.
- House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W., & Gupta, V. 2004. *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage Publications.
- Hsu, D.H. 2007. Experienced entrepreneurial founders, organizational capital, and venture capital funding. *Research Policy*, 36, 722-741.
- Joffe, H. 2012. *Thematic analysis. In Research methods in mental health and psychotherapy: A guide for students and practitioners*. Eds: David Harper & Andrew Thompson. Chichester: Wiley-Blackwell, 209-223.
- Jorissen, A., Laveren, E., Martens, R., & Reheul, A.M. 2005. Real versus sample-based differences in comparative family business research. *Family Business Review*, 18, 229-246.
- Kim, Y. 2001. Measuring the economic value of public relations. *Journal of Public Relations Research*, 13, 3-26.
- Kiouis, S., Popescu, C., & Mitrook, M. 2007. Understanding influence on corporate reputation: An examination of public relations efforts, media coverage, public opinion, and financial performance from an agenda-building and agenda-setting perspective. *Journal of Public Relations Research*, 19, 147-165.
- Kroll, M., Walters, B.A., Le, S.A. 2007. The impact of board composition and top management team ownership structure on post-IPO performance in young entrepreneurial firms. *Academy of Management Journal*, 50, 1198-1216.
- Lee, P.J., Taylor, S.L., & Walter, T.S. 1006. Australian IPO pricing in the short and long run. *Journal of Banking & Finance*, 20, 7, 1189-1210.
- Lewellyn, K.B. & Bao, S.R. 2014. A cross-national investigation of IPO activity: The role of institutions and national culture. *International Business Review*, 23, 1167-1178.
- Li, J. & Tang, Y. 2010. CEO hubris and firm risk taking in China: The moderating role of managerial discretion. *Academy of Management Journal*, 53, 45-68.
- Lilienfeld-Toal, U. & Ruenzi, S. 2014. CEO ownership, stock market performance, and managerial discretion. *Journal of Finance*, 69, 1013-1050.
- Ling, Y., Simsek, Z., Lubatkin, M.H., & Veiga, J.F. 2008. The impact of transformational CEOs on the performance of small- to medium-sized firms: Does organizational context matter? *Journal of Applied Psychology*, 93, 923-934.
- Loughran, T. & Ritter, J. 1997. The operating performance of firms conducting seasoned equity offerings. *The Journal of Finance*, 52, 1823-1850.
- Lumpkin, G.T. & Dess, G.G. 1996. Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21, 135-172.
- Martens, M.L. 2005. Hang on to those founders. *Harvard Business Review*, 83, 19-20.

- Martens, M.L., Jennings, J.E., & Jennings, P.D. 2007. Do the stories they tell get them the money they need? The role of entrepreneurial narratives in resource acquisition. *Academy of Management Journal*, 50, 1107-1132.
- Matsuda, S., Vanderwerf, P., & Scarbrough, P. 1994. A comparison of Japanese and U.S. firms completing initial public offerings. *Journal of Business Venturing*, 9, 205-222.
- Men, L.R. 2012. CEO credibility, perceived organizational reputation, and employee engagement. *Public Relations Review*, 38, 171-173.
- Merkel-Davies, D.M. & Brennan, N.M. 2007. Discretionary disclosure strategies in corporate narratives: Incremental information or impression management? *Journal of Accounting Literature*, 27, 116-196.
- Mikkelsen, W.H., Partch, M.M., & Shah, K. 1997. Ownership and operating performance of companies that go public. *Financial Economics*, 44, 281-307.
- Miller, D., Breton-Miller, I.L., & Lester, R.H. 2011. Family and lone founder ownership and strategic behavior: Social context, identity, and institutional logics. *Journal of Management Studies*, 48, 1-25.
- Molotch, H., Freudenburg, W., & Paulsen, K.E. 2000. History repeats itself, but how? City character, urban tradition, and the accomplishment of place. *American Sociological Review*, 65, 791-823.
- Moore, C.B., Filatotchev, I., Bell, R.G., & Rasheed, A.A. 2012. Foreign IPO capital market choice: Understanding the institutional fit of corporate governance. *Strategic Management Journal*, 33, 914-937.
- Mousa, F.T. & Wales, W. 2012. Founder effectiveness in leveraging entrepreneurial orientation. *Management Decision*, 50: 305-324.
- Mueller, S.L. & Thomas A.S. 2001. Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness. *Journal of Business Venturing*, 16, 51-75.
- Navis, C. & Glynn, M.A. 2011. Legitimate distinctiveness and the entrepreneurial identity: Influence on investor judgments of new venture plausibility. *Academy of Management Review*, 36, 479-499.
- Nelson, T. 2003. The persistence of founder influence: Management, ownership, and performance effects at initial public offering. *Strategic Management Journal*, 24: 707-724.
- Nisbett, R.E. & Miyamoto, Y. 2005. The influence of culture: Holistic versus analytic perception. *TRENDS in Cognitive Sciences*, 9, 467-473.
- O'Connor, E. 2002. Storied business: Typology, intertextuality, and traffic in entrepreneurial narrative. *Journal of Business Communication*, 39, 36-54.
- Pagano, M., Panetta, F. & Zingales, L. 1998. Why do companies go public? An empirical analysis. *The Journal of Finance*, 53, 1: 27-64.
- Paleari, S., Piazzalunga, D., Redondi, R., Trabucchi, F., and Vismara, S., 2009, *Academic EurIPO Factbook*. BookSurge: Charleston, SC.
- Pollock, T. G., & Rindova. 2003. Media legitimation effects in the market for initial public offerings. *Academy of Management Journal*, 46: 631-642.
- Pollock, T. G., Rindova, V. P., & Maggitti, P. G. 2008. Market watch: Information and availability cascades among the media and investors in the US IPO market. *Academy of Management Journal*, 51: 335-358.
- Rabl, T., Jayasinghe, M., Gerhart, B., & Kühmann, T.M. 2014. A meta-analysis of country differences in the high-performance work system-business performance relationship: The

- roles of national culture and managerial discretion. *Journal of Applied Psychology*, 99, 1011-1041.
- Ravasi, D. & Schultz, M. 2006. Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, 49, 433-458.
- Renaissance Capital. 2015. IPO industry history. Renaissance Capital IPO Center. Retrieved from <http://www.renaissancecapital.com/ipohome/press/ipoindustryhistory.aspx>.
- Ritter, J. 2016. Initial public offerings: Median age of IPOs through 2015. Retrieved from <https://site.warrington.ufl.edu/ritter/files/2016/02/Initial-Public-Offerings-Median-Age-of-IPOs-Through-2015-2016-01-06.pdf>. Access date: June 24th 2016
- Rutherford, B.A. 2005. Genre analysis of corporate annual report narratives: A corpus linguistics-based approach. *Journal of Business Communication*, 42, 349-378.
- Schreier, M. 2012. *Qualitative content analysis in practice*. London: Sage.
- Seaton, L.J. & Boyd, M. 2007. The organizational leadership of the post baby boom generation: An upper echelon theory approach. *Academy of Entrepreneurship Journal*, 13, 69-77.
- Shane, S., Venkataraman, S., & MacMillan, I. 1995. Cultural differences in innovation championing strategies. *Journal of Management*, 21, 931-952.
- Shiplov, A. & Danis, W. 2006. TMG social capital, strategic choice and firm performance. *European Management Journal*, 24, 16-27.
- Siltaoja, M. 2009 On the discursive construction of a socially responsible organization. *Scandinavian Journal of Management*, 25, 191-202.
- Simon, H.A. 1979. Rational decision making in business organizations. *The American Economic Review*, 69, 493-513.
- Singh, I. & Van der Zahn, J.L.W.M. 2007. Does intellectual capital disclosure reduce an IPO's cost of capital?: The case of underpricing. *Journal of Intellectual Capital*, 8, 494-516.
- Souder, D., Simsek, Z., & Johnson, S.G. 2012. The differing effects of agent and founder CEOs on the firm's market expansion. *Strategic Management Journal*, 33, 23-41.
- Stuart, R.W. & Abetti, P.A. 1990. Impact of entrepreneurial and management experience on early performance. *Journal of Business Venturing*, 5, 151-162.
- Stutts, N.B. & Barker, R.T. (1999). The use of narrative paradigm theory in assessing audience value conflict in image advertising. *Management Communication Quarterly*, 13, 209-244.
- Tang, Y., Li, J., & Liu, Y. 2016. Does founder CEO status affect firm risk taking? *Journal of Leadership & Organizational Studies*, 23, 3, 322-334.
- The World Economic Forum. 2016. The global competitiveness report. *Reports*. Retrieved from <http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-library/>
- Treviño, L.K., Brown, M., & Hartman, L.P. 2003. A qualitative investigation of perceived executive ethical leadership. Perceptions from inside and outside the executive suite. *Human Relations*, 56, 5-37.
- Ucbasaran, D., Wright, M., & Westhead, P. 2003. A longitudinal study of habitual entrepreneurs: Starters and acquirers. *Entrepreneurship & Regional Development: An International Journal*, 15, 207-228.
- Walters, B.A., Le, S.A., Kroll, M. 2015. Post-IPO governance and top management team rent generation and appropriation. *Journal of Business Research*, 68, 47-55.
- Wasserman, N. 2003. Founder CEO succession and the paradox of entrepreneurial success. *Organization Science*, 14, 2, 149-172.

- Weick, K.E. & Browning, L.D. (1986). Argument and narration in organizational communication. *Journal of Management*, 12, 243-259.
- Willard, G.E., Kreuger, D.A., & Feeser, H.R. (1992). In order to grow, must the founder go: A comparison of performance between founder and non-founder managed high-growth manufacturing firms. *Journal of Business Venturing*, 7, 181-194.
- Yang, Q., Zimmerman, M., & Jiang, C. 2011. An empirical study of the impact of CEO characteristics on new firms' time to IPO. *Journal of Small Business Management*, 49: 163-184.

VITA: CHRISTINA HELEN TUPPER

Old Dominion University ▪ Strome College of Business ▪ Constant Hall 2160 ▪ Norfolk, VA
23529

(425) 417-1652 ▪ ctupp001@odu.edu

EDUCATION

Old Dominion University – Norfolk, VA

Doctorate of Philosophy, Strategic Management and International Business August, 2016

Jacksonville State University – Jacksonville, AL

Masters of Business Administration August, 2010

Louisiana Tech University – Ruston, LA

Bachelors of Science in Business Management and Entrepreneurship May, 2009

Minor: Spanish

RESEARCH

Peer-reviewed Publications (3)

Frazier, M.L. & **Tupper, C.** Psychological safety, thriving, and helping behavior: The trickle-down effects of supervisor prosocial motivation. *Group and Organization Management*. Prepublished June 9, 2016.

Frazier, M.L., **Tupper, C.**, & Fainshmidt, S. The path(s) to interpersonal trust in nascent and established employee-supervisor relationships: A fuzzy set analysis. *Journal of Organizational Behavior*. Prepublished February 1, 2016.

Tupper, C. 2016. Crisis conditions and performance of IPO firms: Impact of founder CEOs and foreign listings. *Journal of Applied Management and Entrepreneurship*, 21, 32-52.

Research under Review (2)

Guldiken, O., **Tupper, C.**, Yu, H., & Nair, A. A study of the impact of media coverage on IPO stock performance. Manuscript in third round of revise-and-submit at *Journal of Business Research*.

Tupper, C., Guldiken, O., & Benischke, M. Liability of foreignness and avoiding it: Evidence from IPO firms. Manuscript under review at *Journal of World Business*.

Conference Presentations

Academy of Management Meeting: 2016, 2015, 2014 (2)

Academy of International Business Meeting: 2016

Southern Management Association Meeting: 2014 (2)

Academy of Business Research Conference: 2013

HONORS AND AWARDS

2014 Best Doctoral Student Paper in Entrepreneurship Track and Best Doctoral Student Paper Overall by the *Southern Management Association Best Paper Committee*.

2012 Participant, *Southern Management Association Early-stage Doctoral Consortium* Fort Lauderdale, FL.

2010 Jacksonville State University Track and Field Athletic Scholarship

2006-2009 Louisiana Tech University Track and Field Athletic Scholarship

TEACHING EXPERIENCE

Instructor

Old Dominion University

Principles of Management (Undergraduate required core course)

Summer 2013: *Student Evaluation Score: 4.61 (on a 5 point scale, with 5 being excellent)*

Fall 2015: *Student Evaluation Score: 4.40 (on a 5 point scale, with 5 being excellent)*

Business Policy and Strategy (Undergraduate required capstone course)

Spring 2015: *Student Evaluation Score: 4.40 (on a 5 point scale, with 5 being excellent)*

Summer 2015: *Student Evaluation Score: 4.84 (on a 5 point scale, with 5 being excellent)*

SERVICE TO THE PROFESSION

Academy of Management Annual Meeting

Reviewer: 2013, 2015, 2016

Discussant: 2014, 2015, 2016

Session Chair: 2015

Southern Management Association Annual Meeting

Reviewer: 2013, 2014, 2016

Volunteer: 2014

Academy of International Business

Volunteer: 2016

PROFESSIONAL EXPERIENCE

Gymnastics Instructor

Gymstrada Gymnastics: Virginia Beach, VA 2013-2016

World Class Gymnastics: Jacksonville, FL 2010

CC Gymnastics: Ruston, LA 2009

Metropolitan Gymnastics: Kent, WA 2003 - 2005

Administrative Assistant – Finance 2012

Cambridge Medical Institute: Jacksonville, FL

Personal Trainer 2010-2012

Custom Built Personal Training: Jacksonville, FL

Substitute Teacher 2011-2012

Kelly Educational Staffing: Jacksonville, FL

Vault Operations Specialist

JPMorgan Chase: Monroe, LA 2009

Assistant Manager / Shift Supervisor 2008

Cinnaworks Corporation: Bellevue, WA

Production Manager 2007

Student Painters: Issaquah, WA

Assistant Track and Field Coach 2006

Kent-Meridian High School: Kent, WA