Business Strategy and the Environment

WILEY

RESEARCH ARTICLE OPEN ACCESS

Sustainable by Ideology? The Influence of CEO Political Ideology and Ivy League Education on ESG (Environmental, Social, and Governance) Performance

Tim Heubeck | Annina Ahrens

Chair of International Management, University of Bayreuth, Bayreuth, Germany

Correspondence: Tim Heubeck (tim.heubeck@uni-bayreuth.de)

Received: 24 July 2024 | **Revised:** 12 December 2024 | **Accepted:** 8 February 2025

Funding: This study is supported by Project DEAL–enabled open-access funding. No other funding was received to assist with the preparation of the manuscript.

Keywords: CEO | elite education | ESG | Ivy League | political ideology | upper echelons theory

ABSTRACT

Building on upper echelons theory, this study posits that political ideology serves as a foundational factor influencing whether CEOs prioritize environmental, social, and governance (ESG) outcomes, whereas Ivy League education acts as a contextual factor that moderates this relationship. Analyzing data from S&P 900 manufacturing firms, the findings reveal that liberal CEOs enhance ESG performance—particularly in the social and governance pillars—in contrast to their conservative counterparts. CEO political ideology's effect on ESG performance does not depend on whether CEOs graduated from an Ivy League institution. Instead, Ivy League–educated CEOs directly deter ESG performance, possibly due to specific values, perspectives, and social connections shaped by their elite educational background. This study contributes to upper echelons theory by illuminating two critical microlevel factors—CEO political ideology and elite education—that shape firms' ESG strategy, offering valuable implications for boards and stakeholders when selecting and evaluating corporate leadership.

1 | Introduction

Organizations and their strategic leadership face increasing pressure to balance shareholder interests with those of their stakeholders (Fatima and Elbanna 2023; Reimer et al. 2018). The Principles for Responsible Investment (PRI), initiated by the United Nations, promote a global shift toward more sustainable and responsible business practices, which significantly raised awareness among corporations to prioritize environmental, social, and governance (ESG) initiatives (Peng and Chen 2024). Heightened societal awareness and the benefits of ESG—including superior financial performance (Friede et al. 2015; Velte 2017), enhanced operational efficiency (Kao 2023), stronger governance (Peng and Chen 2024), and reduced managerial misconduct (He et al. 2022; Yuan et al. 2022)—have led to the integration of ESG into corporate strategy (Sandberg et al. 2023; Taglialatela et al. 2023).

With the growing emphasis on a stakeholder-centric view of the firm (Carroll 1991; Freeman 1984), research has begun to identify the factors driving firms' ESG strategies (Seow 2025; Wernicke et al. 2022). However, this literature stream primarily focuses on macrolevel factors facilitating ESG (Gillan et al. 2021), such as institutional (e.g., C. Liu et al. 2023; Wang et al. 2023) and organizational factors (e.g., Drempetic et al. 2020; Heubeck and Ahrens 2024). Recent studies, however, have shifted attention to microlevel drivers, particularly the role of a firm's chief executive officer (CEO) (Seow 2025; Wernicke et al. 2022). These studies emphasize CEO characteristics and experiences, including reputational concerns (Cabreros et al. 2024), formative early experiences like childhood poverty (Liu et al. 2024b), dynamic capabilities (Heubeck 2024b), or foreign experience (Liu et al. 2024a), as key determinants influencing firms' ESG performance.

Building on upper echelons theory (Hambrick and Mason 1984), we propose that CEOs' political ideology represents a significant antecedent of firms' ESG performance because it instills distinct value systems that influence ESG-related decisions. According to upper echelons theory, the background characteristics of top executives shape their strategic decisions by infusing them with values, personalities, and experiences (Hambrick 2007; Hambrick and Mason 1984). Given the significant sway of CEOs over organizational decision-making (Quigley and Hambrick 2015), their firm's strategy often reflects their preferences and values, particularly in complex and ambiguous contexts where personal predispositions play a critical role (Cannella and Holcomb 2005; Hambrick 2007). Although upper echelons research highlights the impact of CEOs' characteristics on organizational outcomes, it has been criticized for over-relying on visible traits like age or gender as proxies for psychological factors (Finkelstein et al. 2009; Neely et al. 2020). Recent studies address this limitation by examining less-observable characteristics, such as political ideology, as key predictors of CEO decisions and organizational outcomes (Jeong et al. 2021; Semadeni et al. 2022; Swigart et al. 2020).

Among these characteristics, political ideology is a particularly powerful predictor in shaping a CEO's identity, values, and behaviors (Chandler et al. 2023; Swigart et al. 2020). Research in political psychology demonstrates that political ideology profoundly impacts personal worldviews, affecting decision-making preferences (Jost et al. 2008, 2009). Liberal CEOs, whose political value systems emphasize communal values like human rights, environmental protection, and egalitarianism, are more likely to pursue ESG strategies (Jost and Amodio 2012; Y. Kim 2024b). Conversely, conservative CEOs, with a preference for maintaining the status quo and prioritizing shareholder capitalism, are less likely to implement ESG initiatives (Jost et al. 2003; Weng and Yang 2024; Wolman et al. 2024). This theoretical presumption is also supported by anecdotal evidence, which attests to the effect of political ideology on ESG (e.g., Segal 2023; Sorkin et al. 2022).

This study contributes to this growing body of research by exploring the distinctions between corporate social responsibility (CSR) and ESG frameworks. Although CSR emphasizes voluntary ethical practices and social initiatives, ESG provides measurable criteria across environmental, social, and governance dimensions, offering a more comprehensive evaluation of corporate sustainability and responsibility (Liu et al. 2024b; Martiny et al. 2024). Thus, ESG expands the traditional CSR construct by adding environmental and governance dimensions, which are crucial for understanding the impact of CEO political ideology on corporate strategy (Gillan et al. 2021; Huang 2021). Although there is evidence that CEOs with liberal political ideologies encourage CSR (e.g., Chin et al. 2013; Jeong et al. 2021), the role of CEO political ideology in connection to ESG remains underexplored.[1]

We extend upper echelons theory, particularly research on CEO political liberalism, by introducing CEO Ivy League education as a boundary condition moderating the relationship between political ideology and ESG outcomes (Miller et al. 2015; Urquhart and Zhang 2022). Ivy League education represents an elite educational experience that significantly enhances graduates' human and social capital (Miller et al. 2015) and shapes their decision-making processes through ideological value systems (Mullen 2009). This educational background, linked to enhanced human capital and strategic aptitude (Bailey and Helfat 2003; Heubeck 2024a; Wally and Baum 1994), is particularly relevant in the complex context of ESG strategy (Heubeck 2024b).

Although many US CEOs are Ivy League–educated (Moody 2021; Whitler 2019), this characteristic remains understudied in the context of ESG. Ivy League education could lead liberal CEOs to emphasize ESG further while potentially deterring conservative CEOs from prioritizing it. Therefore, our second research goal explores the moderating influence of elite education attained at Ivy League institutions on the relationship between CEO political ideology and ESG outcomes.

We test our hypotheses using longitudinal data from a sample of US S&P 900 manufacturing firms. The US provides a compelling context for studying ESG strategy because—unlike regions with mandatory ESG disclosures, such as the UK, EU, or China (Busch 2023; Peng and Chen 2024)—its voluntary reporting environment allows us to examine the discretionary practices of firms.

By revealing that CEO political ideology significantly impacts ESG performance—with a positive effect for liberal CEOs and an adverse effect for conservative CEOs—we contribute to upper echelons theory by bridging it with political psychology. Our findings demonstrate that behavioral consistency applies to political ideology in the realm of upper echelons theory, extending prior research by showing that CEOs' political ideologies not only influence CSR (e.g., Chin et al. 2013; Gupta et al. 2021) but also shape ESG-related decisions. This insight enriches the political psychology literature within the upper echelons framework, a critical contribution given the increasing political polarization surrounding ESG (Armstrong 2023). Additionally, we provide nuance to upper echelons theory by revealing that CEO political ideology distinctly affects social and governance strategies but not environmental strategy. Thus, we illuminate ideologically driven variations across specific ESG pillars, which differ significantly in scope (Deng et al. 2024; LSEG 2023; Trahan and Jantz 2023).

Further, we advance the understanding of upper echelons theory by demonstrating that Ivy League education functions not as a boundary condition but as a background characteristic that directly influences CEOs' decisions in relation to ESG strategy. Specifically, we find that Ivy League–educated CEOs deter ESG outcomes, potentially due to prioritizing traditional business goals over ESG concerns. These findings underscore two distinct effect channels: the *ideological channel*, reflecting how political ideology affects ESG strategy, and the *elite education channel*, capturing how Ivy League education shapes CEO priorities regarding ESG strategy. Importantly, neither political ideology nor Ivy League education uniformly affect ESG outcomes across all pillars. These results, robust to endogeneity concerns, alternate measures, and sample definitions, provide critical theoretical and empirical insights into the nuanced mechanisms driving ESG strategy within the upper echelons framework.

We begin by introducing the main theoretical framework that underpins this study, based on which we derive the two research hypotheses. Next, we outline our research methodology, detailing data collection and variable measurement procedures. Following this, we present the main regression results and conduct several additional tests to demonstrate the robustness of our findings. Finally, we discuss our results' theoretical and practical implications and outline future research directions.

2 | Theoretical Background and Hypothesis Development

2.1 | CEO Political Ideology and ESG Performance

Upper echelons theory underscores the critical role of CEOs—as the primary architects of a firm's strategy and operations—in shaping corporate outcomes, emphasizing the profound influence of their psychological characteristics on decision-making (Finkelstein et al. 2009; Hambrick 2007; Hambrick and Mason 1984). Among these characteristics, political ideology has emerged as a powerful predictor of CEOs' decision-making preferences within the upper echelons literature (Chandler et al. 2023; Kashmiri and Mahajan 2017). Building on this conceptual framework, we propose that CEOs' background characteristics—specifically, political ideology—significantly influence a crucial and timely organizational outcome—specifically, ESG performance—due to CEOs' substantial power over organizational decision-making.

Political ideology is a key determinant of psychological differences and a predictor of the values and beliefs that shape CEOs' decision-making (Swigart et al. 2020) and encompasses a set of firmly rooted beliefs about how society should be organized and governed (Erikson and Tedin 2019; Jost et al. 2009). Despite the multidimensionality of political ideology, the liberal–conservative spectrum is commonly used to categorize political views and predict behaviors (Graham et al. 2009; Jost 2006). In this sense, political ideology is not a strict liberal–conservative dichotomy but a system of values and beliefs that are socially constructed, with the liberal–conservative divide serving as a suitable framework (Swigart et al. 2020).

The political psychology literature consistently demonstrates that ideological orientation shapes attitudes toward change and ambiguity (Swigart et al. 2020). Liberals are generally more receptive to change and tolerant of uncertainties, whereas conservatives are inclined to maintain the status quo, seeking stability and avoiding uncertainty (Conover and Feldman 1981; Giddens 2013; Jost et al. 2003). These psychological tendencies extend beyond the personal domain and continue to influence decision-making in the professional context, including corporate leadership (Cheng et al. 2024; Chin et al. 2013; Swigart et al. 2020).

Drawing on behavioral consistency theory, which suggests that individuals uphold stable core values across various contexts (Cain and McKeon 2016; Cronqvist et al. 2012), we argue that CEOs' political ideologies significantly shape not only their decision-making in the private context but also in the professional realm—especially concerning ESG strategy. Political beliefs are deeply ingrained and relatively stable over time (Bartels 2002; Jost et al. 2009). Therefore, CEOs' firmly anchored political beliefs may cause them to align their strategic choices with their political ideology (Gupta et al. 2021; Weng et al. 2023).

This ideological divide is particularly relevant in the context of ESG strategy, which requires CEOs to navigate complex issues involving environmental sustainability, social responsibility, and governance transparency (Heubeck 2024b; Mahran and Elamer 2024). High ESG scores can signal responsible business practices to stakeholders and lead to financial and nonfinancial benefits (MacNeil and Esser 2022; Sandberg et al. 2023).

We propose that ideological differences in openness, egalitarianism, and views on inequality further underscore how liberal and conservative CEOs approach ESG strategy. Conservative CEOs may perceive ESG as a threat to traditional business practices (Graham et al. 2009; Swigart et al. 2020), viewing it as an unnecessary or even harmful departure from their primary responsibility to shareholders. Liberal CEOs, conversely, due to their openness to change and egalitarian values (Jiang et al. 2018; Jost et al. 2003), are likely to see ESG as an opportunity to drive societal progress and embrace long-term sustainability.

Specifically, we propose that liberal CEOs are more inclined to embrace change, perceiving ESG strategy as a means to tackle global challenges like climate change and inequality. This openness contrasts with conservative CEOs, who tend to be less responsive to external pressures, such as social and environmental demands, focusing instead on maintaining internal business priorities. These preferences align with the openness–closedness framework in strategic leadership research (Gupta et al. 2021; Gupta and Briscoe 2020). Accordingly, liberal CEOs prefer an open-system decision-making process that actively considers external stakeholders—including the broader society—in their strategic decisions. In contrast, conservative CEOs tend to take a closed-system approach, isolating the firm from its external environment and prioritizing internal objectives and resource conservation (Chandler et al. 2023; Gupta and Briscoe 2020). This difference in decision-making style underscores the ideological divide between liberal and conservative CEOs (Chandler et al. 2023). Liberal CEOs, valuing external engagement, are more likely to collaborate with stakeholders, including regulatory bodies, nongovernmental organizations, and socially conscious consumers (Chandler et al. 2023; Gupta and Briscoe 2020), to promote ESG initiatives. This open-system approach allows them to incorporate broader social and environmental issues into their strategic priorities (Gupta et al. 2021; Gupta and Briscoe 2020). In contrast, conservative CEOs focus on internal efficiency and profitability, viewing ESG demands primarily as external pressures that could compromise these goals (Chandler et al. 2023; Gupta and Briscoe 2020). As a result, they may resist adopting ESG practices, prioritizing the firm's internal interests and shielding the organization from external stakeholder demands.

Beyond openness to change, the second critical value that sets liberal CEOs apart is their more assertive advocacy for equality. Liberal CEOs tend to view ESG as aligned with their egalitarian principles, which are intrinsically focused on promoting fairness and reducing inequalities (Jost et al. 2003; Jost and Amodio 2012). Thus, liberal CEOs perceive ESG as a mechanism for driving social change and recognize their agency in addressing grand societal challenges by promoting, for example, fair labor practices or community engagement (Gupta et al. 2021; Weng et al. 2023). This egalitarian orientation contrasts with conservative CEOs, who prioritize maintaining existing status hierarchies and view inequality as a natural outcome of meritocratic systems where individuals succeed based on their own efforts (Erikson and Tedin 2019; Jost et al. 2009). Therefore, conservative CEOs are less inclined to view ESG as a priority since they may see it as imposing external controls that disrupt the natural order of organizational and societal hierarchies.

In line with these ideological differences, liberal and conservative CEOs also differ in their understanding of the roots of inequality (Graham et al. 2009). Politically liberal CEOs recognize the situational and contextual factors—such as historical injustices, systemic biases, and unequal access to opportunities—that have contributed to societal disparities (Graham et al. 2009; Jost et al. 2003). They believe addressing these inequalities requires collective action, aligning with ESG principles that foster greater equality across environmental, social, and governance dimensions (Jost et al. 2003; Y. Kim 2024b; Swigart et al. 2020). In contrast, conservative CEOs emphasize individual agency, which implies that individuals can improve their status through personal effort—without the need for broader structural changes or external intervention (Graham et al. 2009; Jasinenko et al. 2020).

Differences in openness, egalitarianism, and perspectives on inequality influence how liberal and conservative CEOs approach ESG initiatives. Liberal CEOs, with their openness to change and focus on equality, see ESG strategy as a tool to address societal challenges like climate change. They favor collaboration with external stakeholders and integrate broader social concerns into corporate strategies. In contrast, conservative CEOs prioritize internal efficiency and individual agency, often viewing ESG as an external pressure that disrupts business operations. Considering these ideological distinctions, we propose the following hypothesis:

Hypothesis 1. The political ideology of CEOs influences a firm's ESG performance. Specifically, liberal CEOs tend to enhance ESG performance, whereas conservative CEOs hinder it.

2.2 | Moderating Role of Ivy League Education

Although the direct influence of CEO political ideology on ESG performance has been established, it is essential to consider how other factors might shape this relationship (Baron and Kenny 1986; Campbell et al. 2019). We propose that Ivy League education acts as a critical boundary condition, intensifying the connection between a CEO's political ideology and their engagement in ESG practices by providing the human and social capital needed to support ideologically driven decisions.

The eight Ivy League institutions—Harvard, Yale, Princeton, Columbia, Dartmouth, Brown, the University of Pennsylvania, and Cornell—are synonymous with academic excellence and social prestige (Hernández 2009; Lillard and Gerner 1999). Ivy League education significantly influences the careers of its graduates, particularly those who rise to corporate leadership positions, such as CEOs (Martelli and Abels 2010; Miller et al. 2015). Graduates of these schools benefit from rigorous education, expansive networks, and reputational capital, which collectively shape their perspectives and foster a sense of responsibility and leadership that extends into their professional lives (Lillard and Gerner 1999; Mullen 2009).

For CEOs, an Ivy League education offers access to elite social networks that enhance their influence in business, government, and other domains (Alba and Moore 1982; Chou et al. 2015; Miller et al. 2015). These networks are particularly relevant in the context of ESG strategy, where credibility and resources from influential connections can help align strategic decisions with societal expectations—including those related to ESG initiatives (Gassmann and Jackson-Moore 2023). Moreover, Ivy League education tends to instill a sense of security that enables CEOs to express their personal views with less fear of stigma or backlash (E. Kim 2024a). Consequently, liberal CEOs may feel encouraged to champion progressive ESG strategies, whereas conservative CEOs may become more persistent in opposing them. Supporting this, research indicates that Ivy League–educated CEOs "feel comfortable with pushing their opinions without fears of being stigmatized/devalued" (E. Kim 2024a, 1080).

Beyond social networks, Ivy League institutions emphasize critical thinking, problem-solving, and global awareness (Martelli and Abels 2010; Miller et al. 2015)—skills particularly valuable in navigating the complexities of modern corporate responsibility (Heubeck 2024b). These abilities enable CEOs to balance diverse stakeholder demands effectively (Miller et al. 2015), which is essential for ESG decision-making. For example, Yale University's Sustainability Plan 2025 exemplifies institutional commitment to sustainability, aiming to shape leaders who align business strategies with global sustainability goals (Goodall and Moore 2019; Yale University 2016).

However, Ivy League education provides more than decision-making tools—it influences how political ideology shapes corporate strategy. For liberal CEOs, the values promoted within the Ivy League's academic and social networks may reinforce their commitment to ESG strategy. Conversely, for conservative CEOs, the privilege and social power conferred by an Ivy League education enable them to assert their ideological beliefs more decisively (Chou et al. 2015; Moore 2008). Thus, Ivy League–educated CEOs are uniquely positioned to leverage the impact of their political ideologies on ESG-related decisions.

In summary, Ivy League education is likely to moderate the relationship between CEO political ideology and ESG performance. By providing social capital (e.g., influential networks and reputational benefits) and human capital (e.g., advanced cognitive skills and global perspectives), Ivy League institutions empower CEOs to act with greater confidence and alignment with their ideological views (Bonilla-Silva et al. 2006; Chou et al. 2015; Moore 2008). This institutional context magnifies the tendencies of CEOs to prioritize their ideological inclinations in corporate decision-making. Based on these arguments, we propose the following hypothesis:

Hypothesis 2. The relationship between CEO political ideology and firm ESG performance is moderated by whether the CEO holds an Ivy League degree, with elite educational backgrounds amplifying the alignment between CEO political ideology and ESG outcomes.

In conclusion, the direct effect of CEO political ideology on ESG performance (Hypothesis 1) and the contingency effect of CEO Ivy League on this direct effect (Hypothesis 2) lead to this study's research model, as shown in Figure 1.

3 | Research Methodology

3.1 | Data Collection

In this study, we analyzed manufacturing firms from the S&P 900 mid- and large-cap index, covering the period from 2016 to 2019.[2] To mitigate survivorship bias, we included all firms listed at any point within this timeframe (Brown et al. 1992; Carpenter and Lynch 1999). We chose this timeframe to avoid the years influenced by the Global Financial Crisis and the COVID-19 pandemic, minimizing potential disruptions to firm operations (Hermundsdottir et al. 2022; Issah et al. 2023). The start year, 2016, was specifically chosen as it marks a period of relative economic stability following the recovery from the Global Financial Crisis (Pavićević and Keil 2024). Moreover, beginning the sample in 2016 provided a sufficient number of observations while ensuring the dataset reflected recent trends in the manufacturing sector, such as technological advancements and Industry 4.0 (Ghobakhloo 2020), sustainability and environmental concerns (Buallay 2019; Heubeck 2024b), or trade policy uncertainty (Handley and Limão 2022), without being skewed by subsequent market disruptions.

We excluded 607 nonmanufacturing firms based on their primary NAICS codes, focusing on manufacturing firms due to significant variations in ESG practices across industries (Frink et al. 2003; Solakoglu 2013). Manufacturing firms face significant stakeholder pressure and play a crucial role in advancing sustainable practices (Buallay 2019; Mani et al. 2014), making them particularly well-suited for studying ESG factors and enabling meaningful comparisons between firms.

Our initial sample included 322 manufacturing firms from 2016 to 2019, for which we retrieved data from LSEG Eikon. When multiple CEOs were present in a year, we selected the longest serving CEO (Quigley and Hambrick 2015), which resulted in 419 CEOs. We collected missing and additional data from firms' annual statements and official company websites and compiled additional CEO data from publicly available information. Specifically, we manually retrieved and verified the correctness of demographic characteristics and education data from multiple sources, including annual reports, business social media platforms such as LinkedIn, reliable business data from Bloomberg, or other sources such as university websites, alumni associations, or the Notable Names Database.

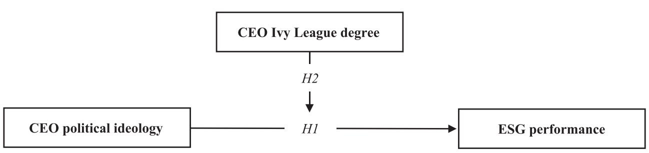

FIGURE 1 | Research model: CEO political ideology, CEO Ivy League degree, and ESG performance.

Following previous research (e.g., Bhandari et al. 2020; Elnahas and Kim 2017), we collected political donation data from the Federal Election Commission (FEC) and the Center for Responsible Politics' OpenSecrets websites. We made significant efforts to ensure accurate data collection for each CEO. Using OpenSecrets, we initially searched by the CEO's first and last name. This search yielded correct results for unique names, but additional verification was needed for more common names. We used middle names, employers, and locations to accurately compile donation data, involving extensive research on a CEO's employment history and residences. This procedure resulted in over 22,000 donations, which we carefully screened to ensure correct attribution to the respective CEOs.

To ensure that the contributions of CEOs are a valid predictor of their political ideology, we deleted all donations to nonpartisan PACs or Super PACs from the dataset, as these donations reflect strategic interests (Bhandari et al. 2020; Ferris et al. 2019). We manually searched publicly available information to discern whether nondonating CEOs publicly identified as liberal or conservative or were party members. The absence of politically vocal CEOs without corresponding donation data further validates the reliability of the donation-based measure for assessing CEO political ideology.

The final research sample comprises the donations of 216 CEOs, which we matched with data sourced from LSEG Eikon and supplemented with hand-collected data (Francis et al. 2016; Hutton et al. 2014). The final dataset is an unbalanced panel comprising 769 firm-year observations from 233 firms.

3.2 | Variable Measurements

3.2.1 | Study Variables

The measurement and data sources for all variables are summarized in Table 1 and detailed below. ESG performance data were collected from LSEG Eikon, which is known for its comprehensive coverage and objective measurement of ESG performance across environmental, social, and governance pillars (Del Vitto et al. 2023). LSEG Eikon has become one of the primary sources of ESG data used in empirical research.[3] It categorizes ESG scores into percentiles ranging from D− (ESG laggards) to A+ (ESG leaders) (LSEG 2023). We used the percentile score, ranging from 0 to 100. Our dependent variable, *ESG performance*, considers the ESG percentile score (ranging from 0 to 100) at $t+1$ to mitigate causality concerns and consider the time lag between CEOs' decision-making and the eventual materialization of their decisions (Semadeni et al. 2022).

CEO political ideology is an index variable indicating a CEO's political orientation on the conservative–liberal spectrum (Elnahas and Kim 2017; Jost et al. 2009). The US bipartisan political

TABLE 1 | Variable descriptions.

Variable type	Variable	Measurement	Data source
Study variables	*ESG performance*	ESG rating percentile scores, ranging from 0 to 100, with low scores corresponding to ESG laggards (D) and high scores to ESG leaders (A)	LSEG Eikon
	CEO political ideology	Calculated as the difference between contributions to the Republican and Democratic parties, divided by total contributions; this variable ranges from −1 (indicating very conservative ideology) to +1 (indicating very liberal ideology)	FEC data retrieved from OpenSecrets
	CEO Ivy League degree	Dummy variable coded 1 if the CEO has a degree from an Ivy League institution (Princeton University, Harvard University, Yale University, University of Pennsylvania, Brown University, Columbia University, Cornell University, Dartmouth College) and 0 otherwise	LSEG Eikon, manual research (e.g., annual reports, LinkedIn, Bloomberg, university websites, alumni associations, and Notable Names database)
CEO-level control variables	*CEO age*	Current age of the CEO (calculated as follows: fiscal year – birth year)	LSEG Eikon, manual research
	CEO gender	Dummy variable coded 1 for female CEO and 0 for male CEO	LSEG Eikon, manual research
	CEO firm tenure	Years the CEO has worked at the firm (calculated as follows: current year – year started working for the firm).	LSEG Eikon, manual research
	CEO STEM degree	Dummy variable coded 1 for CEO with a degree in science, technology, engineering, or mathematics (i.e., higher education in STEM fields) and 0 otherwise	LSEG Eikon, manual research
	CEO donation number	Number of political donations to parties or candidates	FEC data retrieved from OpenSecrets
Firm-level control variables	*Firm performance*	Return on assets (calculated as follows: net income divided by total assets)	LSEG Eikon
	Firm age	Years since incorporation (calculated as follows: current year – year of founding)	LSEG Eikon, manual research
	Firm size	Natural logarithm of the total number of employees	LSEG Eikon
	R&D intensity	R&D spending divided by sales, with missing values being replaced with 0 (Koh and Reeb 2015)	LSEG Eikon
	Leverage	Total debt divided by total assets	LSEG Eikon
	Slack resources	Available slack, calculated as follows: current ratio = current assets divided by current liabilities (Marlin and Geiger 2015)	LSEG Eikon
Governance-level control variables	*Board size*	Total number of directors	LSEG Eikon
	Board tenure	Average tenure of directors	LSEG Eikon

(Continues)

Variable type	Variable	Measurement	Data source
	Board gender diversity	Percentage of female directors (calculated as follows: number of female directors divided by board size)	LSEG Eikon
	Board affiliations	Average number of external directorial affiliations	LSEG Eikon
	Board independence	Percentage of independent directors (calculated as follows: number of independent directors divided by board size)	LSEG Eikon
	CEO duality	Dummy variable coded 1 if CEO is also the board chairperson and 0 otherwise	LSEG Eikon
	Management compensation	Total compensation of the management in millions USD	LSEG Eikon
	Sustainability compensation incentives	Dummy variable coded 1 if senior executive compensation is linked to CSR, sustainability, or health and safety targets and 0 otherwise	LSEG Eikon
	CSR sustainability committee	Dummy variable coded 1 if firms have a CSR committee and 0 otherwise	LSEG Eikon

system allows differentiation between liberal (Democratic Party) and conservative (Republican Party) ideologies (Weng and Yang 2024). Donations exceeding $200 to any political party must be reported to the FEC, offering a foundation for analyzing political leanings (Weng and Yang 2024). Given the stability of political ideology over time, we examined a CEO's entire donation history for a comprehensive understanding (Green et al. 2004).

To determine *CEO political ideology*, we measured the difference between their contributions to the Republican and Democratic parties, then divided by the total contributions. This approach reflects a CEO's political orientation on a scale from −1 (very conservative) to +1 (very liberal) (Hutton et al. 2015; Unsal et al. 2016). To confirm their political orientation, we manually searched publicly available data for CEOs without donation records. We excluded nondonating CEOs with no public political affiliation to prevent introducing bias to the sample by making assumptions about CEOs' political leanings.[4]

To assess whether CEOs possess an elite education, we examined whether the CEO holds a degree from an Ivy League institution. *CEO Ivy League degree* was measured using a dummy variable, indicating whether CEOs obtained degrees from one of the eight Ivy League institutions: Princeton, Harvard, Yale, University of Pennsylvania, Brown, Columbia, Cornell, and Dartmouth. These data were obtained from LSEG Eikon and supplemented with other reliable sources, including firms' annual reports, LinkedIn, Bloomberg, university websites, alumni associations, and the Notable Names database. The *CEO Ivy League degree* variable is coded with the value 1 if the CEO received a degree from an Ivy League institution (and 0 if not) (Miller et al. 2015).

3.2.2 | Control Variables

We included several other variables in the research model to account for factors potentially affecting ESG performance. We included five control variables at the CEO level based on prior research. *CEO age* and *CEO gender* account for risk preferences and potential effects on ESG performance (Glass et al. 2016; Le et al. 2024). *CEO firm tenure* captures the impact of accumulated firm-specific knowledge and socialization processes (Chen et al. 2019; Darouichi et al. 2021). *CEO STEM degree*, a dummy variable, indicates a background in science, technology, engineering, or mathematics that may influence decision-making concerning ESG performance (Cahyono et al. 2024; Zizka et al. 2021). Last, *CEO donation number*, reflecting political activism (J. Liu et al. 2023), was included as it may also relate to ESG performance.

We included six firm-level controls. *Firm performance*, measured by return on assets (ROA), reflects the potential of higher performing firms to invest in ESG initiatives (Huang 2021). *Firm age* considers older firms' prioritization of ESG due to reputational concerns (D'Amato and Falivena 2020). *Firm size*, measured by the natural logarithm of total employees, influences ESG performance due to resource variations and data availability between smaller and larger firms (Drempetic et al. 2020). *R&D intensity*, calculated as R&D spending to total sales, may drive ESG performance (Aguilera-Caracuel and Guerrero-Villegas 2018). *Leverage*, indicated by total debt to total assets, captures its presumed positive effect on ESG performance (Alareeni and Hamdan 2020). Lastly, *slack resources* represent discretionary financial resources firms could invest in ESG initiatives (Aguilera-Caracuel et al. 2015).

We included nine governance-level control variables. *Board size* accounts for monitoring differences between smaller and larger boards (Goodstein et al. 1994). *Board tenure* addresses potential declines in monitoring efficiency with longer director tenures (Jeong et al. 2021). *Board gender diversity* captured the dynamics of diverse boards (Issa 2023). *Board affiliations* control the benefits of more connected boards in advising on ESG issues (de Villiers et al. 2011). *Board independence* accounts for the enhanced ESG performance associated with more independent boards (Brinette et al. 2023). *CEO duality* considered the dual effect of CEOs on ESG priorities (de Villiers et al. 2011). *Management compensation* was included as highly compensated managers may be less concerned about ESG practices (de Villiers et al. 2011). *Sustainability compensation incentives* can motivate executives to prioritize CSR issues in their decision-making, impacting ESG performance (Baraibar-Diez et al. 2019). Last, the control *CSR sustainability committee* captures the possible benefits of a designated committee for ESG performance (Velte 2016).

Year controls and *industry controls* (two-digit NAICS level) were incorporated to mitigate potential time and industry-specific variances in ESG performance. These fixed effects help establish a causal link between CEO political ideology and ESG performance while accounting for temporal and sector-specific factors (Erhemjamts et al. 2013; Hutton et al. 2014).

4 | Analysis Method and Results

4.1 | Main Results

We selected a panel data estimator due to the longitudinal nature of our data, which is consistent with previous research grounded in upper echelons theory (e.g., O'Sullivan et al. 2024). First, we used the Breusch and Pagan (1980) test to determine the appropriate regression technique. The test results supported a random-effects model over a simple OLS regression ($p = 0.000$), validating the panel structure of the data (Baltagi 2021). We then conducted a Durbin–Wu–Hausman test to compare the random-effects and fixed-effects models, which confirmed the fixed-effects model as the preferred approach ($p = 0.000$) (Baltagi et al. 2003; Greene 2019). We then tested for possible heteroscedasticity using the modified Wald test, which detected heteroscedasticity ($p = 0.000$) (Greene 2019; Wooldridge 2002). Consequently, we implemented a fixed-effects model with robust standard errors clustered at the firm level.

We calculated descriptive and bivariate statistics for all study variables, as summarized in Table 2. The sampled firms showcase a mean ESG score of 57.45, which corresponds to a B− score equivalent to above-average ESG performance (LSEG 2023). The mean political liberalism of CEOs is −0.31, which suggests that CEOs lean toward conservative ideologies. Additionally, 18.9% of CEOs have obtained a degree from an Ivy League institution.

Table 3 reports the hierarchical regression results. There is no evidence of multicollinearity in the data, with the maximum variance inflation factor (VIF) of 2.39 well below the conventional thresholds of 5 or 10 (Johnston et al. 2018; Kennedy 2008).

Hypothesis 1 proposed that CEO political ideology affects ESG performance. The coefficient of CEO political ideology is positive and significant in Model 1 ($b = 1.720$, $p = 0.036$), and this positive effect is consistent across all subsequent models. Due to the value range of CEO political ideology between −1 (conservative) to +1 (liberal), this finding implies that liberal CEOs promote firms' ESG performance, whereas conservative CEOs harm ESG performance. Thus, the findings support Hypothesis 1 by demonstrating that CEO political ideology significantly affects ESG performance.

Hypothesis 2 posited that Ivy League degree moderates the relationship between CEO political ideology and ESG performance. This moderation effect is tested in Model 4, where the interaction coefficient is positive but insignificant ($b = 0.921$, $p = 0.694$). Therefore, there is no evidence supporting the moderation effect of Ivy League degree on the CEO political ideology–ESG performance relationship, leading to the rejection of Hypothesis 2.

In conclusion, the regression results support the effect of CEO political ideology on ESG performance (Hypothesis 1) but not for the moderation effects of CEO Ivy League degree (Hypothesis 2). However, the results revealed that Ivy League degree has a significant negative direct effect on ESG performance (Model 3: $b = -4.913$, $p = 0.022$). Thus, the findings demonstrate that CEO Ivy League degree is not a moderator of the CEO political ideology–ESG performance relationship but a managerial background factor that directly hinders ESG performance. The "Discussion and Implications" section further details these results.

4.2 | Additional Analyses

4.2.1 | Endogeneity Analyses

We used multiple approaches to handle endogeneity concerns. First, we employed an instrumental variable (IV) two-stage least squares (2SLS) model. Following previous research on political ideology (Hutton et al. 2014; Kashmiri and Mahajan 2017), we initially considered four CEO characteristics as possible IVs: *CEO age*, *CEO gender*, *CEO minority status* (dummy coded 1 for nonwhite CEOs), and *CEO military experience* (dummy coded 1 for CEOs with military experience or education). However, since CEO age and gender were included in the regression model, they could not serve as IVs (Ullah et al. 2021). From a theoretical perspective, as also argued and confirmed in previous research on CEO political ideology (e.g., Hutton et al. 2014; Kashmiri and Mahajan 2017), these variables are valid instruments that are correlated with a CEO's political ideology but not with the dependent variable[5] while they are also stable even after the CEO is appointed.

We collected the data for CEO military education from executive biographies from LSEG Eikon and other reliable data sources (e.g., annual reports, LinkedIn, Bloomberg, university websites, alumni associations, and the Notable Names database). Due to concerns about the accuracy and definition of CEO minority status in prior research, we adopted an alternative approach as the traditional categorization into "white" and "nonwhite" overlooks the diversity within the nonwhite category

TABLE 2 | Descriptive statistics: Means, standard deviations, and correlations.

	Variable	Mean	Std. deviation	1	2	3	4	5	6	7	8	9	10
1	ESG performance	57.453	0.657	1									
2	CEO political ideology	−0.310	0.027	0.042	1								
3	CEO Ivy League degree	0.189	0.014	−0.044	0.174***	1							
4	CEO age	56.845	0.232	−0.068*	−0.218***	−0.087**	1						
5	CEO gender	0.053	0.008	0.075**	0.148***	0.036	0.034	1					
6	CEO STEM degree	0.570	0.018	−0.067*	0.112***	0.078**	0.014	0.032	1				
7	CEO firm tenure	15.640	0.407	0.009	−0.000	0.009	0.011	−0.024	0.030	1			
8	CEO donation number	36.053	2.328	−0.040	−0.139***	0.022	0.157***	−0.052	−0.041	−0.047	1		
9	Firm performance	0.187	0.007	0.001	−0.038	−0.054	0.006	0.040	0.030	0.181***	−0.028	1	
10	Firm age	39.935	1.221	−0.025	0.004	−0.039	−0.089**	−0.007	−0.027	0.201***	−0.029	0.070**	1
11	Firm size	9.385	0.050	−0.020	−0.042	−0.036	−0.009	−0.023	0.029	0.201***	0.022	0.036	0.317***
12	R&D intensity	0.555	0.017	−0.018	0.028	−0.046	0.001	−0.019	−0.008	−0.042	−0.008	−0.215***	−0.109***
13	Leverage	7.521	1.395	0.162***	0.009	0.028	−0.004	0.011	0.032	−0.044	0.063*	−0.059*	−0.066*
14	Slack resources	1.495	0.043	0.036	0.037	0.001	−0.006	−0.012	−0.042	0.022	0.009	−0.073**	−0.191***
15	Board size	10.117	0.109	0.042	0.035	−0.023	−0.013	−0.022	0.005	0.102***	−0.011	0.080**	0.207***
16	Board tenure	8.928	0.131	0.011	−0.014	0.038	−0.060*	0.052	−0.008	0.358***	0.011	0.191***	0.069*
17	Board gender diversity	22.732	0.360	−0.008	−0.029	−0.071**	−0.022	−0.016	−0.001	0.088**	−0.012	0.126***	0.177***
18	Board affiliations	0.926	0.016	−0.025	−0.020	−0.020	0.065*	−0.006	0.019	−0.067*	0.013	0.003	0.124***
19	Board independence	84.358	0.315	0.011	−0.017	0.002	−0.040	−0.054	−0.044	−0.037	0.045	0.038	0.150***
20	CEO duality	0.664	0.017	0.072**	−0.028	−0.056	−0.055	−0.002	0.004	0.265***	−0.039	0.091**	0.215***
21	Management compensation	28.421	0.887	0.046	−0.041	−0.044	0.029	−0.012	0.045	0.025	0.046	0.038	0.115***
22	Sustainability compensation incentives	0.241	0.015	−0.025	0.039	−0.011	0.014	0.030	0.009	−0.054	0.037	−0.037	0.065*
23	CSR sustainability committee	0.555	0.018	0.577***	0.063*	−0.016	0.020	0.029	−0.004	0.004	0.008	−0.009	−0.001

TABLE 2 | (Continued)

	Variable	11	12	13	14	15	16	17	18	19	20	21	22	23
1	ESG performance													
2	CEO political ideology													
3	CEO Ivy League degree													
4	CEO age													
5	CEO gender													
6	CEO STEM degree													
7	CEO firm tenure													
8	CEO donation number													
9	Firm performance													
10	Firm age													
11	Firm size	1												
12	R&D intensity	−0.276***	1											
13	Leverage	−0.222***	−0.023	1										
14	Slack resources	−0.547***	0.541***	0.067*	1									
15	Board size	0.324***	−0.072**	−0.084**	−0.158***	1								
16	Board tenure	−0.103***	0.043	−0.010	0.222***	−0.025	1							
17	Board gender diversity	0.273***	−0.073**	−0.064*	−0.213***	0.139***	0.003	1						
18	Board affiliations	0.384***	−0.046	−0.109***	−0.241***	0.256***	−0.343***	0.208***	1					
19	Board independence	0.088**	−0.100***	−0.030	−0.126***	0.142***	−0.189***	0.179***	0.178***	1				
20	CEO duality	0.255***	−0.114***	−0.088**	−0.127***	0.088**	0.246***	0.160***	−0.008	−0.114***	1			
21	Management compensation	0.410***	0.141***	−0.098***	−0.183***	0.222***	−0.048	0.141***	0.249***	0.053	0.078**	1		
22	Sustainability compensation incentives	0.135***	−0.031	0.021	−0.121***	0.035	−0.081**	0.145***	0.054	0.115***	0.017	0.082**	1	
23	CSR sustainability committee	−0.057	0.017	0.113***	0.062*	0.027	0.031	0.013	−0.001	−0.009	0.012	0.010	0.016	1

Notes: $N = 769$; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

TABLE 3 | Hierarchical regression results.

	Model 1		Model 2		Model 3		Model 4	
ESG performance	**Coefficient**	**Std. error**	**Coefficient**	**Std. error**	**Coefficient**	**Std. error**	**Coefficient**	**Std. error**
CEO political ideology			1.720**	0.815	2.282***	0.754	2.031**	0.930
CEO Ivy League degree					−4.913**	2.126	−4.754**	1.919
CEO political ideology × CEO Ivy League degree							0.921	2.339
CEO age	−0.032	0.124	0.003	0.128	0.032	0.115	0.039	0.114
CEO gender	2.543	3.825	1.706	4.260	3.532	3.780	3.447	3.850
CEO STEM degree	0.390	1.494	0.111	1.560	1.014	1.410	1.011	1.405
CEO firm tenure	0.023	0.024	0.022	0.024	0.018	0.024	0.018	0.024
CEO donation number	−0.003	0.011	−0.003	0.012	−0.004	0.010	−0.004	0.011
Firm performance	3.179**	1.427	3.322**	1.426	3.684***	1.410	3.679***	1.415
Firm age	−0.003	0.008	−0.004	0.008	−0.005	0.008	−0.005	0.008
Firm size	−0.067	0.251	−0.057	0.252	−0.041	0.253	−0.047	0.253
R&D intensity	0.295	0.865	0.359	0.868	0.300	0.876	0.316	0.881
Leverage	0.002	0.004	0.002	0.004	0.001	0.004	0.001	0.004
Slack resources	−0.143	0.311	−0.178	0.310	−0.176	0.311	−0.171	0.310
Board size	−0.020	0.084	−0.032	0.081	−0.043	0.081	−0.041	0.082
Board tenure	−0.029	0.079	−0.020	0.080	−0.014	0.081	−0.012	0.081
Board gender diversity	−0.024	0.027	−0.028	0.027	−0.028	0.027	−0.029	0.027
Board affiliations	−0.231	0.713	−0.209	0.713	−0.246	0.710	−0.238	0.711
Board independence	−0.007	0.031	−0.008	0.030	−0.009	0.030	−0.009	0.030
CEO duality	0.520	0.578	0.531	0.578	0.555	0.576	0.561	0.577
Management compensation	0.016*	0.009	0.017*	0.009	0.017*	0.009	0.017*	0.009
Sustainability compensation incentives	0.676	0.630	0.651	0.632	0.614	0.631	0.604	0.631
CSR sustainability committee	3.444**	1.413	3.428**	1.415	3.291**	1.400	3.307**	1.410
Constant	54.104***	8.092	53.067***	8.061	52.110***	7.542	51.598***	7.475
Year controls	YES		YES		YES		YES	
Industry controls	YES		YES		YES		YES	
R^2_{within}	0.246		0.248		0.257		0.258	
$R^2_{between}$	0.296		0.221		0.133		0.136	
$R^2_{overall}$	0.185		0.163		0.126		0.126	
F	5.26		5.67		5.45		5.22	
Prob > F	0.000		0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

(Bland 2020; Chen and Beach 2019; Holzman 2015). We introduce a dummy variable, *CEO BIPOC*, to identify minority CEOs as Black, Indigenous, and other people of color (Garcia 2020). We manually reviewed CEOs' official and social media profiles to determine their status.[6] Additionally, we used *CEO home state political ideology* as an IV, determined by the state listed in most donations and matched with state donation data from OpenSecrets to calculate the political ideology index. These IVs were valid as they were not part of the original regression model and were uncorrelated with the error term, as confirmed in postestimation tests.

The first-stage regression showed that all instruments were valid in predicting CEO political ideology (CEO BIPOC: $b = 0.366$, $p = 0.001$; CEO military experience: $b = -0.216$, $p = 0.025$; CEO home state political ideology: $b = 0.975$, $p < 0.001$). The F-value from the first-stage regression surpassed the recommended threshold of 10 and demonstrated statistical significance (see Table 4). Postestimation tests, including the overidentifying restrictions test, confirmed the validity of the instruments, indicating no correlation with the error term. Additionally, the Durbin–Wu–Hausman test provided insufficient evidence to suggest that the variables were endogenous, reinforcing their exogeneity. These findings corroborate the theoretical rationale that the selected instruments—rooted in prior literature on CEO political ideology (e.g., Hutton et al. 2014; Kashmiri and Mahajan 2017)—are valid and appropriate for addressing endogeneity concerns.

We used fixed effects (within) IV regression for the final second-stage regression with firm-level clustered robust standard errors. The results show that CEO political ideology remains positive and significant ($b = 5.570$, $p = 0.036$). These additional tests provide initial evidence that our model does not suffer from endogeneity and reinforce the robustness of the causal inferences.

Additionally, we employed a two-stage system generalized methods of moments model (GMMs) to address various sources of endogeneity, including dynamic endogeneity, unobserved heterogeneity, and simultaneity (Wintoki et al. 2012). To mitigate these concerns, we used lagged values of the dependent variable (ESG performance, measured at $t = 0$) as instruments. Our GMM results (see Table 5) confirm that the positive effect of CEO political ideology on ESG performance holds ($b = 10.886$, $p = 0.049$).

The diagnostic tests suggest that the model is robust. The first-order autocorrelation test revealed weak evidence of autocorrelation, which is expected in dynamic panel models. However, the second-order autocorrelation test could not be calculated due to the limited sample period (as it requires at least three periods). Although this missing result warrants attention, a more extended sample period is necessary to assess second-order serial correlation fully. Additionally, the insignificance of the Sargan and Hansen tests confirms that the instruments are valid and do not overidentify the model. The Difference-in-Hansen test further supports the exogeneity of the instrument subsets, indicating no exogeneity concerns. The Wald chi-squared test confirmed that the collective influence of the explanatory variables is statistically significant, explaining a substantial portion of the variation in ESG performance. Although the inability to calculate the second-order autocorrelation test remains a limitation, the overall results suggest the model is well-specified. By instrumenting endogenous variables with their lagged values, the GMM approach ensures that the estimation is reliable and consistent (Khatib 2024; Ullah et al. 2021). Thus, despite the limitations, the model demonstrates robustness and provides meaningful insights into the relationship between CEO political ideology and ESG performance.[7]

TABLE 4 | Endogeneity test: 2SLS IV regression results.

ESG performance	Coefficient	Std. error
CEO political ideology	5.570**	2.659
Control variables	YES	
Year controls	YES	
Industry controls	YES	
R^2_{within}	0.236	
R^2_{between}	0.071	
R^2_{overall}	0.080	
F	834.30	
Prob > F	0.000	
F-test (first stage regression)	56.894***	
R^2 (first stage regression)	0.258	
Tests of endogeneity:		
Robust *Chi*^{2}	$p = 0.216$	
Robust regression	$p = 0.301$	
Test of overidentifying restrictions	$p = 0.575$	

Notes: Fixed effects (within) IV regression with robust standard errors clustered at the firm level, IVs = CEO BIPOC, CEO military education, CEO home state political ideology, number of observations = 769, number of groups = 233; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

4.2.2 | ESG Pillar Scores Analyses

Due to the multifaceted nature of ESG, we also tested our research model using the three pillars of ESG performance (also with a 1-year lag) as dependent variables. For this test, we used the same set of control variables as in our primary research model. The ESG score used in the main analysis is an aggregated measure based on three pillar scores calculated by 10 underlying categories. Specifically, the first pillar is the environmental (E) score, which comprises the categories (1) resource use, (2) emissions, and (3) innovation. The second is the social (S) score that contains the categories (4) workforce, (5) human rights, (6) community, and (7) product responsibility. The third is the governance (G) score that captures the categories (8) management, (9) shareholders, and (10) CSR strategy (for more details on the methodology, see LSEG 2023). Therefore, testing the effect of CEO political ideology on these individual pillars allows us to gain more nuanced insights into how CEO political ideology materializes across the environmental, social, and governance pillars and whether the influence of CEO political ideology varies between CEOs with an Ivy League degree and those without.

Notably, the differences across the three ESG pillars may stem from the unique scope of each pillar (Deng et al. 2024). For instance, the environmental pillar captures operational strategies related to environmental sustainability and innovation, such as emissions reduction (Trahan and Jantz 2023). The social pillar primarily addresses broader ethical and community-oriented initiatives, including workforce well-being and community engagement (Deng et al. 2024; Potharla et al. 2024). Meanwhile, the governance pillar focuses on sustainable corporate governance, emphasizing shareholder relations and management accountability (Agnese et al. 2023). Due to these distinctive characteristics, each ESG pillar may align differently with liberal versus conservative value systems, and Ivy League degree might moderate the degree to which political ideology impacts the emphasis placed on each ESG pillar.

TABLE 5 | Robustness test: Two-step system GMM estimation results.

ESG performance	Coefficient	Std. error
Lagged dependent variable	−0.326***	0.047
CEO political ideology	10.886**	5.520
Control variables	YES	
Year controls	YES	
Industry controls	YES	
Arellano–Bond AR(1) in first differences	$p = 0.058$	
Arellano–Bond AR(2) in first differences	$p =$ missing	
Sargan test	$p = 0.541$	
Hansen test	$p = 0.661$	
Difference-in-Hansen test for GMM levels	$p = 0.218$	
Difference (null H = exogenous)	$p = 0.828$	
Wald $Chi^2(29)$	694.59	
Prob > Chi^2	0.000	

Notes: Two-step System GMM results with robust standard errors, ESG performance of period 0, number of observations = 514, number of groups = 214, number of instruments = 34; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

First, as summarized in Table 6, the results showed that CEO political ideology does not affect environmental performance ($b = 0.343$, $p = 0.772$). The moderation effect of CEO Ivy League degree is also not present ($b = 4.646$, $p = 0.204$). However, the negative direct effect of the variable CEO Ivy League degree is consistent with our main results ($b = -8.463$, $p = 0.011$). Thus, we reveal that CEO political ideology has no effect on environmental performance and that the effect of CEO Ivy League degree is larger on environmental performance than on ESG performance.

Second, as summarized in Table 7, CEO political ideology has a positive and significant effect on social performance ($b = 1.138$, $p = 0.062$), CEO Ivy League degree has a negative and significant effect on social performance ($b = -3.947$, $p = 0.072$), and the moderation effect is insignificant ($b = 2.442$, $p = 0.225$). Therefore, the results concerning social performance remain consistent with our main results, albeit with slightly smaller coefficient sizes.

Third, as summarized in Table 8, CEO political ideology has a positive and significant effect on governance performance ($b = 4.071$, $p = 0.019$), CEO Ivy League degree has an insignificant effect on governance performance ($b = -3.058$, $p = 0.223$), and the moderation effect is significant ($b = -5.242$, $p = 0.050$). Consequently, our additional analysis shows different results from our main analysis as the positive effect of CEO political ideology is negatively moderated by CEO Ivy League degree, whereas CEO Ivy League degree has no direct effect on governance performance.

In summary, our additional tests in relation to the three ESG pillars reveal a complex interaction between CEO political

TABLE 6 | Additional test: Environmental pillar score as dependent variable.

Environmental pillar score	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	0.343	1.180	1.310	1.193	0.046	1.381
CEO Ivy League degree			−8.463**	3.312	−7.657***	2.728
CEO political ideology × CEO Ivy League degree					4.646	3.645
Control variables	YES		YES		YES	
Year controls	YES		YES		YES	
Industry controls	YES		YES		YES	
R^2_{within}	0.301		0.314		0.317	
$R^2_{between}$	0.228		0.141		0.135	
$R^2_{overall}$	0.166		0.139		0.133	
F	6.12		6.19		5.92	
Prob > F	0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

TABLE 7 | Additional test: Social pillar score as dependent variable.

Social pillar score	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	1.138*	0.608	1.589**	0.634	0.924	0.703
CEO Ivy League degree			−3.947*	2.185	−3.523*	1.880
CEO political ideology × CEO Ivy League degree					2.442	2.008
Control variables	YES		YES		YES	
Year controls	YES		YES		YES	
Industry controls	YES		YES		YES	
R^2_{within}	0.236		0.240		0.241	
R^2_{between}	0.229		0.168		0.167	
R^2_{overall}	0.173		0.147		0.145	
F	4.76		4.25		3.95	
Prob > F	0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; ***p < 0.01, **p < 0.05, *p < 0.10.

TABLE 8 | Additional test: Governance pillar score as dependent variable.

Governance pillar score	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	4.071**	1.729	4.420**	1.707	5.847***	1.995
CEO Ivy League degree			−3.058	2.500	−3.967	2.481
CEO political ideology × CEO Ivy League degree					−5.242*	2.660
Control variables	YES		YES		YES	
Year controls	YES		YES		YES	
Industry controls	YES		YES		YES	
R^2_{within}	0.075		0.076		0.080	
R^2_{between}	0.002		0.002		0.001	
R^2_{overall}	0.000		0.000		0.000	
F	2.20		2.15		2.07	
Prob > F	0.001		0.001		0.002	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; ***p < 0.01, **p < 0.05, *p < 0.10.

ideology, CEO Ivy League degree, and ESG performance pillars. Specifically, the positive effect of CEO political ideology is driven by the social and governance pillars (Hypothesis 1), whereas the negative effect of CEO Ivy League degree is driven by the environmental and governance pillars. Concerning Hypothesis 2, the additional tests demonstrate that the positive relationship between CEO political ideology and governance performance is attenuated for CEOs with an Ivy League degree.

We additionally tested whether CEOs with an Ivy League undergraduate degree differ from those with a graduate degree. The difference between them could stem from the variances in the admission process and the type of education each degree offers (Miller et al. 2015). Also, individuals typically pursue undergraduate education earlier in their lives than graduate degrees often obtained during the later stages of professional lifewhere a certain level of career achievement might already have been achieved. Thus, we also tested the moderation effect proposed in Hypothesis 2 by replacing CEO Ivy League degree with CEO Ivy League undergraduate and graduate degrees (dummy variables coded 1 if the CEO has obtained an undergraduate or graduate degree from an Ivy League institution, respectively).

In our sample, 5.7% of CEOs have obtained an undergraduate degree, and 15.6% have a graduate degree from an Ivy League institution. The results (summarized in Table 9) remain consistent as neither CEO Ivy League undergraduate (b = 1.297, p = 0.749) nor CEO Ivy League graduate degree (b = −0.127, p = 0.958) moderate the relationship between CEO political ideology and ESG performance. However, in line with our previous results, CEO Ivy

TABLE 9 | Additional test: CEO Ivy League undergraduate and graduate education as moderation variables.

ESG performance	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	2.219***	0.822	2.136**	0.882	2.128***	0.766	2.158**	0.877
CEO Ivy League undergraduate degree	−7.303**	3.352	−7.250**	3.203				
CEO political ideology × CEO Ivy League undergraduate degree			1.297	4.049				
CEO Ivy League graduate degree					−3.570*	2.018	−3.575*	1.988
CEO political ideology × CEO Ivy League graduate degree							−0.127	2.401
Control variables	YES		YES		YES		YES	
Year controls	YES		YES		YES		YES	
Industry controls	YES		YES		YES		YES	
R^2_{within}	0.258		0.258		0.253		0.253	
$R^2_{between}$	0.115		0.110		0.175		0.174	
$R^2_{overall}$	0.112		0.108		0.149		0.149	
F	5.69		5.46		5.46		5.28	
Prob > F	0.000		0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

League undergraduate degree ($b = -7.303$, $p = 0.030$) and CEO Ivy League graduate degree ($b = -3.570$, $p = 0.078$) have a direct negative and statistically significant effect on ESG performance. The results show that the negative effect of CEO Ivy League degrees seems to be driven primarily by the effect of undergraduate education due to the larger and more significant coefficient.

4.2.3 | Robustness Analyses

We performed several robustness analyses to confirm the validity of the results. First, we tested for the possibility of overcontrolling or inadequate controls by using a more conservative set of control variables that are likely to be exogenous. The additional analysis (see Table 10) shows that our results remain consistent with the main results when controlling for a minimum of relevant variables (firm age, firm size, board size, board independence, year, and industry dummies) or even when controlling for no firm or governance factors (i.e., only year and industry dummies). Thus, we can rule out that the choice of control variables has driven the effects in our results.

Second, we dropped all CEOs with a total donation amount below $1000 to rule out the possibility that less donating CEOs are less stable in their political ideology. The results using this modified subsample remained consistent with our main results (see Table 11). Thus, we can rule out that sample selection has influenced our results.

Third, we used alternative measures of CEO political ideology to rule out that the measurement has influenced the results (see Table 12). The first was *CEO liberal*, a dummy variable taking the value of 1 if a CEO made more than 50% of their donations to Democrats and 0 otherwise (Bhandari and Golden 2021; Hutton et al. 2014). The results remained in line with the main results; the positive effect of CEO liberal on ESG performance was even stronger using the alternative measure than in the original model ($b = 3.468$, $p = 0.011$). The second was *CEO strong liberal*, a dummy variable coded 1 if a CEO made no donations to

TABLE 10 | Robustness test: Different control variables.

ESG performance	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	1.406**	0.604	1.881***	0.664	1.782**	0.749	1.344**	0.600	1.798***	0.642	1.663**	0.737
CEO Ivy League degree			−3.941*	2.198	−3.884*	2.016			−3.900*	2.192	−3.823*	2.002
CEO political ideology × CEO Ivy League degree					0.319	2.144					0.448	2.160
Firm age	−0.001	0.008	−0.002	0.008	−0.002	0.008						
Firm size	0.072	0.203	0.079	0.203	0.076	0.202						
Board size	−0.020	0.080	−0.025	0.080	−0.024	0.080						
Board independence	−0.007	0.028	−0.007	0.028	−0.007	0.028						
Constant	54.340***	2.834	55.236***	2.902	55.203***	2.864	54.201***	0.799	55.020***	0.920	54.972***	0.860
Year controls	YES		YES		YES		YES		YES		YES	
Industry controls	YES		YES		YES		YES		YES		YES	
R^2_{within}	0.212		0.218		0.218		0.211		0.218		0.218	
$R^2_{between}$	0.008		0.009		0.010		0.009		0.010		0.010	
$R^2_{overall}$	0.023		0.025		0.025		0.024		0.026		0.026	
F	9.87		9.36		8.61		15.76		14.02		12.31	
Prob > F	0.000		0.000		0.000		0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 772, number of groups = 233; *** $p < 0.01$, * $p < 0.05$, * $p < 0.10$.

TABLE 11 | Robustness test: Minimum donation amount of $1000.

ESG performance	Coefficient	Std. error	Coefficient	Std. error
CEO political ideology	2.296***	0.810	1.952*	1.104
CEO Ivy League degree	−5.110**	2.273	−4.842**	2.025
CEO political ideology × CEO Ivy League degree			1.063	2.596
Control variables	YES		YES	
Year controls	YES		YES	
Industry controls	YES		YES	
R^2_{within}	0.254		0.254	
R^2_{between}	0.137		0.143	
R^2_{overall}	0.124		0.127	
F	4.93		4.75	
Prob > F	0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 742, number of groups = 225; ***$p<0.01$, **$p<0.05$, *$p<0.10$.

Republicans throughout their entire donation history (Elnahas and Kim 2017). The results also remained robust; the coefficient of CEO strong liberal on ESG performance was even stronger than in the original model ($b=3.719$, $p=0.009$). The negative direct effect of CEO Ivy League degree on ESG performance persists across all models.

Fourth, we winsorized all continuous variables at the 1% and 99% levels to rule out that our results were impacted by potential outliers (see Table 13). Our main results remain consistent when using winsorized variables. Specifically, the effect of CEO political ideology on ESG remains positive and significant ($b=2.175$, $p=0.006$), and the moderation effect remains positive but insignificant ($b=0.694$, $p=0.767$). The negative effect of CEO Ivy League degree on ESG also persisted across the models using winsorized variables ($b=-5.073$, $p=0.017$). Therefore, we can effectively rule out that outliers influence our results. These robustness analyses collectively demonstrate that our results remain consistent across various model specifications.

5 | Discussion and Implications

This study addresses a timely yet underexplored topic: the relationship between CEOs' political ideology and their firms' ESG performance and the moderating role of elite education from Ivy League institutions. In support of our first hypothesis, we found that CEO political ideology significantly affects ESG outcomes. Specifically, liberal CEOs are associated with higher ESG performance, whereas conservative CEOs tend to deter ESG initiatives. These findings transfer the core principles of political psychology (e.g., Jost et al. 2003; Jost and Amodio 2012) to upper echelons theorizing (Hambrick 2007; Hambrick and Mason 1984), reinforcing the view that liberal CEOs, characterized by greater openness to change and concern for societal welfare in their decision-making, are more likely to prioritize ESG efforts. Conversely, conservative CEOs prioritize profitability and shareholder value in their more closed-system decision-making. They are more reluctant to engage in ESG initiatives, which may be perceived as diverging from traditional business goals.

Through its focus on ESG strategy, our study adds new insights into the political ideology literature within the upper echelons framework. Specifically, we offer a nuanced understanding of how CEO political ideology affects corporate ESG efforts. Unlike CSR, which has been widely studied (e.g., Chin et al. 2013; Gupta et al. 2021), ESG represents a broader framework that encompasses not only social responsibility but also environmental and governance dimensions (Gillan et al. 2021; Huang 2021). Given the increasing political polarization surrounding ESG, particularly in the US (Winston 2023), our findings underscore the importance of understanding how ideological perspectives shape corporate ESG strategies.

Moreover, this study contributes to a microlevel understanding of the drivers behind ESG performance by revealing how political ideology differentially affects the three pillars of ESG performance. This offers an important extension of previous research, which has primarily focused on the role of CEO political ideology in CSR (e.g., Chin et al. 2013; Gupta et al. 2021). By focusing on ESG, we highlight the broader implications for firms seeking to navigate corporate sustainability challenges in an increasingly politicized environment. Our additional analyses foster a nuanced understanding of how CEOs' political ideology translates into ESG outcomes as we examine the effects on the three ESG pillars. Although our findings confirm the influence of CEO political ideology on the social and governance pillars of ESG, we observed no significant relationship between political ideology and environmental performance, contrasting previous research (e.g., Chin et al. 2013; Y. Kim 2024b). This finding suggests that environmental performance might be driven by factors beyond the CEO's political ideology. First, CEOs may have less latitude over environmental issues than social or governance issues. Strict legal standards and industry-specific requirements related to environmental issues might lead to greater uniformity in environmental outcomes across firms (Delmas and Toffel 2008; Shao et al. 2020), regardless of a CEO's political ideology. Second,

TABLE 12 | Robustness test: Alternative measures of CEO political ideology.

ESG performance	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error	Coefficient	Std. error
CEO liberal	3.468**	1.345	3.451*	1.883				
CEO strong liberal					3.719***	1.407	4.380***	1.673
CEO Ivy League degree	−4.443**	2.137	−4.459	2.795	−5.020**	2.138	−4.601*	2.457
CEO liberal × CEO Ivy League degree			0.041	2.876				
CEO strong liberal x CEO Ivy League degree							−2.058	3.574
Control variables	YES		YES		YES		YES	
Year controls	YES		YES		YES		YES	
Industry controls	YES		YES		YES		YES	
R^2_{within}	0.258		0.258		0.257		0.257	
R^2_{between}	0.138		0.138		0.117		0.107	
R^2_{overall}	0.127		0.127		0.113		0.107	
F	5.15		4.98		5.59		5.47	
Prob > F	0.000		0.000		0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233; ***$p < 0.01$, **$p < 0.05$, *$p < 0.10$.

TABLE 13 | Robustness test: Winsorized variables.

ESG performance	Coefficient	Robust std. error	Coefficient	Robust std. error
CEO political ideology	2.175***	0.781	1.982**	0.963
CEO Ivy League degree	−5.073**	2.104	−4.952**	1.901
CEO political ideology × CEO Ivy League degree			0.694	2.339
Control variables	YES		YES	
Year controls	YES		YES	
Industry controls	YES		YES	
R^2_{within}	0.255		0.256	
R^2_{between}	0.122		0.124	
R^2_{overall}	0.118		0.119	
F	5.26		5.02	
Prob > F	0.000		0.000	

Notes: Fixed effects with robust standard errors clustered at the firm level, number of observations = 769, number of groups = 233, all continuous variables are winsorized at the 1% and 99% levels; ***p < 0.01, **p < 0.05, *p < 0.10.

external stakeholder pressures may push liberal and conservative CEOs to adopt environmental strategies. For this reason, environmental issues have become one of the top boardroom topics (Deloitte Global 2022), and the focus on ESG has increasingly shifted disproportionately toward environmental issues (Mrchkovska et al. 2023). Additionally, environmental initiatives often involve long-term risks and require sustained investment before tangible outcomes are realized (Bansal and DesJardine 2014; Qadir et al. 2021). CEOs may prioritize social and governance initiatives over longer-term environmental efforts, which can yield more immediate reputational benefits. Environmental issues are also frequently perceived as operational or technical challenges, which may lead CEOs to approach them from a more apolitical standpoint (Ioannou and Serafeim 2023). Therefore, the effect of a CEO's political ideology on environmental outcomes might be diluted.

Furthermore, this study provides valuable insights into the intersection of CEO political ideology, Ivy League education, and ESG performance. By demonstrating that Ivy League education does not moderate the relationship between a CEO's political ideology and ESG performance—but instead has a direct negative effect on ESG—our study highlights noteworthy discussion points and implications for future theorizing.

For one, the absence of the moderation effect suggests that a CEO's elite educational background does not alter how their political beliefs influence ESG practices. This novel finding suggests that CEOs may bring existing ideological views into their executive role, where these beliefs guide their decision-making on ESG issues independently of their Ivy League education. In this sense, a CEO's political ideology will likely remain intact and uninfluenced by the perspectives acquired through elite education.

We find contrasting evidence to the upper echelon's presumption that a CEO's political ideology provides the primary cognitive framework for ESG-related decisions. Unlike Miller et al. (2015), we do not find evidence supporting the "strategic value to an Ivy education" (p. 942) within the ESG context. Instead, our study suggests that Ivy League education itself directly correlates with lower ESG performance, irrespective of political ideology. In other words, our results do not support the notion that CEOs use their Ivy League background to reinforce ideologically driven preferences for more or less ESG emphasis.

Instead, the findings reveal two largely independent channels. First, the *ideological channel* highlights how a CEO's political ideology shapes the decision-making preferences regarding ESG initiatives. Liberal CEOs are ideologically inclined to promote ESG strategy, driven by their open-system decision-making approach and stakeholder-oriented values. In contrast, conservative CEOs tend to deprioritize ESG outcomes, favoring a shareholder-centric approach rooted in a closed-system decision-making framework.

Second, the *elite education channel* captures how an Ivy League background affects decision-making by orienting it toward traditional business goals. Ivy League–educated CEOs may prioritize career advancement and reputation-building, focusing on financial metrics rather than ESG outcomes. Thus, Ivy League education appears to influence the *means* to achieve corporate goals—by providing connections and resources—rather than the *ends*, especially regarding ESG strategy.

In this sense, Ivy League education may provide reputational benefits and prestige, often associated with career progression rather than profoundly influencing a CEO's values or ideological approach to specific business issues like ESG strategy. With respect to this, Ivy League education could potentially override personal political preferences. For instance, even if liberal CEOs are ideologically inclined to value ESG, their elite educational background may steer them toward prioritizing more conventional business objectives over their personal political leanings. Thus, the influence of Ivy League education appears to impact decision-making processes related to ESG strategy by emphasizing reputational and traditional business outcomes over ideologically motivated ones.

It is important to note that, at first glance, our findings appear to contradict a key study on Ivy League education by Miller et al. (2015), which concluded that firms led by Ivy League–educated CEOs, particularly those with undergraduate degrees, achieve higher and more sustained market valuations. However, our results are consistent with the underlying rationale: Financial performance often aligns with shareholder interests, which may benefit from the elite networks cultivated by Ivy League–educated CEOs. These networks, however, could negatively impact ESG performance by prioritizing shareholder value over broader social responsibilities. The additional analysis highlights that the negative impact of Ivy League education on ESG performance is especially evident among CEOs with undergraduate degrees. This finding suggests that formative educational experiences at elite institutions may cultivate values or behaviors less aligned with strong ESG outcomes. Consistent with imprinting theory (Marquis and Tilcsik 2013), the results underscore that formative life experiences, particularly during undergraduate education, have enduring consequences in shaping behaviors and decision-making processes that influence ESG performance.

Altogether, our study expands upper echelons theory by identifying how these microlevel factors—political ideology and elite education—function as channels influencing strategic outcomes in relation to contemporary ESG challenges.

5.1 | Practical Recommendations

This study offers several practical implications by revealing that CEOs' political ideologies and Ivy League education influence their decision-making concerning ESG outcomes. Consequently, it is crucial for CEOs to critically assess how their personal traits and educational backgrounds align with the outcomes they seek to achieve, which might involve deliberate efforts to balance their innate decision-making tendencies (Chin et al. 2021). For instance, CEOs with conservative political views might consider adopting a more collaborative approach within diverse top management teams (TMTs) to enhance their focus on ESG priorities.

Similarly, our findings suggest that corporate boards should tailor governance structures to complement their CEOs' decision-making styles to support the organization's overarching goals. For firms committed to ESG objectives, granting liberal-leaning CEOs greater autonomy may leverage their natural inclinations toward decision-making that aligns with these goals. On the other hand, this study underscores that an Ivy League education—typically viewed positively—may inadvertently hinder stakeholder interests in relation to ESG issues. Companies led by more conservative or Ivy League–educated CEOs—who might intrinsically deprioritize ESG initiatives—should emphasize a team-based approach in decision-making. Such a strategy encourages leveraging the broader perspectives of the entire TMT rather than relying solely on the CEO's individual preferences.

Beyond implications for decision-making frameworks and governance structures, this study offers suggestions for top management staffing, incentive structures, and leadership development programs. Firms should adopt a holistic approach to talent management by considering the diversity of political ideologies and educational backgrounds, which can foster a broader range of perspectives within the organization—particularly valuable for navigating complex ESG issues. Leadership development programs should aim to broaden the perspectives of CEOs, especially those who are politically conservative or Ivy League–educated, by enhancing social awareness and stakeholder-oriented decision-making skills. Incorporating ESG metrics into CEO performance evaluations can further incentivize alignment with sustainability goals, leading to improved overall ESG performance. This approach ensures that CEOs are motivated to prioritize ESG initiatives, ultimately resulting in enhanced organizational outcomes in relation to ESG.

By implementing these practical implications, organizations can more effectively align their strategies with desired outcomes and contribute positively to broader societal and environmental challenges, advancing a more sustainable and equitable future in light of today's grand societal challenges.

5.2 | Future Research

Our findings indicate that a CEO's political ideologies significantly predict their values and decision-making processes. Politically liberal CEOs tend to adopt a more stakeholder-oriented perspective of business responsibilities compared to their conservative counterparts. Future research might explore the impact of CEO political ideology on ESG outcomes across different countries and political systems or investigate the political ideologies of entire TMTs (Chin et al. 2013).

In pursuing this line of inquiry, future research should incorporate additional factors when assessing the impact of political ideology on ESG performance to develop a more comprehensive understanding of the underlying dynamics. Further studies might also investigate the role of moderating factors, such as CEO power (Brahma and Economou 2024; Chu et al. 2023), within the context of CEO political ideology and ESG strategy, as power dynamics may play a critical role in influencing CEOs' capacity to shape strategic outcomes (Chin et al. 2013).

Our research lays crucial groundwork for further exploration of the intersection between CEO political ideology, decision-making, and corporate strategy. Future studies could investigate the long-term impact of ESG decisions influenced by political ideology on firm performance or conduct cross-cultural analyses to explore how the link between CEO political ideology and ESG practices differs across various cultural or political settings. In conclusion, this study further enhances the academic understanding of how CEOs' personal backgrounds shape their decision-making processes and organizational outcomes. The findings emphasize the need for top managers, organizations, and stakeholders to critically evaluate the biases and inequities associated with CEOs' political ideologies and elite educational backgrounds.

Author Contributions

Tim Heubeck: conceptualization, methodology, data curation, formal analysis, visualization, project administration, writing – original draft, writing – review and editing. **Annina Ahrens:** conceptualization, writing – original draft, writing – review and editing.

Acknowledgements

Open Access funding enabled and organized by Projekt DEAL.

Conflicts of Interest

The authors declare no conflicts of interest.

Data Availability Statement

Data sharing is not possible due to provider restrictions. All other data are publicly available.

Use of AIGC Tools

The authors acknowledge that AIGC tools, including Grammarly and ChatGPT 4o, were used to improve spelling and grammar and perform general editing.

Endnotes

[1] We acknowledge the distinction between ESG and CSR. Nonetheless, our focus is on studying the effect of CEO political ideology on the three ESG pillars. ESG encompasses a broader spectrum of issues compared to CSR, covering environmental aspects (like energy efficiency and pollution control), social considerations (such as community engagement and workplace safety), and governance factors (including executive accountability and ethical business practices) (Martiny et al. 2024). Because of the comprehensive scope and quantifiable nature of ESG performance (LSEG 2023), we use firms' ESG performance as a metric to assess the impact of CEO political ideology on the three ESG pillars.

[2] Our dependent variable, ESG performance, is lagged by one year, extending our dataset through 2020.

[3] ESG ratings can vary among different ESG rating agencies due to the absence of standardized ESG disclosures and the inherent influence of rating agencies (Berg et al. 2022). Although we utilized LSEG Eikon, one of the most used ESG rating agencies, it is possible that ESG data from other agencies could have produced different results because of the inconsistencies in ESG ratings across various data providers.

[4] We acknowledge that nondonating CEOs may hold their political beliefs private, especially with increasing public scrutiny against CEO activism (Feix and Wernicke 2024). Assuming that nondonating CEOs are politically moderate might introduce severe bias to the sample because CEOs might not donate due to fearing public scrutiny for their personal political ideology. Thus, to differentiate between different political ideologies, previous research has used separate categories for politically liberal, conservative, moderate, and unaffiliated individuals (e.g., Vaidyanathan et al. 2011). This argumentation also corresponds to political research, which finds that individuals generally donate to candidates and parties that align with their own political ideology (Barber 2016). In limiting our analysis to donating CEOs, we can effectively gauge CEOs' personal political convictions and uncover the undistorted effect of CEO political orientation on ESG. We excluded 83 nondonating CEOs, for which no public data on their political donation was available. This step is also necessary to conduct additional tests and assess potential endogeneity in our research data.

[5] We note that recent research has begun to explore the influence of CEO minority status on CSR. However, this study by Do and Herbohn (2024) focused on the moderation effect of CEO minority status on the main relationship between board ethnic diversity and CSR. Our use of CEO BIPOC status, as an extension of CEO minority status, does not conflict with this study, as we focus on a structurally different outcome variable, and their use of minority status as a moderator differs fundamentally from our use of the variable as an instrument to capture exogenous variation in CEO political ideology. Our approach is further validated by post-estimation diagnostics, which confirm the exogeneity of this instrument.

[6] We are highly aware of the potential racial bias introduced by our own predispositions in reviewing a CEO's profile photographs. We used this alternate definition of CEO minority status to provide a more comprehensive account of minority status and raise the awareness that the distinction into "white" and "nonwhite" categories might be highly problematic. We urge the readers to be aware of this problem in the existing research and hope that our differentiated examination has remedied—and at least not contributed to—racial biases.

[7] Despite adhering to best practices, recent methodological guidelines, and employing a two-method approach combining the IV 2SLS and GMM models to support our main findings, we acknowledge that endogeneity cannot be definitively ruled out in our research model. Readers are advised to interpret the results with this limitation in mind.

References

Agnese, P., F. Battaglia, F. Busato, and S. Taddeo. 2023. "ESG Controversies and Governance: Evidence From the Banking Industry." *Finance Research Letters* 53: 103397. https://doi.org/10.1016/j.frl.2022.103397 .

Aguilera-Caracuel, J., and J. Guerrero-Villegas. 2018. "How Corporate Social Responsibility Helps MNEs to Improve Their Reputation. The Moderating Effects of Geographical Diversification and Operating in Developing Regions." *Corporate Social Responsibility and Environmental Management* 25, no. 4: 355–372. https://doi.org/10.1002/csr.1465 .

Aguilera-Caracuel, J., J. Guerrero-Villegas, M. D. Vidal-Salazar, and B. L. Delgado-Márquez. 2015. "International Cultural Diversification and Corporate Social Performance in Multinational Enterprises: The Role of Slack Financial Resources." *Management International Review* 55, no. 3: 323–353. https://doi.org/10.1007/s11575-014-0225-4 .

Alareeni, B. A., and A. Hamdan. 2020. "ESG Impact on Performance of US S&P 500-Listed Firms." *Corporate Governance* 20, no. 7: 1409–1428. https://doi.org/10.1108/CG-06-2020-0258 .

Alba, R. D., and G. Moore. 1982. "Ethnicity in the American Elite." *American Sociological Review* 47, no. 3: 373–383. https://doi.org/10.2307/2094993 .

Armstrong, R. 2023. "Anti-ESG Investing." Financial Times. Retrieved from https://www.ft.com/content/0caf08cd-88d8-4c17-b694-b5ed757b0b47.

Bailey, E. E., and C. E. Helfat. 2003. "External Management Succession, Human Capital, and Firm Performance: An Integrative Analysis." *Managerial and Decision Economics* 24, no. 4: 347–369. https://doi.org/10.1002/mde.1119 .

Baltagi, B. H. 2021. *Econometric Analysis of Panel Data*. 6th ed. Springer International Publishing.

Baltagi, B. H., G. Bresson, and A. Pirotte. 2003. "Fixed Effects, Random Effects or Hausman–Taylor?: A Pretest Estimator." *Economics Letters* 79, no. 3: 361–369. https://doi.org/10.1016/S0165-1765(03)00007-7 .

Bansal, P., and M. R. DesJardine. 2014. "Business Sustainability: It Is About Time." *Strategic Organization* 12, no. 1: 70–78. https://doi.org/10.1177/1476127013520265 .

Baraibar-Diez, E., M. D. Odriozola, and J. L. Fernández Sánchez. 2019. "Sustainable Compensation Policies and Its Effect on Environmental, Social, and Governance Scores." *Corporate Social Responsibility and Environmental Management* 26, no. 6: 1457–1472. https://doi.org/10.1002/csr.1760 .

Barber, M. 2016. "Donation Motivations: Testing Theories of Access and Ideology." *Political Research Quarterly* 69, no. 1: 148–159. https://doi.org/10.1177/1065912915624164 .

Baron, R. M., and D. A. Kenny. 1986. "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations." *Journal of Personality and Social Psychology* 51, no. 6: 1173–1182. https://doi.org/10.1037//0022–3514.51.6.1173 .

Bartels, L. M. 2002. "Beyond the Running Tally: Partisan Bias in Political Perception." *Political Behavior* 24, no. 2: 117–150. https://doi.org/10.1023/A:1021226224601 .

Berg, F., J. F. Kölbel, and R. Rigobon. 2022. "Aggregate Confusion: The Divergence of ESG Ratings." *Review of Finance* 26, no. 6: 1315–1344. https://doi.org/10.1093/rof/rfac033 .

Bhandari, A., and J. Golden. 2021. "CEO Political Preference and Credit Ratings." *Journal of Corporate Finance* 68: 101909. https://doi.org/10.1016/j.jcorpfin.2021.101909 .

Bhandari, A., J. Golden, and M. Thevenot. 2020. "CEO Political Ideologies and Auditor-Client Contracting." *Journal of Accounting and Public Policy* 39, no. 5: 106755. https://doi.org/10.1016/j.jaccpubpol.2020.106755 .

Bland, T. 2020. "The Term "People of Color" Fails to Be Properly Inclusive of the Black Community." The Daily Aztec. Retrieved from https://thedailyaztec.com/100319/opinion/opinion-the-term-people-of-color-fails-to-be-properly-inclusive-of-the-black-community/.

Bonilla-Silva, E., C. Goar, and D. G. Embrick. 2006. "When Whites Flock Together: The Social Psychology of White Habitus." *Critical Sociology* 32, no. 2–3: 229–253. https://doi.org/10.1163/156916306777835268 .

Brahma, S., and F. Economou. 2024. "CEO Power and Corporate Strategies: A Review of the Literature." *Review of Quantitative Finance and Accounting* 62, no. 3: 1069–1143. https://doi.org/10.1007/s11156-023-01231-7 .

Breusch, T. S., and A. R. Pagan. 1980. "The Lagrange Multiplier Test and Its Applications to Model Specification in Econometrics." *Review of Economic Studies* 47, no. 1: 239–253. https://doi.org/10.2307/2297111 .

Brinette, S., F. D. Sonmez, and P. S. Tournus. 2023. "ESG Controversies and Firm Value: Moderating Role of Board Gender Diversity and Board Independence." *IEEE Transactions on Engineering Management* 71: 4298–4307. https://doi.org/10.1109/TEM.2023.3236667 .

Brown, S. J., W. Goetzmann, R. G. Ibbotson, and S. A. Ross. 1992. "Survivorship Bias in Performance Studies." *Review of Financial Studies* 5, no. 4: 553–580. https://doi.org/10.1093/rfs/5.4.553 .

Buallay, A. 2019. "Sustainability Reporting and Firm's Performance: Comparative Study Between Manufacturing and Banking Sectors." *International Journal of Productivity and Performance Management* 69, no. 3: 431–445. https://doi.org/10.1108/IJPPM-10-2018-0371 .

Busch, D. 2023. "EU Sustainable Finance Disclosure Regulation." *Capital Markets Law Journal* 18, no. 3: 303–328. https://doi.org/10.1093/cmlj/kmad005 .

Cabreros, D., G. de la Fuente, and P. Velasco. 2024. "From Dawn to Dusk: The Relationship Between CEO Career Horizon and ESG Engagement." *International Review of Financial Analysis* 93: 103200. https://doi.org/10.1016/j.irfa.2024.103200 .

Cahyono, S., A. Ardianto, and M. Nasih. 2024. "Breaking Barriers: CEOs STEM Educational Background and Corporate Climate Change Disclosure." *International Journal of Accounting and Information Management* 32, no. 4: 651–684. https://doi.org/10.1108/IJAIM-10-2023-0268 .

Cain, M. D., and S. B. McKeon. 2016. "CEO Personal Risk-Taking and Corporate Policies." *Journal of Financial and Quantitative Analysis* 51, no. 1: 139–164. https://doi.org/10.1017/S0022109016000041 .

Campbell, R. J., S.-H. Jeong, and S. D. Graffin. 2019. "Born to Take Risk? The Effect of CEO Birth Order on Strategic Risk Taking." *Academy of Management Journal* 62, no. 4: 1278–1306. https://doi.org/10.5465/amj.2017.0790 .

Cannella, A. A., and T. R. Holcomb. 2005. "A Multi-Level Analysis of the Upper-Echelons Model." In *Multi-Level Issues in Strategy and Methods*, edited by F. Dansereau and F. J. Yammarino, 195–237. Bingley, England: Emerald Group Publishing Limited.

Carpenter, J. N., and A. W. Lynch. 1999. "Survivorship Bias and Attrition Effects in Measures of Performance Persistence." *Journal of Financial Economics* 54, no. 3: 337–374. https://doi.org/10.1016/S0304-405X(99)00040–9 .

Carroll, A. B. 1991. "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders." *Business Horizons* 34, no. 4: 39–48. https://doi.org/10.1016/0007–6813(91)90005-G .

Chandler, J. A., Y. Kim, J. A. Waddingham, and A. D. Hill. 2023. "Going Global? CEO Political Ideology and the Choice Between International Alliances and International Acquisitions." *Journal of International Business Studies* 54, no. 8: 1441–1470. https://doi.org/10.1057/s41267-023-00607-0 .

Chen, D., and R. Beach. 2019. "Readers React: The Problem With 'People of Color': It Implies Whiteness Is the Default." Los Angeles Times. Retrieved from https://www.latimes.com/opinion/readersreact/la-ol-le-people-of-color-white-people-privilege-20190504-story.html.

Chen, W., G. Zhou, and X. Zhu. 2019. "CEO Tenure and Corporate Social Responsibility Performance." *Journal of Business Research* 95: 292–302. https://doi.org/10.1016/j.jbusres.2018.08.018 .

Cheng, C. A., W. Huang, S. Li, and Y. Zhang. 2024. "CEO Political Contribution and Accounting Conservatism." *Journal of Accounting, Auditing and Finance* https://doi.org/10.1177/0148558X231215894 .

Chin, M. K., D. C. Hambrick, and L. K. Treviño. 2013. "Political Ideologies of CEOs: The Influence of Executives' Values on Corporate Social Responsibility." *Administrative Science Quarterly* 58, no. 2: 197–232. https://doi.org/10.1177/0001839213486984 .

Chin, T., W. Wang, M. Yang, Y. Duan, and Y. Chen. 2021. "The Moderating Effect of Managerial Discretion on Blockchain Technology and the Firms' Innovation Quality: Evidence From Chinese Manufacturing Firms." *International Journal of Production Economics* 240: 108219. https://doi.org/10.1016/j.ijpe.2021.108219 .

Chou, R., K. Lee, and S. Ho. 2015. "Love Is (Color)Blind: Asian Americans and White Institutional Space at the Elite University." *Sociology of Race and Ethnicity* 1, no. 2: 302–316. https://doi.org/10.1177/2332649214553128 .

Chu, H.-L., N.-Y. Liu, and S.-C. Chiu. 2023. "CEO Power and CSR: The Moderating Role of CEO Characteristics." *China Accounting and Finance Review* 25, no. 1: 101–121. https://doi.org/10.1108/CAFR-03-2022-0027 .

Conover, P. J., and S. Feldman. 1981. "The Origins and Meaning of Liberal/Conservative Self-Identifications." *American Journal of Political Science* 25, no. 4: 617–645. https://doi.org/10.2307/2110756 .

Cronqvist, H., A. K. Makhija, and S. E. Yonker. 2012. "Behavioral Consistency in Corporate Finance: CEO Personal and Corporate Leverage." *Journal of Financial Economics* 103, no. 1: 20–40. https://doi.org/10.1016/j.jfineco.2011.08.005 .

D'Amato, A., and C. Falivena. 2020. "Corporate Social Responsibility and Firm Value: Do Firm Size and Age Matter? Empirical Evidence From European Listed Companies." *Corporate Social Responsibility and Environmental Management* 27, no. 2: 909–924. https://doi.org/10.1002/csr.1855 .

Darouichi, A., S. Kunisch, M. Menz, and A. A. Cannella Jr. 2021. "CEO Tenure: An Integrative Review and Pathways for Future Research."

Corporate Governance: An International Review 29, no. 6: 661–683. https://doi.org/10.1111/corg.12396 .

de Villiers, C., V. Naiker, and C. J. van Staden. 2011. "The Effect of Board Characteristics on Firm Environmental Performance." *Journal of Management* 37, no. 6: 1636–1663. https://doi.org/10.1177/0149206311411506 .

Del Vitto, A., D. Marazzina, and D. Stocco. 2023. "ESG Ratings Explainability Through Machine Learning Techniques." *Annals of Operations Research*:. https://doi.org/10.1007/s10479-023-05514-z .

Delmas, M. A., and M. W. Toffel. 2008. "Organizational Responses to Environmental Demands: Opening the Black Box." *Strategic Management Journal* 29, no. 10: 1027–1055. https://doi.org/10.1002/smj.701 .

Deloitte Global. 2022. "CEOs and Climate Action." Retrieved from https://www.deloitte.com/global/en/issues/climate/ceos-and-climate-action.html.

Deng, G., S. Ma, J. Yan, C. Shuai, and H. Liu. 2024. "Dissecting the Impact of the Three E, S, G Pillars on Credit Risk." *Economic Analysis and Policy* 83: 301–313. https://doi.org/10.1016/j.eap.2024.06.006 .

Do, T. (P.), and K. Herbohn. 2024. "The Impact of Board Ethnic Diversity and Chief Executive Officer Role on Corporate Social Responsibility." *Accounting and Finance* 64, no. 1: 575–605. https://doi.org/10.1111/acfi.13155 .

Drempetic, S., C. Klein, and B. Zwergel. 2020. "The Influence of Firm Size on the ESG Score: Corporate Sustainability Ratings Under Review." *Journal of Business Ethics* 167, no. 2: 333–360. https://doi.org/10.1007/s10551-019-04164-1 .

Elnahas, A. M., and D. Kim. 2017. "CEO Political Ideology and Mergers and Acquisitions Decisions." *Journal of Corporate Finance* 45: 162–175. https://doi.org/10.1016/j.jcorpfin.2017.04.013 .

Erhemjamts, O., Q. Li, and A. Venkateswaran. 2013. "Corporate Social Responsibility and Its Impact on Firms' Investment Policy, Organizational Structure, and Performance." *Journal of Business Ethics* 118, no. 2: 395–412. https://doi.org/10.1007/s10551-012-1594-x .

Erikson, R. S., and K. L. Tedin. 2019. *American Public Opinion: Its Origins, Content, and Impact*. 10th ed. New York: Routledge.

Fatima, T., and S. Elbanna. 2023. "Corporate Social Responsibility (CSR) Implementation: A Review and a Research Agenda Towards an Integrative Framework." *Journal of Business Ethics* 183, no. 1: 105–121. https://doi.org/10.1007/s10551-022-05047-8 .

Feix, A., and G. Wernicke. 2024. "When Is CEO Activism Conducive to the Democratic Process?" *Journal of Business Ethics* 190, no. 4: 755–774. https://doi.org/10.1007/s10551-023-05446-5 .

Ferris, S. P., R. Houston, and D. Javakhadze. 2019. "It Is a Sweetheart of a Deal: Political Connections and Corporate-Federal Contracting." *Financial Review* 54, no. 1: 57–84. https://doi.org/10.1111/fire.12181 .

Finkelstein, S., D. C. Hambrick, and B. Cannella. 2009. *Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*. 1st ed. Oxford, England: Oxford University Press.

Francis, B. B., I. Hasan, X. Sun, and Q. Wu. 2016. "CEO Political Preference and Corporate Tax Sheltering." *Journal of Corporate Finance* 38: 37–53. https://doi.org/10.1016/j.jcorpfin.2016.03.003 .

Freeman, R. E. 1984. *Strategic Management: A Stakeholder Approach*. Boston, MA: Pitman.

Friede, G., T. Busch, and A. Bassen. 2015. "ESG and Financial Performance: Aggregated Evidence From More Than 2000 Empirical Studies." *Journal of Sustainable Finance & Investment* 5, no. 4: 210–233. https://doi.org/10.1080/20430795.2015.1118917 .

Frink, D. D., R. K. Robinson, B. Reithel, et al. 2003. "Gender Demography and Organization Performance: A Two-Study Investigation With Convergence." *Group and Organization Management* 28, no. 1: 127–147. https://doi.org/10.1177/1059601102250025 .

Garcia, S. 2020. "BIPOC: What Does It Mean?" The New York Times. Retrieved from https://www.nytimes.com/article/what-is-bipoc.html.

Gassmann, P. and W. Jackson-Moore. 2023. "The CEO's ESG Dilemma." The Harvard Law School Forum on Corporate Governance. Retrieved from https://corpgov.law.harvard.edu/2023/01/23/the-ceos-esg-dilemma/.

Ghobakhloo, M. 2020. "Industry 4.0, Digitization, and Opportunities for Sustainability." *Journal of Cleaner Production* 252: 119869. https://doi.org/10.1016/j.jclepro.2019.119869 .

Giddens, A. 2013. *The Third Way: The Renewal of Social Democracy*. Chichester, UK: John Wiley & Sons.

Gillan, S. L., A. Koch, and L. T. Starks. 2021. "Firms and Social Responsibility: A Review of ESG and CSR Research in Corporate Finance." *Journal of Corporate Finance* 66: 101889. https://doi.org/10.1016/j.jcorpfin.2021.101889 .

Glass, C., A. Cook, and A. R. Ingersoll. 2016. "Do Women Leaders Promote Sustainability? Analyzing the Effect of Corporate Governance Composition on Environmental Performance." *Business Strategy and the Environment* 25, no. 7: 495–511. https://doi.org/10.1002/bse.1879 .

Goodall, M., and E. Moore. 2019. "Integrating the Sustainable Development Goals Into Teaching, Research, Operations, and Service: A Case Report of Yale University." *Sustainability: The Journal of Record* 12, no. 2: 93–96. https://doi.org/10.1089/sus.2018.0038 .

Goodstein, J., K. Gautam, and W. Boeker. 1994. "The Effects of Board Size and Diversity on Strategic Change." *Strategic Management Journal* 15, no. 3: 241–250. https://doi.org/10.1002/smj.4250150305 .

Graham, J., J. Haidt, and B. A. Nosek. 2009. "Liberals and Conservatives Rely on Different Sets of Moral Foundations." *Journal of Personality and Social Psychology* 96, no. 5: 1029–1046. https://doi.org/10.1037/a0015141 .

Green, D. P., B. Palmquist, and E. Schickler. 2004. *Partisan Hearts and Minds: Political Parties and the Social Identities of Voters*. New Haven, CT: Yale University Press.

Greene, W. H. 2019. *Econometric Analysis*. 8th ed. London, England: Pearson.

Gupta, A., and F. Briscoe. 2020. "Organizational Political Ideology and Corporate Openness to Social Activism." *Administrative Science Quarterly* 65, no. 2: 524–563. https://doi.org/10.1177/0001839219852954 .

Gupta, A., A. Fung, and C. Murphy. 2021. "Out of Character: CEO Political Ideology, Peer Influence, and Adoption of CSR Executive Position by Fortune 500 Firms." *Strategic Management Journal* 42, no. 3: 529–557. https://doi.org/10.1002/smj.3240 .

Hambrick, D. C. 2007. "Upper Echelons Theory: An Update." *Academy of Management Review* 32, no. 2: 334–343. https://doi.org/10.5465/amr.2007.24345254 .

Hambrick, D. C., and P. A. Mason. 1984. "Upper Echelons: The Organization as a Reflection of Its Top Managers." *Academy of Management Review* 9, no. 2: 193–206. https://doi.org/10.5465/amr.1984.4277628 .

Handley, K., and N. Limão. 2022. "Trade Policy Uncertainty." *Annual Review of Economics* 14, no. 1: 363–395. https://doi.org/10.1146/annurev-economics-021622–020416 .

He, F., H. Du, and B. Yu. 2022. "Corporate ESG Performance and Manager Misconduct: Evidence From China." *International Review of Financial Analysis* 82: 102201. https://doi.org/10.1016/j.irfa.2022.102201 .

Hermundsdottir, F., D. H. Haneberg, and A. Aspelund. 2022. "Analyzing the Impact of COVID-19 on Environmental Innovations in Manufacturing Firms." *Technology in Society* 68: 101918. https://doi.org/10.1016/j.techsoc.2022.101918 .

Hernández, M. A. 2009. *A Is for Admission: The Insider's Guide to Getting Into the Ivy League and Other Top Colleges*. New York, NY: Grand Central Publishing.

Heubeck, T. 2024a. "Looking Back to Look Forward: A Systematic Review of and Research Agenda for Dynamic Managerial Capabilities." *Management Review Quarterly* 74: 2243–2287. https://doi.org/10.1007/s11301-023-00359-z .

Heubeck, T. 2024b. "Walking on the Gender Tightrope: Unlocking ESG Potential Through CEOs' Dynamic Capabilities and Strategic Board Composition." *Business Strategy and the Environment* 33, no. 3: 2020–2039. https://doi.org/10.1002/bse.3578 .

Heubeck, T., and A. Ahrens. 2024. "Governing the Responsible Investment of Slack Resources in Environmental, Social, and Governance (ESG) Performance: How Beneficial Are CSR Committees?" *Journal of Business Ethics*. https://doi.org/10.1007/s10551-024-05798-6 .

Holzman, M. 2015. "The Misnomer Called 'People of Color'." Dropout Nation. Retrieved from https://web.archive.org/web/20221226103705/https://dropoutnation.net/2015/09/19/the-misnomer-called-people-of-color/.

Huang, D. Z. X. 2021. "Environmental, Social and Governance (ESG) Activity and Firm Performance: A Review and Consolidation." *Accounting and Finance* 61, no. 1: 335–360. https://doi.org/10.1111/acfi.12569 .

Hutton, I., D. Jiang, and A. Kumar. 2014. "Corporate Policies of Republican Managers." *Journal of Financial and Quantitative Analysis* 49, no. 5–6: 1279–1310. https://doi.org/10.1017/S0022109014000702 .

Hutton, I., D. Jiang, and A. Kumar. 2015. "Political Values, Culture, and Corporate Litigation." *Management Science* 61, no. 12: 2905–2925. https://doi.org/10.1287/mnsc.2014.2106 .

Ioannou, I., and G. Serafeim. 2023. "What Drives Corporate Social Performance? The Role of Nation-Level Institutions." *Journal of International Business Studies* 54, no. 1: 14–23. https://doi.org/10.1057/s41267-022-00579-7 .

Issa, A. 2023. "Shaping a Sustainable Future: The Impact of Board Gender Diversity on Clean Energy Use and the Moderating Role of Environmental, Social and Governance Controversies." *Corporate Social Responsibility and Environmental Management* 30, no. 6: 2731–2746. https://doi.org/10.1002/csr.2512 .

Issah, W. B., M. Anwar, T. Clauss, and S. Kraus. 2023. "Managerial Capabilities and Strategic Renewal in Family Firms in Crisis Situations: The Moderating Role of the Founding Generation." *Journal of Business Research* 156: 113486. https://doi.org/10.1016/j.jbusres.2022.113486 .

Jasinenko, A., F. Christandl, and T. Meynhardt. 2020. "Justified by Ideology: Why Conservatives Care Less About Corporate Social Irresponsibility." *Journal of Business Research* 114: 290–303. https://doi.org/10.1016/j.jbusres.2020.04.006 .

Jeong, N., N. Kim, and J. D. Arthurs. 2021. "The CEO's Tenure Life Cycle, Corporate Social Responsibility and the Moderating Role of the CEO's Political Orientation." *Journal of Business Research* 137: 464–474. https://doi.org/10.1016/j.jbusres.2021.08.046 .

Jiang, F., T. Zalan, H. H. M. Tse, and J. Shen. 2018. "Mapping the Relationship Among Political Ideology, CSR Mindset, and CSR Strategy: A Contingency Perspective Applied to Chinese Managers." *Journal of Business Ethics* 147, no. 2: 419–444. https://doi.org/10.1007/s10551-015-2992-7 .

Johnston, R., K. Jones, and D. Manley. 2018. "Confounding and Collinearity in Regression Analysis: A Cautionary Tale and an Alternative Procedure, Illustrated by Studies of British Voting Behaviour." *Quality and Quantity* 52, no. 4: 1957–1976. https://doi.org/10.1007/s11135-017-0584-6 .

Jost, J. T. 2006. "The End of the End of Ideology." *American Psychologist* 61, no. 7: 651–670. https://doi.org/10.1037/0003-066X.61.7.651 .

Jost, J. T., and D. M. Amodio. 2012. "Political Ideology as Motivated Social Cognition: Behavioral and Neuroscientific Evidence." *Motivation and Emotion* 36, no. 1: 55–64. https://doi.org/10.1007/s11031-011-9260-7 .

Jost, J. T., C. M. Federico, and J. L. Napier. 2009. "Political Ideology: Its Structure, Functions, and Elective Affinities." *Annual Review of Psychology* 60, no. 1: 307–337. https://doi.org/10.1146/annurev.psych.60.110707.163600 .

Jost, J. T., J. Glaser, A. W. Kruglanski, and F. J. Sulloway. 2003. "Political Conservatism as Motivated Social Cognition." *Psychological Bulletin* 129, no. 3: 339–375. https://doi.org/10.1037/0033–2909.129.3.339 .

Jost, J. T., B. A. Nosek, and S. D. Gosling. 2008. "Ideology: Its Resurgence in Social, Personality, and Political Psychology." *Perspectives on Psychological Science* 3, no. 2: 126–136. https://doi.org/10.1111/j.1745–6916.2008.00070.x .

Kao, F. C. 2023. "How Do ESG Activities Affect Corporate Performance?" *Managerial and Decision Economics* 44, no. 7: 4099–4116. https://doi.org/10.1002/mde.3944 .

Kashmiri, S., and V. Mahajan. 2017. "Values That Shape Marketing Decisions: Influence of Chief Executive Officers' Political Ideologies on Innovation Propensity, Shareholder Value, and Risk." *Journal of Marketing Research* 54, no. 2: 260–278. https://doi.org/10.1509/jmr.14.0110 .

Kennedy, P. 2008. *A Guide to Econometrics*. 6th ed. Malden, MA: Wiley-Blackwell.

Khatib, S. F. A. 2024. "An Assessment of Methods to Deal With Endogeneity in Corporate Governance and Reporting Research." Corporate Governance. https://doi.org/10.1108/CG-12-2023-0507 .

Kim, E. 2024a. "Does College Prestige Matter? Asian CEOs and High-Skilled Immigrant Hiring in the US." *Work, Employment and Society* 38, no. 4: 1062–1086. https://doi.org/10.1177/09500170231169680 .

Kim, Y. 2024b. "Blue Goes Green: The Impact of the Chief Executive Officer and Board of Directors' Political Ideology on Corporate Environmental Performance." *Business Strategy and the Environment* 33, no. 2: 134–148. https://doi.org/10.1002/bse.3481 .

Koh, P.-S., and D. M. Reeb. 2015. "Missing R&D." *Journal of Accounting and Economics* 60, no. 1: 73–94. https://doi.org/10.1016/j.jacceco.2015.03.004 .

Le, H., T. Nguyen, and A. Gregoriou. 2024. "CEO Age and Corporate Environmental Policies." *Journal of International Financial Markets Institutions and Money* 97: 102076. https://doi.org/10.1016/j.intfin.2024.102076 .

Lillard, D., and J. Gerner. 1999. "Getting to the Ivy League." *Journal of Higher Education* 70, no. 6: 706–730. https://doi.org/10.1080/00221546.1999.11780805 .

Liu, C., L. Xu, H. Yang, and W. Zhang. 2023. "Prosocial CEOs and the Cost of Debt: Evidence From Syndicated Loan Contracts." *Journal of Corporate Finance* 78: 102316. https://doi.org/10.1016/j.jcorpfin.2022.102316 .

Liu, J., X. Xiong, Y. Gao, and J. Zhang. 2023. "The Impact of Institutional Investors on ESG: Evidence From China." *Accounting and Finance* 63, no. Suppl. 2: 2801–2826. https://doi.org/10.1111/acfi.13011 .

Liu, Y., F. Zhang, and H. Zhang. 2024a. "CEO Foreign Experience and Corporate Environmental, Social, and Governance (ESG) Performance." *Business Strategy and the Environment* 33, no. 4: 3331–3355. https://doi.org/10.1002/bse.3647 .

Liu, Y., H. Zhang, and F. Zhang. 2024b. "The Power of CEO Growing Up in Poverty: Enabling Better Corporate Environmental, Social, and Governance (ESG) Performance." *Corporate Social Responsibility and Environmental Management* 31, no. 3: 1610–1633. https://doi.org/10.1002/csr.2652 .

LSEG. 2023. "Environmental, Social and Governance Scores From LSEG (pp. 1–33)." Retrieved from https://www.lseg.com/content/dam/

data-analytics/en_us/documents/methodology/lseg-esg-scores-methodology.pdf?esg=Colgate-Palmolive+Co.

MacNeil, I., and I. Esser. 2022. "From a Financial to an Entity Model of ESG." *European Business Organization Law Review* 23, no. 1: 9–45. https://doi.org/10.1007/s40804-021-00234-y .

Mahran, K., and A. A. Elamer. 2024. "Chief Executive Officer (CEO) and Corporate Environmental Sustainability: A Systematic Literature Review and Avenues for Future Research." *Business Strategy and the Environment* 33, no. 3: 1977–2003. https://doi.org/10.1002/bse.3577 .

Mani, M., J. Madan, J. H. Lee, K. W. Lyons, and S. K. Gupta. 2014. "Sustainability Characterisation for Manufacturing Processes." *International Journal of Production Research* 52, no. 20: 5895–5912. https://doi.org/10.1080/00207543.2014.886788 .

Marlin, D., and S. W. Geiger. 2015. "A Reexamination of the Organizational Slack and Innovation Relationship." *Journal of Business Research* 68, no. 12: 2683–2690. https://doi.org/10.1016/j.jbusres.2015.03.047 .

Marquis, C., and A. Tilcsik. 2013. "Imprinting: Toward a Multilevel Theory." *Academy of Management Annals* 7, no. 1: 195–245. https://doi.org/10.1080/19416520.2013.766076 .

Martelli, J., and P. Abels. 2010. "The Education of a Leader: Educational Credentials and Other Characteristics of Chief Executive Officers." *Journal of Education for Business* 85, no. 4: 209–217. https://doi.org/10.1080/08832320903449592 .

Martiny, A., J. Taglialatela, F. Testa, and F. Iraldo. 2024. "Determinants of Environmental Social and Governance (ESG) Performance: A Systematic Literature Review." *Journal of Cleaner Production* 456: 142213. https://doi.org/10.1016/j.jclepro.2024.142213 .

Miller, D., X. Xu, and V. Mehrotra. 2015. "When Is Human Capital a Valuable Resource? The Performance Effects of Ivy League Selection Among Celebrated CEOs." *Strategic Management Journal* 36, no. 6: 930–944. https://doi.org/10.1002/smj.2251 .

Moody, J. 2021. "Where the Top Fortune 500 CEOs Attended College." US News & World Report. Retrieved from https://www.usnews.com/education/best-colleges/articles/where-the-top-fortune-500-ceos-attended-college.

Moore, W. L. 2008. *Reproducing Racism: White Space, Elite Law Schools, and Racial Inequality.* Lanham, MD: Rowman & Littlefield.

Mrchkovska, N., N. Dolšak, and A. Prakash. 2023. "Does ESG Privilege Climate Action Over Social and Governance Issues? A Content Analysis of BlackRock CEO Larry Fink's Annual Letters." *PLOS Sustainability and Transformation* 2, no. 12: 1–16. https://doi.org/10.1371/journal.pstr.0000090 .

Mullen, A. L. 2009. "Elite Destinations: Pathways to Attending an Ivy League University." *British Journal of Sociology of Education* 30, no. 1: 15–27. https://doi.org/10.1080/01425690802514292 .

Neely, B. H., J. B. Lovelace, A. P. Cowen, and N. J. Hiller. 2020. "Metacritiques of Upper Echelons Theory: Verdicts and Recommendations for Future Research." *Journal of Management* 46, no. 6: 1029–1062. https://doi.org/10.1177/0149206320908640.

O'Sullivan, D., L. Zolotoy, M. Veeraraghavan, and J. R. Overbeck. 2024. "Are Employees Safer When the CEO Looks Greedy?" *Journal of Business Ethics*. https://doi.org/10.1007/s10551-024-05820-x .

Pavićević, S., and T. Keil. 2024. "The Role of Military Directors in Holding the CEO Accountable for Poor Firm Performance." *Strategic Management Journal* 46, no. 3: 1–25. https://doi.org/10.1002/smj.3675 .

Peng, C., and Y. Chen. 2024. "Informal Board Hierarchy and Corporate ESG Performance." *Corporate Social Responsibility and Environmental Management* 31, no. 5: 4783–4795. https://doi.org/10.1002/csr.2834 .

Potharla, S., S. K. Turubilli, and M. C. Shekar. 2024. "The Social Pillar of ESG: Exploring the Link Between Social Sustainability and Stock Price Synchronicity." *Indian Journal of Corporate Governance* 17, no. 1: 130–152. https://doi.org/10.1177/09746862241236551 .

Qadir, S. A., H. Al-Motairi, F. Tahir, and L. Al-Fagih. 2021. "Incentives and Strategies for Financing the Renewable Energy Transition: A Review." *Energy Reports* 7: 3590–3606. https://doi.org/10.1016/j.egyr.2021.06.041 .

Quigley, T. J., and D. C. Hambrick. 2015. "Has the "CEO Effect" Increased in Recent Decades? A New Explanation for the Great Rise in America's Attention to Corporate Leaders." *Strategic Management Journal* 36, no. 6: 821–830. https://doi.org/10.1002/smj.2258 .

Reimer, M., S. Van Doorn, and M. L. M. Heyden. 2018. "Unpacking Functional Experience Complementarities in Senior Leaders' Influences on CSR Strategy: A CEO–Top Management Team Approach." *Journal of Business Ethics* 151, no. 4: 977–995. https://doi.org/10.1007/s10551-017-3657-5 .

Sandberg, H., A. Alnoor, and V. Tiberius. 2023. "Environmental, Social, and Governance Ratings and Financial Performance: Evidence From the European Food Industry." *Business Strategy and the Environment* 32, no. 4: 2471–2489. https://doi.org/10.1002/bse.3259 .

Segal, M. 2023. "BlackRock CEO Fink Pushes Back Against 'Ideological Agenda' Claims at Republican Debate." ESG Today. Retrieved from https://www.esgtoday.com/blackrock-ceo-fink-pushes-back-against-ideological-agenda-claims-at-republican-debate/.

Semadeni, M., M. K. Chin, and R. Krause. 2022. "Pumping the Brakes: Examining the Impact of CEO Political Ideology Divergence on Firm Responses." *Academy of Management Journal* 65, no. 2: 516–544. https://doi.org/10.5465/amj.2019.1131 .

Seow, R. Y. C. 2025. "Environmental, Social, and Governance Reporting in Family Firms: The Critical Role of CEO Attributes." *Business Strategy and the Environment* 34, no. 1: 70–87. https://doi.org/10.1002/bse.3984 .

Shao, S., Z. Hu, J. Cao, L. Yang, and D. Guan. 2020. "Environmental Regulation and Enterprise Innovation: A Review." *Business Strategy and the Environment* 29, no. 3: 1465–1478. https://doi.org/10.1002/bse.2446 .

Solakoglu, M. N. 2013. "The Role of Gender Diversity on Firm Performance: A Regression Quantile Approach." *Applied Economics Letters* 20, no. 17: 1562–1566. https://doi.org/10.1080/13504851.2013.829184 .

Sorkin, A. R., V. Giang, S. Gandel, et al. 2022. "Elon Musk's Next Target." The New York Times. Retrieved from https://www.nytimes.com/2022/05/19/business/dealbook/elon-musk-tesla-esg.html.

Swigart, K. L., A. Anantharaman, J. A. Williamson, and A. A. Grandey. 2020. "Working While Liberal/Conservative: A Review of Political Ideology in Organizations." *Journal of Management* 46, no. 6: 1063–1091. https://doi.org/10.1177/0149206320909419 .

Taglialatela, J., K. Pirazzi Maffiola, R. Barontini, and F. Testa. 2023. "Board of Directors' Characteristics and Environmental SDGs Adoption: An International Study." *Corporate Social Responsibility and Environmental Management* 30, no. 5: 2490–2506. https://doi.org/10.1002/csr.2499 .

Trahan, R. T., and B. Jantz. 2023. "What Is ESG? Rethinking the "E" Pillar." *Business Strategy and the Environment* 32, no. 7: 4382–4391. https://doi.org/10.1002/bse.3371 .

Ullah, S., G. Zaefarian, and F. Ullah. 2021. "How to Use Instrumental Variables in Addressing Endogeneity? A Step-By-Step Procedure for Non-Specialists." *Industrial Marketing Management* 96: A1–A6. https://doi.org/10.1016/j.indmarman.2020.03.006 .

Unsal, O., M. K. Hassan, and D. Zirek. 2016. "Corporate Lobbying, CEO Political Ideology and Firm Performance." *Journal of Corporate Finance* 38: 126–149. https://doi.org/10.1016/j.jcorpfin.2016.04.001 .

Urquhart, A., and H. Zhang. 2022. "PhD CEOs and Firm Performance." *European Financial Management* 28, no. 2: 433–481. https://doi.org/10.1111/eufm.12316 .

Vaidyanathan, B., J. P. Hill, and C. Smith. 2011. "Religion and Charitable Financial Giving to Religious and Secular Causes: Does Political Ideology Matter?" *Journal for the Scientific Study of Religion* 50, no. 3: 450–469. https://doi.org/10.1111/j.1468–5906.2011.01584.x .

Velte, P. 2016. "Women on Management Board and ESG Performance." *Journal of Global Responsibility* 7, no. 1: 98–109. https://doi.org/10.1108/JGR-01-2016-0001 .

Velte, P. 2017. "Does ESG Performance Have an Impact on Financial Performance? Evidence From Germany." *Journal of Global Responsibility* 8, no. 2: 169–178. https://doi.org/10.1108/JGR-11-2016-0029 .

Wally, S., and J. R. Baum. 1994. "Personal and Structural Determinants of the Pace of Strategic Decision Making." *Academy of Management Journal* 37, no. 4: 932–956. https://doi.org/10.5465/256605 .

Wang, Y., Y. Lin, X. Fu, and S. Chen. 2023. "Institutional Ownership Heterogeneity and ESG Performance: Evidence From China." *Finance Research Letters* 51: 103448. https://doi.org/10.1016/j.frl.2022.103448 .

Weng, D. H., Y.-T. Chuang, C. Zhang, and R. Church. 2023. "CEO Political Liberalism, Stakeholders, and Firms' Support for LGBT Employees." *Leadership Quarterly* 34, no. 3: 101645. https://doi.org/10.1016/j.leaqua.2022.101645 .

Weng, D. H., and H. Yang. 2024. "Is Red or Blue More Likely to Narrow the Gap? The Effect of CEO Political Ideology on CEO-Employee Pay Disparity." *Journal of Management Studies* 61, no. 3: 1074–1109. https://doi.org/10.1111/joms.12917 .

Wernicke, G., M. Sajko, and C. Boone. 2022. "How Much Influence Do CEOs Have on Company Actions and Outcomes? The Example of Corporate Social Responsibility." *Academy of Management Discoveries* 8, no. 1: 36–55. https://doi.org/10.5465/amd.2019.0074 .

Whitler, K. A. 2019. "A New Study on Fortune 100 CEOs: The (Surprising) Undergraduate Institutions They Attended." Forbes. Retrieved from https://www.forbes.com/sites/kimberlywhitler/2019/09/07/a-new-study-on-fortune-100-ceos-what-undergraduate-institutions-did-they-attend/.

Winston, A. 2023. "Why Business Leaders Must Resist the Anti-ESG Movement." Harvard Business Review. Retrieved from https://hbr.org/2023/04/why-business-leaders-must-resist-the-anti-esg-movement.

Wintoki, M. B., J. S. Linck, and J. M. Netter. 2012. "Endogeneity and the Dynamics of Internal Corporate Governance." *Journal of Financial Economics* 105, no. 3: 581–606. https://doi.org/10.1016/j.jfineco.2012.03.005 .

Wolman, J., C. Cooper, and A. Prang. 2024." Anti-ESG Takes a Leap Across the Pond." Il Politico. Retrieved from https://www.politico.com/newsletters/the-long-game/2023/10/31/brits-barnstormed-by-esg-politics-mate-00124453.

Wooldridge, J. M. 2002. *Econometric Analysis of Cross Section and Panel Data*. Cambridge, MA: MIT Press.

Yale University. 2016. "Yale Sustainability Plan 2025." Retrieved from https://sustainability.yale.edu/sites/default/files/sustainability_plan_2025.pdf.

Yuan, X., Z. Li, J. Xu, and L. Shang. 2022. "ESG Disclosure and Corporate Financial Irregularities—Evidence From Chinese Listed Firms." *Journal of Cleaner Production* 332: 129992. https://doi.org/10.1016/j.jclepro.2021.129992 .

Zizka, L., D. M. McGunagle, and P. J. Clark. 2021. "Sustainability in Science, Technology, Engineering and Mathematics (STEM) Programs: Authentic Engagement Through a Community-Based Approach." *Journal of Cleaner Production* 279: 123715. https://doi.org/10.1016/j.jclepro.2020.123715 .