Abstract

The collapse of Enron in 2001 made policy makers developed new addition to corporate governance regulations. According to OECD (2015) there are 5 principles of good corporate governance which are transparency, fairness, accountability, responsibility and independency. CEOs need to be accountable and responsible to their stakeholders. One of the ways to be accountable to their shareholders is through delivering good performance and being responsible to stakeholders could be reached with good corporate social responsibility practices.

After having several discussions with my supervisor, we came up to an idea that CEO characteristics might be a cause that CEO could deliver different outcomes. This idea is supported by the findings by Collins (2001), he stated that personal characteristics influenced leadership style which could influence performance. Knowing this, we came to a question how do characteristics influence business performance and CSR practices?

In order to answer our curiosity, we set some sub-questions. First, we defined the good-performing and underperforming companies based on their revenues and returns to the shareholders during 2011 until 2015. And then we began to analyze what are the characteristics which are possessed by the good-performing and underperforming CEOs using matrix. Result showed that different characteristics produced different performance.

The next one is the analysis of good-performing and underperforming characteristics on corporate social responsibility reports. We took Apple and Kodak as example because they represented good-performing and underperforming companies at the moment. It showed that good-performing CEO characteristics are discoverable throughout the reports, but the underperforming company also showed good-performing characteristics. It remains unclear whether characteristics affect CSR practices or not. Finally, we found out that CEO characteristics have influence on decision making process and corporate cultures which affect business performance.