A Rose by Any Other Name? Top Managers' Given-Name Popularity and Firm Growth Preferences

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Abstract

This paper examines the relationship between top managers' given-name popularity and firm growth preferences. External growth through acquisitions and internal growth through research and development (R&D) investments offer two channels for firms to achieve growth goals. Because others may have perceived and treated top managers with popular given names favorably in their early lives, they may have developed a strong sense of control and positive beliefs in their own abilities. As top managers with strong senses of control and positive self-beliefs are more prone to engage in quantum, large-stake investments (i.e., acquisitions) and less prone to allocate their attention and firm resources to incremental investments (i.e., R&D investments and new product introductions), firms with a high percentage of top managers with popular given names will exhibit a stronger preference for acquisitions over R&D investments in pursuing firm growth. Using a sample of S&P 1500 firms, we find supporting evidence that firms with a large percentage of top managers with popular given names are positively associated with the number of acquisitions and the transaction value of acquisitions, but are negatively associated with R&D investments and the number of new product announcements. Our findings are robust to various robustness checks and endogeneity concerns.

JEL classification: G02; G34; M12; O3

Keywords: Top managers; given-name popularity; growth preferences; acquisitions; R&D investments

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1. Introduction

"The name of the person is a part of his personality. It is his social self, the key with which he makes his way in the paths of his community. It is not merely a code for identification. It is an expression of his personality, emotion, duty, tradition and designation."

—Ruling by Israel's High Court of Justice, 1993

The quoted ruling by Israel's High Court of Justice suggests that given names are of considerable psychological significance and can impart identity and a sense of self to their bearers (Cassidy and Kelly, 1991; Barry and Harper, 2001). Demonstrating the importance of given names, celebrities oftentimes adopt cool and catchy given names. Not only anecdotal evidence but also academic research (Garwood, 1976; Christopher, 1998; Bertrand and Mullainathan, 2004) indicates that given names have important implications for their bearers. For instance, Bertrand and Mullainathan (2004) find that individuals with African-American given names are discriminated against in the labor market. Findings by Biavaschi and colleagues (2013) indicate that immigrants to the United States who changed their names to popular American names obtained gains in occupation-based earnings of at least 14%. These two studies illustrate that people develop distinct perceptions about bearers of different given names which can influence these bearers' career prospects.

Departing from prior studies focusing on how given names influence others' perceptions, this study investigates the relationship between given-name popularity and bearers' decision making. Specifically, we examine whether firms with a high percentage of top managers with popular given names are associated with firm growth preferences for external expansion through acquisitions over internal expansion through research and development (R&D) investments. Although top managers often face pressures from shareholders and analysts to pursue firm growth (Kim et al., 2011b), they are constrained by limited resources (Penrose, 1959) and managerial attention (Ocasio, 1997; Loderer et al., 2013). As such, top managers may need to choose between external expansion

through acquisitions and internal growth through R&D investments (Hitt et al., 1990; Hitt et al., 1991b; Hitt et al., 1991a). Compared with continuous investments in R&D, acquisitions involve quantum, large-stake investments that are typically associated with a high level of risk. Psychology research has shown that individuals with popular given names are more likely to be perceived and treated favorably by others than those with unique given names because familiarity can generate liking (Garwood, 1976; West and Shults, 1976). Receiving such favorable treatment in the early stages of their lives may lead top managers with popular given names (based on their birth years) to develop a strong sense of control and positive beliefs about their own abilities (Garwood, 1976). Given that top managers with popular given names tend to have a strong sense of control and positive self-beliefs, firms with a higher percentage of top managers with popular given names are more likely to allocate firm resources to quantum, large-stake acquisitions than to incremental R&D investments to achieve firm growth goals.

We focus on given-name popularity of top management teams (TMTs) instead of solely on CEOs because upper echelons research in management suggests that firm strategic choices and performance outcomes can be attributed more to TMTs than to CEOs alone (Hambrick and Mason, 1984). Although CEOs are primary decision makers, TMTs collectively shape major corporate strategic choices through social interactions. Furthermore, at a more practical level, studying entire TMTs can increase prediction power, as CEOs share tasks, and to some extent power, with other top managers (Hambrick and Mason, 1984). This is especially true for large-stake corporate decisions such as acquisitions. Given that acquisitions require large-scale capital outlays and have profound performance implications, CEOs may need engagement and participation from other top managers in making and implementing acquisition decisions.

Using a sample of S&P 1500 firms from 1996 to 2012, we find supporting empirical evidence for our hypothesis: The percentage of top managers with popular given names is positively

associated with the number of acquisitions and the transaction value of acquisitions, but negatively associated with R&D intensity. We consider a top manager to have a popular given name if his or her first name ranks above the 85th percentile value of the number of all the same-gender newborn babies in his or her birth year having the same given name in the United States.[1] In terms of economic significance, one unit increase in the percentage of top managers with popular given names is associated with a 5% increase in the number of acquisitions and a 28.5% increase in the value of acquisitions. Further, one unit increase in the percentage of top managers with popular given names is associated with a 1.4% decrease in R&D intensity, measured as the ratio of R&D expenses to total sales revenues. Our findings also indicate that the percentage of top managers with popular given names has a negative relationship with the number of new product announcements in a year. One unit increase in the percentage of top managers with popular given names is associated with a 16.2% decrease in the number of new product announcements.

We next examine whether the relationship between top managers' given-name popularity and firm growth preferences hinges on firm financial constraints. We posit that such a relationship should be strongest when firms face a medium level of financial constraints. In the presence of low financial constraints, financial resources restrict managerial decision making less, and the influence of TMT attributes on firm growth choices may be less salient. In contrast, faced with high financial constraints, top managers with popular given names may not have much flexibility in choosing growth modes and may have to avoid large-scale acquisitions. We conduct subgroup analyses based on the financial constraint index developed by Whited and Wu (2006). We find that the positive relationship between top managers' given-name popularity and acquisition intensity only holds for firms with a medium level of financial constraints.

[1] We also conduct robustness checks using the 75th percentile and 90th percentile values as cutoffs and our results hold, which will be explained more in the results sections. Unless noted, we are using the 85th percentile value as our cutoff throughout the paper.

To further test our argument that top managers with popular given names prefer quantum, large-stake strategic investments, we create two dependent variables to capture firm acquisitions: the number of large and small acquisitions. Our findings indicate that the percentage of top managers with popular given names has a stronger association with the number of large acquisitions than with the number of small acquisitions. In addition, if top managers with popular given names focus on quantum strategic decisions, they are less likely to devote attention to strategic decisions designed to reduce firm size. We thus investigate whether the percentage of top managers with popular given names is negatively associated with the number of firm announcements about seeking to sell, reorganization, and downsizing. The percentage of top managers with popular given names, we observe, is negatively associated with firm announcements about seeking to sell, organization, and downsizing.

It is possible that ethnic-minority top managers are more likely to have uncommon given names. To rule out the confounding effect of top managers' ethnic backgrounds, we control for the percentage of ethnic-minority top managers in all our models.[2] We also conduct the following two additional analyses. First, we conduct our analyses using only top managers with English and European ethnic backgrounds. Our results using such a subsample are similar to those using the whole sample. In our second test, we use a subsample excluding high-tech firms as high-tech firms are more likely to hire top managers of ethnic-minority origins (e.g., the current CEO of Microsoft—Satya Nadella). Our results are robust to the exclusion of high-tech firms as well.

As generally acknowledged, there can be a selection bias issue in the TMT literature: a firm may have certain preferences in selecting top managers. To alleviate this concern, we examine whether board members' given-name popularity influences our results. In other words, board members with popular given names may select top managers with popular given names, thus

[2] We identify top manager ethnicity through their names using OnoMAP software. Detailed information about OnoMAP will be explained later.

influencing firm preferences for acquisitions over R&D investments. To address this alternative explanation, we control for the percentage of board members with popular given names, still finding that the percentage of top managers with popular given names is statistically significantly related to our dependent variables—the number of acquisitions, the value of acquisitions, and R&D intensity.

To address the influence of omitted variable bias on our results, we conduct two additional analyses. First, we conduct Generalized Method of Moments (GMM) instrumental variable regressions. We instrument the percentage of top managers with popular given names on the percentage of directors with popular given names and the percentage of ethnic-minority directors, both of which are lagged by three years. These two instruments together pass the test of exogeneity and relevance. Our findings are robust to instrumental variable regressions. Second, we apply a propensity score-based weighting and regression method to address the concern that firms led by top managers with popular given names can be systematically different from firms led by top managers with less common given names. Results from propensity score weighted regressions suggest that firms with a medium or high percentage of top managers with popular given names are more likely to engage in acquisitions and less likely to make R&D investments than firms with a low percentage of top managers with popular given names.

Our paper contributes to two strands of the literature. Primarily, our paper adds to a growing stream of research examining the influence of top managers' characteristics on firm strategic decisions. Our findings provide new insights into the determinants of firm acquisition decisions. We demonstrate that firms with a large percentage of top managers with popular given names are more likely to undertake acquisitions as a way to achieve firm growth, making a contribution to the literature exploring the role of top managers' attributes in shaping firm acquisition decisions (Malmendier and Tate, 2008; Custodio and Metzger, 2013; Yim, 2013). Our findings also help us understand the antecedents to firm R&D investments. Existing research has

shown that top managers' characteristics can affect firm innovation (Hoffman and Hegarty, 1993; Galasso and Simcoe, 2011). Our findings demonstrate that top managers with common names are less likely to achieve firm growth through R&D investments.

Second, our findings lend support to the argument that acquisitions and R&D investments can be substitutes for achieving firm growth goals (Hitt et al., 1991a). Existing finance research generally conceptualizes investments in acquisitions and R&D as two proxies for managerial risk-taking propensity. CEO overconfidence has been found to positively influence firm acquisition activities (Malmendier and Tate, 2008) as well as firm innovation activities (Galasso and Simcoe, 2011; Hirshleifer et al., 2012). Yet, given that top managers are constrained by firm resources and a limited amount of managerial energy and attention (Hitt et al., 1990), top managers who allocate most of their energy and attention to acquisition activities may be less likely to allocate resources to R&D activities. In other words, internal growth through R&D investments and external growth through acquisitions provide two channels for top managers to achieve firm growth goals (Pitts, 1977). Our findings suggest that certain top managers who focus on acquisitions may allocate less attention to internal growth, providing new insights into the relationship between acquisitions and R&D investments.

The remainder of the paper proceeds as follows. Section 2 reviews the literature on the role of managerial attributes in corporate decisions and given names. We develop our hypotheses in Section 2. Section 3 describes our data, measures, and methods. Section 4 presents results regarding the relationship between top managers' given-name popularity and firm acquisition intensity as well as R&D intensity. Section 5 documents additional analyses to rule out alternative explanations, deal with endogeneity, and further our understanding of the implications of given-name popularity in top managers. Section 6 concludes the paper with a discussion of findings, contributions, and future research extensions.

2. Related Literature and Hypotheses

2.1. Managerial Attributes and Corporate Behavior

Upper echelons theory in management assumes that top managers have bounded rationality and heterogeneity in firm strategic choices, and that performance can be attributed to different characteristics of TMTs and their underlying cognitive and behavioral diversity (Hambrick and Mason, 1984). Consistent with predictions from upper echelons theory, recent finance and accounting research documents that top managers' fixed effects account for a large portion of the observed variation in corporate policies and indicates general differences in "style" across different top managers, which cannot be explained by firm-level determinants (Bertrand and Schoar, 2003). Top managers' "styles" not only exist in the realm of corporate strategic decisions, but also are observed in corporate financial disclosure (Bamber et al., 2010) and compensation policies (Graham et al., 2012).

Research has also demonstrated the role of top managers' specific demographic characteristics, personality traits, and life experiences in influencing their corporate decisions. For example, Huang and Kisgen (2013) examine the influence of top managers' gender on corporate financial and investment decisions. Research also shows that CEOs holding MBA degrees tend to engage in more aggressive corporate policies (Bertrand and Schoar, 2003). CEOs with military backgrounds use less financial leverage, invest less, and are less likely to engage in wasteful acquisitions (Benmelech and Frydman, 2014). In terms of the influence of personality traits, Malmendier and Tate (2005a) have developed a CEO overconfidence measure and examine the influence of CEO overconfidence on corporate investments and market reactions to acquisition announcements (Malmendier and Tate, 2008). CEO overconfidence also affects corporate investments in innovation (Galasso and Simcoe, 2011; Hirshleifer et al., 2012).

More relevant to our paper is research examining the influence of CEOs' early-life experiences on their strategic decisions. Recent research shows that living through economic downturns plays a salient role in shaping managers' attitudes (Schoar and Zuo, 2011; Dittmar and Duchin, 2014).[3] Bernile and colleagues (2014) examine CEOs' early-life exposure to natural disasters and risk-taking behaviors and find that natural disasters without extremely negative consequences desensitize CEOs to the negative outcomes of risk. Natural disasters with fatal outcomes, however, make CEOs more cautious in their approach to risk. These studies collectively indicate that early-life experiences have an imprinting effect on CEOs' decision making.

The majority of studies on managerial attributes in finance and accounting generally focus on individual executives, especially on CEOs.[4] Hambrick and Mason (1984) argue that CEOs oftentimes need to engage in coalitions with other top managers in making and implementing strategic decisions. As CEOs share tasks and power with other top managers, studying an entire TMT can increase potential prediction strength. The influence of TMTs on firm acquisitions and innovation strategies has been extensively studied in management research (Carpenter et al., 2004). For instance, Bergh (2001) finds that the average tenure of acquiring firms' top managers affects acquisition performance. Bantel and Jackson (1989) find that functional heterogeneity of TMTs is positively associated with administrative innovation in a sample of banks. Therefore, we explore the relationships between the percentage of top managers with popular given names and firm corporate decisions with respect to acquisitions and R&D investments.

2.2. Literature on Given Names

[3] In general, Malmendier and Nagel (2011) find that individuals who have experienced macroeconomic shocks and low stock market returns have lower willingness to take financial risk.
[4] We are also aware of that there are few studies focusing on CFOs (Chava & Purnanandam 2010; Kim et al. 2011a; Mian 2001).

Economics research on given names is mainly concerned with the influence of given names on their bearers' performance in the labor market and discrimination due to demographic cues associated with different given names (Bertrand and Mullainathan, 2004; Biavaschi et al., 2013). Our study does not intend to investigate whether the labor market treats top managers with popular given names more favorably. Rather, it aims to show whether top managers' given-name popularity relates to their sense of control and self-beliefs, which in turn influence their preferences between firm external growth through acquisitions and firm internal growth through R&D investments. To do so, we draw on sociology and psychology research on given names, which explains how given names can influence top managers' personality traits that lead to different choices between the two types of growth modes.

How can the popularity of given names exert an influence on their bearers' personality traits? Symbolic interaction theory provides an explanation. The theory regards how individuals develop their self-concepts—how individuals think about, evaluate, or perceive themselves through social interactions (Stryker, 1959; LaRossa and Reitzes, 1993). The theory suggests that individuals are not born with a sense of self but develop self-concepts through social interactions. Specifically, self-concepts develop from observing how others respond to us (Cooley, 1902) and are products of social interactions—"The individual experiences himself as much, not directly, from the particular standpoints of other individuals of the same social group, or from the generalized standpoint of the social group as a whole to which he belongs" (Mead, 1934, p. 138). In addition to the contention that self-concepts are socially constructed, symbolic interaction theory suggests that self-concepts, once developed, provide important guidance for future behaviors (Mead, 1934; Blumer, 1969).

The tendency for others' expectations to evoke anticipated responses in social interactions is referred to as a self-fulfilling prophesy (Merton, 1968), which concern situations when individuals' initial thoughts ("prophesies") about their own natures become real when acted upon (Merton,

1968). A classic example of a self-fulfilling prophesy is a teacher's assumption that some students are "smart" and others are "dumb." When the teacher assigns difficult materials to "smart" students and easy materials to "dumb" students, the supposedly "smart" students excel and the supposedly "dumb" stagnate due to the different nature of their learning materials—leading to fulfillment of the original prophesy. The self-fulfilling prophesy is a critical process through which individuals develop their self-concepts (Stryker, 1959; Lal, 1995). When others hold high expectations for an individual, he or she is likely to internalize such external expectations and develop high levels of confidence. In sum, symbolic interaction theory contends that subjective meanings arise from social interactions and social interactions build the bedrock of our self-concepts, which in turn can influence our decisions and actions.

Self-concepts are developed through social interactions and internalized meanings are carried by significant symbols (e.g., languages and gestures) and communicated by significant others in one's life (Mead, 1934; Blumer, 1969). A myriad of symbols affect the formation of self-concepts (Markus and Wurf, 1987). Research indicates given names are one critical factor that can influence the development of self-concepts because people respond distinctively to different given names (Darden, 1983; Christopher, 1998; Ellington, 2001). Certain given names are associated with more positive feelings and thus considered more desirable, whereas some given names can arouse negative feelings and are perceived as undesirable (Darden, 1983; Mehrabian, 1997; Christopher, 1998; Ellington, 2001).

Given the distinct connotations associated with given names, people unconsciously but effectively send positive or negative messages to individuals bearing different given names. Individuals internalize the different meanings associated with their given names and develop different self-concepts over time. Self-concepts, once formed, can regulate individuals' behaviors and actions (Markus and Wurf, 1987). Expectations about their levels of perceived control and

abilities can determine what types of goals individuals choose (Bandura, 1978). Individuals with a strong sense of control and their abilities are more prone to set difficult and higher goals, while individuals with a weak sense of control and their abilities set low goals. In sum, given names can influence individuals' sense of control and their abilities through their bearers' internalization of others' perceptions.

2.3. Hypotheses

Because financial markets and investors tend to reward the stock prices of fast-growing firms, top managers generally face great pressures from shareholders and analysts to pursue firm growth (Kim et al., 2011b). However, firms are faced with a limited amount of resources and top managers have a limited amount of attention. Therefore, top managers often need to choose between external growth through mergers and acquisitions and internal growth through R&D investments (Penrose, 1959). In other words, acquisitions and R&D investments are two different modes available for firms to pursue growth (Hitt et al., 1991a). Because the acquisition process can absorb significant amounts of managerial energy and time and divert managerial attention from internal growth through R&D investments, firms engaged in extensive acquisition activities are less committed to innovation activities (Hitt et al., 1991b).

Strategic investments can be incremental or quantum in nature (Quinn, 1980). Incremental investments concern relatively modest outlays and typically allow considerable reversibility, whereas quantum strategies abruptly place a large portion of firm resources at risk and are difficult to reverse (Hiller and Hambrick, 2005). Compared with internal R&D investments, acquisitions often call for a larger amount of firm resources and take less time for ambitious managers to achieve firm growth. Thus, we pose this question: What types of top managers are more likely to allocate their attention

and firm resources to quantum investments through acquisitions versus incremental investments through R&D investments?

We argue that firms with a higher percentage of top managers with popular given names are more likely to choose acquisitions to achieve firm growth because these managers tend to have a strong sense of self-control and their own abilities. Although individuals with unique names may attract greater attention from others, psychologists have warned parents not to give their children unique names because uncommon names are oftentimes associated with negative perceptions by others (Zweigenhaft, 1983). Unusual names not only can spoil friendships but also can have a detrimental effect on one's self-concept (Craswell et al., 1995). Although an individual's reaction to a particular given name is determined by numerous factors, the level of familiarity with that given name is an important determinant (Milberg et al., 2000). Studies have shown that people exhibit greater liking for more popular names than for unfamiliar names (Cassidy and Kelly, 1991). Therefore, common names are thus perceived to be more desirable than uncommon names (Anderson, 1985).

Because popular names and unique names carry distinct meanings and such meanings can be unconsciously communicated to their bearers, symbolic interaction theory predicts that individuals may internalize such meanings and develop different self-concepts over time. Because others tend to like individuals with popular names, these individuals may develop a strong sense of control and their own abilities. In contrast, individuals with unique names may take an avoidance approach in decision making and have a lower sense of self-control. In an archival study, Ellis and Beechley (1954) find that boys with peculiar given names are more likely to be severely emotionally disturbed than boys with common names. Findings by Hartman et al. (1968) indicate that people with unique given names have a higher frequency of functional psychoses than a control group consisting of

people bearing the eight most common names in the United States. These two studies demonstrate that given-name popularity is critical to the development of self-concepts.

Top managers with popular given names may have cultivated a strong sense of control and their abilities in the early stages of their lives and consider themselves "above average" on positive characteristics (Malmendier and Tate, 2005b). They may overestimate their abilities to recoup investments associated with risky corporate decisions (e.g., acquisitions) (Hayward and Hambrick, 1997; Brown and Sarma, 2007; Malmendier and Tate, 2008). Given that top managers with popular given names may have strong beliefs in their abilities and acquisitions provide a fast track to achieve firm growth, these managers are more likely to allocate their attention and firm resources to quantum, large-stake investments (Hiller and Hambrick, 2005). Thus, firms with a high percentage of top managers with popular given names are more likely to undertake acquisitions to achieve firm growth goals.

> *H1: The percentage of top managers with popular given names bears a positive relationship with (a) the number of acquisitions and (b) the value of acquisitions.*

We also contend that the proportion of top managers with popular given names is negatively associated with firm R&D investments. On one hand, top executives with a strong sense of perceived control and abilities are relatively less prone to undertake incremental investments (Hiller and Hambrick, 2005). On the other hand, if top managers with popular given names allocate their attention and firm resources to acquisitions, they have less attention and fewer resources available for R&D investments. Therefore, the percentage of top managers with popular given names should adversely affect R&D intensity.

There is no denying that R&D investments can be quite risky. Nevertheless, compared with acquisitions, R&D investments tend to involve smaller amounts of capital outlays. Gunther McGrath and Nerkar (2004) argue that firms may use real option reasoning when making R&D

investment decisions that take firms into new technological areas. The initial foray into a new technological area is essentially a real option that creates a somewhat proprietary opportunity for the investing firm to make later decisions, either to further exploit or to exit the area. In this sense, some R&D investments are reversible. Because top managers with unique given names may prioritize the avoidance of large failures in their strategic decisions, the former may be more cautious in choosing acquisitions as a firm growth mode and are more likely to choose R&D investments as a way to achieve firm growth.

> *H2: The percentage of top managers with popular given names bears a negative relationship with R&D intensity.*

3. Data and Measures

3.1. Sample

We use the ExecuComp database sample from 1996 to 2012 to test our hypotheses. The ExecuComp covers member firms in the S&P 500 index, the S&P MidCap 400 index, and the S&P SmallCap 600 index—S&P 1500 firms. We collect names of top executives from ExecuComp and names of boards of directors from Risk Metrics and obtain firm acquisition information from the Securities Data Company (SDC) database. Firm financial information is from Compustat and firm announcements on new products, seeking to sell, reorganization, and downsizing are from Capital IQ. Board data are obtained from RiskMetrics. Appendix A provides variable definitions and data sources used in measuring variables in this study.

3.1. Name-related Measures

From the ExecuComp database, we obtain top executives' given names. To measure the percentage of top managers with popular names, we use the "National Data on the Relative Frequency of Given Names" database maintained by the Social Security Administration of the

United States. This database provides all the relative frequency of given names (separately for males and females) in the population of U.S. births where an individual has a Social Security Number dating back to 1879. We consider a top manager's given name popular if it ranks in the 85th percentile value of the number of all the given names in his or her birth year after matching gender. We calculate our independent variable—the percentage of top managers with popular names—as the ratio of the number of top managers with popular names to the total number of top managers. For example, for a firm with five top managers, if three out of the five top managers have given names that ranked above the 85th percentile value of the number of all the given names in their birth years (after matching gender), the percentage of top managers with popular names for this firm is measured as 60%. We obtain similar results using different cutoffs (e.g., the 75th percentile value and the 90th percentile value of the number of all the given names in top managers' birth years) to define whether a top manager's given name is popular.

Since self-reported data on top manager ethnicity is not available, we use name-based ethnicity classification software called OnoMAP. The software applies a name-based ethnicity classification methodology developed by the Department of Geography at University College London, and comprises 448,657 surnames and 253,881 forenames derived from public name registries from over 26 countries. Each of these names is classified into a cultural, ethnic, and linguistic group using name network clustering techniques. The diagnostic accuracy of OnoMAP in identifying people by ethnicity has been validated in several settings and the classification accuracy is greater than 95% (Mateos, 2007; Lakha et al., 2011). We use OnoMAP to map each top manager's name to his or her likely ethnic background. We code top managers with English and European ethnic backgrounds as ethnic majority top managers and others as ethnic-minority top managers. The percentage of ethnic-minority top managers is measured as the ratio of top managers with ethnic-minority backgrounds based on their names to the total number of top managers.

3.2. Dependent Variable Measures

Regarding firm acquisition activities, we have two dependent variables. We require an acquisition bid to take the form of a merger, an acquisition of majority interest, or an acquisition of assets. We only include completed control bids where the percentage of ownership sought in the deal is larger than 50% and the transaction value is over $1 million. The first dependent variable relating to acquisitions is the number of acquisition bids per year, and the second is the total transaction value of all the acquisition bids per year. We also use the ratio of total transaction value of all the acquisition bids to total assets for robustness checks. In additional analyses, we code acquisitions as large-scale deals and small-scale deals based on their transaction values. If the transaction value of an acquisition is greater (smaller) than the median value of all the completed acquisitions firms in the same two-digit SIC codes in a given year, we code such an acquisition as a large-scale (small-scale) deal.

We use the ratio of R&D expenses to total annual sales revenues in order to measure R&D intensity. We also examine the relationship between the percentage of top managers with popular given names and the number of new product announcements. Compared with R&D intensity, the number of new product announcements can better capture the innovation output. In additional analyses, we examine the number of firm announcements on seeking to sell, reorganization, and downsizing as alternative dependent variables. We count the number of non-redundant company announcements to measure these four dependent variables. Because Capital IQ data on firm announcements are not complete prior to 2001, we use data from 2001 to 2012 to measure firm announcement variables.

All the dependent variables are measured at *t* and independent variables and control variables are measured at *t-1*.

3.3. Control Variables

When estimating the influence of top managers' given-name popularity on firm acquisition intensity, we include the following firm-level control variables: firm size (log total assets), return on assets (ROA), debt ratio, cash holding ratio, R&D ratio, and institutional ownership ratio. We also control for the following TMT variables: percentage of ethnic-minority top managers, average top manager age, percentage of female top managers, and ratio of all the top managers' contingent compensation to their total compensation. In addition, we control for top managers' level of overconfidence by using top managers' stock option-exercising data. We start by constructing each top manager confidence measure as "average-value-per-option/average-strike-price." The average-value-per-option is the total value of each executive's option-holdings scaled by the number of such options and the average-strike-price is the firm's stock price at the end of the fiscal year less the value per option (Campbell et al., 2011). We then create an indicator variable for each top manager to define whether he or she is overconfident. A top manager receives a value of 1 if the confidence variable is at least 0.67 and 0 otherwise (Malmendier and Tate, 2005a). The percentage of overconfident top managers is measured as the number of overconfident top managers over the total number of top managers. In addition to firm-level and top manager-level control variables, we also control for four board variables: board size, the ratio of independent board directors, CEO duality, and the percentage of female board directors.

In modeling firm R&D intensity, we have the same top manager- and board-level control variables, but different firm-level control variables. We control for the number of acquisition bids (taking the natural log plus one to address skewedness) instead of R&D intensity. In modeling firm announcements on new products, seeking to sell, reorganization, and downsizing, we include the following control variables: log total assets, ROA, debt ratio, cash holding ratio, institutional ownership, R&D intensity, and log number of acquisition bids.

3.4. Summary Statistics

After combining TMT, board director, and firm datasets, we obtain a final panel dataset with 21,896 observations for 2,779 firms. Panel A of Table 1 summarizes TMT and board variable statistics. A majority of top managers in our sample have popular given names (72% based on the 85th percentile value cutoff and 75% based on the 75th percentile value cutoff). The percentage of female top managers is lower (6.5%) than the percentage of female board directors (9.7%). In addition, the percentage of ethnic-minority top managers (4.3%) is lower than the percentage of ethnic-minority directors (31.3%). The average age of top managers is around 51 years old.

Panel B of Table 1 presents descriptive statistics for firm-level variables. The average number of acquisition bids is 0.398 and the average annual transaction value of acquisition bids is around $243.56 million. The average value of R&D intensity is 3.6%. The average number of new product announcements is 3.3.

Panel C of Table 1 presents the most frequent given names among sampled top managers. The most common male executive given name is John, followed by Robert, Michael, David, James, and William. Over 5% of top managers in our sample have the given name "John." The most common female executive given name is Susan, accounting for over 0.2% of the total number of top managers' given names.

4. Empirical Results

In this section, we explore the effect of top managers' given-name popularity on firm acquisition and R&D investments. All empirical models presented include year fixed effects and two-digit SIC industry fixed effects. Standard errors are clustered by firm. We first present results with firm acquisition activities as outcome variables, then with firm R&D intensity as outcome variables, and lastly with additional analyses with other dependent variables.

4.1. Given-Name Popularity and Firm Acquisition Intensity

Panel A of Table 2 reports the results with the number of acquisitions, the transaction value of acquisitions, and the ratio of transaction value to total assets as dependent variables. We use both negative binomial regressions and pooled OLS regressions to predict the number of acquisitions and pooled OLS regressions to predict the value of acquisitions. To use pooled OLS regressions, we take the natural log of the number of acquisition bids and the value of acquisitions plus one. Column 1 reports results from a negative binomial regression with the number of acquisitions as a dependent variable. The coefficient estimate of the independent variable is positive and statistically significant (0.253, $p < .05$). Column 2 reports results from a pooled OLS regression with the natural log of the number of acquisition bids as dependent variables. The coefficient estimate of the percentage of top managers with popular given names is also positive and statistically significant (0.050, $p < .01$). In terms of economic magnitude, one unit increase in the independent variable will lead to a 5% increase in the number of acquisitions. Column 3 reports results from a pooled OLS regression with the natural log of the acquisition value as a dependent variable. The coefficient estimate of our independent variable is positive and statistically significant (0.285, $p < .01$). In terms of economic magnitude, one unit increase in our independent variable will result in a 28.5% increase in acquisition value. Column 4 reports results with the ratio of total transaction value to total assets as a dependent variable, and the coefficient estimate of our independent variable is again positive and statistically significant (0.011, $p < .01$).

We also test whether there is a curvilinear relationship between the percentage of top managers with popular given names and firm acquisition activities. Based on the 25th percentile and 75th percentile values of the percentage of top managers with popular names in our sample as cutoffs, we create three dummy variables to represent the low, medium, and high values of our independent variable. We use the low category as our benchmark in regressions. Columns 5, 6, and 7

in Panel A of Table 2 show results from such analyses. In both columns, the coefficient estimates of the high category are larger than those of the medium category, indicating that there may not be a curvilinear relationship.

Panel B of Table 2 presents results with measures of our independent variables using different cutoffs in defining whether a top manager has a popular given name. All the models in Panel B are OLS regressions. The independent variable in columns 1-3 is the percentage of top managers whose given names rank above the 75th percentile value of all the given names in their respective birth years.[5] The independent variable in columns 4-6 is the percentage of top managers whose given names rank above the top 90th percentile value of all the given names in their respective birth years. Across all the models in Panel B of Table 2, the coefficient estimates of our independent variables are positive and statistically significant. In addition, the coefficient estimates of the percentage of TMTs with popular given names are larger when using the 90th percentile value as a cutoff than when using the 75th percentile value as a cutoff.

4.2. Given-Name Popularity and Firm R&D Intensity

Table 3 reports results with R&D intensity as the dependent variable. In testing the influence of given-name popularity on firm R&D intensity, we exclude firms in the financial service industry (SIC codes from 6000 to 6999) since firms in such industries may not engage in direct R&D investments. The independent variable in column 1 uses the 85th percentile value as a cutoff in coding whether a top manager's given name is popular. The coefficient estimate of our independent variable is negative and statistically significant (-0.014, $p < .01$). We also test whether the percentage of top managers with popular given names bears a curvilinear relationship with R&D intensity. Following the same procedure mentioned in the last section, we create three dummy variables based on our independent variable: low, medium, and high percentage of top managers with popular given

[5] Our results hold if we use other years (e.g., when top managers are five years old, 10 years old, 15 years old, or 20 years old) instead of birth years to identify whether a top manager has a popular given name.

names. Column 2 reports results that compare the medium and high categories with the low category. The coefficient estimate of the high category is negative and statistically significant (-0.009, $p < .01$), much larger than the coefficient estimate of the medium category (-0.004, $p < .10$). We also test whether our results hold if we use the 75th percentile value and 90th percentile value as cutoffs in coding whether a top manager's given name is popular. Our results are maintained.[6]

R&D investments capture innovation input but may not capture innovation output. We therefore use the number of new product announcements to capture innovation output. In column 3, we report negative binomial regression results with the number of new product announcements as the dependent variable. The coefficient estimate of our independent variable is negative and statistically significant (-0.412, $p < .01$), indicating that the percentage of top managers with popular given names is negatively associated with the number of new product announcements. Column 4 reports OLS regression results with the natural log of the number of new product announcements plus one as the dependent variable. The coefficient estimate of our independent variable is again negative and statistically significant (-0.169, $p < .01$).

The results in Table 2 suggest that the percentage of top managers with popular given names is positively associated with acquisition intensity, and the results in Table 3 suggest that the percentage of top managers with popular given names is negatively associated with firm R&D intensity and new product announcements. These findings are consistent with our hypotheses that top managers with popular given names delegate more of their attention and firm resources to external firm growth through acquisitions and less attention and resources to internal firm growth through R&D investments and new product developments.

4.3. Moderating Effects of Financial Constraints

[6] We do not present these results in the paper in the interest of brevity. They are available upon request.

We argue that the influence of the popularity of top managers' given names on firm growth preferences is most salient when firms face a medium level of financial constraints. In the presence of low financial constraints, top managers are less limited by firm resources and therefore can pursue acquisitions and R&D investments simultaneously. In the presence of high financial constraints, top managers with popular given names may exacerbate the increasing risk to the financial position of their firms if they engage in large-stake acquisition investments. In such a case, top managers may shy away from external growth through acquisitions. We posit top managers' attributes (i.e., given-name popularity) likely exert the strongest influence on firm strategic choices in the presence of medium-level financial constraints. As top managers are more constrained by firm resources in the presence of medium-level financial constraints than in the presence of low-level financial constraints, they may need to choose between external growth through acquisitions and internal growth through R&D investments. In addition, compared with the situation of high-level financial constraints, top managers may have more flexibility in making strategic decisions when firms face medium-level financial constraints. Therefore, the influence of top managers' given-name popularity is most salient when firms face medium-level financial constraints. To test this idea, we conduct subgroup analyses based on the financial constraint index developed by Whited and Wu (2006). Based on the 25th and 75th percentile values of the financial constraint index of all the sample firm-year observations, we divide our samples into three groups: low, medium, and high financial constraint groups.

Table 4 reports results from such analyses. Columns 1-3 report results with the natural log number of acquisition bids as the dependent variable. The coefficient estimate of our independent variable is largest for the medium constraint subgroup (column 2). Columns 4-6 report results with the natural log of acquisition value as the dependent variable. The coefficient estimate of our independent variable is again largest for the medium constraint subgroup (column 5). Columns 7-9 report results with R&D intensity as the dependent variable. The coefficient estimate of our

independent variable is the same for the low and medium constraint subgroups (columns 7 and 8). Such a finding indicates that firm R&D investments are less affected by the level of financial constraints than acquisition investments. Columns 10-12 report results with the number of new product announcements as the dependent variable. The coefficient estimate of our independent variable is only statistically significant for the medium constraint subgroup (column 11). A comparison of results with R&D intensity and the number of new product announcements as dependent variables indicates that the given-name popularity of top managers plays a more salient role in new product developments than in R&D investments.

4.4. Large Acquisition Deals Versus Small Acquisition Deals

If top managers with popular given names expect to achieve impressive expansion in a relatively short time, they are more likely to choose large-scale acquisitions than small-scale acquisitions. To test this idea, we create two dependent variables reflecting the size of acquisition deals. Based on the medium transaction value of all the competed acquisitions in a SIC-two-digit industry in a given year, we define an acquisition as a large (small) acquisition if the transaction value of that acquisition is greater (less) than the median transaction value. We then count the number of large acquisitions and small acquisitions and summate the transaction value of large acquisitions and small acquisitions for each firm year to measure the number (value) of large acquisitions and small acquisitions. Using these dependent variables, we examine the relationship between top managers' given-name popularity and firm acquisition intensity.

Table 5 reports results from such analyses. The dependent variable of column 1 is the natural log of the number of large-scale acquisitions. In column 1, the coefficient estimate of the independent variable is positive and statistically significant (0.042, $p < .01$). The dependent variable of column 2 is the natural log of the number of small-scale acquisitions, and the coefficient estimate of the independent variable is positive but not statistically significant. The dependent variable of

column 3 is the natural log of transaction value of large acquisitions, and the coefficient estimate of the independent variable is positive and statistically significant (0.266, $p < .01$). The dependent variable of column 4 is the natural log of transaction value of small acquisitions, and the coefficient estimate of top managers' given-name popularity is positive but not statistically significant. The results in Table 5 suggest that the relationship between the popularity of top managers' given names and acquisition intensity is primarily driven by large acquisition activities.

4.5. Other Dependent Variables: Corporate Restructuring

If top managers with popular given names have strong self-beliefs and allocate their attention to achieving rapid firm growth through acquisitions, they are less likely to reduce their firm size through corporate restructuring. To confirm our speculation, we examine the relationship between the percentage of top managers with popular given names and the number of firm announcements on seeking to sell, reorganization, and downsizing. Table 6 reports the results from such analyses. Columns 1, 3, and 5 report results from negative binomial regressions with the number of relevant announcements as dependent variables, and columns 2, 4, and 6 report results from OLS regressions with the natural log of number of announcements plus one as dependent variables. Column 1 reports results from the negative binomial regression with the number of announcements on seeking to sell as the dependent variable. The coefficient estimate of the independent variable of interest is negative and statistically significant, suggesting that firms with a higher percentage of top managers with popular given names are less likely to seek to sell assets. Column 4 reports results from the OLS regression with the natural log of number of reorganization announcements plus one as the dependent variable, and the coefficient estimate of the independent variable is negative and statistically significant. Columns 5 and 6 report results using the number of downsizing announcements as the dependent variable. The coefficient estimates of our independent variable of interest are negative and statistically significant in both models. The results in Table 6

suggest that top managers with popular given names are less likely to allocate their attention to enhancing management efficiency and improving organization structure through reducing organization size, which is consistent with our arguments.

5. Alternative Explanations and Robustness Checks

5.1. Top Manager Ethnicity

This section explores whether top manager ethnicity, rather than top manager name popularity, has driven the results presented thus far. Top managers with ethnic-minority backgrounds are more likely to have unique given names, which in turn can influence their focus on acquisitions or R&D investments. To address this issue, we conduct two analyses. First, we use a subsample of top managers with English and European ethnic origins. Second, we exclude firms in the high-tech industry from our sample given that high-tech firms may have a higher likelihood of having top managers of ethnic-minority origins.

Table 7 reports regression results using the first subsample—top managers with English and European ethnic backgrounds based on OnoMAP classification. The regression results in Table 7 are consistent with the results from the sample without excluding ethnic-minority top managers. We find that the percentage of top managers with popular given names is positively associated with acquisition intensity but negatively associated with R&D intensity and new product announcements.

Given that firms in the high-tech industry are more likely to have top managers from ethnic-minority backgrounds, we thus test our hypotheses by excluding high-tech firms from our sample. Table 8 reports the results using the subsample without high-tech firms. A firm is coded as a high-tech firm if its four-digit SIC code is between 2833 and 2836, between 3570 and 3577, between 3600 and 3695, or between 7370 and 7377. Our results hold.

5.2. Director and CEO Name Popularity

This section explores whether the popularity of board members' and CEOs' given names drive our results. It is possible that board members with popular given names are more likely to select top managers with popular given names. We conduct two tests to examine the influence of director given-name popularity on firm acquisition and R&D investments. First, we investigate whether the percentage of directors with popular given names alone exerts an influence on our dependent variables. Second, we examine whether the relationships between top manager name popularity and our dependent variables are still statistically significant after controlling for director name popularity.

Columns 1-4 in Table 9 present OLS regression results with the percentage of directors with popular given names as independent variables without controlling for top managers' given-name popularity. We also control for the percentage of directors with ethnic-minority backgrounds. Across columns 1-4, we find that the coefficient estimate of the percentage of directors with popular given names is statistically significant with the natural log of acquisition value (0.278, $p < .10$) and R&D intensity (-0.020, $p < .01$) as dependent variables. Columns 5-8 include the percentage of top managers with popular given names as a predictor. After controlling for top managers' given-name popularity, the coefficient estimate of director given-name popularity becomes statistically insignificant in column 6 (with the natural log of acquisition value as the dependent variable), suggesting a mediating effect of top managers' given-name popularity. In addition, the coefficient estimate of director given-name popularity becomes less significant in column 7 with R&D intensity as the dependent variable (-0.016, $p < .05$), indicating that top managers' given-name popularity partially mediates the influence of director given-name popularity on our dependent variables. Across columns 5-8, the coefficient estimates of top manager popularity are highly significant.

The results in Table 9 indicate that the popularity of top managers' given names may mediate the relationship between director given-name popularity and firm growth choices. In other words,

director given-name popularity may not exert a direct influence on firm acquisitions and R&D intensity but may exert an indirect influence through the selection of top managers with popular given names. Empirical evidence in Table 9 also suggests that director given-name popularity does not drive the relationship between top managers' given-name popularity and firm growth choices.

In unreported results, we also explore whether CEOs' name popularity exerts an influence on our dependent variables. We use two measures of popularity of CEOs' names. The first is a dummy variable. A CEO receives a value of 1 if the percentage of newborns taking his or her given name in his or her birth year ranks above the 85th percentile value of all the given names. The second is a continuous variable, which is measured as the natural log of the ranking of a CEO's given-name popularity in his or her birth year. We reversely code this variable so that a large ranking number indicates that a given name is more popular. We find that the coefficient estimates of CEO name popularity are positive but statistically insignificant with firm acquisition intensity as the dependent variable. In addition, the coefficient estimates are negative but statistically insignificant with firm R&D intensity and new product announcements as dependent variables. Such findings indicate that TMTs' name popularity exerts a stronger influence on firm acquisition and R&D investments than CEOs' alone.

5.3. Instrumental Variable Regressions

Other omitted variables may drive both the percentage of top managers with popular given names and firm acquisition and R&D investments. To address this endogeneity concern, we conduct GMM instrumental variable regressions using the following two instrumental variables—the percentage of directors with popular given names and the percentage of ethnic-minority directors lagged by three years. These two instruments are valid, as results in the last section indicate that top managers' given-name popularity mediates the relationship between director given-name popularity and firm acquisition and R&D intensity. To further ensure that the two instruments do not exert a

direct influence on the dependent variables, we measure the two instruments at *t-3* and dependent variables at *t*.

Table 10 reports results from GMM instrumental variables regressions. These two instrument variables jointly pass the test of exogeneity and relevance, suggesting the validity of these instrumental variables. Column 1 shows the first-stage regression with the percentage of directors with popular given names and ethnic-minority directors. The coefficient estimates of the two instruments are statistically significant. Column 2 shows the second-stage regression results with the natural log number of bids as the dependent variable. The coefficient estimate of the independent variable is positive and statistically significant (0.228, $p < .10$). Column 3 shows regression results with the natural log of transaction value. The coefficient estimate of the independent variable is positive and statistically significant (1.682, $p < .05$). Column 4 shows the first-stage regression used to test the relationship between top managers' given-name popularity and firm R&D intensity. The coefficient estimate of the percentage of directors with popular given names is statistically significant but not for the coefficient estimate of the percentage of ethnic-minority directors. Nevertheless, these two instruments together bear a strong relationship with our independent variable, reflected by the large Cragg-Donald Wald F statistic (195.5). Column 5 shows the second-stage regression results with R&D intensity as the dependent variable. The coefficient estimate of the independent variable is negative and statistically significant (-0.112, $p < .01$).

5.4. Propensity Score Weighting Regressions

We also apply a propensity score-based weighting and regression method (Yim, 2013; Guo and Fraser, 2014) to address the endogeneity concern that top managers' given-name popularity results are being driven by differences in unobservable characteristics of firms with different percentages of top managers with popular given names. Following Imbens (2000), we first estimate multiple balancing scores by using a multinomial logit model and then conduct outcome analyses

that employ the inverse of a specific propensity score as a sampling weight. Specifically, we first estimate generalized propensity scores (GPS) by applying a multinomial logit model. Based on the 25th and 75th percentile values of our independent variable as cutoffs, we have three levels of the percentage of top managers with popular given names. In other words, we have three different treatment levels and each firm has three GPS.

Second, we calculate the inverse of a specific GPS based on the given-name popularity percentage category of top managers at each firm. The inversed propensity score is defined as a sampling weight to be used in outcome analysis (i.e., analysis with propensity score weighting). Although each firm has three propensity scores obtained from the multinomial logit model, only one such score is used. It is the predicted probability of a firm to fall into the three different groups of the percentage of top managers with different levels of given-name popularity and the inverse of this score is used as the weight in outcome regressions. Third, in the outcome regressions, two of the three dummy variables that we create based on the percentage of top managers' given-name popularity are used as independent variables and these two dummy variables (medium and high) are compared with the omitted category (low).

Table 11 shows the results from propensity score weighted regressions. Columns 1 and 2 of Table 11 show multinomial logit regression results with the low category of percentage of top managers with popular given names as the benchmark. Column 3 shows propensity score weighted regressions with the natural log of number of bids as the dependent variable. The results in column 3 show that compared with the category with a low percentage of top managers with popular given names, the categories with a medium or high percentage are more likely to engage in acquisitions. Column 4 presents results from the propensity score weighted regression with the natural log of acquisition value as dependent variable. The coefficient estimate of the category with a high percentage of top managers with popular given names is positive and statistically significant.

Columns 5-6 show multinomial logit regression results with the low category of the percentage of top managers with popular given names as the benchmark, which are used to create weights for the second-stage OLS regression with R&D investments as the dependent variable. Column 7 exhibits results from the propensity score weighted regression with R&D intensity as the dependent variable. Results in column 7 show that compared with the category with a low percentage of top managers with popular given names, the categories with a medium or high percentage invest less in R&D. In sum, the results from the propensity score weighted regressions are largely consistent with regression results without controlling for regression weights.

6. Conclusions

In this paper, we examine the relationship between top executive given-name popularity and firm preferences for two types of growth modes: acquisitions and R&D investments. Our findings lend support to the ruling by Israel's High Court of Justice that given names not only provide personal identification but also are representations of selves. Our findings consistently indicate that the percentage of top managers with popular given names is positively associated with the number and value of acquisitions, but negatively associated with R&D investments and new product announcements. Such findings lend support to our argument that top managers with popular given names tend to have high levels of perceived control and abilities and therefore are more likely to opt for quantum, large-stake investments through acquisitions to grow companies. Accordingly, these managers allocate less attention and fewer firm resources to internal growth through R&D investments.

This paper provides the first empirical evidence of the relationship between top managers' given names and their corporate decision making. Although the economics literature has demonstrated that cues associated with given names relate to discrimination in the labor market, this study suggests that given names may affect individuals' decisions even among a group of highly self-

selected people, indicating the strong imprinting effects of given names on personal traits. Examining the relationship between top managers' given-name popularity and firm growth model choices offers new insights into determinants of firm acquisition and R&D investment decisions. In this sense, this study contributes to a stream of recent research examining the role of CEO overconfidence in influencing firm acquisition and innovation decisions (Malmendier and Tate, 2005a, 2008; Hirshleifer et al., 2012). However, we hypothesize that due to limited managerial attention and firm resources, firms are less likely to make high levels of investments in both acquisitions and R&D. Put differently, our results highlight the existence of a tradeoff between external and internal firm growth. Executives who are committed to acquisitions may be less committed to R&D projects, or vice versa. Our findings indicate that the popularity of top managers' given names may explain their choices between acquisitions and R&D investments. More research is needed to explore what other factors influence top managers' preferences between external growth through acquisitions and internal growth through R&D investments.

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Appendix A: Variable definitions and data sources

Name Variables

- Percentage of top managers with popular names is measured as the ratio of top managers with popular given names to the total number of top managers reported in ExecuComp. We code a top manager's name popular if his or her given name ranks higher than the 85th percentile value of the number of all the given names in his or her birth year. We also use the 75th and 90th percentile values as cutoffs. Data on top executive names are from ExecuComp and data on name popularity are from the Social Security Administration.
- Percentage of directors with popular names is measured as the ratio of outside directors with popular given names to the total number of outside directors reported in RiskMetrics. We code a director's name popular if his or her given name ranks higher than the 85th percentile value of the number of all the given names in his or her birth year. We also use the 75th and 90th percentile values as cutoffs. Data on director names are from RiskMetrics and data on name popularity are from the Social Security Administration.
- We use OnoMAP software to identify top managers' and directors' ethnic backgrounds. The software applies a name-based ethnicity classification methodology developed by the Department of Geography at University College London, and comprises 448,657 surnames and 253,881 forenames derived from public name registries from over 26 countries. Each of these names has been classified into a cultural, ethnic, and linguistic group using name network clustering techniques. We code top managers (directors) with English and European ethnic backgrounds as ethnic majority top managers (directors) and others as ethnic-minority top managers (directors). The percentage of ethnic-minority top managers (directors) is measured as the ratio of top managers (directors) with ethnic-minority backgrounds based on their names to the total number of top managers (directors).

Top Management Team and Board Director Variables

- Percentage of overconfident top executives is measured as the ratio of overconfident top executives to the total number of top executives reported in ExecuComp. We identify whether a top executive is overconfident by using their option-exercising activities. We start by constructing each top executive confidence measure as "average-value-per-option/average-strike-price." The average-value-per-option is the total value of each executive's option-holdings scaled by the number of such options and the average-strike-price is the firm's stock price at the end of the fiscal year less the value per option (Campbell et al., 2011). We then create an indicator variable for each top executive to define whether he or she is overconfident. An executive receives a value of one if the confidence variable is at least 0.67 and zero otherwise (Malmendier and Tate, 2005a). The percentage of overconfident top executives is measured as the number of overconfident executives over the total number of executives. Data are from ExecuComp.
- Ratio of female top managers is measured as the number of female managers to total number of managers. Data are from ExecuComp.
- Top manager average age is measured as the mean age of all the top managers reported in ExecuComp.

- TMT contingent compensation ratio is measured as the ratio of all top managers' contingent compensation to their total compensation. Contingent compensation includes the value of restricted stocks and options granted. Data are from ExecuComp.
- Board size refers to the number of board directors. Data are from RiskMetrics.
- Ratio of female directors refers to the ratio of female directors to total number of directors. Data are from Risk Metrics.
- Board independence is measured as the number of independent board directors to total number of directors. Data are from RiskMetrics.
- CEO duality receives a value of one if a CEO is also board chairman and zero otherwise. Data are from Risk Metrics.

Firm-level Variables

- Number of acquisitions is measured as the total number of all the completed majority acquisitions or mergers. Data are from the SDC.
- Value of acquisitions is measured as the total transaction value of all the completed majority acquisitions or mergers. Data are from the SDC.
- Number of large acquisitions refers to the total number of large-scale acquisitions. An acquisition is considered large-scale if its transaction value is larger than the medium of transaction value of all the acquisitions completed in a two-digit SIC code industry in a year.
- Number of small acquisitions refers to the total number of small-scale acquisitions. An acquisition is considered small -scale if its transaction value is smaller than the medium of transaction value of all the acquisitions completed in a two-digit SIC code industry in a year.
- R&D intensity is measured as the ratio of R&D expenses to total sales revenues. Data are from Compustat.
- Number of firm announcements on new products refers to the number of news releases on new products in a year in Capital IQ. Data are from Capital IQ.
- Number of firm announcements on seeking to sell refers to the number of news releases on seeking to sell or divest in a year in Capital IQ. Data are from Capital IQ.
- Number of firm announcements on reorganization refers to the number of news releases on firm reorganization in a year in Capital IQ. Data are from Capital IQ.
- Number of firm announcements on downsizing refers to the number of news releases on downsizing in a year in Capital IQ. Data are from Capital IQ.
- Firm size is measured as using the natural log of firm total assets. Data are from Compustat.
- ROA is measured as operating income before depreciation over book value of total assets. Data are from Compustat.
- Debt ratio is measured as the ratio of total debt to total assets. Data are from Compustat.
- Cash holding is measured as the ratio of cash and short-term investments to total assets. Data are from Compustat.
- Institutional ownership is measured as the ratio of total shares held by institutional investors to total shares outstanding. Data are from Thomson Reuter 13(F).
- Following Whited and Wu (2006), we measure financial constraints using the following formula:

$$\text{Financial constraint} = 0.93 - 0.091 \times \text{Cash flow} - 0.062 \times \text{Dividend dummy} + 0.021 \times \text{Leverage} - 0.044 \times \text{Log(Total assets)} + 0.102 \times \text{industry Sales growth} - 0.035 \times \text{Sales growth}$$

Cash flow is measured as operating cash flow scaled by total assets. The dividend dummy receives a value of one if the firm pays cash dividends and zero otherwise. Leverage is measured as long-term and short-term debt scaled by total assets. Industry sales growth is measured as sales growth of the industry (grouped by three-digit SIC codes) to which the firm belongs, and sales growth is measured as percentage change in sales.

Table 1
Summary Statistics

This table presents descriptive statistics on measures of given-name popularity of top managers, acquisitions, R&D activities, and firms' characteristics for the sample in regression analysis. Panel A reports descriptive statistics for TMT and director variables. Panel B reports descriptive statistics for firm variables. Panel C reports most frequent given names by top manager gender in the ExecuComp universe. Our sample consists of 21,896 firm-years from publicly traded U.S. S&P 1500 firms covering the period 1996-2012.

Panel A. Measures of Top Manager and Board Variables

Variable	N	mean	S.D.	median
Percent of TMTs with popular names (using 85th percentile value cutoff)	21896	0.724	0.250	0.800
Percent of TMTs with popular names (using 75th percentile value cutoff)	21896	0.750	0.249	0.800
Percent of TMTs with popular names (using 90th percentile value cutoff)	21896	0.697	0.251	0.750
Percent of directors with popular names (using 85th percentile value cutoff)	21896	0.870	0.125	0.889
Percent of directors with popular names (using 75th percentile value cutoff)	21896	0.834	0.137	0.857
Percent of directors with popular names (using 90th percentile value cutoff)	21896	0.798	0.148	0.818
Percent of TMTs with ethnic-minority backgrounds	21896	0.043	0.099	0.000
Percent of directors with ethnic-minority backgrounds	21896	0.313	0.161	0.300
Average TMT age	21896	51.004	4.471	51.000
Percent of female TMT	21896	0.065	0.112	0.000
TMT contingent compensation	21896	0.250	0.286	0.117
Percent of overconfident TMT	21896	0.105	0.255	0.000
Board size	21896	9.511	2.753	9.000
Board independence	21896	0.700	0.167	0.727
CEO duality	21896	0.605	0.489	1.000
Percent of female directors	21896	0.097	0.094	0.100

Panel B. Measures of Firm-level Variables

Variable	N	Mean	S.D.	Median
Number of acquisitions	21896	0.398	1.006	0.000
Total transaction value ($ million)	21896	243.562	2093.569	0.000
Ratio of transaction value to assets	21896	0.031	0.101	0.000
R&D intensity	21896	0.036	0.084	0.000
Number of large acquisitions	21896	0.292	0.799	0.000
Number of small acquisitions	21896	0.094	0.354	0.000
Number of firm announcements on new products	15381	3.308	9.036	0.000
Number of firm announcements on seeking to sell or divest	15381	0.158	0.833	0.000
Number of firm announcements on downsizing	15381	0.507	1.551	0.000
Number of firm announcements on reorganization	15381	0.105	0.383	0.000
ROA	21896	0.090	0.088	0.084
Total assets ($ million)	21896	15509.520	85191.680	1979.356
Debt ratio	21896	0.224	0.177	0.211
Cash holding ratio	21896	0.133	0.159	0.066
Institutional ownership	21896	0.652	0.273	0.709
Financial constraint	21896	1.320	0.273	1.266

Panel C. Most Frequent Given Names among Top Managers

Given name	Gender	Number	Percent	Given name	Gender	Number	Percent
John	M	6160	5.258%	Susan	F	289	0.247%
Robert	M	5347	4.564%	Mary	F	243	0.207%
Michael	M	4802	4.099%	Karen	F	160	0.137%
David	M	4661	3.978%	Deborah	F	154	0.131%
James	M	4637	3.958%	Kathleen	F	153	0.131%
William	M	3699	3.157%	Patricia	F	152	0.130%
Thomas	M	3354	2.863%	Barbara	F	149	0.127%
Richard	M	3341	2.852%	Carol	F	144	0.123%
Mark	M	2271	1.938%	Linda	F	144	0.123%
Paul	M	1835	1.566%	Elizabeth	F	128	0.109%
Steven	M	1829	1.561%	Nancy	F	122	0.104%
Joseph	M	1822	1.555%	Lisa	F	121	0.103%
Stephen	M	1667	1.423%	Laura	F	100	0.085%
Charles	M	1612	1.376%	Pamela	F	95	0.081%
Peter	M	1530	1.306%	Diane	F	83	0.071%
Jeffrey	M	1404	1.198%	Anne	F	83	0.071%
Gary	M	1240	1.058%	Janet	F	81	0.069%
Daniel	M	1143	0.976%	Ellen	F	81	0.069%
Ronald	M	1099	0.938%	Cynthia	F	75	0.064%
Donald	M	1095	0.935%	Christine	F	75	0.064%
Kenneth	M	1077	0.919%	Ann	F	73	0.062%
Timothy	M	1059	0.904%	Margaret	F	68	0.058%
George	M	1035	0.883%	Denise	F	67	0.057%
Scott	M	980	0.836%	Sandra	F	67	0.057%
Kevin	M	979	0.836%	Jennifer	F	66	0.056%
Edward	M	976	0.833%	Joan	F	65	0.055%
Douglas	M	946	0.807%	Kimberly	F	64	0.055%
Christopher	M	921	0.786%	Beth	F	64	0.055%
Gregory	M	883	0.754%	Judith	F	58	0.050%
Brian	M	824	0.703%	Debra	F	58	0.050%

Table 2
Top Managers' Given-Name Popularity and Firm Acquisitions
This table presents regression results with firm acquisition intensity as dependent variables. The dependent variables are number of acquisitions, log of number of acquisitions plus one, log of total transaction value plus one, or the ratio of transaction value to total assets. Panel A reports the results using the primary measure of top manager given-name popularity, while Panel B reports results with alternative measures of the independent variable. Year and industry fixed effects are controlled for in all regressions. Column 1 of Panel A is negative binomial regression and all the other regressions are pooled OLS regressions. All the models in Panel are OLS regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

Panel A. Primary Measure of Top Managers' Given-Name Popularity

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Variables	**Number of bid**	**Log (bid+1)**	**Log (value+1)**	**Ratio**	**Log (bid+1)**	**Log (value+1)**	**Ratio**
Percent of TMT with popular names (using 85th percentile value cutoff)	0.253**	0.050***	0.285***	0.011***			
	[0.106]	[0.018]	[0.094]	[0.004]			
Medium popularity percent					0.028***	0.167***	0.006***
					[0.009]	[0.050]	[0.002]
High popularity percent					0.030***	0.179***	0.008***
					[0.012]	[0.062]	[0.003]
Log asset	0.279***	0.055***	0.395***	-0.001	0.055***	0.395***	-0.001
	[0.022]	[0.004]	[0.023]	[0.001]	[0.004]	[0.023]	[0.001]
Return on assets	1.236***	0.198***	1.361***	0.071***	0.197***	1.356***	0.070***
	[0.283]	[0.046]	[0.247]	[0.011]	[0.046]	[0.247]	[0.011]
Debt ratio	-0.513***	-0.114***	-0.660***	-0.013**	-0.114***	-0.660***	-0.013**
	[0.156]	[0.028]	[0.148]	[0.005]	[0.028]	[0.148]	[0.005]
Cash holding ratio	-0.018	0.023	0.311*	0.017**	0.022	0.307*	0.017**
	[0.173]	[0.032]	[0.176]	[0.008]	[0.032]	[0.175]	[0.008]
R&D ratio	0.766**	0.161***	1.167***	0.058***	0.160***	1.162***	0.058***
	[0.308]	[0.059]	[0.336]	[0.019]	[0.059]	[0.336]	[0.019]
Institutional ownership	0.442***	0.092***	0.576***	0.024***	0.092***	0.572***	0.024***
	[0.134]	[0.018]	[0.094]	[0.003]	[0.018]	[0.094]	[0.003]
Percent of ethnic-minority TMT	-0.277	-0.056	-0.282	0.001	-0.060	-0.304	0.001
	[0.235]	[0.038]	[0.202]	[0.008]	[0.038]	[0.201]	[0.008]
Average TMT age	-0.017***	-0.003***	-0.019***	-0.001***	-0.003***	-0.019***	-0.001***
	[0.005]	[0.001]	[0.005]	[0.000]	[0.001]	[0.005]	[0.000]
Percent of female TMT	-0.323	-0.041	-0.144	-0.010	-0.041	-0.145	-0.010
	[0.219]	[0.032]	[0.180]	[0.006]	[0.032]	[0.180]	[0.006]
TMT contingent pay ratio	0.429***	0.074***	0.239**	0.014***	0.074***	0.238**	0.014***
	[0.105]	[0.019]	[0.100]	[0.005]	[0.019]	[0.101]	[0.005]
Percent of overconfident TMT	0.294***	0.041***	0.204***	0.011***	0.041***	0.207***	0.011***
	[0.062]	[0.012]	[0.066]	[0.003]	[0.012]	[0.066]	[0.003]
Board size	-0.000	0.001	0.009	-0.000	0.001	0.009	-0.000
	[0.011]	[0.002]	[0.011]	[0.000]	[0.002]	[0.010]	[0.000]
Outside director ratio	-0.166	-0.040	-0.139	-0.001	-0.039	-0.135	-0.000
	[0.141]	[0.027]	[0.141]	[0.006]	[0.027]	[0.141]	[0.006]
CEO duality	-0.002	-0.004	-0.030	-0.002	-0.004	-0.029	-0.002
	[0.045]	[0.007]	[0.040]	[0.002]	[0.007]	[0.040]	[0.002]
Female director ratio	-0.514*	-0.084*	-0.478*	-0.013	-0.085*	-0.481*	-0.013
	[0.276]	[0.044]	[0.250]	[0.010]	[0.044]	[0.250]	[0.010]
Constant	-2.735***	-0.118**	-1.286***	0.048***	-0.103*	-1.208***	0.050***
	[0.489]	[0.059]	[0.313]	[0.013]	[0.058]	[0.308]	[0.013]
Observations	21,896	21,896	21,896	21,123	21,896	21,896	21,123
R-squared		0.091	0.096	0.043	0.091	0.096	0.043
Industry FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES
Log-likelihood	-16641						
Adjusted R-squared		0.0906	0.0955	0.0426	0.0906	0.0956	0.0428

Panel B. Alternative Measures of Top Managers' Given-Name Popularity

Variables	(1) Log (Bid+1)	(2) Log (Value+1)	(3) Ratio	(4) Log (Bid+1)	(5) Log (Value+1)	(6) Ratio
Percent of TMT with popular names (using 75th percentile value cutoff)	0.045**	0.263***	0.009**			
	[0.018]	[0.096]	[0.004]			
Percent of TMT with popular names (using 90th percentile value cutoff)				0.055***	0.317***	0.010***
				[0.018]	[0.094]	[0.004]
Log asset	0.055***	0.395***	-0.001	0.055***	0.396***	-0.001
	[0.004]	[0.023]	[0.001]	[0.004]	[0.023]	[0.001]
Return on assets	0.197***	1.358***	0.071***	0.198***	1.360***	0.071***
	[0.046]	[0.247]	[0.011]	[0.046]	[0.247]	[0.011]
Debt ratio	-0.115***	-0.661***	-0.013**	-0.114***	-0.658***	-0.013**
	[0.028]	[0.148]	[0.005]	[0.028]	[0.148]	[0.005]
Cash holding ratio	0.023	0.311*	0.017**	0.023	0.310*	0.017**
	[0.032]	[0.175]	[0.008]	[0.032]	[0.176]	[0.008]
R&D ratio	0.160***	1.162***	0.058***	0.162***	1.176***	0.058***
	[0.059]	[0.336]	[0.019]	[0.059]	[0.335]	[0.019]
Institutional ownership	0.093***	0.576***	0.024***	0.092***	0.573***	0.024***
	[0.018]	[0.094]	[0.003]	[0.018]	[0.094]	[0.003]
Percent of ethnic-minority TMT	-0.058	-0.292	-0.000	-0.053	-0.266	0.001
	[0.037]	[0.202]	[0.008]	[0.037]	[0.202]	[0.008]
Average TMT age	-0.003***	-0.019***	-0.001***	-0.003***	-0.019***	-0.001***
	[0.001]	[0.005]	[0.000]	[0.001]	[0.005]	[0.000]
Percent of female TMT	-0.042	-0.149	-0.010	-0.039	-0.135	-0.010
	[0.032]	[0.180]	[0.006]	[0.032]	[0.180]	[0.006]
TMT contingent pay ratio	0.074***	0.239**	0.014***	0.073***	0.238**	0.014***
	[0.019]	[0.100]	[0.005]	[0.019]	[0.101]	[0.005]
Percent of overconfident TMT	0.041***	0.203***	0.011***	0.041***	0.206***	0.011***
	[0.012]	[0.066]	[0.003]	[0.012]	[0.066]	[0.003]
Board size	0.001	0.009	-0.000	0.001	0.009	-0.000
	[0.002]	[0.011]	[0.000]	[0.002]	[0.011]	[0.000]
Outside director ratio	-0.039	-0.136	-0.001	-0.039	-0.135	-0.001
	[0.027]	[0.142]	[0.006]	[0.027]	[0.141]	[0.006]
CEO duality	-0.004	-0.030	-0.002	-0.004	-0.029	-0.002
	[0.007]	[0.040]	[0.002]	[0.007]	[0.040]	[0.002]
Female director ratio	-0.085*	-0.480*	-0.013	-0.085*	-0.482*	-0.013
	[0.044]	[0.250]	[0.010]	[0.044]	[0.250]	[0.010]
Constant	-0.117*	-1.284***	0.049***	-0.119**	-1.302***	0.048***
	[0.060]	[0.316]	[0.013]	[0.059]	[0.314]	[0.013]
Observations	21,896	21,896	21,123	21,896	21,896	21,123
R-squared	0.090	0.095	0.042	0.091	0.096	0.043
Industry FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Adjusted R-squared	0.0904	0.0954	0.0424	0.0907	0.0957	0.0426

Table 3
Top Managers' Given-Name Popularity and Firm R&D Investments

This table presents regression results of corporate R&D investments on measures of top managers' given-name popularity and other control variables. We exclude financial service industry firms from our analyses. Year and industry fixed effects are controlled for in all regressions. All regressions but column 3 are pooled OLS regressions. Column 3 is negative binomial regression. The time range for columns 1-2 is 1996-2012 and the time range for columns 3-4 is 2001-2012. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)
Variables	**R&D intensity**	**R&D intensity**	**Number of product**	**Log(number of product+1)**
TMT percent of popular names (using 85th percentile value cutoff)	-0.014***		-0.412***	-0.169***
	[0.005]		[0.133]	[0.061]
Medium percent		-0.004*		
		[0.002]		
High percent		-0.009***		
		[0.003]		
Log asset	0.001	0.001	0.520***	0.252***
	[0.001]	[0.001]	[0.024]	[0.014]
Return on assets	-0.220***	-0.221***	0.294	0.346**
	[0.023]	[0.023]	[0.346]	[0.161]
Debt ratio	-0.006	-0.006	-0.927***	-0.520***
	[0.007]	[0.007]	[0.189]	[0.090]
Cash holding ratio	0.239***	0.239***	1.880***	0.871***
	[0.016]	[0.016]	[0.198]	[0.107]
Institutional ownership	-0.003	-0.003	-0.261**	-0.167***
	[0.005]	[0.005]	[0.127]	[0.062]
Log number bids	0.011***	0.011***	0.140***	0.094***
	[0.002]	[0.002]	[0.040]	[0.022]
Percent of ethnic-minority TMT	0.033**	0.033**	0.076	0.094
	[0.013]	[0.013]	[0.268]	[0.120]
Average TMT age	-0.001***	-0.001***	-0.038***	-0.016***
	[0.000]	[0.000]	[0.007]	[0.003]
Percent of female TMT	-0.018**	-0.018**	0.107	0.092
	[0.009]	[0.009]	[0.204]	[0.098]
TMT contingent pay ratio	0.042***	0.042***	0.393***	0.184***
	[0.004]	[0.004]	[0.115]	[0.051]
Percent of overconfident TMT	0.005*	0.005*	0.010	-0.017
	[0.003]	[0.003]	[0.072]	[0.030]
Board size	-0.001	-0.001	0.022*	0.005
	[0.000]	[0.000]	[0.013]	[0.006]
Outside director ratio	0.005	0.005	0.672***	0.301***
	[0.007]	[0.007]	[0.210]	[0.092]
CEO duality	-0.007***	-0.007***	-0.053	-0.038*
	[0.002]	[0.002]	[0.052]	[0.022]
Female director ratio	-0.012	-0.012	0.856***	0.350**
	[0.012]	[0.012]	[0.322]	[0.136]
R&D ratio			5.165***	3.386***
			[0.582]	[0.308]
Constant	0.064***	0.057***	-3.679***	-1.427***
	[0.014]	[0.013]	[0.549]	[0.240]
Observations	18,564	18,564	15,381	15,393
R-squared	0.508	0.508		0.493
Industry FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Adjusted R-squared	0.508	0.508		0.493
Log-likelihood			-24531	

Table 4
Subgroup Analyses Based on Financial Constraints

This table presents subgroup analyses based on firm financial constraints. Financial constraint index is calculated based on Whited and Wu (2006). We divide samples into low, medium, and high financial constraint groups according to the 25th and 75th percentile values of financial constraints. The dependent variable for columns 1-3 is log(number of bid+1) and the dependent variable for columns 4-6 is log(transaction value+1), the dependent variable for columns 7-9 is R&D intensity, and the dependent variable for columns 10-12 is log(number of product+1). Firm and TMT-level control variables are all controlled for but not reported. Year and industry fixed effects are controlled for in all regressions. All regressions are pooled OLS regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Log (bid+1)			Log (value+1)			R&D intensity			Log(number of product+1)		
Variables	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**	**Low**	**Medium**	**High**
Percent of popular names (using 85th percentile value cutoff)	0.047*	0.064***	0.046	0.247*	0.358***	0.270	-0.010*	-0.010**	-0.004	0.020	-0.221***	-0.072
	[0.026]	[0.023]	[0.036]	[0.126]	[0.122]	[0.201]	[0.006]	[0.005]	[0.010]	[0.084]	[0.076]	[0.108]
Percent of ethnic-minority TMT	-0.008	-0.055	-0.055	-0.128	-0.277	-0.110	0.058***	0.029**	0.048*	0.008	0.224	-0.181
	[0.059]	[0.042]	[0.083]	[0.293]	[0.235]	[0.467]	[0.021]	[0.012]	[0.026]	[0.167]	[0.146]	[0.239]
Average TMT age	-0.001	-0.003***	-0.003	-0.008	-0.021***	-0.017	-0.000	-0.000**	-0.001	-0.013***	-0.014***	-0.018***
	[0.001]	[0.001]	[0.002]	[0.006]	[0.006]	[0.011]	[0.000]	[0.000]	[0.000]	[0.004]	[0.004]	[0.006]
Percent of female TMT	-0.133***	-0.060	0.001	-0.593***	-0.234	0.105	-0.033***	-0.018**	-0.006	0.048	0.076	0.249
	[0.040]	[0.038]	[0.069]	[0.208]	[0.213]	[0.407]	[0.008]	[0.007]	[0.022]	[0.111]	[0.110]	[0.210]
TMT contingent pay ratio	0.043	0.056**	0.099**	0.134	0.153	0.382*	0.033***	0.031***	0.041***	0.144*	0.187***	0.258***
	[0.035]	[0.025]	[0.039]	[0.172]	[0.131]	[0.205]	[0.007]	[0.005]	[0.008]	[0.078]	[0.061]	[0.099]
Percent of overconfident TMT	0.075***	0.021	0.034	0.295**	0.108	0.226	0.003	-0.002	0.001	-0.007	-0.008	-0.022
	[0.026]	[0.016]	[0.025]	[0.117]	[0.088]	[0.147]	[0.003]	[0.003]	[0.006]	[0.044]	[0.035]	[0.067]
Constant	-0.068	0.057	-0.286**	-0.698	-0.300	-2.225***	0.049***	0.068***	0.094***	0.363	-0.480*	-0.956**
	[0.084]	[0.069]	[0.130]	[0.433]	[0.371]	[0.730]	[0.018]	[0.014]	[0.031]	[0.267]	[0.245]	[0.374]
Observations	4,576	11,142	5,550	4,576	11,142	5,550	4,386	9,582	4,575	3,093	8,103	3,947
R-squared	0.075	0.070	0.129	0.067	0.062	0.122	0.448	0.535	0.586	0.409	0.467	0.542
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Adjusted R-squared	0.0745	0.0704	0.129	0.0674	0.0616	0.122	0.448	0.535	0.586	0.409	0.467	0.542

Table 5
Large Acquisitions Versus Small Acquisitions

This table presents regression results of large and small acquisitions on top managers' given-name popularity and other control variables. Large (small) acquisitions are those acquisitions whose transaction value is greater (less) than the median value of all the acquisitions in the same two-digit-SIC industry in a given year. Year and industry fixed effects are controlled for in all regressions. All regressions are pooled OLS regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)
Variables	**Log(number of large bid+1)**	**Log(number of small bid+1)**	**Log(value of large bid+1)**	**Log(value of small bid+1)**
Percent of TMT with popular names (using 85th percentile value cutoff)	0.042***	0.010	0.266***	0.034
	[0.015]	[0.008]	[0.092]	[0.028]
Log asset	0.057***	0.000	0.417***	0.001
	[0.004]	[0.002]	[0.023]	[0.007]
Return on assets	0.181***	0.014	1.327***	0.042
	[0.039]	[0.021]	[0.241]	[0.070]
Debt ratio	-0.105***	-0.014	-0.652***	-0.055
	[0.022]	[0.014]	[0.140]	[0.047]
Cash holding ratio	0.040	-0.014	0.375**	-0.050
	[0.027]	[0.015]	[0.169]	[0.051]
R&D ratio	0.179***	-0.017	1.235***	-0.074
	[0.052]	[0.025]	[0.328]	[0.082]
Institutional ownership	0.079***	0.018**	0.534***	0.067**
	[0.014]	[0.008]	[0.090]	[0.029]
Percent of ethnic-minority TMT	-0.058*	-0.003	-0.303	-0.003
	[0.030]	[0.019]	[0.192]	[0.064]
Average TMT age	-0.003***	-0.000	-0.019***	-0.002
	[0.001]	[0.000]	[0.005]	[0.002]
Percent of female TMT	-0.014	-0.029**	-0.059	-0.112**
	[0.028]	[0.015]	[0.177]	[0.051]
TMT contingent pay ratio	0.057***	0.027***	0.215**	0.084**
	[0.016]	[0.010]	[0.097]	[0.034]
Percent of overconfident TMT	0.031***	0.015**	0.199***	0.047**
	[0.010]	[0.007]	[0.065]	[0.023]
Board size	0.001	0.001	0.008	0.002
	[0.002]	[0.001]	[0.010]	[0.003]
Outside director ratio	-0.032	-0.012	-0.123	-0.032
	[0.023]	[0.013]	[0.138]	[0.044]
CEO duality	-0.005	-0.001	-0.031	-0.004
	[0.006]	[0.004]	[0.038]	[0.013]
Female director ratio	-0.071*	-0.015	-0.456*	-0.042
	[0.037]	[0.021]	[0.240]	[0.076]
Constant	-0.185***	0.050*	-1.548***	0.187*
	[0.050]	[0.029]	[0.305]	[0.099]
Observations	21,896	21,896	21,896	21,896
R-squared	0.098	0.021	0.099	0.020
Industry FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Adjusted R-squared	0.0984	0.0213	0.0992	0.0198

Table 6
Other Dependent Variables: Corporate Restructuring

This table presents regression results with firm announcements on seeking to sell, reorganization, and downsizing as dependent variables. Columns 1, 3, and 5 are negative binomial regressions and columns 2, 4, and 6 are pooled OLS regressions. Year and industry fixed effects are controlled for in all regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Variables	**Number of seeking to sell**	**Log (number of seeking to sell +1)**	**Number of reorganization**	**Log (number of reorganization +1)**	**Number of downsizing**	**Log (Number of downsizing+1)**
Percent of TMT with popular names (using 85th percentile value cutoff)	-0.426**	-0.018	-0.275	-0.018*	-0.315***	-0.071***
	[0.180]	[0.013]	[0.171]	[0.011]	[0.112]	[0.025]
Log asset	0.644***	0.045***	0.398***	0.028***	0.561***	0.118***
	[0.039]	[0.004]	[0.036]	[0.003]	[0.026]	[0.007]
Return on assets	-4.023***	-0.178***	-2.064***	-0.088***	-3.236***	-0.445***
	[0.581]	[0.032]	[0.523]	[0.029]	[0.371]	[0.066]
Debt ratio	0.919***	0.025	-0.274	-0.024	0.106	-0.034
	[0.266]	[0.026]	[0.253]	[0.016]	[0.185]	[0.042]
Cash holding ratio	0.083	0.060***	0.165	0.013	0.679***	0.136***
	[0.425]	[0.022]	[0.319]	[0.018]	[0.240]	[0.042]
R&D ratio	-0.934	-0.064*	-0.944	-0.029	-1.169***	-0.111
	[0.786]	[0.036]	[0.618]	[0.034]	[0.375]	[0.073]
Institutional ownership	-0.671***	-0.072***	-0.472***	-0.047***	-0.351***	-0.147***
	[0.171]	[0.015]	[0.147]	[0.013]	[0.111]	[0.029]
Log number bids	0.186*	0.017**	0.089	0.007	0.080*	0.030**
	[0.111]	[0.008]	[0.068]	[0.005]	[0.047]	[0.012]
Percent of ethnic-minority TMT	-0.011	0.004	-0.290	-0.007	-0.605**	-0.045
	[0.376]	[0.024]	[0.349]	[0.020]	[0.253]	[0.044]
Average TMT age	-0.012	-0.000	-0.005	-0.000	-0.011	-0.001
	[0.010]	[0.001]	[0.009]	[0.001]	[0.007]	[0.001]
Percent of female TMT	0.184	0.040*	0.479	0.030	0.530**	0.121***
	[0.279]	[0.021]	[0.294]	[0.021]	[0.215]	[0.046]
TMT contingent pay ratio	0.005	-0.009	-0.051	0.007	0.212*	0.064**
	[0.205]	[0.013]	[0.195]	[0.013]	[0.128]	[0.029]
Percent of overconfident TMT	-0.598***	-0.020***	-0.091	-0.005	-0.467***	-0.049***
	[0.173]	[0.007]	[0.141]	[0.007]	[0.101]	[0.013]
Board size	0.012	0.002	0.054***	0.004***	0.041***	0.008**
	[0.016]	[0.002]	[0.016]	[0.001]	[0.013]	[0.003]
Outside director ratio	0.272	0.033*	0.572**	0.042**	1.060***	0.194***
	[0.297]	[0.018]	[0.266]	[0.017]	[0.203]	[0.041]
CEO duality	-0.092	-0.000	0.012	0.002	-0.025	0.004
	[0.073]	[0.005]	[0.072]	[0.004]	[0.053]	[0.009]
Female director ratio	0.268	-0.019	0.810*	0.048*	1.501***	0.216***
	[0.437]	[0.029]	[0.417]	[0.027]	[0.304]	[0.061]
Constant	-5.972***	-0.265***	-7.462***	-0.146***	-5.280***	-0.504***
	[0.647]	[0.043]	[0.993]	[0.036]	[0.450]	[0.092]
Observations	15,381	15,381	15,381	15,381	15,381	15,381
R-squared		0.134		0.075		0.259
Industry FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Log-likelihood	-5067		-4671		-11195	
Adjusted R-squared		0.134		0.0749		0.259

Table 7
Analyses Using Ethnic Majority TMT Sample

This table presents regression results for the sample excluding ethnic-minority top managers. Columns 1 and 5 are negative binomial regressions and other regressions are pooled OLS regressions. Year and industry fixed effects are controlled for in all regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Variables	**Number of bid**	**Log (bid + 1)**	**Log (value+1)**	**R&D intensity**	**Number of product**	**Log (product +1)**
Percent of TMT with popular names (using 85th percentile value cutoff)	0.246**	0.050***	0.270***	-0.013***	-0.311**	-0.129**
	[0.101]	[0.017]	[0.093]	[0.005]	[0.130]	[0.059]
Log asset	0.279***	0.055***	0.395***	0.001	0.519***	0.251***
	[0.022]	[0.004]	[0.023]	[0.001]	[0.024]	[0.014]
Return on assets	1.242***	0.199***	1.368***	-0.221***	0.265	0.342**
	[0.283]	[0.046]	[0.247]	[0.023]	[0.347]	[0.161]
Debt ratio	-0.513***	-0.114***	-0.657***	-0.006	-0.930***	-0.518***
	[0.156]	[0.028]	[0.148]	[0.007]	[0.190]	[0.091]
Cash holding ratio	-0.012	0.024	0.313*	0.240***	1.884***	0.873***
	[0.174]	[0.032]	[0.176]	[0.016]	[0.199]	[0.107]
R&D ratio	0.758**	0.161***	1.168***		5.202***	3.396***
	[0.308]	[0.059]	[0.335]		[0.589]	[0.308]
Institutional ownership	0.439***	0.092***	0.576***	-0.003	-0.251**	-0.166***
	[0.134]	[0.018]	[0.094]	[0.005]	[0.128]	[0.062]
Average TMT age	-0.017***	-0.003***	-0.019***	-0.001***	-0.035***	-0.015***
	[0.005]	[0.001]	[0.005]	[0.000]	[0.007]	[0.003]
Percent of female TMT	-0.308	-0.038	-0.132	-0.018**	0.110	0.098
	[0.219]	[0.032]	[0.180]	[0.009]	[0.204]	[0.098]
TMT contingent pay ratio	0.439***	0.074***	0.246**	0.042***	0.407***	0.187***
	[0.104]	[0.019]	[0.101]	[0.004]	[0.115]	[0.051]
Percent of overconfident TMT	0.281***	0.039***	0.198***	0.005*	0.007	-0.019
	[0.061]	[0.012]	[0.066]	[0.003]	[0.071]	[0.030]
Board size	-0.000	0.001	0.009	-0.001	0.022	0.005
	[0.011]	[0.002]	[0.011]	[0.000]	[0.013]	[0.006]
Outside director ratio	-0.164	-0.039	-0.144	0.005	0.693***	0.311***
	[0.143]	[0.027]	[0.141]	[0.007]	[0.211]	[0.092]
CEO duality	-0.003	-0.005	-0.029	-0.007***	-0.057	-0.039*
	[0.045]	[0.007]	[0.040]	[0.002]	[0.052]	[0.022]
Female director ratio	-0.526*	-0.086*	-0.486*	-0.012	0.861***	0.355***
	[0.277]	[0.044]	[0.250]	[0.012]	[0.322]	[0.136]
Log number bids				0.011***	0.140***	0.095***
				[0.002]	[0.040]	[0.023]
Constant	-2.748***	-0.126**	-1.310***	0.061***	-3.897***	-1.554***
	[0.483]	[0.058]	[0.308]	[0.014]	[0.539]	[0.233]
Observations	21,856	21,856	21,856	18,542	15,357	15,369
R-squared		0.091	0.096	0.507		0.492
Industry FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Log-likelihood	-16606				-24525	
Adjusted R-squared		0.0906	0.0955	0.507		0.492

Table 8
Analyses Excluding High-Tech Firms

This table presents regression results for the sample excluding high-tech firms. A firm is coded as a high-tech firm if its four-digit SIC code is between 2833 and 2836, between 3570 and 3577, between 3600 and 3695, or between 7370 and 7377. Columns 1 and 5 are negative binomial regressions and other regressions are pooled OLS regressions. Year and industry fixed effects are controlled for in all regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Variables	**Number of bid**	**Log (bid + 1)**	**Log (value+1)**	**R&D intensity**	**Number of product**	**Log (product +1)**
Percent of TMT with popular names (using 85th percentile value cutoff)	0.209*	0.050**	0.282***	-0.006**	-0.441**	-0.130**
	[0.117]	[0.020]	[0.106]	[0.003]	[0.174]	[0.057]
Log asset	0.238***	0.043***	0.332***	-0.001	0.511***	0.185***
	[0.026]	[0.005]	[0.024]	[0.001]	[0.033]	[0.015]
Return on assets	1.292***	0.199***	1.297***	-0.050***	0.616	0.202
	[0.350]	[0.052]	[0.284]	[0.012]	[0.511]	[0.166]
Debt ratio	-0.378**	-0.080**	-0.534***	-0.004	-0.463*	-0.224**
	[0.176]	[0.031]	[0.168]	[0.003]	[0.249]	[0.093]
Cash holding ratio	-0.238	-0.039	-0.028	0.090***	1.940***	0.528***
	[0.261]	[0.039]	[0.211]	[0.012]	[0.330]	[0.123]
R&D ratio	-1.472**	-0.227*	-0.672		9.951***	3.826***
	[0.731]	[0.124]	[0.640]		[1.451]	[0.520]
Institutional ownership	0.423***	0.098***	0.624***	0.005**	-0.180	-0.129**
	[0.158]	[0.018]	[0.099]	[0.002]	[0.151]	[0.056]
Percent of ethnic-minority TMT	-0.597**	-0.091**	-0.409*	0.027**	-0.631*	-0.132
	[0.295]	[0.044]	[0.247]	[0.013]	[0.324]	[0.101]
Average TMT age	-0.019***	-0.003***	-0.019***	-0.000*	-0.046***	-0.013***
	[0.006]	[0.001]	[0.005]	[0.000]	[0.009]	[0.003]
Percent of female TMT	-0.400	-0.042	-0.193	-0.008*	0.167	0.087
	[0.254]	[0.034]	[0.191]	[0.005]	[0.236]	[0.088]
TMT contingent pay ratio	0.430***	0.067***	0.206*	0.014***	0.382**	0.111**
	[0.121]	[0.021]	[0.112]	[0.003]	[0.163]	[0.048]
Percent of overconfident TMT	0.292***	0.039***	0.163**	-0.001	-0.008	-0.015
	[0.071]	[0.014]	[0.073]	[0.001]	[0.092]	[0.028]
Board size	-0.001	0.001	0.010	0.000	0.058***	0.019***
	[0.012]	[0.002]	[0.011]	[0.000]	[0.015]	[0.006]
Outside director ratio	-0.202	-0.048*	-0.156	-0.002	0.952***	0.316***
	[0.160]	[0.029]	[0.154]	[0.003]	[0.246]	[0.087]
CEO duality	0.005	-0.003	-0.016	-0.001	-0.028	-0.010
	[0.052]	[0.008]	[0.044]	[0.001]	[0.065]	[0.020]
Female director ratio	-0.535*	-0.095**	-0.568**	0.002	1.236***	0.446***
	[0.310]	[0.047]	[0.270]	[0.007]	[0.383]	[0.127]
Log number bids				0.001	0.122**	0.040*
				[0.001]	[0.055]	[0.023]
Constant	-2.116***	-0.031	-0.800**	0.027***	-4.161***	-1.354***
	[0.532]	[0.063]	[0.336]	[0.008]	[0.651]	[0.230]
Observations	17,720	17,720	17,720	14,388	12,384	12,396
R-squared		0.089	0.089	0.441		0.358
Industry FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Log-likelihood	-12824				-14782	
Adjusted R-squared		0.0888	0.0892	0.441		0.358

Table 9
Director Given-Name Popularity

This table presents regression results with director given-name popularity as independent variable. Columns 1-4 do not include top managers' given-name popularity as predictor and columns 5-8 include top managers' given-name popularity as predictor. Firm and top manager control variables are controlled for but not reported. Year and industry fixed effects are controlled for in all regressions. All regressions are pooled OLS regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variables	**Log (bid + 1)**	**Log (value+1)**	**R&D intensity**	**Log(product+1)**	**Log (bid + 1)**	**Log (value+1)**	**R&D intensity**	**Log(product+1)**
Percent of director with popular names (using 85th percentile value cutoff)	0.029	0.278*	-0.020***	-0.092	0.016	0.204	-0.016**	-0.046
	[0.028]	[0.145]	[0.007]	[0.098]	[0.028]	[0.147]	[0.007]	[0.098]
Percent of TMT with popular names (using 85th percentile value cutoff)					0.048***	0.260***	-0.012***	-0.162***
					[0.018]	[0.096]	[0.004]	[0.061]
Percent of ethnic-minority directors	-0.039*	-0.199*	0.002	0.057	-0.038*	-0.189	0.001	0.053
	[0.023]	[0.120]	[0.006]	[0.077]	[0.023]	[0.119]	[0.006]	[0.077]
Board size	0.001	0.011	-0.001*	0.004	0.001	0.010	-0.001*	0.005
	[0.002]	[0.010]	[0.000]	[0.006]	[0.002]	[0.011]	[0.000]	[0.006]
Outside director ratio	-0.047*	-0.183	0.006	0.314***	-0.039	-0.141	0.004	0.302***
	[0.027]	[0.142]	[0.006]	[0.091]	[0.027]	[0.141]	[0.006]	[0.091]
CEO duality	-0.004	-0.030	-0.006***	-0.037*	-0.004	-0.030	-0.006***	-0.038*
	[0.007]	[0.040]	[0.002]	[0.022]	[0.007]	[0.040]	[0.002]	[0.022]
Female director ratio	-0.093**	-0.521**	-0.010	0.370***	-0.088**	-0.494**	-0.011	0.354***
	[0.045]	[0.252]	[0.010]	[0.137]	[0.045]	[0.251]	[0.010]	[0.137]
Constant	-0.090	-1.229***	0.071***	-1.566***	-0.119*	-1.387***	0.078***	-1.415***
	[0.064]	[0.335]	[0.013]	[0.243]	[0.065]	[0.338]	[0.014]	[0.253]
Observations	21,896	21,896	21,896	15,393	21,896	21,896	21,896	15,393
R-squared	0.090	0.095	0.504	0.493	0.091	0.096	0.505	0.493
Firm controls	YES	YES	YES	YES	YES	YES	YES	YES
TMT controls	YES	YES	YES	YES	YES	YES	YES	YES
Industry FE	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Adjusted R-squared	0.0902	0.0953	0.504	0.493	0.0908	0.0958	0.505	0.493

Table 10
GMM Instrumental Variable Regressions

This table presents GMM instrumental variable regression results. The two instruments are the percentage of top managers with popular given names and the percentage of ethnic-minority directors. These two instruments are measured at t-3. These two instruments pass the test of exogeneity (Hansen J statistic) and relevance (Cragg-Donald Wald F statistic). Columns 1 and 4 present first-stage regressions and columns 2, 3, and 5 present second-stage regressions. Year and industry fixed effects are controlled for in all regressions. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)
Variables	**First-stage**	**Log(bid+1)**	**Log(value+1)**	**First-stage**	**R&D intensity**
Percent of TMT with popular names (using 85th percentile value cutoff)		0.228*	1.682**		-0.112***
		[0.135]	[0.721]		[0.040]
Log asset	0.003	0.054***	0.381***	0.000	0.001
	[0.003]	[0.005]	[0.026]	[0.003]	[0.001]
Return on assets	0.056	0.138***	1.073***	0.091**	-0.209***
	[0.039]	[0.052]	[0.282]	[0.040]	[0.025]
Debt ratio	-0.016	-0.059**	-0.337**	-0.034	-0.004
	[0.022]	[0.030]	[0.162]	[0.023]	[0.008]
Cash holding ratio	-0.014	0.001	0.195	-0.067***	0.227***
	[0.025]	[0.034]	[0.189]	[0.025]	[0.017]
R&D ratio	-0.140***	0.237***	1.595***		
	[0.053]	[0.072]	[0.401]		
Institutional ownership	-0.007	0.083***	0.515***	-0.010	-0.007
	[0.016]	[0.021]	[0.109]	[0.017]	[0.006]
Percent of ethnic-minority TMT	-0.330***	-0.007	0.166	-0.319***	0.003
	[0.037]	[0.063]	[0.349]	[0.042]	[0.018]
Average TMT age	-0.004***	-0.002*	-0.012*	-0.004***	-0.001***
	[0.001]	[0.001]	[0.006]	[0.001]	[0.000]
Percent of female TMT	-0.064**	-0.042	-0.135	-0.062**	-0.029***
	[0.028]	[0.036]	[0.202]	[0.030]	[0.010]
TMT contingent pay ratio	-0.027*	0.088***	0.303**	-0.023	0.039***
	[0.015]	[0.023]	[0.118]	[0.016]	[0.005]
Percent of overconfident TMT	0.019**	0.027*	0.123	0.021**	0.006*
	[0.009]	[0.014]	[0.077]	[0.009]	[0.003]
Board size	0.003	-0.000	0.003	0.004*	0.000
	[0.002]	[0.002]	[0.012]	[0.002]	[0.001]
Outside director ratio	-0.173***	-0.008	0.107	-0.181***	-0.014
	[0.023]	[0.038]	[0.196]	[0.025]	[0.011]
CEO duality	0.001	-0.009	-0.043	0.003	-0.006***
	[0.006]	[0.008]	[0.046]	[0.006]	[0.002]
Female director ratio	-0.117***	-0.078	-0.356	-0.101**	-0.027**
	[0.038]	[0.052]	[0.292]	[0.042]	[0.013]
Percent of director with popular names (using 85th percentile value cutoff)	0.233***			0.237***	
	[0.026]			[0.028]	
Percent of ethnic-minority directors	-0.045**			-0.035	
	[0.021]			[0.023]	
Constant	0.680***	-0.285**	-2.544***	0.663***	0.130***
	[0.055]	[0.140]	[0.723]	[0.059]	[0.039]
Observations	18,726	18,726	18,726	15,958	15,958
R-squared	0.312	0.059	0.058	0.312	0.450
Industry FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
Adjusted R-squared	0.312	0.0586	0.0580	0.312	0.450
Test of weak instruments (Cragg-Donald Wald F statistic)		220.014	220.014		195.504
Stock-Yogo critical value		19.93	19.93		19.93
Test of over-identification (Hansen J statistic)		0.602	0.492		0.021
Chi-squared p value		0.4379	0.4831		0.8843

Table 11
Propensity Score Weighted Regressions

This table presents propensity score weighted regression results. Year and industry fixed effects are controlled for in all regressions. Columns 1-2 report multinomial logit regressions results comparing firms with medium and high percentages of top managers with popular given names with those with low percentages based on variables used to predict acquisition intensity. Columns 5-6 report multinomial logit regressions results comparing firms with medium and high percentages of top managers with popular given names with those with low percentages based on variables used to predict R&D intensity. Columns 3, 4, and 7 are second-stage pooled OLS regressions after weighting inverse propensity score. The estimations correct the error structure for heteroskedasticity and within-firm error clustering, and the standard errors are reported in brackets. *, **, and *** represent statistical significance at the 10%, 5%, and 1% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Variable	**Medium**	**High**	**Log(bid+1)**	**Log(value+1)**	**Medium**	**High**	**R&D intensity**
Medium percent			0.022*	0.098			-0.008**
			[0.012]	[0.074]			[0.004]
High percent			0.030**	0.143*			-0.014***
			[0.015]	[0.086]			[0.005]
Log asset	0.034*	0.002	0.056***	0.402***	0.039*	-0.020	0.001
	[0.019]	[0.022]	[0.006]	[0.031]	[0.021]	[0.025]	[0.002]
Return on assets	0.865***	0.723**	0.183***	1.378***	0.951***	1.122***	-0.216***
	[0.263]	[0.318]	[0.060]	[0.387]	[0.248]	[0.309]	[0.036]
Debt ratio	-0.344**	-0.418**	-0.076**	-0.537***	-0.465***	-0.616***	0.001
	[0.143]	[0.170]	[0.033]	[0.183]	[0.151]	[0.183]	[0.018]
Cash holding ratio	0.132	-0.144	-0.008	0.229	-0.213	-0.928***	0.267***
	[0.174]	[0.210]	[0.045]	[0.260]	[0.167]	[0.207]	[0.028]
R&D ratio	-0.830***	-2.668***	0.194**	1.667***			
	[0.286]	[0.415]	[0.083]	[0.561]			
Institutional ownership	0.031	-0.038	0.104***	0.682***	0.018	-0.127	-0.002
	[0.085]	[0.104]	[0.022]	[0.117]	[0.090]	[0.113]	[0.005]
Percent of ethnic-minority TMT	-2.756***	-5.885***	-0.056	-0.459*	0.134**	0.213***	0.013***
	[0.196]	[0.264]	[0.051]	[0.266]	[0.055]	[0.066]	[0.003]
Average TMT age	-0.056***	-0.042***	-0.004***	-0.021***	-2.635***	-5.811***	0.002
	[0.005]	[0.006]	[0.001]	[0.007]	[0.220]	[0.298]	[0.021]
Percent of female TMT	-0.855***	-1.198***	-0.054	-0.320	-0.048***	-0.030***	-0.000
	[0.207]	[0.236]	[0.040]	[0.235]	[0.005]	[0.006]	[0.000]
TMT contingent pay ratio	-0.068	-0.379***	0.074***	0.235*	-0.856***	-1.214***	-0.024*
	[0.097]	[0.125]	[0.023]	[0.127]	[0.222]	[0.257]	[0.013]
Percent of overconfident TMT	-0.065	0.249***	0.037**	0.127	-0.059	-0.411***	0.038***
	[0.082]	[0.095]	[0.017]	[0.098]	[0.102]	[0.135]	[0.006]
Board size	0.055***	0.024**	0.002	0.016	-0.050	0.295***	0.001
	[0.010]	[0.011]	[0.003]	[0.017]	[0.087]	[0.102]	[0.004]
Outside director ratio	-1.750***	-1.963***	-0.066*	-0.305	0.053***	0.037***	-0.000
	[0.136]	[0.166]	[0.034]	[0.190]	[0.011]	[0.014]	[0.001]
CEO duality	0.022	0.077	0.003	0.012	-1.701***	-2.071***	0.014
	[0.045]	[0.052]	[0.011]	[0.062]	[0.144]	[0.180]	[0.010]
Female director ratio	-1.393***	-1.726***	-0.076	-0.346	-0.006	0.137**	-0.006**
	[0.271]	[0.308]	[0.066]	[0.403]	[0.047]	[0.056]	[0.003]
Constant	2.559***	1.580***	-0.071	-1.136***	2.150***	1.113**	0.028
	[0.397]	[0.481]	[0.072]	[0.411]	[0.411]	[0.506]	[0.023]
Observations	21,896	21,896	21,896	21,896	18,564	18,564	18,564
R-squared			0.099	0.109			0.518
Industry FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES
Log-likelihood	-18500	-18500			-15646	-15646	
Adjusted R-squared			0.0985	0.109			0.518