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The Most Important Human Capital Resource: A Strategic Human Resources Perspective on Top Management Team Effectiveness

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THE MOST IMPORTANT HUMAN CAPITAL RESOURCE: A STRATEGIC HUMAN RESOURCES PERSPECTIVE ON TOP MANAGEMENT TEAM EFFECTIVENESS

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DEDICATION

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ABSTRACT

This dissertation comprises two studies that theoretically and empirically examine a critical human capital resource, the top management team (TMT). In the first chapter, I propose a conceptual model that focuses on the context in which TMTs are embedded, by building on recent theory suggesting that the TMT is embedded within a multiteam system, referred to as a strategic leadership system. Specifically, I suggest that functional leadership teams – decision making groups responsible for managing firm functions and business units (e.g. finance; human resources) – are likely to be a part of the strategic leadership system, and develop theory regarding previously unexplored interactions between the TMT, the board, and functional leadership teams. In doing so, I highlight the critical role of functional TMT members – executives with responsibility for firm functions – and challenge how existing multiteam systems theories apply to strategic leadership systems. In the second chapter, I conduct an empirical study examining the role Chief Human Resource Officers (CHROs), who are critical, but often overlooked, members of the TMT. I integrate the concept of core team members and hypothesize regarding the impact of CHROs on TMT interpersonal dynamics. Using primary survey data from CHROs of large publicly traded companies, combined with publicly available archival data, I show that CHROs who spend more time in core TMT roles positively impact TMT cohesion and TMT climate for inclusion. Additionally, I find some evidence that the relationships are enhanced when CHROs have more HR specific human capital.

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CHAPTER 1

EXTENDING STRATEGIC LEADERSHIP SYSTEMS THEORY

Effective strategic leadership requires the contributions of multiple individuals and groups, including the top-management team (TMT) and board of directors ("the board"), to devise and execute strategies that lead to superior firm performance (Finkelstein, Hambrick, & Cannella, 2009). Separately, the TMT is primarily responsible for strategic decision making (Amason, 1996; Hambrick & Mason, 1984), while the board of directors ("the board") has monitoring responsibility on behalf of shareholders and oversees strategic decisions (Jensen & Meckling, 1976; Johnson, Daily, & Ellstrand, 1996). Together, the board and TMT examine and interpret information from the competitive environment to help the firm achieve a shared goal of superior firm performance (Hillman & Dalziel, 2003; Luciano, Nahrgang, & Shropshire, in press; Sundaramurthy & Lewis, 2003). Recent theory suggests that this process of working as independent groups but also together as part of a larger entity, indicates that the TMT and board are part of a multiteam system (i.e. *strategic leadership system*; Luciano et al., in press: 3). Multiteam systems are distinct, meso-level collectives made up of two or more groups that interact to achieve a shared superordinate goal (Mathieu, Marks, Zaccarro, 2001; Lanaj, Hollenbeck, Ilgen, Barnes, & Harmon, 2013). Critically, introducing the strategic leadership system concept reveals that theory regarding the interactions and processes within and between strategic leadership groups, and their effects on performance, may differ in direction and magnitude than previously known.

However, current theory regarding strategic leadership systems is incomplete in that it does not incorporate functional leadership teams – decision making groups comprised of TMT members and upper-middle managers, with responsibility for a specific organizational function (e.g. finance; human resources; marketing) or business unit (e.g. geographic region) – who are the primary groups responsible for executing the firms strategy (Floyd & Wooldridge, 1992; 1997; Raes, Heijltjes, Glunk, & Roe, 2011; Wooldridge & Floyd, 1990). Examining the strategic leadership system without incorporating functional leadership teams may lead to incorrect prescriptions and conclusions regarding how and why strategic leaders effect firm performance. Extant multiteam system research indicates that all groups comprising a multiteam system must be accounted for to understand system functioning and performance (DeChurch & Marks, 2006; Mathieu, Luciano, & DeChurch, 2018). Specifically, because the functional leadership teams include TMT members and are responsible for executing the TMT's strategy, their inputs and coordination with the TMT must be accounted for to identify and differentiate the unique impact of individual executives, the collective TMT, and the strategic leadership system on firm performance.

The purpose of this chapter is to introduce a complete model of the strategic leadership system and develop theory regarding interactions between critical individuals and groups within the system. In doing so, I make four contributions to theory and research on strategic leadership and multiteam systems. First, I expand the boundaries of the strategic leadership system to include functional leadership teams, in addition to the TMT and the board. In doing so, I highlight previously unexplored patterns of interactions between strategic leadership groups and extend theory regarding how and

why individual executives and groups of strategic leaders enhance firm performance. I posit that incorporating functional leadership teams into strategic leadership system theory is necessary to develop prescriptions for effective system functioning and identify where tensions exist that hinder system-level emergence and performance (Luciano, DeChurch, & Mathieu, 2018). Absent the inclusion of functional leadership teams, theory regarding strategic leadership systems is likely to miss critical inputs to effective system functioning, and ultimately firm performance.

Second, I challenge prior theory regarding the relative importance of interteam and intrateam coordination, and emergence within multiteam systems. Within- and between-team coordination is necessary for multiteam systems to perform effectively, but the relative impact of each type of coordination is unequal (Marks, DeChurch, Mathieu, Panzer, Alonso, 2005). Applying extant multiteam systems theory to strategic leadership systems would suggest that coordination within functional leadership teams is the primary input to strategic leadership system performance because they execute the tasks needed to achieve the firm's strategy (e.g. Davison, Hollenbeck, Barnes, Sleesman, & Ilgen, 2012; Floyd & Wooldridge, 1992; Porck, Matta, Hollenbeck, Oh, Lanaj, & Lee, 2019). However, the well-established upper echelon's literature indicates that the TMT is likely the most critical team within the strategic leadership system given their proximity to critical firm decisions and outcomes. The TMT is the primary group responsible for developing firm strategy (Hambrick & Mason, 1984) *and* disseminating strategic information to the other groups within the system (Raes et al., 2011; Sundaramurthy & Lewis, 2003), suggesting that intra-TMT coordination and inter-TMT coordination are the most important inputs to system functioning and performance. Thus, I argue that a

well-functioning strategic leadership system requires alternative prescriptions than multiteam systems at lower levels of organizations and address the need for theory that explains differences across multiteam system types (Zaccarro, Dubrow, Torres, & Campbell, 2020).

Third, I identify functional TMT members – TMT members responsible for individual functions or departments (e.g. CFOs responsible for the finance function; Menz, 2012) – as critical to information exchange within the system, and in doing so, I change how individual executive roles and job demands are viewed within strategic leadership research. Specifically, I suggest that functional TMT members are key boundary spanners – individuals primarily responsible for information sharing and communication within and between teams in multiteam systems (Davison et al., 2012; DeChurch, Burke, Shuffler, Lyons, Doty, & Salas, 2011) – in the strategic leadership system. Thus, functional TMT members may affect firm performance by contributing to strategy development as members of the TMT, effectively communicating across teams within the strategic leadership system, *and* by managing their function to ensure execution of tasks related to firm strategy. Consequently, functional TMT members may be more critical to strategic decision making and firm performance than extant research suggests due to their multifaceted role that requires effective individual performance, interteam coordination, and intrateam coordination.

Fourth, I provide future directions for researchers to expand theory regarding strategic leadership system effectiveness. Specifically, I focus on the aspects of multiteam system that are most likely to contribute to strategic leadership system emergent states. In doing so, I provide a roadmap for future researchers to expand our

understanding of strategic leadership and multiteam systems. Overall, this chapter expands and clarifies existing strategic leadership system theory, which changes how we view non-CEO executives, and challenges prior multiteam system theory and its application to strategic leadership systems.

THEORETICAL BACKGROUND

Strategic Leadership

Strategic leadership research focuses on the highest-level individuals and groups within organizations and their impact on strategic outcomes and firm performance (Finkelstein et al., 2009). The has predominant focus has been on the TMT (e.g. Wiersema & Bantel, 1992) and the board (e.g. Dalton, Daily, Johnson, & Ellstrand, 1999) as the most important groups within organizations, and frequently on the potential tensions between the two groups (Dalton, Hitt, Certo, & Dalton, 2007; Westphal & Zajac, 1995). However, recent theory suggests that there may be benefits to coordinated work between the TMT and the board.

Rooted in Hambrick and Mason's (1984) upper echelon's perspective, TMT research has been driven by the assumption that senior executives and managers of firms are critical drivers of firm performance. Executives have varying experiences and abilities that shape the way they process information and make decisions, which affects firm strategy and ultimately performance (Hambrick, 2007). However, TMT research isn't important because executives "deserve special consideration as human beings" (Hambrick, Finkelstein, & Mooney, 2005: 474). Rather, executive research is critical because TMT strategic decisions are fundamental to firm success and there is a clear line of sight between TMT decisions and firm performance (Carpenter, Geletkanycz, &

Sanders, 2004). Thus, understanding how individual executives and the collective TMT interact with each other, and how other groups in the organization impact TMT functioning, is critical to understanding the drivers of superior firm performance (Bromiley & Rau, 2016).

Extant research, primarily rooted in agency theory (Eisenhardt, 1989; Jensen & Meckling, 1976) suggests that the board is the primary group with which the TMT interacts to make strategic decisions (Johnson et al., 1996). The board is responsible for monitoring the firm and the strategic decisions of the TMT on behalf of shareholders (Daily, Dalton, & Cannella, 2003; Fama, 1980; Fama & Jensen, 1983). However, the TMT also relies on the board of directors for its advisory capability, and to contribute inputs into the formulation of firm strategy (Boivie, Bednar, Aguilera, & Andrus, 2016; Forbes & Milliken, 1999; Haynes & Hillman, 2010; Hillman & Dalziel, 2003; Lungeanu & Zajac, 2019). As competitive markets have become more dynamic there is increased overlap in the responsibilities and work of the TMT and the board (Luciano et al., in press). Thus, TMTs and boards uniquely impact firm performance by performing effectively as groups, but also by sharing resources and responsibilities.

Multiteam Systems and the Strategic Leadership System

The strategic leadership system perspective suggests that effective strategic leadership depends on effective coordination between the TMT and the board, in addition to coordination within TMT and board (Davison et al., 2012; DeChurch & Marks, 2006; Luciano et al., in press). This within- and between-group coordination is likely to be affected by top-down (i.e. contextual) and bottom-up (i.e. emergent) effects within the system (Luciano et al., 2018). Thus, our current knowledge of strategic leadership may be

greatly advanced by incorporating multiteam systems theory, which allows for differentiation of the unique impact that each individual, and group has on the system, and ultimately firm performance. Below I briefly define the characteristics and assumptions of multiteam systems, detail the current state of multiteam systems' research, and explain how and why it may be incorporated to advance our understanding of strategic leadership.

Multiteam systems. Multiteam systems are bigger than work teams and smaller than organizations, yet distinct from other meso-level collectives within organizations (e.g. subsystems, subassemblies, matrix organizations, and task forces; Mathieu et al., 2001; Zaccaro et al., 2020). Drawing from systems theory (Katz and Kahn, 1978), Mathieu and colleagues developed the multiteam system construct which they defined as:

> *"Two or more teams that interface directly and interdependently in response to environmental contingencies toward the accomplishment of collective goals. Multiteam system boundaries are defined by virtue of the fact that all teams within the system, while pursuing different proximal goals, share at least one common distal goal; and in doing so exhibit input, process, and outcome interdependence with at least one other team in the system." (2001: 290)*

This definition and subsequent research detail several characteristics of multiteam systems which must be considered when theorizing about a potential strategic leadership system. First, the component teams – individual teams or groups embedded in a multiteam system – may have separate intermediate goals, but they all share a distal, superordinate goal (Luciano et al., 2018; Marks et al., 2005). Mathieu and colleagues (2001) initial work on multiteam systems used an emergency response team as an

illustrative example and developed a goal hierarchy to illustrate the nested structure of goals in the multiteam system. The superordinate goal for an emergency response team is patient survival, but each team within the system (e.g. fire fighters; emergency medical technicians (EMTs); surgical team) has an aligned subgoal that contributes to patient survival. For example, the fire fighters and EMTs subgoal is to extract and stabilize the injured person and the surgical team's subgoal is to repair the patient.

Second, component teams must exhibit functional interdependence – input, output, and process interdependence – with at least one other team within the system (Marks et al., 2005; Zaccaro et al., 2020). To accomplish team and system goals, component teams share people and information (inputs), interact with other component teams (processes), and depend on the performance of other teams (outputs). It is this degree of interdependence that differentiates multiteam systems from organizations (Mathieu et al., 2001). This level of interdependence also highlights the importance of intrateam *and* interteam interactions within multiteam systems, which are likely to separately and jointly enhance multiteam system performance (Davison et al., 2012; DeChurch & Marks, 2006).

Lastly, it is necessary to define the boundaries of a multiteam system, including which teams comprise the system, to examine how component teams work separately and together to achieve the superordinate goal (Mathieu et al., 2018; Zaccarro et al., 2020). Studying a multiteam system without all teams in the system is akin to studying a work team without accounting for all team members. Multiteam systems are collective, multilevel entities, wherein contextual and emergent effects are likely to impact system performance (Luciano et al., 2018; Murase, Carter, DeChurch, & Marks, 2014). Interteam

interactions create the possibility for synergies and positive shared states to emerge at the system-level; however, these interactions may be negative and hamper the productivity of individuals and component teams within the system (Cuijpers, Uitdewilligen, & Guenter, 2016). Consequently, theoretical precision regarding multiteam system performance and functioning is likely to be lost if the membership and boundaries of the system are not properly identified.

In the following sections, I apply these characteristics of multiteam systems to expand theory regarding strategic leadership, but I first establish the boundary conditions and assumptions to clarify where this chapter fits with current theoretical perspectives. Following the discussion of boundary conditions, I summarize existing theory regarding strategic leadership systems and develop new theory that reshapes our understanding of how and why the groups and individuals at the top of organizations drive firm performance.

Boundary Conditions and Assumptions

In setting the boundaries of my theory, I first delineate the membership boundaries of the teams within the strategic leadership system to clarify the structure of the system and differentiate the system from other collective entities within organizations (Mathieu et al., 2018; Zaccarro et al., 2020). Following several studies (e.g. Boeker, 1997; Sutcliffe, 1994), I define the TMT as encompassing the CEO and the executives reporting directly to the CEO. This typically includes the functional TMT members (e.g. Chief Financial Officer (CFO), Chief Human Resources Officer (CHRO)) and key division or business unit heads (Menz, 2012). Strategic leadership research has used multiple definitions for the TMT (cf. Carpenter et al., 2004; Hambrick, 1994); however, I

use this definition because it is consistent with practitioner perspectives of the TMT (e.g. Executive Officers; Securities Act of 1933, Rule 501(f), 17 C.F.R. § 230.501(f)) and Cyert and March's (1963) conceptualization of the "dominant coalition" which "typically consists of the CEO and several of his or her most senior managers" (Finkelstein, 1992: 506). Additionally, this definition delineates the TMT from the other strategic leadership teams within an organization, namely the board and functional leadership teams.

There are also conflicting views whether TMTs and boards are teams (e.g. Hambrick, 1994). The work teams literature generally defines a team as a group of two or more individuals who work together to pursue a common goal (Mathieu, Maynard, Rapp, & Gilson, 2008; Kozlowski & Bell, 2003). Thus, while TMTs may have distinct characteristics (e.g. power dynamics) that differentiate them from teams at lower levels of organizations, the general definition of teams likely applies to most TMTs and research often considers TMTs as a specific type of team (e.g. Hollenbeck, Beersma, & Schouten, 2012). TMTs may have varying degrees of "teamness", mostly due to varying levels of interdependence (Barrick, Bradley, Kristof-Brown, & Colbert, 2007), but are still a team based on well-established team definitions.

Likewise, similar questions exist regarding whether the board is a team (Forbes & Milliken, 1999; Payne, Benson, & Finegold, 2009). Board membership is clearly defined by the firm and the SEC; however, the board may have less "teamness" than the TMT. Board members meet infrequently, are often employed as executives at other companies, and may serve on multiple boards (Boivie et al., 2016; Mizruchi, 1996; Vafeas, 1999). Consequently, as with TMTs, boards are also likely to vary in the level of interdependence between members. However, boards have specific task requirements

(e.g. setting executive compensation; Conyon & Peck, 1998) and meet together or within committees to accomplish these tasks (Daily, Johnson, Ellstrand, & Dalton, 1998), suggesting that they exhibit interdependencies typical of a team. Thus, while debates exist, boards are also a team per typical construct definitions. Ultimately, however, whether TMTs and boards fit the formal definition of a team is unlikely to alter the theorizing in this chapter.[1]

EXPANDING THE STRATEGIC LEADERSHIP SYSTEM

Recent theory suggests that the TMT and the board are part of a multiteam system, referred to as a strategic leadership system (cf. Luciano et al., in press). Thus, as I summarized previously, the TMT and board have a shared superordinate goal and exhibit input, process, and output interdependence. Specifically, the TMT and the board are likely to share a superordinate goal of superior firm performance (Finkelstein et al., 2009; Luciano et al., in press). The TMT and the board may have separate subgoals, such as strategy making for the TMT and monitoring for the board, but both groups' subgoals are aligned with a shared goal of superior firm performance.

The TMT and board also exhibit input, process, and output interdependence. The TMT and board have membership overlap (i.e. input interdependence), as the CEO and other executives may be members of both groups (Dalton, Daily, Ellstrand & Johnson, 1998). The groups interact in response to strategic shifts in the competitive environment (i.e. process interdependence), with the board often acting as an advisory group to the TMT and the TMT communicating with the board regarding the performance and

[1] Given that multiteam systems rely on interteam and intrateam functioning, it is possible that future research may consider the level of teamness to be a boundary condition on the theory in this chapter, but that is beyond the scope of this study.

strategy of the firm (Boivie et al., 2016; Hillman & Dalziel, 2003). The groups also exhibit output interdependence. The TMTs performance and strategic decisions impact firm performance, which affects the board because many board members own stock in the firm (Deutsch, Keil, & Laamanen, 2011; Lim & McCann, 2013). Similarly, the board's outputs, such as compensation and succession decisions, are likely to affect the motivation and composition of the TMT (Conyon & Peck, 1998; Daily et al., 1998; Schepker, Nyberg, Ulrich, & Wright, 2018; Shen & Cannella, 2002). Thus, the shared goal and interdependence of the TMT and the board support the idea that they are embedded in a multiteam system. Consequently, researching these groups as a strategic leadership system may alter previous assumptions regarding how and why the TMT and the board contribute to firm performance.

However, I contend that the strategic leadership system is likely to consist of additional groups besides the TMT and board. As outlined previously, absent the inclusion of all groups in a multiteam system, theory regarding a system's effectiveness is likely to be misspecified because critical interactions within and between groups are likely to be unaccounted for. I posit that including additional groups that are critical to developing and executing firm strategy, is likely to result in stronger theory regarding how and why strategic groups affect firm performance. In the following sections I outline a strategic leadership system model that explicates why functional leadership teams are components teams within the strategic leadership system. In doing so, I highlight how information sharing occurs within the system to improve coordination, strategic leadership system effectiveness, and firm performance.

Functional Leadership Teams

I introduce the concept of functional leadership teams to delineate the leaders of each function or business from the TMT and middle management, which enables me to specify the groups that comprise the strategic leadership system *and* the members of each group within the system. Functional leadership teams can be thought of as the TMT for their given function. Members of a given functional leadership team are likely to include the corresponding functional TMT member and their direct reports, who are the upper middle management of that function (Ou, Tsui, Kinicki, Waldman, Xiao, & Song, 2014). For example, the finance functional leadership team may include the CFO, corporate treasurer, chief accounting officer/controller, and other senior members within the finance function. Likewise, the human resource functional leadership team may include the Chief Human Resource Officer (CHRO), head of compensation and benefits, the chief diversity and inclusion officer, and the talent lead. Business unit functional leadership teams are likely to include the business unit president and their direct reports, which may include the business unit CFO and other upper middle managers. Consequently, I apply the same assumptions and boundary conditions for TMTs, to the functional leadership teams. Functional leadership teams are likely to vary in their "teamness" and the degree to which they work interdependently, but still represent a group with interdependent tasks and goals. The key takeaway is that each function within a firm is led by a group of upper middle managers (i.e. the functional leadership team) who are responsible for ensuring that key organizational functions effectively perform the specific tasks and activities that help the firm to achieve its strategic goals and maintain superior firm performance (Wooldridge, Schmid, & Floyd, 2008).

As I explicate below, functional leadership teams' exhibit characteristics suggesting that they may be embedded within the strategic leadership system. If so, functional leadership teams, and their interactions with the other groups within the strategic leadership system, are likely to impact strategic outcomes but in different and greater ways than previously theorized. However, if functional leadership teams are component teams within the strategic leadership system, they must share the following with at least one other team within the system (i.e. the TMT or board): 1) interdependence and a 2) shared superordinate goal. Below I develop propositions regarding the functional leadership teams' presence in the strategic leadership system.

Interdependence. I first consider whether functional leadership teams have input, process, and outcome interdependence with the TMT and/or the board. By definition, functional leadership teams have overlapping membership with the TMT, suggesting that there is input interdependence between the TMT and the functional leadership teams. This is a critical distinction from prior research that has typically considered TMT members and middle management as separate entities rather than members of shared groups or teams (Ou, Seo, Choi, & Hom, 2017; Ou et al., 2014; Raes et al., 2011). Typically, middle managers are treated as a homogenous group (Wooldridge et al., 2008); however, there are likely key distinctions between upper and lower levels of middle management. For example, some studies consider the upper middle managers (e.g. VPs) to be members of the dominant coalition or TMT (e.g. Geletkanycz & Hambrick, 1997; Hambrick, Cho, & Chen, 1996).

The functional leadership teams also interact with the TMT to develop and implement strategy, suggesting that functional leadership teams exhibit process

interdependence with TMTs. The TMT is the primary group responsible for developing the firm's strategy (Finkelstein et al., 2009), but they also engage in reciprocal information exchange with their subordinates during the strategy process (Raes et al., 2011; Wooldridge et al., 2008). This reciprocal information exchange is necessary for the firm to adapt to dynamic changes and is critical to the strategic leadership system effectiveness (Mathieu et al., 2001). The structure of this reciprocal communication (i.e. a central leadership team communicating strategy to teams that implement and execute that strategy; e.g. Davison et al., 2012; Lanaj, Foulk, & Hollenbeck, 2018) is similar to extant empirical research on multiteam systems, providing additional evidence that the interdependence between the TMT and functional leadership teams is indicative of component teams in a multiteam system. Thus, functional leadership teams and the TMT likely exhibit process interdependence.

The functional leadership teams and TMTs exhibit output interdependence in that the functional leadership teams rely on the TMTs strategy development to drive functional tasks and performance, and the TMT relies on the outputs of the functional leadership teams (e.g. function performance) to adapt the strategy. Output interdependence refers to subgoals that require the joint efforts of multiple teams. After the strategy is developed by the TMT and communicated to the functional leadership teams, the functional leadership teams in turn process the strategy and analyze how their specific function can execute the necessary tasks to help the firm achieve its strategy. This information exchange is critical because absent clear strategic communication from the TMT, the functional leadership teams' tasks and goals would likely be less aligned with the firm's strategic goals (Floyd & Wooldridge, 1992; Sillince & Mueller, 2007;

Wooldridge & Floyd, 1990). However, by providing strategic communication to the functional leadership teams, the TMT provides the necessary information to direct the actions of the functional leadership teams. As the functional leadership teams perform and execute the firm's strategy, they provide updates to the TMT regarding the actions, performance, and progress of each function. This includes critical information and feedback that may affect whether the firm alters the strategy or strategic plan (Dutton & Ashford, 1993; Dutton, Ashford, O'Neill, Hayes, & Wierba, 1997; Wooldridge & Floyd, 1990). For example, the marketing functional leadership team likely provides critical updates regarding focus group reactions to a new product that is under development, which informs whether the firm should continue with this product as part of its strategy or alter strategic plans. Consequently, upward strategic communication from the functional leadership teams is critical to ensuring that the firm can adapt to dynamic changes in the competitive landscape (Dutton, Ashford, O'Neill, & Lawrence, 2001). Thus, absent the outputs of the other group, the functional leadership teams and the TMT would be less likely to achieve their subgoals in alignment with the superordinate goal.

Ultimately, given their shared membership, and reciprocal interactions between the functional leadership teams and TMT during the strategy process, I propose:

Proposition 1: Functional leadership teams exhibit (a) input, (b) process, and (b) output interdependence with TMTs.

Superordinate goal. I next consider whether functional leadership teams share a superordinate goal of superior firm performance with the TMT and the board. Component teams within a multiteam system have subgoals that are aligned with a superordinate goal within a goal hierarchy. As Marks and colleagues explain (2005: 965),

"The goal hierarchy notion prescribes not only which teams compose an multiteam system but how their contributions must be synthesized to achieve higher level goals." A shared superordinate goal ties component teams together such that their actions and processes are ultimately in pursuit of a shared outcome. However, just as individuals within teams have different goals but share a common team goal (DeShon, Kozlowski, Schmidt, Milner, &Wiechmann, 2004), teams within strategic leadership system are likely to have distinct proximal goals that are nested within the shared superordinate goal (Marks et al., 2005). I posit that the functional leadership teams' goals are likely to be subgoals of the superordinate goal of superior firm performance and structured such that they are aligned hierarchically beneath the superordinate goal. For example, if a firm is competing by differentiating and innovating, the HR functional leadership team might have a goal of hiring star performers who may generate disproportionate value for firms (Call, Nyberg, & Thatcher, 2015). Alternatively, if a firm pursues a low-cost strategy, the HR functional leadership team's goals may be to reduce turnover and focus on non-pecuniary rewards to motivate employees.

I suggest that there are two primary factors that help to ensure that functional leadership teams share the superordinate goal of superior firm performance with the TMT and board. First, the members of functional leadership teams are likely to have some portion of their compensation tied to firm performance. The TMT members that lead the functional leadership teams will almost always have a portion of their compensation tied to firm performance through stock options or restricted stock (Carpenter & Sanders, 2002). Many upper middle managers, who make up the rest of the functional leadership teams' members, are also likely to have compensation tied to firm performance (Nyberg,

Maltarich, Abdulsalam, Essman, & Cragun, 2018). This is to ensure that the goals of the managers and executives are tied to the superordinate goal of superior firm performance. Thus, compensation serves as a mechanism to align the goals of functional leadership teams with superior firm performance.

Second, functional leadership team members are likely to have a goal of superior firm performance to advance their career potential. Firms generally prefer to hire inside candidates because they have firm-specific knowledge and are less costly to hire and train (Keller, 2018). When considering internal candidates, the upper middle managers on functional leadership teams are the most likely internal replacements for TMT members because they are likely to have function- and firm-specific knowledge (Bidwell & Keller, 2014). Upper middle managers may be able to improve their likelihood of promotion to the TMT if they ensure that their function contributes to superior firm performance (Lyness & Heilman, 2006). Additionally, if their firm achieves superior performance, they are likely to be viewed more favorably by the marketplace and increase their external advancement opportunities (Stern & James, 2016).

These arguments indicate that superior firm performance is a goal of functional leadership teams. Consequently, I propose:

Proposition 2: Functional leadership teams have a shared goal of superior firm performance with TMTs and boards.

The logic for Propositions 1 and 2 suggests that there is a reciprocal interdependence between the functional leadership teams and the TMT, and that functional leadership teams share a goal of superior firm performance with the TMT and the board. The TMT and functional leadership teams' interactions suggest that they

exhibit input, process, and output interdependence characteristic of teams in a multiteam system. Additionally, the functional leadership teams are likely to have a goal of superior firm performance to enhance their earnings and career prospects. These arguments suggest that functional leadership teams are in fact component teams embedded within the strategic leadership system. Therefore, I propose:

Proposition 3: Strategic leadership systems are comprised of functional leadership teams, in addition to the TMT and the board of directors.

COORDINATION IN THE STRATEGIC LEADERSHIP SYSTEM

Identifying the functional leadership teams as component teams within the strategic leadership system creates opportunity to expand theory regarding the impact of strategic leadership groups on firm performance. Specifically, I have identified multiple new teams and individuals embedded within the strategic leadership system, which highlights new interactions between teams that have not been considered by previous theory. This introduces additional inputs that could affect the emergence of shared states within the strategic leadership system (Luciano et al., 2018). In the following section I examine how prior theory regarding interteam and intrateam coordination may change when including functional leadership teams as members of the strategic leadership system.

Intrateam Coordination

Extant multiteam system research suggests that the intrateam coordination of component teams is typically the key input to effective system performance. For example, empirical evidence suggests that within team coordination has a greater impact than all other coordination within the multiteam system (Davison et al., 2012).

Additionally, Porck and colleagues (2019) found that multiteam system performance was enhanced when individuals more strongly identified with their component teams, rather than the multiteam system, especially when task complexity was high. These findings suggest that all else equal, multiteam systems will likely perform best when individuals are more focused on the social interactions and performance of their component teams. This make sense in that a lack of coordination within component teams will decrease the likelihood of subgoals being achieved, and result in failure to accomplish the superordinate goal. Applying these findings to a strategic leadership system would suggest that firms should prioritize coordination within the TMT, the board, and the functional leadership teams, over coordination between these teams.

Additionally, some teams within the system may have a disproportionate effect on performance (Mathieu et al., 2001), which raises questions regarding the relative importance of component teams within the strategic leadership system. Identifying the critical teams within the strategic leadership system helps to identify the key inputs of strategic leadership system functioning and is important to understanding where interventions should occur to enhance the performance and coordination of more important teams (Shuffler, Kramer, Carter, Thayer, & Rosen, 2018). Evidence suggests that the teams performing the primary tasks, as opposed to leadership teams, are the critical input to performance (Firth, Hollenbeck, Miles, Ilgen, & Barnes, 2015). Thus, for the strategic leadership system, it may be that the coordination within the functional leadership teams, who develop and execute function specific tasks, is likely to have the strongest impact on strategic leadership system and firm performance. Absent well-coordinated functional leadership teams, functions may perform poorly and the subgoals

needed to achieve firm performance may not be reached, suggesting that superior firm performance depends on highly coordinated functional leadership teams.

However, I suggest that theory regarding team importance may be different for strategic leadership systems than lower level multiteam systems, primarily because of the ambiguity of the strategy process and the subgoals needed to achieve superior firm performance. Strategy is an inexact science (King, 2007). Thus, the tasks and subgoals needed to execute a strategy are less clear than the superordinate goals for lower level multiteam systems, particularly the temporary action teams discussed in much of the strategic leadership system literature (e.g. Firth et al., 2015; Lanaj et al., 2018). For example, emergency response teams likely have clear subgoals (e.g. transport patients) and established process and routines to increase effectiveness. Thus, the coordinated effort within teams is critical to meeting the subgoals, which are clearly established and highly aligned with the superordinate goal. Thus, when the processes needed to achieve the superordinate goal are unambiguous, intrateam coordination of teams executing tasks is more important because the teams are less reliant on a leadership team to provide inputs to the development of subgoals.

For the strategic leadership system, the path to achieve the superordinate goal is ambiguous and there are likely to be multiple strategies that a firm can pursue (Child, 1972; Hutzschenreuter & Kleindienst, 2006). Formulating a strategy and adapting that strategy to a dynamic environment is a fluid process that is primarily the responsibility of the TMT (Boeker, 1997; Helfat & Peteraf, 2015; Hutzschenreuter & Kleindienst, 2006). TMTs that are better coordinated, such as those with higher levels of cohesion, are better able to effectively develop and change their strategy (Wiersema & Bantel, 1992).

Importantly, the strategy developed by the TMT becomes the input into the functional leadership teams' processes, which enables them to develop function specific tasks and activities in alignment with the firm's strategy. Without a clear and coherent strategy developed by the TMT, functional leadership teams would have to develop their own subgoals that may not be well-aligned with the firm's strategic goals or the subgoals of the other functional leadership teams (Lanaj et al., 2013; Sillince & Mueller, 2007). Consequently, even highly coordinated functional leadership teams may perform well, but in a way that is not aligned with the firm's strategic goals. Thus, while the activities of the functional leadership teams are critical inputs to strategic leadership system functioning, I argue that the TMTs functioning is the most important input to effective strategic leadership system performance.

Proposition 4: Intrateam coordination of the TMT is the primary factor contributing to strategic leadership system performance.

Interteam Coordination

I also suggest that interteam coordination may be more important in strategic leadership systems than indicated by prior research, because of the ambiguity of the strategy process. As mentioned in the previous section, extant research suggests that within team coordination is likely to be the primary driver of strategic leadership system performance. However, the functional leadership teams need clear subgoals that are aligned with the firm's strategy and the other functional leadership teams. For many functions, there are likely to be multiple performance indicators that may or may not be aligned with strategy (O'Sullivan & Abela, 2007). Thus, functional leadership teams may ensure that their functions perform well, but absent coordination with the system, the

performance may be misaligned to the subgoals of other functional leadership teams and the superordinate goal.

When the TMT does not communicate clear strategy to lower levels of the firm, the actions taken by functional leadership teams are less likely to be aligned to the desired strategy of the TMT (Sillince & Mueller, 2007; Wooldridge et al., 2008). When component teams are left to make their own decisions, multiteam system performance suffers (Lanaj et al., 2013). Thus, communication from the TMT to the functional leadership teams is necessary to ensure that functional leadership teams understand how their component team can best impact strategy and it is critical for the TMT and functional leadership teams to be aligned (De Vries, Hollenbeck, Davison, Walter, & Van Der Vegt, 2016).

Thus, I posit that the TMT is also the focal team for ensuring alignment across teams within the system because they are the primary team devoted to strategy development *and* communicating the strategy to other teams within the system. When the process to achieve the superordinate goal is less clear, the subgoals become more ambiguous and may become misaligned. Without clear communication from the TMT, functional leadership teams may not perform tasks that are aligned with strategy (Sillince & Mueller, 2007). Thus, I posit that interteam coordination between the TMT and functional leadership teams is the next most critical type of coordination within the system.

Proposition 5: Interteam coordination between the TMT and functional leadership teams has a greater impact on strategic leadership system

performance than intrateam coordination of the board and functional leadership teams.

The importance of interteam coordination within the strategic leadership system suggests the need for theory to explicate how interteam coordination occurs and can be improved within the strategic leadership system. In the following section I identify the critical boundary spanners – individuals who engage in important interactions across groups – within the strategic leadership system and explicate how and why boundary spanners are likely to enhance strategic leadership system performance. In doing so, I highlight the critical role of functional TMT members in the strategic leadership system and suggest that they play a greater role in enhancing firm performance than previously acknowledged.

Strategic Leadership System Boundary Spanners

Boundary spanners are likely to be critical to strategic leadership system functioning as they are the primary individuals responsible for information sharing across teams so as to coordinate inputs, processes, and outputs (Davison & Hollenbeck, 2012; Richter, West, Van Dick, & Dawson, 2006; Shuffler & Carter, 2018). Communication and coordination within- and between-teams is critical to system performance (Lanaj et al., 2013; Marks et al 2005); however, it may be inefficient, and reduce performance, when between-team interactions are too frequent. Thus, interaction and communication between teams is likely to be most effective when performed by designated parties, namely boundary spanners (Davison et al., 2012). This enables groups to synchronize their activities and increases the likelihood of subgoals being achieved. Consequently,

system performance can be enhanced by effective boundary spanners, particularly when groups interact frequently (Richter et al., 2006).

The model in Figure 1 suggests that functional TMT members are likely to act as boundary spanners within the strategic leadership system. In a strategic leadership system, I posit that the TMT likely acts as a centralized leadership team, wherein the TMT develops the firm's strategic goals and disseminates strategic information to the functional leadership teams. By definition, functional TMT members are the leaders of the functional leadership teams and are likely to be the primary source of the information sharing between the TMT and functional leadership teams to ensure completion of subgoals (Zaccarro et al., 2020). However, when boundary spanners do not effectively communicate, functional leadership teams are likely to plan on their own, resulting in coordination failures and worse multiteam system performance (Lanaj et al., 2013).

Given the structure of typical organizations, however, each TMT member is likely to only manage one function within the organization (Menz, 2012). Thus, each functional leadership teams are likely to receive strategic communication from only, or primarily, one functional TMT member. For example, the CFO is likely to be the primary strategic communicator between the TMT and the finance function. The expanded model of strategic leadership system suggests that the functional TMT members are boundary spanners between the functional leadership team and TMT, and each functional TMT member is likely the key boundary spanner for their respective function. As I outlined in Proposition 1, the reciprocal information exchange between the TMT and functional leadership teams is critical to the development, implementation, and adaptation of the firm's strategy. This indicates that the accuracy and timeliness of the information

exchange between the functional leadership team and TMT, which is the responsibility of the boundary spanners, is critical to firm performance. Thus, I propose:

Proposition 6: The (a) quality and (b) quantity of information sharing from functional TMT member boundary spanners (c) to and (d) from the functional leadership teams is positively related to strategic leadership system performance.

DISCUSSION AND IMPLICATIONS

In this chapter, I aim to build a better understanding of how the critical groups at the apex of the organization work together as a system to develop, implement, and execute strategy. In doing so, I aim to provide a novel understanding of strategic leadership system that extends current theoretical perspectives and redirects future research to more fruitful areas that can advance theory and practice regarding strategic leadership in organizations. Specifically, the theory in this chapter suggests that the strategy process involves the TMT, board, and functional leadership teams working together and separately to achieve superior firm performance. It also highlights how TMT members' roles in the strategy process are more complex and likely challenging than prior research has acknowledged. Additionally, the expanded strategic leadership system that I have presented suggests that there may be critical differences between strategic leadership systems and multiteam systems at lower levels of organizations. In the following sections I outline several areas for future research that can advance theory and create additional knowledge regarding strategic leadership and multiteam systems in organizations.

Areas for Future Research

Going forward, a strategic leadership system that includes the TMT, functional leadership teams, and board presents many research opportunities. Namely, the propositions I have outlined here should be rigorously tested to confirm and expand strategic leadership system theory. I also acknowledge that this new conceptualization of strategic leadership will likely require advanced and alternative methodologies to test. This line of inquiry has great potential to expand our understanding of how and why strategic leaders impact firm performance and thus, why some firms outperform their competitors. Below I outline additional avenues for future researchers to consider expanding on strategic leadership system theory.

Differentiation and dynamism. First, researchers should incorporate the concepts of differentiation and dynamism into future strategic leadership system research. Differentiation – separation between component teams in a multiteam system– and dynamism – variability of a multiteam system over time – have been theorized to be the primary factors that impact the emergent states of multiteam system (cf. Luciano et al., 2018). Thus, understanding strategic leadership system functioning is likely to be enhanced by considering how strategic teams manage these phenomena.

Specifically, researchers should examine how firms align goals across the strategic leadership system because goal alignment is likely to be the most important aspect of differentiation (Luciano et al., 2018). The nested nature of the strategic leadership system indicates that each team within the system has subgoals that vary in terms of alignment with the superordinate goal (Mathieu et al., 2001). Thus, ensuring that teams within the system have aligned goals is critical to firm performance. Previously, I

argued that compensation (e.g. use of stock options) is likely to be critical to ensuring that individuals within the teams are aligned with the superordinate goal of superior firm performance. However, it is also critical that individuals are incentivized to achieve their component team and individual goals as well. Thus, examining the mix of individual, team, and firm pay for executives may be revealing for how firms attempt to balance potential competing motivating mechanisms (Nyberg et al., 2018).

Additionally, differentiation can also be affected by the degree of overlap in the knowledge and task responsibilities of component teams. Thus, future research could examine how differentiation between the board and TMT effects strategic leadership system and firm performance. Are boards and TMTs better able to work together when they have a shared understanding and expertise? This may be one explanation for why board are increasingly adding board members with functional TMT experience, who are not necessarily prior CEOs (Spencer Stuart, 2017). Examining this may reveal previously unexplained relationships between board structure and TMT structure.

A critical component of dynamism is the change in membership within the system. There is extensive research on the causes and consequences of TMT turnover (e.g. Andrus, Withers, Courtright, & Boivie, 2019; Messersmith, Guthrie, Ji, & Lee, 2011; Shen & Cho, 2005); however, examining turnover within the strategic leadership system may lead to alternative findings and predictions (Zaccarro et al., 2020). For example, it may be critical to consider who replaces outgoing TMT members. Research on CEO succession often focuses on internal and external replacements (e.g. Shen & Cannella, 2002), but TMT turnover research often does not consider the replacement. The strategic leadership system model would suggest that it is even more critical to replace

TMT members with internal candidates to ensure less turnover within the system (Luciano et al., 2018; Zaccarro et al., 2020). However, there may be strained relationships that reduce coordination and cohesion between promoted functional TMT members and their respective functional leadership teams. Reduced coordination within teams is likely to reduce the between team coordination within the system (Firth et al., 2015), suggesting that internal promotion in the system may not always be positive. Thus, it is important for researchers to understand how turnover within the TMT trickles down to other teams within the system and how this impacts intrateam and interteam functioning.

Boundary spanner effectiveness. This study identified the critical boundary spanners within the strategic leadership system and future research should investigate what affects the quality and quantity of boundary spanner communication. A key area for future research is likely to be on the dyadic relationships between boundary spanners, especially boundary spanners who manage interdependent functional leadership teams (e.g. finance and marketing). Prior multiteam system research suggests that interdependent teams are most effective when the leadership team boundary spanners have more frequent communication, rather than the non-team leaders (Davison et al., 2012; De Vries et al., 2016). Thus, the effectiveness of interdependent functional leadership teams is likely to be dependent on the quality of the relationship (e.g. trust; respect) between the boundary spanners. This echoes prior calls for research on the relationships between individual executives (Bromiley & Rau, 2016), but presents a new framing for understanding its importance.

Additionally, this new conceptualization of the strategic leadership system highlights that functional TMT members are members of multiple teams within the system (i.e. the TMT and the functional leadership team). This creates inherent tensions for TMT boundary spanners as they must manage their responsibilities as TMT members, boundary spanners, *and* leaders of their functions. TMT members have primarily been researched for their role as TMT members and not as managers of their function (Menz, 2012), but this chapter presents future research opportunities to examine how executives allocate their time to multiple roles. Understanding how functional TMT members manager these responsibilities is critical to understanding strategic decision making within the strategic leadership system and places an increased emphasis on the importance of functional TMT members.

Multilevel concerns: emergence and contextual effects. Strategic leadership systems are multilevel collectives wherein individuals are nested within teams, and teams are nested within the broader system. Thus, future research should consider both contextual (i.e. top-down) and emergent (i.e. bottom-up) effects on system functioning and performance (Luciano et al., 2018; Murase et al., 2014). For example, Propositions 4 and 5 suggest that the emergence of strategic leadership system performance is likely to be differentially affected by the between and within coordination at the team-level of the system. Future research should continue to understand how teams with the strategic leadership system differentially contribute to emergent states within the system. Incorporating multilevel theories and considering how theory may apply differently to strategic leadership systems as opposed to lower level multiteam systems offers the

potential to contribute to both strategic leadership and work teams' theories (Zaccarro et al., 2020).

Future research should also examine the identity processes that occur within strategic leadership system. Theory suggests that the degree with which individuals identify with different levels of the system may depend on the level of differentiation and dynamism within the system (Luciano et al., 2018). Empirical research suggests that performance is enhanced when individuals identify more with their components teams than the system (Porck et al., 2019). In strategic leadership system, functional TMT members are members of multiple teams within the system, thus they could identify more strongly with the TMT, functional leadership team, or the system. However, it is unclear how identity level effects system performance when team importance in the system differs, as in the case of the TMT within the strategic leadership system. Is it better for system performance when functional TMT members identify with the TMT above their functional leadership team? If they fulfill their needs for identity and belongingness from their functional leadership team, they may be more apt to prioritize outcomes for the functional leadership team that may be misaligned with the strategic leadership system superordinate goal. Thus, while identity within the strategic leadership system appears to be critical predictor of strategic leadership system functioning, there may be top-down and bottom-up effects on identity within the system (Mell, DeChurch, Contractor, & Leenders, in press). Thus, the identity processes in strategic leadership system are unclear and should be a priority for future researchers.

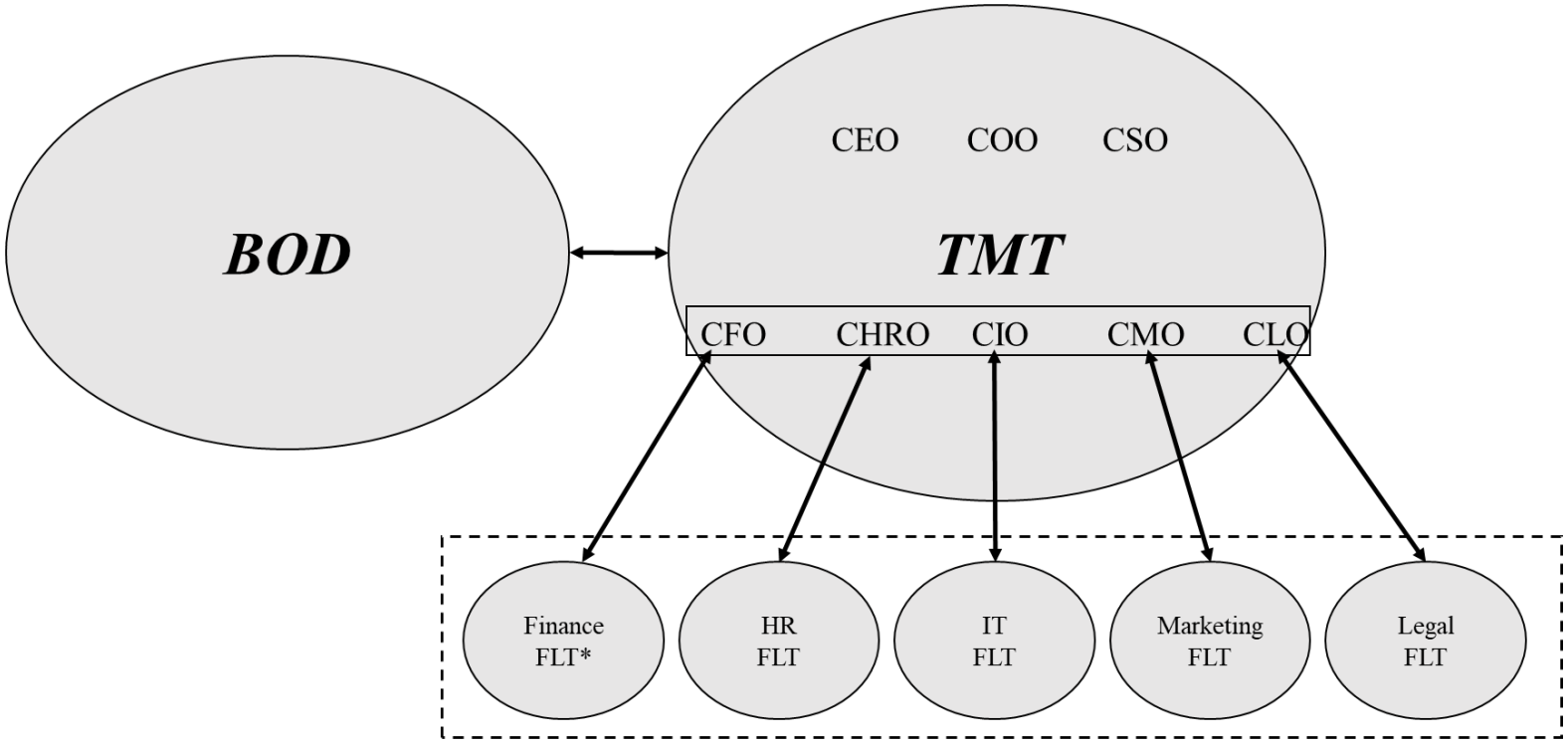
Future research should also consider top-down contextual effects in strategic leadership system. The structure of the system may have important effects on teams and

individuals within the strategic leadership system (Zaccarro et al., 2020. For example, a more tightly coupled (i.e. interdependent) strategic leadership system may create strain on individuals within the system as they try coordinate within and between teams. This may be a significant stressor for boundary spanners (i.e. functional TMT members) and limit their effectiveness. CEO characteristics may also have effects throughout the system. For example, high power CEOs may micro-manage the system to their preferred specifications. The benefits of coordination between teams and the importance of boundary spanners in such a system may be reduced. Thus, future research should investigate how and why strategic leadership system functioning is enhanced or diminished by the context and structure of the strategic leadership system.

CONCLUSION

In this chapter, I have introduced a model of a strategic leadership system that includes the TMT, the board, *and* functional leadership teams. This model expands prior strategic leadership systems theory and identifies new interactions that are critical to system performance. Additionally, I developed theory regarding the relative importance of coordination within and between teams in the strategic leadership system. Specifically, I proposed that the TMT is the critical team in the system, meaning that coordination within the TMT and between the TMT and other teams are the primary inputs to system performance. In doing so, this chapter challenged the application of extant multiteam system theory and specified how and why strategic leadership systems differ from prior research. Lastly, I identified functional TMT members as the critical boundary spanners in the system and highlighted how their importance to system and firm performance may by greater than previously discussed. Thus, this chapter is likely to enhance our

understanding of strategic leadership and will hopefully drive future research towards understanding how these groups interact to effect firm performance.



*FLT = Functional Leadership Team

Figure 1.1 Expanded Strategic Leadership System

CHAPTER 2

THE PEOPLE PERSON: EXAMINING THE CORE ROLE OF CHIEF HUMAN RESOURCE OFFICERS IN TOP MANAGEMENT TEAMS

Developing and maintaining highly effective top management teams (TMTs) is a critical concern for organizations. Effective TMTs rely on inputs from individual executives, who bring unique experiences and abilities (Hambrick, 2007; Hambrick & Mason, 1984), and the collective knowledge generated by TMT collaboration to achieve superior firm performance (Carpenter et al., 2004). Consequently, substantial research has focused on understanding the characteristics of executives that enhance or diminish TMT functioning, such as the CEO's personality or TMT demographics (Bromiley & Rau, 2016; Certo et al., 2006; Peterson, Smith, Martorana, & Owens, 2003; Wiersema & Bantel, 1992). However, despite such research, scholars have still not fully addressed why some TMTs are more effective, which is especially troubling in light of recent practitioner surveys suggesting that C-suite collaboration is "the most pressing human capital issue facing organizations today" (Deloitte, 2018: 17). These limitations may be partially driven by empirical limitations of TMT research, which often uses observable characteristics as proxies for TMT processes (e.g. demographic diversity as a proxy for cohesion, e.g. Michel & Hambrick, 1992), but also due to a consistent focus on the collective TMT or the CEO and a lack of interest in considering the role of individual non-CEO executives and their impact on TMT functioning and firm performance (Menz, 2012).

In this chapter, I focus on the critical role of Chief Human Resource Officers (CHROs) in managing TMT dynamics. In addition to managing the HR function, part of a CHRO's job can be managing interpersonal aspects of TMTs because of their human resources background and expertise in managing people (Charan, Barton, & Carey, 2015; Schepker et al., 2018; Wright, Boudreau, Pace, Sartain, McKinnon, & Antoine, 2011). Research from the work teams' literature suggests that individuals can greatly impact team processes and functioning (Jackson & LePine, 2003; Pearsall & Ellis, 2006), including individuals who are not leaders or critical performers (Mathieu et al., 2008; Murnighan & Conlon, 1991). However, strategic leadership research rarely explores the role of individual non-CEO executives within TMTs, and how or why they contribute to TMT functioning (Menz, 2012). The limited research that does consider non-CEO executives (e.g. Chief Operating Officers (COOs)) primarily focuses on the presence of an executive position within the TMT (e.g. Marcel, 2009; Menz & Scheef, 2014), but does not account for differences in executive skills and responsibilities between firms.

In this chapter, I suggest that when CHROs' role is more core to the TMT, the TMT functions better and experiences more positive team states. In doing so, I make three contributions to strategic leadership and human resource management research. First, I answer calls for research exploring individual TMT members and their effects on strategic outcomes by identifying the CHRO as a critical input to effective TMT functioning (cf. Menz, 2012). By incorporating teams research suggesting that individuals in critical or core roles can impact unit functioning (Humphrey, Morgeson, & Mannor, 2009), and altering the way we often research TMTs (i.e. as aggregate collectives), this chapter advances theory regarding how and why executives contribute to

strategic outcomes. Specifically, it shows that a non-CEO executive, the CHRO, can impact the social dynamics of the TMT. This indicates that the role of individual executives in TMTs and their contributions to firm performance may be greater and more nuanced than indicated by prior research.

Second, by demonstrating that between firm differences in CHRO roles affect strategic outcomes, this chapter moves beyond exploring the presence of a given executive position (e.g. Zorn, 2004) and answer calls for research on differences in job activities for executive roles in different firms (Finkelstein & Peteraf, 2007). Specifically, I suggest that CHRO roles and responsibilities vary across firms and that CHROs whose role is more core are better able to positively impact TMT functioning. Additionally, I suggest that this relationship is enhanced when CHROs have greater HR-specific human capital. Thus, individual executive differences in human capital *and* job responsibilities may combine to effect TMT functioning. As such, our understanding of TMT functioning is likely to be enhanced by future research that considers both the quality of executives and the tasks they perform in their role.

Third, this chapter has implications for strategic HRM researchers and for organizations as it highlights the importance of the CHRO as a strategic partner within the TMT, rather than just an administrator of the HR function. Specifically, I find that TMTs function better when a CHROs role enables them to manage the interpersonal processes of the TMT. I posit that this main effect will be enhanced when CHROs are high in human capital, suggesting that firms may be able to improve TMT functioning by empowering high quality CHROs to manage the affective and relational dynamics of

TMTs. By using primary data collected from CHROs, I can more precisely test the role that CHROs play in the interpersonal dynamics of the TMT.

THEORETICAL BACKGROUND

I define the TMT as all executives who report to the CEO (cf. Boeker, 1997; Tushman & Rosenkopf, 1996). This definition most closely captures Cyert and March's (1963) "dominant coalition" (Finkelstein, 1992); however, multiple empirical measures have been used as proxies for the TMT (cf. Carpenter et al., 2004). I use this definition because it is consistent with practitioner approaches (e.g. Executive Officers; Securities Act of 1933, Rule 501(f), 17 C.F.R. § 230.501(f)), includes the primary organizational decision makers who are responsible for critical functions and business units (Menz, 2012), and does not include board members who are members of their own distinct group (Luciano et al., in press).

There is some debate whether the TMT is a "team" (Finkelstein et al., 2009; Hambrick, 1994), because TMTs experience different contextual (e.g. shareholder and board pressure) and internal dynamics from most work teams (e.g. power issues; Hollenbeck et al., 2012; Nyberg et al., 2018). Work teams are generally defined as two or more individuals embedded in an organizational context, who exhibit interdependent work, and interact to accomplish shared objectives (Kozlowski & Bell, 2003; Mathieu, Hollenbeck, van Knippenberg, & Ilgen, 2017). This broad definition of a team suggests that TMTs are teams; however, TMTs display varying levels of "teamness" and interdependence (Barrick et al., 2007; Hambrick, 1994), which may be a boundary condition of my theoretical arguments but is outside the scope of this chapter.

TMT Functioning

TMT functioning is critical to ensuring superior firm performance. TMTs are a critical human capital resource responsible for making strategic decisions that enhance firm performance (Hambrick & Mason, 1984; Wiersema, 2019). TMT functioning affects competitive decisions (Hambrick et al., 1996), including diversification (Tihanyi, Ellstrand, Daily, & Dalton, 2000; Wiersema & Bantel, 1992) and research and development investments (Kor, 2006). Much of the early research on TMT functioning examined TMT composition and used demographic or functional heterogeneity as proxies for TMT processes (see Carpenter et al., 2004 for a review and Certo et al., 2006 for a meta-analysis). For example, Michel and Hambrick (1992) used demographic heterogeneity as a proxy for social cohesion. In general, these findings are consistent with the literature that suggests that team diversity and heterogeneity may be beneficial due to greater perspectives and ideas, but may also hinder TMT functioning due to increased conflict and lower communication (Joshi & Roh, 2009; Simons, Pelled, & Smith, 1999). Additionally, several studies explicitly measure team functioning (e.g. conflict (Smith et al., 1994), consensus (Knight et al., 1999), and cohesion (Wei & Wu, 2013), and showed that these mechanisms enhanced or linked TMT heterogeneity and firm performance (i.e. 'the black box'; Lawrence, 1997; Pettigrew, 1992).

In addition to the literature on TMT composition and demography, researchers have incorporated additional concepts from the small groups and team's literature to expand our knowledge and understanding of TMT functioning. For example, Barrick and colleagues (2007) found that TMT interdependence moderated the relationship between cohesion and/or communication and performance, replicating findings from small group

research. Recent research has incorporated more nuanced perspectives from the teams' literature. For example, Hutzschenreuter and Horstkotte (2013) and others (e.g. Cooper, Patel, & Thatcher, 2014; Ou et al., 2017) have incorporated faultlines research to examine how demographic subgroups effect TMT outcomes and alter prior conceptualizations of diversity within TMTs.

These studies indicate that some theories from the work teams literature can be useful for understanding TMT functioning and performance, suggesting that additional teams research may be applied to TMTs in ways that advance our understanding of TMT functioning and effectiveness (Nyberg et al., 2018). Despite the value of such research in advancing our understanding of TMTs, much of the literature assumes that the structure or composition of the team will influence its outcomes, without explicitly measuring TMT processes (Bromiley & Rau, 2016). I posit that theories of TMT functioning require explicit consideration of the TMT's processes, and in the following section, I incorporate additional theory from the teams' literature to understand how and why some TMTs function better than others.

Critical TMT Members

To advance our understanding of TMT functioning and effectiveness, I incorporate the concept of core or critical team members from the work teams' literature (e.g. Humphrey et al., 2009; Pearsall & Ellis, 2006). As with TMT research, much of the research on work teams focuses on the collective attributes of teams in relation to team effectiveness (Mathieu et al., 2017). However, a concurrent stream of research focuses on the impact that individuals have on team functioning and performance (e.g. Bolinger, Klotz, & Leavitt, 2018; Stewart, Fulmer & Barrick, 2005), because individuals are

critical inputs to the emergence of shared team processes and states (Morgeson & Hofmann, 1999; Stewart et al., 2005). For example, there are many studies on leader effects in teams (e.g. Bass, Avolio, Jung, & Berson, 2003; LePine, Hollenbeck, Ilgen, & Hedlund, 1997), as well as studies of the best and worst team members and their impact on team functioning and performance (e.g. Barrick, Stewart, Neubert, & Mount, 1998; Jackson & LePine, 2003). Research also suggests that there are individuals in teams who have a disproportionate impact on team performance due to their critical role (Mathieu, Tannenbaum, Kukenberger, Donsbach, & Aliger, 2015; Summers, Humphrey, & Ferris, 2012). Given the structure of teams and differences in team member roles, "certain positions within teams may have more influence on team performance than others" (Pearsall & Ellis, 2006: 576). Importantly, the disproportionate impact of critical team members occurs through their effect on task *and* socioemotional inputs to team performance (Barry & Stewart, 1997; Stewart et al., 2005).

TMT researchers have primarily focused on the CEO as the key individual contributor to effective TMT functioning (Bromiley & Rau, 2016). This makes sense given that CEOs are the formal leader of the TMT (Finkelstein et al., 2009; Peterson et al., 2003), have a disproportionate impact on firm performance (Quigley & Graffin, 2017; Quigley & Hambrick, 2015), and affect TMT compensation (Carpenter & Sanders, 2002). The CEO is certainly a major individual driver of TMT effectiveness, but they also have significant responsibilities that demand their attention and may preclude them from devoting sufficient time to managing the TMT (Ocasio, 1997). Consequently, CEOs may delegate responsibilities to other executives (Richardson, Amason, Buchholtz, Gerard, 2002). However, the limited research on non-CEO executives has primarily

focused on the antecedents and outcomes of an executive role in the TMT, and less on the specific tasks and duties of the executive (Menz, 2012). This approach assumes that executives with given roles do not vary in their job responsibilities or capabilities across firms, which may explain why some studies do not find significant relationships between executive presence and firm performance (e.g. Chief Strategy Officers; Menz & Scheef, 2014).

This limited research and evidence from practitioners suggests that CEOs are likely to delegate tasks and responsibilities based on the expertise of the TMT members. For example, Chief Financial Officers (CFO) typically share responsibility for earnings calls with CEOs (Zorn, 2004) and Chief Legal Officers are often responsible for corporate governance or other legal issues affecting the TMT (Bird, Borochin, & Knopf, 2015). By matching the human capital of the executive to the task requirement, TMTs are likely to perform better and generate more value (Weller, Hymer, Nyberg, &, Ebert 2019). Thus, it is likely that CEOs will delegate responsibility for managing the interpersonal processes of the TMT to the executive with expertise in managing people and group dynamics. Consistent with the teams' literature, this executive's role will be critical to the effective functioning of the TMT (Humphrey et al., 2009; Summers et al., 2012).

The CHRO

Given their expertise, I suggest that CHROs are likely to be the critical TMT member responsible for ensuring positive TMT processes and effective TMT functioning. As HR's importance to firms increased in the last few decades (e.g. Arthur, 1992; 1994; Huselid, 1995; Jiang, Lepak, Hu, & Baer, 2012), CHROs presence in TMTs and

importance to firms has similarly increased (Wright et al., 2011). Some practitioners argue that CHROs may be one of the top three most important executives, along with the CEO and Chief Financial Officer, and represent the core of the top management team (Charan et al., 2015). However, research on CHROs is primarily practitioner oriented and quite limited in academic literatures. This is troubling given CHROs' role in managing a critical organization function, but is not surprising given that research on other functional TMT members is lacking as well (Menz, 2012). Additionally, some may consider CHROs less important than other functional executives; however, research indicates that a majority of CHROs of large companies report to the CEO (95%; Schepker et al., 2018), suggesting that CHROs are key TMT members.

In addition to their role in managing the HR and human capital functions of the organization, CHROs may also be critical to TMT effectiveness because they help to manage TMT social dynamics. In developing an understanding of the roles and responsibilities of a modern CHRO, several leading HR academics and CHROs of large companies developed a framework for the CHRO role (Wright et al., 2011). Critically, the CHRO's role often involves serving as a coach or confidante of the TMT, as well as working as a strategic decision maker with the TMT. Additionally, CHROs are uniquely positioned to positively affect TMT processes without navigating difficult status or power issues that often occur in TMTs (Patel & Cooper, 2014 AMJ) and teams in general (Groysberg, Polzer, & Elfenbein, 2011). CHROs are very unlikely to be chosen as the CEO successor and typically are not one of the highest paid executives (Essman, Schepker, Nyberg, & Ray, in press). Thus, they are less likely to be viewed as a rival by

other TMT members and be better able to positively impact the TMT (Bolinger et al., 2018; Murnighan & Conlon, 1991).

However, as with other TMT members, CHROs must balance multiple responsibilities and are required to devote their attention to multiple job activities (Bird et al., 2015; Hambrick, Finkelstein, & Mooney, 2005; Finkelstein & Peteraf, 2007). Specifically, CHROs' primary responsibility is likely to be managing the HR and human capital needs of the organization (Wright et al., 2011). Thus, the extent to which CHROs are able to impact TMT effectiveness is likely driven by the amount of time spent in their core TMT role, which is likely to vary between firms and CHROs. The core importance of a role in a team varies on a continuum depending on the extent to which the role: 1) "encounters more of the problems that need to be overcome in a team", 2) "has a greater exposure to the tasks that the team is performing", 3) "is more central to the work flow of the team" (Summers et al., 2012: 318). Consequently, the independent variable, *CHRO time spent in TMT core role*, is defined as the amount of time a CHRO spends encountering TMT problems, being exposed to TMT tasks, and being central to TMT workflow. When the CHRO spends more time in their TMT core role, the interpersonal functioning of the TMT is likely to be improved because the person with the best people management skills on the TMT (i.e. CHRO) has been empowered (either through formal job duties, or informal job crafting) to help manage the team.

HYPOTHESES

In this chapter, I examine how CHROs affect TMT cohesion and climate for inclusion as they are critical inputs to effective team performance (Mathieu et al., 2008), and how CHROs affect TMT turnover, which may disrupt TMT functioning or be

indicative of a dysfunctional TMT (Andrus et al., 2019; Shen & Cho, 2005), as well as who is promoted to the TMT. Thus, I examine how CHROs impact TMT functioning by examining their impact on the processes of existing TMT members *and* changes in TMT membership. By examining multiple measures of team functioning, this study creates a more holistic picture of CHRO impact and importance.

TMT Cohesion

First, I focus on the role of the CHRO in managing TMT cohesion. Cohesion – social and motivational bonds of members within a group – is one of the most frequently studied team process measures (Beal, Cohen, Burke, McClendon, 2003; Kozlowski & Bell, 2003). Cohesion reflects the degree to which members of a team work well together and get along socially (Festinger, 1950). Cohesive teams are better able to address complex problems (Hülsheger, Anderson, & Salgado, 2009), adapt to dynamic changes in their environment (Mathieu, Kukenberger, D'innocenzo, & Reilly, 2015), and perform better than less cohesive teams (Beal et al., 2003; Gully, Devine, & Whitney, 1995). Thus, TMT cohesion is likely to be a critical indicator of a well-functioning TMT (Smith et al., 1994), because it captures both social and task related aspects of team functioning and is positively correlated with team performance (Beal et al., 2003; Mathieu et al., 2015). Prior TMT studies have studied cohesion as an antecedent to firm performance; however, few studies measure it directly and instead rely on proxies (e.g. Michel & Hambrick, 1992).

I posit that CHROs who focus on managing the TMT positively affect team cohesion. At the TMT-level, executives experience intense competition for promotion and rewards (Henderson & Fredrickson, 2001; Ridge, Aime, & White, 2015). TMTs may

also have complex power dynamics that may create a negative work environment (Finkelstein, 1992; Pitcher & Smith, 2001). Thus, conflict within TMTs is common and can negatively impact performance (Amason, 1996; Amason & Sapienza, 1997). TMT members also require career development and guidance on how to best perform their executive role and work best with their fellow TMT members (Bauer, Erdogan, Liden, & Wayne, 2006). However, CEOs may not always fulfill this responsibility due to fear of developing their replacement (Cannella & Shen, 2001). Thus, the CHRO is often responsible for managing these interpersonal and personnel issues in the TMT (Wright et al., 2011). Consequently, given their likely expertise in talent management, when the CHROs spends more time in their TMT core role, it is likely that they are better able to manage the interpersonal processes of the TMT. Specifically, they will be better situated to resolve conflicts, coach TMT members, and improve team affective states. Thus, I hypothesize:

Hypothesis 1: CHRO time spent in TMT core role is positively related to TMT cohesion.

TMT Climate for Inclusion

I next consider how CHROs may positively affect the TMTs climate for inclusion. A positive climate for inclusion, is one in which all members are valued, treated fairly, and involved in decisions (Nishii, 2013), suggesting that climate for inclusion may be an important consideration for effective TMT functioning. Inclusion is often discussed in conjunction with diversity because of practitioner and researcher shifts from diversity to inclusion (Roberson, 2006). Extant research has frequently investigated TMT functional and demographic diversity as they are related to firm performance and

other strategic outcomes (e.g. Barkema & Shvyrkov, 2007; Boone & Hendricks, 2009; Murray, 1989); however, research on inclusion within TMTs is limited. In general, results suggest that there are boundary conditions that impact whether the TMT enjoys the performance advantages of diversity (Carpenter et al., 2004), with some studies suggesting differences among the TMT can be beneficial because it allows for multiple ideas and perspectives that improve decisions (Kilduff, Angelmar, & Mehra, 2000; Simons et al., 1999). Thus, I posit that a positive climate for inclusion enables the TMT to obtain the positive advantages of diversity. Specifically, a positive climate for inclusion is likely to result in better strategic decisions because TMTs will be better able to take advantage of the various backgrounds and expertise of their executives (Hambrick & Mason, 1984; Joshi & Roh, 2009). Additionally, TMTs with a positive climate for inclusion may have less conflict because more executives will contribute and feel valued (Nishii, 2013).

Given that the HR function is often the function responsible for inclusion and diversity (Konrad & Linnehan, 1995), it is likely that CHROs are critical to advancing a positive climate for inclusion within the TMT. Inclusion and diversity have long fallen under the umbrella of HR given frequent discrimination in hiring and pay practices (Blau & Kahn, 2000; Jackson, 1992; Schmitt, Rogers, Chan, Sheppard, & Jennings, 1997). Thus, CHROs are likely more attuned to these issues and their importance in organizations than other TMT members. Specifically, I posit that CHROs are more likely to be aware of the positive benefits of inclusion and to encourage inclusion within the TMT. Thus, when CHROs spend more time in their TMT core role, they will be able to communicate the importance of multiple perspectives and ideas when developing strategy

and highlight how this enables the TMT to make better strategic decisions. Additionally, they will be more likely to make TMT members feel welcome and valued. Thus, TMTs will be more likely to embrace and share diverse ideas, resulting in a positive climate for inclusion.

Hypothesis 2: CHRO time spent in TMT core role is positively related to TMT climate for inclusion.

TMT Turnover

I also examine turnover as an indicator of TMT functioning. Turnover is a critical concern for TMTs and teams in general (Wiersema & Bantel, 1993). Turnover likely results in lost human capital for TMTs (Messersmith, Lee, Guthrie, & Ji, 2014), which is costly to replace both in dollars and time (Hausknecht & Trevor, 2011). Additionally, TMT turnover disrupts team processes as members must develop new patterns of interaction and interpersonal relationships when new members are hired (Andrus et al., 2019). Consequently, TMT turnover is negatively related to firm performance (Cannella & Hambrick, 1993; Messersmith et al., 2014; Park & Shaw, 2013).

I posit that CHROs who spend more time in their TMT core role are likely to reduce turnover within the TMT. When the CHRO has greater exposure to the problems and tasks of the TMT, they will be better able to address concerns of TMT members before they escalate to the point of withdrawal and eventual turnover. Additionally, spending more time with the TMT will enable the CHRO to provide performance feedback and coaching that enables TMT members to improve at their jobs. To the extent that this coaching by the CHRO results in better performance, TMT members may increase their earning and promotion potential. Thus, when CHROs spend more time with

the TMT, they are more likely to positively impact TMT member affect and career development, resulting in a lower likelihood of TMT turnover.

Hypothesis 3: CHRO time spent in TMT core role is negatively related to TMT turnover.

TMT Internal Promotions

When turnover does occur, I posit that firms with CHROs who spend more time in core roles in the TMT will be better equipped to replace outgoing TMT members with internal candidates. Turnover results in disruptions to both task and social processes, and insiders are typically preferred because they have tacit knowledge of organizational norms and some level of social capital with existing TMT members and the board (Shen & Cannella, 2002; Zajac, 1990). This suggests that when TMT turnover does occur, internal promotions are less likely to disrupt social processes and the negative impact to task functioning is less severe. Consequently, firms would likely prefer to replace executives with inside candidates (Bidwell & Keller, 2014; Schepker et al., 2017). However, for some non-CEO positions, firms more frequently hire from outside the firm (e.g. Chief Financial Officers; Mian, 2001). Thus, replacing departed executives with internal candidates is likely to be a positive outcome for firms because they can make quicker transitions that are more likely to be successful.

I suggest that CHROs who spend more time in core roles within TMTs are associated with a greater number of internal promotions. CHROs are typically the expert on executive succession planning within the TMT, and succession planning is associated with better outcomes, such as a greater likelihood of internal hiring (Schepker et al., 2018). Succession planning is an ongoing process that requires understanding the skills

and competencies needed to perform a job, assessing and developing potential candidates, and anticipating future needs (Berns & Klarner, 2017; Schepker et al., 2018). Thus, when CHROs have more exposure to the critical tasks and issues of the TMT, they are better able to gauge the TMT's needs and be more aware of potential retirements or turnover. With this knowledge, CHROs are likely to assess the internal candidates, and implement development plans or bring outside candidates into upper management roles when needed. In doing so, CHROs are likely to ensure that there is a deeper pool of talented internal replacements, who are typically preferred over outside replacements (Schepker et al., 2017). Therefore, I hypothesize:

Hypothesis 4: CHRO time spent in TMT core role is positively related to TMT internal promotions.

To this point I have focused on the importance of the CHROs core role in the TMT; however, the quality of the CHROs interactions with the TMT are likely to be affected by the quality and experience of the CHRO (Finkelstein & Hambrick, 1990; Judge, Cable, Boudreau, & Bretz, 1995). The experience of core team members, such as the CHRO, has a disproportionate impact on performance (Humphrey et al., 2009) and the CHRO role likely requires a unique and specific set of skills that differs from the general expertise of many executives (Datta & Iskandar-Datta, 2014). Thus, the CHROs human capital – knowledge, skills, abilities, and other characteristics (Ployhart, Nyberg, Reilly, & Maltarich, 2014) – is likely to be a boundary condition of the relationship between their time spent with the TMT and TMT functioning. I posit that when CHROs have more HR knowledge, skills, and experience (*CHRO HR specific human capital*), they are more likely to have the people skills needed to effectively manage the

interpersonal processes of the TMT. Additionally, they are more likely to understand the nature of the CHRO role and the importance of managing the TMT. Thus, I expect the hypothesized relationships to be stronger when CHROs have higher levels of HR specific human capital.

Hypothesis 5: CHRO HR specific human capital positively enhances the hypothesized relationships between the CHRO time spent in TMT core role and a) TMT cohesion, b) TMT climate for inclusion, c) TMT turnover, and d) TMT internal promotions.

METHODS AND ANALYSIS

Sample and Measures

My sample consists of CHROs and TMTs of large US publicly traded firms from 2017 to 2020. The independent variable and two of the dependent variables (cohesion and climate for inclusion) were obtained using an annual survey of CHROs. The survey is sent to all CHROs who are members of a large professional HR lobbying organization, which mostly consists of CHROs of Fortune 500 companies. However, not all respondents completed each item on the survey and some survey participants were CHROs of private companies. After removing observations with missing data, the final sample consists of 320 responses from 185 CHROs from 170 companies. The survey question regarding the independent variable was obtained in each year of the survey. However, the survey's focus changes from year to year, thus data for TMT cohesion was measured in three survey years (2018, 2019, and 2020) and climate for inclusion was measured in two survey years (2019 and 2020). Given the difficulty in obtaining primary

data on executives and TMTs, similar survey approaches have been used to gather data on CEOs and boards (e.g. Westphal, 1999; Zajac, 1990).

TMT cohesion. TMT cohesion was assessed using a 6-item measure that has shown strong reliability and validity in extant research (Podsakoff, MacKenzie, & Ahearne, 1997). Respondents were asked to assess the degree to which they agreed with statements about the TMT using a 5-point Likert scale from "Strongly disagree" to "Strongly agree" (Mean =3.81; sd = 0.76); Cronbach's alpha = 0.93). Examples of statements include: "Members of the TMT work together as a team".

TMT climate for inclusion. Climate for inclusion was assessed using a 9-item measure adapted from Nishii (2013). Respondents were asked to assess the degree to which they agreed with statements about the TMT using a 5-point Likert scale from "Strongly disagree" to "Strongly agree" (Mean = 3.81; sd = 0.68; Cronbach's alpha = 0.91). Examples of statements include: "The TMT has a culture in which members appreciate the differences other members bring to the company".

TMT turnover. TMT turnover was assessed using a count measure to assess change in TMT membership year over year. Turnover rate has been frequently used to measure collective turnover of teams, units, and firms (Park & Shaw, 2013); however, the use of ratio measures may bias results (Certo et al., in press). Thus, following guidance from Certo and colleagues, I use a count measure for turnover (Mean = 1.53; sd = 1.54) and control for the size of the TMT (Mean = 9.76; sd = 3.31) as my primary analytical approach. I also run robustness checks using turnover rate (i.e. TMT member change divided by TMT size). I use the "Executive Officers of the Registrant" table from 10-Ks immediately preceding the survey and the subsequent year as my measure of the TMT.

Prior studies have used the executives listed in Execucomp to assess TMT turnover (e.g. Messersmith et al., 2014); however, companies are only required to report the pay of the CEO, CFO, and next three highest paid members of the firm which likely only capture a portion of the TMT as the average size of TMTs (Nyberg et al., 2018). Additionally, the executives listed in Execucomp may include board chairs and directors who are not a part of the TMT, departed executives with severance packages, and frequently excludes TMT members who are lower paid (e.g. CHRO; Essman et al., 2021). Thus, using Execucomp to proxy the TMT would likely bias the measures of TMT turnover and internal promotions. Several researchers have suggested asking firms who comprises their TMT when conducting studies of executives (Bromiley & Rau, 2016; Pettigrew, 1992).

TMT internal promotions. As with TMT turnover, I use a count measure for the number of internal promotions ((Mean = 0.90; sd = 1.18) while controlling for the number of new TMT members (*TMT* promotions; Mean = 1.48; sd = 1.67). For each TMT member exit or new position added to the TMT, I will assess whether the new TMT member was an internal employee who had been with the firm for at least one year. I include new positions to account for potential changes in the structure of the TMT. For example, if the TMT determines that a CSO is needed due to changes in the competitive environment and hires or promotes someone to the position, it is likely to result in some disruption to TMT functioning. However, as with replacing a departed TMT member, it is likely to be less disruptive if the new position is filled by an internal candidate because they are more likely to have some tacit knowledge of the organization and some relationships with existing TMT members. Additionally, in models where TMT internal

promotions is the dependent variable, I control for the total number of TMT promotions (*TMT promotions*).

CHRO time spent in TMT core role. The measure for CHRO time spent in TMT core role reflects the percentage of time a CHRO's job dedicated to impacting the interpersonal interactions and performance of the TMT. This measure was captured by using a typology of job roles for CHROs that was developed by researchers at the Center for Advanced Human Resource Studies at Cornell University in collaboration with CHROs (Wright et al., 2011). These activities include "Managing the HR function" and "Serving as a liaison to the Board of Directors". In each year of the survey, respondents were asked to specify the percentage of their time spent in each of the seven roles. I combined two items ("Coach/counselor/confidante to the TMT" and "Strategic advisor to the TMT") for the measure of the CHROs time spent in TMT core role (Mean = 32.00%; sd = 10.56%). CHROs who spend a greater percentage of their time in these roles are more likely to encounter the TMTs problems, have more exposure to the TMT's tasks, and be more central to the work of the TMT (Humphrey et al., 2009; Summers et al., 2012). Supplemental analyses were also included where the CHRO's time spent as a Strategic Advisor and as a TMT coach were used as separate predictors to assess whether these roles had unique impacts on the hypothesized relationships.

CHRO HR specific human capital. Given that human capital is a multidimensional construct reflective of the knowledge, skills, abilities, and other characteristics of individuals (Ployhart et al., 2014), I use two measures as proxies for HR specific human capital, which have been used previously as measure of executive human capital (Crook, Todd, Combs, Woehr, & Ketchen, 2011). The first measure is a

dichotomous variable equaling "1" when the CHRO has an advanced degree in HR or similar field (e.g. Master's or Doctorate in Human Resource Management or Industrial and Organizational psychology). This measure captures whether the CHRO has formal education in the field of study most relevant to their job. Of the 320 observations, 28.75% (n = 92) had an advanced degree in HR. For the second measure, I use years of experience as a CHRO at their current or any prior jobs as experience as a CHRO is likely to result in higher role-specific human capital (Mean = 6.16; sd = 4.47). More specifically, CHROs with greater experience in the role may have a stronger understanding of the importance of the need to manage the TMT and greater confidence in their management and oversight of the HR function. Additionally, greater experience in the role may increase the CHROs reputational standing amongst their TMT colleagues, resulting in more effective communication between the CHRO and other executives.

Control variables. I also included several control variables for firm, CEO, TMT, and CHRO characteristics. I used Execucomp, Compustat, and MSCI to obtain firm and CEO information. For TMT and CHRO characteristics, I used proxy statements, 10-Ks, executive bios, and LinkedIn. First, I control for firm size using the natural log of total assets (*log assets*) and performance using *net income*. I also control for the *CEO age, CEO duality* (dichotomous variable where 1 = the CEO is also the board chair), *CEO sex* (dichotomous variable where 1 = the CEO is a woman), and *CEO tenure* in years. I also use a dichotomous variable to account for years where "1" indicates that a *CEO succession* event occurred. I also control for *TMT average age* in years and *TMT size.* Additionally, I control for characteristics of the CHRO, including *CHRO age* and *CHRO tenure* in years. I also control for *CHRO sex* (dichotomous variable where 1 = the CHRO

is a woman) and *CHRO race/ethnicity* (dichotomous variable where 1 = the CHRO is a not white/Caucasian). Fixed effects were used to account for year and industry (using six SIC categories; Essman et al., 2021).

Analytical approach

Below I detail my analytical approach and steps I took to test my hypotheses. For hypotheses where TMT cohesion and TMT climate for inclusion are the dependent variables, I tested my hypotheses using random-coefficient modeling (RCM; also known as hierarchical linear modeling (HLM) and multilevel modeling; Raudenbush & Bryk, 2002). A Hausman test confirmed the appropriateness of this modeling technique. The data is an unbalanced panel due to some CHROs who responded in multiple years and others who only responded once or did not respond to all questions relevant to this study (e.g. CHROs who reported their time spent but not TMT cohesion). Thus, the CHRO is the Level-2 in my models and observations are the Level-1 variables nested within CHROs. My theoretical arguments focus on between-firm, rather than within-firm differences, which makes a random effects model appropriate (cf. Bliese, Schepker, Essman, & Ployhart, 2020; Certo, Withers, & Semadeni, 2017). For the models with turnover and internal promotions as dependent variables, I used zero-inflated Poisson-models. Poisson regression is preferred over negative binomial regression when the standard deviation is not much larger than the mean (Wooldridge, 2015). Additionally, the zero-inflated model is used when count dependent variables have a significant number of zeroes (Bohning et al., 1999; Goranova et al., 2017). Both turnover and internal promotions have significant zeroes, 27.66% and 49.21%, respectively which

suggests this modeling technique is appropriate.[2] In the zero-inflated models, the assumption is that the zeros are generated by a separate process, thus, a separate logit model is used to predict the zeros. TMT size was used to predict the zeros in the logit model.

RESULTS

Correlations for all variables are included in Table 2.1. As Table 1 shows, the correlations between some of the dependent variables and the predictor variable are statistically significant. Specifically, TMT cohesion and TMT climate for inclusion are positively correlated with CHRO time spent in core role. TMT turnover is also negatively correlated with CHRO time spent in core role but not statistically significant. Results for hypothesis tests are found in Tables 2.2-2.13. For each hypothesis test, I first included the model with controls only and then added in the independent variables.

Results of random coefficient models testing Hypotheses 1 are included in Table 2.2. Hypothesis 1 predicted that CHRO time spent in TMT core role would be positively related to TMT cohesion. Results in Model 2 are consistent with this hypothesis (b = 0.15; p = .01). Additionally, Model 3 indicates that this relationship is primarily driven by the CHRO's time spent as a Strategic Advisor to the TMT (b = 0.13; p = .02). Results of random coefficient models testing Hypotheses 2 are included in Table 2.3. Hypothesis 2 predicted that CHRO time spent in TMT core role would be positively related to TMT climate for inclusion. Results in Model 1 are consistent with this hypothesis (b = 0.14; p = .03). Similar to the relationship with TMT cohesion, Model 2 indicates that this relationship is primarily driven by the CHRO's time spent as a Strategic Advisor to the

[2] Findings were consistent when using normal Poisson regression.

TMT (b = 0.13; p = .04). These results suggest support for Hypothesis 1 and 2, in that CHRO time spent in TMT core role is positively related to TMT cohesion and climate for inclusion.

Results of zero-inflated Poisson models testing Hypotheses 3 are included in Table 2.4. Hypothesis 3 predicted that CHRO time spent in TMT core role would be negatively related to TMT turnover. Results in Model 2 suggest a positive and non-statistically significant relationship (b = 0.07; p = .17) and Model 3 shows similar results when separating the CHRO's time spent as a Strategic Advisor (b = 0.04; p = .40) and as a TMT coach (b = 0.06; p = .27).[3] The collective evidence of these results indicate a lack of support for Hypothesis 3.

Results of zero-inflated Poisson models testing Hypotheses 4 are included in Table 2.5. Hypothesis 4 predicted that CHRO time spent in TMT core role would be positively related to TMT internal promotions. Results in Model 2 suggest a negative and non-statistically significant relationship (b = -0.04; p = .62) and Model 3 shows similar results when separating the CHRO's time spent as a Strategic Advisor (b = -0.03; p = .73) and as a Confidante/Coach (b = -0.03; p = .71).[4] The collective evidence of these results indicate a lack of support for Hypothesis 4.

Hypothesis 5a-d proposed a moderating effect of CHRO HR specific human capital on CHRO time spent in TMT core role, such that the relationships in Hypotheses

[3] Results were consistent using turnover rate as a dependent variable (i.e. TMT turnover/TMT size) and analyzed using a random coefficient model due to the non-count dependent variable.

[4] Results were consistent using internal promotion rate as a dependent variable (i.e. TMT internal promotions/TMT total promotions) and analyzed using a random coefficient model due to the non-count dependent variable.

1-4 would be enhanced when the CHRO had higher levels of HR specific human capital (HC). For each moderating hypothesis, I tested the model using two measures of CHRO HR specific HC: *CHRO Education* and *CHRO Experience*. Additionally, I also tested each interaction by separating the CHRO time spent in TMT core role into the two separate roles (*Strategic advisor* and *TMT coach*).

Table 2.6 contains the random coefficient models for testing Hypothesis 5a predicting an interactive effect of CHRO time spent in core role and CHRO HR education on TMT cohesion. Model 1 contains only the controls and the moderating variable, CHRO HR education, to show the main effect of the moderating variable (b = 0.19; p = .14). Model 2 incorporates the main effect of CHRO time spent in Core Role (b = 0.14; p = .28). Model 3 contains the interaction between CHRO time spent in core role and CHRO HR education and the relationship is not statistically significant (b = -0.12; p = .01). Model 4 contains the interaction between CHRO time spent as a Strategic Advisor and CHRO HR education and the relationship is not statistically significant (b = -0.02; p = .83). Model 5 shows the interaction between CHRO time spent as a Coach/Confidante and CHRO HR education, and indicates evidence of a statistically significant relationship (b = -0.24; p = .06)[5]. To further assess this relationship, I plotted the interaction to assess the relationship at high and low values of CHRO time spent as coach/confidante (=/- 1 s.d.) when the CHRO does or does not have an advance degree in HR (Figure 1). As Figure 1 shows, CHROs with advanced HR education have a stronger effect on cohesion when they spend more time as coach for the TMT, whereas CHROs without an advanced

[5] P-value is based on a two-tailed test to keep consistent with other models but a one-tailed test would be appropriate given the directional hypothesis.

HR degree formal education are less effective. Simple slope tests indicates that the slope for CHROs with no advanced degree is the only significant effect (p = .004).

Table 2.7 contains the random coefficient models for testing Hypothesis 5a predicting an interactive effect of CHRO time spent in core role and CHRO experience on TMT cohesion. Model 1 contains only the controls and the moderating variable, CHRO experience, to show the main effect of the moderating variable (b = 0.03; p = .71). Model 2 incorporates the main effect of CHRO time spent in Core Role (b = 0.01; p = .91). Model 3 contains the interaction between CHRO time spent in core role and CHRO experience and the relationship is not statistically significant (b = 0.05; p = .40). Model 4 contains the interaction between CHRO time spent as a strategic advisor and CHRO experience and the relationship is not statistically significant (b = 0.06; p = .18). Model 5 shows the interaction between CHRO time spent as a TMT coach and CHRO experience and the relationship is not statistically significant (b = -0.02; p = .74). Thus, there does not appear to be an interactive effect of CHRO experience on the relationship between CHRO time spent and TMT cohesion. To summarize, while there is some evidence that CHROs without advanced HR degrees are less effective when they spend more time as coach for the TMT, the collective evidence does not indicate support for Hypothesis 5a.

Table 2.8 contains the random coefficient models for testing Hypothesis 5b predicting an interactive effect of CHRO time spent in core role and CHRO HR education on TMT climate for inclusion. Model 1 contains only the controls and the moderating variable, CHRO HR education, to show the main effect of the moderating variable (b = 0.14; p = .30). Model 2 incorporates the main effect of CHRO time spent in core role (b = 0.13; p = .33). Model 3 contains the interaction between CHRO time spent

in core role and CHRO HR education and the relationship is not statistically significant (*b* = 0.05; *p* = .69). Model 4 contains the interaction between CHRO time spent as a strategic advisor and CHRO HR education and the relationship is not statistically significant (*b* = 0.14; *p* = .27). Model 5 shows the interaction between CHRO time spent as a TMT coach and CHRO HR education, and indicates evidence of a statistically significant relationship (*b* = -0.28; *p* = .08). To further assess this relationship, I plotted the interaction to assess the relationship at high and low values of CHRO time spent as TMT coach (=/- 1 s.d.) when the CHRO does or does not have an advance degree in HR (Figure 2). In contrast to Hypothesis 5a, Figure 2 indicates that CHROs with advanced HR education are less effective as they spend more time as coach for TMT, but theory is unclear why that may be. Simple slope tests indicates that the slope for CHROs with no advanced degree is the only significant effect (*p* = .015).

Table 2.9 contains the random coefficient models for testing Hypothesis 5b predicting an interactive effect of CHRO time spent in core role and CHRO experience on TMT climate for inclusion. Model 1 contains only the controls and the moderating variable, CHRO experience, to show the main effect of the moderating variable (*b* = -0.16; *p* = .09). Model 2 incorporates the main effect of CHRO time spent in core role (*b* = -0.14; *p* = .15). Model 3 contains the interaction between CHRO time spent in core role and CHRO experience and the relationship is not statistically significant (*b* = 0.04; *p* = .52). Model 4 contains the interaction between CHRO time spent as a strategic advisor and CHRO experience and the relationship is not statistically significant (*b* = 0.02; *p* = .71). Model 5 shows the interaction between CHRO time spent as a TMT coach and CHRO experience and the relationship is not statistically significant (*b* = 0.02; *p* = .70).

Thus, there does not appear to be an interactive effect of CHRO experience on the relationship between CHRO time spent and TMT climate for inclusion. Collectively, these results indicate a lack of support for Hypothesis 5b, and may in fact suggest that CHROs who are more experienced and spend more time as a coach for the TMT negatively impacting TMT climate for inclusion.

Table 2.10 contains the zero-inflated Poisson models for testing Hypothesis 5c predicting an interactive effect of CHRO time spent in core role and CHRO HR education on TMT turnover. Model 1 contains only the controls and the moderating variable, CHRO HR education, to show the main effect of the moderating variable (b = -0.09; p = .47). Model 2 incorporates the main effect of CHRO time spent in Core Role (b = -0.02; p = .70). Model 3 contains the interaction between CHRO time spent in core role and CHRO HR Education and does not indicate evidence of a statistically significant relationship (b = -0.08; p = .55). Model 4 and Model 5 also do not indicate a statistically significant interaction effect between CHRO HR education and CHRO time spent as a strategic advisor (b = -0.10; p = .39) and CHRO time spent as a TMT coach (b = 0.05; p = .72), respectively.

Table 2.11 contains the zero-inflated Poisson models for testing Hypothesis 5c predicting an interactive effect of CHRO time spent in core role and CHRO experience on TMT turnover. Model 1 contains only the controls and the moderating variable, CHRO experience, to show the main effect of the moderating variable (b = -0.04; p = .67). Model 2 incorporates the main effect of CHRO time spent in core role (b = -0.05; p = .59). Model 3 contains the interaction between CHRO time spent in core role and CHRO experience and the relationship is not statistically significant (b = -0.07; p = .24).

Model 4 and Model 5 also do not indicate a statistically significant interaction effect between CHRO HR experience and CHRO time spent as a strategic advisor (b = -0.04; p = .44) and CHRO time spent as a TMT coach (b = -0.02; p = .72), respectively. Consequently, this indicates a lack of support for Hypothesis 5c.

Table 2.12 contains the zero-inflated Poisson models for testing Hypothesis 5d predicting an interactive effect of CHRO time spent in core role and CHRO HR education on TMT internal promotions. Model 1 contains only the controls and the moderating variable, CHRO HR education, to show the main effect of the moderating variable (b = 0.04; p = .80). Model 2 incorporates the main effect of CHRO time spent in Core Role (b = 0.04; p = .80). Model 3 contains the interaction between CHRO time spent in core role and CHRO HR Education and the relationship is not statistically significant (b = -0.16; p = .30). Model 4 and Model 5 also do not indicate a statistically significant interaction effect between CHRO HR education and CHRO time spent as a strategic advisor (b = -0.17; p = .25) and CHRO time spent as a TMT coach (b = -0.06; p = .74), respectively.

Table 2.13 contains the zero-inflated Poisson models for testing Hypothesis 5d predicting an interactive effect of CHRO time spent in core role and CHRO experience on TMT internal promotions. Model 1 contains only the controls and the moderating variable, CHRO Experience, to show the main effect of the moderating variable (b = 0.07; p = .55). Model 2 incorporates the main effect of CHRO time spent in Core Role (b = 0.07; p = .54). Model 3 contains the interaction between CHRO time spent in core role and CHRO Experience and the relationship is not statistically significant (b = -0.06; p = .40). Model 4 and Model 5 also do not indicate a statistically significant interaction effect

between CHRO experience and CHRO time spent as a strategic advisor (b = -0.02; p = .82) and CHRO time spent as a TMT coach (b = -0.08; p = .24), respectively. Thus, there does not appear to be an interactive effect of CHRO experience on the relationship between CHRO time spent and TMT internal promotions, indicating a lack of support for Hypothesis 5d.

DISCUSSION

Ensuring high-functioning TMTs is critical to effective firm performance; however, it is unclear how and why individual executives impact TMT functioning despite evidence from teams' research that individual team members may impact the interpersonal dynamics of TMTs. In this chapter, I focused on the importance of CHROs in managing TMT functioning by examining how differences in CHRO roles and human capital impacted multiple aspects of TMT functioning. My findings indicate that CHROs who spend more time in a TMT core role positively impact TMT cohesion and climate for inclusion, and I also find some evidence that this relationship is enhanced when CHROs have greater HR specific human capital. However, I did not find evidence that CHRO time spent in TMT core role affected TMT turnover or internal promotions. Thus, my findings indicate that CHROs play an important role in managing TMT functioning but perhaps in different ways than prior theory suggests.

Overall, this chapter makes three primary contributions. First, by integrating theory on core roles into the strategic leadership literature, my findings challenge prior theory that focuses predominantly on the collective TMT and often does not consider individual non-CEO executives. This expands on upper echelon's theory by demonstrating that the functioning of the TMT as a group may be impacted by individual

executives. My findings suggest that to understand the functioning of the collective TMT, researchers must also consider the individual members of the TMT. Doing so will provide greater theoretical precision regarding the functioning of firm's most important human capital resource, the TMT.

Second, my findings suggest that the impact of the CHRO depends on both the CHROs role *and* the CHROs human capital. This demonstrates that examining executive quality may not be sufficient when considering how and why some TMTs perform better. Researchers are likely to develop stronger theory and more robust results by also examining how executive job roles differ between firms.

Third, I contribute to the strategic HR literature by highlighting the strategic importance of human resources at the highest level of organizations. HR has largely been considered an administrative role in the past, but in recent decades, researchers and practitioners have increasingly championed the strategic importance of HR and talent management. This chapter shows that HR is also a critical factor in the functioning of the most important human capital resource for organizations, the TMT.

While this chapter did demonstrate evidence of significant relationships, it also had limitations that should be addressed in future studies. Specifically, this study did find significant effects of CHRO time spent in TMT core role on TMT cohesion and climate for inclusion, but did not find a relationship when considering TMT runover or internal promotions as a dependent variable. I suggest that there are two reasons for these non-findings. First, the measures of turnover and internal promotions do not full capture the different types of turnover and promotions that may occur. Specifically, turnover may be voluntary or involuntary which are likely to have different antecedents and consequences.

Thus, using a turnover measure that separates these types of turnover may provide more accurate findings. Second, the current analyses likely do not fully address potential endogeneity concerns that are prevalent in TMT research. Specifically, omitted variables may be a concern in this study in that some characteristic of the CHRO, the TMT, the CEO, or the firm may affect the results. I plan to run additional robustness tests and supplemental analyses to address these concerns in the future.

CONCLUSION

TMTs are the most important group of employees for most firms but the impact of individual executives on the functioning of the TMT has rarely been examined. In this chapter, I show that CHROs are the individual non-CEO executive likely to have the greatest impact on the social dynamics and functioning of the TMT. Thus, CHROs likely impact how and why some TMTs and ultimately some firms perform better. By incorporating theory on core roles and considering differences in CHRO roles between firms, this chapter demonstrates that TMTs may perform and function better due to the quality of executives *and* the roles and responsibilities they perform within the TMT.

TABLE 2.1 – Descriptive Statistics and Correlations

No.	Variable	Mean	SD	1	2	3	4	5	6	7	8
1	TMT cohesion	3.81	0.76								
2	TMT climate for inclusion	3.81	0.68	0.81***							
3	TMT turnover	1.53	1.54	0.01	0.06						
4	TMT internal promotions	0.90	1.18	0.02	0.08	0.31***					
5	Assets	55949.15	206549.88	-0.03	-0.02	0.08	0.09				
6	Net income	1755.46	2729.19	0.05	0.08	0.17*	0.09	0.32***			
7	CEO age	57.07	5.00	-0.04	-0.05	-0.04	0.04	0.17**	0.19***		
8	CEO duality	0.48	0.50	0.01	-0.04	-0.07	0.05	-0.05	0.18**	0.17**	
9	CEO woman	0.09	0.29	0.02	0.01	0.08	0.12	-0.01	0.03	0.09	0.04
10	CEO tenure	4.74	4.73	-0.09	-0.01	-0.02	0.02	-0.01	0.00	0.38***	0.34***
11	CEO succession	0.12	0.32	0.02	0.00	0.09	0.00	0.09	0.01	-0.20***	-0.21***
12	TMT average age	54.18	2.59	-0.03	-0.12	0.13*	0.13*	0.20***	0.27***	0.51***	0.19***
13	TMT size	9.76	3.31	-0.01	0.04	0.28***	0.16*	0.05	0.26***	0.02	0.18**
14	TMT promotions	1.48	1.67	0.00	0.15	0.59***	0.65***	0.07	0.10	0.05	-0.02
15	CHRO tenure	4.68	3.79	-0.04	-0.02	0.04	0.05	-0.01	0.10	0.05	0.02
16	CHRO age	53.33	5.63	-0.06	-0.02	0.10	0.09	-0.02	0.14*	0.03	-0.01
17	CHRO woman	0.57	0.50	-0.15*	-0.13	-0.10	0.00	0.07	-0.04	-0.05	-0.10
18	CHRO non-caucasian	0.17	0.37	-0.06	-0.13	0.01	-0.01	0.11*	0.01	0.01	0.15**
19	CHRO time spent - Core role	32.00	10.56	0.17*	0.21*	-0.04	-0.04	0.02	-0.08	0.05	-0.07
20	CHRO time spent - Strategic advisor	17.18	7.45	0.18**	0.22**	-0.01	-0.01	0.01	-0.02	0.03	-0.05
21	CHRO time spent - TMT coach	14.82	6.74	0.06	0.07	-0.05	-0.05	0.02	-0.10	0.05	-0.06
22	CHRO HR Education	0.29	0.45	0.10	0.09	0.11	0.11	0.18**	0.10	0.00	0.03
23	CHRO Experience	6.16	4.47	-0.07	-0.11	0.08	0.08	-0.04	0.01	-0.01	0.01

Notes: n = 320 for control variables; n = 228 for TMT cohesion; n = 149 for TMT climate for inclusion; n = 235 for TMT turnover; n = 252 for TMT internal promotions; *** = p < .001, ** = p < .01, * = p < .05

TABLE 2.1 (cont'd) - Descriptive Statistics and Correlations

No.	9	10	11	12	13	14	15	16	17	18	19	20	21	22
10	-0.05													
11	0.01	-0.33***												
12	0.09	0.16**	-0.09											
13	0.01	-0.07	-0.01	0.11*										
14	0.09	-0.03	0.08	0.10	0.11									
15	-0.03	0.06	-0.09	0.24***	0.07	0.02								
16	0.05	-0.07	-0.01	0.25***	0.09	0.11	0.36***							
17	-0.02	-0.01	0.07	-0.09	-0.15**	-0.09	-0.13*	-0.24***						
18	0.00	0.04	-0.03	0.09	-0.08	0.02	-0.02	-0.04	-0.08					
19	0.07	-0.03	0.09	-0.01	0.04	-0.02	0.04	-0.05	-0.03	0.10				
20	0.07	0.01	0.05	-0.02	0.01	-0.02	0.02	-0.07	-0.03	0.07	0.77***			
21	0.03	-0.05	0.08	0.01	0.05	-0.01	0.04	0.01	-0.01	0.09	0.71***	0.10		
22	0.08	-0.08	0.04	0.10	0.00	0.07	0.04	0.01	-0.07	-0.04	-0.05	-0.03	-0.05	
23	-0.05	0.11*	-0.02	0.13*	0.06	0.03	0.77***	0.35***	-0.09	-0.03	0.00	-0.01	0.01	0.06

Notes: n = 320 for control variables; n = 228 for TMT cohesion; n = 149 for TMT climate for inclusion; n = 235 for TMT turnover; n = 252 for TMT internal promotions; *** = $p < .001$, ** = $p < .01$, * = $p < .05$

TABLE 2.2 – Random Coefficient Model Predicting TMT Cohesion

	Model 1				Model 2				Model 3			
Variable	**Beta**	**SE**	**p**		**Beta**	**SE**	**p**		**Beta**	**SE**	**p**	
Constant	3.55	0.49	0.00	***	3.68	0.48	0.00	***	3.68	0.48	0.00	***
Log Assets	-0.06	0.08	0.49		-0.07	0.08	0.37		-0.07	0.08	0.38	
Net income	0.06	0.06	0.34		0.08	0.06	0.18		0.08	0.06	0.21	
CEO age	-0.04	0.07	0.57		-0.06	0.07	0.39		-0.05	0.07	0.43	
CEO duality	0.07	0.13	0.57		0.09	0.13	0.45		0.09	0.13	0.50	
CEO woman	-0.04	0.18	0.81		-0.05	0.18	0.76		-0.05	0.18	0.79	
CEO tenure	-0.06	0.07	0.37		-0.05	0.07	0.41		-0.05	0.07	0.43	
CEO succession	0.02	0.16	0.92		-0.01	0.16	0.94		-0.01	0.16	0.96	
TMT average age	0.03	0.07	0.70		0.04	0.07	0.58		0.04	0.07	0.57	
TMT size	-0.03	0.06	0.65		-0.04	0.06	0.49		-0.04	0.06	0.53	
CHRO tenure	-0.03	0.06	0.67		-0.03	0.06	0.57		-0.03	0.06	0.57	
CHRO age	-0.06	0.06	0.36		-0.05	0.06	0.38		-0.05	0.06	0.44	
CHRO - Woman	-0.34	0.12	0.01	**	-0.35	0.12	0.00	***	-0.34	0.12	0.00	***
CHRO - non-caucasian	-0.18	0.14	0.20		-0.25	0.14	0.08		-0.24	0.14	0.09	
CHRO time spent - Core role					0.15	0.05	0.01	**				
CHRO time spent - Strategic advisor									0.13	0.05	0.02	*
CHRO time spent - TMT coach									0.06	0.05	0.27	

Notes: n = 228; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.3 – Random Coefficient Model Predicting TMT Climate for Inclusion

	Model 1				Model 2				Model 3			
Variable	**Beta**	**SE**	**p**		**Beta**	**SE**	**p**		**Beta**	**SE**	**p**	
Constant	3.12	0.50	0.00	***	3.20	0.49	0.00	***	3.21	0.49	0.00	***
Log Assets	0.07	0.09	0.41		0.06	0.09	0.50		0.06	0.09	0.51	
Net income	0.08	0.07	0.29		0.10	0.07	0.17		0.10	0.07	0.20	
CEO age	-0.04	0.07	0.61		-0.06	0.07	0.41		-0.06	0.07	0.44	
CEO duality	-0.09	0.13	0.52		-0.06	0.13	0.63		-0.07	0.13	0.59	
CEO woman	-0.03	0.20	0.87		-0.08	0.20	0.68		-0.09	0.20	0.66	
CEO tenure	0.01	0.07	0.85		0.03	0.07	0.63		0.03	0.07	0.63	
CEO succession	-0.15	0.17	0.40		-0.17	0.17	0.35		-0.15	0.17	0.39	
TMT average age	-0.10	0.08	0.19		-0.10	0.07	0.20		-0.09	0.08	0.25	
TMT size	0.03	0.06	0.69		0.00	0.06	0.97		0.01	0.06	0.91	
CHRO tenure	-0.02	0.06	0.77		-0.03	0.06	0.67		-0.03	0.06	0.68	
CHRO age	-0.05	0.06	0.47		-0.05	0.06	0.47		-0.04	0.06	0.51	
CHRO - Woman	-0.28	0.13	0.06		-0.29	0.13	0.05	*	-0.29	0.13	0.05	*
CHRO - non-caucasian	-0.29	0.16	0.09		-0.30	0.16	0.08		-0.30	0.16	0.08	
CHRO time spent - Core role					0.14	0.06	0.03	*	0.13	0.06	0.04	*
CHRO time spent - Strategic advisor									0.06	0.06	0.35	
CHRO time spent - TMT coach												

Notes: n = 149; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.4 – Zero-Inflated Poisson Model Predicting TMT Turnover

	Model 1			Model 2			Model 3		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	0.41	0.50	0.40	0.41	0.50	0.41	0.41	0.50	0.41
Log Assets	-0.01	0.09	0.91	-0.01	0.09	0.91	-0.01	0.09	0.90
Net income	0.14	0.06	0.03*	0.14	0.06	0.03*	0.14	0.06	0.02*
CEO age	-0.21	0.07	0.01**	-0.20	0.08	0.01**	-0.21	0.08	0.01**
CEO duality	-0.29	0.13	0.03*	-0.30	0.13	0.03*	-0.30	0.13	0.03*
CEO woman	0.23	0.17	0.18	0.23	0.17	0.18	0.23	0.17	0.18
CEO tenure	0.16	0.07	0.03*	0.16	0.07	0.03*	0.16	0.07	0.03*
CEO succession	0.20	0.20	0.32	0.21	0.20	0.31	0.22	0.21	0.29
TMT average age	0.18	0.07	0.02*	0.18	0.07	0.02*	0.18	0.07	0.02*
TMT promotions							0.04	0.06	0.57
CHRO tenure	0.03	0.06	0.61	0.04	0.06	0.57	0.04	0.06	0.57
CHRO age	0.02	0.07	0.81	0.01	0.07	0.85	0.01	0.07	0.87
CHRO woman	-0.19	0.12	0.11	-0.20	0.12	0.10	-0.20	0.12	0.11
CHRO non-caucasian	-0.04	0.16	0.78	-0.04	0.16	0.81	-0.04	0.16	0.80
CHRO time spent - Core role				-0.02	0.06	0.72			
CHRO time spent - Strategic advisor							-0.03	0.06	0.57
CHRO time spent - TMT coach							0.01	0.06	0.92

Notes: n = 235; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.5 – Zero-Inflate Poisson Model Predicting TMT Internal Promotions

	Model 1			Model 2			Model 3		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	-0.52	0.62	0.40	-0.54	0.62	0.38	-0.54	0.63	0.39
Log Assets	0.04	0.12	0.74	0.05	0.12	0.68	0.05	0.12	0.68
Net income	-0.02	0.11	0.85	-0.02	0.11	0.82	-0.02	0.11	0.82
CEO age	0.00	0.10	0.97	0.00	0.10	0.98	0.00	0.10	0.99
CEO duality	-0.25	0.17	0.14	-0.23	0.17	0.16	-0.24	0.17	0.17
CEO woman	-0.13	0.22	0.56	-0.12	0.22	0.58	-0.12	0.22	0.58
CEO tenure	0.10	0.09	0.27	0.10	0.09	0.30	0.10	0.09	0.29
CEO succession	0.07	0.27	0.80	0.07	0.27	0.79	0.07	0.27	0.79
TMT average age	0.04	0.10	0.69	0.03	0.10	0.75	0.03	0.10	0.76
TMT promotions	0.92	0.07	0.00***	0.92	0.07	0.00***	0.92	0.07	0.00***
CHRO tenure	0.02	0.08	0.80	0.02	0.08	0.77	0.02	0.08	0.77
CHRO age	-0.07	0.09	0.45	-0.07	0.09	0.47	-0.07	0.09	0.48
CHRO woman	-0.15	0.16	0.35	-0.15	0.16	0.35	-0.15	0.16	0.35
CHRO non-caucasian	0.14	0.21	0.52	0.14	0.21	0.50	0.14	0.21	0.50
CHRO time spent - Core role				-0.04	0.08	0.62			
CHRO time spent - Strategic advisor							-0.03	0.08	0.73
CHRO time spent - TMT coach							-0.03	0.07	0.71

Notes: n = 252; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.6 – Random Coefficient Model Predicting TMT Cohesion

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	3.52	0.49	0.00***	3.66	0.48	0.00***	3.68	0.48	0.00***	3.65	0.49	0.00***	3.59	0.49	0.00***
Log Assets	-0.08	0.08	0.35	-0.09	0.08	0.26	-0.09	0.08	0.29	-0.09	0.08	0.30	-0.07	0.08	0.40
Net income	0.07	0.06	0.30	0.09	0.06	0.17	0.08	0.06	0.19	0.07	0.06	0.25	0.08	0.06	0.25
CEO age	-0.04	0.07	0.58	-0.05	0.07	0.44	-0.06	0.07	0.40	-0.04	0.07	0.53	-0.04	0.07	0.53
CEO duality	0.10	0.13	0.41	0.10	0.13	0.41	0.10	0.13	0.45	0.09	0.12	0.48	0.08	0.13	0.53
CEO woman	-0.07	0.18	0.70	-0.07	0.18	0.70	-0.10	0.18	0.57	-0.07	0.18	0.71	-0.09	0.18	0.64
CEO tenure	-0.06	0.07	0.38	-0.05	0.07	0.47	-0.04	0.07	0.50	-0.05	0.07	0.46	-0.05	0.07	0.49
CEO succession	0.02	0.16	0.91	0.00	0.15	0.99	-0.02	0.16	0.91	0.01	0.16	0.97	-0.02	0.16	0.91
TMT average age	0.01	0.07	0.85	0.03	0.07	0.66	0.04	0.07	0.61	0.03	0.07	0.67	0.02	0.07	0.80
TMT size	-0.02	0.06	0.69	-0.03	0.06	0.60	-0.03	0.06	0.65	-0.02	0.06	0.72	-0.03	0.06	0.64
CHRO tenure	-0.03	0.06	0.61	-0.04	0.06	0.55	-0.03	0.06	0.58	-0.03	0.06	0.58	-0.03	0.06	0.57
CHRO age	-0.04	0.06	0.53	-0.04	0.06	0.48	-0.04	0.06	0.49	-0.03	0.06	0.64	-0.05	0.06	0.44
CHRO woman	-0.31	0.12	0.01*	-0.32	0.12	0.01**	-0.32	0.12	0.01**	-0.31	0.12	0.01**	-0.31	0.12	0.01*
CHRO non-Caucasian	-0.17	0.14	0.23	-0.23	0.14	0.11	-0.22	0.14	0.12	-0.20	0.14	0.15	-0.19	0.14	0.18
CHRO time spent - Core role				0.14	0.05	0.01*	0.18	0.07	0.01*						
CHRO time spent - Strategic advisor										0.16	0.08	0.04*			
CHRO time spent - TMT coach													0.13	0.06	0.05*
CHRO HR Education	0.19	0.13	0.14	0.17	0.12	0.19	0.17	0.12	0.19	0.17	0.12	0.17	0.17	0.13	0.19
CHRO time spent - Core role X CHRO HR Education							-0.12	0.11	0.28						
CHRO Strategic advisor X CHRO HR Education										-0.02	0.11	0.83			
CHRO TMT coach X CHRO HR Education													-0.24	0.12	0.06

Notes: n = 228; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.7 – Random Coefficient Model Predicting TMT Cohesion

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	3.53	0.49	0.00***	3.67	0.48	0.00***	3.69	0.49	0.00***	3.70	0.49	0.00***	3.60	0.49	0.00***
Log Assets	-0.06	0.08	0.48	-0.07	0.08	0.36	-0.08	0.08	0.32	-0.06	0.08	0.43	-0.06	0.08	0.48
Net income	0.06	0.06	0.32	0.09	0.06	0.19	0.09	0.06	0.17	0.07	0.06	0.28	0.07	0.07	0.28
CEO age	-0.04	0.07	0.53	-0.06	0.07	0.39	-0.06	0.07	0.36	-0.05	0.07	0.47	-0.05	0.07	0.47
CEO duality	0.10	0.13	0.45	0.10	0.13	0.45	0.09	0.13	0.48	0.06	0.13	0.61	0.09	0.13	0.47
CEO woman	-0.05	0.18	0.79	-0.05	0.18	0.77	-0.04	0.18	0.80	-0.02	0.18	0.91	-0.05	0.18	0.79
CEO tenure	-0.07	0.07	0.30	-0.05	0.07	0.41	-0.05	0.07	0.45	-0.05	0.07	0.45	-0.06	0.07	0.37
CEO succession	0.00	0.16	1.00	-0.01	0.16	0.93	-0.02	0.16	0.90	-0.02	0.16	0.92	0.00	0.16	1.00
TMT average age	0.03	0.07	0.72	0.04	0.07	0.57	0.04	0.07	0.58	0.04	0.07	0.59	0.03	0.07	0.68
TMT size	-0.04	0.06	0.54	-0.04	0.06	0.49	-0.04	0.06	0.47	-0.03	0.06	0.62	-0.04	0.06	0.56
CHRO tenure	-0.05	0.09	0.55	-0.04	0.09	0.64	-0.04	0.09	0.63	-0.04	0.08	0.65	-0.03	0.09	0.74
CHRO age	-0.05	0.06	0.41	-0.05	0.06	0.38	-0.05	0.06	0.40	-0.04	0.06	0.50	-0.06	0.06	0.33
CHRO woman	-0.33	0.12	0.01**	-0.35	0.12	0.00**	-0.32	0.12	0.01**	-0.31	0.12	0.01**	-0.35	0.12	0.00**
CHRO non-caucasian	-0.19	0.14	0.18	-0.25	0.14	0.08	-0.25	0.14	0.08	-0.23	0.14	0.10	-0.21	0.14	0.14
CHRO time spent - Core role				0.15	0.05	0.01*	0.15	0.05	0.01*						
CHRO time spent - Strategic advisor										0.14	0.06	0.02*			
CHRO time spent - TMT coach													0.07	0.06	0.21
CHRO HR Experience	0.03	0.08	0.71	0.01	0.09	0.91	0.01	0.09	0.94	0.01	0.08	0.88	0.00	0.09	0.98
CHRO time spent - Core role X CHRO HR Experience							0.05	0.06	0.40						
CHRO Strategic advisor X CHRO HR Experience										0.06	0.04	0.18			
CHRO TMT coach X CHRO HR Experience													-0.02	0.05	0.74

Notes: n = 228; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.8 – Random Coefficient Model Predicting TMT Climate for Inclusion

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	3.11	0.50	0.00***	3.19	0.49	0.00***	3.18	0.49	0.00***	3.14	0.49	0.00***	3.15	0.49	0.00***
Log Assets	0.06	0.09	0.53	0.05	0.09	0.61	0.04	0.09	0.64	0.05	0.09	0.57	0.08	0.09	0.37
Net income	0.09	0.07	0.25	0.11	0.07	0.15	0.11	0.07	0.14	0.10	0.07	0.20	0.09	0.07	0.22
CEO age	-0.04	0.07	0.58	-0.07	0.07	0.37	-0.07	0.07	0.39	-0.05	0.07	0.49	-0.05	0.07	0.48
CEO duality	-0.08	0.13	0.54	-0.06	0.13	0.66	-0.06	0.13	0.67	-0.09	0.13	0.52	-0.10	0.13	0.50
CEO woman	-0.06	0.20	0.78	-0.10	0.20	0.62	-0.09	0.20	0.67	-0.07	0.20	0.74	-0.08	0.20	0.68
CEO tenure	0.02	0.07	0.79	0.04	0.07	0.60	0.04	0.07	0.61	0.03	0.07	0.64	0.04	0.07	0.57
CEO succession	-0.14	0.17	0.43	-0.16	0.17	0.37	-0.16	0.17	0.38	-0.14	0.17	0.44	-0.17	0.17	0.35
TMT average age	-0.11	0.08	0.18	-0.11	0.08	0.19	-0.11	0.08	0.19	-0.10	0.08	0.22	-0.11	0.08	0.17
TMT size	0.04	0.06	0.59	0.01	0.06	0.91	0.01	0.06	0.92	0.03	0.06	0.69	0.02	0.07	0.81
CHRO tenure	-0.02	0.06	0.74	-0.03	0.06	0.64	-0.03	0.06	0.62	-0.03	0.06	0.59	-0.02	0.06	0.71
CHRO age	-0.03	0.07	0.64	-0.03	0.06	0.63	-0.03	0.06	0.68	-0.01	0.06	0.88	-0.04	0.06	0.57
CHRO woman	-0.23	0.13	0.10	-0.24	0.13	0.09	-0.24	0.13	0.10	-0.22	0.13	0.13	-0.23	0.13	0.11
CHRO non-Caucasian	-0.26	0.16	0.12	-0.28	0.16	0.10	-0.28	0.16	0.10	-0.28	0.16	0.10	-0.26	0.16	0.14
CHRO time spent - Core role				0.14	0.06	0.04*	0.13	0.07	0.10						
CHRO time spent - Strategic advisor										0.08	0.08	0.35	0.11	0.07	0.12
CHRO time spent - TMT coach															
CHRO HR Education	0.14	0.14	0.30	0.13	0.13	0.33	0.13	0.13	0.33	0.13	0.13	0.33	0.14	0.13	0.28
CHRO time spent - Core role X CHRO HR Education							0.05	0.13	0.69						
CHRO Strategic advisor X CHRO HR Education										0.14	0.12	0.27			
CHRO TMT coach X CHRO HR Education													-0.28	0.14	0.08

Notes: n = 149; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.9 – Random Coefficient Model Predicting TMT Climate for Inclusion

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	3.11	0.49	0.00***	3.19	0.48	0.00***	3.20	0.49	0.00***	3.20	0.49	0.00***	3.10	0.50	0.00***
Log Assets	0.09	0.09	0.35	0.07	0.09	0.43	0.07	0.09	0.45	0.07	0.09	0.41	0.08	0.09	0.39
Net income	0.07	0.07	0.33	0.10	0.07	0.20	0.10	0.07	0.18	0.08	0.07	0.28	0.09	0.07	0.27
CEO age	-0.05	0.07	0.53	-0.07	0.07	0.37	-0.07	0.07	0.36	-0.06	0.07	0.46	-0.06	0.07	0.46
CEO duality	-0.10	0.13	0.46	-0.08	0.13	0.57	-0.09	0.13	0.50	-0.11	0.13	0.43	-0.09	0.13	0.51
CEO woman	-0.04	0.20	0.85	-0.08	0.20	0.69	-0.06	0.20	0.78	-0.06	0.20	0.76	-0.04	0.20	0.83
CEO tenure	0.03	0.07	0.66	0.05	0.07	0.51	0.05	0.07	0.47	0.04	0.07	0.54	0.04	0.07	0.60
CEO succession	-0.13	0.17	0.46	-0.15	0.17	0.40	-0.16	0.17	0.36	-0.14	0.18	0.44	-0.14	0.17	0.44
TMT average age	-0.12	0.08	0.14	-0.12	0.07	0.15	-0.12	0.07	0.15	-0.10	0.08	0.21	-0.13	0.08	0.13
TMT size	0.03	0.06	0.61	0.01	0.06	0.92	0.00	0.06	0.98	0.03	0.06	0.65	0.02	0.06	0.79
CHRO tenure	0.10	0.09	0.27	0.07	0.09	0.41	0.07	0.09	0.44	0.09	0.09	0.35	0.09	0.09	0.34
CHRO age	-0.03	0.06	0.63	-0.03	0.06	0.61	-0.04	0.06	0.57	-0.03	0.06	0.69	-0.04	0.06	0.58
CHRO woman	-0.28	0.13	0.05	-0.29	0.13	0.05*	-0.27	0.13	0.07	-0.28	0.13	0.06	-0.28	0.13	0.06
CHRO non-caucasian	-0.31	0.16	0.07	-0.32	0.16	0.07	-0.32	0.16	0.07	-0.32	0.16	0.07	-0.31	0.16	0.08
CHRO time spent - Core role				0.13	0.06	0.05	0.13	0.06	0.06						
CHRO time spent - Strategic advisor										0.12	0.06	0.06			
CHRO time spent - TMT coach													0.05	0.06	0.47
CHRO HR Experience	-0.16	0.09	0.09	-0.14	0.09	0.15	-0.14	0.09	0.15	-0.15	0.09	0.12	-0.15	0.09	0.12
CHRO time spent - Core role X CHRO HR Experience							0.04	0.06	0.52						
CHRO Strategic advisor X CHRO HR Experience										0.02	0.06	0.71			
CHRO TMT coach X CHRO HR Experience													0.02	0.05	0.70

Notes: n = 149; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.10 – Zero-Inflate Poisson Model Predicting TMT Turnover

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	0.41	0.49	0.41	0.40	0.50	0.41	0.41	0.50	0.41	0.40	0.50	0.43	0.41	0.50	0.41
Log Assets	0.00	0.09	1.00	0.00	0.09	1.00	0.00	0.09	0.98	0.00	0.09	0.98	0.00	0.09	0.97
Net income	0.14	0.06	0.02*	0.14	0.06	0.02*	0.14	0.06	0.02*	0.14	0.06	0.02*	0.14	0.06	0.02*
CEO age	-0.21	0.08	0.01**	-0.21	0.08	0.01**	-0.21	0.08	0.01**	-0.22	0.08	0.00**	-0.21	0.08	0.01**
CEO duality	-0.30	0.13	0.03*	-0.30	0.13	0.02*	-0.31	0.13	0.02*	-0.30	0.13	0.02*	-0.30	0.13	0.03*
CEO woman	0.24	0.17	0.16	0.25	0.17	0.16	0.25	0.17	0.16	0.24	0.18	0.17	0.24	0.17	0.17
CEO tenure	0.16	0.07	0.03*	0.16	0.07	0.03*	0.16	0.07	0.03*	0.15	0.07	0.04*	0.16	0.07	0.03*
CEO succession	0.20	0.20	0.33	0.21	0.20	0.31	0.21	0.21	0.31	0.22	0.21	0.29	0.21	0.21	0.30
TMT average age	0.18	0.07	0.02*	0.18	0.07	0.02*	0.18	0.07	0.02*	0.18	0.07	0.02*	0.18	0.07	0.02*
CHRO tenure	0.04	0.06	0.56	0.04	0.06	0.51	0.04	0.06	0.50	0.04	0.06	0.49	0.04	0.06	0.53
CHRO age	0.01	0.07	0.85	0.01	0.07	0.89	0.01	0.07	0.90	0.01	0.07	0.85	0.01	0.07	0.86
CHRO woman	-0.19	0.12	0.11	-0.20	0.12	0.10	-0.20	0.12	0.11	-0.19	0.12	0.11	-0.20	0.12	0.10
CHRO non-Caucasian	-0.04	0.16	0.78	-0.04	0.16	0.81	-0.03	0.16	0.83	-0.04	0.16	0.81	-0.04	0.16	0.78
CHRO time spent - Core role				-0.02	0.06	0.70	0.00	0.07	0.99						
CHRO time spent - Strategic advisor										0.02	0.07	0.81			
CHRO time spent - TMT coach													-0.01	0.07	0.86
CHRO HR Education	-0.09	0.13	0.47	-0.10	0.13	0.45	-0.10	0.13	0.44	-0.08	0.13	0.51	-0.09	0.13	0.48
CHRO time spent - Core role X CHRO HR Education							-0.08	0.13	0.55						
CHRO Strategic advisor X CHRO HR Education										-0.10	0.12	0.39			
CHRO TMT coach X CHRO HR Education													0.05	0.14	0.72

Notes: n = 235; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.11 – Zero-Inflate Poisson Model Predicting TMT Turnover

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	0.42	0.49	0.40	0.42	0.50	0.40	0.42	0.50	0.40	0.38	0.50	0.44	0.44	0.50	0.38
Log Assets	-0.01	0.09	0.92	-0.01	0.09	0.93	-0.01	0.09	0.95	-0.01	0.09	0.90	-0.01	0.09	0.93
Net income	0.14	0.06	0.03*	0.14	0.06	0.03*	0.14	0.06	0.03*	0.14	0.06	0.02*	0.14	0.06	0.03*
CEO age	-0.21	0.07	0.01**	-0.20	0.07	0.01**	-0.20	0.08	0.01**	-0.21	0.07	0.01**	-0.21	0.08	0.01**
CEO duality	-0.29	0.13	0.03*	-0.30	0.13	0.03*	-0.30	0.14	0.03*	-0.28	0.13	0.04*	-0.30	0.13	0.03*
CEO woman	0.23	0.17	0.18	0.24	0.17	0.17	0.22	0.17	0.21	0.23	0.17	0.20	0.23	0.17	0.18
CEO tenure	0.16	0.07	0.03*	0.16	0.07	0.03*	0.15	0.08	0.04*	0.15	0.07	0.04*	0.16	0.07	0.03*
CEO succession	0.21	0.20	0.31	0.22	0.21	0.29	0.23	0.21	0.26	0.24	0.21	0.26	0.21	0.21	0.32
TMT average age	0.18	0.07	0.02*	0.18	0.07	0.02*	0.17	0.07	0.02*	0.17	0.07	0.02*	0.18	0.07	0.02*
CHRO tenure	0.06	0.09	0.51	0.07	0.10	0.44	0.08	0.10	0.40	0.06	0.09	0.50	0.07	0.10	0.48
CHRO age	0.02	0.07	0.75	0.02	0.07	0.78	0.01	0.07	0.83	0.02	0.07	0.78	0.02	0.07	0.77
CHRO woman	-0.19	0.12	0.12	-0.20	0.12	0.11	-0.22	0.12	0.07	-0.20	0.12	0.11	-0.20	0.12	0.11
CHRO non-Caucasian	-0.04	0.16	0.81	-0.03	0.16	0.86	-0.01	0.16	0.97	-0.03	0.16	0.86	-0.03	0.16	0.84
CHRO time spent - Core role				-0.02	0.06	0.71	-0.03	0.06	0.64						
CHRO time spent - Strategic advisor										-0.02	0.06	0.76			
CHRO time spent - TMT coach													0.00	0.06	0.94
CHRO HR Experience	-0.04	0.09	0.67	-0.05	0.10	0.59	-0.04	0.10	0.66	-0.04	0.09	0.70	-0.04	0.10	0.64
CHRO time spent - Core role X CHRO HR Experience							-0.07	0.06	0.24						
CHRO Strategic advisor X CHRO HR Experience										-0.04	0.05	0.44			
CHRO TMT coach X CHRO HR Experience													-0.02	0.06	0.78

Notes: n = 235; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.12 – Zero-Inflate Poisson Model Predicting TMT Internal Promotions

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	-0.52	0.62	0.40	-0.54	0.62	0.38	-0.55	0.62	0.37	-0.52	0.63	0.40	-0.52	0.62	0.41
Log Assets	0.04	0.12	0.77	0.05	0.13	0.72	0.05	0.13	0.70	0.04	0.13	0.73	0.04	0.12	0.74
Net income	-0.02	0.11	0.84	-0.03	0.11	0.81	-0.01	0.11	0.90	-0.01	0.11	0.94	-0.03	0.11	0.82
CEO age	0.00	0.10	0.99	0.00	0.10	1.00	-0.01	0.10	0.93	-0.03	0.10	0.80	0.01	0.10	0.95
CEO duality	-0.25	0.17	0.14	-0.24	0.17	0.16	-0.26	0.17	0.13	-0.27	0.17	0.12	-0.25	0.17	0.14
CEO woman	-0.13	0.22	0.55	-0.13	0.22	0.56	-0.12	0.22	0.59	-0.13	0.22	0.53	-0.12	0.22	0.60
CEO tenure	0.10	0.09	0.27	0.10	0.09	0.29	0.10	0.09	0.27	0.10	0.09	0.27	0.10	0.09	0.27
CEO succession	0.06	0.27	0.82	0.07	0.27	0.81	0.02	0.28	0.94	0.03	0.27	0.91	0.05	0.28	0.87
TMT average age	0.04	0.10	0.70	0.03	0.10	0.76	0.03	0.10	0.75	0.05	0.10	0.61	0.03	0.10	0.79
TMT total promotions	0.92	0.07	0.00***	0.92	0.07	0.00***	0.92	0.07	0.00***	0.93	0.07	0.00***	0.92	0.07	0.00***
CHRO tenure	0.02	0.08	0.83	0.02	0.08	0.80	0.02	0.08	0.79	0.02	0.08	0.78	0.02	0.08	0.82
CHRO age	-0.07	0.09	0.48	-0.06	0.09	0.49	-0.06	0.09	0.50	-0.06	0.09	0.53	-0.06	0.09	0.48
CHRO woman	-0.15	0.16	0.34	-0.15	0.16	0.34	-0.15	0.16	0.34	-0.16	0.16	0.31	-0.14	0.16	0.36
CHRO non-Caucasian	0.14	0.21	0.51	0.14	0.21	0.50	0.15	0.21	0.47	0.15	0.21	0.48	0.15	0.21	0.49
CHRO time spent - Core role				-0.04	0.08	0.63	0.02	0.10	0.82						
CHRO time spent - Strategic advisor										0.06	0.11	0.58			
CHRO time spent - TMT coach													-0.01	0.08	0.89
CHRO HR Education	0.04	0.16	0.80	0.04	0.16	0.80	0.02	0.16	0.93	0.03	0.16	0.86	0.03	0.16	0.87
CHRO time spent - Core role X CHRO HR Education							-0.16	0.16	0.30						
CHRO Strategic advisor X CHRO HR Education										-0.17	0.15	0.25			
CHRO TMT coach X CHRO HR Education													-0.06	0.17	0.74

Notes: n = 252; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

TABLE 2.13 – Zero-Inflate Poisson Model Predicting TMT Internal Promotions

	Model 1			Model 2			Model 3			Model 4			Model 5		
Variable	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**	**Beta**	**SE**	**p**
Constant	-0.53	0.62	0.39	-0.55	0.62	0.37	-0.58	0.62	0.35	-0.57	0.63	0.36	-0.49	0.62	0.43
Log Assets	0.04	0.12	0.75	0.05	0.12	0.71	0.05	0.12	0.68	0.04	0.12	0.74	0.06	0.12	0.63
Net income	-0.01	0.11	0.91	-0.02	0.11	0.88	-0.02	0.11	0.86	-0.01	0.11	0.90	-0.03	0.11	0.80
CEO age	0.00	0.10	0.99	0.00	0.10	1.00	0.01	0.10	0.96	0.00	0.10	0.99	0.01	0.10	0.95
CEO duality	-0.24	0.17	0.15	-0.23	0.17	0.17	-0.21	0.17	0.21	-0.23	0.17	0.18	-0.22	0.17	0.20
CEO woman	-0.13	0.22	0.55	-0.12	0.22	0.57	-0.14	0.22	0.51	-0.13	0.22	0.54	-0.15	0.22	0.51
CEO tenure	0.10	0.09	0.29	0.09	0.09	0.31	0.08	0.09	0.39	0.09	0.09	0.31	0.07	0.09	0.43
CEO succession	0.05	0.27	0.85	0.05	0.27	0.85	0.03	0.28	0.91	0.06	0.27	0.83	-0.02	0.28	0.94
TMT average age	0.05	0.10	0.66	0.04	0.10	0.72	0.03	0.11	0.78	0.04	0.10	0.69	0.03	0.10	0.76
TMT total promotions	0.92	0.07	0.00***	0.92	0.07	0.00***	0.91	0.07	0.00***	0.92	0.07	0.00***	0.92	0.07	0.00***
CHRO tenure	-0.03	0.12	0.79	-0.03	0.12	0.80	-0.02	0.12	0.89	-0.02	0.12	0.85	-0.04	0.12	0.74
CHRO age	-0.08	0.09	0.41	-0.07	0.09	0.43	-0.07	0.09	0.44	-0.08	0.09	0.41	-0.07	0.09	0.44
CHRO woman	-0.15	0.16	0.32	-0.15	0.16	0.33	-0.18	0.16	0.26	-0.16	0.16	0.31	-0.18	0.16	0.27
CHRO non-Caucasian	0.12	0.21	0.57	0.12	0.21	0.56	0.13	0.22	0.54	0.12	0.21	0.56	0.11	0.22	0.61
CHRO time spent - Core role				-0.03	0.08	0.67	-0.03	0.08	0.71						
CHRO time spent - Strategic advisor										-0.02	0.08	0.79			
CHRO time spent - TMT coach													-0.03	0.07	0.73
CHRO HR Education	0.07	0.11	0.55	0.07	0.11	0.54	0.06	0.11	0.59	0.06	0.11	0.62	0.09	0.11	0.42
CHRO time spent - Core role X CHRO HR Experience							-0.06	0.07	0.40						
CHRO Strategic advisor X CHRO HR Experience										-0.02	0.07	0.82			
CHRO TMT coach X CHRO HR Experience													-0.08	0.07	0.24

Notes: n = 252; *** = p < .001, ** = p < .01, * = p < .05; Industry and year controls included in all models; Variables standardized

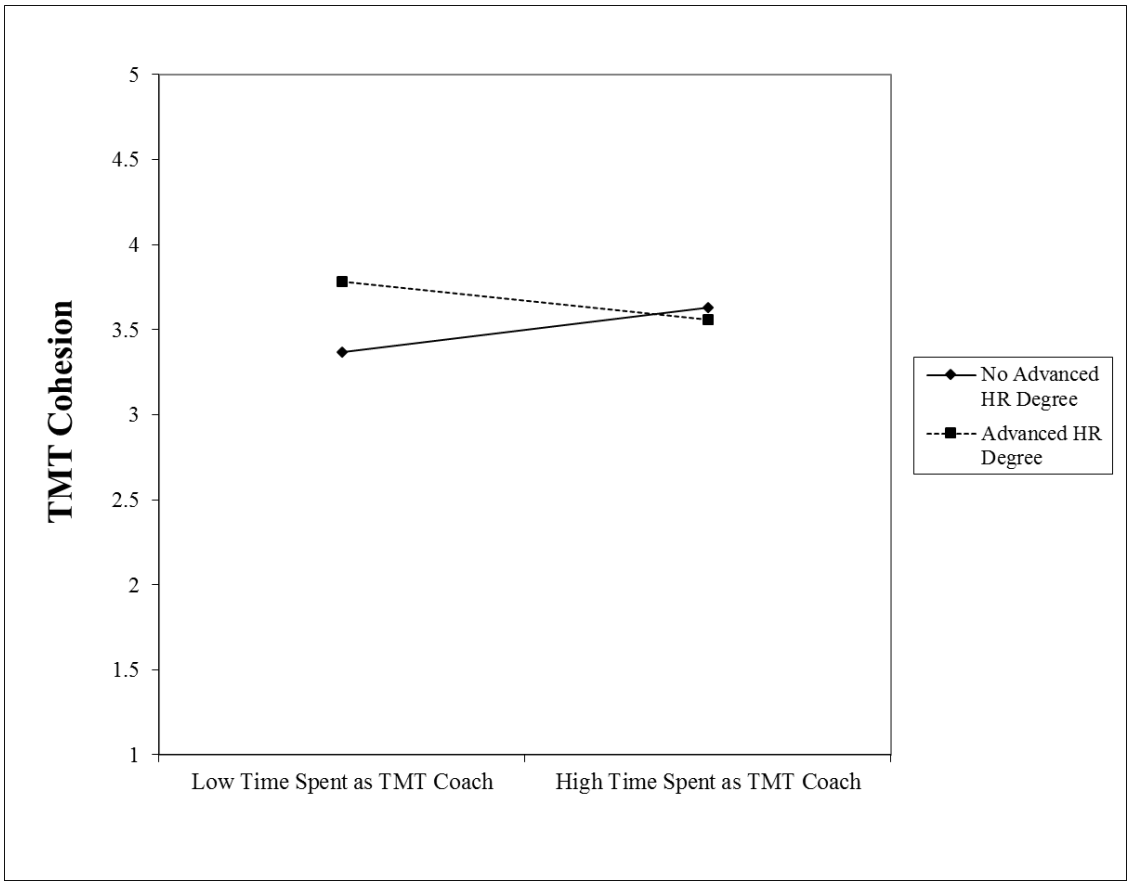


Figure 2.1 Interaction of CHRO Time Spent as TMT Coach and CHRO Education on TMT Cohesion

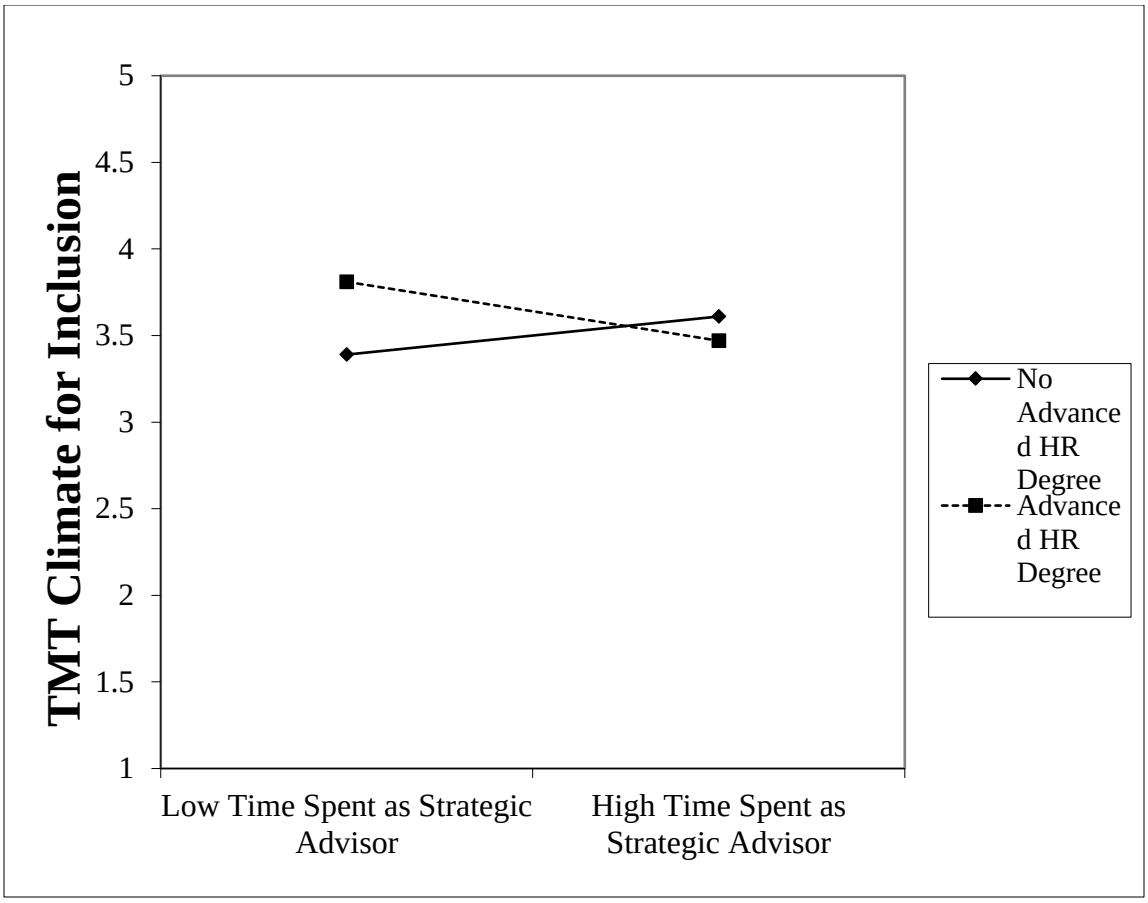


Figure 2.2 Interaction of CHRO Time Spent as Strategic Advisor and CHRO Education on TMT Climate for Inclusion

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