

Table 1a
(Robustness) Event study of stock returns surrounding announcements of *Fortune* ranking scores

This table presents cumulative abnormal returns (CARs) calculated over various intervals surrounding the publication date of the ranking scores of *Fortune*'s list of America's Most Admired Companies. The Fama-French-Carhart 4-factor model is used to calculate CARs. All firm years are sorted into quintiles based on the change in ranking score and CARs are calculated for each group as well the firm's seeing the largest increase minus those seeing the largest decrease. Event intervals are in days except the bottom set which are in months (mo). T-statistics are in parentheses. T-statistics are adjusted for event day clustering.

Event Window	All	Winners (High)	(2)	(3)	(4)	Losers (Low)	Difference (High-Low)
[-21, -4]	-0.04% [-0.74]	0.10% [0.44]	0.37% [1.98]	0.23% [1.21]	0.07% [0.28]	0.76% [2.58]	-0.66% [-1.81]
[-3, +3]	0.06% [0.88]	-0.73% [-4.90]	-0.16% [-1.12]	0.27% [2.44]	0.26% [1.93]	0.32% [2.78]	-1.04% [-4.50]
[+4,+21]	0.08% [1.19]	0.05% [1.39]	0.23% [1.13]	0.36% [2.16]	0.43% [1.90]	1.23% [4.61]	-1.17% [2.23]
[+1M,+12M]	0.35% [0.59]	0.16% [0.12]	-0.82% [-0.65]	-0.32% [-0.27]	1.39% [1.08]	1.38% [0.90]	1.23% [0.60]

Table 2a**(Robustness) Event study of stock returns surrounding announcements of *Fortune* ranking scores**

This table presents cumulative abnormal returns (CARs) calculated over various intervals surrounding the publication date of the ranking scores of *Fortune's* list of America's Most Admired Companies. The difference column presents the CAR statistic of firms experiencing an increase in score ($\Delta\text{Score} > 0$) minus the CAR statistic of firms experiencing a decrease in score ($\Delta\text{Score} < 0$). Panel A calculates the CARs using the market model. Panel B calculates the CARs using market adjusted returns (market model with restriction that $\alpha=0$ and $\beta=1$). Panel C sorts firms into winners and losers based on changes in firms rank within their industry rather than changes in score. Panel D excludes all observations in which there is a story about the firm on Dow Jones Newswires in the window from 10 days before until 10 days after the publication of the rankings. Panels C and D calculate CARs using the Fama-French-Carhart 4-factor model. Event intervals are in days except the bottom set which are in months (M). T-statistics are in parentheses. T-statistics are adjusted for event day clustering.

Panel A. Market Model				
Event Window	All	Winners (W)	Losers (L)	Difference (W-L)
[-21, -4]	0.15% [2.26]	0.22% [2.56]	0.09% [0.85]	0.13% [0.97]
[-3, +3]	0.03% [0.78]	-0.12% [-2.51]	0.70% [7.34]	-0.82% [-6.58]
[+4,+21]	0.23% [3.42]	-0.28% [-3.00]	0.19% [1.88]	-0.47% [-2.88]
[+1M,+12M]	2.17% [5.15]	1.65% [3.27]	2.67% [4.78]	1.02% [1.35]
Panel B. Market Adjusted Model				
Event Window	All	Winners (W)	Losers (L)	Difference (W-L)
[-21, -4]	0.08% [1.23]	0.17% [2.03]	0.00% [0.04]	0.17% [-1.32]
[-3, +3]	0.04% [0.63]	-0.31% [-3.89]	0.37% [4.08]	-0.68% [-5.61]
[+4,+21]	0.23% [3.33]	-0.29% [-3.13]	0.16% [1.66]	-0.45% [-0.96]
[+1M,+12M]	-0.06% [-0.41]	0.22% [0.41]	-0.32% [-0.54]	0.54% [0.67]

Panel C. Change in Ranking

Event Window	All	Winners (W)	Losers (L)	Difference (W-L)
[-21, -4]	-0.04% [-0.74]	0.12% [0.85]	0.51% [3.32]	-0.39% [-1.91]
[-3, +3]	0.06% [0.88]	-0.26% [-2.78]	0.26% [2.93]	-0.52% [-4.02]
[+4,+21]	0.08% [1.19]	-0.42% [-3.23]	0.67% [4.78]	-1.09% [-2.29]
[+1M,+12M]	0.35% [0.59]	-0.39% [-0.48]	1.15% [1.33]	1.54% [1.29]

Panel D. Change in Ranking Scores without Confounding Events

Event Window	All	Winners (W)	Losers (L)	Difference (W-L)
[-21, -4]	0.42% [3.64]	0.31% [2.13]	0.52% [2.95]	-0.21% [-0.90]
[-3, +3]	-0.05% [-0.64]	-0.37% [-3.59]	0.26% [2.59]	-0.63% [-4.38]
[+4,+21]	0.62% [5.56]	-0.39% [-2.67]	0.83% [5.02]	-1.22% [2.00]
[+1M,+12M]	0.75% [1.12]	0.57% [0.61]	0.92% [0.95]	-0.35% [-0.26]

Table 3a
(Robustness) Changes in *Fortune* ranking and ranking scores and changes in CEO compensation

Column 1 of his table presents the coefficients from a regression of the change in total CEO compensation on the change in *Fortune* ranking and measures of firm characteristics and performance. Column 2 of his table presents the coefficients from a regression of the change in total CEO compensation on the change in ranking score and measures of firm characteristics and performance, excluding all observations in which there is a story about the firm on Dow Jones Newswires in the window from 10 days before until 10 days after the publication of the rankings. All variables are defined in the Appendix. The intercept is not reported for brevity. Year fixed effects are included. Standard errors are clustered by firm. T-statistics are in parentheses. *, **, *** denote statistical significance at 10%, 5%, and 1%, respectively.

Independent Variables	Coefficient Estimates	
	(1)	(2)
Δ Rank	-0.015*** (-3.05)	
Δ Score		3.072*** (3.49)
LgAssets	0.075 (1.09)	0.081 (0.86)
Leverage	0.415 (0.32)	0.404 (0.28)
Tobin's Q	0.243 (0.243)	0.238 (0.32)
RD/Sales	-1.299 (-0.49)	-0.151 (-0.04)
CAPX/Sales	2.077 (0.64)	-1.958 (-1.17)
Advertising/Sales	-4.163 (-1.38)	-2.979 (-0.86)
Industry-adjusted ROA	-0.058 (-0.02)	-1.591 (-0.35)
1-year abnormal return	7.337*** (2.64)	7.419** (2.25)
Stock return volatility	-1.277* (-1.68)	-1.941* (-1.90)
Firm age	-0.006* (-1.64)	-0.007* (-1.65)
CEO tenure	0.005 (0.36)	-0.001 (-0.07)
Year Fixed Effect	Yes	Yes
Firm-clustered S.E.	Yes	Yes
Number of observations	5,811	4,409
Adjusted R ²	0.010	0.011

Table 4a**(Robustness) Changes in *Fortune* ranking and ranking scores and CEO turnover**

This table presents coefficients from logit estimations in which the dependent variable of the model in column 1 and 3 is all CEO turnover and the dependent variable in columns 2 and 4 is involuntary CEO turnover. Columns 1 and 2 include the changes in *Fortune* ranking and measures of CEO characteristics and measures of performance as independent variables. Columns 3 and 4 include the changes in ranking scores and measures of CEO characteristics and measures of performance as independent variables, excluding all observations in which there is a story about the firm on Dow Jones Newswires in the window from 10 days before until 10 days after the publication of the rankings. All variables are defined in the Appendix. The intercept is not reported for brevity. Year fixed effects are included. Standard errors are clustered by firm. T-statistics are in parentheses. *, **, *** denote statistical significance at 10%, 5%, and 1%, respectively.

Independent Variables	Coefficient Estimates			
	(1)	(2)	(3)	(4)
Δ Rank	0.003*** (3.57)	0.001*** (2.14)		
Δ Score			-0.440*** (-3.84)	-0.134** (-2.67)
CEOTenure	-0.356*** (-8.00)	-0.011 (-0.55)	-0.306*** (-7.92)	-0.005 (-0.20)
CEOAge	-0.046*** (-3.10)	0.021 (1.05)	-0.042*** (-2.62)	0.029 (1.08)
CEO/Chair duality	-0.495*** (-2.81)	-0.775*** (-2.91)	-0.481** (-2.25)	-0.772** (-2.03)
pre-BHR	-0.286 (-1.23)	-2.121*** (-3.75)	-0.175 (-0.78)	-2.338*** (-3.56)
post-BHR	-0.062 (-0.31)	-0.715 (-1.05)	-0.034 (-0.16)	-0.200 (-0.57)
Year Fixed Effect	Yes	Yes	Yes	Yes
Firm-clustered S.E.	Yes	Yes	Yes	Yes
Number of observations	5843	5760	4435	4226
Pseudo R ²	0.228	0.089	0.212	0.092

Table 5a
(Robustness) Changes in *Fortune* ranking and ranking scores and acquisition activity

This table presents coefficients from logit and ordered logit estimations. Columns 1 and 3 present coefficients from a logit estimation in which the dependent variable is the acquisition indicator. Columns 2 and 4 present coefficients from an ordered logit estimation in which the dependent variable in the model is the number of acquisitions. Columns 1 and 2 include the changes in *Fortune* ranking and measures of firm characteristics as independent variables. Columns 3 and 4 include the changes in ranking scores and measures of firm characteristics as independent variables, excluding all observations in which there is a story about the firm on Dow Jones Newswires in the window from 10 days before until 10 days after the publication of the rankings. All variables are defined in the Appendix. The intercept is not reported for brevity. Year fixed effects are included. Standard errors are clustered by firm. T-statistics are in parentheses. *, **, and *** denote statistical significance at 10%, 5%, and 1%, respectively.

Independent Variables	Coefficient Estimates			
	(1)	(2)	(3)	(4)
Δ Rank	-0.001*** (-2.96)	-0.001*** (-3.67)		
Δ Score			0.170*** (3.41)	0.104*** (3.46)
Leverage	-4.214*** (-4.07)	-2.849*** (-4.63)	-3.036*** (-2.68)	-2.067*** (-3.90)
Leverage ²	4.655*** (2.43)	3.859*** (3.79)	2.573 (1.16)	2.457*** (2.63)
Collateral	-2.991*** (-9.17)	-1.552*** (-6.97)	-2.991*** (-8.72)	-1.401*** (-6.84)
NWC/Total assets	1.512*** (3.62)	0.681*** (2.86)	1.473*** (3.44)	0.445** (2.43)
Cash/Total assets	-1.639 (-1.48)	-0.394 (-0.60)	-1.396 (-1.22)	-0.456 (-0.80)
(CAPX +RD)/Total assets	0.967 (1.59)	1.133* (1.82)	0.606 (0.93)	0.214 (0.64)
Asset growth	-0.000 (-0.97)	-0.000 (-1.50)	-0.000 (-0.87)	-0.000 (-1.28)
M/B	-0.176*** (-3.59)	-0.011*** (-2.96)	-0.206*** (-3.62)	-0.009*** (-2.92)
LgAssets	0.249*** (4.86)	0.183*** (4.32)	0.205*** (3.84)	0.106*** (3.38)
High tech	0.571*** (2.65)	0.325* (1.68)	0.398* (1.80)	0.267** (1.93)
Year Fixed Effect	Yes	Yes	Yes	Yes
Firm-clustered S.E.	Yes	Yes	Yes	Yes
Number of observations	6003	6003	4688	4688
Pseudo R ²	0.085	0.081	0.078	0.056

Table 6a
(Robustness) Changes in *Fortune* ranking and ranking scores and acquisition performance

This table presents coefficients of regressions of acquisition performance during the (approximately) 11 months following publication. In column 1 the dependent variable is the sum of an acquirer's CARs in acquisitions completed during the (approximately) 11 months following publication of the list. If a firm completes no acquisition during this period, the variable is set to zero. In column 2 of the dependent variable is the average of an acquirer's CARs in acquisitions completed during the (approximately) 11 months following publication of the list. If a firm completes no acquisition during this period, the variable is set to zero. In column 3 and 4, the dependent variable is the CAR of each acquisition completed during the (approximately) 11 months following publication of the list. Panel A includes the changes in *Fortune* ranking and measures of firm and acquisition characteristics as independent variables. Panel B includes the changes in ranking scores and measures of firm and acquisition characteristics as independent variables, excluding all observations in which there is a story about the firm on Dow Jones Newswires in the window from 10 days before until 10 days after the publication of the rankings. All variables are defined in the Appendix. The intercept is not reported for brevity. Year fixed effects are included. Standard errors are clustered by firm in column 1 and 2 of panel B. T-statistics are in parentheses. *, **, and *** denote statistical significance at 10%, 5%, and 1%, respectively.

Table 6a - Continued

Panel A. Change in Ranking

Independent Variables	Coefficient Estimates			
	(1)	(2)	(3)	(4)
Δ Rank	0.000*** (3.94)	0.000* (1.87)	0.003*** (3.78)	0.003** (2.16)
LgAssets	-0.002*** (-3.94)	-0.001*** (-4.68)	-0.209*** (-2.80)	-0.215 (-1.47)
Tobin's Q	0.000* (1.73)	0.000 (1.57)	0.023 (0.40)	0.087 (0.98)
ROA	-0.005 (-0.66)	-0.007* (-1.82)	0.473 (0.33)	0.141 (0.06)
Leverage	0.008 (1.44)	0.003 (1.05)	1.638** (1.98)	2.260 (1.47)
Private				-0.514 (-1.54)
Public				-1.135*** (-2.60)
Diversifying				0.079 (0.26)
Hostile takeover				0.549 (0.80)
Tender offer				-1.652 (-0.99)
Competing bidder				-1.041 (-0.92)
All Equity				-0.127 (-0.27)
All Cash				0.191 (0.61)
Relative size				2.742 (0.97)
Year Fixed Effect	Yes	Yes	Yes	Yes
Industry Fixed Effect	No	No	Yes	Yes
Firm-clustered S.E.	Yes	Yes	No	No
Number of observations	7,686	7,686	5,440	1,744
Adjusted R ²	0.005	0.003	0.020	0.060

Table 6a - Continued

Panel B. Change in Ranking Scores without Confounding Events

Independent Variables	Coefficient Estimates			
	(1)	(2)	(3)	(4)
ΔScore	-0.005*** (-3.65)	-0.001* (-1.89)	-0.881*** (-5.82)	-0.720*** (-2.82)
LgAssets	-0.002*** (-3.77)	-0.001*** (-4.58)	-0.228** (-2.33)	-0.143 (-0.76)
Tobin's Q	0.000 (1.60)	0.000 (1.53)	0.041 (0.65)	0.080 (0.80)
ROA	-0.000 (-0.04)	-0.007 (-1.52)	1.262 (0.71)	1.160 (0.38)
Leverage	0.014** (2.05)	0.006** (2.38)	3.223*** (3.15)	4.739*** (2.57)
Private				-0.426 (-1.04)
Public				-1.213** (-2.27)
Diversifying				-0.270 (-0.73)
Hostile takeover				0.925 (1.14)
Tender offer				-1.523 (-0.85)
Competing bidder				-1.361 (-1.01)
All Equity				-0.111 (-0.20)
All Cash				0.210 (0.54)
Relative size				1.342 (0.42)
Year Fixed Effect	Yes	Yes	Yes	Yes
Industry Fixed Effect	No	No	Yes	Yes
Firm-clustered S.E.	Yes	Yes	No	No
Number of observations	7,686	7,686	3,977	1,342
Adjusted R ²	0.005	0.003	0.032	0.074