

Red, Blue, or Green?: CEOs Political Orientation and Sustainable Innovation

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Abstract

Not every firm shares the same level of propensity and performance on green innovation. Applying the upper echelons theory in the marketing strategy domain, the authors investigate this discrepancy of firms' green innovation outcomes by looking into the characteristics of the Chief Executive Officers (CEO) and specifically how CEOs' political orientation shapes their strategic decisions on green innovation. Findings based on 456 green new product introductions from 89 Standard & Poor U.S. firms led by 142 CEOs between 2010 and 2018 indicate that CEOs' political orientation manifests itself in the firms' green innovation performance. Firms with liberal CEOs generate more green new products than those with conservative CEOs. This impact is stronger when a CEO has more power and is weaker when a CEO has extensive international experience. These findings offer a new perspective on green innovation's antecedent and provide valuable insights to firms and investors on executive selection.

Keywords: *green innovation; CEO political orientation; CEO international experience*

Track: Marketing Strategy & Theory