

THE HONG KONG POLYTECHNIC UNIVERSITY
DEPARTMENT OF MANAGEMENT & MARKETING
DEPARTMENTAL RESEARCH SEMINAR

***CMO Migration and Firm Value:
'When the Past is Prologue'***

By

**Dr Eric Boyd
James Madison University, USA**

Date: Friday, 9 March 2012

Time: 2:30 p.m. - 4:00 p.m.

Venue: M802

All interested are welcome

CMO Migration and Firm Value: 'When the Past is Prologue'

Abstract

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Michael Mendenhall left his position as Chief Marketing Officer (CMO) at Walt Disney in 2007 to serve as CMO at Hewlett-Packard. That same year, Catherine Burr-Hall left her CMO position within Midas to serve as CMO at Select Comfort. The movement between prior and new employers by Mr. Mendenhall and Ms. Burr-Hall reflects CMO migration. Recent studies suggest it is the most prevalent form of executive migration given that CMOs have the lowest tenure rate of any top manager. This research tests competing expectations regarding the impact of CMO migration prior employers. The results from an event study analysis reveal that prior employers benefit from CMO migration. Furthermore, a difference-in-differences test demonstrates that the positive effect emerges as a result of CMO migration facilitating collaborative activities between the prior employers and new employers of migrating CMOs. The paper concludes by testing a theoretical model hypothesizing that the relational benefits prior employers experience depends upon the strategic transparency created by CMO migration.

D. Eric Boyd (University of Virginia, Ph.D.) is currently Wampler-Longacre Eminent Professor of Marketing and Associate Professor within the Marketing Department in the College of Business at James Madison University (JMU). His research interests focus on linking marketing with financial performance, especially in the areas of innovation, product management and marketing leadership. His research has been accepted for publication in several journals including *Journal of Marketing Research*, *Journal of the Academy of Marketing Science*, *Journal of Retailing*, and *Journal of Product Innovation Management*. Dr. Boyd serves on the Editorial Review Board for the *Journal of Business-to-Business Marketing* and is an ad-hoc reviewer for *Journal of Marketing*, *Journal of the Academy of Marketing Science* and *Journal of International Marketing*. He regularly teaches classes on new product development and marketing management at JMU and is a past recipient of teaching awards at both the undergraduate and MBA level.