Does CEO Political Ideology Shape Advertising Spend Allocation? The Moderating Roles of Executive Characteristics and Firm Performance

Abstract

CEO political ideology shapes several strategic outcomes. However, prior work has not examined its impact on advertising decisions. The authors examine a critical decision: advertising spend allocation across media. Specifically, the focal research question is how CEO political ideology shapes the allocation of advertising budgets across newspapers. The authors address this question by studying the political ideology of 580 CEOs of Fortune 500 firms and examining patterns in advertising allocation. Results indicate that CEOs disproportionately allocate advertising spending to newspapers with a similar political orientation (as their own). They also examine whether this effect is moderated by executive characteristics, such as gender and age, as well as organizational factors, including firm performance and the intensity of competitive actions. The findings reveal that younger CEOs and female CEOs exhibit stronger adherence to values. In addition, CEOs' political ideology has a stronger impact on advertising imbalance when firms are performing well. These findings highlight the role of the CEO's political values in shaping a core marketing decision.

INTRODUCTION

There is increasing evidence that firms and leaders imprint their political values on strategic decisions. Prior research indicates that CEOs' political ideology influences CSR expenditures, capital allocation, overseas acquisitions, and new product introductions (Chandler et al., 2023; Chin et al., 2013; Gupta, Briscoe, et al., 2018; Kashmiri & Mahajan, 2017). Political values are also reflected in contentious sociopolitical issues through direct activism. For instance, CEO political ideology has been shown to shape positions on marriage rights, gun laws, and immigration (Wowak et al., 2022). Beyond sociopolitical issues, executives' political values also influence economic outcomes. For instance, stakeholders consider CEOs' political values when making purchasing and investment decisions (Hou & Poliquin, 2023; Kim et al., 2018; Mkrtchyan et al., 2024). Despite this growing evidence, a key question remains unanswered: how do CEO values, especially their political ideology, shape their advertising strategy?

Advertising is a key strategic driver in a firm's marketing toolkit (McAlister et al., 2016), with firms allocating billions of dollars to advertising annually (Sridhar et al., 2016). Advertising provides substantive benefits, impacting not only brand awareness (Honka et al., 2017), differentiation (Soberman, 2003) and brand attitude (Du et al., 2019), but also translating these intangible effects to tangible outcomes by reducing systemic risks (McAlister et al., 2016), increasing stock returns (Mizik & Jacobson, 2003) and improving sales, market share (Sethuraman et al., 2011) and firm market value (Sridhar et al., 2016).

Advertising budget allocation across media is a complex and non-trivial decision (Sridhar et al., 2016). However, research on the upper echelons has not paid attention to examining the impact of executive characteristics on advertising decisions. Hence, we ask two interrelated questions: (1) Does CEO political ideology influence advertising budget allocation across media outlets? (2) If so, what factors influence the nature of this relationship?

Drawing on theories of cognitive dissonance and impression management, we propose that CEO ideology shapes advertising expenditure allocation decisions. Cognitive dissonance theory (CDT) posits that individuals experience discomfort when their behaviors conflict with their beliefs, which motivates them to avoid such inconsistencies (Festinger, 1959). This perspective suggests that

CEOs may allocate advertising to outlets aligned with their ideology as a means of maintaining consistency between their personal values and their firm's actions, thereby minimizing dissonance. In parallel, impression management theory highlights the external, audience-focused side of this process. CEOs seek to shape stakeholder perceptions by presenting the firm in ways that reinforce a coherent and authentic identity (Leary & Kowalski, 1990). Advertising is a visible and symbolic channel for such image work (Zhao & Belk, 2008). By allocating spending to ideologically aligned media, a CEO can project value congruence to stakeholders, thereby bolstering legitimacy and reducing reputational risk.

A key challenge was objectively classifying media outlets by their political orientation, which is not readily observable. We address this by focusing on print advertising in national newspapers, where we infer a newspaper's political orientation by their presidential election endorsements (Dewan et al., 2024). This approach enables us to neatly delineate the effect of CEO political ideology on advertising budget allocation. We develop an indicator of advertising balance between conservative and liberal newspapers based on the firm's advertising expenditures in the top 85 newspapers in the United States by circulation. Using a sample of 580 CEOs across 2721 firm-year observations, we find that both conservative and liberal CEOs allocate a greater percentage of their firm's advertising budget to newspapers that align with their political orientation. Furthermore, we find that this relationship is strengthened when the CEO is female, when the CEO is younger, and when the firm's prior performance is stronger.

Our research makes the following contributions. First, our study contributes to the scholarship on the role of CEOs' personal values in shaping major marketing decisions. While prior work in marketing has examined how CEO values affect outcomes such as new product innovation (Kashmiri & Mahajan, 2017), the role of CEO values in allocating advertising resources, a strategic cost and a revenue driver, remains largely unexplored. Our theory advances the idea that CEO values, whether inadvertently or not, influence both the magnitude and direction of advertising spending in newspapers, depending on whether an outlet's ideological stance aligns with the CEO's personal ideology. Second, while prior work has demonstrated that CEO values influence R&D allocation and marketing alliances, our study reveals that CEO political values may have implications beyond those of the focal firm and may meaningfully shape media economics (Kashmiri et al., 2019; Oh et al., 2020). To the extent that advertising expenses constitute a substantial portion of newspaper revenues (Mantrala et al., 2007; Sridhar & Sriram, 2015), our results suggest that CEO political values may shape newspapers' revenue as well. This finding extends research on advertisers' influence on media coverage (Rinallo & Basuroy, 2009), by delineating how advertiser characteristics may shape media outlets' finances. Third, our theoretical integration of cognitive dissonance theory and impression management theory provides a more comprehensive explanation of how CEO values influence resource allocation decisions than either theory does alone. By demonstrating that female CEOs, younger CEOs, and strong prior firm performance each reinforce adherence to personal values, we offer a nuanced perspective on the interplay between CEO values, individual characteristics, organizational context, and core marketing decisions.

Theory and Hypotheses

Political ideology is a deeply entrenched, identity-defining value that develops over time and resists change (Amodio et al., 2007; Jost et al., 2003). Its stability and centrality make it potent in shaping highly visible, discretionary, and symbolic decisions such as advertising. We expect advertising decisions to be a visible stage on which CEOs enact both their inner drive for consistency and their outward need to project authenticity. We draw on Cognitive Dissonance Theory (CDT), which highlights an internal drive for value–behavior consistency, and Impression Management (IM) theory, which underscores an external drive for reputational consistency.

Intrinsic Motivations: Cognitive Dissonance Theory

We draw on Cognitive Dissonance Theory (Festinger, 1959) to explain the intrinsic motivation that drives CEOs to align corporate actions with their political beliefs. A central premise of CDT is that individuals strive for consistency between cognitions (or elements of knowledge), broadly defined to include belief, attitudes, values, and behaviors (Cooper, 2019). Two cognitions are consonant if one follows from the other, and dissonant if they are psychologically inconsistent (Harmon-Jones et al., 2009). Individuals experience psychological discomfort or dissonance when cognitions are inconsistent. This discomfort motivates them to resolve the inconsistency by either changing their beliefs, attitudes, or values or their behaviors. CDT thus implies that individuals are strongly motivated to ensure that their behaviors align with their values, especially when those values are central and self-defining.

While individuals may sometimes shift values to restore consistency, values that are deeply entrenched, enduring, and identity-relevant are resistant to change. In such cases, individuals tend to modify their behavior or seek to change the environment to reestablish consonance (Miller et al., 2015). Empirical evidence suggests that many deeply held beliefs, including risk preferences, political conservatism, and stakeholder orientation, predict several strategic outcomes, including innovation, CSR, and firm leverage, because of the need for CEOs to maintain consistency between their values and behaviors (Chin et al., 2013; Cronqvist et al., 2012; Kashmiri & Mahajan, 2017). For our study, advertising placement is particularly relevant because it presents a publicly observable, symbolic behavior, making it especially likely to trigger dissonance when it deviates from a CEO's ideological orientation. We expect that a conservative CEO allocating significant advertising dollars to a liberal outlet would experience inconsistency between their ideology and visible actions. To mitigate this discomfort, CDT predicts that CEOs will allocate more advertising resources to media outlets that align with their own political ideology, thereby preserving consistency between their political values and behavior.

Extrinsic Motivations: Impressions Management Theory

Complementing the intrinsic motivations outlined by CDT, impression management theory highlights the extrinsic pressures CEOs face to project ideological alignment to external stakeholders. Impression management refers to the deliberate regulation of one's public image to achieve social and material benefits, reinforce identity, and enhance self-esteem (Leary & Kowalski, 1990). This motivation becomes amplified when (a) the projected image is central to the individual's identity and (b) the behavior is highly visible and subject to stakeholder scrutiny. Advertising decisions, as discretionary and observable actions, meet both these conditions and are thus powerful vehicles for self-presentation (Beattie et al., 2021; Dewan et al., 2024).

By directing advertising budgets to ideologically aligned media outlets, CEOs reinforce their political identity and signal authenticity to stakeholders, including peers, partners, and customers. Such signaling is particularly salient in ideologically homogeneous networks, such as those of CEOs, where individuals are embedded in networks with those who share similar values and beliefs (McPherson et al., 2001; Westphal & Zajac, 1995). In such "echo chambers," deviations from ideological consistency may be perceived as inauthentic or disloyal, leading to reputational sanctions from ideologically aligned peers (Busenbark et al., 2023).

Media and political psychology research further demonstrates that individuals systematically avoid information sources that conflict with their worldview, a phenomenon known as selective exposure (Mutz, 2001). Hence, CEOs embedded in ideologically congruent networks may focus their impression management efforts in ideologically congruent outlets to increase visibility with an aligned audience and maximize reputational returns. For example, a conservative CEO allocating advertising to a liberal outlet risks alienating conservative stakeholders and undermining social legitimacy within their network. Conversely, aligning advertising decisions with their political ideology enables CEOs to strengthen ties with their networks, enhance their reputation, and affirm shared values (Bolino et al., 2016). These ideas are consistent with research demonstrating that when there is greater ideological alignment, CEOs tend to allocate more resources to influence politically aligned stakeholders (Nalick et al., 2023; Semadeni et al., 2022).

Based on the above, we propose:

H1*: CEO conservatism (liberalism) is positively associated with greater spending imbalance toward conservative (liberal) newspapers.*

The moderating role of CEO gender

We expect the relationship between CEO's political orientation and advertising budget allocation towards ideologically congruent media to be stronger for female CEOs than for male CEOs. CDT perspectives provide mixed findings on gender differences in cognitive dissonance. For instance, some studies suggest that women experience dissonance more strongly than men (Croson & Gneezy, 2009), whereas other studies indicate that women demonstrate only marginally higher politically motivated reasoning (Thaler, 2021). This suggests that cognitive dissonance alone may not explain the variance in behavior predicted by the interaction of political ideology and gender. However, impression management pressures, that is, the extrinsic motivation to project ideological consistency to stakeholders, differ substantially by gender, creating more substantial incentives for female CEOs to align advertising decisions with their political values.

Female CEOs operate under systematically higher levels of scrutiny than their male counterparts. Research demonstrates that female executives receive higher levels of media coverage, and that this heightened visibility contributes to increased market scepticism of female leadership (Cowen et al., 2022; Gupta, Han, et al., 2018; Smith et al., 2021). This intensified scrutiny creates an environment where any perceived inconsistency between stated values and observable actions becomes more salient and more consequential. From an impression management perspective, this visibility magnifies the reputational returns from demonstrating ideological consistency and amplifies the cost of political value-behavior misalignment.

Beyond mere visibility, female executives also face higher reputational penalties for perceived inconsistency (Eagly & Karau, 2002). Empirical evidence shows that female leaders are held to higher standards of behavioral consistency and face sharper backlash for value-behavior incongruence (Al-Shammari et al., 2024; Simpson & Stroh, 2004). These differential evaluation standards create asymmetric impression management pressures: female CEOs face greater reputational penalties for ideological inconsistency, thereby increasing their motivation to signal values through observable corporate actions.

Consistent with our theoretical predictions, Kalogeraki and Georgakakis (2022) find that conservative female CEOs implement pay-related policies that more closely mirror their ideological commitments, to a greater extent than conservative male CEOs. This suggests that when women occupy leadership roles, they may over-conform to their stated values, using behavior that affirms ideological loyalty as a means of reinforcing legitimacy in a male-dominated environment. Similarly, research on female senators indicates that they are more likely to adopt stronger ideological positions than their male counterparts, regardless of whether they identify as conservative or liberal (Osborn et al., 2019). These findings suggest that female leaders are more likely to amplify signals of ideological consistency as a means of establishing and maintaining legitimacy.

Taken together, female CEOs face dual pressures: greater visibility leading to higher scrutiny of value incongruent strategies and greater reputational costs if they fail to project consistency to stakeholders. Together, these factors create stronger impression management incentives for female CEOs to allocate advertising budgets to ideologically congruent media outlets. While cognitive dissonance theory perspectives do not offer a conclusive theoretical rationale for more potent effects, impression management theory predicts that external pressures will be stronger for female leaders to ensure consistency between their political values and strategic behavior.

H2: *CEO gender moderates the relationship between CEO conservatism (liberalism) and advertising spending imbalance in conservative (liberal) newspapers, such that the relationship is stronger for female CEOs as compared to male CEOs.*

The moderating role of CEO age

We expect the positive relationship between political orientation and advertising resource allocation towards ideologically congruent media to be stronger for younger CEOs than for older

CEOs. Both cognitive dissonance and impression management operate more intensely for younger chief executives, amplifying their tendency to align advertising decisions with their personal ideology.

From a cognitive perspective, younger CEOs may face greater internal pressure to maintain cognitive consistency between their personal values and strategic actions. Because younger CEOs' identities and values are less crystallized, any misalignment between their political values and behaviors can cause heightened psychological discomfort (Finkelstein et al., 2009). By contrast, older executives develop greater integrative thinking and cognitive complexity, which increases their capacity to hold nuanced, often contradictory perspectives without experiencing internal conflict (Graf-Vlachy et al., 2020). Older CEOs' heightened cognitive processing enables them to tolerate ambiguity more effectively, reducing their need to align strategic action with their personal political ideology.

Impression management pressures similarly intensify for younger CEOs. Younger CEOs typically possess nascent personal reputations and limited established social or political capital, making them keener to send clear signals of their values to key stakeholders. Advertising in ideologically congruent media outlets provides a concrete resource-based way to demonstrate commitment to those values beyond casual statements of support or ingratiation tactics CEOs may display towards journalists (Westphal et al., 2012). Moreover, there is *"substantive social pressure to display the exact orientation for which he or she was selected"* (Hambrick & Fukutomi, 1991, p. 722). To the extent that CEO ideologies are highly visible (Briscoe et al., 2014), younger leaders are expected to actively uphold and display their espoused values.

Additionally, the longer career horizons of younger CEOs heighten their motivation to cultivate stakeholder goodwill and credibility. Facing a higher risk of dismissal if they disappoint critical stakeholders, younger CEOs may exercise greater caution to avoid behaviors that conflict with their professed ideological stance. In contrast, older executives, who have accumulated more experience, authority, and job security, often have more latitude in strategic decision-making and face less immediate pressure to demonstrate ideological commitment to every stakeholder group (Prendergast & Stole, 1996).

In summary, younger CEOs face dual pressures: heightened internal consistency needs (driven by cognitive dissonance) and greater external reputation motives (driven by impression management imperatives) to signal ideological congruence. These combined pressures predict that younger CEOs are expected to strongly skew advertising expenditures toward ideologically congruent news outlets. Older CEOs, with greater cognitive complexity and established authority, face weaker pressures on both dimensions, resulting in a weaker alignment between ideology and advertising allocation.

H3*: CEO age moderates the relationship between CEO conservatism (liberalism) and advertising spending imbalance in conservative (liberal) newspapers, such that the relationship is stronger for younger CEOs than for older CEOs.*

The moderating role of prior firm performance

We expect the relationship between CEO's political orientation and advertising spending imbalance to be moderated by prior firm performance, such that the effect is more substantial when the firm performs well than when firm performance is poor. High-performing firms accumulate organizational slack, which includes surplus tangible resources (e.g., stronger cash flow, increased profits, expansion of physical assets, skilled talent) and intangible resources (e.g., brand equity, customer satisfaction (Sharfman et al., 1988)). This accumulated slack provides managers greater discretion and flexibility to determine their strategic responses to internal and external pressures (Han et al., 2017). This slack manifests as both latitude of objectives (freedom to pursue personal goals) and latitude of actions (an expanded range of strategic options), enabling CEOs to pursue value-congruent strategies (Shen & Cho, 2005).

From a cognitive dissonance perspective, performance-generated slack reduces psychological barriers to achieving alignment between values and behaviors. When firms perform well, CEOs can allocate greater cognitive and organizational resources toward ensuring behavioral consistency with their political values (Ocasio, 1997; Pfeffer & Salancik, 1978). Superior performance liberates attention from crisis management and operational firefighting, allowing CEOs to focus on decisions that align with their ideological commitments and avoid uncomfortable trade-offs between values and efficiency. Conversely, poor firm performance creates resource scarcity and operational pressures that force CEOs to prioritize immediate operational needs over discretionary ideological expression, even when value-behavior misalignment generates dissonance.

From an impression management perspective, high performance amplifies the capacity and motivation to signal ideological consistency. First, slack resources provide the financial means to engage in impression management strategies that align values and behaviors. Second, high firm performance creates favorable conditions for building a reputation and enhancing legitimacy. CEOs of successful firms evoke greater investor confidence and hold higher brand equity while receiving less intense scrutiny from shareholders, customers, and boards, making value-consistent advertising allocation a more effective reputation signal (Tuggle et al., 2010). In contrast, CEOs of poor-performing firms face heightened negative scrutiny focused on competence and capability rather than ideological consistency from a broad range of stakeholders (Dyck et al., 2008). This reduces both the feasibility and strategic value of ideological signalling through advertising decisions.

In summary, high performance creates dual enablers: enhanced discretion to pursue value-congruent behaviors via reduced cognitive and resource constraints (CDT mechanism) and increased capacity to signal authentic value expression through reduced scrutiny on performance (IM mechanism). These combined effects predict that the relationship between CEO political orientation and advertising spending imbalance will strengthen under high performance. Low performance attenuates both mechanisms through resource limitations and intensified stakeholder demands that constrain ideological expression.

H4: *Prior firm performance moderates the relationship between CEO political orientation and advertising spending imbalance, such that the relationship is stronger when prior firm performance is high compared to when it is low.*

The moderating role of competitive intensity

We expect the relationship between CEO political ideology and advertising expenditure allocation in politically congruent media to be weaker when the intensity of competitive actions is high than when it is low. Competitive actions encompass new product introductions, pricing and marketing actions, and market expansions as well as acquisitions and strategic alliances (Connelly et al., 2017).

From a cognitive dissonance perspective, high competitive intensity creates cognitive resource scarcity, which prevents CEOs from attending to concerns about ideological consistency. Competitive actions impose substantial information processing demands: they require CEOs to process large amounts of ambiguous information that carry strategic significance for firm survival, and exhibit clear causal linkages to firm performance (Marcel et al., 2011). These cognitive demands consume the attentional resources CEOs would otherwise allocate to ensuring value-behavior consistency. Recent research demonstrates that high levels of competitive intensity redirect leaders' cognitive focus towards initiatives with direct bottom-line impact (Ren et al., 2024), leaving insufficient cognitive capacity to monitor and resolve value-behavioral discrepancies. Conversely, low competitive intensity frees cognitive resources, allowing CEOs to pursue alignment between their values and advertising allocation decisions.

From an impression management perspective, high competitive intensity fundamentally alters stakeholder expectations. Under high competitive intensity, stakeholders prioritize performance-focused decisions over a CEO's ideological commitments. To maintain legitimacy, CEOs executing competitive actions will be motivated to downplay or avoid overt ideological bias in advertising strategy, projecting an appearance of objectivity and a clear preference for actions that benefit profitability. Evidence shows that
under conditions of high competitive intensity, leaders de-prioritize value-laden considerations such as sustainability, suggesting that ideological signaling becomes strategically less valuable when stakeholders demand competence demonstrations (Ren et al., 2024). Additionally, high competitive intensity also heightens the imperative to appeal to a broader set of stakeholders, limiting the value of appealing only to audiences who are ideologically aligned (Harrison et al., 2010). Conversely, low competitive intensity creates conditions where stakeholders may accept or even reward behavioral consistency as it signals authenticity, providing CEOs greater latitude to demonstrate behavioral consistency in advertising allocation.

In summary, high competitive intensity suppresses both mechanisms: it consumes cognitive resources required to address value-behaviour misalignment (CDT mechanism) and shifts stakeholders' expectations away from ideological positioning towards demanding performance competence (IM mechanism). Under low competitive intensity, both pathways amplify this relationship as CEOs possess the cognitive capacity to pursue ideological consistency and face stakeholder expectations that reward such consistency.

H5*: Competitive intensity moderates the relationship between CEO orientation and advertising spending imbalance, such that the relationship is weaker when competitive action intensity is high than when it is low.*

Method and Results

Sample

We focused our sample on Fortune 500 firms due to their significant scale, visibility, and pivotal role in the U.S. economy (Banerjee & Murray, 2021; Davis, 1991). Our analysis spans 2010 to 2020, a recent time frame with advertising expenditure data from Nielsen Ad Intel. Consistent with prior studies, we assessed CEOs' political ideology by examining their monetary contributions to political parties in the decade preceding their appointment as CEO; for example, a CEO appointed in 2010 had their political donations tracked from 2000 to 2009. Following established practices in CEO political ideology research, we excluded CEOs appointed prior to the start of the sample years (i.e., 2010) and those with multiple CEO tenures across different firms (Chin et al., 2013; Kashmiri & Mahajan, 2017). This exclusion addresses two methodological concerns. First, CEOs with prior tenures may have established relationships and media strategies that may carry over to their current roles, confounding the relationship between CEO ideology and advertising allocation decisions. Second, it also removes the risk that their firms shaped their ideologies (Chin & Semadeni, 2017). Advertising expenditure data was sourced from the Nielsen Ad Intel database via the Kilts Centre for Marketing at the Booth School of Business, and political donations data was sourced from the Stanford Database on Ideology, Money in Politics, and Elections (DIME). CEO and firm data were collected from ExecuComp and Compustat. This methodology yielded a final dataset covering 580 distinct CEOs and 2,721 firm-year observations for the 2010–2020 period.

Variables

Dependent Variable (Spending imbalance): To obtain data on advertising expenditures in newspapers, we relied on the Nielsen Ad Intel database. Of the top 100 circulated newspapers (available from "The American Presidency Project" (Woolley et al., 1999)), 85 newspapers were identifiable within the Ad Intel database. Since Ad Intel lists firms only by name, we employed a fuzzy matching algorithm, followed by manual verification, to accurately align firms in our sample with Ad Intel listings. More than 95% of newspaper advertising spending is concentrated in these 85 outlets. The average annual spending per firm across the sample was approximately USD 3.3 million.

The dependent variable in our analysis is the imbalance of spending between conservative and liberal newspapers. We classified newspapers based on their political leanings by examining Presidential endorsements (identified from The American Presidency Project) in 2008, 2012, 2016, and 2020[1], the four election cycles spanning our sample 2010–2020. Endorsements were categorized as conservative (endorsing a Republican candidate), liberal (endorsing a Democratic candidate), or other (newspapers that did not endorse for at least 3 of the 4 cycles or endorsed third-party candidates). For instance, the *Florida Times-Union* endorsed the Republican candidate in each election cycle and was thus coded as conservative, while the *Albany Times Union*, which consistently endorsed Democratic candidates, was classified as liberal.

Some newspapers that had historically endorsed candidates from one party chose not to endorse in specific election cycles. For instance, several newspapers with a consistent history of endorsing Republican candidates, such as the Albuquerque Journal, Boston Herald, and New York Post, abstained from endorsing a candidate in both the 2016 and 2020 elections. We classified these newspapers according to their historical endorsement patterns rather than treating non-endorsement as a shift in political orientation. Similarly, some newspapers with a consistent history of endorsing Democratic candidates omitted endorsements in one cycle but were still coded as liberal based on their historical pattern. Importantly, none of the 85 newspapers shifted their endorsements across political lines during this period. Overall, 10 newspapers were classified as conservative, 38 as liberal, and the remainder as other. For further information on the complete list of newspapers and their ideological categorization based on Presidential endorsements, please see Web Appendix Table W1.

To quantify the imbalance in advertising expenditures across conservative and liberal newspapers, we compiled annual advertising expenditures for each firm at the newspaper-year level and aggregated their advertising spend annually into conservative, liberal, and neutral spending, based on the newspaper's ideological classification. We then applied the Janis-Fadner (JF) coefficient of imbalance. This coefficient is widely recognized in media studies for assessing the degree of favorable versus unfavourable media endorsements received by firms (Bansal & Clelland, 2004;

[1] To validate our classification approach, we conducted a robustness check examining Presidential endorsements from 1980 onwards. This analysis confirmed the stability of newspaper endorsements. Results using this alternative classification were identical to the main findings.

Deephouse, 2000). The measure is superior to simple percentage measures because it simultaneously accounts for both the direction and strength of imbalance (Coombs & Holladay, 2012).

The JF coefficient captures the extent to which a firm's advertising spending skews toward either conservative or liberal outlets relative to total expenditure. The coefficient is calculated using the following formula:

$$Advertising\ imbalance = \frac{\boldsymbol{c^2 - cl}}{\boldsymbol{total^2}}\ \boldsymbol{if\ c > l}\ ;\ \frac{\boldsymbol{cl - l^2}}{\boldsymbol{total^2}}\ \boldsymbol{if\ c < l; 0\ if\ c = l}$$

Where ***'c'*** denotes the total spending in conservative newspapers in a given year, ***'l'*** represents the total spending in liberal newspapers in a given year, and 'total' represents the combined advertisement spending in all newspapers, including conservative, liberal, and other newspapers, in a given year. The coefficient ranges from -1 to 1, with positive values indicating greater allocation to conservative newspapers and negative values indicating greater allocation to liberal newspapers. We replaced all firm-year observations with no spending in the newspaper for that year with a score of 0. The mean of the imbalance measure in our sample is -.14, suggesting that, on average, spending in liberal newspapers is marginally higher than spending in conservative newspapers.

Independent Variable (CEO Political Ideology): We assess a CEO's political orientation through their political contributions. We collected data on political donations from Stanford's Database on Ideology, Money in Politics, and Elections (DIME), created by Bonica (2014, 2016). DIME systematically collects individual and organizational donations exceeding $200 disclosed by the Federal Election Commission. This data includes the donor's name, address, employer, occupation, donation amount, donation date, and the recipient's name. Donations are made to candidates, campaign committees, and political action committees (PACs). We considered donations made to Republican or Democratic candidates or PACs affiliated with one of the two parties (Chin et al., 2013; Kashmiri & Mahajan, 2017).

To measure a CEO's political ideology, we first collected the names of CEOs and their respective firms from the ExecuComp database. Second, using fuzzy matching, we matched these CEO and firm names from Execucomp with donor and organization names in DIME. Third, drawing on validated measures of political ideology (Chin et al., 2013), we constructed the following four components: (1) behavioral commitment - the number of donations made by the CEO to the Republican Party divided by the total number of donations to both parties (2) financial commitment - dollar donations made by the CEO to the Republican Party divided by the dollar donations to both parties (3) persistence of commitment - the number of years in which the CEO made donations to the Republican Party divided by the total number of years with donations to either party and (4) scope of commitment - the number of distinct Republican recipients to whom the CEO donated divided by the total number of distinct recipients from both parties. We then averaged these four components to create a *CEO conservatism* score, which ranged from 0 to 1, with values near 0 indicating highly liberal CEOs and values closer to 1 indicating highly conservative CEOs. The political ideology measure demonstrated high internal consistency, with Cronbach's alpha of .97. Consistent with prior research, we assigned a score of .50 to CEOs with no recorded donations, treating them as politically centrist (Chandler et al., 2023; Chin et al., 2013; Hutton et al., 2014; Kashmiri & Mahajan, 2017). Because political ideology represents a stable personality trait (Smith et al., 2017), ideology scores remain constant throughout each CEO's tenure from the time of their appointment. We excluded post-appointment contributions to prevent reverse causality from our dependent variables. The mean CEO conservatism score in our sample was .57, suggesting a slightly conservative tilt overall and aligning with prior work (Kashmiri & Mahajan, 2017).

Moderators:

CEO gender: We identified CEO gender using the gender variable available in Execucomp, coding it as 1 for male and 0 otherwise. Our sample consisted of 43 female CEOs and 537 male CEOs.

CEO age: We obtained CEO age from the Execucomp database and used the natural logarithm of this value as our measure for CEO age.

Prior firm performance: We used lagged Return on Assets (ROA) as our measure of prior firm performance. ROA was computed as the ratio of net income to total assets, both of which were obtained from the Compustat database.

Competitive intensity/activity: To measure competitive intensity/activity, we utilized data from RavenPack News Analytics – Dow Jones Edition, which aggregates corporate news coverage from sources such as *The Wall Street Journal*, *Barron's*, *MarketWatch*, and Dow Jones Newswires. Using proprietary algorithms, RavenPack assigns a relevance score (ranging from 0 to 100) to each article, where 0 denotes no relevance to the firm, and 100 signifies central relevance. Due to potential duplication across multiple sources, RavenPack also provides a novelty score (0–100), where a score of 100 indicates the first instance of the event being reported. Lower scores reflect later publications of similar news.

For our analysis, we selected news events related to competitive intensity/activity, including only those articles with both relevance and novelty scores of 100. RavenPack also categorizes each article by its core topic or theme. Drawing on prior research on competitive dynamics, we identified the following topics as reflecting a firm's competitive activity: new product introductions, capacity adjustments, pricing actions, marketing actions, acquisitions, strategic alliances, market expansions, and legal actions (Connelly et al., 2019). We then quantified competitive intensity/activity by counting the articles tagged with these subjects, yielding a measure of competitive actions. Our sample captured 11,556 competitive actions, with an average of four actions per firm per year.

Control variables:

We included several CEO-level and firm-level covariates to control for other factors that may affect our dependent variable. At the firm level, we controlled for *Firm size* (the log of total sales), and *Tobin's q*. We also controlled for *the total number of papers* (the number of newspapers in which the firm advertised during a focal year) *& total spending* (total advertising expenditure during the focal year). At the CEO level, we controlled for *CEO high equity ownership*, *CEO tenure,* and *CEO duality*, as these characteristics can systematically influence a CEO's discretion, risk preferences, and strategic decision-making style. We coded CEO high equity ownership as 1 if a CEO owned at least 5% of a company's shares and 0 otherwise. High ownership stakes align the CEO's personal wealth with firm outcomes and may heighten sensitivity to strategic risks, potentially constraining ideologically driven decisions (Finkelstein et al., 2009). We operationalized CEO tenure as the number of years since the CEO's appointment. A longer tenure often increases familiarity with organizational routines and control over decision-making processes, but may also reinforce commitment to prior strategies or personal values (Mayo et al., 2022). CEO duality was coded as 1 if the CEO was also the chairperson of the board and 0 otherwise. Duality can enhance CEO power and reduce board oversight, potentially amplifying the influence of values on visible strategic choices such as advertising allocation (Krause et al., 2014).

Analysis

We used panel regression models for our primary analysis. To select the appropriate model specification, we conducted a Hausman test comparing random and fixed effects models; the results indicated the fixed effects model was appropriate. To account for potential heteroscedasticity and event non-independence, we employed the Huber-White sandwich estimator and clustered standard errors at the executive level. We used the following regression equations. Equation (1) captures the main effect, and Equation (2) captures the moderation effects.

$$\mathrm{Spending\_imbalance}_{it} = \alpha + \beta_1 \times \mathrm{CEO\_Conservatism}_{it} + \beta_2 \times \mathrm{Controls}_{it} + \lambda_i + \gamma_t + \varepsilon_{it} \quad (1)$$

$$\mathrm{Spending\_imbalance}_{it} = \alpha + \beta_1 \times \mathrm{CEO\_Conservatism}_{it} + \beta_2 \times \mathrm{CEO\_Conservatism}_{it} \times \mathrm{Mod}_{it} + \beta_3 \times \mathrm{Controls}_{it} + \lambda_i + \gamma_t + \varepsilon_{it} \quad (2)$$

where λ_i refers to firm fixed effects (FE) and γ_t refers to year fixed effects. Here, 'i' denotes the firm, 't' denotes the year, and 'Mod' represents the moderators used in our study, i.e., CEO gender, CEO age, prior firm performance, and competitive intensity.

Our empirical models address several identification challenges. First, it is essential to rule out the possibility that CEOs strategically respond to changes in the political environment (e.g., a new government) by simultaneously adjusting their personal political contributions and allocating firms' resources towards politically congruent stakeholders such as newspaper outlets. We address this concern by measuring CEOs' political orientation using their political contributions in the decade preceding their appointment as CEO, thereby effectively ruling out any strategic contribution behavior. Second, it is essential to determine whether CEOs' actions reflect their personal beliefs or if they are a response to their customers' expectations alone. We address this concern by including firm fixed effects, which enable us to estimate the impact of within-firm CEO changes (thereby causing variation in CEO political ideology) on advertising allocation, while controlling for time-invariant firm-specific characteristics, such as a firm's consumer base. We also examine changes in advertising allocation around CEO turnovers, where the CEO changes while the firm's customer base remains constant. Third, we include year fixed effects to control for time-varying effects common across all firms, such as economy-wide shocks (e.g., pandemic), changes in the political climate, and macroeconomic conditions (e.g., recessions or booms). Fourth, we include a rich set of covariates to control for time-varying CEO and firm-level characteristics, which may potentially act as omitted variables unless explicitly included in the model (please refer to the control variables section for an in-depth discussion).

Results

Table 1 provides descriptive statistics and correlations for each variable included in this study. Across all specifications, the variance inflation factor (VIF) remains below the conventional threshold of 10, indicating minimal risk of multicollinearity (Hair et al., 2017).

[Insert Table 1]

Table 2 presents the results of our hypotheses. Model 1 includes only control variables. In Model 2, the coefficient for CEO conservatism is positive and statistically significant (β=.225, p=.002). This finding supports Hypothesis 1, which posits that at higher levels of CEO conservatism, advertising expenses tend to lean more towards conservative newspapers. Specifically, a one-standard deviation increase in CEO conservatism from mean levels is associated with an increase in the imbalance score by 32% points (an increase of .045 in the JF score).

[Insert Table 2]

Model 3 introduces all the interactions. Consistent with Hypothesis 2 (H2), the coefficient of the interaction term CEO conservatism * CEO gender is negative and marginally significant (β=-.333, p =.099), indicating that female CEOs exhibit a more substantial ideological alignment in advertising strategy than male CEOs. Panel A of Figure 2 visualizes this moderation. Although the ideology-imbalance relationship is positive for both male and female CEOs, the slope is substantially steeper for female CEOs. Specifically, a one-standard-deviation increase in CEO conservatism from its mean is associated with a 0.11 increase (75.46% increase) in spending imbalance for female CEOs, compared to a 0.046 increase (33.96% increase) for male CEOs.

Consistent with Hypothesis 3 (H3), the interaction between CEO conservatism and CEO age is negative and significant (β= -.022, p =.071). This implies that younger CEOs are more likely to align advertising strategies with their political values. In contrast, older CEOs are more likely to pursue advertising strategies that are inconsistent with their political values. Panel B of Figure 2 illustrates the moderating effect of CEO age on the relationship between CEO conservatism and advertising spending imbalance. At the mean CEO age (55 years), a one standard deviation increase in CEO conservatism yields a .054 increase (39.34% increase) in spending imbalance. For older CEOs (60 years, mean + 1 SD), the corresponding increase is only .032 (22.04% increase).

Next, we test Hypothesis 4 (H4), which proposes that strong prior firm performance amplifies the relationship between CEO conservatism and advertising imbalance. The interaction term is positive and statistically significant (β= 1.278, p =.063), supporting H4. Thus, at high levels of prior firm performance, CEOs are more likely to strengthen alignment between advertising strategy and their political ideologies. Panel C of Figure 2 illustrates this effect. Specifically, a one standard deviation increase in CEO conservatism from its mean is associated with an increase of 0.05 (36.91% increase) in spending imbalance towards conservative newspapers for the firms at mean levels of prior firm performance, but a .076 (56.13% increase) increase in spending imbalance at high levels of prior firm performance (mean +1 SD).

Finally, we test Hypothesis 5 (H5), which predicted a negative moderating effect of competitive intensity. The interaction term between CEO conservatism and competitive intensity is not statistically significant, offering no support for H5[2].

[Insert Figure 1]

Addressing Endogeneity

To address potential endogeneity, we implemented several robustness tests. First, although we conceptualize CEO conservatism as a dispositional trait, it remains possible that firms hire CEOs whose political ideology aligns with organizational preferences. If firms hired CEOs based on their political ideologies, it could challenge the assumption of CEO conservatism being exogenous. To

[2] We used a conservative firm fixed effects model for our main analysis. When we used state and industry fixed effects, we found support for Hypothesis 5.

alleviate this concern, we employed a two-stage residual inclusion regression (Elhelaly & Ray, 2024; Terza et al., 2008). This approach is similar to the 2SLS except that instead of using the predicted value of the independent variable, we include the residual from the 1st stage as a control variable in the 2nd stage along with the endogenous regressor. This would require us to apply instruments that would strongly influence CEO conservatism but would be independent of the error term. Consistent with prior research, we used board conservatism and the proportion of votes for the Democratic presidential nominee in the firm's home state as instruments that would influence CEO conservatism without directly affecting advertising imbalance.

Boards play a critical role in CEO search and hiring (Boivie et al., 2025), with prior research alluding to political congruence between the board of directors and CEOs (Busenbark et al., 2023; Lee et al., 2014). Thus, board conservatism satisfies the relevance criteria by predicting CEO political orientation. However, beyond CEO hiring, boards rarely make business decisions themselves. Schwartz-Ziv and Weisbach (2013) examined minutes of board meetings and found that boards primarily play a supervisory role to the top management, with boards presented with a single alternative in 99% of the issues discussed, and boards disagreeing only 2.5% of the time with the CEO in their sample. Since advertising is a managerial decision, the board plausibly influences it only indirectly through the CEO's political orientation, thus meeting the exclusion restriction.

We also employ the political ideology of the state where the firm is headquartered as the second instrument (Albuquerque et al., 2019; Gupta, Briscoe, et al., 2018). We measure the political ideology of the firm's headquartered state by calculating the proportion of votes for the Democratic presidential nominee in the state. Prior research demonstrates that a state's political ideology has a significant impact on CEO conservatism (Chin et al., 2013; Gupta & Wowak, 2017; Markoczy et al., 2023). We expect the firm's headquarter state political ideology to shape the context in which CEOs are selected, the networks in which they are embedded, and the political lens through which they are evaluated. However, state political ideology can plausibly influence a firm's managerial actions, such as advertising imbalance, only indirectly through the political orientation of the CEO, satisfying the exclusion restriction.

Both instruments significantly predicted CEO conservatism in the first stage (board conservatism: β= .340, p = .002; Democratic vote share: β= -.389, p =.004). Sargan and Basmann tests for overidentifying restrictions were nonsignificant (p = .88 and p = .60, respectively), indicating instrument validity, and the combined first-stage F-statistic (F = 11.22) exceeded the conventional threshold for weak-instrument concerns (Basmann, 1957; Sargan, 1958). In the second stage reported in Model 2 and Model 3, the inclusion of the residual term continued to yield support for our central hypothesis. While H3 and H4 remained significant, the moderating effect of CEO gender (H2) did not reach standard levels of significance.

As an additional endogeneity, we applied the Gaussian copula method, an instrument-free correction approach particularly suited for nonlinear models and contexts in which endogeneity arises from unobserved factors correlated with both the regressor and the error term (Park & Gupta, 2012). Unlike traditional instrumental variable methods, the copula correction explicitly models the dependence structure between the endogenous variable and the error term without requiring an external instrument. Following Park and Gupta (2012) and recent applications in marketing (Astvansh et al., 2022), we first verified the distributional assumptions underlying the copula approach, namely that the endogenous regressor, CEO ideology, is non normally distributed using the Shapiro-Wilk test, a prerequisite for using the Gaussian copula approach. Non-normality tests reject the null hypothesis of normality for the endogenous regressor, thereby validating the use of the copula correction. We then incorporated the copula term for CEO ideology into the main specification, which captures the nonlinear dependence between the endogenous regressor and the error term. The results of the copula-corrected estimation remain consistent with our main findings: CEO conservatism on advertising spending imbalance (H1) continues to be positive and significant, and the moderating effects of CEO age (H3) and firm performance (H4) also remain robust. These findings suggest that the observed relationships are unlikely to be driven by endogeneity bias.

Another source of endogeneity concern is omitted variable bias due to the absence of variables that our model did not account for (Chintagunta et al., 2005; Frank, 2000). The exclusion of such variables may bias our results if these variables correlate with the independent variable, CEO conservatism, as well as the error term (Wooldridge, 2010). To evaluate this possibility, we employed two tests. First, we used the Impact Threshold for a Confounding Variable (ITCV) (Busenbark et al., 2022). The ITCV test indicated that an omitted variable would have to be correlated at r > .024 with both CEO conservatism and spending imbalance to invalidate our findings. None of the included covariates exceeded this threshold, and their correlations with spending imbalance were negative, further mitigating concerns about omitted variables. We also calculated the Robustness Index for Replacement (RIR) using the konfound command in Stata (Frank et al., 2023). The RIR suggested that 37.73% (1,027) of observations would need to be replaced with cases showing no effect to overturn our results, a highly implausible scenario. Together, the ITCV and RIR provide strong evidence against the presence of meaningful omitted variable bias.

To further validate our main effects, we employed a coarsened exact matching (CEM) procedure to create equivalent subsamples for CEOs with high versus low levels of conservatism. Since such matching procedures necessitate the use of a binary variable as the independent variable, we first transformed our CEO conservatism variable into a binary one. Specifically, scores higher than .5 were classified as highly conservative CEOs (Treatment), and those below .5 were classified as CEOs low in conservatism (Chin et al., 2013; Kashmiri & Mahajan, 2017). Then, using CEM matching based on firm size and firm performance as the two variables, we created equivalent subsamples for CEOs in both the high- and low-conservatism conditions. We obtained 793 firm-year observations for highly conservative CEOs and 1,378 firm-year observations for low-conservative CEOs in our matched sample. CEO conservatism continued to show a positive association with greater imbalance in advertising spending in conservative newspapers .

CEO turnover provided an additional context for examining the influence of CEO conservatism on advertising spending imbalance. We first identified all CEO turnovers occurring during the sample time frame. We then assigned a value of 1 if the new CEO had a higher conservatism score than their predecessor and 0 otherwise. We used a binary measure to make the measure less sensitive to firm political shifts and more sensitive to CEO political shifts. We defined changes in other time-variant variables as the difference between the average value in the three years following the new CEO’s appointment and the average value in the three years prior. We also demeaned each 3-year average variable by the industry average over the same period (Christensen et al., 2015). The results of the analysis, as shown in Table 5, indicate that when a higher-conservatism CEO replaced a predecessor, the firm's advertising spending toward conservative newspapers increased ($\beta = 6.05$, $p = .022$). This pattern suggests that changes in CEO ideology led to hypothesized shifts in advertising allocations.

Robustness Checks

To further examine the relationship between CEO conservatism and advertising spending imbalance, we restricted our analysis to CEOs who had donated at least once to either the Democratic or Republican parties. By excluding non-donor CEOs (who were assigned a conservatism score of .5 following existing research (Kashmiri & Mahajan, 2017)), we addressed concerns that advertising spending might not be strategically influenced by conservatism. After removing non-donor CEOs, the positive relationship between CEO conservatism and advertising spending imbalance toward conservative newspapers remained significant ($\beta = .276$, $p = .018$).

Advertising spending decisions may also be influenced by regulatory or contextual factors at the state and industry levels (Bagwell, 2007; Goldfarb & Tucker, 2011). After incorporating year and industry-state fixed effects, the main effect remained consistent ($\beta = .226$, $p = .003$). This confirms that regulatory heterogeneity does not explain ideological skew.

To further assess robustness, we included the presence of a Chief Marketing Officer (CMO) as a control. The main effect of CEO conservatism ($\beta = .207$, $p = .009$) and the moderating effects of CEO gender and prior firm performance remained robust.

Discussion

We demonstrate that CEOs' personal ideologies extend beyond traditional domains of CSR and innovation into advertising resource allocation. Consistent with cognitive dissonance and impression management theories, CEOs allocate a greater proportion of their advertising expenses to politically aligned newspapers. This main effect is robust across multiple tests. We also find several significant moderating effects of CEO characteristics and organizational contexts. First, the main effect is strengthened when the CEO is female. This finding extends research on gender and leadership by demonstrating that female CEOs' resource allocation decisions more closely align with their personal values. Second, younger CEOs demonstrate more substantial ideological alignment, reflecting greater pressure to establish legitimacy by signaling value consistency. Third, when prior performance is high, ideological alignment strengthens, suggesting that the increased discretion may allow CEOs to align personal values without facing immediate performance challenges from boards or shareholders.

Theoretical contributions

We extend work on leaders influencing marketing decisions. A CEO's political ideology not only shapes spending levels (Currim et al., 2012) but also influences allocation across newspapers with varying ideological orientations. While prior studies have examined the role of CEO values in R&D allocation (Kashmiri et al., 2019), new product introductions (Kashmiri & Mahajan, 2017), and marketing alliances (Oh et al., 2020), we are the first to show ideological allocation across media outlets. Traditional marketing models assume that advertising allocation follows efficiency and financial criteria alone; our findings challenge these assumptions, as CEOs' political ideologies systematically bias advertising spending toward ideologically aligned media.

Second, CEO political values meaningfully shape media economics. Advertising typically accounts for 60-80% of revenues for prominent national newspapers (Mantrala et al., 2007, p. 35). If CEOs preferentially allocate advertising expenses based on ideology, then CEO's ideology could influence newspapers' revenues. Given that the average advertising revenue earned by newspapers from the firms in our sample is about USD 20 million, ideological allocation substantially affects which newspapers thrive financially. This extends the two-sided markets literature (Mantrala et al., 2007). In such markets, newspapers must balance the needs of readers and advertisers, as advertisement revenue and circulation numbers are closely linked (Picard, 2013; Rysman, 2009). The dominant assumption is that advertisers care about circulation numbers, demographics, and the effectiveness of their advertisements. Our findings reveal an additional dimension: advertisers' political ideologies influence media selection, over and above audience considerations [3]. This suggests

[3] Our conservative models of firm fixed effects as well as the robustness tests that analyzed the main effects after a CEO change imply that customers are unchanging and yet there is a change in advertising allocation depending on the CEO's political ideology.

that newspapers face a difficult challenge: they may need to attract readers and advertisers who share compatible political ideologies, potentially creating echo chambers that reinforce political orientation. Thus, the economic viability of newspapers may not only depend on their readers but also on the ideologies of the CEOs who allocate advertising. This represents a mechanism by which CEOs shape discourse through endorsing or avoiding newspapers based on their ideologies. This also raises important questions about the independence of the media. While advertising can influence media coverage (Rinallo & Basuroy, 2009), the extent to which executive ideology affects the volume and favourability of coverage warrants further investigation.

Third, our theoretical integration of cognitive dissonance theory and impression management theory offers a more complete explanation than either theory alone. Cognitive dissonance suggests that CEOs experience psychological discomfort when advertising placements conflict with their ideological beliefs, motivating consistency (Festinger, 1959). Impression management theory adds an audience-focused perspective: CEOs project value congruence to stakeholders (Bolino et al., 2016; Leary & Kowalski, 1990). Our findings support both mechanisms. The main effect is consistent with internal dissonance reduction. The moderating effects of CEO gender and age, characteristics that influence how CEOs are perceived and judged by others, support the impression management perspective. Female CEOs may face heightened expectations for authenticity and value consistency, making ideologically aligned advertising a salient form of impression management tool. Younger CEOs, operating in an era of greater political polarization, may feel pressure to demonstrate value consistency or feel more comfortable expressing political values in professional contexts. The moderation by prior firm performance suggests both mechanisms are contingent on organizational slack and stakeholder scrutiny. When performance is high, CEOs have greater discretion and reduced accountability pressures, allowing both dissonance reduction and impression management motives to influence advertising allocation. Conversely, poor performance increases board oversight and stakeholder scrutiny, constraining the CEO’s ability to pursue personal preferences. This insight contrasts with prior work on CEO political ideology, which suggests that firm performance diminishes value adherence (Chin et al., 2013); we find the opposite effect.

Limitations and other opportunities for further research

Our sample is limited to Fortune-500 firms from 2010 to 2020. While these firms represent a significant portion of the US economy, they are large, established firms with substantial resources and visibility. CEO ideology dynamics may differ in smaller firms where CEOs have less discretion and resources. Second, we study the top 85 newspapers by circulation that we could reliably classify by political ideology based on their presidential endorsements. We focus on newspaper advertising because it enables us to clearly delineate the impact of CEO political ideology on advertising resource allocation, as the political orientation of newspapers can be objectively deciphered through their political endorsements, unlike that of TV channels. Furthermore, digital platforms enable advertisers to target audiences based on inferred political ideology, raising questions about how the CEO's ideology influences advertising on those platforms. Hence, our estimates are conservative at best. Future research may examine whether our theory generalizes to other media channels. Third, we do not examine the consequences of ideologically aligned advertising allocations on effectiveness or consumer responses. Finally, while we propose CDT and impression management mechanisms and provide indirect evidence for both, we were unable to observe CEO dissonance or impression management motives directly. Future research should examine these mechanisms more directly.

Conclusion

This study examines how CEO political ideology shapes a foundational marketing decision: allocation of advertising expenditures across ideologically differentiated newspapers. Building on cognitive dissonance and impression management theories, we find that CEOs direct advertising toward media outlets that align with their political beliefs. These patterns are shaped by CEO-level characteristics (gender and age) as well as firm-level conditions (prior performance). Taken together, advertising strategy, often conceptualized as a market and efficiency-driven choice, also reflects the ideological leanings of CEOs. By identifying this previously overlooked pathway of executive influence, we invite further inquiry into the interplay between personal ideology and firm-level marketing strategies.

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Table 1: Descriptive statistics

	Variables	Mean	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1)	Spending imbalance	-0.14	0.37	1.00											
(2)	CEO conservatism	0.57	0.21	0.02	1.00										
(3)	Firm size	9.48	1.00	-0.04	0.06	1.00									
(4)	Return on assets	0.04	0.10	-0.03	-0.01	0.10	1.00								
(5)	Tobin's q	1.87	1.22	-0.04	-0.08	-0.03	0.34	1.00							
(6)	Total number of papers	6.08	13.29	-0.16	-0.06	0.27	0.02	-0.02	1.00						
(7)	Total spending (in Millions)	1.77	0.80	-0.08	-0.03	0.16	-0.04	-0.07	0.69	1.00					
(8)	CEO duality	0.48	0.50	-0.01	0.04	0.18	0.03	0.04	0.05	0.02	1.00				
(9)	CEO age	55.49	5.47	-0.02	0.05	0.15	0.01	-0.01	0.05	0.03	0.19	1.00			

(10)	**CEO tenure**	**2.53**	**2.32**	**-0.06**	**0.02**	**0.10**	**0.01**	**0.05**	**-0.06**	**-0.06**	**0.15**	**0.32**	**1.00**			
(11)	**CEO gender**	**0.92**	**0.27**	**0.00**	**0.12**	**0.05**	**-0.02**	**-0.04**	**0.00**	**-0.02**	**0.05**	**0.01**	**0.00**	**1.00**		
(12)	**CEO high equity ownership**	**0.01**	**0.11**	**-0.04**	**-0.01**	**0.07**	**0.02**	**0.09**	**0.12**	**0.13**	**0.02**	**-0.16**	**-0.03**	**0.03**	**1.00**	
(13)	**Competitive intensity**	**4.05**	**8.77**	**-0.02**	**-0.06**	**0.37**	**0.11**	**0.17**	**0.22**	**0.15**	**0.02**	**-0.12**	**-0.02**	**0.03**	**0.27**	

Table 2: The Effect of CEO's Political Orientation on Spending Imbalance

Variables	DV: Spending imbalance					
	Model 1		Model2		Model 3	
Independent variable						
CEO conservatism			0.225	(0.002)	1.738	(0.014)
			[0.072]		[0.702]	
Controls						
Firm size	0.063	(0.055)	0.063	(0.055)	0.060	(0.069)
	[0.033]		[0.033]		[0.033]	
Return on assets	-0.035	(0.545)	-0.032	(0.574)	-0.038	(0.501)
	[0.058]		[0.057]		[0.056]	
Tobin's q	-0.021	(0.131)	-0.021	(0.131)	-0.022	(0.112)
	[0.014]		[0.014]		[0.014]	
Prior firm performance					-0.692	(0.042)
					[0.340]	
Competitive intensity					0.003	(0.487)
					[0.005]	
Total number of papers	-0.006	(0.000)	-0.006	(0.000)	-0.006	(0.000)
	[0.001]		[0.001]		[0.001]	
Total spending	0.000	(0.029)	0.000	(0.038)	0.000	(0.058)
	[0.000]		[0.000]		[0.000]	
CEO duality	0.040	(0.316)	0.060	(0.138)	0.068	(0.080)
	[0.040]		[0.040]		[0.039]	
CEO age	0.001	(0.726)	-0.001	(0.832)	0.011	(0.087)
	[0.003]		[0.003]		[0.007]	
CEO tenure	-0.012	(0.033)	-0.009	(0.090)	-0.009	(0.096)
	[0.006]		[0.005]		[0.005]	
CEO high equity ownership	0.072	(0.603)	0.064	(0.653)	0.059	(0.687)
	[0.139]		[0.142]		[0.146]	
CEO gender	0.062	(0.280)	0.045	(0.401)	0.203	(0.063)
	[0.058]		[0.053]		[0.109]	
Moderators						
CEO conservatism X CEO gender					-0.333	(0.099)
					[0.202]	
CEO conservatism X CEO age					-0.022	(0.071)
					[0.012]	
CEO conservatism X Prior firm performance					1.278	(0.063)
					[0.686]	
CEO conservatism X Competitive intensity					-0.001	(0.915)
					[0.008]	
Constant	-0.772	(0.026)	-0.812	(0.018)	-1.586	(0.002)

	[0.346]	[0.342]	[0.504]
R-squared	0.415	0.417	0.421
Firm fixed effect	yes	yes	yes
Year fixed effect	yes	yes	yes
Observations	2721	2721	2720

Note: p-values are in parentheses; robust standard errors are in square brackets.

Figure 1. Moderation Effects on the Relationship Between CEO Conservatism and Spending Imbalance