A CEO's charismatic personality is connected to the company's business success in terms of profit and brand image

The role of vision, self-confidence, and likeability in a business context

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ABSTRACT

In popular culture, charisma is described as an unexplainable spark. In politics, religion, or business, charisma seems to be a factor that distinguishes leaders from followers. The special relationship between leader and follower allows this, as followers perceive their leader to have extraordinary traits. These characteristics range from high self-confidence and a visionary mindset to simply being the most likeable person in the room. Followers experience a positive spill-over effect from these traits in their leader by wanting to be part of their leader's plan, being more motivated, more engaged, and therefore, better in action. Many companies thrive due to such leadership. Especially in the technological and digital sector, most successful firms have been headed by charismatic CEOs. In academic research, however, the possible relationship between charisma and business success is still underexplored. Moreover, only employees' or CEOs' perception are studied upon and not customers', although customers are as important to a business's success as employees.

This study aims to contribute valuable outcomes in terms of filling these gaps. Therefore, the question addressed in this thesis is not only if a company needs a charismatic CEO for success, but also to what extent this relationship might hold, which underlying factors are relevant, and which parts of business success are affected by it. A quantitative survey is conducted. The underlying hypotheses include the independent sub-variables self-confidence, visionary mindset, and likeability, while business success as the dependent variable is defined by brand image and profit. A distinction will be made for the latter in terms of perceived profitability and average net profit increase of the last three years. The sample contains n = 169 participants, who were questioned on their familiarity and perception of a CEO and their respective company. Based on former literature, the variables and respective items were evaluated using 7-point Likert scales. By conducting a cumulative factor analysis and multiple regression analysis through SPSS, several outcomes were shown. While a CEO's likeability significantly increases a brand's image, it has no significant influence on profit. In fact, likeability has a significant negative effect on average net profit increase. Business success in the form of perceived profitability and average net profit increases if a company is led by a self-confident CEO, and perceived profitability increases through a visionary CEO, too. These findings support the conclusion that underlying traits of charisma affect aspects of business success. A recommendation for firms would, therefore, be to evaluate which kind of business success factor is crucial for them and choose a CEO with fitting attributes.

KEYWORDS: Charisma; Business success; Brand image; Financial performance; Leadership

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1. Introduction

Elon Musk's net worth currently totals $300 billion and continues rising. He is the CEO of Tesla, a trillion-dollar company and has worked with NASA to develop SpaceX, a new rocket ship to fly to the moon. More recently, he decided to make Twitter great again by becoming its biggest shareholder (Chotiner, 2022). While it is arguable whether he has a likeable personality, two truths are certain. First, Tesla is one of the most successful companies in history so far. Second, Elon Musk, as its leader, is not only perceived as charismatic by many but worshipped like a semi-god with the ability to turn everything he touches to gold (Felsenthal, 2021). Currently, it seems that the CEO and his company are inseparable, and if one of them is successful, the other one will undoubtedly be too. Therefore, without Musk, without the charismatic man behind the successful company, Tesla would be reduced to just another car company producing electric vehicles (Harwell, 2018).

The technology industry thrives on tales like these, on visionary, self-confident founders that led their companies to incredible success. However, those tales are often based on good storytelling and seldom on hard facts and figures that hold in praxis and in theory. In academic research, the topic of charismatic CEOs influencing a firm's performance has been partly discussed, but no definition or empirically sound relationships have been identified yet for the industry evolving around Silicon Valley (Boehm et al., 2015). Hence, this study intends to use quantitative methods to develop an argument about the way a CEO's charisma might influence aspects of a business's success.

1.1 Scientific background of charisma related to business success

In popular culture, charisma is a trait attributed to leaders and persons that have a certain 'spark', a certain feeling around them. In academic research, this spark is explained by several characteristics that a person must convey to be perceived as charismatic by their followers.

In 1922, German sociologist Max Weber examined the term 'charismatic authority' for the first time, referencing extraordinary and captivating qualities that make an individual charismatic (Joosse, 2014). Most studies that followed have focused rather on charismatic leadership in politics or religion and less on economics until recently (Antonakis et al., 2017). The ones that did conduct research in this field put emphasis on the relationship

between CEOs and employees and not external followers such as customers (Agle et al., 2006; Boehm et al., 2015). Additionally, there is limited research focusing on the relationship between charisma and business success in the form of profit and brand image (Fanelli & Misangyi, 2006).

Research thus far has focused on service sectors and financial institutions (LeBlanc & Nguyen, 1996). Meanwhile, the digital and technology industry is more relevant than ever, growing and changing rapidly. This relatively young industry is different than its more traditional counterparts, raising the question of whether its companies might need other types of leaders to survive (Davenport & Westerman, 2018).

Moreover, in terms of a charismatic leader's relationship with their external followers, studies mostly examine the concept of charisma, not its different characteristics, which signals a need for further research on the multi-dimensionality of charisma (Fanelli & Misangyi, 2006). This study investigates three of the most influential character traits named in economic and psychological research: self-confidence, a visionary mindset, and likeability.

Self-confidence in a charismatic leader includes not only a certain type of dominance and fierceness but also the ambition to succeed and become the best (House, 1977). If a CEO holds those traits, a spill-over effect occurs, causing followers to believe in the leader's influence and power (Conger, 1989). A visionary mindset in a CEO means unconventional ideas for real change and, if communicated in the right way, leads to followers feeling excitement and inspiration. Hence, employees and customers want to be part of that vision, buying the company's products or supporting in other ways (Antonakis & Day, 2012; Robbins, 1992). This 'right way' of communication often refers to someone who is motivational, open minded, considerate, and authentic. Together, those traits comprise the third factor, a person being perceived as likeable. Likeability in a CEO is highly associated with leadership skills and trust in the CEO (Hopp et al., 2020; Todorov et al., 2005).

1.2 Scientific relevance

Scholars have argued whether a CEO's charisma has a beneficial and significant influence on a company's performance by focusing mostly on the employees' perception of the CEO or the CEO's perception of the employees and the business (Boehm et al., 2015). Hence, in general, the majority of scientific studies about leaders and followers investigate managers' and internal followers' perceptions while disregarding external followers such as

customers and potential customers (Bass & Avolio, 1990; House 1977; Sosik 2006). While employees are the body of any company, customers are vital for prosperity and growth. They judge about a brand's image and its reputation. After all, it is the firm's image attracting customers, selling products, making revenue and profit (Drucker, 2008). This gap in literature must be addressed. Therefore, it is important to research external followers' perception of a CEO's charisma and their respective company's success and, in turn, examine how much and in what way this perception matters. This thesis aims to support the statement that charisma influences business success in a positive way. Therefore, the goal is to provide a thorough insight into and discussion of pre-existing literature by adding new quantitative data about charisma and business success.

1.3 Research question

A successful company can be defined as outperforming the competition through the application of several critical success factors, which are adjusted to different industries but generally range from purely financial to rather subjective measures, like reputation (Garg et al., 2010; Lucky et al., 2012). A company's micro- and macroenvironment should be considered, where internal and external factors are relevant to performance. Hence, it is not only important how a company performs in terms of finances and efficient processes but also how customers and potential customers perceive the company and what it represents (Leidecker & Bruno, 1984). Since customers are rational as well as emotional in purchase decisions, it is valuable to research a CEO's charisma in terms of how it influences profit and a brand's image (Hwang & Seo, 2016; Pine & Gilmore, 1998). Therefore, the research question (RQ) for this study is as follows:

"How is a CEO's charismatic personality connected to the company's business success in terms of profit and brand image?"

1.4 Societal relevance

The societal relevance of this topic shows itself not exclusively in politics or religion but in business as well, where managers and CEOs are granted their positions based on rational decisions, personality, and emotional reasoning (Agle et al., 2006). When looking for a new CEO, recruiters tend to have a hard time picking the most fitting candidate. It is a

question of employing someone that will not immediately lead to a loss in profit or threaten the company's reputation. The ideal CEO is a trustful and likeable leader and someone with bursts of vision and confidence, while staying realistic and distant from megalomania (Liu et al., 2003). Companies that employ narcissistic or over-confident leaders might have a steeper success-curve than firms with different leadership styles, but must deal with counterproductive work behaviours as well, possibly damaging the firm's financial performance and brand image in the long run (Fatfouta, 2019). Specifically in the technology sector, CEOs are often the face of their company. Their behaviour and characteristics might influence the business's success greatly (Frank et al. 2017). However, since there is no such thing as the perfect CEO, recruiters must first evaluate the success factors they perceive as most critical for their company and determine the character traits most needed by a leader to ensure those success factors. Therefore, this study's objective, next to adding new observations to academia, is to propose valuable insights about how a charismatic CEO might be relevant to the output of a firm and how this should be considered by recruiters.

1.5 Study outline

To answer the RQ and hypotheses, which will be raised along with a thorough literature review in Chapter 2, quantitative research in the form of a survey will be applied to understand the adult public's perception of a CEO's charisma, affiliated brand image, and perceived profitability. The process of the study will be explained in detail in the methodology section, Chapter 3. This includes the selection procedure of the 12 CEOs and their respective companies, as well as the explanation of scales used for the survey. Charisma, as the independent variable, will be reviewed through the sub-traits self-confidence, visionary mindset, and likeability. The dependent variable, business success, is built on brand image and profit, with the latter split into perceived profitability and average net profit increase. After the survey was conducted and data collected, a cumulative factor analysis was run, proving significant correlation. In the fourth chapter, Results, the factors self-confidence, visionary mindset, likeability, brand image, and profit are run in a multiple regression analysis, yielding the information needed to interpret the RQ. The discussion section will provide societal and economic implications, state the limitations of the research, and recommend further research directions based on this study.

2. Theoretical framework

2.1 Charisma

2.1.1 Definition of charisma

Max Weber was one of the first scholars to frame charisma from a sociological perspective, removing mystical and religious parts. He defined charisma as a personality trait through which a person is viewed as extraordinary and superior due to their exceptional powers or qualities and treated by their followers as supernatural and a born leader (Weber, 1922). Building on that widely used definition, scholars like M. E. Spence (1973) sub-categorised charisma in more ways such as emphasising followers' perception or extraordinary personality. Charisma is referred to as an inborn quality or 'gift'. Certain figures come to mind that have shaped history and society, like Barack Obama, Mahadma Ghandi, and Adolf Hitler. These were charismatic leaders, being exceptionally charming, likeable, and magnetic in their followers' perceptions (Grabo et al., 2017). The term charisma was employed by theological writers long before Weber, like the German jurist and church historian Rudolph Sohm around 1900 and ranging back to the writers of the New Testament (Haley, 1980). Joosse (2014) discusses the theological, historical, and political aspects as well as Weber's perspective. He concludes that regardless of the field of research, the perception of followers – and therefore, their presence and activities – plays the most important role in the attributional question of a leader's charisma. There are some discussions about how relevant Weber's theory is across varying theoretical fields (Joosse, 2014). However, most scholars build on Weber's writings or state them to be the leading approach when investigating the concept of charisma (e.g., Adair-Toteff, 2002; Smith, 1998).

2.1.2 Charisma in business

Forms of social charisma are often related to political or religious leaders (Grabo et al., 2017; Joosse, 2014; Robbins, 1992; Spence, 1973). While charisma does not differ greatly in a business context, it is often defined by further characteristics, like ambition and an extremely goal-oriented vision (Jung & Sosik, 2006). In economic research, many scholars make a distinction between charismatic leadership theory (CLT) and transformational leadership (TL). CLT was first mentioned by House (1977) and further developed by Jung and Sosik (2006). Like Weber, they emphasised the relationship between follower and leader,

mentioning traits such as visionary behaviours, self-confidence, and assertiveness (House, 1977; Jung & Sosik, 2006; McLaurin et al., 2008). Therefore, as mentioned, not only the leader's traits are of importance but also, more precisely, the relationship between leader and follower which makes the characteristics sufficient (Bass, 1988; Klein & House, 1998). CLT greatly overlaps with TL, which is defined as a leader inspiring their followers to pursue organisational goals and empowering them to solve problems on their own (Barbuto, 1997; McLaurin et al., 2008; Yammarion & Bass, 1990). In CLT and TL, there are numerous similarities in defining a CEO as charismatic, such as the focus on vision, ideals, and values. The main difference between the two concepts is that charisma is perceived as one of many important traits for a leader in TL instead of the sole most effective characteristic, like in CLT (McLaurin et. al, 2008; Northouse, 1997). Therefore, CLT and TL can be perceived as supporting and intertwined concepts instead of contradicting ones in terms of defining the most important charisma traits in a business context.

Most research regarding CLT and TL has been done on leaders and followers, specifically managers and their employees (Barbuto, 1997; Bass, 1988; Bass & Avolio, 1990; House, 1977; Klein & House, 1998; Sosik, 2006). It is, therefore, important to examine not only internal followers, such as employees, but also external followers, namely customers and potential customers. This thesis examines how certain traits of charismatic CEOs affect profit and brand image. Charismatic leaders are described by extraordinary traits and abilities, as scholars have identified similar characteristics, usually adding or subtracting some. After reviewing the existing studies extensively, three recurring characteristics became apparent: self-confidence, vision, and likeability. Like many scholars, Robbins (1992) emphasises self-confidence, a leader's strong belief in their vision, extraordinary behaviour, and the need to change a status quo. These characteristics can also be found in the studies of Jung and Sosik (2006), Bass (1998), and House (1977). Building on the definitions and frameworks of diverse scholars, the measures proposed for this thesis are self-confidence, a visionary mindset, and likeability.

Self-confidence

Scholars like House (1977) have declared self-confidence to be a charismatic leader's self-promoting actions and image-building behaviour meant to show their dominance and competence. In general, self-confidence can be the one factor that separates two persons that

are equally qualified and have the same skillset. It includes the drive to succeed, or being ambitious, while a lack of it might lead to failure or no attempt at all. It can be defined as a positive perception of one's own abilities to successfully accomplish certain tasks. However, self-confidence is not equal to self-esteem, the perception of self-worth and one liking themselves (Hollenbeck & Hall, 2004). For many, self-confidence in a leader is a given. It affects the followers' motivation, perceptions, and thought patterns. Furthermore, it may affect the CEOs own thought patterns through greater skill in analytical thinking, solution-orientation, and goals for themselves and the firm and, therefore, higher performance overall. This causes a spill-over effect on followers, making them believe in the leader's power and vision (Conger, 1989; Hollenbeck & Hall, 2004; Luthans et al., 2004).

Visionary mindset

Charismatic leaders are often persuasive communicators, articulating their visions in an exciting and inspirational way. This sparks a sense of purpose in their followers, leading to them not only believing in their leader's vision but desiring to participate in it as well (Antonakis & Day, 2012; House, 1977). Robbins (1992) supported this by defining the visionary mindset and self-confidence further, characterising them as a strong faith in one's vision and self and a strong will to create unconventional methods for actual change.

A visionary CEO does not focus on traditional business models, especially in digital companies, but instead believes in a continuing transformation of the business to stay competitive and successful. Therefore, vision is associated with flexibility, agility, and focus on the most important aspects of a project or company (Cooney et al., 2021). The telecommunications and technology markets are influenced by radical technological change, media interest, a fast-changing environment, and ground-breaking innovations. Charismatic CEOs with a visionary mindset seem to excel in this environment more easily (Davenport & Westerman, 2018). Cooney et al. (2018) deconstruct this visionary character trait into a few key points: pushing boundaries, empowering customers and investors in new ways, constantly evaluating strategies, and enhancing security and efficient workflows to ensure an environment that allows both success and failure. They also mention a greater will for investing in new core technologies, like artificial intelligence and internet of things, while supporting a purpose-driven environment of constant learning.

Likeability

Communicating spark and vision is made easier if the medium articulating it is likeable too (Antonakis & Day, 2012). Being perceived as likeable can be achieved by empowering followers through communicating a motivational attitude and consideration for others. The more open-minded and considerate a CEO is, the more they are perceived as likeable too (Bass & Avolio, 1990; Northouse, 1997). Likeability is a trait often judged by others based on physical appearance, and if a follower recognises it in a CEO, they most likely associate it with leadership skills as well (Todorov et al., 2005). In most research, like in studies by Hopp et al. (2022) and Rule and Ambady (2008), likeability falls in the same category as trustworthiness and authenticity, namely warmth-related traits, indicating a natural dependency amongst these traits. However, scholarly research mostly emphasises a CEO's face and first impression, providing participants with photos instead of audios or visuals with tone, which leads to a bias in terms of how attractiveness is perceived (Hopp et al., 2020; Rule & Ambady, 2008).

2.2. Business success

2.2.1 Definition of business success

Many economic scholars define success as outperforming the competition in gaining a profit by focusing on certain critical success factors (CSF) and, therefore, continuing to exist safely. Rockart (1979) and Hofer and Schendel (1978) observed that CSFs feature key areas for the specific business or industry in which the company must gain and sustain competitive advantage. These factors range from purely financial success to technological and socio-cultural aspects to environmental and ethical points (Lucky & Minai, 2011; Lucky et al., 2012; Vasconcellos, 1988). Furthermore, these factors tend to differ in importance across sectors (Hofer & Schendel, 1978; Leidecker & Bruno, 1984; Sony et al., 2021). For manufacturing and service sectors, Sony et al. (2021) greatly emphasised the efficient and full implementation of digitisation in companies' supply chains, organisational strategies, project management, and cyber security. Thus, due to the various natures and specialisations of the different sectors, it is crucial to define business success individually, based on a company's micro- and macroenvironment, resources, and strategy (Leidecker & Bruno, 1984). This means business success is not solely based on how well a company runs internally, how satisfied employees are, or how many resources they use (Frank et al., 2007). Business

success is also based on how well the firm does in competition with others and how the environment perceives and/or supports the company (Lucky et al., 2012; Roth, 1995). Hence, business success will be defined in this paper by profit and brand image.

Profit

There are several factors that can be considered to measure a business's overall performance and success: sales, revenue, and earnings per share. However, these measurements are not proven to show true value, if considered individually. Empirical research has discovered that the connection is rather weak. Instead, true value is defined by statistics that are as persistent as they are predictive, summarising important measures and focusing on profit (Mauboussin, 2012). Littleton (1928) discusses three viewpoints of profit: social, legal, and business. In economics, profit can be defined as an increase in wealth from a surplus above the marginal cost of production or after removing all costs (Littleton, 1928). It is, therefore, a fix performance measure of a business which can be determined by examining annual reports of each firm individually (Rowold & Laukamp, 2009).

While the average net profit increase is an objective figure based on financial numbers, there is also the way an external follower might perceive the company to be profitable, and these numbers can differ greatly. Perceived profitability, like brand image, is often based on what an outsider personally perceives to be true based on their emotions and opinions. Perceived profitability is influenced by the communication skills shown by a CEO and company and entrepreneurial and analytical thinking (Bruwer et al., 2019). Hence, it is influenced by specific charismatic traits, perhaps more so than the actual profit. Therefore, profit will be split into net profit increase and perceived profitability for further analysis in this study.

Brand image

Drucker (2008) claims two areas to be the most fundamental in business: marketing and innovation. As one of the founding fathers of today's management, Drucker explains that it is not the company but its brand that is responsible for attracting customers and selling products. Hence, the brand's image is crucial, since it serves the company by creating worth in the customers' eyes (Drucker, 2008; Malik et al., 2012). In this context, brand image is

defined as the mix of a person's opinions, beliefs, and objectives projected on an object, the brand itself (Kotler, 2001). In marketing and business literature, brand image is defined in similar ways, stated as the 'sum of a customer's perceptions about a brand generated by the interaction of cognitive, affective, and evaluative processes in a customer's mind' (Lee et al., 2014, p.1). Brand image is, therefore, a multidimensional construct based on subjective attributes and must be measured individually based on the companies involved in the study. This can be done most efficiently with a quantitative approach (Dobni & Zinkhan, 1990; Malik et al., 2012). These multiple dimensions of brand image range from functional and symbolic to economic, social, corporate, and utilitarian dimensions (Dobni & Zinkhan, 1990). Focusing on brand image in a business context, Beil (1992) differentiates between corporate image, user image, and product image as entities of brand image. Other researchers elaborate further on these dimensions, defining corporate image as a functional and cognitive image based on attributes that characterise a product. In this definition, the user image is an affective image and relates to the personal value a consumer attaches to a product. Finally, the product image is defined as reputation overall, including both functional and affective image, as consumers' overall perception of a brand (Beil, 1992; Hariri & Vazifehdust, 2011; Keller, 1993).

2.2.2 Relationship between a CEO's charisma and profit

Empirical research focused solely on objective firm-level profit related to a CEO's charisma is still rare, and the outcome of the few studies that do exist is rather equivocal (Geyer & Steyrer, 1998). Several scholars – like Bushman, Indjejikian, and Smith (1996) and Lehn and Makhija (1996) – discuss how profit is one of the best measures for valuing a company and its CEO. However, their studies also claim that a connection between the company and its CEO's performance in terms of profit might hold in theory, but in praxis, there are many factors besides numbers and a CEO's talent that might affect the firm's overall success. Agle et al. (2006) researched companies' accounting-based performance in relation to the firm's uncertain environmental factors and top management's perception of the CEOs' charisma. After Agle et al. (2006) compared diverse empirical studies by Waldman et al. (2001), Waldman (2004), and Tosi (2004), conducted their own quantitative research, and came to several conclusions. First, causality between CEO charisma and organisational performance is not rejected but is difficult to prove empirically. Second, charisma is a transitory characteristic, meaning that it is not stable but will be routinised or traditionalised

over time. Additionally, it is difficult to clearly discern whether a CEO has been truly charismatic from the start or if they adapted certain traits related to charisma while holding their position, like growing self-confidence or learning how to communicate persuasion (Tosi, 2004; Waldman et al., 2001; Waldman, 2004; Weber, 1947).

Wilderom, van den Berg, and Wiersma (2012) investigated the relationship between a charismatic CEO and company performance. They found that charismatic leadership significantly increases the financial outcome of a firm. Several other scholars – like Koene, Vogelaar, and Soeters (2002), Rowold and Heinitz (2007), and Rowold and Laukamp (2009) – support their findings, linking charismatic leadership to a company's financial performance in terms of profit with a mixed outcome. Their findings ranged from no significant relationship (Rowold & Heinitz, 2002) to a positive correlation between the two concepts (Koene et al., 2002). Rowold and Laukamp (2009) found that only certain character traits related to charisma had an influence on financial performance. The traits they examined were taken from the Konger and Canungo scale, which is used in this study to measure charisma.

Waldman et al. (2001) argue that there is no empirical support for a connection between charismatic leadership and the profit of Fortune 500 firms. However, a second study by Waldman et al. (2004), only three years later, concluded that a CEO's charisma is a predicting characteristic for a firm's future performance. This matter further emphasises the diverse conclusions in the current literature.

Therefore, this study intends to add valuable information to previous research, arguing that charisma has a significant effect on business success. However, instead of focusing on employees' perception of a CEO's charisma in relation to business success, as done by other researchers, this study will examine the consumers' perception. Therefore, not internal but external followers' perception will be analysed. This is expected to result in a similar effect by further investigating the three underlying factors of charisma's impact on a company's performance in terms of profit and brand image.

Hence, to test the independent variable charisma with the dependent variable business success and have a more in-depth conversation on the different factors providing the base for the two main variables, hypotheses were created. First, business success in the form of profit will be examined. Hypothesis 1 (H1) concerns business success in the form of profit and how it is influenced by the charismatic characteristics H1a) self-confidence, H1b) visionary mindset, and H1c) likeability. Based on empirical outcomes proposed in this study, profit will be tested in the form of two distinctive variables: perceived profitability and average net profit

increase. Connecting profit to the underlying dimensions of charisma described in 2.1 lead to the following hypotheses (Figure 1):

H1: Business success in the form of profit increases if the company is led by a charismatic CEO compared to a non-charismatic one.

> *H1a: Business success in the form of profit increases if the company is led by a self-confident CEO compared to a non-self-confident one.*

> *H1b: Business success in the form of profit increases if the company is led by a visionary CEO compared to a non-visionary one.*

> *H1c: Business success in the form of profit increases if the company is led by a likeable CEO compared to an unlikeable one.*

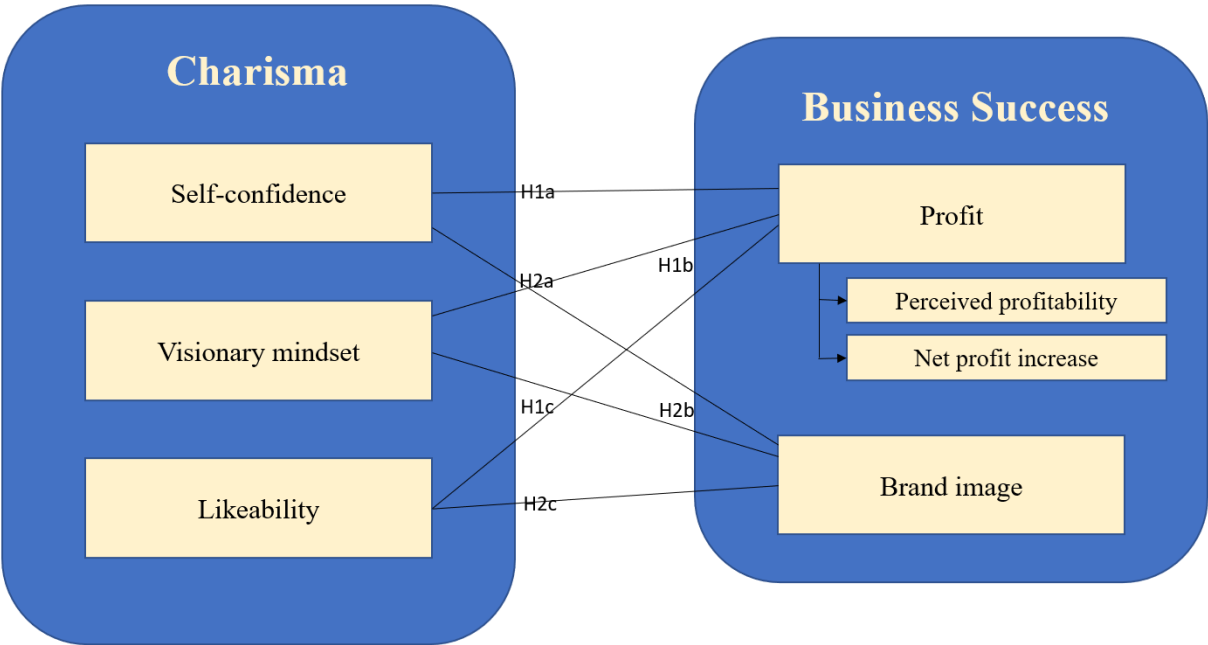Figure 1: Hypotheses built on the concepts of charisma and business success.

2.2.3 Relationship between brand image and a CEO's charisma

When comparing and analysing the current literature and findings, it becomes obvious that scholars have two points in common concerning their studies. Primarily, CEO's charisma and a company's performance is usually discerned through questionnaires analysing

employees' perceptions or the perceptions of the CEO's themselves (e.g., Agle et al., 2006; Bacha, 2010). For this study, however, a customer's and not an employee's perception is analysed. Secondly, the studies nearly solely consider financial performance in the form of revenue, sales growth, and profit (e.g., Bushman et al.; Wilderom et al. 2012). However, costumers not only value the quality of the product itself but an active interaction between the client and firm. Customers are equally rational and emotional in purchase decisions (Gilmore, 1998). Therefore, this study focuses on the customers' perception of a CEO, since a consumer's image of a CEO and, therefore, the company's image might determine the successful performance of a company.

Keller (2008) argues that CEOs that are already famous and well known by the public must maintain a healthy public image, which will be projected on the brand itself, by acting as the vocal organ communicating news and information to the followers of the firm. These CEOs increase the brand's image by acting effectively as brand endorsers in advertisements instead of unknown spokespersons (Rubin et al., 1982; Shaari et al., 2014). This raises the question, if infamous CEOs do not only have the same effect on brand image as their well-known competitors, but if they have any effect whatsoever on the company's image and products.

Studies on the relationship between brand image and a CEO's charisma usually focus on a specific industry. The digital sector, the focus of this study, including technology and telecommunication, is not as explored as others, like the financial sector (LeBlanc & Nguyen, 1996). Davenport and Westerman (2018) state that with new innovative information technology, the focus shifts to leadership styles. Customers want their company and brand to be high-profile, innovative, and exciting. Ventures like these often need CEOs that are confident in their decisions that might not lead to success (Davenport & Westerman, 2018). These CEOs must also be careful to not be perceived as over-confident or ruthless by potential customers since such traits have a negative influence on a company's image. However, a self-confident leader that believes in the abilities of their company while being realistic about flaws and unafraid to communicate that will create an approachable but powerful image (Power et al., 2008).

Based on these findings, the relationship between brand image and a CEO's charisma have been examined, and positive connections were found depending on the industry and target audience. Hence, the probability is high that a CEO's charisma has a significant effect on brand image in the digital industry, too. Following the first hypothesis's concept and

wording, Hypothesis 2 (H2) considers business success in the form of brand image with H2a) to H2c) containing the same three independent variables as H1a) to H1c), namely self-confidence, visionary mindset, and likeability. Hence, the second set of hypotheses explains the connection between brand image and a firm's charismatic CEO (Figure 1):

H2: Brand image is ranked higher if the company is led by a charismatic CEO compared to a non-charismatic one.

> *H2a: Brand image is ranked higher if the company is led by a self-confident CEO compared to a non-self-confident one.*
>
> *H2b: Brand image is ranked higher if the company is led by a visionary CEO compared to a non-visionary one.*
>
> *H2c: Brand image is ranked higher if the company is led by a likeable CEO compared to an unlikeable one.*

3. Methodology

3.1 Choice of method

Quantitative research in behavioural sciences helps provide an objective view of social phenomena in areas like psychology and behavioural economics. Statistical quantitative analysis follows concepts reduced to numerical values, offering possible causal effects, relationships, and outcomes. Hence, it provides an answer to proposed hypotheses, which were constructed using a theoretical base prior to data sampling (Gelo et al., 2008; Punch, 2014). Quantitative data is used in this research to allow the study of several subjects and the generalisation of findings (Smith, 1983). Furthermore, this type of research allows empirical statements about possible relationships between variables. Thereby, multiple regression analysis helps to develop a better understanding of which underlying dimensions of charisma might be more relevant to a business's success in terms of profit and brand image (Pallant, 2007; Punch, 2014). This type of regression analysis and its outcome will be further addressed in the results chapter. Overall, quantitative research will help explain the relationship between charisma and business success.

For this study, quantitative research in the form of a survey was determined to be the most fitting method for understanding the adult public's perception of a CEO's charisma and affiliated brand image. This method is defined by scientific sampling and a questionnaire design. A survey is an efficient tool to gather knowledge, statements about relevant populations, and necessary data on subjective matters like the behaviour, characteristics, feelings, and beliefs of a person (Neuman, 2013; Punch, 2014). The methods of survey research and multiple regression analysis will be applied, with surveys providing a high level of population representation and helping circumvent bias (Matthews & Ross, 2010).

3.2 Study materials

To select 12 well-known, successful US-based companies and their CEOs, rankings were used. The Standard and Poor's (S&P) 500 index was utilised to determine the companies to be reviewed, with six companies in the top ten and six companies that underperform their more successful counterparts in the S&P 500 selected on the 21st of May 2022. Since most companies surveyed have changed their CEOs in the past, it is important to ensure that profit is not defined as the overall profit of the company from its beginning but its present

performance. The goal of this study is to draw a valid connection between profit and the current CEO. As stated, to acquire a more feasible comparison between the companies, only industries involving digitalisation and technology will be examined. The most recent top 100 digital company ranking by Forbes magazine and one by Statista further support the choices based on the S&P 500 (Forbes, 2019; Statista, 2021).

However, unlike a company's performance, determining a CEO's level of charisma on a factual basis is complicated and cannot be objectively standardised using numbers. Therefore, two assessment pages, glassdoor.com and owler.com, were reviewed to determine the approval rate of specific CEOs. While the ratings tend to be rather similar on both websites, some numbers differ greatly (Glassdoor, 2022; Owler, 2022). This gap shows the importance of using these online ratings only as tools for choosing the CEOs and adding a section in the survey about how the participants perceive the CEO's charisma themselves to make the outcome more empirically sound. Based on these rankings, the following CEOs and respective companies were chosen:

Company	S&P 500 position	Forbes rating	CEO	Glassdoor rating	Owler rating
Tesla Inc.	6th	1st	Elon Musk	81%	74%
Apple Inc.	1st	2nd	Timothy Cook	99%	90%
Microsoft Corporation	2nd	6th	Satya Nadella	97%	79%
Amazon.com Inc	3rd	4th	Andy Jassy	78%	90%
Google Inc. (Alphabet)	4th/5th	n/a	Sundar Pichai	94%	75%
Intel Corporation	37th	10th	Pat Gelsinger	95%	100%
Meta Platforms Inc.	10th	12th	Mark Zuckerberg	87%	81%
Netflix Inc.	90th	47th	Reed Hastings	91%	88%
PayPal Holdings Inc.	74th	34th	Daniel Schulman	90%	78%

IBM Corporation	61st	14th	Arvind Krishna	89%	80%
HP Inc.	183rd	36th	Enrique Lores	94%	83%
eBay Inc.	251st	65th	Jamie Iannone	88%	76%

Table 1: Table of analysed companies and corresponding CEOs.

While these tables show a difference in the performance of the companies and the perceived charisma attributed to the CEOs, the concept of charisma with its underlying variables must be tested as well to ensure variability in the chosen CEOs' charisma. This was done by calculating the mean of the points given by the respondents for each sub-variable of each CEO. Afterwards, the mean was calculated for the retrieved numbers as well to create two levels of each charismatic trait, either high or low, resulting in eight groups. The scores above the mean are considered high, and those underneath are low. One CEO might, therefore, score highest in a particular trait, but for validity, only high and low have been compared. The results are shown in Table 2.

	Likeability high		Likeability low	
	Self-con. high	Self-con. low	Self-con. high	Self-con. Low
Visionary high	**1**: Pichai	**2**: Nadella, Krishna	**3**: Musk, Jassy, Zuckerberg	**4**: Cook, Gelsinger, Schulman
Visionary low	**5**: -	**6**: Lores	**7**: -	**8**: Hastings, Iannone

Table 2: Different levels of a CEO's charisma as groups.

Hence, variability in the chosen CEOs' charisma and support for the argument to further investigate each sub-variable's relationship with business success have been shown successfully.

3.3 Respondents

3.3.1 Sampling design

The sampling method most fitting for this research is convenience sampling, as it enabled the researcher to recruit a large sample size of 150 to 250 respondents to sketch a representative picture of the population (Sarstedt et al., 2017). This condition has been met sufficiently.

Other forms of sampling were considered, yet their negative aspects outweighed their benefits. For instance, random sampling was too costly and time-consuming. Snowball sampling would have led to an increased community bias, where approached participants from subgroups would have most likely not contacted people outside their bubble (Matthews & Ross, 2010; Sarstedt et al., 2017.) Although convenience sampling is considered by scholars to hold a mediocre probability of leading to bias as well, the advantages of cost and time reduction and ability to reach a broader audience surpass the negative aspects (Etikan et al., 2016). This type of sampling is one of the most used methods in social sciences due to such fields examining variable materials in inconsistent states that tend to be of a subjective nature.

Participants were recruited mostly via diverse social media channels: LinkedIn, Instagram, Facebook, and WhatsApp. In the case of these platforms not gathering enough respondents, websites like surveyswap.io were used as well. Such websites enable exchanging surveys, completing someone else's survey and in exchange for getting your own survey answered, while pre-defined settings ensure that respondents fit the target population (SurveySwap, 2022). Participants using these websites are anonymous global students.

3.3.2 Population

Due to the questionnaire being directed at an international audience, each participant needed to understand written and verbalised English on a higher level. Additionally, the participants should have the financial opportunities to consider purchasing a company's product at present or in the future to support a level of brand consciousness (Low & Lamb, 2000). Therefore, the target population included Western and digitally-literate persons of legal age (18 years and over) that had successfully graduated high school. The participants needed to be financially stable by either generating own income or receiving financial

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support. To ensure these points, the participants were asked to provide answers about their age, gender, educational background, and occupation.

The participants' ages ranged from 18 to 66 years. For this population, the mean is $\mu = 28.82$ years. The mode of the value is 25, which is equal to the median, insinuating that the most frequently occurring and middle value of the data is 25 years (Ott & Longnecker, 2016). With this mode, the population is rather young. This matter is due to the study being conducted in an academic environment with respondents recruited over networks most used by younger generations. However, after checking for correlation, there is no significant influence of age on the dependent variables ($p > .05$). Hence, age did not influence the results.

Regarding gender, 56.80% of respondents were women ($n = 96$), 42.00% were men ($n = 71$), and the remaining 1.20% marked other ($n = 1$) or preferred not to say ($n = 1$). Gender has no significant correlation with the dependent variables ($p > .05$). Hence, neither age nor gender has a significant effect on how brand image, perceived profitability, or average net profit increase is perceived by the adult population. In terms of educational background, the majority of respondents (37.87%; $n = 64$) obtained a bachelor's degree, 31.36% acquired a master's degree, and 7.10% obtained a degree above their master's ($n = 12$). No participant marked their highest educational level to be none or primary school, 17.75% stated high school graduation ($n = 30$), and 5.92% of the 169 participants obtained their highest degree in vocational/professional training ($n = 10$). Therefore, no participants must be excluded. Examining the participants' current employment status, the vast majority were either students (51.48%; $n = 87$) or employed for wages (35.50%; $n = 60$). Self-employed respondents accounted for 8.88% ($n=15$). The minority included the unemployed (2.96%; $n = 5$), one retired person (0.59%; $n=1$), and one stating no answer (0.59%; $n=1$).

3.3.3 The population's familiarity with the CEOs and companies

To answer the research question more efficiently, it was necessary to find participants that were at least minimally interested in economics and the selected companies. With the chosen CEOs of well-known US-based companies, a basic or higher interest in simple Western economic processes would strengthen the answers' outcome and, therefore, the result of the study, since the provided answers would have more substance and be predominantly not based on simple guesses (Mondak, 2001). However, this does not mean that a participant

was excluded if they were not familiar with the company or CEO, since a short explanation of both and a video of the CEO promoting the firm and their product(s) were provided.

As shown, 12 CEOs of well-known US-based companies were chosen mostly based on their participation in the S&P 500 index. Therefore, next to demographics, it makes sense to question the respondents on their familiarity with each CEO and their company using a 7-point scale ranging from 'Very unfamiliar (1)' to 'Very familiar (7)'. After calculating the mean of the data, a summarised analysis of the numbers for each CEO and company is provided in the following tables. The CEOs are in the same order as their companies. N is the number of times a CEO has been evaluated by the participants.

CEO	N	M	SD	Company	N	M	SD
Elon Musk	32	6.1	1.1	Tesla Inc.	32	6.0	1.1
Timothy Cook	33	4.5	1.7	Apple Inc.	33	6.3	1.3
Satya Nadella	29	2.4	1.9	Microsoft Corporation	29	6.1	1.2
Andy Jassy	27	2.8	2.0	Amazon.com Inc	27	6.3	.8
Sundar Pichai	22	3.6	2.2	Google Inc. (Alphabet)	23	6.4	1.3
Pat Gelsinger	24	2.3	1.8	Intel Corporation	24	4.8	1.9
Mark Zuckerberg	28	6.3	1.3	Meta Platforms Inc.	28	6.3	1.5
Reed Hastings	34	3.0	2.0	Netflix Inc.	35	6.3	1.0
Daniel Schulman	33	2.2	1.7	PayPal Holdings Inc.	33	6.2	.7
Arvind Krishna	26	2.5	1.8	IBM Corporation	26	4.8	1.7
Enrique Lores	20	1.9	1.5	HP Inc.	20	5.3	1.0
Jamie Iannone	26	1.8	1.3	eBay Inc.	26	6.1	1.2

Table 3: Means and standard deviations of participants' familiarity with the companies and CEOs.

For the third question, participants were asked if they had purchased one of the company's products, services, or subscriptions before. Additionally, the positive answer option allowed a text entry to state which product, service, or subscription was purchased. This gathered further knowledge about the participants' familiarity and possible relationship with each company.

Company	N	Yes.	No.	Unsure.	If yes: Example(s)
Tesla Inc.	32	9.38%	90.63%	0.00%	"car"; "merchandise"
Apple Inc.	33	81.82%	18.18%	0.00%	"iPhone, Air pods, etc."
Microsoft Corporation	29	72.41%	6.90%	20.69%	"Microsoft Office"
Amazon.com Inc	25	80.00%	12.00%	8.00%	"Amazon Prime"; "Kindl"
Google Inc. (Alphabet)	23	56.52%	17.39%	26.09%	"Google"; "Oculus"
Intel Corporation	24	45.83%	8.33%	45.83%	"chip"; "laptop"
Meta Platforms Inc.	27	77.78%	14.81%	7.41%	"Facebook & Instagram"
Netflix Inc.	34	73.53%	14.71%	11.76%	"Netflix"
PayPal Holdings Inc.	32	59.38%	28.13%	12.50%	"PayPal"
IBM Corporation	26	38.46%	42.31%	19.23%	"SPSS"; "software"
HP Inc.	20	70.00%	10.00%	20.00%	"printer"; "cartridge"
eBay Inc.	25	32.00%	40.00%	28.00%	"eBay"

Table 4: Participants' purchase experience with the selected companies' products (in %).

Most participants were familiar with the companies, with the mean above four, while the familiarity with each CEO differed greatly. Some CEOs, like Elon Musk, are well known, while Enrique Lores and Jamie Iannone were highly unfamiliar to most respondents (Table 3). In contrast, Apple and Amazon are purchased the most, with at least 80.00% of respondents purchasing Meta and Netflix and HP following closely with at least 70.00%. Most participants have not yet purchased a product by Tesla (90.63%). Respondents were most

unsure about their possible purchases made at Intel (45.83%; Table 4). This can be explained by the nature of Intel's main customer base, which mainly contains of other companies in the digital sector, such as HP or Dell (Intel, 2020).

In summary, the 12 companies were known to the respondents to a certain extent, but the CEOs were known only partly, and the participants' purchase experience is mixed as well. This outcome supports the importance of providing the participants with videos of and facts about the CEOs in the survey to ensure a basis of knowledge from which the respondents can answer the questionnaire successfully. Further implications derived from these findings about familiarity and possible consequences for validity are addressed in the discussion section.

3.4 Procedure

The survey is internet-based, created via Qualtrics and distributed online, providing advantages such as quickly reaching a broad global audience and collecting and processing data more efficiently (Illieva et al., 2002). Additionally, it is a convenient, inexpensive, and controllable method for the researcher and the respondents, since they have the chance to complete the survey at a convenient time and place (Evans & Mathur, 2005). Since the attention span of an average adult is usually not higher than 20 minutes and overly brief surveys may result in a lack of quality, it is important to keep the survey's length between five and 13 minutes (Menon & Muraleedharan, 2020). To collect all necessary data to answer the hypotheses and research question, answering the survey took around seven minutes. Since the population is international and the study is focused on US-based companies and their CEOs, the videos shown in the survey and the questionnaire itself are in English. Data collection occurred from the 14th of April to the 8th of May by repeatedly distributing the survey on the mentioned social media channels. The full survey can be found in Appendix A.

Via Qualtrics, the online questionnaire's first slide communicated the researcher's intention to collect personal perceptions about business success and a CEO's charisma. This information was provided in one short sentence and no further information given to offset the risk of distorted results by overly cooperative respondents. This approach ensured a highly ethical standard, which was considered most important next to keeping the introduction as short and understandable as possible and why no cover story was included (Crano, 2011; Taherdoost, 2016). The assurance of anonymity in the questionnaire provided reliability, as it avoids the possibility of dishonest responses (Matthews & Ross, 2017). The next two slides

asked about the respondent's familiarity with a randomly drawn CEO and company (Simonin & Ruth, 1998). Then, an adapted slide and short clip about the CEO and company were shown. The next section contained three questions about the participant's perception of the CEO's charisma, one question about the company's image, and one about perceived profitability. As every participant reviewed two CEOs and their companies, the adapted info slide, short clip, and questionnaire would then appear a second time. Afterwards, the participant was questioned on relevant demographics. The last part of the survey asks the participant for feedback. Concluding statements and the researcher's contact information were provided.

The slides providing further information about the specific companies, CEOs, and products and the approximately one-minute short clips about the CEOs were altered. To avoid bias, only the most basic information was stated about the CEO and company. The short clip following afterwards showed the CEO promoting the company and product(s). Participants were provided with videos to achieve a more thoroughly formed opinion about the CEO's perceived likeability, self-confidence, and vision based on more diverse sensory stimulations as opposed to solely physical appearance and good looks. Including visuals in a survey enables the participant to form their perception and opinion of the CEO and company not only on hard facts but by listening to verbal and nonverbal communication such as head movements and posture. Nonverbal communication is perceived as largely subconsciously but has been shown many times in academia to be of higher importance than the spoken word, especially in terms of associating the speaker with certain characteristics, like charisma. Nonverbal communication in leadership is a highly researched topic (Hans & Hans, 2015). A visual in the form of a picture or facts alone cannot provide the kind of messaging needed for the participant to form a relevant opinion and answer the questionnaire properly (Palumbo & Hardman, 2013).

Additionally, it was crucial to find videos that are most coherent in their portrayal of the CEO to minimise bias and negative effects on the validity of this study (Palumbo & Hardman, 2013). It was, therefore, necessary to only include videos with similarities in the circumstances under which the CEOs were filmed and a clear focus on the CEO – their body language, tone, and looks – while discussing only topics related to technology and the digital industry. Furthermore, a high similarity in quality and length was ensured. The clips were derived from videos on various YouTube channels, either the official channel of the relevant company or a credible news site (e.g., Bloomberg Live). Each clip is either an official

interview about the company's performance, a full presentation/announcement speech about a product, or a keynote speech about the company. After ensuring these points, a certain generalisability and validity could be provided for the participants' ratings of the CEOs overall.

Ultimately, 287 surveys were conducted, with 172 finished completely by the respondents. The unfinished surveys (n = 111) were removed from the study. One person was underaged (17 years) and, therefore, also excluded. Two respondents did not state their age, and while the probability of them being at least 18 years old is high, no assumptions should be made. Therefore, they were also removed. With nearly all 169 participants ranking two CEOs and their companies, an average of 28.5 evaluations per CEO and firm could be provided, with a range of 20 (HP) to 36 evaluations (Netflix). This rather broad range results from the randomisation of Qualtrics's programming and software and the surveys that were left unfinished.

3.5 Measures

Primary and secondary data was used to test the hypotheses. Primary data is collected by the researcher through conducting their own survey and, therefore, collecting data about the population's perception of the companies' brand image and CEOs' charisma. Secondary data analysis was utilised as well by researching a company's profit through annual reports to compare the firm's business success in terms of profit or building scales used for the survey to pre-existing scales to gain higher validity and reliability (Johnston, 2017). Secondary data analysis refers to the examination of data that was collected, compiled, and saved by other scholars or professionals. Using secondary and primary data allows higher flexibility and time efficiency and is, therefore, a viable tool (Johnston, 2017). Attitudes towards the CEOs or the companies might change depending on daily circumstances and personal opinions. By using pre-existing scales and building new scales on researched information, validity can be claimed and the issue of subjectivity somewhat resolved (Farrokhi & Mahmoudi-Hamidabad, 2012).

3.5.1 Scales

3.5.1.1 Charisma

To compare high and low charisma, the underlying variables self-confidence, visionary mindset, and likeability were rated by the respondents as a part of the final questionnaire. After running a factor and reliability analysis, further explained in 3.5.2 Descriptive data analysis, each variable was proven to be reliable (Table 7; Table 10).

Two of the three dimensions of charisma are solely based on the Conger-Kanungo charismatic leadership scale (C-K scale), which received construct validation by being verified by several researchers. The complete 20-item scale provides a six-point 'very characteristic' to 'very uncharacteristic' response outline (Conger & Kanungo, 1994; Conger et al., 2000). This has been altered to a 7-point Likert scale ranging from 'very uncharacteristic (1)' to 'very characteristic (7)' by adding a 'neutral (4)' option and changing from a descending to ascending order to avoid confusion for the test-taker. To create a balanced questionnaire, the three sub-variables are built of three items.

Visionary mindset (CV)

The variable visionary mindset is based on the C-K scale's subscale of strategic vision and articulation (SVA). Three items were retrieved from it, namely 'Inspirational (…)', 'Exciting public speaker', and 'Has vision (…)'. These three items (CV_1, CV_2, and CV_3) were only slightly altered to make the questionnaire more coherent (e.g., 'This CEO is inspiring'). Additionally, adverbs of frequency, like 'often', were deleted to ensure the items were formulated as questions about the previously seen short clip and text. The scale for visionary mindset has a Cronbach's alpha value of $\alpha = .81$. This is above the .70 margin determined by academic research, proving reliability (Table 7) (Pallant, 2017).

Self-confidence (CS)

Three items of the C-K scale's subscale unconventional behaviour (UB) were used for the variable self-confidence (CS_1, CS_2, and CS_3). UB supports reliability by an alpha of $\alpha = .71$ (<.70). The original wording of the three items is 'Engages in unconventional behavior in order to achieve organizational goals', 'Uses nontraditional means to achieve organizational goals', and 'Often exhibits very unique behavior that surprises other members

of the organization'. However, the same slight alterations were made as for the variable visionary mindset. Additionally, the third item has been changed to 'This CEO exhibits very unique behavior that is surprising', since this study is concerned with how potential customers, not members of the organisation, perceive the CEO. The self-confidence scale has a Cronbach's alpha of $\alpha = .88$ and is, therefore, reliable (Table 7).

Likeability (CL)

Although Conger et al. (2000) mention likeability as an important characteristic, they place it in the sub-scale sensitivity to members' needs (SMN), linking every item to the perception of members of the organisation. As mentioned, this is not the topic of examination in this study. Hence, to measure likeability as perceived by a consumer, the Reysen likeability scale is used partly. This scale has been proven reliable and valid by Reysen and numerous other scholars ($\alpha < .70$) (Reysen, 2005). The complete 11-item, 7-point Likert scale ranges from 'very strongly disagree (1)' to 'very strongly agree (7)'. Here, the wording of the Likert scale was slightly adjusted to 'very uncharacteristic (1)' and 'very characteristic (7)' to, once again, design the questionnaire more coherently. Again, three items (CL_1, CL_2, and CL_3) were selected, namely 'This person is likeable', 'This person is physically attractive', and 'I would like to be friends with this person'. To avoid confusion, the word 'person' was changed to 'CEO' and the last item was slightly altered to 'I could imagine being friends with this CEO'. Again, reliability was found for the likeability scale, with a Cronbach's alpha of $\alpha = .79$.

3.5.1.2 Business success

Perceived profitability (PP)

While actual profitability in the form of recent net profit annual report statements will be examined, perceived profitability of each company will be questioned as well. This is to compare the actual and perceived profitability in general as well as the influence of a CEO's charisma on both kinds of profitability to study possible differences. This comparison is shown in Table 2. It demonstrates a great difference between perceived profitability and the average increase in net profit over the last three years. For example, Tesla has the highest mean net profit increase by far (227.13%), but its perceived profitability is average, and

Amazon is ranked highest in perceived profitability, but the actual mean net profit increase is rather low (8.65%).

Finding an existing scale matching this research perfectly proved difficult. Therefore, the proposed scale is built on two studies, one about business success factors of small and medium enterprises by Jasra et al. (2011) and the other on critical success factors by Freund (1988). Jasra et al. used a five-point Likert scale ranging from 'strongly agree (1)' to 'strongly disagree (5)' with 30 items and found that the variables financial resources, technological resources, market leading, and entrepreneurial skills have a significant impact on business success. However, this study investigated small- to medium-sized enterprises, while this paper examines companies that are part of the S&P 500 index – well-established, big firms. To show that the variables proposed by Jasra et al. (2011) are critical success factors not only for small but also established high-performing firms, a CSF analysis by Freund (1988) was used for support. Freund defines CSFs as indispensable factors for any size enterprise, and while different factors effect different departments of a firm, there are universal factors needed for strategy and success. These universal factors include remaining high in profitability, supporting new tools and technologies, introducing new products continuously, and maintaining a competitive leading position (Freund, 1988). These findings match Jasra et al.'s (2011). Four of the matching items were selected and used for the new perceived profitability scale (PP_1, PP_2, PP_3, and PP_4). As explained and to stay coherent, the scale was extended to a 7-point Likert scale with the responses switched as well, ranging from 'very strongly disagree (1)' to 'very strongly agree (7)' for statements such as 'This company is profitable'. The scale for perceived profitability was found to be reliable, with a Cronbach's alpha of $\alpha = .88$ ($<.70$) (Table 7).

Average net profit increase (NP)

To complete the measure of business success, the following table shows the process of calculating the average net profit increase based on the most recent annual form 10-K report from 2018 to 2021 (Table 5). Shown in Table 5, the net profits are calculated by 'total revenue – total expenses = net profit' (Nakhaei et al., 2012), and each average net profit increase was obtained by calculating the mean of the three net profit values (Table 5). Afterwards, possible comparisons between perceived profitability (PP) and the official net profit (NP) are shown in Table 6. In terms of analysis, the average net profit increase values were put into SPSS as a numeric scale to analyse possible relationships with business success.

Company	CEO	Appointed	2019	2020	2021	M
Tesla	E. Musk	2008	N/A	N/A	227.13	227.1
Apple	T. Cook	2011	-23.46	3.69	64.36	14.9
Microsoft	S. Nadella	2014	22.39	23.28	32.02	25.9
Amazon	A. Jassy	2021			8.65	8.7
Google	S. Pichai	2015	-5.68	20.43	90.94	35.2
Intel	P. Gelsinger	2021			-17.83	-17.8
Meta	M. Zuckerberg	2004	-3.67	36.21	43.11	25.2
Netflix	R. Hastings	1998	62.65	76.08	35.11	58.0
PayPal	D. Schulman	2014	26.94	20.96	29.58	25.8
IBM	A. Krishna	2020		-41.42	54.68	6.6
HP	E. Lores	2019	1.23	-10.70	53.52	14.7
eBay	J. Iannone	2020		48.93	10.89	29.9

Table 5: Mean of net profit increase from 2018 to 2021 (in %).

Brand image (BI)

Based on Low and Lamb Jr's (2000) work, brand image, brand attitude, and perceived quality are dimensions of brand association. Low and Lamb Jr state that brand association and brand image differ across companies and associated product categories and that brands facing a matching target audience should be measured with the same items (Dobni & Zinkhan, 1990; Low & Lamb, 2000). Hence, Low and Lamb (2000) studied several companies with different types of products, using slightly different items for each. For this study, it was necessary to pick one of the companies tested that is most similar in product category and target audience. With the digital and technological industry being examined, the company TIMEX seemed best since TIMEX is an American firm creating digital and analogue watches (TIMEX, 2022). In marketing-related literature focusing on communication, most devices related to digital technology fall into the same categories: smartphones and watches. This is due to a similar target audience, matching in social and economic background and taste (Escobar, 2016). Low

and Lamb (2000) base their TIMEX scale on the five-point Likert scale by Aaker (1997). The scale holds 114 items, and based on the example of TIMEX, four of these items were used: reputation, quality, modernness, and reliability of the firm (BI_1, BI_2, BI_3, and BI_4) (Aaker, 1997; Low & Lamb, 2000). To continue the questionnaire's clear outline, slight adjustments were applied. For each company reviewed, the participants had to state how much they perceive the four company traits to be true on a 7-point Likert scale ranging from 'Very strongly disagree (1)' to 'Very strongly agree (7)'. The scale for brand image is reliable, with a Cronbach's alpha of $\alpha = .88$ (Table 7).

Table 6 provides an overview of the average respondent rating of brand image and perceived profit for each company next to the average net profit increase/decrease in percent derived from the calculations shown in Table 5. In the results section, a ranking built on this table will further analyse the extent to which perceived profitability, net profit increase, and brand image are similar indicators of business success and how they might be related.

Company	BI	PP	Mean NP variation 2018-2021 (in %)
Tesla Inc.	5.76	6.14	227.1
Apple Inc.	5.84	6.35	14.9
Microsoft Corporation	5.91	6.34	25.9
Amazon.com Inc	5.10	6.46	8.7
Google Inc. (Alphabet)	6.08	6.60	35.2
Intel Corporation	5.95	6.00	-17.8
Meta Platforms Inc.	4.63	6.27	25.2
Netflix Inc.	5.59	5.71	58.0
PayPal Holdings Inc.	5.45	5.66	25.8
IBM Corporation	5.63	5.59	6.6
HP Inc.	5.31	5.18	14.7
eBay Inc.	4.55	4.82	29.9

Table 6: Average brand image, perceived profitability, and net profit increase (in %).

3.5.2 Descriptive data analysis

The hypotheses stated in the theoretical framework include five sub-variables of 1) charisma and 2) business success (see Figure 1): 1a) self-confidence, 1b) visionary mindset, 1c) likeability, 2a) profit, and 2b) brand image. Charisma and its underlying variables are predicated to have a positive influence on business success and, therefore, on 2a) and 2b).

Due to each participant being questioned about two CEOs, the SPSS data set had to be adapted afterwards to make the analysis simpler and possible. The number of participants was doubled, as if each had judged only one company/CEO. The output was changed only in design, without falsifying any results. Hence, it is n = 338 instead of n = 169. This could be done since no analysis will be made about possible dependencies between company/CEO A and B judged by the same participant. By applying a reliability analysis, each variable's Cronbach's alpha could be determined (Table 7).

	Cronbach's alpha	N of items
Visionary mindset	.81	3
Self-confidence	.88	3
Likeability	.79	3
Brand image	.83	4
Perceived profitability	.88	4

Table 7: Reliability statistics.

In general, an alpha bigger than .70 is considered reliable (Pallant, 2017). More specifically, an alpha smaller than .60 is unreliable, .60 to .80 is moderately reliable, and everything greater than .80 is considered as solidly reliable (George and Mallery, 2003). Therefore, as seen in Table 7, this study's sub-scales show moderate to good reliability. Since charisma has a Cronbach's alpha of $\alpha = .87$ (n = 9) and business success $\alpha = .88$ (n = 8), each sub-scale measures its matching sub-variable and the main-variables. Furthermore, no variable items would increase the alpha significantly (at least .05) if deleted, and therefore, they do not need to be excluded from further study (Pallant, 2007).

The variables used contain three to four items, measured on a continuous level with Likert scales. The sample size is over 150. Hence, a factor analysis can be run (Pallant, 2007). A confirmative factor analysis was chosen because the scales used are based on previous studies. Cumulative factor analysis (CFA) is a specific form of factor analysis that helps validate the measurement theory by testing relationships between factors (Brown, 2006). The independent variable charisma, with its three dimensions of self-confidence, visionary mindset, and likeability, is run separately from the dependent variable business success, with brand image and perceived profitability. Although it has been discussed in empirical research that both variables could be run in the same analysis, separate treatment results in higher reliability (Hair, 2015). A communality of .30 is used as minimum cut off. The results are combined in Table 10.

	Visionary mindset	Self-confidence	Likeability	Brand image	Perceived profitability	Net profit increase
Visionary mindset	1					
Self-confidence	.63**	1				
	<.001					
Likeability	.54**	.31**	1			
	<.001	<.001				
Brand image	.33**	.22**	.46**	1		
	<.001	<.001	<.001	<.001		
Perceived profitability	.37**	.33**	.28**	.57**	1	
	<.001	<.001	<.001	<.001		
Net profit increase	.24**	.39**	-.02	.06	.05	1
	<.001	<.001	.74	.24	.41	

**. Correlation is significant at the 0.01 level (2-tailed).

Table 8: Correlation matrix.

The 17 Likert scale-based items, nine defining charisma and eight examining business success, were entered into confirmative factor analysis using principal components extraction with a varimax rotation. Charisma's sub-factors – self-confidence, visionary mindset, and likeability – were based on a fixed number (3): KMO = .84, $\chi 2$ (N = 333, 36) = 1563.58, and p < .001. Business success's items were based on the fixed number 2, brand image, and perceived profitability: KMO = .88, $\chi 2$ (N = 333, 28) = 1432.26, and p <.001. Most correlations for both groups are >.30. Therefore, all necessary criteria are met to continue the analysis (KMO > .60, significance < .05).

CV1	This CEO is inspiring.
CV2	This CEO is an exciting public speaker.
CV3	This CEO has vision: they bring up ideas about possibilities to achieve the company's goals.
CS1	This CEO engages in unconventional behaviour to achieve organisational goals.
CS2	This CEO uses non-traditional means to achieve organisational goals.
CS3	This CEO exhibits unique and surprising behaviour.
CL1	This CEO is likeable.
CL2	This CEO is physically attractive.
CL3	I could imagine being friends with this CEO.
BI1	This company has a good reputation.
BI2	This company uses high quality materials.
BI3	This company is modern.
BI4	This company is reliable.
PP1	This company is profitable.
PP2	This company has access to diverse digital technologies.
PP3	This company is a market leader.
PP4	This company is entrepreneurially skilled.

Table 9: Items.

Items	Visionary mindset	Self-confidence	Likeability	Brand image	Perceived profitability
CV1	.75				
CV2	.69				
CV3	.77				
CS1		.87			
CS2		.87			
CS3		.80			
CL1			.76		
CL2			.77		
CL3			.86		
BI1				.89	
BI2				.82	
BI3				.52	
BI4				.72	
PP1					.76
PP2					.84
PP3					.86
PP4					.85
Cronbach's alpha	.81	.88	.79	.83	.88
r ($p < .01$)					
Eigenvalue	2.17	2.44	2.12	2.67	3.00

Table 10: Factor and reliability analyses for visionary mindset (CV), self-confidence (CS), likeability (CL), brand image (BI), and perceived profitability (PP).

4. Results

To analyse the data properly, IBM SPSS Statistics Version 28 has been used with a confidence level of 95% (p < .05). By running the CFA and testing the alpha, the IVs self-confidence (CS), visionary mindset (CV), and likeability (CL) can be explored in-depth in terms of their possible relationships with each dependent variable, brand image (BI), perceived profitability (PP), and increase in net profit average (NP). This type of regression analysis is used to find the predictive characteristic of the main independent variable on the dependent variable while providing the possibility to examine two or more variables' relationships (Pallant, 2017). The findings of the analysis are shown below (Model 1 b* to Model 3 b*). The main aim is to measure if the proposed and theoretically supported hypotheses hold in the anticipated positive influence of a CEO's charisma on business success (Field, 2009). An overview of the outcomes for each regression analysis can be seen in separate columns in Table 11: Regression model for predicting the influence of CEO's charisma on business success. b* represents the standardised regression coefficient. The significance level is indicated by asterisks.

	The influence of a CEO's charisma on business success		
	Model 1 b*	Model 2 b*	Model 3 b*
Constant	4.18***	-16.74	3.45***
Visionary mindset (N=335)	.20**	.11	.08
Self-confidence (N=333)	.17*	.39***	.05
Likeability (N=333)	.12	-.20***	.40***
R2	.16	.18	.22
F	21.40	24.39	30.66
Dependent variable	Perceived profitability	Net profit increase	Brand image

Note: Significance levels: * p < .05, ** p < .01, *** p < .001

Table 11: Regression model predicting the influence of CEO's charisma on business success.

4.1 Models 1 and 2: Profit predicted by a CEO's charisma (H1)

As stated in the second chapter, the first hypothesis predicts increased business success in the form of profit if the company is led by a charismatic CEO compared to a non-charismatic one. Hypothesis 1 includes H1a to H1c, regarding the sub-variables for charisma: self-confidence, visionary mindset, and likeability. As shown, there is a significant difference in perceived profitability and actual net profit increase, which is why both variables are tested. For all effects, it is assumed that the other independent variables remain constant.

4.1.1 Model 1: Perceived profitability predicted by a CEO's charisma

The first regression model, with perceived profitability as the first dependent variable and visionary mindset, self-confidence, and likeability as independent variables, is significant: $F(3,329) = 21.40$, $p < .001$. The regression model is, therefore, useful for predicting the influence of a CEO's charisma on perceived profitability of a company. However, the predictive power is rather low: 16% of perceived profitability can be predicted based on a CEO's self-confidence, visionary mindset, and likeability ($R^2 = .16$). Visionary mindset – $b^* = .20$, $t = 2.77$, $p < .01$, 95% CI [.05, .28] – and self-confidence – $b^* = .17$, $t = 2.57$, $p < .05$, CI [.03, .20] – have a significant, positive influence on perceived profitability, while likeability – $b^* = .12$, $t = 1.96$, $p > .050$, [.00, .19] – does not. Therefore, if profit is defined as perceived profitability, H1a and H1b are accepted, while H1c is rejected. Furthermore, if visionary mindset increases by 1 unit, PP increases by 0.17 ($b = .17$), and if self-confidence increases by 1, PP increases by 0.11 ($b = .11$).

Hence, with H1a and H1b being accepted, perceived profitability is ranked higher if the company is led by a self-confident and visionary CEO compared to a non-confident and non-visionary one. Perceived profitability is significantly and most strongly affected by a CEO's visionary mindset and moderately affected by their self-confidence but not by likeability. The sub-variables explain 16% of perceived profitability's composition.

4.1.2 Model 2: Net profit increase predicted by a CEO's charisma

The second regression model, with net profit increase as the second dependent variable and visionary mindset, self-confidence, and likeability as independent variables, is significant as well: $F_{(3,329)} = 24.39$, $p < .001$. The regression model is, therefore, useful for predicting the influence of a CEO's charisma of a company's net profit increase. The predictive power of a visionary mindset, self-confidence, and likeability for net profit is only slightly higher than on perceived profitability ($R2 = .18$). However, CS – b* = .39, t = 6.02, p < .001, CI [11.46, 22.58] – has a strong positive and CL – b* = -.20, p < .001, CI [-16.23, -4.16] – a strong negative significance on net profit increase. Meanwhile, CV – b* = .11, t = 1.50, p > .05, CI [-1.78, 13.07] – is insignificant. Hence, due to the prediction of a positive relationship between profit and self-confidence, H1b can be accepted. If self-confidence increases by 1 unit, the net profit increase would grow by 17.02% (b = 17.02).

Self-confidence has the most significant effect on net profit increase, while likeability has a significantly negative one. Although that implies that H1c is rejected, the negative relationship between likeability and the dependent variable is important to investigate further, since the outcome expresses that a less likeable CEO correlates with a higher net profit increase. Although the independent variable visionary mindset is close to p < .05 with p < .07, it must be marked as insignificant. Here, the independent variables explain 18% of the dependent variable. With H1b being accepted, average net profit increase is ranked higher if the company is led by a self-confident CEO compared to a non-confident one.

Re-examining Table 6, which presents the average net profit increase from 2018 to 2021 in percent, CEOs are appointed in different years, showing variation in the duration of holding the position as CEO. In terms of profit, the companies holding their CEO since 2020 or 2021 comparatively have the smallest average net profit increase, if not a decrease (e.g., Amazon, Intel, IBM). After running a simple correlation matrix, seen in Table 8, a significance of p < .001 holds for visionary mindset and self-confidence concerning net profit increase, with a positive correlation of .24 and .39. Comparing these findings with Table 5, it can be concluded that lower net profit might result from a CEO that holds their position more briefly and has a lower level of vision and self-confidence. However, causality is not proven here, only a positive correlation.

In both 4.1.1 and 4.1.2, the independent variables explain only a fraction of each kind of profit, 16% of perceived profitability and 18% of average net profit increase. These

findings confirm previously conducted research stating that while charisma is connected to a company's performance, many other factors are relevant too (Bushman et al., 1996; Lehn & Makhija; 1996).

4.2 Model 3: Brand image predicted by a CEO's charisma (H2)

The second hypothesis predicted increased business success in the form of brand image if the company is led by a charismatic CEO compared to a non-charismatic one. Hypothesis 2 includes H2a to H2c, examining the sub-variables of charisma: self-confidence, visionary mindset, and likeability.

The third regression model, with brand image as the third dependent variable and visionary mindset, self-confidence, and likeability as independent variables, is significant: $F (3,329) = 30.66$, $p < .001$. The regression model is, therefore, useful for predicting the influence of a CEO's charisma on a company's brand image. The predictive power of the three sub-variables for brand image is mediocre ($R2 = .22$). Visionary mindset – $b* = .08$, $t = 1.17$, $p > .050$, CI [-.05, .19] – and self-confidence – $b* = .05$, $t = .78$, $p > .050$, CI [-.05, .13] – have no significant relationship with brand image. Meanwhile, likeability – $b* = .40$, $t = 6.83$, $p < .001$, CI [.24, .44] – has a strong positive one. H2c is accepted. If likeability increases by 1 point, brand image would increase by .34.

In summary and in contrast to profit, brand image is only significantly affected by likeability, not by self-confidence or a visionary mindset. The independent variables explain 22% of the concept brand image. H2c is accepted, which means that brand image is ranked higher if the company is led by a likeable CEO compared to a non-likeable one. This finding contrasts those about charisma related to profit. Likeability is only significantly related to brand image, not profit, and self-confidence and a visionary mindset influence profit but not brand image.

4.3 Additional analysis

Figure 6, in the methodology section, provides an overview of the average respondent's rating of brand image and the perceived profit of each company next to the average net profit increase/decrease in percent derived from the calculations in Table 5. However, to be able to find further observations on the results found so far, the next step is an

additional qualitative analysis. This is done by comparing the 12 companies on each dependent variable and ranking them from highest to lowest in terms of performance (Table 12).

Ranking (highest (1) to lowest (12))	BI	PP	Mean NP variation 2018-2021 (in %)
1	Google	Google	Tesla
2	Intel	Amazon	Netflix
3	Microsoft	Apple	Google
4	Apple	Microsoft	eBay
5	Tesla	Meta	Microsoft
6	IBM	Tesla	PayPal
7	Netflix	Intel	Meta
8	PayPal	Netflix	Apple
9	HP	PayPal	HP
10	Amazon	IBM	Amazon
11	Meta	HP	IBM
12	eBay	eBay	Intel

Table 12: Ranking of the companies' perceived dependent variable as indicator for business success.

As shown, perceived profitability, brand image, and net profit increase differ overall. Hence, the dependent variables do not define business success to the same extent and should therefore not be considered as similar indicators. To be able to draw a clearer conclusion on possible overlaps and distinctions, Graph 1 presents the information of Table 12 visually.
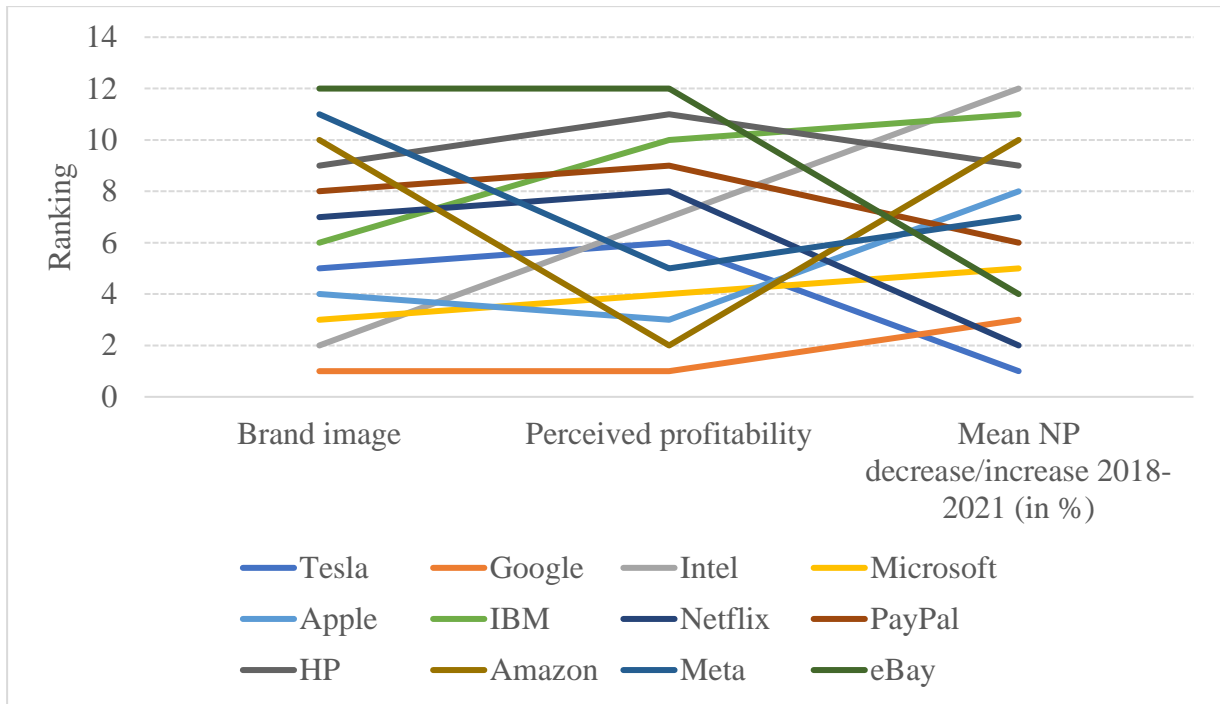
Graph 1: Ranking of the companies' perceived dependent variable as indicator for business success.

Graph 1 illustrates brand image and perceived profitability as similarly ranked for more than half of the companies, while net profit increase differs clearly from the other two variables in nearly all cases. However, except for Google and eBay ranking the same for brand image and perceived profitability and HP and Amazon for brand image and net profit increase, no other rating is the same for any company. Hence, it can be concluded that a company that is highly ranked in brand image does not automatically have the same or similar ranking for the other two variables and vice versa. This shows further, as in the theoretical framework and this study's results, how different aspects of business success are influenced in a distinctive way by sub-traits of a CEO's charisma and that each dependent variable being proven to have a significant relationship with one of the independent variables does so in a way that is not simultaneous with the other variables. Further implications of this are advanced in the discussion section.

5. Discussion

This study's purpose is to broaden the knowledge about the relationship between a CEO's charisma and the company's business success in terms of a customer or potential customer's view. So far, in empirical research, studies have focused on the relationship between employees and CEO or the CEO's own perception of their charisma. However, customers, next to employees, are the most important asset for a company, since they are the ones buying the products and determining the reputation, brand image, and ultimately, a firm's profit.

5.1 Key results

Overall, the key finding and answer to the research question is that not every personality trait related to charisma has the same effect on a business's success in terms of profit and brand image. While a brand's image is mostly influenced by a CEO's likeability, profit is not significantly, if not negatively, affected by it. Alternatively, self-confidence in a CEO influences profit in both forms, but a visionary mindset overall only has a positive impact on perceived profitability. Therefore, certain charismatic traits have a significant effect on certain aspects of business success. Furthermore, being successful in one aspect of charisma and business success does not automatically guarantee greater success in the other parts. Hence, if a business is looking for a new CEO, it must first set clear goals for what it wants to achieve and then assess potential CEOs by testing them on the most relevant attributes.

5.2 First set of hypotheses (H1): Relationship between a CEO's charisma and profit

Overall, a CEO's likeability has an insignificant relationship with their company's perceived profitability and a negative one with net profit increase. Thus, likeability is not a driving force for generating profit. If anything, it seems rather obstructive. Alternatively, a CEO's self-confidence is relevant in terms of profit. Participants, or rather potential customers, perceive profit to be higher if they perceive the CEO as more confident, and actual net profit is also positively correlated with self-confidence. A visionary mindset seems to have a significant effect on perceived profitability, since vision is often followed by

unconventional actions to make new ideas happen and great investments develop new technology. Oftentimes, however, these ideas fail or need more time or investments to succeed, causing the company to lose profit (Cooney at al., 2021). Meanwhile, when they do succeed, the company might be a product-leader again. Thus, great risks must be taken to stay relevant in the long run. However one looks at it, vision might be irrelevant for net profit increase in the beginning of a CEO's carrier but might be a determining factor for the future of a company in tech (Davenport & Westerman, 2018).

Re-examining the selected companies and CEOs, these findings are partly applicable. Elon Musk is rated lower than average for likeability but highest on self-confidence and high on vision. Tesla, the company where Elon Musk holds the position as CEO, has by far the highest average net profit increase. Meanwhile, Iannone is ranked low in every characteristic, and eBay is ranked lowest in brand image and perceived profitability. However, eBay performs a bit higher than the calculated mode between the 12 companies in actual net profit increase. Therefore, it can be concluded for the first hypothesis that while likeability seems to be unimportant for profit, self-confidence is, and a visionary mindset does not hurt.

This mixed outcome is not surprising, since pre-existing research about a CEO's charisma in relation to a company's profit is equivocal, as explained in the theoretical framework. However, with several correlations proven significant, this study adds to the relevant literature, such as the more recent work by Waldman et al. (2001) and Wilderom, van den Berg, and Wiersma (2012). The findings mostly align with studies claiming only certain character traits related to charisma are influential in terms of financial outcome (Rowold & Laukamp, 2009).

5.3 Second set of hypotheses (H2): Relationship between a CEO's charisma and brand image

Shown in the results, the only variable not significantly related to either form of profit, likeability, is the only variable significantly relevant for brand image. Power at al. (2008) stated that there is a thin line between being perceived as self-confident and being perceived as ruthless. Hence, a radical mindset can be perceived as a brutal one, and a CEO attributed this trait does not have a positive influence on a brand's image (Power et al., 2008). Likeability is a trait based on communicating a trustful and warm personality, authenticity, and consideration for others (Bass & Avolio, 1990; Northouse, 1997). A decent brand image

is built on similar attributes. If customers rate a firm with a high brand image, they assign the kind of worth to it that is not defined by money but by traits that are considered fair, just, and honourable (Drucker, 2008; Malik et al., 2012). Furthermore, most studies conducted on the relationship between brand image and a CEO's charisma so far have focused on other industries. In the financial sector, trust and credibility have been the most relevant characteristics. However, this study shows that there might be a chance to generalise these outcomes regardless of sector since likeability – and therefore, trust and credibility – is also important in the digital sector (LeBlanc & Nguyen, 1996).

As mentioned in the theoretical framework, popular and likeable CEOs should act as brand endorsers to add credibility and trustworthiness to the company's image (Rubin et al., 1982; Shaari et al., 2014). By comparing the findings in the methodological section, likeable CEOs – such as Pichai, Nadella, and Krishna – were found to be unfamiliar to the participants before the survey. In other words, unknown CEOs can be perceived as very likeable and, after presenting them, correlate positively with the company's image. Popularity is, therefore, not an indicator for likeability, and brands could start considering using their unknown but likeable CEOs as brand endorsers.

5.4 Societal and economic implications

These findings support correlations, not causality, as is usually the case with this type of research. Thus, to answer the research question, certain interpretations are made. Individual character traits related to charisma might be important to generate profit, while others are needed to maintain a good brand image. Meaning that if a company wants a successful business defined by both good reputation and high profit, it needs a charismatic CEO possessing a mix of all three character traits examined in this study.

As shown in the additional analysis, brand image, perceived profitability, and average net profit increase are not similar indicators for a business's success. Net profit increase is particularly different to both brand image and perceived profitability, with them being familiar at least to a certain extend for more than half of the companies reviewed. A possible explanation might be that both brand image and perceived profitability are ranked by the subjective opinions of the participants, while average net profit increase is based on factual numbers retrieved from reports provided by each company. A high net profit does not imply a good brand image and neither that customers think of a company to be necessarily profitable.

High net profit can be achieved due to other factors, like cutting costs in the production process or discharging employees. Meanwhile, a customer's perception of the brand, the company, and its possible worth, is not only based on hard facts, but on a successfully running PR and marketing department (Akhtar et al., 2017). Hence, one well working factor does not necessarily guarantee the other factor to be equally high, but these factors are all part of a business's success ((Lucky et al., 2012; Roth, 1995). The implication is that companies that want to be successful overall, need to perform high in all three factors. If one factor needs improvement, it should be considered to search for a CEO, that has the relevant charismatic traits to increase it. If brand image is the targeted factor to be achieved, the CEO should be perceived as very likeable. Alternatively, if high profit is the only goal, the CEO should not be too likeable but instead high in self-confidence and at least partially good at communicating vision.

Mark Zuckerberg and Sundar Pichai are great examples. Mark Zuckerberg is ranked similarly to Musk, low on likeability but very high on confidence and vision. The company Meta has one of the lowest brand images but a net profit increase that is the same as the mode and average perceived profitability. Meanwhile, Sundar Pichai, the CEO of Google, performs highest in all three categories, with a company ranking as the highest average net profit increase, highest on brand image, and one of the highest in perceived profitability.

However, several CEOs reviewed do not fit the findings as perfectly. The CEO of Netflix, Hastings, is found to be low on every characteristic, while the net profit of his company is the highest after Tesla. The current CEO of Amazon, Jassy, performs highly on self-confidence and low on likeability, but his firm faces one of the smallest average net profit increases and is only perceived as average in brand image. Hence, while there is a clear pattern visible, one should be careful when generalising.

5.5 Academic implications

With most previous research done on the relationship between leaders and followers focusing on managers and their internal followers, such as employees, external followers are often not considered. This study successfully added new information to that gap in literature, raising common findings and differences between internal and external followers. Independent of the internal or external type, it is the perception of the follower that defines how charismatic a CEO is (Bass, 1988). Furthermore, it can be said that a self-confident CEO

empowers and motivates not only their employees but their customers as well, leading to a higher financial performance for the company (Hollenbeck & Hall, 2004; Luthans et al., 2004). While a visionary mindset causes employees to believe in their leader's power, leaving them with the desire to be part of the vision, working harder, and usually increasing a firm's performance, this cannot be said for customers (Antonakis & Day, 2012; House 1977). Potential customers might think that a company performs higher if they perceive the CEO to be a visionary, but it does not significantly affect the net profit, as it does with employees. Additionally, it is stated in leadership research that employees perform better under a CEO they perceive as likeable, again, usually leading to a higher financial performance (Bass & Avolio, 1990; Northouse, 1997). Here, a contrast has been shown between internal and external followers, since likeability perceived by customers has no significant effect on profit.

5.6 Limitations

Next to obvious limitations like the sample being rather small at n = 169, there are several additional shortcomings. As stated in 3.2.3, while the chosen companies are known to the respondents to a certain extent, this finding cannot be extended to the CEOs. The participants' purchase experience is also mixed. The short clips and texts, therefore, ensured a minimum familiarity for all participants. Although these clips and the informational texts were as similar as possible in terms of wording and presentation, the validity of the CEOs' ratings and the relationship with the dependent variable must be addressed. Most research about perceived personality traits based on visuals challenges studies' validity due to their highly subjective nature. However, this limitation might be erased by running the same study again and exchanging the chosen clips with different ones or deleting them altogether (Hopp et al., 2020). Additionally, this study does not differ between knowledge, perception, or personal opinions that were formed prior to the study and those that were formed during the survey. It would be interesting to research how previously established opinions affect the participants' perception of the short explanation and video provided, possibly through an experiment building on this study. There might be bias from participants already knowing the CEO or company and having assigned them certain subjective attributes.

For the sake of efficiency and a stronger outcome, participants were selected for their academic and financial background. However, this excluded a broad part of the population that is equally important to a company's brand image and perception of a CEO's charisma

compared to the targeted population. Companies like Apple generate high profit not simply by selling a product but by selling their brand, including a certain image and experience. Apple purposely targets successful and creative people, which in turn, attracts the ones that simply want to be like them, too. One does not need to be financially stable or have a doctorate to buy an iPhone. An American dream figure like Elon Musk, worshipped like a god on certain platforms, works only because of the observers that are not rich yet but want to be. These observers want to be as charismatic as they perceive Elon Musk to be and see a chance in achieving that if they buy a Tesla.

Furthermore, as explained, charisma and brand image are subjective matters, dependent on opinion and an individual's perception. There are many layers to them, and while this study is based on thorough research focusing on some of the most important parts of charisma and brand image, there are only so many layers that can be examined by one study. Brand image has different attributes to it depending on the industry and the firm's target group, which is why this research's findings should only be applied to the technological and digital industry and its products.

Another limitation is the timeframe in which the questionnaires were distributed. The technological industry is a fast-paced, ever-changing sector. A company's worth can change in a day, as well as the CEO's image. For example, Elon Musk suddenly became the largest shareholder of Twitter while this study was being conducted, leading to the CEO being more present in the population's eye. Additionally, the industry is still affected by COVID-19 and the current Russian-Ukrainian war. Participants might have been affected by these circumstances while answering the questionnaires.

5.7 Recommendations for future research

Based on these limitations, several points for future research are suggested. As mentioned in the theoretical framework, the items used for brand image should vary depending on the industry and target audience (Low & Lamb, 2000). It is suggested to take this study and adjust the items to measure brand image for other industries. Several industries should be reviewed to understand if there is a general relationship between charisma and brand image across different sectors, in which industries one should watch for a charismatic CEO, and where it is rather irrelevant.

Similarly, charisma is a multi-layered concept. Hence, it is proposed that which sub-traits of charisma are significantly relevant for a company's performance be investigated further. In this study, only self-confidence, likeability, and a visionary mindset were tested, but as argued in the second section of this paper, charisma has many more attributes.

Although it has been touched upon in this study, there is no clear answer to the question of how time and charisma are related. There might be a correlation between the level of charisma a CEO has and the time they hold their position, but there is no clear evidence that can be derived from this study. Chances are high that certain aspects of charisma can be learned or grown over the years, like a CEO becoming more self-confident the longer they work in the same position. However, a CEO that was already not necessarily liked in the beginning or lacked a creative, visionary mindset might not develop in these areas, no matter how long they are CEO. Therefore, it is suggested that the possible relationship between time and a CEO's charisma be examined further.

Next to the recommendations that could be derived from the mentioned limitations, there are several subjects that could be investigated further. One point is, if a CEO can learn or increase their charisma over time and, therefore, create an increase in net profit over the years, as touched upon in the study, but no causality was determined. Charisma is a transitory characteristic, meaning that it is not stable but will be routinised or traditionalised over a certain period. Consecutively, this volatility leads to an uncertainty in terms of a CEO's 'real' charisma that must be considered in further studies (Waldman et al., 2001; Waldman, 2004; Tosi, 2004; Weber, 1947).

Another question that has been mentioned in previous research but has not yet been answered concerns the origin of success for the charismatic CEO or the successful company (Hopp et al., 2020). An already successful company might make someone seem more charismatic, with all the money and power that comes with it. Hence, questions are raised regarding if it is the CEO that makes the company or the company that makes the CEO and if a self-fulfilling prophecy is at play. Both are likely true, but it would be interesting to have quantitative research supporting it.

For this study, only US-based companies were reviewed. Hence, it is suggested that studies be conducted in a non-Western context for non-Western countries where other traits than charisma might be more important in a leader. There is a possibility that, in contrast to Western cultures, a CEO should not only be self-confident but perceived as ruthless and brutal instead of likeable (Power et al., 2008). Not only charisma but also business success

might have other measures more important to different cultures than profit and brand image. In Western societies, capitalism and individualism is the driving force, but this is certainly not the case throughout the world. Hence, further research should be conducted.

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Appendix A – Survey

Survey on CEO's charisma and business success

Instruction:

Survey on business success and a CEO's charisma

My name is Isabelle Kahabka, a master student in Media & Business of Erasmus University Rotterdam. With this survey questionnaire, I hope to broaden the current knowledge and research about the relationship between a CEO's charisma and their business's success. There will be no correct or incorrect answers. I would kindly ask you to answer the questionnaire as honest as possible. The duration will be 7 minutes approximately. Your personal information will be kept strictly confidential and anonymous.
If you read, understood, and accepted the instructions, terms and conditions, please proceed. Thank you for your participation!
This survey contains a completion code for SurveySwap.io.

First Block:

1. Tesla – Elon Musk

How familiar are you with the company Tesla?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Tesla's CEO Elon Musk?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Tesla Inc., short Tesla, is a listed US-based car manufacturer, most known for building all-electric vehicles, by designing the first premium all-electric Sedan car - Model S. Tesla's mission is to create an entirely sustainable energy ecosystem and works next to electronic cars on batteries and photovoltaic.

The current CEO of Tesla is Elon Musk. He holds this title since 2008. Elon Musk is 50 years old and was born in Pretoria, South Africa.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=tRzO1TMMEmU

2. Apple – Timothy Cook

How familiar are you with the company Apple?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Apple's CEO Timothy Cook?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

◯ Yes, namely the following: _____ (1)

◯ No. (2)

◯ I'm not sure. (3)

Apple Inc., short Apple, is a listed US-based hard- and software developer, known for its smartphones and computers, like the Apple iPhone or the MacBook. Apple's mission is to provide the best user experience for its customers through ongoing innovations concerning hard-, software, and services.

The current CEO of Apple is Timothy Cook. He holds this title since 2011. Timothy Cook is 61 years old and was born in Alabama, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=CUwg_JoNHpo

3. Microsoft – Satya Nadella

M1 How familiar are you with the company Microsoft?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with the Microsoft's CEO Satya Nadella?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Microsoft Cooperation, short Microsoft, is a listed US-based hard- and software developer, known for its operating system Windows, the office-software application Office, and the console Xbox. Microsoft's mission is the empowerment of every person and company worldwide to achieve greater things.

The current CEO of Microsoft is Satya Nadella. He holds this title since 2014. Satya Nadella is 54 years old and was born in Hyderabad, India.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=0v1vyWJQlzs

4. Amazon – Andy Jassy

How familiar are you with the company Amazon?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Amazon's CEO Andy Jassy?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Amazon.com Inc., short Amazon, is a listed US-based technology company, mostly known for its e-commerce platform amazon.com. Amazon's mission is to be the most customer centric company worldwide.

The current CEO of Amazon is Andy Jassy. He holds this title since 2021. Andy Jassy is 54 years old and was born in New York, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=xZ3k7Fd6_eU&t=6780s

5. Google – Sundar Pichai

How familiar are you with the company Google?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Google's CEO Sundar Pichai?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Google LLC, short Google, is a listed US-based hard- and software developer, mainly known for its search engine Google. It is a subsidiary of Alphabet. Google's mission is to collect and order the world's information and make it accessible and useful for everybody.

The current CEO of Google is Sundar Pichai. He holds this title since 2015. Sundar Pichai is 49 years old and was born in Madurai, India.

Please watch the following clip:

6. Intel – Pat Gelsinger

How familiar are you with the company Intel?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Intel's CEO Pat Gelsinger?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Intel Corporation, short Intel, is a listed US-based technology company, mainly known for manufacturing semiconductor chips used for devices related to communications and computing. Intel's mission is to power innovation to find solutions to their customers' technical challenges and for a safe, productive world.

The current CEO of Intel is Pat Gelsinger. He holds this title since 2021. Pat Gelsinger is 61

years old and was born in Pennsylvania, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=0Gv4HaqttdE

7. Meta – Mark Zuckerberg

How familiar are you with the company Meta (former Facebook)?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with the Meta's CEO Mark Zuckerberg?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Meta Platforms Inc., formerly known as Facebook Inc., is a listed US-based technology conglomerate, most known for its social networks Facebook, Instagram and WhatsApp, as well as VR and AR products. Meta's mission is to develop a more open and connected world.

The current CEO of Meta is Mark Zuckerberg. He holds this title since 2004. Mark Zuckerberg is 34 years old and was born in New York, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=pjNI9K1D_xo&t=55s

8. Netflix – Reed Hastings

How familiar are you with the company Netflix?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with Netflix' CEO Reed Hastings?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

Netflix Inc., short Netflix, is a listed US-based subscription streaming service and production company, mainly known for its streaming platform Netflix. Netflix's mission is to become the

world's best entertainment distribution service.

The current CEO of Netflix is Reed Hastings. He holds this title since 1998. Reed Hastings is 61 years old and was born in Massachusetts, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=l5R3E6jsICA&t=481s

9. PayPal – Pat Gelsinger

How familiar are you with the company PayPal?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with PayPal's CEO Daniel Schulman?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

PayPal Holdings Inc., short PayPal, is a listed US-based financial technology company,

known for its online payment system PayPal. PayPal's mission is to democratize financial services to help every person worldwide to be in control of their financial lives.

The current CEO of PayPal is Daniel Schulman. He holds this title since 2015. Daniel Schulman is 62 years old and was born in New Jersey, US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=lrd2yZ12qFY

10. IBM – Arvind Krishna

How familiar are you with the company IBM?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with IBM's CEO Arvind Krishna?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

International Business Machines Corporation, short IBM, is a listed US-based technology firm, mainly known for its computer hardware, software, and middleware, like SPSS or ATMs, and for developing the cloud. IBM's mission is to be the leading manufacturer in the most advanced information technologies.

The current CEO of IBM is Arvind Krishna. He holds this title since 2020. Arvind Krishna is 60 years old and was born in Godavari, India.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=4Qpboh8AMJA

11. HP – Enrique Lores

How familiar are you with the company HP?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with HP's CEO Enrique Lores?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services, or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

HP Inc., short HP, is a listed US-based information technology company, mainly known for developing computers, printers, and related supplies. HP's mission is to engineer technology that makes life better for everyone worldwide.

The current CEO of HP is Enrique Lores. He holds this title since 2019. Enrique Lores is 56 years old and was born in Madrid, Spain.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=uWlss56eaDA

L. eBay – Jamie Iannone

How familiar are you with the company eBay?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

How familiar are you with eBay's CEO Jamie Iannone?

Very unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neutral (4)	Slightly familiar (5)	Familiar (6)	Very familiar (7)

Did you ever purchase one of the company's products, services or subscriptions?

○ Yes, namely the following: _____ (1)

○ No. (2)

○ I'm not sure. (3)

eBay Inc., short eBay, is a listed US-based e-commerce corporation, mainly known for its e-commerce platform ebay.com. eBay's mission is to be the favorite global platform defined by great value and unique selection.

The current CEO of eBay is Jamie Iannone. He holds this title since 2020. Jamie Iannone is 37 years old and was born in the US.

Please watch the following clip:

Derived from: https://www.youtube.com/watch?v=Igy61krZLL8

Second Block:

Please state how much you perceive the following character trait to be true for the CEO.

	Very un-characteristic (1)	Un-characteristic (2)	Slightly un-characteristic (3)	Neutral (4)	Slightly characteristic (5)	Characteristic (6)	Very characteristic (7)
This CEO is inspiring. (1)	○	○	○	○	○	○	○
This CEO is an exciting public speaker. (2)	○	○	○	○	○	○	○
This CEO has vision: he brings up ideas about possibilities to achieve the company's goals. (3)	○	○	○	○	○	○	○

Please state how much you perceive the following character trait to be true for the CEO.

	Very un-characteristic (1)	Un-characteristic (2)	Slightly un-characteristic (3)	Neutral (4)	Slightly characteristic (5)	Characteristic (6)	Very characteristic (7)
This CEO engages in unconventional behavior in order to achieve organizational goals. (1)	○	○	○	○	○	○	○
This CEO uses nontraditional means to achieve organizational goals. (2)	○	○	○	○	○	○	○
This CEO exhibits very unique behavior that is surprising. (3)	○	○	○	○	○	○	○

Please state how much you perceive the following character trait to be true for the CEO.

	Very un-characteristic (1)	Un-characteristic (2)	Slightly un-characteristic (3)	Neutral (4)	Slightly characteristic (5)	Characteristic (6)	Very characteristic (7)
This CEO is likeable. (1)	○	○	○	○	○	○	○
This CEO is physically attractive. (2)	○	○	○	○	○	○	○
I could imagine being friends with this CEO. (3)	○	○	○	○	○	○	○

Please state how much you perceive the following statement to be true about the company.

	Very strongly disagree (1) (1)	Strongly disagree (2) (2)	Disagree (3) (3)	Neutral (4) (4)	Agree (5) (5)	Strongly agree (6) (6)	Very strongly agree (7) (7)
This company has a good reputation. (1)	○	○	○	○	○	○	○
This company uses high quality materials. (2)	○	○	○	○	○	○	○
This company is modern. (3)	○	○	○	○	○	○	○
This company is reliable. (8)	○	○	○	○	○	○	○

Please state how much you perceive the following statement to be true about the company.

	Very strongly disagree (1)	Strongly disagree (2)	Disagree (3)	Neutral (4)	Agree (5)	Strongly agree (6)	Very strongly agree (7)
This company is profitable. (1)	○	○	○	○	○	○	○
This company has access to diverse digital technologies. (2)	○	○	○	○	○	○	○
This company is a market leader. (3)	○	○	○	○	○	○	○
This company is entrepreneurial skilled. (8)	○	○	○	○	○	○	○

Third Block:

Please state your age: _____

Please state your gender.

○ Female (1)

○ Male (2)

○ Other (6)

○ Prefer not to say (8)

Please state the highest degree or educational level you obtained so far.

○ No education/ primary school (1)

○ Highschool graduate (2)

○ Degree in vocational/ professional training (6)

○ Bachelor's degree (3)

○ Master's degree (4)

○ Above Master's degree (5)

Please state your current employment status.

○ Employed for wages (1)

○ Self-employed (2)

○ Unemployed (3)

○ A student (4)

○ Retired (5)

Fourth Block:

Do you have any additional feedback, comments or questions you would like to share?

If you want to contact me, have questions, suggestions or feedback regarding the survey, or just want to know more about the research question as well as questions asked, please don't hesitate to message me: