

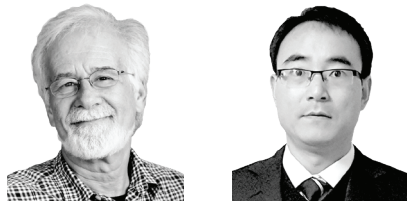
Pygmalion and Charisma: Divergence and Convergence of Two Approaches to Leadership Effectiveness



Dov Eden

Pygmalion and charisma are convergent approaches to leadership that were made for each other. Nevertheless, for the most part these approaches are treated in different academic disciplines. They share many important assumptions about how leaders lead and how leadership could be more effective. The present article highlights the divergence and convergence of Pygmalion and charisma, emphasizing the common ground that they share. The goal is to deepen our understanding of how leaders influence followers and how they can influence them more effectively. Ideas for future research are proposed and ways to integrate Pygmalion and charisma to make management practice more effective are presented. This results in a prescription for “charismatic Pygmalion,” a management style that integrates both leadership constructs.

A Requiem to Stock Dividends



Avner Kalay and Feng Zhang

The distribution of stock dividends is costly to stockholders of levered firms. Since 1953, firms have had to reduce retained earnings by the market value of the distributed stocks. This provides extra protection to bondholders at stockholders' expense. Yet, stockholders seem to like them. Consistent with past studies, we document positive and significant announcement returns for the 1954-2017 period. This is surprising as the distribution is costly and the information content of stock dividends, documented in this paper, is negative. We find a drastic reduction in ROA and ROE following the distribution of stock dividends. Investors seem to react and we measure economically small and statistically insignificant announcement abnormal returns since 2008. We also document a time series decay in the announcement effects of a given firm. Firms responded and over the 1954-2017 period drastically reduced the frequency of stock dividends until they essentially vanished. The paper demonstrates that increased investor sophistication causally reduced the propensity of firms to distribute stock dividends up to their essential elimination.