

1. Our study relies upon licensed data from the China Stock Market and Accounting Research (CSMAR) database, a leading provider of corporate financial data. The file titled “**Data and Sample**” provides instructions on how to obtain the data and construct the sample.
2. The Stata program titled “**Program for Main Results**” contains the code to produce the main results. All variables are defined below.

Code	Variable	Definition
<i>tmt_order_norm</i>	<i>POWER</i>	$POWER = 1 - (RANK - MIN)/(MAX - MIN)$, where <i>RANK</i> is the rank of the TMT member disclosed in the annual report of a firm-year with 1 being the highest rank. <i>MIN</i> is the minimum of <i>RANK</i> (i.e., 1) and <i>MAX</i> is the maximum of <i>RANK</i> (i.e., the number of TMT members in a firm-year). <i>POWER</i> ranges from zero (lowest power) to one (highest power).
<i>tmt_order_1</i>	<i>INV_RANK</i>	The negative value of <i>RANK</i> .
<i>exec_dir</i>	<i>EXEC_DIR</i>	A dummy variable indicating whether a TMT member is part of the firm’s board.
<i>comp</i>	<i>COMP</i>	A TMT member’s total annual cash compensation (including bonuses) divided by the total cash compensation of the highest paid manager.
<i>num_titles</i>	<i>NUM_TITLES</i>	The number of top executive job titles held by a TMT member.
<i>share2</i>	<i>SHARE_OWN</i>	The stock ownership of a TMT member and her related parties acting in concert.
<i>founder</i>	<i>FOUNDER</i>	A dummy variable indicating whether a TMT member is disclosed in the IPO prospectus as a top ten shareholder or a top management team member in the IPO year.
<i>tmuc</i>	<i>CONTROLLER</i>	A dummy variable indicating whether a TMT member is the ultimate controlling shareholder of the firm.
<i>exper</i>	<i>SKILL_MATCH</i>	A dummy variable indicating whether there is a match between a TMT member’s functional areas and her professional qualifications. For executives with only generic job titles (i.e., Vice President) whose job functions are not disclosed, <i>SKILL_MATCH</i> is coded as zero.
<i>fa_var</i>	<i>NUM_FUNCTIONS</i>	The number of functional areas in which a TMT member holds a post.
<i>nposition</i>	<i>NUM_POSITIONS</i>	The number of senior executive positions a TMT member previously held based on her resume.
<i>director_totcol</i>	<i>NUM_DIR</i>	The number of board seats a TMT member holds in other listed firms.
<i>dir_nonprofit</i>	<i>NUM_NONPROFIT</i>	The number of board seats a TMT member holds in non-for-profit organizations.
<i>edu</i>	<i>EDU</i>	<i>EDU</i> is one if a TMT member’s educational level is technical secondary level or below, two if the educational level is junior college level, three if the educational level is a bachelor degree, four if the educational level is a master degree, and five if the educational level is a doctor degree.

<i>pc</i>	<i>OFFICIAL</i>	A dummy variable that equals one if a manager is a current or former government official at the central, provincial or county government level, or a representative of the People's Congress or the Chinese People's Political Consultative Conference (CPPCC) at the national, provincial or county level.
<i>othercol</i>	<i>PARENT_POS</i>	<i>PARENT_POS</i> is three if a TMT member holds the position of both the Chairman of the Board and the CEO at the parent company, two if the TMT member holds the position of either the Chairman of the Board or the CEO but not both at the parent company, one if the TMT member holds any managerial position lower than the Board Chairman and the CEO at the parent company, and zero if the TMT member holds no managerial position at the parent company.
<i>age</i>	<i>AGE</i>	The age of a TMT member.
<i>tenure</i>	<i>TENURE</i>	The number of years since a TMT member joined the firm.
<i>male_d</i>	<i>MALE</i>	<i>MALE</i> equals one for male executives and zero for female executives.