

Online Appendix

Long-Term Pay for Performance: Cumulative Evidence over CEO Tenure

Kalash Jain
Columbia Business School

Shivaram Rajgopal
Columbia Business School

Alfred Rappaport
*Kellogg School of Management,
Northwestern University*

Min Jun Song
Columbia Business School

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This online appendix outlines the robustness checks of our main findings. The description of the tests and discussion of the results are provided in Section 5.6 of our main draft. The appendix presents the following supporting tables:

Table OA1. Robustness Checks by Including the Incumbent CEOs

Panel A. Full Sample

Panel B. Subsample Analysis (Peer Outperformers and Underperformers)

Table OA2. Additional Robustness Checks

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This table conducts additional robustness checks on the expanded sample of CEOs, including incumbent CEOs. Column (1) adds an indicator variable that equals one if the CEO’s tenure overlaps with NBER recessions. Columns (2) and (3) report the pay-performance relation for a subsample of CEOs with high and low institutional ownership by dedicated investors (Bushee 1998), split on the median value. Columns (4) and (5) present a subsample analysis of CEOs who experienced forced turnover at the end of their tenure. Columns (4) and (5) include industry fixed effects due to a lack of observations within firms. Standard errors reported in the parentheses are clustered by industry (GICS 6-digit). ***, **, and * denote statistical significance at the 1%, 5%, and 10% level (two-tailed), respectively. The variables are as defined in the Appendix.

Robustness Check:	Add Recession Control	Subsample: High Dedicated Investor	Subsample: Low Dedicated Investor	Subsample: Forced Turnover	Subsample: Voluntary Turnover
	(1)	(2)	(3)	(4)	(5)
	<i>Log Realized Total Comp Exc Salary</i>	<i>Log Realized Total Comp Exc Salary</i>	<i>Log Realized Total Comp Exc Salary</i>	<i>Log Realized Total Comp Exc Salary</i>	<i>Log Realized Total Comp Exc Salary</i>
<i>Log(Annual SP500-Adj TSR)</i>	1.128*** (0.366)	1.322* (0.740)	0.715 (0.619)	0.357* (0.206)	1.534*** (0.436)
<i>Recession Indicator</i>	0.104 (0.136)				
Observations	908	309	315	151	482
Adjusted R-squared	0.749	0.734	0.686	0.767	0.626
Controls	Yes	Yes	Yes	Yes	Yes
Fixed Effects	Firm	Firm	Firm	Industry	Industry
Clustered SE	Industry	Industry	Industry	Industry	Industry