

ABSTRACT

The focal point of this entire study lies on the overconfidence of CEO and how this specific characteristic of CEO has an effect of the remuneration they receive. The study classifies the CEO overconfidence into three different categories- overconfident CEO's, non-overconfident CEOs and CEOs who are neutral. The data for this variable uses press media portrayal as proxy. CEO's are portrayed in the media through their interviews, actions and decisions they are taking with regard to their firms. With this new information out there in the world, this paper tries to incorporate the media portrayal of CEOs as a measure for CEO overconfident. The study consists of 5 years' time period from 2017-18 to 2021-22 and the sample of firms consists of NIFTY50 firms, excluding government firms and financial firms. In India CEOs are more reluctant to show their overconfidence or arrogance attitude because of the bad image portrayal that follows them and tunes to have an effect on the firm performance. Several firm-specific and CEO specific characteristics control variables were used in the study which has enabled to understand the effect on the independent and dependent variables in a much better manner. The total remuneration for the CEOs are taken and for comparison purposes they are converted into natural logarithm. The results indicate a significant and positive relationship between CEO's who are neutral, non-overconfident CEOs with remuneration at 1% and 5% significance. Overconfident CEOs do not have any significant relationship with the remuneration they are paid.

Key Words: CEO Overconfident, Non-Overconfident CEO's, Neutral CEOs, Remuneration, Press Media Portrayal, CEO Characteristics

JEL Codes: G30, G40, G41