



Press Release  
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# Empowering CCOs drive shareholder gains and reduce stock price risk, study finds

*New research by HEC Paris finds stronger CCO influence particularly benefits young companies and firms facing volatile markets.*

New research by Professor Ali Shantia from HEC Paris challenges conventional thinking about who drives shareholder value in large firms. While CFOs and CEOs often dominate strategic decisions and investor attention, the new paper finds that operation executives, such as Chief Operating Officers (CCOs), can play a far more powerful role than previously recognised.

The study, conducted alongside co-authors from Foster College of Business and ESSEC, shows that when CCOs and other operation leaders gain influence within the top management team, companies don't just run more smoothly: for an average company, boosting the power of operations executives increases stock value by approximately 1.3%, equating to an additional \$89.8 million in market value for an average company valued at \$6.84 billion. Moreover, stock price volatility decreases by about 5%, resulting in more predictable returns for investors.

These effects are particularly pronounced in younger firms and industries facing high market turbulence. In such environments, the ability to make swift decisions and remain agile is crucial for maintaining competitiveness and stability.

*"Operations leaders are often seen as behind-the-scenes executors, but the data tells a different story", said Professor Ali Shantia. "When they have a real voice in top-level decisions, companies don't just run more smoothly. They become more valuable and less exposed to unpredictable swings. That is a combination both boards and investors should care about."*

The paper "Effects of operations executives' power on shareholder wealth", published in the *International Journal of Production Economics*, is based on a two-decade analysis of over 1,100 publicly listed US manufacturing firms from 1998 to 2018. It introduces a multidimensional measure of operations executives' power, offering a detailed picture of how much influence they hold relative to other executives and how that power shifts over time.

The research contributes to the growing body of work at the intersection of operations and finance. It also responds to calls for better integration of operations thinking into corporate strategy, especially in a business environment where agility, resilience, and execution matter more than ever.

**About HEC Paris:**

Founded in 1881, HEC Paris is a leading European Business School. Its ambition is to positively impact both businesses and society thanks to its three-pronged approach “**Think, Teach, Act**” and thus to contribute to a more inclusive, sustainable and prosperous world.

With 178 research professors from all around the world producing and teaching unique knowledge to **more than 4,500 students from 135 different countries**, the HEC Paris campus serves as a real laboratory for innovation and exchange which is open to the world’s diversity and challenges.

Inspired by its 5 core values - **Excellence, Curiosity, Entrepreneurial spirit, Diversity and Responsibility** - HEC Paris offers a complete range of training courses for the leaders of tomorrow: the Bachelor, the Pre-Experience Program, specialized masters, MSc, the Summer School, the MBA, the Executive MBA, the TRIUM Global Executive MBA, the PhD, as well as a wide variety of programs targeted to leaders and managers.

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