



**Lisbon School  
of Economics  
& Management**  
Universidade de Lisboa

# **MASTERS IN MANAGEMENT (MiM)**

**MASTER'S FINAL WORK**

**DISSERTATION**

**DOES CONCERN ABOUT APPEARANCE IMPACT FIRM  
PERFORMANCE? A STUDY OF THE PORTUGUESE CASE**

**ANA CAROLINA ROSADO S. XAVIER**

**JUNE - 2022**



Lisbon School  
of Economics  
& Management  
Universidade de Lisboa

# **MASTERS IN MANAGEMENT (MiM)**

**MASTER'S FINAL WORK**

**DISSERTATION**

**DOES CONCERN ABOUT APPEARANCE IMPACT FIRM  
PERFORMANCE? A STUDY OF THE PORTUGUESE CASE**

**ANA CAROLINA ROSADO S. XAVIER**

**SUPERVISOR: PROF. MARIA JOÃO GUEDES**

**JURY:**

**PRESIDENT: PROF. JOSÉ MANUEL CRISTÓVÃO VERÍSSIMO**

**RAPPORTEUR: PROF. RICARDO MARINO FRANCISCO RODRIGES**

**SUPERVISOR: PROF. MARIA JOÃO GUEDES**

**JUNE - 2022**

## **ABSTRACT**

Appearance is not just how individuals are perceived by others, but also how they are perceived by themselves, in a so-called self-assessed appearance. It goes beyond just physical aspects, as it also can be reflected in and by someone's behaviors. These behaviors can be impacted by circumstances that correspond to cultural, biological, and socio aspects. How an individual assesses its concern towards its self-appearance depends on its level of self-esteem, where is assumed that higher levels of self-esteem results in lower levels of concern for appearance. The pressure on how a person appears can also differ amongst gender, management level, and income level. The objective of the research was to see if these differences in concern towards appearance could impact the firm performance both subjectively (measured by a self-perception scale) and objectively (measured by ROA). The results pointed to a non-significant relationship between self-assessed appearance and firm performance. However, it confirmed that females are more concerned about appearance than males and that top managers are less concerned than middle managers, forming an interesting study that can also be related to the phenomenon of beauty premium and the Upper Echelons Theory.

**KEYWORDS:** Appearance; self-esteem; firm performance; gender; Beauty Premium; Upper Echelons Theory.

## ACKNOWLEDGMENTS

ISEG has brought me many challenges, but this dissertation was the toughest one and I am so happy to say that I have overcome it. Between working full-time, losing many weekends in a library, and being so far away from my family, it was very hard to stay focused and not let anxiety take over. But it was all worth it, I am very proud of my dissertation and the accomplishments it represents, and I would like to take a moment to appreciate the people that helped me get here.

I would like to especially thank Professor Maria João Guedes for sharing her wisdom, for always pushing me to do my very best, and for not letting me be scared away by the many challenges faced.

I would like to extend my gratitude to the Woman on Boards Project at ISEG for granting me Data used in this research and letting me contribute to this wonderful and inspiring project. It has been empowering to be a part of this. I appreciate and admire the work you, women, are doing in history.

I would like to thank BRASA (Brazilian Student Association) for giving me the focus, passion, and determination to reach for my goals and dreams. All of you played a very important part in my personal, academic, and professional life. I know deep inside my heart that I wouldn't be the person I am today if I hadn't had the chance to work with you guys during these past years.

I would also like to express my love for my family in this country, Tayssa Larrubia, Carla Fracetti, Julia Fernandes, and Francisco Gomes, thank you for being my

biggest supporters. I love you with all my heart and hope we can grow more and more together. It's because of you that I can call this my home away from home.

Finally, I would like to not only thank, but dedicate this work to my mom and dad. Mom, you are my biggest inspiration, you have always shown me how to be strong and how to work hard. You never gave up on anything and you made sure I grew up to be just like you and will forever be thankful for it. And dad, I haven't heard your voice in over 7 years, if you could read this right now, I would like you to know that: I am okay, I've accomplished so much just like you did, I've been traveling and getting to know people just like you raised me to do. Thank you for teaching me to appreciate others and to always show compassion. You are my warrior. Every time I look at the sky I can feel your love, that's how big I know it always was. I love you, mom and dad. Thank you for everything.

*“Mulher. A feminilidade se expande há uma roupa bonita,  
uma maquiagem bem feita, uma estética.  
O ser mulher tem uma raiz que é o maior atributo e a maior beleza dessa divindade humana.  
É a força, a mulher luta como ninguém para ser quem ela é e buscar o espaço que merece na sociedade.  
É sangue no mesmo olhar que transpassa amor.  
É persistência, luta, verdade, sororidade”.*

*- Natally Rodrigues*

## TABLE OF CONTENTS

<b>ABSTRACT .....</b>	<b>iv</b>
<b>1. INTRODUCTION .....</b>	<b>1</b>
<b>2. LITERATURE REVIEW .....</b>	<b>3</b>
2.1. Appearance .....	3
2.2. Self-Perception .....	4
2.3. Self-esteem .....	5
2.4. Appearance and Gender.....	5
2.5. Appearance and Company Performance .....	8
<b>3. DATA DESCRIPTION AND METHODOLOGY .....</b>	<b>10</b>
3.1. Data Description .....	10
3.2. Measures and Scales .....	11
3.3. Methodology.....	18
<b>4. RESULTS .....</b>	<b>19</b>
4.1. Descriptive statistics .....	19
4.2. T-Tests .....	22
4.3. Linear Regression Model.....	24
<b>5. CONCLUSION .....</b>	<b>27</b>
5.1. Final Conclusions .....	27
5.2. Limitations and Future Research.....	28
<b>REFERENCES .....</b>	<b>30</b>
<b>ANNEX.....</b>	<b>37</b>

## LIST OF TABLES

<b>TABLE I</b> – Variables .....	17
<b>TABLE II</b> – Descriptive Statistics.....	19
<b>TABLE III</b> - Descriptive Statistics of independent variables .....	20
<b>TABLE IV</b> – Recoded Variables.....	21
<b>TABLE V</b> – t-tests .....	22
<b>TABLE IV</b> - Linear Regression model results .....	24

**LIST OF ANNEX**

**ANNEX I** – Sample Description..... 37

**ANNEX II** – Additional Linear Regression .....38

**ANNEX III** – Correlation between variables..... 39



## **ABBREVIATIONS**

CEO - Chief Executive Officer

D/E - Debt-to-Equity Ratio

ROA - Return on Assets

## 1. INTRODUCTION

Whether people accept it or not, judgment is an ongoing activity in our society (Baumeister, et al., 2003; Neff & Vonk, 2009). Individuals judge each other on their beliefs, their career choices, their political preferences, and most of all, on how they appear, in a physical and/or behavioral form. The way a person behaves is affected by their personality and is already well perceived that those personality traits have an impact on decision-making skills (Hambrick & Mason, 1984). For instance, due to an established relationship between personality and self-esteem, extroverted people are more likely to show a higher sense of power and autonomy than introverted people (Amirzodi & Amirzodi, 2011), contributing to how different they can perform in their professional roles.

Additionally, some studies have shown how physical appearance can impact an individual's professional life, due to a phenomenon called beauty premium (French, 2002; Frieze et al., 1991), where people that are perceived as better looking are more prone to having higher earnings (Biddle et al., 1994) and to achieving leadership roles (Rhode, 2010).

However, it is yet unknown if this built-up pressure on appearance can impact how individuals feel and how that impacts firms' performance. More so, if there is a difference in how women deal with this concern in comparison to men, due to historical enforcement (Jackson, 1992). Or if this pressure can change consonant their responsibility level inside their company. All contribute to the unfolding question: Does concern about appearance impact firm performance?

The idea of this dissertation is to answer this question and the main objective is to contribute to this scope of research by being the first to investigate the relationship

between different levels of concern on appearance and firm performance, specifically in the Portuguese scenario.

The dissertation is divided into five chapters, starting with the Introduction. Chapter 2 contains the Literature Review that introduces the various topics in the study and presents the proposed hypothesis; chapter 3 describes the Data and Methodology used; chapter 4 presents and analyses the obtained Results and chapter 5 contains the conclusions and limitations of the study, as well as suggestions for future investigation on this subject.

## 2. LITERATURE REVIEW

### 2.1. Appearance

The etymology dictionary definition of appearance is to “come to view” and from Latin *apparentia*, it is to “be seeing in public”, implying that appearance is the result of being seen by others, as, it is defined by one another and what can be extracted from a looking at a person (Gibson, 1979). It is also about the results of social interactions and the information that people gather from them (Jackson, 1992). Regarding, it is only possible to measure appearance by objectifying it through physical characteristics (Perry, 1998). Indeed, facial appearance is the “center stage in the research on physical appearance” (Jackson, 1992).

Physical appearance is a combination of biological genetic features (Polderman et al., 2015), cultural (McCabe & Ricciardelli, 2003; Smith, Noll, & Bryant, 1999), and how each person expresses their personality. According to Lauer and Lauer (1981), this can be through physical looks. The authors claimed that clothing can reveal an individual's personality, or from the face itself since hormones embedded in the face can reflect emotions and personality development (Neave et al., 2003). In addition, appearance plays an important role in non-verbal communication, for example, behaviors. As a matter of fact, it influences, among others, the formation of interpersonal relations (Perry, 1998), that arise from how we behave and communicate with one another, for instance when building a career (Puspito et al., 2020).

When it comes to career paths, appearance plays an important facet from the hiring process (Roepe, 2017) all the way to leadership roles (Rhode, 2010). On one hand, it is possible to say that appearance can be impacted by numerous factors such as culture,

genetics, and personality as well as can impact different aspects of an individual's life, such as personal and professional relationships.

On the other hand, appearance can also be perceived by itself, known as self-image, or 'self-assessed' appearance, which is dependent on self-perception (Bem, 1972).

## *2.2. Self-Perception*

To better understand the idea of self-perception, it is crucial to bring attention to the Self-Perception Theory first proposed by Bem in 1965. This theory emerged with the idea that attitudes were inferences that came from the observation of one's behavior. It aims to simply explain that when there is a matter in question, the behavior and the situational cues that surround it, can provide a clear indication to each individual on how to act upon them (Bem, 1972). By bringing this theory into self-perception of appearance, it is possible to observe that self-perception of appearance or 'self-assessed' appearance, is influenced by both one's behavior and surrounding, so how an individual behaves in a certain situation, can be reflected on how it perceives its own appearance on that moment. When conveying this to an organizational scenario, it is possible to affirm that a motivating environment, which can be defined by technological, generational, and organizational practices (Korzynski & Pawel, 2013), may enhance an individual self-perception of appearance, considering that job satisfaction and motivation is influenced by employee empowerment (Khuong & Tien, 2013) and being empowered can result in a higher self-perception of appearance, or as is mostly called, higher self-esteem (Al-Qahtani et al., 2021), which is normally linked to individuals that show less concern towards appearance (Rosenberg, 1965).

### *2.3. Self-esteem*

One of the biggest facets of appearance is judgment, by others or own self, which can be due to or result in lower levels of self-esteem. Studies from earlier this century confirm that self-esteem is founded on self-evaluations that depend on feedback received (Baumeister, et al., 2003; Neff & Vonk, 2009) and although these studies may not have been focused on individuals inside organizations, they can be applied to it and can insinuate a relationship between a motivating work environment with higher levels of self-esteem that can result, although is not the only factor, in higher individual performance (Baumeister, et al., 2003), and overall may impact company's performance. What is certain is that occupation success is proven to boost self-esteem (Bachman & O'Malley, 1977) and self-perception. So, it can be a hypothesis that individuals who reach a higher management level inside a firm, due to occupational success, will likely have higher self-esteem and will be less concerned about their appearance.

### *2.4. Appearance and Gender*

It is hard, if not quite impossible to talk about appearance, on a social and cultural basis, without discussing the differences on the topic among males and females. According to the sociocultural perspective, physical appearance is more relevant in females due to cultural values (Jackson, 1992), meaning, it can differ among different cultural perspectives. For instance, the constitution of what is beauty can change if analyzed in different eras as well as in different parts of the world (Hakim, 2010). In the early eras, women's relevance was mostly based on how they looked, since it was directly related to being a wife to a man (Silva et al., 2005) and although the feminist movement (Mitchell & Oakley, 1986), has made quite a progress in changing that perspective, it still

found to be true that females are still in the spotlight when appearance<sup>1</sup> topics arise. As so, empirical studies have shown that it is common for females to worry more about appearance than males, considering they are more prone to worry about their bodies throughout their life stages (Jackson, 1992; McMullin & Cairney, 2004). Furthermore, there are studies that strongly point out how in adulthood<sup>2</sup>, women are more prone to lower self-esteem than men (Josephs et al., 1992), which can be reflected due to the relative power in a society that has been given to men (Rosenfield, 1999) and the fragile image that has been given to women (Querino et al., 2013).

#### *Appearance, gender, and career*

Many studies have corroborated that gender plays a very significant part when discussing appearance in social and cultural aspects, more even, that women are more affected by it (Jackson, 1992; Josephs et al., 1992; McMullin & Cairney, 2004; Pliner et al., 1990). However, when investigating the relationship between appearance, gender, and career, it can be identified that men, due to their relative power, can face major pressure when it comes to professional success (Whitaker, 1998). But this does not disregard the pressure that women face to succeed in their careers, just shows how different the exigency is. Meaning, it has become clear that both men and women feel pressured on how they appear in their work lives, the difference is that women feel more pressure to prove themselves accountable and non-fragile to break historical assumptions, and men to maintain historical assumptions and their relative power.

However, when strictly talking about physical appearance (either self-assessed or assessed by others) the pressure on career success can be measured by individuals'

---

<sup>1</sup> Recalling that appearance does not just regard physical appearance, but rather how individuals see other individuals (Gibson, 1979) and how they see themselves (Bem, 1972).

<sup>2</sup> According to Britannica Encyclopedia, adulthood is defined as individuals between the ages of 20 and 40.

earnings and role hierarchy in a company. Biddle et al. (1994) conducted an analysis that concluded that average-looking people earn higher wages than below-average-looking people, and it applies to both men and women, but it is more significant for women. This finding also supports the literature that attractive faces earn more income than less attractive for both men and women, but when regarding females, attractiveness only led to higher income later in their careers, rather than at the beginning (Frieze et al., 1991), concluding that physical appearance indeed plays an important and crucial role in earnings, but it is gender-specific. In fact, French (2002) found that female employees who judge themselves with above-average appearance have, on average, an 8% higher income than females with average appearance.

Concerning career success as a role hierarchy in a company, as it has been stated before, physical appearance starts to play a role in the hiring process (Roepe, 2017). Aspects of beauty can be directly related to the number of job interviews an individual will face during their (Bóo et al., 2013). This can also be reflected in different stages of professional life, as attractive people are often more susceptible to receiving better performance evaluations (Landy & Sigall, 1974) and are more likely to be promoted (Morrow et al., 1990). Regarding leadership, it has also been previously studied how facial appearance is related to more competent leaders (Graham et al., 2010; Rule & Ambady, 2008), but it was concluded that facial attractiveness reflects more on leadership selection, rather than its success (Re & Rule, 2015), which, at this moment, is more relevant, considering it is being assessed how physical appearance plays a role in hierarchical position in a company. While it is certain that individuals expecting promotion often feel more pressure to prove their competency to higher managers (Jaser, 2021), it is yet to be determined if this changes their self-assessed appearance. A recent



project that was done in Portugal (Guedes, 2021), provided the data for this study, showing that top-level managers are also surrounded by constant pressure, including appearance, and are often more judged on how they look, rather than their essence. Nonetheless, the results were also gender-specific, since women stated they felt more pressured and judged on their appearance than men and their peers, while men stated they felt more pressure in being successful.

Until now, it has been clear that appearance differs among individuals' cultural values, self-esteem, gender, and management roles. But does self-assessed appearance impact company performance? Or do different levels of concern about appearance shows different results in company performance?

### *2.5. Appearance and Company Performance*

Upper Echelons Theory has established that personal features could be linked to decision making and as a result, company performance (Hambrick & Mason, 1984). According to this theory socioeconomic background, functional track, formal education, financial position, and group heterogeneity of Top Management directly influence the decisions that companies take. This theory has been empirically tested by a vast number of studies. For example, Rule and Ambady (2008), linked firm performance to CEO facial traits. They collected face pictures from male CEOs of 50 U.S. Fortune companies and had them rated by 100 university students on personality traits. These traits were judged through individuals' faces (Adams & Kleck, 2005, Neave et. al., 2003, Todorov et. al 2004): competence, dominance, likeability, facial maturity, trustworthiness, and assessment of leadership ability. It was found to be true that competence, dominance facial maturity, and leadership were significantly related to enhanced company performance, and CEOs from successful companies could be identified through their

facial appearance. And although an interesting result was found, it was still gender-specific to males, so, Rule and Ambady (2009) proceeded to a similar method study analyzing face pictures from female CEOs of 20 U.S. Fortune companies, that were rated by 170 university students on the same personality traits. In this case, the results were that competence and leadership were significantly correlated with enhanced firm performance. So, in both cases, it was found an association between facial appearance and firm performance. Building upon the work of Rule and Ambady (2009), Lähdevuori (2012) conducted a study in Sweden and investigated whether the faces of CEOs of small and large companies, as well as non-CEOs and the research aimed at perceiving the differences between the judgment on those. The CEOs were rated based on attractiveness, trustworthiness, dominance, and competence. The results show that perceived CEO competence or attractiveness did not enhance company performance, just enhanced individuals' compensation, in accordance with other previous literature on beauty premium (Biddle et al., 1994; French, 2002; Frieze et al., 1991).

To add to a similar line of research, some studies indicate a relationship between personal characteristics and performance, while observing levels of self-esteem (Amirazodi & Amirazodi, 2011; Baumeister et al., 2003; Caspi et al., 2005). For example, higher levels of self-esteem are often seen in individuals that show more power, responsibility in the public domain, high autonomy, and are overall more confident people. As a result, they are more prone to be comfortable in their workplace and will likely take more risks when presenting their ideas, while less confident fearful individuals are likely timider, more anxious, and may take fewer risks due to their lack of confidence. This lack of confidence is a sense of lower self-esteem (Amirazodi & Amirazodi, 2011).

Regardless, all previous research focused either on personal traits (Hambrick & Mason, 1984), that did not include the appearance feature, or when appearance was referred it was based solely on third-party judgment. Still, it hasn't been studied the association between self-assessed appearance and company performance, more so, how much the time and effort spent by individuals whilst worrying about their appearance and the judgment of others could impact company profits, thus this being the first research on the subject, which implies explanatory assumptions. As so, assuming that higher levels of concern for appearance are in consequence to lower levels of self-esteem (Al-Qahtani et al., 2021; Rosenberg, 1965) and that, higher levels of self-esteem are linked to enhanced individual performance and overall may impact company performance (Amirazodi & Amirazodi, 2011; Baumeister et al., 2003), a hypothesis was defined in connection to existent literature, while aiming to investigate newer results. Therefore, the general proposed hypothesis is:

*H1: Higher concern about appearance will impact company performance.*

### **3. DATA DESCRIPTION AND METHODOLOGY**

#### *3.1. Data Description*

The present study uses both primary and secondary data. The primary data was obtained from a questionnaire sent by e-mail (using the Qualtrics Software) to Portuguese non-listed companies. The online questionnaire was chosen due to its ability to access individuals in distant locations, convenience in having automated data collection, and is time and cost-effective (Wright, 2005). The secondary data was obtained from annual financial reports, retrieved from Informa D&B. This questionnaire is part of a bigger project that involved 10,836 e-mails, that were provided by Informa D&B. A total of 1,038 responses were obtained but for the purpose of this study, it was only considered

responses from higher-level managers (top and middle management), who answered all questions regarding appearance and self-perspective, resulting in a final sample of 278 top managers (143 females and 153 males).

The variables were chosen, build on previous literature, with the intention of investigating how each is related to the respondent's perspective on its own appearance, and the impact on the way employee's perception of appearance can relate to firm performance, both in a subjective and objective perspective. Annex I present the complete sample description. Out of the 278 respondents, 51.4% were female, 58.2% are in a position of maximum responsibility within the company, 17.6% are the founders, 30.2% are partner owners of the companies and 32% have less than 21 years of experience. 52.5% have more than 47 years old, which is the most represented age. 64% have their undergraduate diploma and the most frequent level of gross income is between 30 000€ and 44 555€ representing 25.1% of the sample. As for the company-related data, only 5% can be considered a large company (>250 employees) and 17.2% have no female workers. 45.3% are family businesses and only 29.2% have more than 2 shareholders. All the firms have at least one individual composing a management board, however, 49.2% have no female representation. And lastly, 12.2% have an above-average Debt to Equity ratio of 4.91, which is relevant to measuring a company's financial sustainability (Serghiescu & Văidean, 2014).

### *3.2. Measures and Scales*

This study was conducted with the objective of analyzing the impact on the self-perception of appearance and its possible association with company performance, objectively and subjectively, considering distinct aspects, such as management roles, gender, and other individual and company-related variables. The first defined variable

was the categorical variable Hierarchical Position, where 1 = top-level managers and 2 = middle-level managers, this was defined to identify these two different groups.

### *Appearance*

The measurement of appearance is subjective to perception, either self-perception (Bem, 1972) or the perception of others (Gibson, 1979). Nevertheless, it is needed to input some objectivity to make it more measurable, but a method to measure the perception of appearance was nonexistent, so a scale was developed for this project. The developed measure is named APPEA, an appearance score that consists of 6 statements, all of them describe how the respondents feel in relation to appearance and were fully interpreted in accordance with their own judgment and subjectivity, considering that appearance is a personal characteristic which contributes to the expectation regarding others (Mahoney, 1978). For each statement the respondents were required to answer on a Likert Scale, measured by their level of agreement (Vagias & Wade, 2006), where 1 was “strongly disagree” and 5 was “strongly agree”. For example, a couple of the statements were “I feel that I’m judged by my appearance” and “I feel that I’m judged by my appearance more than my peers”. All the statements used in the questionnaire are in Table II.

The final APPEA Score is achieved by the sum of the score of all statements and the higher the value, the more impact appearance has on the individual concerns within their job roles. The Cronbach's alpha coefficient of the scale is 0.84, meaning the measure has very good reliability ( DeVellis, 1991).

### *Company Performance*

The assessment of company performance can be achieved using subjective and objective measures. Subjective measures correspond to data collected via interviews or questionnaires and objective measures correspond to data collected directly from the

company's reports. In this study, the two measures were used since both are relevant when investigating company performance. The subjective measure was achieved by self-perception which can be individually influenced by its surroundings (Bem, 1972), therefore being more prone to error. Still, it considers various dimensions of performance and adds a human factor to the company reports, thus complementing the objective measure, that conveys the company's business activity and financial performance into financial statements. It was only possible to use both measures in this analysis because the companies were not kept anonymous, enabling access to their reports.

#### *Objective Company Performance*

The objective performance measure, that is used as a dependent variable, is the ratio of ROA (return on assets), defined as  $\text{Net Income} / \text{Total Assets}$ . According to classical finance theories, it can be the most effective in measuring and monitoring the financial status of companies (Avlokulov, 2018), and it is one of the most common ratios used in studies predicting business failures (Hossari & Rahman, 2005), as well as is considered an important indicator of company sustainability (Lassala et al., 2017). It is important to mention that ROA is been used with the goal of measuring each business over time, not as a comparison tool between the companies in the study, as it can be a less useful ratio when comparing companies from different dimensions and sectors, for example, the performance of manufacturing sector companies are directly related to the use of physical assets, which is more likely to generate lower levels of ROA, while financial sector companies rely less on physical assets, therefore can present higher levels of ROA (Berkin & Curry, 2021; Hagel et al., 2013).

### *Subjective Company Performance*

As for the subjective approach to company performance, it was based on the self-perspective of the individuals and the measurement of performance was using a scale previously developed by Wiklund and Shepherd (2003), where respondents were asked to appraise the performance of their firm considering the last three years comparing to their main competitors in ten spheres of performance (sales growth, revenue growth, growth in the number of employees, net profit margin, product/service innovation, process innovation, adoption of new technology, product/service quality, product/service variety, and customer satisfaction). The scale ranges from 1 to 5, where 1 was "much lower" and 5 was "much higher", the final score was obtained by an index that resulted in the sum of all 10 spheres (Naldi et al., 2007). The Cronbach alpha is 0.89, which in accordance with DeVellis (1991), is considered to show very good reliability.

### *Control Variables*

The present study uses several control variables, both individual and company-related variables since the analysis is around how appearance can play a factor in both individuals and companies. Starting with the individual-related ones, the variable Maximum Responsibility within the firm is a dummy variable that equals one if the respondent is the maximum response in the firm and zero otherwise. It represents the individuals that acquire the highest level of power and responsibilities within the firm, normally known as the Chief Executive Officer (CEO) (Barnard, 1938), the management level can directly be linked to self-esteem and self-assessed appearance due to its impact on empowerment (Al-Qahtani et al., 2021). To interpret distinct types of workers, an Entrepreneurship variable was defined, where there are two possible categories: one for those individuals that are salary workers and the other for self-employed or entrepreneur

individuals (Code of Practice on Determining Employment Status, 2021). A variable was also defined to observe the amount of time the respondent has been in their current position, called Tenure. Tenure can play an important role when assessing concern on appearance since the longer someone is in a position, the more confident they likely are (Johnson et al., 2007), influencing their self-esteem (Bachman & O'Malley, 1977). Age is the biological number of years of an individual and Gender is a dummy variable that equals one if the respondent is female and zero otherwise. These variables are very relevant because they are reflected by historical determinants and cultural differences (Nisbett & Miyamoto, 2005), and they both are essential when discussing appearance, as they are very different depending on age (Josephs et al., 1992) and between females and males (Guedes, 2021; Jackson, 1992; Pliner et al., 1990). Marital Status includes four groups possible: single, married/civil partnership/union, divorced, and widowers. This is important since the life cycle also impacts the level of concern about appearance (Jackson, 1992; McMullin & Cairney, 2004). Lastly, the Educational Level is measured if the individual attained a high school, bachelor's, master's, or Ph.D. degree, and Gross Income that varies from less than 19,999 € to over 120,000 €. Both can be linked to Maslow's Hierarchy of Needs pyramid (1943) since they are part of securing physiological and safety needs and can also impact the esteem level.

For the company-related variables, three control variables are defined. The first variable is Family Business which is equal to one if the firm is a family business and zero otherwise. Family businesses are characterized by having the majority ownership within a family (Dede & Ayrance, 2014). The second variable is size, which is the number of employees, which determines the size of the company, influencing financial analysis and valuation, especially when assessing companies from different industries



(Erik Lie et al., 2002). The third variable is Debt-to-Equity, defined as the company's leverage level and can be positively related to expected returns (Bhandari, 1988). This ratio was chosen because it represents the capital structure of the company, incorporating internal and external business factors such as profitability, the tangibility of assets, liquidity, asset turnover, and macroeconomic conditions, which can reflect a relevant measurement of financial sustainability, being useful to evaluate company performance (Serghiescu & Văidean, 2014).

Table I presents the variables used in the study.

**TABLE I** – Variables

	<b>Variables</b>	<b>Description</b>
<b>Variable</b>	Hierarchical Position (POS)	1 if Top Level Management; 2 if Middle-Level Management
<b>Dependent Variables</b>	Objective Company performance (ROA)	An objective perspective on the performance of the company is measured by the financial ratio of Return on Assets (ROA), calculated by dividing the Net Income by the assets.
	Subjective Company Performance (SPERF)	Subjective perspective on performance, measured by Respondents' perception regarding the sales growth, revenue growth, growth in the number of employees, net profit margin, product/service innovation, process innovation, adoption of new technology, product/service quality, product/service variety and customer satisfaction concerning the company respondents' perception regarding the sales growth, revenue growth, growth in the number of employees, net profit margin, product/service innovation, process innovation, adoption of new technology, product/service quality, product/service variety and customer satisfaction concerning the company.

**TABLE I (CONT.) – Variables**

	<b>Variables</b>	<b>Description</b>
<b>Independent Variable</b>	Appearance Score (APPEA)	The sum of all 6 statements regarding appearance, that were answered on a scale from 1 to 5.
<b>Individual Related Variables</b>		
<b>Control Variables</b>	Maximum Responsibility within the firm (MAX)	0 if is not the maximum responsible; 1 if it is the maximum responsible
	Entrepreneurship (ENTREP)	0 if is a salaried worker; 1 if is an entrepreneur
	Gender (SEX)	1 for women; 0 for men
	Age (AGE)	Age of each individual.
	Tenure (TERN)	Amount of time each individual has been in their position.
	Marital Status (MARITAL)	1 if single; 2 if married/union; 3 if divorced and 4 if widower.
	Education Level (EDUL)	1 if completed High School; 2 if completed bachelor's degree; 3 if completed master's degree; 4 if has a PhD
	Gross Income (GI)	1 if annual gross income is less than 19,999€; 2 if it is between 20,000 and 29,999€; 3 if it is between 30,000 and 44,999€; 4 if it is between 45,000 and 59,999€; 5 if it is between 60 and 74,999€; 6 if between 75,000 and 89,999€; 7 if it is between 90,000 and 104,999€; 8 if it is between 105,000 and 119,999€; 9 if it is higher than 120,000€
<b>Company Related Variables</b>		

### 3.3. Methodology

Using the *STATA* software, t-tests were performed for both dependent and independent variables. The objective was to test the equality of means and evaluate if the level of concern on appearance changes.

To extent de analysis and explore the association relationship between the perception of appearance and a company's performance according to the stated hypothesis, multiple linear regression analysis with the robust option was tested. Different models were defined concerning objective (ROA) and subjective (SPERF) performance. The main independent variable present in all models is the appearance score given by the APPEA score scale. Equation 1 concerns only the relation between objective performance (ROA) and appearance (APPEA), equation 2 adds as control variables the ones related to the individual (maximum responsibility within the firm, entrepreneurship, age, tenure on the role, marital status, education level gross income and gender), equation 3 adds as control variables, instead, the ones related to the company (number of employees, being a family business and debt to equity ratio) and equation 4 adds both control variables related to the company and the individual.  $\alpha$  represents the constant,  $\beta$  the coefficients to estimate and  $\varepsilon$  is the error term.

$$ROA = \alpha + \beta_1 APPEA. \quad (1)$$

$$ROA = \alpha + \beta_1 APPEA + \beta_2 MAX + \beta_3 EnTREP + \beta_4 AGE + \beta_5 TERN + \beta_6 MARITAL + \beta_7 EDUL + \beta_8 GI + \beta_9 SEX + 5 \quad (2)$$

$$ROA = \alpha + \beta_1 APPEA + \beta_2 EMPLOY + \beta_3 FAM + \beta_4 DEBT\_EQUITY + 5 \quad (3)$$

$$ROA = \alpha + \beta_1 APPEA + \beta_2 MAX + \beta_3 EnTREP + \beta_4 AGE + \beta_5 TERN + \beta_6 MARITAL + \beta_7 EDUL + \beta_8 GI + \beta_9 SEX + \beta_{10} EMPLOY + \beta_{11} FAM + \beta_{12} DEBT\_EQUITY + 5 \quad (4)$$

Equations 5 to 8 present the models that concerned the subjective approach. these models were also tested separately, and the dependent variable is SPERF to denote subjective performance. Just like the objective approach, the main independent variable present in all models is the appearance score given by the APPEA score scale. Equation 5 concerns only the relation between subjective performance (SPERF) and appearance (APPEA), equation 6 adds as control variables the ones related to the individual (maximum responsibility within the firm, entrepreneurship, age, tenure on the role, marital status, education level gross income and gender), equation 7 adds as control variables, instead, the ones related to the company (number of employees, being a family business and debt to equity ratio) and equation 8 adds both control variables related to the company and the individual.  $\alpha$  represents the constant,  $\beta$  the coefficients to estimate and  $\varepsilon$  is the error term.

$$SPERF = \alpha + \beta_1 APPEA. \quad (5)$$

$$SPERF = \alpha + \beta_1 APPEA + \beta_2 MAX + \beta_3 EnTREP + \beta_4 AGE + \beta_5 TERN + \beta_6 MARITAL + \beta_7 EDUL + \beta_8 GI + \beta_9 SEX + \varepsilon \quad (6)$$

$$SPERF = \alpha + \beta_1 APPEA + \beta_2 EMPLOY + \beta_3 FAM + \beta_4 DEBT\_EQUITY + \varepsilon \quad (7)$$

$$SPERF = \alpha + \beta_1 APPEA + \beta_2 MAX + \beta_3 EnTREP + \beta_4 AGE + \beta_5 TERN + \beta_6 MARITAL + \beta_7 EDUL + \beta_8 GI + \beta_9 SEX + \beta_{10} EMPLOY + \beta_{11} FAM + \beta_{12} DEBT\_EQUITY + \varepsilon \quad (8)$$

## 4. RESULTS

### 4.1. Descriptive statistics

The descriptive statistics are presented in Table II. The mean value of subjective performance is 34.115 and the dimension that displays the highest score in customer satisfaction, with a mean of 3.712, and the opposite, the dimension that displays the lowest performance score is the growth in the number of employees, with a mean of

3.071. As for the objective performance, the return on assets (ROA) has a mean value of 0.016. The APPEA Score has a mean value of 15.564 and the statement that exhibit the highest score is "I feel they always expect the most of me".

The correlation status for all variables can be found in Annex III.

**TABLE II – Descriptive Statistics**

	<b>Min.</b>	<b>Max.</b>	<b>Mean</b>	<b>SD</b>	<b><math>\alpha</math></b>
<b>Subjective Overall Company Performance</b>	<b>10</b>	<b>50</b>	<b>34.115</b>	<b>6.09</b>	<b>0.891</b>
Sales Growth	1	5	3.384	0.918	
Revenue Growth	1	5	3.367	0.920	
Growth in the number of employees	1	5	3.071	0.924	
Net Profit Margin	1	5	3.366	0.863	
Product Service Innovation	1	5	3.298	0.875	
Process Innovation	1	5	3.392	0.867	
Adoption of new technology	1	5	3.388	0.891	
Product/service quality	1	5	3.679	0.751	
Product/service variety	1	5	3.453	0.790	
Customer satisfaction	1	5	3.712	0.752	
<b>Objective Company Performance</b>					
Return on Assets (ROA)	-0.71	0.78	0.016	0.120	
<b>Appearance Score</b>	<b>6</b>	<b>30</b>	<b>15.564</b>	<b>5.75</b>	<b>0.856</b>
1. I feel judged by my appearance	1	5	2.471	1.273	
2. I feel that I am judged more by my appearance than by my peers	1	5	1.845	1.068	
3. I feel pressure to always present myself impeccably	1	5	2.305	1.258	
4. I feel they always expect the most from me	1	5	3.593	1.284	
5. I feel pressured to always present myself at my best	1	5	2.870	1.339	
6. I get hurt when they criticize my physical appearance instead of my professional abilities	1	5	2.482	1.387	

**Note:** N = 278. N is the number of observations; Min. is the minimum; Max is the maximum; SD is the standard deviation;  $\alpha$  is the Cronbach's alpha.

**TABLE III** – Descriptive statistics of independent variables

	<b>Min.</b>	<b>Max.</b>	<b>Mean</b>	<b>SD</b>
Hierarchical Position	1	2	1.561	0.497
Maximum Responsibility within the firm	0	1	0.255	0.436
Entrepreneurship	0	1	0.143	0.351
Gender	0	1	0.514	0.506
Age	24	77	47.94	9.168
Education Level	1	5	2.439	1.002
Gross Income	1	9	3.370	2.049
Marital	0	4	1.993	0.563
Tenure	0	40	12.69	8.602
Family Business	0	1	0.453	0.498
Number of Employees	0	1487	64.012	156.781
Debt-to-Equity (D/E)	-62	581	4.910	36.925

**Note:** N = 278. N is the number of observations; Min. is the minimum; Max is the maximum; SD is the standard deviation.

To perform t-tests and regression, the variables Hierarchical Position, Age, Educational Level, Gross Income, Tenure, Marital Status, Number of Employees, Debt to Equity, and Returns on Assets were recorded to better estimate de models as shown in Table IV.

**TABLE IV** – Recoded Variables

<b>Variables</b>	<b>Description</b>
Hierarchical Position (HPOS)	1 for Top Level Management; 0 for Middle-Level Management
Age (AGE)	1 for more than 45 years old; 0 for less than 45 years old
Marital Status (MARITAL)	1 for singles; 0 for married and others
Education Level (EDULE)	1 for more than an undergraduate degree; 0 for up to an undergraduate degree
Gross Income (INCOM)	1 for more than 29 999 €; 0 for up to 29 999 €
Tenure (TERNR)	1 for more than 20 years in this position; 0 if up to 20 years in this position
Number of Employees (NEMPLOY)	1 if more than 250 employees; 0 if up to 250 employees
Debt-to-Equity (D/E)	1 if more than the average of 4.910; 0 if up to 4.910
Return on Assets (ROA)	1 if more than the average of 0.016; 0 if up to 0.016

## 4.2. T-Tests

Aiming to determine if there were significant differences in the level of concern on appearance, t-tests were conducted to compare means of variables. Table V shows the mean and t-value for the different variables. The null hypothesis is the equality of means between the groups of variables.

TABLE V – t-tests

				<i>N</i> = 278
<b>Hierarchical Position</b>		<b>Top Level Management</b>	<b>Middle-Level Management</b>	<b>t-value</b>
APPEA		2.37	2.77	3.4608***
<b>Maximum Responsibility</b>		<b>Maximum Level</b>	<b>Non-Maximum Level</b>	<b>t-value</b>
APPEA		2.34	2.68	2.6461***
<b>Entrepreneur</b>		<b>Is an entrepreneur</b>	<b>Is a salaried worker</b>	<b>t-value</b>
APPEA		2.46	2.62	0.9437
<b>Gender</b>		<b>Female</b>	<b>Male</b>	<b>t-value</b>
APPEA		2.79	2.39	- 3.5105***
<b>Tenure</b>		<b>More than 12 years in the position</b>	<b>Up to 12 years in the position</b>	<b>t-value</b>
APPEA		2.55	2.63	0.7252
<b>Marital Status</b>		<b>Single</b>	<b>Married and Others</b>	<b>t-value</b>
APPEA		2.72	2.57	-0.9000
<b>Age</b>		<b>More than 45 years old</b>	<b>Up to 45 years old</b>	<b>t-value</b>
APPEA		2.46	2.83	3.2389**
<b>Educational Level</b>		<b>More than the undergraduate degree</b>	<b>Up to undergraduate degree</b>	<b>t-value</b>
APPEA		2.62	2.58	-0.4163
<b>Gross Income</b>		<b>More than 29 999 €</b>	<b>Up to 29 999 €</b>	<b>t-value</b>
APPEA		2.49	2.76	2.2905**
<b>Family Business</b>		<b>Is a Family Business</b>	<b>Is Not a Family Business</b>	<b>t-value</b>
APPEA		2.66	2.54	-1.0569
<b>Number of Employees</b>		<b>Large Enterprise</b>	<b>PME</b>	<b>t-value</b>
APPEA		2.39	2.61	0.8090
<b>Objective Performance (ROA)</b>		<b>Higher than average</b>	<b>Lower than average</b>	<b>t-value</b>
APPEA		2.591	2.597	0.0478
<b>Debt-to-Equity</b>		<b>Higher than average</b>	<b>Lower than average</b>	<b>t-value</b>
APPEA		2.56	2.59	0.0421

**TABLE V (CONT.) – t-tests**

<i>N</i> = 278				
<b>Subjective (SPERF)</b>	<b>Performance</b>	<b>Higher</b>	<b>Lower</b>	<b>t-value</b>
	APPEA	2.61	2.57	-0.3011

Note: \*, \*\* and \*\*\* indicate significance levels of 10%, 5% and 1%, respectively. w

According to table V, the null hypothesis is rejected for the variables hierarchical position, maximum responsibility, gender, age, and gross income. For those variables the difference in means is statistically significant, implying differences in the levels of concern towards appearance. The results regarding that, women are more prone to be worried about self-appearance than men support the literature (Guedes, 2021; Pliner et al., 1990), and is shaped by historical social and cultural ideologies that have been pressuring females to look a certain way – “*ideal bodies*” - to feel empowered (Ngo, 2019). In fact, it is enhanced by age, where women that are younger than 45 years old, show more concern over their appearance, which can be linked to the literature that explains that lower levels of self-esteem are more common in women in adulthood (Josephs et al., 1992), however, the literature specifies the age gap between 20 and 40 years old, being more exclusive than the results in this study. Additionally, the gross income also shows a difference in the level of appearance, where individuals with lower incomes led to higher levels of appearance concern, which is in concordance with French’s study (2002) that concluded that women who present lower self-assessed appearance, have lower earnings than the ones who present higher self-assessed appearance.

Another result is that middle-level management is more concerned with appearance rather than top-level managers, and the highest level in the hierarchical positions (CEO)



is less concerned than other top-level managers, this can likely be explained by decades of the ideas that middle management is mediocre supervisors (Jaser, 2021) and are different from inspirational leaders (Zaleznik, 2004), which resulted in an ongoing need to prove themselves in every way possible, including appearance. It also adds to the idea that occupational success boosts self-esteem (Bachman & O'Malley, 1977), and lower levels of concern on own appearance. Regarding company performance, as exposed before, there is no significant association between the higher or lower level of appearance concern in performance, as will be more investigated in the regression analysis.

#### 4.3. Linear Regression Model

Table VI shows the results for the linear regressions that consider jointly top and middle-level managers and where ROA was defined as the dependent variable to assess objective company performance. Each column shows results for the corresponding model. The regressions were used as a complementary analysis since the focus was established through t-tests and their corresponding correlation status.

**TABLE VI** – Linear Regression Model

<b>Variables</b>	<b>(1) APPEA</b>	<b>(2) APPEA + Individual</b>	<b>(3) APPEA + Company</b>	<b>(4) All</b>
<b>APPEA Score</b>	-0.005 (-0.641)	-0.006 (-0.847)	-0.004 (-0.584)	-0.006 (-0.798)
<b>Maximum Responsibility</b>		-0.043* (-1.920)		-0.042* (-1.791)
<b>Entrepreneur</b>		0.019 (0.842)		0.020 (0.868)
<b>Age</b>		0.00013 (0.117)		0.00013 (0.146)

**TABLE VI (CONT.)** – Linear Regression Model

<b>Variables</b>	<b>(1)</b> APPEA	<b>(2)</b> APPEA + Individual	<b>(3)</b> APPEA + Company	<b>(4)</b> All
<b>Tenure</b>		-0.001 (-0.806)		-0.001 (-0.805)
<b>Marital Status</b>		-0.013 (-0.716)		-0.013 (-0.702)
<b>Educational Level</b>		-0.003 (-0.388)		-0.003 (-0.394)
<b>Gross Income</b>		0.008 (1.367)		0.008 (1.377)
<b>Gender</b>		0.011 (0.738)		0.013 (0.802)
<b>Number of Employees</b>			0.000* (1.855)	0.000* (1.772)
<b>Family Business</b>			0.005 (0.390)	0.004 (0.247)
<b>Debt to Equity</b>			-0.000 (0.924)	-0.000 (-0.102)
<b>Constant</b>	0.029 (1.422)	0.040 (0.958)	0.022 (0.924)	0.034 (0.739)
<b>R-squared</b>	0.001	0.041	0.008	0.046
<b>Prob&gt;F</b>	0.5218	0.7296	0.2167	0.5686

Note: Columns 1 to 4 show the results of the four equations tested. ROA is the dependent variable in all models. In equation 1, APPEA is the only explanatory variable, in equation 2 the dependent variables are APPEA and all the individual related variables (maximum responsibility, entrepreneur, age, tenure, marital status, educational level, gross income, and sex), in equation 3 the dependent variables are narcissism and all the company related variables (number of employees, being a family business and debt to equity ratio) and equation 4 considers, besides narcissism, both individual and company-related variables as dependent variables.  $\alpha$  represents the constant,  $\beta$  the coefficients to estimate and  $\varepsilon$  is the error term. Robust t-statistics in parenthesis.

\*, \*\* and \*\*\* indicate significance levels of 10%, 5% and 1%, respectively.

It is possible to see that in all estimated regressions, appearance (APPEA Score) shows a non-significant association with company performance. The values of the estimated appearance coefficient range from -0.006 to -0.004, presenting that even though the self-perception of appearance may impact individuals in some ways and may differ

consonant other variables, does not impact company performance. Besides appearance, in regressions 2 and 3 maximum responsibility shows a lightly negative association with company performance. The number of employees is lightly positively associated with company performance, in equations 3 and 4. The lowest value is obtained in equation 4, where appearance is linked with both individual and performance variables. The results aim to the likelihood of appearance concerns affecting the individuals and company characteristics rather than the performance itself, with that, the proposed hypothesis is rejected.

So, it has become clear that the concern on appearance is consonant to individuals, showing that it can differ depending on the self-esteem, age, gender, income, and management position within the firm affecting them on personal levels. So, while being coherent with previous literature, showing that it impacts their motivation (Baumeister, et al., 2003), and empowerment (Al-Qahtani et al., 2021; Khuong & Tien, 2013), does not impact their decision making like personal traits do (Hambrick & Mason, 1984), thus it shows no association to company performance.

The regression was also tested by separating the top and middle-level managers, as well as, using the subjective performance (SPERF) as the dependent variable and the results obtained are similar (hence not presented).

## 5. CONCLUSION

### *5.1. Final Conclusions*

Appearance can be defined as the image individuals appear to others and to themselves. This image and/or self-image reflects each one's surroundings and cultural values. It includes physical aspects, such as biological features and characteristics, and is complemented by non-physical aspects, such as behaviors and personality traits. Appearance is directly affected by levels of self-esteem, which are determined by how an individual takes the perception of others and uses it as a valuation to its self-perception, constructing a so-called self-assessed appearance. This self-assessed appearance will then indicate higher or lower levels of concern. Typically, an individual that has higher self-esteem is less concerned with third-party thoughts. Historically, it has been proven that females show more concern for physical appearance than males, due to biological and sociocultural pressure (Jackson, 1992). However, males also show concerns about how successful they appear, due to the pressure brought by historical relative power (Whitaker, 1998). Either way, it can also affect and be affected by an individual life stage and career status, such as hierarchical position and levels of income.

Management scholars have investigated if personality traits impact decision-making and performance (Hambrick & Mason, 1984), but the results data are still inconclusive. Adding to this literature, I investigate if self-assessed appearance shows an impact on company performance, which at this point, is unknown. Thus, the interest and importance of studying how different levels of concern on appearance could impact different individuals and company performance. The results show that appearance does not impact performance, considering both subjective and objective measures, leading to the rejection of the phrased hypothesis. However, in concordance with previous literature,

results point out that, different levels of concern towards appearance differ among individuals, regarding their hierarchical position, gender, age, and income level. Higher management levels show less concern about appearance (Bachman & O'Malley, 1977; Jaser, 2021). Women showed more concern about their appearance than men (Guedes, 2021; Jackson, 1992; Pliner et al., 1990), especially when in adulthood (Josephs et al., 1992). And individuals that show more concern for appearance are the ones who possess lower levels of income (French, 2002).

This study revealed that is difficult to not only define, but also objectively measure the concept of appearance, and since this is the first study performed on the subject, still leaves a considerable amount of space to further research.

### *5.2. Limitations and Future Research*

Some limitations of this study can be linked to both lacks of previous literature and to the method used for collecting data, the questionnaire. The response rate of the questionnaire (9.58%) was not very high and, while being part of a broader project, the questions were directed at employees in any position level. Future research can adapt the questions to top management in particular. The Appearance Score used could also represent a limitation since it was solely developed for this study, is difficult to theoretically back it up, but interviews are a good alternative way to complement the score. However, since concern on appearance is very tough to measure and uniformize, any other form of measuring would most likely result in a limitation, nonetheless, it could be an interesting point for future research to try to overcome. Future research can seek validation of the measure and bring new additions to it.

In this dissertation the companies were from various industries and focused on the Portuguese scenario, it would be interesting to study the different levels of concern by industry, precisely to see if more gender-specific industries show different results. It would also be interesting to extend the investigation to different countries since the take on appearance can differ among historical and cultural values.

## REFERENCES

- Adams, R. B., Jr., & Kleck, R. E. (2005). Effects of Direct and Averted Gaze on the Perception of Facially Communicated Emotion. *Emotion*, 5(1), 3–11.
- Al-Qahtani M. A., Ibrahim, A. H., Elgzar, T. W., Sayed, E. A. H., Abdelghaffar, T., Moussa, I. R. & Alenzy, R. A. (2021). Perceived and Real Barriers to workplace empowerment among women at Saudi Universities: A cross-sectional study. *African Journal of Reproductive Health*, 25(1), 26-35.
- Amirazodi, F. & Amirazodi, M. (2011). Personality Traits and self-esteem. *Procedia – Social and Behavioral Sciences*, 29(1), 713-716.
- Avlokulov, A. (2018). Return on Assets and Financial Soundness Analysis: Case Study of Grain Industry Companies in Uzbekistan. *Journal of International Business Research and Marketing*, 4(6), 52-56.
- Bachman J.G., O'Malley P.M. (1977). Self-esteem in young men: A longitudinal analysis of the impact of educational and occupational attainment. *Journal of Personality and Social Psychology*, 35(1), 365–380.
- Barnard, C. (1938). *The functions of the executive*. Harvard University Press.
- Baumeister, R.F., Campbell, J.D., Krueger, J.I., & Vohs, K.D. (2003). Does high self-esteem cause better performance, interpersonal success, happiness, or healthier lifestyles? *Psychological Science in the Public Interest*, 4(1), 1-44.
- Bem, J. D. (1972). Self-Perception Theory. *Advances in Experimental Social Psychology*, 6(1), 1-62.
- Bhandari, L. C. (1988). Debt/Equity Ratio and Expected Common Stock Returns: Empirical Evidence. *The Journal of Finance*, 43(2), 507-528.

- Biddle, Jeff & Hamermesh, Daniel. (1994). Beauty and the Labor Market. *American Economic Review*, 84(1), 1174-94.
- Bóo, F. L., Rossi, M. A., & Urzua, S. S. (2013). The labor market return to an attractive face: Evidence from a field experiment. *Economics Letters*, 118(1), 170–172.
- Caspi, A., Roberts, B. W., & Shiner, R. L. (2005). Personality development: Stability and change. *Annual Review of Psychology*, 56(1), 453–84.
- Code of Practice on Determining Employment Status (2021). Retrieved February 13<sup>th</sup>, 2022, from <https://www.revenue.ie/en/self-assessment-and-self-employment/documents/code-of-practice-on-employment-status.pdf>
- Dede, N. P & Ayrance, E. (2014). Exploring the connections among spiritual leadership, altruism, and trust in family businesses. *Qual Quant*, 48 (1), 3373-3400.
- DeVellis, R. F. (1991). *Scale Development: Theory and Applications*. Sage Publications.
- Erik Lie & Heidi J. Lie (2002). Multiples Used to Estimate Corporate Value. *Financial Analysts Journal*, 58(2), 44-54.
- French, M.T. (2002). Physical appearance and earnings: Further evidence. *Applied Economics*, 34(5), 569-572.
- Frieze, I. H., Olson, J. E. and Russell, J. (1991). Attractiveness and income for men and women in management. *Journal of Applied Social Psychology*, 21(1), 982-1039.
- Gibson, J.J. (1979). *The Ecological Approach to Visual Perception*. Houghton Mifflin.
- Graham, J.R., Harvey, C.R. & Puri, M. (2010). A Corporate Beauty Contest. *NBER Working Paper Series*, 63(9), 2773-3145.



- Guedes, M. J. (2021). Essência (e não aparência!). Retrieved September 9<sup>th</sup>, 2021, from <https://executivedigest.sapo.pt/essencia-e-nao-aparencia/>
- Hagel, J., Brown, J. & Lui, M. (2013). Success or struggle: ROA as a true measure of business performance. *Deloitte University Press*. Retrieved June 4<sup>th</sup>, 2022, from <https://www2.deloitte.com/us/en/insights/topics/operations/success-or-struggle-roa-as-a-true-measure-of-business-performance.html>
- Hakim, C. (2010). Erotic Capital. *European Sociological Review*, 26(5), 499-518.
- Hambrick, D. C. (2018). Upper Echelons Theory. *The Palgrave Encyclopedia of Strategic Management*, 1782–1785.
- Hashmi, S.D., Gulzar, S., Ghafoor, Z. & Naz, I. (2020). Sensitivity of firm size measures to practices of corporate finance: evidence from BRICS. *Futur Bus J*, 6(9), 1-19.
- Hossari, G., & Rahman, S. (2005). A Comprehensive Formal Ranking of the Popularity of Financial Ratios in Multivariate Modeling of Corporate Collapse. *Journal of American Academy of Business*, Cambridge, 6(1), 321-327.
- Jackson, L. A. (1992). *Physical appearance and gender: Sociobiological and sociocultural perspectives*. State University of New York Press.
- Jaser, Z. (2021). The Real Value of Middle Managers. *Harvard Business Review*. Retrieved January 22<sup>nd</sup>, 2022, from <https://hbr.org/2021/06/the-real-value-of-middle-managers>
- Johnson, W. T., Francis, K. S., & Burns, D. L. (2007). Appearance Management Behavior and the five-factor model of personality. *Clothing and Textiles Research Journal*, 25(3), 230-243.
- Josephs, R. A., Markus, H. R., & Tafarodi, R. W. (1992). Gender and self-esteem. *Journal of Personality and Social Psychology*, 63(3), 391–402.

- Khuong, M. N., & Tien, B. D. (2013). Factors influencing employee loyalty directly and indirectly through job satisfaction—A study of the banking sector in Ho Chi Minh City. *International Journal of Current Research and Academic Review*, 1(4), 81-95.
- Korzynski, Pawel. (2013). Employee Motivation In New Working Environment. *International Journal of Academic Research*, 5(1), 144-188.
- Lähdevuori, S. (2012). CEO appearance, compensation, and firm performance - Evidence from Sweden (Publication No. 13099) [Masters Dissertation, Aalto University]. Aalto University Learning Centre.
- Landy D, Sigall H (1974). Beauty is talent: Task evaluation as a function of the performer's physical attractiveness. *J. Personality Soc. Psych.*, 29(3), 299–304.
- Lassala, C., Apatrei, A. and Sapena, J. (2017). Sustainability Matter and Financial Performance of Companies. *Sustainability Journal*, 9(9), 1-16.
- Lauer, R. H., & Lauer, J. C. (1981). *Fashion power: The meaning of fashion in American society*. Prentice-Hall.
- Maslow, A.H. (1943). A Theory of Human Motivation. *Psychological Review* 50(4), 430-437.
- McMullin, A. J. & Cairney, J. (2004). Self-esteem and the intersection of age, class, and gender. *Journal of Aging Studies*, 18(1), 75-90.
- Mitchell, J., & Oakley, A. (1986). *What is Feminism?* (pp. 08-33). Pantheon Books (2<sup>nd</sup> ed.).
- Morrow P. C., McElroy J. C., Stamper B. G., Wilson M. A. (1990). The effects of physical attractiveness and other demographic characteristics on promotion decisions. *J. Management*, 16(4), 723–736.

- Naldi, L., Nordqvist, M., Sjöberg, K. & Wiklund, J. (2007). Entrepreneurial orientation, risk-taking, and performance in family firms. *Family Business Review*, 20(1), 33-47.
- Neave, N., Fink, B., Thwaites, S. & Manning, T. J. (2003). Second to fourth digit ratio, testosterone and perceived male dominance. *Royal Society B: Biological Sciences*. Retrieved February 8<sup>th</sup>, 2022 from [https://www.researchgate.net/publication/9049701\\_Second\\_to\\_fourth\\_digit\\_ratio\\_testosterone\\_and\\_perceived\\_male\\_dominance](https://www.researchgate.net/publication/9049701_Second_to_fourth_digit_ratio_testosterone_and_perceived_male_dominance)
- Neff, K. D., & Vonk, R. (2009). Self-compassion versus global self-esteem: Two different ways of relating to oneself. *Journal of Personality*, 77(1), 23-50.
- Ngo, T. N. (2019). What Women's Shapes Teach Us About Women's Self-Perception and Body Decisions Today. *AMA J Ethics*, 21(10), 879-901.
- Nisbett, R.E. & Miyamoto, Y. (2005)- The influence of culture: holistic versus analytic perception. *Trends in Cognitive Sciences*, 9(10), 467-473.
- Perry, S. J. (1998). A study of physical appearance and level of attraction to the opposite sex. *Modern Psychological Studies*, 6(2).
- Pliner P., Chaiken S., & Flett G. L. (1990). Gender Differences in Concern with Body Weight and Physical Appearance Over the Life Span. *Personality and Social Psychology Bulletin*, 16(2), 263-273.
- Polderman, T., Benyamin, B., de Leeuw, C., Sullivan, F., Bochoven, A., Visscher, P. & Posthuma, D. (2015). Meta-analysis of the heritability of human traits based on fifty years of twin studies. *Nat Genet*, 47(1), 702–709.
- Puspito, A. K., Manggabarani, A. S., & Desmintari. (2020). Analysis of Leadership Behave and Career Development. *Ilomata International Journal of Management*, 1(4), 228-238.

- Querino, S. C. L., Domingues S. D. M. & Luz, C. R. (2013). A evolução da mulher no mercado de trabalho. *E-FACEQ: Revista dos discentes da Faculdade Eça de Queirós*, 2(2), 1-32.
- Re, D. E. & Rule, N. O. (2015). CEO Appearance, firm performance, and financial success. M. Fetscherin (Eds.) *CEO Branding: Meaning, Measuring, Managing*. Routledge.
- Rhode, D. L. (2010). The Beauty Bias: The Injustice of Appearance in Life and Law. *Oxford University Press*, 1(11), 90-93.
- Roepe, L. R. (2017). How Your Appearance Impacts Hiring Decision. Retrieved January 22<sup>nd</sup>, 2022, from <https://www.forbes.com/advisor/investing/roa-return-on-assets/>
- Rosenberg, M. (1965). *Society and the adolescent self-image*. Princeton University Press.
- Rosenfield, S. (1999). Splitting the difference: Gender, the self, and mental health. C. S. Aneshensel, & J. C. Phelan (Eds.). *Handbook of the sociology of mental health*, 11(1), 209-224.
- Rule, N. O. N., & Ambady, N. N. (2008). The face of success: inferences from chief executive officers' appearance predict company profits. *Psychological science*, 19(2), 109-111.
- Rule, N. O. N., & Ambady, N. N. (2009). She's Got the Look: Inferences from Female Chief Executive Officers' Faces Predict their Success. *Sex Roles*, 61(9-10), 644- 652.
- Serghiescu, L. & Văidean, V. (2014). Determinant Factors of the Capital Structure of a Firm- an Empirical Analysis. *Procedia Economics, and Finance*, 15 (1), 1447-1457.

- Silva, C. C. G., Santos, M. L., Teixeira, A. L., Lustosa, A. M., Couto, R. C. S., Vicente, A. T., & Pagotto, F. P. V. (2005). A mulher e sua posição na sociedade: da antiguidade aos dias atuais. *Revista da SBPH*, 8(2), 65-76.
- Todorov, A., Mandisodza, A., Goren, A. & Hall, C. (2005). Inferences of Competence from Faces Predict Election Outcomes. *Science*, 308(1),1623-1626.
- Vagias, Wade M. (2006). Likert-type scale response anchors. Clemson International Institute for Tourism & Research Development, *Department of Parks, Recreation, and Tourism Management*. Clemson University.
- Whitaker, D. (1998). *Mulher e Homem: O Mito da Desigualdade*. São Paulo Editora Moderna. São Paulo, Brazil.
- Wiklund, J. & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13), 1307-1314.
- Wright, B. K. (2005). Researching Internet-Based Populations: Advantages and Disadvantages of Online Survey Research, Online Questionnaire Authoring Software Packages, and Web Survey Services. *Journal of Computer-Mediated Communication*, 10(3).
- Zaleznik, A. (2004). Managers and Leaders: Are they different? *Harvard Business Review*. Retrieved January 22<sup>nd</sup>, 2021, from <https://hbr.org/2004/01/managers-and-leaders-are-they-different>

## ANNEX

## ANNEX I – Sample Description

		Frequency	Percentage
<b>Gender</b>	Female	143	51.4
	Male	135	48.6
	Total	278	100
<b>Age</b>	Up to 45 years old	102	36.7
	More than 45 years old	176	63.3
	Total	278	100
<b>Marital Status</b>	Single	40	14.3
	Married/Union	205	73.7
	Divorced	28	10.1
	Widower	5	1.8
	Total	278	100
<b>Educational Level</b>	Until High School	39	14.0
	Undergraduate Degree	139	50.0
	Post Graduate Degree	51	15.8
	Masters Degree	44	18.35
	PhD	5	1.8
	Total	278	100
<b>Tenure</b>	Up to 12 years	126	45.3
	More than 12 years	152	54.7
	Total	278	100
<b>Professional Experience</b>	Up to 20 years	89	32.0
	More than 20 years	189	68.0
	Total	278	100
<b>Annual Gross Income</b>	0 - 19,999 €	50	17.9
	20,000 € - 29,999 €	56	20.1
	30,000 € - 44,999 €	70	25.2
	45,000 € - 59,999 €	36	10.1
	60,000 € - 74,999 €	28	5.0
	75,000 € - 89,999 €	14	2.9
	90,000 € - 104,999 €	8	1.9
	105,000 € - 119,999 €	3	0.01
	More than 120,000 €	13	4.7
	Total	278	100
<b>Hierarchical Position</b>	Top-Level Managers	122	43.9
	Middle-Level Managers	156	56.1
	Total	278	100
<b>Maximum Responsibility</b>	Yes	70	74.5
	No	207	25.5
	Total	278	100
<b>Entrepreneurship</b>	Salary Worker	238	85.6
	Entrepreneur	40	14.4
	Total	278	100

## ANNEX I (CONT.) – Sample Description

		Frequency	Percentage
<b>Founder</b>	Yes	49	17.6
	No	229	82.4
	Total	278	100
<b>Owner</b>	Yes	84	30.3
	No	194	69.7
	Total	278	100
<b>Number of shareholders</b>	Up to 6	262	94.2
	Between 6 and 12	11	4.0
	More than 12	5	1.8
	Total	278	100
<b>Number of individuals on the Board</b>	Up to 3	117	42.1
	Between 3 and 6	144	49.2
	More than 6	17	50.7
	Total	278	100
<b>Females present on the Board</b>	Yes	137	30.3
	No	141	69.7
	Total	278	100
<b>Family Business</b>	Yes	126	45.3
	No	152	54.7
	Total	278	100
<b>Number of Employees in the company</b>	10 or fewer employees	112	40.2
	Between 11-50 employees	87	31.3
	Between 51 -250 employees	66	23.7
	251 or more employees	13	4.8
	Total	278	100
<b>Debt to Equity</b>	Lower than average of 4.91	244	87.8
	Higher than average of 4.91	34	12.2
	Total	278	100

## ANNEX II – Additional Linear Regression

<b>Variables</b>	<b>(1)</b> APPEA	<b>(2)</b> APPEA + Individual	<b>(3)</b> APPEA + Company	<b>(4)</b> All
<b>APPEA Score</b>	-0.013 (-0.317)	-0.007 (-0.018)	-0.106 (-0.262)	0.016 (0.040)
<b>Maximum Responsibility</b>		3.983*** (4.507)		4.150*** (4.608)
<b>Entrepreneur</b>		-1.833* (-1.757)		-1.783 (-1.641)
<b>Age</b>		-0.097** (-1.982)		-0.099** (-1.986)
<b>Tenure</b>		-0.001 (-0.806)		-0.010 (-0.192)
<b>Marital Status</b>		0.114 (0.178)		0.153 (0.236)
<b>Educational Level</b>		-0.471 (-1.242)		-0.474 (-1.260)
<b>Gross Income</b>		0.101 (0.516)		0.112 (0.568)
<b>Sex</b>		-0.109 (-0.134)		(0.045) (0.802)
<b>Number of Employees</b>			0.002 (1.157)	0.003 (1.424)
<b>Family Business</b>			0.178 (0.243)	0.364 (0.467)
<b>Debt to Equity</b>			-0.005 (-1.202)	-0.006 (-1.364)
<b>Constant</b>	34.477*** (29.805)	38.807*** (14.847)	34.200*** (27.130)	38.262*** (13.680)
<b>R-squared</b>	0.000	0.071	0.005	0.079
<b>Prob&gt;F</b>	0.7513	0.0027	0.4576	0.0031

Note: Columns 1 to 4 show the results of the four equations tested. Subjective performance is the dependent variable in all models. In equation 1, APPEA is the only explanatory variable, in equation 2 the dependent variables are APPEA and all the individual related variables (maximum responsibility, entrepreneur, age, tenure, marital status, educational level, gross income, and sex), in equation 3 the dependent variables are narcissism and all the company related variables (number of employees, being a family business and debt to equity ratio) and equation 4 considers, besides narcissism, both individual and company-related variables as dependent variables.  $\alpha$  represents the constant,  $\beta$  the coefficients to



estimate and  $\varepsilon$  is the error term. Robust t-statistics in parenthesis. \*, \*\* and \*\*\* indicate significance levels of 10%, 5% and 1%, respectively.

This shows the results concerning the linear regression analysis for the subjective performance approach model, with the SPERF variable as the dependent variable.

ANNEX III – Pearson Correlation between variables

	ROA	SUBJ. PERFORM.	APPEA	AGE	GEN DER	TENURE	MAX. RESPONSIBILITY	ENTREPRENEUR	MARITAL STATUS	EDUCATIONAL LEVEL	GROSS INCOME	FAMILY BUSINESS	N° OF EMPLOYEES	DEBT TO EQUITY
ROA	1.000													
SUBJ. PERFORMANCE	-0.002	1.000												
APPEA	-0.038	-0.020	1.000											
AGE	-0.042	-0.045	-0.205***	1.000										
GENDER	0.029	-0.054	0.020***	-0.231***	1.000									
TENURE	-0.067	-0.031	-0.064	0.519***	-0.067	1.000								
MAX. RESPOSABILITY	-0.121**	0.197***	-0.157***	0.382***	-0.289***	0.175***	1.000							
ENTREPRENEUR	-0.024	-0.007	-0.056	0.243***	-0.134**	0.187***	0.441***	1.000						
MARTIAL STATUS	-0.077	0.013	0.008	0.332***	0.000	0.116*	0.198***	0.059	1.000					
EDUCATIONAL LEVEL	0.017	-0.057	0.053	-0.076	-0.012	-0.174***	-0.034	-0.087	0.031	1.000				
GROSS INCOME	0.065	0.041	-0.150**	0.392***	-0.355***	0.133**	0.285***	0.0410	0.137**	0.200***	1.000			
FAMILY BUSINESS	0.024	0.018	0.063	-0.011*	-0.040	0.056	-0.036	0.182***	-0.104*	0.012	-0.066	1.000		
N° OF EMPLOYEES	0.075	0.056	-0.075	0.032	-0.046	0.016	-0.087	0.013	-0.013	0.007	0.044	-0.001	1.000	
DEBT TO EQUITY	-0.017	-0.031	0.007	0.034	0.089	0.112*	0.087	0.135**	0.099	-0.018	0.016	-0.081	-0.001	1.000

Note: \*, \*\* and \*\*\* indicate significance levels of 10%, 5% and 1%, respectively.