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RESEARCH ARTICLE

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Persistent voting decisions in shareholder meetings

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Abstract

This study examined the determinants of voting decisions in shareholder meetings, with a special focus on voting persistence. The data captured votes on managerial proposals in shareholder meetings held by U.S. banks between 2003 and 2013. The dynamic panel data were analyzed using robust two-step system generalized method of moments estimation (GMM) with orthogonal deviations. The lagged voting decision was a significant factor in explaining subsequent voting decisions. This finding provides evidence of voting persistence. Although persistence is a prominent topic in behavioral economics, studies have tended to focus on buying, consumption, and investment decisions. Persistence in voting decisions at the corporate level has been underexplored, so this article contributes to the behavioral economics literature.

KEYWORDS

corporate governance, corporate reputation, financial performance, shareholder meetings, voting persistence

1 | INTRODUCTION

Voting behavior in shareholder meetings has frequently been addressed in corporate governance studies. These studies have yielded some remarkable findings regarding links between voting behavior and the organizational and financial dimensions of the firm (Cai, Garner, & Walkling, 2009; Cuñat, Gine, & Guadalupe, 2013; Mulherin & Poulsen, 1998). A prominent stream of research has linked voting behavior to reputational issues (Bernile & Jarrell, 2009; Ertimur, Ferri, & Maber, 2012; Ferri & Maber, 2013). A principal feature of reputational effects is their enduring consequences (Vergin & Qoronfleh, 1998; Walker, 2010).

This study examined the determinants of voting decisions by shareholders in shareholder meetings. The study focused on voting persistence as an indirect indicator of lasting reputational effects. Such a study has never been conducted. Persistence in purchasing or consumption decisions is a prominent topic in the behavioral economics literature, with studies yielding some noteworthy findings regarding the role of marketing initiatives (Craton, Lantos, & Leventhal, 2017; Pratkanis & Greenwald, 1993). There is also evidence that investment decisions in financial markets may persist despite market risk (Piñeiro-Chousa, Vizcaíno-González, & Pérez-Pico, 2017). However, persistence in shareholders' voting decisions and links to long-term reputational outcomes remains an underexplored research topic.

The study used data on votes cast by funds in shareholder meetings held by U.S. banks between 2003 and 2013. Funds voted on managerial proposals for electing directors and deciding on executive compensation. Given that studies have used voting behavior as a proxy for reputational penalties and that the banking industry has recently become increasingly sensitive to reputational issues, this study explored persistent voting behavior and the way this voting behavior may relate to reputational issues that also persist over time.

The article is structured as follows. A brief literature review in Section 2 provides the theoretical background. Propositions are also stated. Section 3 describes the sample, variables, and method. Section 4 presents the results of the GMM estimation. Finally, Section 5 discusses the main findings, presents the conclusions and limitations of the study, and offers suggestions for future research.

2 | THEORETICAL BACKGROUND

2.1 | Voting decisions and proxy voting

Studies have established a link between votes in director elections and corporate performance (Cai et al., 2009) and have shown the influence of proxy contests on shareholder wealth (DeAngelo & DeAngelo, 1989; Dodd & Warner, 1983; Mulherin & Poulsen, 1998) and financial markets (Becker, Bergstresser, & Subramanian, 2013). However, scholars disagree about the criteria that proxy advisors apply when providing recommendations (Choi, Fisch, & Kahan, 2008).

There is also a rich stream of research on executive compensation and the Say on Pay policy (Balsam, Boone, Liu, & Yin, 2016; Brunarski, Campbell, & Harman, 2015; Hadley & Hadley, 2017; Stathopoulos & Voulgaris, 2016). Scholars have found evidence that proxy advisors make adverse voting recommendations when poorly performing

companies propose high managerial compensation (Ertimur, Ferri, & Oesch, 2013). Proxy advisors' voting recommendations are also linked to CEO reputation (Kaplan, Samuels, & Cohen, 2015). Studies have explored the direct relationship between the Say on Pay policy and corporate performance (Cuñat et al., 2013) or firm value (Correa & Lel, 2016; Fischer, Gramlich, Miller, & White, 2009). Some such studies have focused on the United States (Kimbro & Xu, 2016), while others have focused on the banking industry (Yahr, 2013). Therefore,

Proposition 1: Financial variables and performance indicators influence voting behavior in shareholder meetings.

2.2 | Voting decisions and reputation-related issues

Studies have investigated the link between corporate reputation and voting decisions. The number of withheld votes in director elections offers a helpful indicator of reputational capital damage (Bernile & Jarrell, 2009) and a useful measure of reputational penalties (Ertimur et al., 2012; Ferri & Maber, 2013). Corporate reputation has been defined as an enduring concept with long-term consequences (Fombrun, 1996; Stanaland, Lwin, & Murphy, 2011). Empirical research on persistence in corporate reputation, however, is scarce (Carter & Ruefli, 2006). Nevertheless, a number of studies have provided empirical evidence of reputational persistence (Ang & Wight, 2009; Ravasi, 2002; Roberts & Dowling, 2002; Schultz, Mouritsen, & Gabrielsen, 2001) and evidence that reputational effects in one period directly influence reputational effects in the next period (Black, Carnes, & Richardson, 2000; Dunbar & Schwalbach, 2000). Voting behavior has been reported as a helpful reputational indicator, and reputational consequences are enduring in nature. Therefore,

Proposition 2: Voting behavior in one period directly influences voting behavior in the next period.

2.3 | The role of reputation in the banking industry in recent times

Despite being a general concern for companies of all kinds, managing corporate reputation is especially important in the banking industry. In fact, a number of empirical studies have explored the relationship between reputational damages and operational losses in the banking sector (Fiordelisi, Soana, & Schwizer, 2013; Plunus, Gillet, & Hübner, 2012; Sturm, 2013). The conclusion is that reputational risk is a major threat for all banks, regardless of size or organizational characteristics (Limentani & Tresoldi, 1998). There is also evidence that a suitable reputational risk management strategy can result in positive performance and strengthen a bank's position (Xifra & Ordeix, 2009). The role of reputation in the banking industry has received much attention because of the nature of the banking sector (Allen & Santomero, 1997; Allen & Santomero, 2001; Bhattacharya & Thakor, 1993) and because of corporate scandals during the period under study (Fiordelisi et al., 2013). Therefore,

Proposition 3: Year dummies explain recent voting behavior in the banking industry.

TABLE 1 Panel structure by year

Year	Banks	Votes
2003	3	56
2004	72	8446
2005	83	8436
2006	84	10,572
2007	174	14,336
2008	163	15,784
2009	197	20,310
2010	226	6007
2011	159	3696
2012	172	3597
2013	184	3994
Total	309	95,234

Source: ProxyDemocracy.

3 | METHOD

3.1 | Sample and variables

The data captured votes cast by funds in shareholder meetings. The votes related to managerial proposals for electing directors and determining executive compensation. These data were taken from the nonprofit and nonpartisan organization ProxyDemocracy, which collects official votes divulged using SEC N-PX filings. Recent studies have likewise used ProxyDemocracy to source this type of data (Burns & Minnick, 2013; Pineiro-Chousa, Vizcaíno-González, & Caby, 2015; Vizcaíno & Chousa, 2016). The Bankscope database also provided financial and accounting measures taken from banks' financial reports and accounting statements. Crossing data from both sources yielded a final sample comprising 95,234 votes for 309 U.S. banks between 2003 and 2013. For each year, Table 1 shows the number of banks and votes in the sample.

An innovative approach was used to measure voting performance (the dependent variable). The approach was developed to extend the advantages of other approaches used in previous studies (Pineiro-Chousa et al., 2015; Vizcaíno & Chousa, 2016):

$$VM = \left(\frac{1+p}{1+np} - 1\right) \times \ln\left(\frac{v}{f}\right). \quad (1)$$

In this formula, p is the proportion of pro votes, np is the proportion of nonpro votes, v is the number of votes cast, and f is the number of funds that voted. The VM indicator therefore took a positive value when there were more pro votes than nonpro votes and a negative value when there were more nonpro votes than pro votes. The principal explanatory variable was the first lag of the dependent variable. The following instrumental variables were also considered:

- LNY: natural log of the number of years elapsed since the bank's first year reported in ProxyDemocracy;
- LNF: natural log of the total number of funds that cast at least one vote in meetings held by a certain bank;

- LNV: natural log of the number of votes cast in meetings held by a certain bank;
- δ_t: year dummies to control for unobserved time effects.

Finally, the following predetermined variables were considered. These variables were used as per previous studies in this field (Cai et al., 2009; Cuñat et al., 2013; Jiao, 2010):

- LMC: natural log of the market capitalization;
- PER: price to earnings ratio;
- LNA: natural log of book value of assets;
- ROA: return on assets;
- LNL: natural log of book value of liabilities;
- LEV: leverage ratio;
- NPS: net profit per share;
- ROE: return on equity;
- DIV: total volume of dividends;
- DPS: dividends per share;
- PE: a binary variable that took the value 1 if the bank reported positive earnings in the previous year, and 0 otherwise.

Table 2 presents the descriptive statistics for these variables. The mean value for the dependent variable was 0.7. This positive value implies that funds generally supported managerial performance during the period under study.

3.2 | Model

The following model was the main model used in this study (Model 1):

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 PER_{it} + \beta_6 LNA_{it} + \beta_7 LNL_{it} + \beta_8 NPS_{it} + \beta_9 DIV_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (2)$$

Alternatives to this main model were also formulated to assess whether the main model's effectiveness could be improved upon. In each alternative model, the authors substituted an alternative indicator for one of the variables in the main model. The alternative model was then evaluated to establish whether it improved estimation fit with respect to the main model.

In Model 2, LMC replaced PER:

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 LMC_{it} + \beta_6 LNA_{it} + \beta_7 LNL_{it} + \beta_8 NPS_{it} + \beta_9 DIV_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (3)$$

In Model 3, ROA replaced LNA:

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 PER_{it} + \beta_6 ROA_{it} + \beta_7 LNL_{it} + \beta_8 NPS_{it} + \beta_9 DIV_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (4)$$

In Model 4, LEV replaced LNL:

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 PER_{it} + \beta_6 LNA_{it} + \beta_7 LEV_{it} + \beta_8 NPS_{it} + \beta_9 DIV_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (5)$$

In Model 5, ROE replaced NPS:

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 PER_{it} + \beta_6 LNA_{it} + \beta_7 LNL_{it} + \beta_8 ROE_{it} + \beta_9 DIV_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (6)$$

Finally, in Model 6, DPS replaced DIV:

$$VM_{it} = \alpha + \beta_1 VM_{it-1} + \beta_2 LNY_{it} + \beta_3 LNF_{it} + \beta_4 LNV_{it} + \beta_5 PER_{it} + \beta_6 LNA_{it} + \beta_7 LNL_{it} + \beta_8 NPS_{it} + \beta_9 DPS_{it} + \beta_{10} PE_{it} + \delta_t + \epsilon_{it}. \quad (7)$$

The analysis was based on dynamic panel data methodology, which is a suitable approach when endogeneity and unobserved heterogeneity must be controlled (Bastos & Pindado, 2013; Pindado, Requejo, & de la Torre, 2014). A robust two-step system GMM estimator with orthogonal deviations was preferred to a difference GMM estimator because serious problems regarding weak instruments were likely to arise from persistence in the dependent variable (Arellano & Bond, 1991; Arellano & Bover, 1995; Blundell & Bond, 1998). The *xtabond2* Stata module was used for estimation (Roodman, 2005). LNY, LNF, LNV, and the year dummies were instrumental variables. All other explanatory variables were predetermined variables. Because of the conditions of the sample, there were numerous moment conditions. It was therefore necessary to limit the number of instruments using lagged levels to avoid overfitting bias (Baltagi, 2008).

4 | RESULTS

Estimation consisted of robust two-step system GMM regression with orthogonal deviations for Models 1–6. Results appear in Table 3. In Model 1, the estimated coefficient for the lagged value of the voting measure was strongly significant at the 5% level, corroborating Proposition 2. The coefficient was 0.403128, which implies that an increase of one unit in the voting support (or rejection) in one year leads to an increase of 0.403128 units in the voting support (or rejection) in the following year. The value of this coefficient implies a direct relation.

All other explanatory variables were significant at the 5% level, corroborating Proposition 1. PER, LNA, NPS, and PE positively influenced the voting measure. In contrast, LNL and DIV had negative coefficients, indicating an inverse relationship with the voting measure. Consequently, the funds' support (rejection) of managerial performance strengthened if the price to earnings ratio, value of assets, net profit per share, or positive earnings dummy increased (decreased) and if the value of liabilities or dividends decreased (increased).

The voting measure was positively influenced by LNV and negatively influenced by LNF at the 5% significance level. Consequently,

TABLE 2 Descriptive statistics

Variable	Obs.	Mean	SD	Min.	Max.
VM	1517	0.7014	0.8951	−1.4166	2.8622
LNY	1208	1.1395	0.6883	0.0000	2.3026
LNF	1517	1.3628	0.9794	0.0000	4.7958
LNV	1517	3.1146	1.2689	0.0000	7.6401
LMC	1920	5.8491	1.9062	0.9738	12.1003
PER	2102	16.1643	127.4574	−2913.1500	3184.7390
LNA	2163	8.0188	1.8894	1.1939	15.9728
ROA	2163	0.0122	0.0426	−0.3530	0.6888
LNL	2153	7.8644	1.9348	−2.3026	15.7573
LEV	2163	0.8651	0.1322	0.0000	1.0004
NPS	2103	0.4703	23.4678	−901.5190	219.2830
ROE	2152	0.1143	3.4109	−9.6095	157.4393
DIV	1956	463.2237	7529.5780	0.0000	218,079.0000
DPS	1929	0.7741	4.2583	0.0000	91.6440
PE	1924	0.8581	0.3490	0.0000	1.0000

VM, voting measure; LNY, natural log of number of years since first year reported in ProxyDemocracy; LNF, natural log of number of funds that cast votes; LNV, natural log of number of votes; LMC, natural log of market capitalization; PER, price to earnings ratio; LNA, natural log of book value of assets; ROA, return on assets; LNL, natural log of book value of liabilities; LEV, leverage ratio; NPS, net profit per share; ROE, return on equity; DIV, total volume of dividends; DPS, dividends per share; PE, positive earnings binary variable.

funds' support (rejection) of managerial performance strengthened if the number of votes increased (decreased), or the number of funds that voted decreased (increased). LNY was nonsignificant.

Years 2011 and 2012 were significant at the 5% level with negative coefficients, indicating that these years negatively influenced the voting measure. This finding reveals anomalies in voting behavior for these two years, corroborating Proposition 3.

The specification of the model was tested using the *F*-statistic for the joint significance of all variables, predetermined variables, and year dummies. The Arellano–Bond tests for AR(1) and AR(2) in first differences were calculated. The Sargan test for overidentifying restrictions was also calculated. The value indicated that the null hypothesis that the model was not robust but not weakened by many instruments should be rejected. The Hansen test for overidentifying restrictions was conducted. The value indicated that the null hypothesis that the model was robust but weakened by many instruments should not be rejected. Consequently, all the tests supported the specification of the model.

In Model 2, LMC replaced PER. The results indicated that the market capitalization was nonsignificant. In Model 3, ROA replaced LNA but was nonsignificant. In Model 4, LEV replaced LNL but was nonsignificant. In Model 5, ROE replaced NPS but was nonsignificant. Finally, in Model 6, DPS replaced DIV but was nonsignificant. Consequently, no alternative model performed better than Model 1.

5 | DISCUSSION AND CONCLUSIONS

This study examined the determinants of shareholder voting in shareholder meetings. The study focused on voting persistence. Three propositions were tested: (1) voting decisions depend on financial and performance variables; (2) voting decisions are explained by their own lagged value; (3) year dummies are relevant for explaining recent voting decisions in the banking industry.

The data captured votes on managerial proposals for electing directors and deciding on executive compensation. These proposals were presented in shareholder meetings held by U.S. banks between 2003 and 2013. The methodological approach consisted of analyzing dynamic panel data using robust two-step system GMM estimation with orthogonal deviations.

The results of the GMM estimation showed that the lagged voting decision exerted a significant direct effect on the subsequent voting decision. This finding suggests that shareholders' voting decisions in shareholder meetings persist over time. Likewise, there was evidence of joint significance of the lagged voting decision when considered with the price to earnings ratio, total volume of assets, total volume of liabilities, net profit per share, total volume of dividends, and the dummy variable capturing positive earnings. These findings imply that voting decisions are mediated by financial and performance indicators, consistent with findings reported in previous studies (Cai et al., 2009; Cuñat et al., 2013; Jiao, 2010). Finally, the year dummies for 2011 and 2012 were strongly significant. This finding implies that voting behavior in the banking sector is influenced by the effects of the recent financial downturn and corporate scandals, supporting findings reported in previous studies (Fiordelisi et al., 2013; Yahr, 2013).

Although decision persistence has been studied from consumer and investor perspectives, persistence in shareholder voting in a corporate framework has been underexplored. Thus, these findings contribute to behavioral economics by enriching conclusions regarding persistence in agents' decisions. The findings of this study also advance the corporate management literature, enhancing existing knowledge of corporate governance. By showing that reputational effects captured by voting decisions persist over time, this study supports previous studies

TABLE 3 Robust two-step system GMM regression with orthogonal deviations

	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
VM (one lag)	0.403128[a]	(0.000)	0.392341[a]	(0.000)	0.430533[a]	(0.000)	0.398557[a]	(0.000)	0.369706[a]	(0.000)	0.401657[a]	(0.000)
LNY	0.004486	(0.946)	0.006337	(0.935)	0.024033	(0.719)	0.019959	(0.767)	0.026660	(0.709)	−0.006305	(0.930)
LNF	−0.209710[a]	(0.008)	−0.192218[a]	(0.016)	−0.180060[a]	(0.022)	−0.186124[a]	(0.017)	−0.211759[a]	(0.013)	−0.239978[a]	(0.005)
LNV	0.226140[a]	(0.000)	0.224923[a]	(0.000)	0.220172[a]	(0.000)	0.230608[a]	(0.000)	0.216110[a]	(0.001)	0.210973[a]	(0.000)
LMC			−0.102834	(0.165)								
PER	0.000268[a]	(0.000)			0.000261[a]	(0.001)	0.000280[a]	(0.000)	0.000294[a]	(0.000)	0.000261[a]	(0.000)
LNA	0.298227[a]	(0.005)	0.570704[a]	(0.005)			0.092533[a]	(0.003)	0.109420[a]	(0.000)	0.283764[a]	(0.015)
ROA					0.211505	(0.866)						
LNL	−0.195868[a]	(0.022)	−0.371701[a]	(0.008)	0.084435[a]	(0.005)			(Omitted)		−0.168408	(0.102)
LEV							−0.111170	(0.705)				
NPS	0.001011[a]	(0.000)	0.001350[a]	(0.001)	0.001127[a]	(0.001)	0.001020[a]	(0.000)			0.001053[a]	(0.000)
ROE									−0.356319	(0.133)		
DIV	−0.000044[a]	(0.047)	−0.000080[a]	(0.010)	−0.000044[a]	(0.036)	−0.000045[a]	(0.040)	−0.000044	(0.053)		
DPS											−0.002010	(0.103)
PE	0.232957[a]	(0.020)	0.307344[a]	(0.003)	0.238907[a]	(0.016)	0.227530[a]	(0.023)	0.290717[a]	(0.014)	0.235563[a]	(0.014)
y2003	(Omitted)		(Omitted)		(Omitted)		(Omitted)		(Omitted)		(Omitted)	
y2004	(Omitted)		(Omitted)		(Omitted)		(Omitted)		(Omitted)		(Omitted)	
y2005	(Omitted)		−1.252666[a]	(0.000)	−0.898684[a]	(0.000)	0.412359[a]	(0.009)	0.538643[a]	(0.004)	0.392850[a]	(0.018)
y2006	0.070737	(0.538)	−1.185002[a]	(0.000)	−0.840813[a]	(0.000)	0.475711[a]	(0.003)	0.610375[a]	(0.001)	0.473139[a]	(0.003)
y2007	−0.088801	(0.540)	−1.365905[a]	(0.000)	−1.002210[a]	(0.000)	0.264574[a]	(0.036)	0.415304[a]	(0.003)	0.330850[a]	(0.012)
y2008	0.023915	(0.845)	−1.238487[a]	(0.000)	−0.898845[a]	(0.000)	0.425365[a]	(0.000)	0.493001[a]	(0.000)	0.457506[a]	(0.000)
y2009	0.072805	(0.606)	−1.228488[a]	(0.000)	−0.853841[a]	(0.000)	0.463069[a]	(0.000)	0.515331[a]	(0.000)	0.529105[a]	(0.000)
y2010	−0.094645	(0.501)	−1.418520[a]	(0.000)	−0.995760[a]	(0.000)	0.339235[a]	(0.002)	0.313448[a]	(0.003)	0.327809[a]	(0.003)
y2011	−0.578122[a]	(0.000)	−1.851864[a]	(0.000)	−1.477189[a]	(0.000)	−0.166931	(0.085)	−0.137270	(0.167)	−0.162807	(0.123)
y2012	−0.416459[a]	(0.011)	−1.716352[a]	(0.000)	−1.295374[a]	(0.000)	(Omitted)		(Omitted)		(Omitted)	
y2013	−0.281908	(0.101)	−1.565076[a]	(0.000)	−1.170463[a]	(0.000)	0.121137	(0.146)	0.161502	(0.084)	0.137045	(0.118)
F1	41.690000[a]	(0.000)	99.510000[a]	(0.000)	113.640000[a]	(0.000)	43.840000[a]	(0.000)	38.170000[a]	(0.000)	34.900000[a]	(0.000)
F2	49.640000[a]	(0.000)	63.680000[a]	(0.000)	46.920000[a]	(0.000)	49.710000[a]	(0.000)	37.700000[a]	(0.000)	41.780000[a]	(0.000)
F3	4.670000[a]	(0.000)	7.730000[a]	(0.000)	7.260000[a]	(0.000)	4.510000[a]	(0.000)	4.060000[a]	(0.000)	5.340000[a]	(0.000)
AR1	−5.700000[a]	(0.000)	−5.450000[a]	(0.000)	−5.710000[a]	(0.000)	−5.740000[a]	(0.000)	−5.590000[a]	(0.000)	−5.730000[a]	(0.000)
AR2	1.020000	(0.309)	0.800000	(0.421)	1.080000	(0.280)	1.310000	(0.190)	0.540000	(0.586)	0.930000	(0.351)
Sargan	347.050000[a]	(0.000)	354.480000[a]	(0.000)	347.710000[a]	(0.000)	366.060000[a]	(0.000)	339.220000[a]	(0.001)	358.180000[a]	(0.000)
Hansen	145.560000	(1.000)	155.000000	(1.000)	143.790000	(1.000)	146.030000	(1.000)	300.700000	(0.055)	144.580000	(1.000)

Notes: LNY, LNF, LNV, and year dummies were instrumental variables. All other explanatory variables were predetermined.

[a]The coefficient was statistically significant at the 5% level. *p*-Values are reported in parentheses. F1, *F*-statistical significance for all variables; F2, *F*-statistical significance for predetermined variables; F3, *F*-statistical significance for year dummies; AR1, Arellano–Bond test AR(1); AR2, Arellano–Bond test AR(2); Sargan, Sargan test for overidentifying restrictions; Hansen, Hansen test for overidentifying restrictions.

that link voting performance and corporate reputation (Ang & Wight, 2009; Ravasi, 2002; Roberts & Dowling, 2002; Schultz et al., 2001). This idea is consistent with previous findings on the iterative nature of reputational issues (Pineiro-Chousa, Vizcaíno-González, & López-Cabarcos, 2016) and the role of corporate social responsibility and reporting in building persistent reputational effects (Pineiro-Chousa, Vizcaíno-González, López-Cabarcos, & Romero-Castro, 2017). This study's findings also support previous studies that have addressed proxy voting and the role of proxy advisors, providing insight for practitioners to understand the complexity of voting in shareholder meetings. Indeed, this improved understanding can ultimately lead managers and directors to make more effective decisions, thereby improving corporate governance performance and enhancing risk management strategies, corporate reputation, and financial performance. This study enriches existing knowledge of persistent behavior and repetitive stakeholder responses that are either self-induced or conditioned by others (Moulard, Raggio, & Folse, 2016; Saintives & Lunardo, 2016; Singh, Nishant, & Kitchen, 2016) and that are likely to influence different measures of firm performance (Srivastava & BarNir, 2016; Zulu-Chisanga, Boso, Adeola, & Oghazi, 2016). Finally, this study's findings also have social implications. Voting persistence indicates that shareholders adhere to their voting decisions, providing a mechanism that society can use to pressure firms to change their corporate attitude and behavior.

Although this study provides evidence of persistence in voting decisions, the reasons for this persistence is a pending research question. Future studies should examine whether the role of proxy advisors is the reason for this persistent behavior or whether behavioral economics can provide suitable alternative explanations. Ultimately, numerous active research streams can use this study's findings as a springboard.

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