# TOUGH TIMES MAKE TOUGH BOSSES: A MESO ANALYSIS OF CEO LEADER BEHAVIOR

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## Abstract

This research investigates relationships between financial performance of the firm and subsequent chief executive officer (CEO) leader behaviors. The study was inspired by previous micro-level research that found that leaders respond to poorly performing subordinates with greater use of directive behaviors and punishment. Extrapolating from these micro-level findings, we posited that CEOs of firms with poor financial performance will demonstrate greater "strongman" or "tough" leader behaviors than CEOs of higher performing firms. Leader behavior descriptions were collected from the subordinates of CEOs at 56 high technology firms in a large metropolitan area. Generally, the results supported the notion that CEOs of poorer performing firms were "tougher" in their leader behavior toward direct-report members of their top management team than CEOs of higher performing companies. This research is an example of "meso" level research, where an organizational level dimension — financial performance — is correlated with an individual level dimension — leader behavior.

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The traditional view of leadership is unidirectional — the leader influences followers. Somewhat later, leadership theorists posited that leader behavior may be both a cause **and** a consequence of subordinate behavior (e.g., Hollander & Julian, 1969). Subsequent empirical investigations supported the reciprocal determinism perspective (Farris & Lim, 1969; Lowin & Craig, 1968; Herold, 1977; Sims & Manz, 1984). Reciprocal determinism involves two distinct components: a) traditional causality, where the leader influences the environment (e.g., the subordinate); and b) reverse causality, where the environment (e.g., subordinate) influences the leader. The research reported here explores the later component of reciprocal determinism, adopting the reverse causality perspective.

Substantial micro-level research has explored the reverse causality perspective of the effect of **subordinate** performance on subsequent leader behavior. However, few studies have examined this same relationship at the **organizational** level (i.e., organizational performance and subsequent chief executive officer (CEO) leader behavior). Given the similarities between these relationships, this is a curious void in the literature. In both instances — leader influenced by subordinate performance and leader influenced by organizational performance — the source stimulating variation in behavior is outside the leader (i.e., the leader responds to stimuli external to him or herself). The research reported here examines a reverse causality relationship between objective financial performance of the firm and subsequent leader behavior of the CEO. The primary research question is: Does poor organizational financial performance trigger certain kinds of CEO leader behaviors? The inspection of this question requires examination of two distinct levels of analysis.

"Level of analysis" refers to the target population from which the sample is obtained, be it individual, group, organization, or industry. In this research, an individual level phenomenon — how leaders behave toward members of their top management team (TMT), and an organization level variable — firm financial performance, are examined. House and Rousseau define meso research as "the simultaneous study of at least two levels of analysis wherein a) one or more levels concern individual or group behavior processes or variables, b) one or more levels concern organizational processes or variables, and c) the process by which the levels of analysis are related is articulated in the form of bridging, or linking, propositions and tested or inferred" (1992 p. 9).

An example of meso level theory is Schneider's (1987) "The People Make the Place" in which he contends that aggregate individual attributes, beliefs, and emotions

influence organizational climate and culture. An empirical example is Courtright, Fairhurst, and Rogers (1989) research that examined the linkage between organizational structure (organic versus mechanistic) and leader verbal behavior. Consistent with the House and Rousseau "meso organizational theory", this paper attempts "to bridge micro and macro level phenomena that are linked and affect one another" (1992:9). Throughout the paper we will further elucidate the three criteria that qualify this work as meso level research.

## Influences on Leader Behavior

The term "leadership" connotes diverse meanings to people. Not surprisingly, numerous "formal" definitions have been proposed in the literature. Yukl (1989) identified two common threads in the vast array of definitions.

### Leader as Source of Influence

One theme postulates that the leader acts intentionally to exert influence over followers. In its most extreme form, this perspective describes leader behavior as an unidirectional pattern of influence. Compliance is generated by perceptions of the leader as a source of legitimate authority and the primary source of influence over subordinate behaviors. Thus, the leader initiates influence through downward-directed behavior (e.g., Mechanic, 1962) with behaviors varying across leaders due to individual differences in traits and volition.

### Leader as Reactor

The second theme describes leader behavior as reactive to both people and circumstances. Indeed, many micro-level studies provide empirical evidence in support of this view. One robust finding in the reverse causality line of research has shown that poor subordinate performance influences subsequent leader behavior (e.g., Farris & Lim, 1969; Lowin & Craig, 1968; McFillen & New, 1979; Greene, 1975; Herold, 1977; Sims & Manz, 1984; Leana, 1986). The literature has identified eight broad categories of leader behaviors that emerge in response to a poor performing subordinate: (1) more critical and punishment behavior (e.g., Gioia & Sims, 1985), (2) closer supervision (e.g., McFillen & New, 1979), (3) more directive and structuring behavior (e.g., Greene, 1979), (4) less considerate and supportive behavior (e.g., Graen & Cashman, 1975), (5) more autocratic behavior (e.g., Barrow, 1976), (6) greater emphasis on

performance (e.g., Farris & Lim, 1969), (7) less praise and positive reward (e.g., Sims, 1977), and (8) less delegation (e.g., Leana, 1986). In essence, when subordinate performance is low, leaders "get tough" by exhibiting directive and autocratic behavior patterns.

Meso-level research suggests that organizational conditions can also influence leader behavior (Kipnis, 1976; Lowin & Craig, 1968; Janis & Mann, 1977). For example, a mechanistic organization can foster authoritarian or autocratic leader behavior through "hierarchical differentiation", "social stratification" and "institutionalization of power and authority" (Howell & House, 1992). Authoritarian behaviors can evolve when an organization faces uncertainty, resource scarcity, incongruent goals among members, or interdependence among players in the environment (essentially conditions of competition or high turbulence), (Howell & House, 1992). A highly competitive or turbulent environment may call for rapid decision making which, according to Lowin & Craig (1968), tends to engender directive (rather than participative) leader behaviors. These same environmental conditions suggest the organization may be in crisis. Janis and Mann (1977) found that during times of crisis, individuals perceive a sense of urgency and a need for prompt action. The need for prompt action may induce stress which can promote authoritarian behaviors and follower acceptance of directive leader behavior (Hermann, 1963; Berkowitz, 1953).

## Summary

The data suggest support for the reverse causality perspective. In general subordinate performance and environmental factors appear to affect subsequent leader behavior. In this research, we extend the examination of the nature of external influences on leaders' behavior by empirically investigating whether poor financial performance of the organization influences subsequent CEO leader behavior. This examination satisfies the first two criteria articulated by House & Rousseau's (1992) definition of meso level research. That is, individual level variables (leader behaviors) and an organizational level variable (firm financial performance) are the objects of interest in this study.

## Leadership Archetypes — Patterns of Leader Behavior

Leadership, according to Burns (1978), is a process, not a series of independent, discrete acts. Leaders rarely exhibit a single behavior in isolation. Rather, behaviors tend to occur in combinations or clusters. Burns (1978) was one of the first to articulate these ideas when he contrasted "transactional" leadership with "transformational" leadership. While considerable emphasis has been placed on empirically contrasting these two types of leadership since then (e.g., Bass, Waldman, Avolio, & Bebb, 1987), Yukl points out that the distinction between transactional and transformational leadership, "... is fast becoming a two- factor theory of leadership processes, which is an unwarranted oversimplification of a complex phenomenon (1989, p. 212)." Prior to the interest in comparing transactional with transformational leader behaviors, substantial attention had been given to understanding the authoritarian leader. More recently, Manz and Sims (1987) demonstrated another archetype of leader behavior where the leader attempts to develop others to "lead themselves". The following section briefly reviews the emergence of these leader behaviors archetypes in the leadership literature.

## Authoritarian Leadership

The dominant interest in leader behavior focused for many years on leadership in large bureaucracies. The primary interest was in documenting the effectiveness of behaviors such as dominance and decisiveness, that complemented a command and control organizational system. In the late 1960s and early 1970s, authoritarian leader behaviors were examined as both a trait and state variable (Mulder, de Jong, Koppelaar & Verhage, 1970, Altmeyer, 1981; Schriesheim, House, and Kerr, 1976; Sayles, 1972; Mulder, Ritsema; & de Jong, 1970; Mulder & Stemerding, 1963). This discussion will focus primarily on the state variable dimensions because of the recent empirical emphasis on what leaders do rather than on the traits they possess.

Studies of authoritarianism suggest that when faced with stress or adversity, the leader will exhibit assertive, directive, and decisive behavior (Mulder et al., 1963). Aboard navy ships, Mulder et al. (1970) found that officers exercised more power, and were more directive, autocratic, and goal-oriented in crisis situations than in non-crisis situations. In another study, Mulder et al. (1986) found that consultation decreased in crisis situations. Sayles (1989) suggests that authoritarian leaders "amplify" stress by becoming less responsive and less helpful. The authoritarian response can be disabling

to the leader as it impedes one's natural way of talking and listening for some period of time (Sayles, 1989). Those who come into contact with the leader during this period may find the experience unpleasant or even intolerable, thereby adding to the felt stress. Authoritarianism is also associated with less cognitively complex information processing and arbitrary decision making. Thus decision making is more likely to be flawed because the authoritarian leader considers fewer alternatives. This is consistent with Janis and Mann's (1977) conflict-theory model of decision making that suggests decision making under stress is more likely to suffer from flawed processes such as premature closure.

Authoritarianism has also been investigated as a personality trait. The arousal literature suggests that an individual high on a given personality trait has a more sensitive arousal threshold. Therefore, leaders high on authoritarianism are likely to have a more sensitive arousal threshold on authoritarianism compared to those low on the trait. This arousal of the personality trait may exacerbate the above mentioned effects. Thus, the leader high on authoritarianism (the trait) faced with a stressful situation is more likely to exhibit directive, autocratic, and goal-oriented behaviors than the leader low on the trait (Altmeyer, 1981).

## Transactional Leadership

A second stream of research on leader behavior is rooted in exchange theories of leadership like path-goal (House, 1971), leader-member exchange (Graen & Cashman, 1975) and operant conditioning (Luthans & Kreitner, 1975; Sims, 1977). Burns (1978) describes the transactional leader as one who influences others by appealing to their self-interest primarily through the exchange of valued rewards for services or other desired behaviors. The relationship between the leader and the follower is seen as a series of rational exchanges that enable each to reach their true goal (Bass, 1990). The relationship continues as long as the reward is desirable to the follower, and both the leader and the follower perceive the transaction as a means of progressing toward their personal goal (Bass, 1990).

Research has shown that elements (e.g., contingent reward) of this approach can be quite effective in eliciting follower motivation, performance, and satisfaction (Locke & Latham, 1990; Podsakoff, 1982; Podsakoff, Todor, & Skov, 1982; Sims, 1977). For example, Locke and Latham (1990) note the critical role of the leader in creating persistence towards goal attainment. The relationship between leader and subordinate is perhaps best considered a rational contract.

## Transformational Leadership

In contrast to the transactional leader, research on the transformational leader has concentrated on behaviors that appeal to emotions and generate interest and energy from subordinates. Bass (1985) saw defining characteristics of transformational leaders as their ability to influence others through stimulation and inspiration. House's (1977, 1988) conception of the charismatic leader is quite similar to the transformational leader. The central tenet of this archetype is the notion of inspiring followers through articulation of a vision, thereby engendering follower commitment (Tichy & Devanna, 1986; Bass, 1985; Burns, 1978; Conger & Kanungo, 1988; House, 1977). The emotional involvement with the leader's agenda is viewed as both a strength and a limitation of this category of leader behaviors. Although it is generally believed that followers are unable to carry on the vision in the absence of the transformational leader, this need not be the case. For example, Smith (1982) found that follower dependence on, and unquestioning agreement with their leader was no higher for transformational, compared to non-transformational leaders. Further, Bass' theory of transformational leadership contends that leader intellectual stimulation (a transformational dimension) fosters follower independence and serves as a check on follower dependence. However, no empirical evidence substantiates this aspect of the theory.

## SuperLeadership

Over twelve years ago, Manz and Sims (1980) began investigating the apparent paradox of leadership in self-managing situations. Following conceptualization (Manz & Sims, 1980) and empirical investigations (Manz & Sims, 1984, 1987), Manz and Sims reported that leaders of self-managing teams were more facilitative, consultative, and supportive than traditional leaders. In general, they found that leadership in self-managing teams was significantly different from traditional models of leadership. For example, traditional leadership includes organizing, directing, and monitoring functions while in the self-managing team environment, these functions lie within the group (Manz & Sims, 1984).

Communication and information flows are also distinctive in the self-managing team environment. For example, traditional leadership describes an upward flow of information and a downward flow of instruction and direction (Mechanic, 1962). Even in participative leadership environments, where workers are encouraged to communicate ideas and suggestions, the realms of decision making and instruction remain with the

leader (Lawler, 1986). In contrast, Manz and Sims (1987) found that information, instruction, and decisions flow upward in self-managing teams.

Eventually, Manz and Sims (1989) developed the SuperLeader archetype. The SuperLeader "leads others to lead themselves" by engaging in facilitative and consultative behaviors. The SuperLeader acts more like a coach than a traditional leader. The main limitation of SuperLeadership as a theoretical perspective is that many managers and executives may not yet be comfortable with the notion of real empowerment of individuals throughout the organizational hierarchy. Further, subordinates may not possess relevant knowledge to yield team effectiveness and may require substantial training to perform the full scope of duties.

## Four Leadership Archetypes Model

Drawing upon the significant body of leadership literature, Manz and Sims (1991) developed a theory-based conceptualization of the aforementioned leadership archetypes. Manz and Sims describe discrete leader behaviors that tend to be manifested in clusters. Thus, each leader archetype incorporates several individual leader behaviors. The Manz and Sims (1989) typology provides the structure for analyzing CEO leader behavior in the research reported here. The archetypes, shown in Table 1, are: (1) the Strongman, (2) the Transactor, (3) the Visionary Hero, and (4) the SuperLeader. The following briefly outlines each leadership archetype in terms of the literature, and elaborates on the behaviors associated with each archetype.

**The Strongman leadership archetype** has its genesis in the authoritarian leadership theory (e.g., Schriesheim, House, and Kerr, 1976). The Strongman leader exhibits behaviors suggesting that she or he knows the "right" way and the follower should obey or else. These types of leaders rely on their formal position of authority for power, with frequent overtones of unpleasantness in their behavior. Followers comply because they fear the leader and/or the authority the leader represents. Some typical behaviors exhibited by the Strongman are *command, instruction*, and *non-contingent reprimand* (by "non-contingent" we mean not contingent upon subordinate performance.)

**The Transactional leader archetype** has its genesis in the exchange leadership theory (e.g., House, 1971). These leaders supply all wisdom and use rewards as their primary source of power. Followers comply with the leader when the exchange (i.e., the reward) advances followers' own agenda. Typical Transactor behaviors include

**Table 1 A model of Leadership Strategies**

| *Focus* | *Strongman Commands* | *Transactor Rewards* | *Visionary Hero Visions* | SuperLeader Self-leaders |
|---|---|---|---|---|
| Type of power | Position/Authority | Rewards/Exchange | Relational/Inspirational | Shared |
| Source of wisdom and direction | Leader | Leader | Leader | Mostly followers (Self-leaders) and then leader |
| Subordinate response | Fear Based | Calculative | Emotional commitment based on leader's vision | Emotional commitment based on ownership |
| Major leader behaviors | • Direction<br>• Command<br>• Noncontingent reprimand | • Assigned goals<br>• Contingent personal reward<br>• Contingent material reward<br>• Contingent reprimand | • Communication of vision<br>• Emphasis on values<br>• Exhortation | • Becoming a self-leader<br>• Modelling self-leadership<br>• Encouraging self-set goals<br>• Creating positive thought patterns<br>• Developing self-leadership through reward and constructive reprimand<br>• Promote self-leading teams<br>• Facilitate a self-leadership culture |

*assigned goals, contingent personal reward, contingent material reward,* and *contingent reprimand* (by "contingent", we mean "performance contingent", i.e., reward is based on good performance and reprimand is a result of poor performance).

**The Visionary Hero leader archetype** has its genesis in the transformational leadership theory (Bass, 1985). The Visionary Hero leads through the vision articulated to others. The leader is the source of wisdom. The wisdom is conveyed through the use of rational and inspirational appeals. The Visionary Hero's communication style, that incorporates *stimulation* and *inspirational persuasion*, captivates followers by eliciting emotional devotion to the vision; resulting in followers' commitment to the leader's agenda.

**The SuperLeader archetype** has its genesis in the self-managing work team research (e.g., Manz & Sims, 1984) and operates under the belief that followers are an influential source of wisdom and direction. This leader develops followers into "self-leaders" by evoking a sense of ownership and emotional commitment to the goal. SuperLeaders nurture self-development and self-reliance among their direct reports, so that over time subordinates develop skills in self-management, no longer requiring the direction and integration provided by more "traditional" leaders. Behaviors exhibited by the SuperLeader include *encouraging self-goal setting, encouraging self-monitoring of performance, creating positive thought patterns,* and *developing reward structures that support self-leadership.*

The Manz and Sims (1989) typology of leader archetypes and the clustering of leader behaviors into leader archetypes provides a theory-based conceptual framework for studying the primary research question: Does poor organizational performance influence subsequent behaviors of leaders? The rationale for exploring this research question is described below. In this research, leadership is measured as behaviors clustered into the four Manz and Sims archetypes.

## Research Propositions

Popular literature and empirical research implies that organizational circumstances may influence CEO behaviors (Bremner, Ivey & Grover, 1991; Guthrie & Olian, 1991). For example, poor financial performance may place the CEO in a uniquely vulnerable position, calling into question the competence of the CEO to deploy human, physical, and reputational capital (Conner, 1991). Others have documented that following poor organizational performance, leaders tend to be replaced (Dalton &

Kesner, 1985; Osborn, Jauch, Martin & Glueck, 1981; Schwartz & Menon, 1985). Under conditions of poor financial performance, CEOs may perceive their situations as more vulnerable and tenuous and as a result may toughen-up their leader behaviors in an attempt to save their positions. This perspective is consistent with micro-level research showing an association between poor subordinate performance and subsequent directive and autocratic leader behavior.

Accordingly, we propose that following a period of poor financial performance, there will be a stronger emphasis on behaviors typical of the Strongman Leader, but not of behaviors representing other archetypes (Transactor, Visionary Hero, or SuperLeader). In fact, under conditions of poor performance, the incidence of behaviors associated with the Transactor, Visionary Hero, and SuperLeader archetypes have been shown to decline (Yukl, 1989; Lowin & Craig, 1968), possibly because the leaders perceive that they have their "backs against the wall" and can ill afford to experiment with a loosening of the managerial reins. Specifically we propose the following:

> **Proposition 1**: Poor financial performance of an organization will be associated with a tendency of the leader to manifest behaviors representing the Strongman archetype (non-contingent reprimand, instruction and command, assigned goals).
>
> **Proposition 2**: Poor financial performance of an organization will be associated with a reduced tendency of the leader to manifest behaviors representing the Transactor archetype (contingent positive reward, contingent material reward, contingent reprimand and performance expectations); the Visionary Hero archetype (vision, stimulation, and inspiration); and the SuperLeader archetype (self goal-setting, self problem-solving, self evaluation, and self-criticism).

These propositions reflect the reverse causality assumption driving this research where the organization's financial performance is the causal variable of interest. The criterion variables are the behaviors of the CEO toward members of the top management team (TMT). The predictor is financial performance of the organization in the previous year. Note that the propositions bridge micro and macro levels of analysis, satisfying the final specified criterion by House and Rousseau (1992) for meso level research.

## Method

### *Sample and Procedures*

The data reported here were part of a larger study (e.g., Smith, Smith, Sims, Olian & Scully, 1992). The data were collected using questionnaires completed by members of the firm's top management team, and publicly available sources of financial information (annual reports, SEC filings, etc.).

The target population for this study were CEOs of technology-based companies located in a large metropolitan area. Firms were initially identified from an almanac profiling approximately 150 local "high-tech" or technology-based firms. One hundred and twenty-six of these companies were selected based on two criteria: (1) firms had to be financially separate entities within the high technology sector, and (2) they had to be within driving distance to facilitate interviews with CEOs, and follow-up. Initial contact introducing the project and eliciting company participation was made by letter from the almanac's editor. The researchers then telephoned to request site visits to conduct interviews, gather financial performance data, identify members of the TMT, and distribute questionnaires to the TMT. After initial contact, 47 firms were dropped from the sample for a variety of reasons including: unwillingness to release financial data, insufficient time to participate, and mistaken identification (e.g., out of business, not high-technology firm, and firm had merged or diversified). The CEOs of 114 companies were reached by phone, yielding a total of sixty-seven interviews (an initial response rate of 67/114 or 59%). Usable responses (interviews and questionnaires) were received from fifty-six of the companies visited (a final response rate of 56/114 or 49% of companies contacted, 56/67 or 84% of interviews conducted). This response rate is quite high given the significant time commitment (one hour for each member of the TMT and two hours for the CEO) required for inclusion in this study.

The companies were involved in a variety of technology-related product and service businesses. The majority were involved in information technology. The sample also included biotechnology and aerospace research firms, hazardous waste management companies, and a number of technology-oriented defence contractors. Sixty- three percent of responding firms are publicly held, the remaining are private. The sample included both small and large firms. Before-tax sales ranged from $22,700 to $300 million and the number of full-time employees varied from 3 to 3500. A careful review of the type and size of the firms that chose not to participate in the study gave us no reason to suspect non-response bias in the final sample. A one-way analysis of

variance of responding versus non-responding firms revealed no significant differences on before-tax sales or number of employees ($F = 1.85$, $p = .18$).

**Table 2 Description of the Sample**

| | *Mean* | *S.D.* |
|---|---|---|
| **Firm Descriptive** | | |
| Before tax sales 1988 (00) | 30,594 | 49,053 |
| Full-time employees 1988 | 380 | 568 |
| **Team Descriptive** | | |
| Team age | 45.08 | 7.10 |
| Team size | 5.47 | 2.38 |
| Team tenure (in months) | 73.08 | 46.15 |
| Respondents per team | 4.62 | 2.28 |

A total of 259 questionnaires were returned from the TMTs of 56 companies. An average of 4.6 questionnaires were returned per firm. The sample was 87.5% male and 12.5% female. All CEOs were male. The average age of team members ranges from 27 to 60 years. Team tenure varies from 1 to 16 years. Table 2 contains additional descriptive information about the sample.

## Design and Measurement

A correlational design was utilized in this research, with measures reflecting a time-lag sequence. Financial performance data were obtained through inspection of 1988 annual reports and/or SEC filings. These data included the financial information necessary to calculate the main performance variables used in the study: *return on sales* (ROS), *return on assets* (ROA), and *return on investments* (ROI).

All financial measures are based on 1988 before tax figures. Measures of ROS, ROA, and ROI are ratios that control for variability in firm size (ROS = net income/sales, ROA = net income/total assets, ROI = net income/equity). Since these three measures were highly intercorrelated (zero-order correlations ranged from $r = .65$ to $r = .79$), they were combined into a single scale. Before creating the composite

financial measure, all financial variables were transformed into standard Z-scores. By using multiple indicators of firm performance, the reliability of the financial data was maximized. The scale reliability was $\alpha = .89$ for the final scale "financial performance".

Leader behaviors were measured by questionnaire. Direct-report subordinates of the CEO (i.e., members of the TMT as designated by the CEO) completed the instrument. Figure 2 presents the definition and an example of each of the individual leader behavior dimensions, by leader archetype. Factor analysis applying principal axis extraction and varimax rotation was used to identify the specific dimensions of the leader behaviors of the high-tech CEOs, as described by members of their TMT. The resultant 14 factor solution is shown in Appendix 1. The factor solution was generally consistent with a priori expectations with one exception, subordinate self-leadership, which will be discussed in greater detail later. Appendix 1 shows the reliabilities of all leader behavior dimensions. Except subordinate self-leadership where $\alpha = .60$, all are well within the acceptable range ($\alpha = .79$ to $\alpha = .95$). Appendix 2 contains means, standard deviations, and the intercorrelation matrix of the leader behaviors. Most of the correlations were in the low to moderate range as would be expected among related behavioral dimensions.

To address convergence of team perceptions of their leader's behaviors, one-way ANOVAs were conducted with company as the independent variable and each of the 14 leader behaviors as dependent variables. A significant $F$-value indicates that team perceptions of the leaders significantly differentiates firms, that is, the across-firm variance is greater than the within-firm variance. These analyses yielded significant $F$-ratios for all but one leader behavior. The leader behavior that failed to reach significance was one representing the SuperLeader archetype — subordinate self-leadership ($F = 1.04$, $p = .42$). This was also the scale with the lowest reliability. Accordingly, this leader behavior was excluded from subsequent analyses. For the remaining behaviors, team perceptions of their leader behaviors converged (F- values ranged from $F = 1.43$ to $F = 3.01$; $p$-values ranged from $p = .05$ to $p = .00$). The Eta-squared statistic reflecting the variance in leader behavior accounted for by particular company membership ranged from $\eta^2 = .33$ to $\eta^2 = .51$.

**Table 3 Dimensions of Leader Behavior**

I. THE STRONGMAN
- **Instruction and Command.** The leader tells the subordinate how to do the task. [When it comes to my work, the CEO gives me instructions on how to carry it out.]
- **Noncontingent reprimand.** The leader chides subordinate for reasons not directly related to performance. [The CEO is often displeased with my work for no apparent reason.]

II. THE TRANSACTOR
- **Assigned Goals.** The leader established goals for the subordinate. [The CEO sets goals for my performance.]
- **Performance Expectations.** The leader expresses confidence in the subordinates ability to attain high levels of performance. [The CEO expects me to perform well.]
- **Contingent Material Reward.** The leader provides monetary incentives for successful completion of tasks. [The CEO determines my compensation based on my performance.]
- **ContingentPersonal Reward.** The leader publicly acknowledges successful completion of tasks. [The CEO gives me special recognition when my work performance is especially good.]
- **Contingent Reprimand.** The leader expresses dissatisfaction when the subordinate performance falls below expected levels. [The CEO lets me know about it when I perform poorly.]

III. THE VISIONARY HERO
- **Vision.** The leader provides subordinates with a sense of the firm's purpose and direction for the future. [The CEO provides a clear vision of where we are going.]
- **Stimulation and Inspiration.** The leader motivates the subordinate to attain beyond their perceived capacity. [Because of the CEO, I do more than expected I could do.]

IV. THE SUPERLEADER
- **Subordinate Self-leadership.** The subordinate takes it upon them self to solve problems and engage in self-criticism. [I solve problems on my own, mainly because I want to, regardless of whether the CEO wants me to or not.]
- **Encourage Self-Goal Solving.** The leader encourages subordinates to solve problems themselves. [The CEO encourages me to solve problems on my own whenever they pop up.]
- **Encourage Self-Goal Setting.** The leader encourages the subordinate to establish their own goals. [The CEO encourages me to define the goals myself.]
- **Encourage Self-evaluation and Self-criticism.** The leader encourages subordinates to judge their own performance and be critical when it falls below expectations. [The CEO encourages me to be self-critical if my performance is not up to par.]

*Note: Sample items enclosed in brackets.*

The one-way ANOVA and Eta-squared results support aggregation of the leader descriptions to the company level. Accordingly, information about leader behaviors of each CEO is based on the mean responses of his TMT (all CEOs in the responding sample were male).

It is important to note the timing of the research variables. All data were collected in early 1990. Financial performance measurements were from the year 1988, and were actually known to executives by early 1989. The leader behavior data reflect the following year's CEO leader behavior and were collected in the first half of year 1990. Thus, measurement of CEO leader behavior is clearly subsequent to measures of organizational performance. This time-lag provided the basis for our reciprocal causality assumption that performance influences leader behavior, and not vice versa.

## Results

Zero-order Pearson product moment correlations were used to examine specific relationships between organizational performance and the aggregate leader behaviors. The results are presented in Table 4. Financial performance for the year 1988 was significantly correlated with several dimensions of leader behaviors.

**Table 4 Correlations between Performance and CEO Leader Behavior**

| *1988 Performance* | *Leader Behavior* |
|---|---|
| | **Strongman** |
| -.33* | Instruction and command |
| -.39* | Noncontingent reprimand |
| | **Transactor** |
| -.15 | Assigned goals |
| .11 | Contingent positive reward |
| .11 | Contingent material reward |
| -.07 | Contingent reprimand |
| .30* | Performance expectation |
| | **Visionary Hero** |
| -.06 | Vision |
| -.04 | Stimulation and inspiration |
| | **Superleader** |
| .18 | Encouraging self-problem solving |
| -.39** | Encouraging self-evaluation/criticism |
| .01 | Encouraging self-goal setting |

*Notes*: * $p<.05$.
** $p<.01$.

Overall, the results suggest support for Proposition 1 that CEOs "get tough" when financial performance is poor. Specifically, poor financial performance was significantly related to both behaviors associated with the Strongman leader archetype (i.e., non-contingent reprimand, and instruction and command). However, the results fail to support Proposition 2. Only two of the ten leader behaviors associated with Transactor, Visionary Hero, and SuperLeader archetypes emerged significant; only one—performance expectation—was in the predicted direction. The other, encouraging self-evaluation and self-criticism, was contrary in direction to the prediction.

To summarize, when an organization's financial performance is low, subsequent CEO leader behaviors are higher on instruction and command, non-contingent reprimand, encouraging self-evaluation/criticism, and lower on performance

expectations. The first two represent Strongman operationalizations. In general, CEOs of lower performing organizations were "tougher" than CEO's of higher performing organizations, thereby providing some support for Proposition 1.

## Discussion

An article in *Business Week* entitled, "Tough Times, Tough Bosses: Corporate America calls in a new, cold-eyed breed of CEO", implies that the economic woes of corporate America cause corporate CEOs to "toughen-up" (Bremner, Ivey, & Grover, 1992). This notion appears consistent with the data reported in this study. The higher use of instruction and command, and non-contingent reprimand, shows that members of the TMTs in poorer performing firms perceive that their CEOs behave more like the Strongman leader than do TMTs of higher performing firms. Poor financial performance is typically associated with higher levels of stress for the CEO, especially since firm performance is frequently the primary performance evaluation criterion. This stress potentially acts as a catalyst for authoritarianism, that is, Strongman leader behaviors.

The results were not as unequivocal as Proposition 2 predicted. Among the correlations that did attain significance one was in the opposite direction of the predicted relationship and only two of the ten behaviors associated with Transactor, Visionary Hero & SuperLeader attained significance. The relationship between encouraging self-evaluation and self-criticism, and financial performance, was in the predicted direction. This relationship intimates that as times get tough, leaders may expect subordinates to become tough on themselves by encouraging, urging, or perhaps demanding that they take a long, hard look at their own performance.

Poorer financial performance was *negatively* associated with performance expectation, a behavior described as the Transactor archetype. It appears that CEOs of lower performing firms project lower performance expectations to members of their TMT; that is, low firm performance produces low expectations of TMT member performance by the CEO. The results suggest that this sample of CEOs assume greater responsibility for and control of their operations following a year of poor financial performance. Perhaps these CEOs, facing crisis, presume that they know best, are the sole source of expertise, and thereby expect less (or are perceived to expect less) of the TMT (Sims & Lorenzi, 1992). Thus, it is possible that respondents perceived the meaning of items comprising the performance expectation scale in terms similar to the Strongman archetype. Overall, all four behaviors that attained significance generally

reflect a toughening of CEOs' actions in response to poor organizational performance. One interpretation is the notion that leaders "toughen-up".

The results suggest an empirical relationship between CEO leadership and the economic condition of the firm. CEOs of poorer performing firms may not allow themselves the "luxury" to engage in behaviors associated with Transactor, Visionary Hero, or SuperLeader leader archetypes. Rather, these CEOs seem to be operating in a survival mode. Therefore, it would appear that the "tough boss" may emerge during difficult economic times. If this is true, then we can expect leader behaviors to change in response to environmental changes.

This study is not without limitations. The sample size is smaller than might be desired. However, the sample size needs to be evaluated against the challenge of obtaining in-depth information from CEOs and entire teams of top level managers. Moreover, despite the limited sample size, the factor structure of the leadership archetypes is consistent with a priori expectations developed by Manz and Sims (1989), and earlier empirical results obtained by Ball, Trevino, and Sims (1993).

A second limitation is a gimvyopm of the measures of the Visionary Hero archetype, reflecting effects of the leader archetype rather than of behaviors. Development of psychometric tools measuring Visionary Hero behaviors directly would provide consistency in generalizing across the archetypes.

A third limitation concerns generalizability of the results across industries. Although multiple industries are represented in the sample, the companies are all from the "high-tech" sector and in that sense cannot be generalized further. Additionally, rigid criteria for involvement in high technology were not used to screen companies into the sample and the population was geographically limited in order to enable personal visits to executive offices. Finally, we have portrayed the results in a temporal sequence, from organizational performance to leader archetypes. However, strictly speaking, the present study employs a correlational design. Although the proposed causal sequence is supported by the measurement time lag, we cannot rule out the possibility that other factors "caused" the Strongman behaviors, or that poor financial performance was also a result, rather than strictly a cause of the leader's orientation. Although this is a significant qualifier for the findings, they are, nevertheless, important. The findings address often overlooked external sources of influence on leader behaviors — the firm's prior financial performance — and this source of variance accounts for significant variability in Strongman behaviors. Clearly,

unmeasured variables (e.g., strategy, culture, climate, CEO personality, personality of CEO predecessor) may also explain variance in the particular behavior adopted by the leader.

This research also contributes to our understanding of CEO leadership. First, the results of micro-level research *do* appear somewhat robust in generalizing from the lower levels of the organization to the executive suite. Prior field research in this area has focused on the lower management levels with the executive suite remaining something of an enigma. This research takes a first step at removing the cloak shrouding our understanding of leader behavior at the top, by examining a broad spectrum of CEO behaviors exhibited.

Also, for the first time, we have established an empirical association between financial performance of the organization and the subsequent CEO's leader behavior directed toward his TMT. Finally, this is an interesting example of meso level research and "meso-isomorphism". "Meso-isomorphism" is described by House and Rousseau (1992) as a phenomenon found at one level of the organization that is also found at another level. In this study we found a relationship between poor financial performance and "tough" (e.g., authoritarian, autocratic) leader behavior. This pattern is consistent with the micro-level research findings demonstrating a relationship between poor subordinate performance and authoritarian and autocratic leader behavior.

## Future Research

This research takes a step toward understanding the relationship between the environment, specifically financial performance, and leader behavior. Future investigations should explore this research question with a longitudinal design incorporating several years of pre and post financial performance data.

In addition to facilitating strong inference related to causality, post-measures of leader behavior also allow investigation of the results of Strongman leadership. To be sure, we do not know whether "toughening-up" will improve or diminish future organizational performance. Certainly the current trend in leadership theory would suggest that longer-term organizational performance would be more responsive to Visionary Hero or SuperLeadership patterns of behavior. Thus, pre and post data would complete the causal chain and clarify more precisely the proactive and reactive relationships between leaders' behaviors and financial performance.

Future research might also explore potential moderators in the financial

performance-leader behavior relationship. Given that this is a meso level study there are two levels of possible moderators, organizational and individual. At the organizational level, organizational design, strategy, climate, financial history, and culture may influence the leader behavior, and could be examined as potential moderators. At the individual level, the literature points directly to the personality variable of authoritarianism, but need for power, narcissism, locus of control, dominance, and assertiveness should also be investigated as potential moderators of the financial performance - leader behavior relationship. In addition, CEO's perceptions of their job security may also facilitate understanding of antecedents to Strongman behaviors.

## Acknowledgment

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## NOTE

1. The items assessing the Visionary Hero archetype measure the effects of the leader behaviors, rather than the leader behaviors. We relied on the most commonly used items by Bass which suffer from the same deficit.

## APPENDIX 1

| *Item Number* | *Factor Name/ Item Content* | *Factor Loadings* | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *I* | *II* | *III* | *IV* | *V* | *VI* | *VII* | *VIII* | *IX* | *X* | *XI* | *XII* | *XIII* | *XIV* |
| | **I. Stimulation and Inspiration** | | | | | | | | | | | | | | |
| 24 | The CEO motivates me to do more than I originally expected I would do. | **.86** | -.03 | .12 | -.04 | .02 | .09 | .01 | .08 | .03 | .07 | .14 | -.02 | .12 | .01 |
| 20 | The CEO arouses in me the effort to work harder and better. | **.83** | -.01 | .05 | .17 | -.01 | .02 | -.01 | .13 | .11 | .04 | .04 | -.01 | .06 | .04 |
| 42 | Because of the CEO, I do more than I expected I could do. | **.81** | .13 | .13 | .09 | -.01 | .08 | .16 | .06 | .08 | -.08 | .07 | -.03 | -.01 | -.04 |
| 15 | The CEO inspires me to get a lot more done than I could have if he/she were not around. | **.81** | -.04 | .08 | .11 | .03 | .01 | .03 | .14 | .00 | .06 | .01 | -.03 | .05 | -.01 |
| 61 | The CEO stimulates my efforts of excel. | **.79** | .04 | .13 | .25 | .18 | .11 | .11 | .00 | .08 | .00 | .09 | .21 | .14 | -.01 |
| 65 | The CEO heightens my motivation to succeed. | **.77** | -.04 | .21 | .23 | .13 | .15 | .06 | .15 | .09 | .05 | .07 | .09 | .00 | .01 |
| 12 | The CEO increases my optimism for the future. | **.68** | -.07 | .02 | .33 | .08 | .09 | .05 | .17 | .05 | .03 | -.05 | .21 | .12 | -.07 |
| 39 | The CEO makes me enthusiastic about my assignments. | **.68** | -.01 | .21 | .28 | .16 | .14 | .06 | .27 | .03 | .01 | .06 | .17 | .08 | .02 |
| 44 | The CEO enables me to think about old problems in new ways. | **.66** | .09 | .23 | .19 | .17 | .15 | .09 | .03 | .10 | .05 | -.00 | .16 | .04 | -.06 |
| 13 | The CEO provides me with reason to change the way I think about problems. | **.61** | .05 | .22 | .03 | .28 | .17 | -.07 | .06 | .08 | .23 | .02 | .16 | .10 | .01 |
| 60 | The CEO makes me feel good to be around him or her. | **.60** | .04 | .12 | .32 | .21 | .09 | .10 | .13 | .16 | -.03 | .06 | .32 | .12 | .09 |
| 23 | I am ready to trust the CEO to overcome any obstacle. | **.53** | .02 | -.02 | .32 | .17 | .11 | .12 | .04 | .14 | .10 | .21 | .22 | .03 | .05 |

*(continued)*

| Item Number | Factor Name/ Item Content | Factor Loadings | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *I* | *II* | *III* | *IV* | *V* | *VI* | *VII* | *VIII* | *IX* | *X* | *XI* | *XII* | *XIII* | *XIV* |
| | **II. Instruction and Command** | | | | | | | | | | | | | | |
| 37 | The CEO gives me instructions about how to do my job. | .01 | **.87** | .12 | -.06 | .05 | -.16 | -.04 | -.05 | -.03 | .15 | .05 | -.06 | .03 | -.09 |
| 28 | The CEO provides commands in regard to my job. | .05 | **.81** | .07 | -.02 | .02 | .02 | -.09 | .01 | -.04 | .03 | .11 | -.16 | -.06 | .01 |
| 55 | When it comes to my work, the CEO gives me instructions on how to carry it out. | -.03 | **.80** | .04 | -.13 | .13 | -.11 | -.05 | -.11 | .00 | .15 | .08 | -.20 | -.03 | -.09 |
| 10 | The CEO gives me orders about my work. | .02 | **.78** | -.04 | -.05 | -.03 | -.05 | -.09 | -.01 | -.06 | .04 | .21 | -.04 | .02 | .06 |
| 45 | The CEO tells me how to do my work. | -.10 | **.76** | .02 | -.07 | .02 | -.11 | -.14 | -.10 | .06 | .18 | .13 | -.33 | -.04 | -.11 |
| 01 | The CEO gives me instructions about how to do my job. | .12 | **.73** | .14 | .07 | .02 | -.09 | .03 | -.11 | -.05 | .15 | .07 | .26 | -.07 | -.04 |
| | **III. Self-evaluation/Self-criticism** | | | | | | | | | | | | | | |
| 33 | The CEO urges me to be self-critical if my performance is not up to par. | .24 | .13 | **.79** | .11 | .07 | .04 | -.04 | .06 | .04 | .15 | .07 | .04 | .09 | .01 |
| 71 | The CEO actively encourages me to be critical of myself when my work is below standard. | .11 | .03 | **.77** | .06 | .18 | -.01 | .04 | .06 | -.07 | .31 | .15 | -.06 | .16 | .06 |
| 47 | The CEO encourages me to be critical of myself when I do poorly. | .08 | .22 | **.76** | .01 | -.05 | .15 | -.05 | .10 | -.04 | .14 | .03 | -.08 | .17 | .20 |
| 05 | If my performance on a job is below par, he/she encourages me to be critical of myself. | .33 | .10 | **.67** | .06 | .01 | .00 | .17 | .09 | .15 | .29 | .05 | -.11 | .03 | -.10 |
| 63 | The CEO encourages me to judge how well I am performing | .33 | -.08 | **.63** | .17 | .22 | .29 | .04 | .01 | .13 | .01 | .20 | .02 | .06 | -.10 |
| 32 | The CEO encourages me to know how my performance stands. | .34 | -.02 | **.55** | .27 | .16 | .15 | -.02 | .19 | .05 | .22 | .11 | .07 | .03 | -.22 |

*(continued)*

| *Item Number* | *Factor Name/ Item Content* | *Factor Loadings* | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *I* | *II* | *III* | *IV* | *V* | *VI* | *VII* | *VIII* | *IX* | *X* | *XI* | *XII* | *XIII* | *XIV* |
| | **IV. Vision** | | | | | | | | | | | | | | |
| 40 | The CEO provides a clear vision of where we are going. | .44 | -.06 | .11 | **.77** | .10 | .08 | .06 | -.00 | .13 | .06 | .08 | .16 | .08 | -.00 |
| 25 | The CEO provides a clear vision of who and what we are. | .45 | -.10 | .11 | **.75** | .11 | .09 | .04 | .00 | .14 | .06 | .07 | .12 | .08 | .00 |
| 82 | The CEO provides his/her vision of our organization to me. | .35 | -.13 | .13 | **.74** | -.03 | .07 | .15 | .18 | .20 | .02 | .00 | .03 | .03 | .03 |
| 17 | The CEO provides a vision for our organization. | .45 | -.02 | .12 | **.73** | .09 | .07 | .08 | .20 | .14 | .03 | .02 | .08 | .07 | .04 |
| 50 | There is no doubt that the CEO is very visionary. | .53 | -.05 | .13 | **.64** | .10 | -.02 | .11 | .17 | .11 | -.06 | -.04 | -.00 | .11 | .00 |
| | **V. Contingent Material Reward** | | | | | | | | | | | | | | |
| 56 | The CEO determines my compensation based on my performance. | .20 | .06 | .10 | .10 | **.84** | .10 | .07 | .14 | .06 | .09 | .15 | .05 | -.01 | .07 |
| 49 | The CEO makes decisions about my compensation mainly on my performance. | .21 | .04 | .16 | .04 | **.84** | .10 | -.00 | .13 | .10 | .02 | .14 | .06 | -.01 | .05 |
| 41 | The CEO makes my compensation contingent upon my performance. | .10 | .07 | .10 | .06 | **.81** | .07 | .12 | .01 | .07 | .04 | .06 | -.05 | .07 | .05 |
| 16 | The CEO will make sure I'm compensated well if I perform well. | .44 | -.03 | -.10 | .16 | **.50** | -.02 | .00 | .29 | -.03 | .03 | .08 | .20 | .24 | -.07 |

*(continued)*

| Item Number | Factor Name/ Item Content | Factor Loadings | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *I* | *II* | *III* | *IV* | *V* | *VI* | *VII* | *VIII* | *IX* | *X* | *XI* | *XII* | *XIII* | *XIV* |
| | **VI. Self-problem Solving** | | | | | | | | | | | | | | |
| 57 | The CEO encourages me to solve my own problems whenever the pop up. | .22 | -.05 | .16 | .10 | .02 | **.79** | .23 | .13 | .07 | .02 | -.00 | .04 | .08 | .01 |
| 75 | The CEO encourages me to solve problems on my own. | .16 | -.19 | .09 | .11 | .16 | **.73** | .21 | .11 | .13 | .15 | .09 | .06 | .15 | .05 |
| 29 | The CEO encourages me to solve problems on my own. | .21 | -.32 | .10 | .02 | .08 | **.72** | .19 | .15 | .06 | .06 | .09 | .09 | .05 | .04 |
| 07 | When I have a problem, the CEO asks me to find a solution. | .19 | -.07 | .20 | -.07 | .20 | **.43** | .38 | -.05 | -.02 | .24 | -.00 | -.09 | .10 | -.06 |
| | **VII. Performance Expectations** | | | | | | | | | | | | | | |
| 19 | The CEO expects that I will have high performance. | .11 | -.11 | .02 | .20 | .17 | .11 | **.77** | .06 | .14 | .11 | -.03 | .02 | .00 | .08 |
| 52 | The CEO expects my performance to be very good. | .11 | -.15 | .01 | .09 | .07 | .25 | **.77** | -.01 | .11 | .01 | .05 | .07 | -.02 | .13 |
| 30 | The CEO expects my to perform well. | .07 | -.10 | .02 | -.00 | -.11 | .21 | **.68** | .11 | .15 | -.09 | .08 | .11 | .11 | .17 |
| 78 | The CEO thinks I can do very well in my work. | .15 | -.05 | -.06 | .18 | .12 | .42 | **.45** | .23 | .20 | .05 | -.05 | .21 | .09 | .18 |
| | **VIII. Contingent Positive Reward** | | | | | | | | | | | | | | |
| 38 | The CEO gives me special recognition when my work performance is especially good. | .33 | -.10 | .08 | .13 | .14 | .10 | .15 | **.77** | .03 | .01 | .04 | .05 | .06 | .03 |
| 64 | The CEO commends me when I do a better than average job. | .24 | .04 | .24 | .04 | .10 | .19 | -.06 | **.72** | .09 | .11 | .04 | .12 | .04 | -.07 |
| 34 | If I do an assignment especially well, the CEO encourages me to feel positive about myself. | .32 | -.22 | .15 | .16 | .13 | .16 | .04 | **.64** | .09 | .14 | .00 | .20 | .06 | -.04 |
| 08 | The CEO always gives me positive feedback when I perform well. | .32 | -.13 | -.00 | .21 | .14 | .05 | .14 | **.56** | -.04 | .03 | .13 | .35 | .04 | .01 |

*(continued)*

| Item Number | Factor Name/ Item Content | Factor Loadings I | II | III | IV | V | VI | VII | VIII | IX | X | XI | XII | XIII | XIV |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **IX. Laissez-Faire** | | | | | | | | | | | | | | |
| 77 | No one, including myself, is solving the problems of my job. | -.15 | .02 | -.02 | -.13 | -.15 | -.09 | -.11 | .02 | **-.83** | -.05 | .10 | -.20 | -.09 | -.06 |
| 81 | No one, including myself, expects much of me in terms of performance. | -.22 | .03 | .02 | -.08 | -.10 | -.11 | -.20 | .11 | **-.81** | -.01 | .02 | -.02 | -.10 | -.15 |
| 85 | No one, including myself, is providing any vision for our organization. | -.14 | .08 | -.14 | -.30 | -.01 | .04 | -.12 | -.03 | **-.79** | .05 | -.09 | -.12 | -.02 | -.02 |
| | **X. Contingent Reprimand** | | | | | | | | | | | | | | |
| 59 | The CEO lets me know about it when I perform poorly. | .06 | .11 | .24 | .02 | .07 | -.01 | .03 | .08 | -.04 | **.73** | .18 | -.11 | .00 | -.05 |
| 26 | The CEO would reprimand me if my work was below standard. | .11 | .21 | .15 | -.02 | -.00 | .16 | .02 | -.02 | .05 | **.71** | .01 | -.00 | .00 | .13 |
| 04 | When my work is not up to par, the CEO points it out to me. | .11 | .25 | .31 | .11 | .10 | .08 | .12 | .03 | .05 | **.67** | .13 | -.06 | .09 | -.05 |
| 70 | The CEO reprimands me when my performance is not up to par. | -.10 | .27 | .22 | .01 | .03 | .01 | -.12 | -.20 | -.08 | **.59** | .15 | -.12 | .13 | .24 |
| | **XI. Assigned Goals** | | | | | | | | | | | | | | |
| 09 | The CEO establishes my performance goals. | .20 | .21 | .12 | .04 | .09 | .03 | .08 | .02 | -.06 | .09 | **.84** | .01 | .02 | -.04 |
| 27 | The CEO sets goals for my performance. | .17 | .18 | .17 | .07 | .15 | .06 | .07 | .04 | -.04 | .11 | **.83** | .02 | -.08 | -.02 |
| 66 | The CEO establishes my goals for me. | .01 | .27 | .09 | .01 | .12 | .03 | -.08 | .07 | .07 | .16 | **.81** | -.12 | -.08 | -.04 |

*(continued)*

| *Item Number* | *Factor Name/ Item Content* |
|---|---|
| | **XII. Noncontingent Reprimand** |
| 18 | The CEO is often displeased with my work for no apparent reason. |
| 62 | I frequently am reprimanded without knowing why. |
| 22 | The CEO is often critical of my work, even when I perform well. |
| | **XIII. Self Goal Setting** |
| 02 | The CEO prompts me to define the goals myself. |
| 67 | The CEO actively encourages me to set goals for myself. |
| 46 | The CEO encourages me to set goals for my own performance. |
| | **XIV. Independent Self-leadership** |
| 76 | I solve problems on my own, mainly because I want to, regardless of whether the CEO wants me to or not. |
| 72 | When I don't meet my own expectations, I am critical of myself, regardless of my CEO's reaction. |
| | Eigen-value |
| | Coefficient alpha |

| Factor Loadings | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *I* | *II* | *III* | *IV* | *V* | *VI* | *VII* | *VIII* | *IX* | *X* | *XI* | *XII* | *XIII* | *XIV* |
| -.28 | .25 | .08 | -.14 | -.07 | -.03 | -.13 | -.22 | -.13 | .07 | .02 | **-.67** | -.13 | -.05 |
| -.26 | .24 | .03 | -.13 | -.01 | -.17 | -.15 | -.14 | -.34 | .11 | .08 | **-.63** | .03 | .02 |
| -.27 | .28 | .06 | -.11 | -.03 | -.05 | -.01 | -.21 | -.15 | .21 | .07 | **-.62** | .06 | .05 |
| .27 | -.10 | .18 | .08 | -.03 | .04 | .13 | .12 | .11 | .13 | -.04 | .03 | **.70** | -.11 |
| .27 | -.02 | .33 | .17 | .25 | .18 | .05 | .04 | .10 | .10 | .05 | .14 | **.64** | -.01 |
| .29 | -.05 | .39 | .15 | .06 | .36 | -.04 | .04 | .11 | -.05 | .03 | .07 | **.60** | .08 |
| -.06 | -.13 | -.03 | -.02 | .11 | -.00 | .17 | -.08 | .07 | .09 | -.01 | .01 | .08 | **.82** |
| .06 | -.07 | .09 | .09 | .04 | .12 | .25 | .06 | .20 | .05 | -.12 | -.00 | -.28 | **.64** |
| 17.96 | 7.53 | 3.99 | 2.50 | 2.17 | 1.84 | 1.73 | 1.60 | 1.50 | 1.22 | 1.13 | 1.07 | 1.03 | .90 |
| .95 | .91 | .89 | .95 | .86 | .84 | .82 | .87 | .88 | .79 | .89 | .83 | .80 | .60 |

## APPENDIX 2

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *M* | *SD* | *Instruction/Noncontingent Command* | *Assigned Reprimand* | *Contingent Goals* | *Contingent Positive Reward* | *Contingent Material Reward* | *Performance Reprimand* | *Vision Expectation* | *Stimulation/* | *Self-Problem Inspiration* | *Self-Evaluation Solving* | *Self-Good Criticism* | *Setting* |
| 1 | 2.41 | .60 | .51*** | .45*** | -.11 | .05 | .51*** | -.21 | -.15 | -.05 | -.16 | .22 | .05 |
| 2 | 1.94 | .52 | | .21 | -.45*** | -.13 | .25 | -.53*** | -.52*** | -.46*** | -.31*** | -.13 | -.29 |
| 3 | 2.82 | .81 | | | .20 | .30* | .50*** | .04 | .17 | .26 | .16 | .49*** | .30 |
| 4 | 3.33 | .59 | | | | .32** | .29* | .55*** | .73*** | .71*** | .53*** | .57*** | .62*** |
| 5 | 3.42 | .61 | | | | | .28 | .38** | .37** | .45*** | .39** | .42*** | .39** |
| 6 | 3.31 | .64 | | | | | | .05 | .31* | .29* | .11 | .69*** | .39** |
| 7 | 4.25 | .31 | | | | | | | .51*** | .51*** | .78*** | .22 | .45*** |
| 8 | 3.54 | .82 | | | | | | | | .83*** | .48*** | .62*** | .66*** |
| 9 | 3.29 | .63 | | | | | | | | | .55*** | .63*** | .69*** |
| 10 | 3.85 | .52 | | | | | | | | | | .42*** | .56*** |
| 11 | 3.15 | .62 | | | | | | | | | | | .69*** |
| 12 | 3.50 | .66 | | | | | | | | | | | |

*Notes:* * $p \leq .05$.
** $p \leq .01$.
*** $p \leq .001$.

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