

THE CHIEF EXECUTIVE: A BREED APART

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ABSTRACT

This study tested the theory that the characteristics of British Chief Executives would be different from that of the subordinate Top Management Team from which they emanated.

The study focused upon variations in experiences over three sets of variables: corporate influences; e.g., tenure, mobility, functional experience, international exposure; domestic influences; e.g., education, family influence; their self-concept; e.g., aspiration levels, executive success traits.

Substantial differences emerged between the two groups across all sets of variables particularly within the corporate category.

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Early research in the field of Strategic Management concentrated mainly upon developing taxonomies of strategic formulation, (see, Hofer & Schendel, 1978), and, as knowledge advanced, related these to organisational structures (e.g. Chandler, 1962; Scott, 1971; Wrigley, 1971; Channon, 1974; Rumelt, 1974).

Yet the impact of the actual qualities and characteristics of top management upon strategic formulation, considered by Buzzell, Gale, & Sultan (1975) to be a major explanatory variable in determining financial variability within their original PIMS study, received little attention during the 1970's. However, due possibly to those problems caused by turbulent trading conditions observed towards the end of that decade, focus increased upon the importance of managing the strategic process (Peters & Waterman, 1982; Saunders & Wong, 1985) and to the significance of top management's possession of those characteristics necessary for successful implementation of the chosen strategy (Norburn & Miller, 1981; Leontiades, 1982).

In order to evaluate the potential significance of different top management characteristics [TMCs], a major research programme was therefore undertaken, based upon a common methodology. This developed five streams of investigation relating TMCs to:

- Industries in growth, turbulence, and decline
- Chief Executives and their subordinate top management team
- Financial performance variability within the same 4-digit Standard Industrial Classification
- Membership of the upper-echelon of Fortune 500 companies versus that of the Venture 100 owner-managers
- Cross-national differences between top management teams

Results from the first study have recently been presented in this Journal [Norburn, 1986]: this paper presents the results from the second.

The major focus, therefore, of this research is to determine whether Chief Executives (CEOs) within Britain's largest companies demonstrate different characteristics from those of senior executives who comprise the top management teams (TMTs) from which they emanated. Although all members of the TMT would, rightly, be regarded to constitute the highest echelon of management, by position, the British CEO is held to be distinct (Beavor, 1975). In terms both of British company law, and, as a focus for strategic accountability, the role of the CEO is identified as the "primus inter pares" - THE corporate leader.

Yet whereas the role is considered distinct relative to that of the TMT, atypicality as to the actual characteristics between

each group is, as yet, untested. Since Leadership Theory is grounded in observable differences between those who lead from those who follow (Bass, 1981), it is the theorem of this research that the same tenet is applicable between the two sets.

The significance of this direction has been given added weight by recent commentary from both the business and the academic world. One body of knowledge has focused upon the CEO; one upon the TMT. Neither conducts a comparative analysis.

In their commentary upon the wider role of the CEO, both Goldsmith (U.K., 1980), and Vance (U.S., 1983) consider that the CEO should not only be the major catalyst for strategic choice, but should also be responsible for its implementation. They argue that it is upon this person's skills that strategic success is largely determined, strongly affecting the interests of all stakeholders - for shareholders, dividend yield and stock appreciation; for managers, motivation and reward; for the workforce, employment and involvement. In addition, many commentators see the role of the CEO changing beyond strategic choice and performance accountability to include both that of an internal focus for employee corporate identification, and that of an external diplomat in negotiating with Trade Associations and with Government. In the U.K., Goldsmith & Clutterbuck (1984) highlight the internally perceived charisma of Sir John Sainsbury (Sainsbury), Derek Hunt (MFI), and Rocco Sieff (Marks and Spencer). In the United States, Steiner (1983) emphasises the

importance of developing external environmental "antennae" as a pre-requisite for advancement to the highest of managerial positions as typified by Reginald Jones (General Electric) and Alden Clausen (Bank of America).

Using a finer focus approach in studying CEO characteristics, succession theorists have attempted to relate insider/outsider origin to measures of corporate financial performance. Lieberman & O'Connor (1972), and Salancik & Pfeffer (1977) found that less than 15% of performance variability could be attributed to individual leaders. Conversely, the later study of Wiener & Mahoney (1981), put the figure much higher - "corporate stewardship accounted for an additional 40% of the unexplained financial variability." Dalton & Kesner (1985) related insider origin to both extremes of the financial performance distribution, however Lubatkin & Chung (1985) concluded that leadership origin was not related systematically to performance in situations of decline and prosperity. Widening the focus as to CEO origin upon specific corporate situations, or upon corporate dimensions, top executive succession patterns have also been related to organisational size (Dalton & Kesner, 1983); to financial crises (Schwartz & Menon, 1985); and to corporate "turnaround" (Bibeault, 1982).

Continuing this momentum of investigation at the broader level of the TMT, Hambrick & Mason (1984) advanced their "upper-echelon"

theory which proposed that the characteristics of top executives would predict, partially, organisational performance. Their theory has been given support by recent empirical investigation on both sides of the Atlantic. Within the U.S., Hambrick & d'Aveni (1985) found that companies who performed badly showed a greater preponderance of top executive throughput functional experience (e.g. production, accounting) than output functional (e.g. marketing, sales), a result broadly supported by the wider five industry investigation of Norburn & Birley (1986). Within the U.K., Norburn (1986) reported a grouping of different TMT characteristics between those industry sectors exhibiting growth, volatility, and decline relative to the underlying trend in national economic activity.

Despite the preponderance of the above research originating within the United States with its concomitant inherent danger of ethnocentric interpretation when applied to a U.K. environment, the underlying theme from academic investigation and business commentary is that of the existence of measurably different characteristics at the top management level. A posteriori, this situation of atypicality becomes a logical progression for empirical investigation by separation into the two sets of CEOs and TMTs.

In summary, therefore, the theory that the CEO might exhibit different characteristics appears, *prima facie*, to be supportable for two main reasons. Firstly, "de facto", the CEO achieved the

pinnacle, whereas members of the TMT either did not, or had yet to do so. Secondly, "de jure", the CEO is appointed in U.K. law by the Board of Directors. It would therefore be reasonable to expect evidence of differences to exist and thus to distinguish between those who were chosen from those who were not.

THEORETICAL DEVELOPMENT

The number of studies at the CEO level is small. From these, existing knowledge as to specific CEO characteristics has developed from three broad starting-points: those adopting a general survey approach - e.g., age, tenure, remuneration (see Warner & Abegglen, 1955; Newcomer, 1975; Sturdivant & Adler, 1976; Burck, 1976; Margerison, 1983; Margerison & Kakabadse, 1984); those which relate desirable characteristics of CEOs to corporate requirements e.g. singleness of purpose, high achievement needs, and an ambience of personal challenge (Mines, 1978; Levinson, 1980; Garfield, 1983); and those which focus upon the insider/outsider origin of the CEO relative to financial performance variability (for a summary, see Lubatkin & Chung, 1985). Whereas the three provide useful pointers as to the future direction for empirical investigation, none specifically relates the characteristics of the CEO to that of the TMT.

In order, therefore, to test this theory of potential dissimilarity between the two sets, it was necessary to widen the

area of search to consider contributions from more established bodies of knowledge which had investigated distinguishing managerial characteristics at subordinate levels of organisational hierarchies: in particular, from the literature of Leadership Studies, from Organisational Behaviour, and from Strategic Management.

In sifting for concentric commonality, three themes emerged which purport to explain managerial difference: that which centred upon occupational experiences; that which focused upon domestic environmental and educational patterns; and that which investigated the self-perception of the managers themselves as to their personal beliefs and attitudes. This triad is a partial extension of Cooper's (1981) classification of factors influencing the genesis of entrepreneurs. Cooper separates antecedent factors - genetic, family, education, from incubational factors - those which constrain and condition managerial development within a corporate context, from environmental factors - for example, competitive intensity.

His first two groups broadly correspond with the classification of this research into corporate and domestic influences. The third group - that of self-concept - is rooted in leadership research. Subsequent to Cooper's classification, this trichotomy of factors impinging upon top management has been both supported and developed by Hambrick & Mason (1984), and by Norburn (1986), referenced earlier in this paper.

These three themes are depicted in summary form below in Figure 1 and form the following broad hypotheses without any assumption of equal weight.

H1: CEOs will demonstrate significantly different corporate experiences than TMTs

H2: CEOs will demonstrate significantly different perceptions as to their self-concept than TMTs

H3: CEOs will have experienced significantly different domestic and educational influences than their TMTs

Insert Figure 1 about Here

VARIABLES *

Whereas the variables chosen within each of the three themes depicted in Figure 1 originate from all three disciplines of Leadership Studies, Organisational Behaviour, and Strategic

* For a more detailed explanation of both this section and that of the Methodology, please refer to the earlier paper, Norburn. 1986

Management, each in turn is more heavily influenced by one. Variables within the Corporate category emanate predominantly from the Strategic Management literature; within Self-Concept from Leadership studies; and within the Domestic and Educational category from Organisational Behaviour. The specific questionnaire items used to measure the variables are presented in Table 1.

Insert Table 1 about here

Corporate Influences: Within this category, variables grouped into the three areas of functional track, of the breadth of company experience, and of workload.

The importance of functional experience and its effect upon perceptions of different trading environments has been developed by Lawrence & Lorsch (1973), Hayes & Abernathy (1980), and by Miles & Snow (1980). Length of tenure and stability of company performance are linked by Shetty & Perry (1976), and by Kotter (1982). The relationship between certain leadership experience and corporate trading environments is debated by Vroom & Yetton (1973), Osborn & Hunt (1975), Pfeffer & Salancik (1978), and by Yukl (1981). Handy (1976), Norburn & Miller (1981), and Leontiades (1982) all stress the importance of relating the breadth of managerial experience in multiple trading conditions

to companies adopting strategic portfolios of both cash-consumptive and cash-generative strategic business units. Korn/Ferry (1979), Sussman (1979), and Heidrick & Struggles (1981, 1982) document and comment upon the increase in workloads as executives progress to the top of the corporate hierarchy.

Specific variables were operationalised from the theoretical development. Width of functional experience was measured by starting function, predominate career function, and current function. Breadth of company experience was related to company tenure, to international postings, to the number of companies worked for and the reasons for moving, and to running their own business. Workloads were measured by the hourly working work, and to the number of nights spent away from home on company business.

Self-Concept: In the last decade, Stogdill (1974) reviewed over 3,000 studies of leadership, only to observe:

"Four decades of research on leadership have produced a bewildering mass of findings.... The endless accumulation of empirical data has not produced an integrated understanding of leadership."

- a situation which Davis & Luthans (1984) consider to be relatively unchanged. Of those studies which emanate from the business world, most study leadership at the supervisory level, not at the level at which strategy is determined - top management. Additionally, a large number of leadership studies have drawn upon non-commercial organisations to develop their

theories, e.g., military groups, not-for-profit, and business school students, the results from which may not be replicable within industry.

Nevertheless, to scholars of strategic management, three relevant schools of thought have emerged - that of Trait, Style, and Situational determinants which strongly influenced the choice of specific variables within this section. Broadly speaking, the Trait theorists built upon an assumption of "natural" leaders; Style theorists upon an axis of participation/intervention; and Situational theorists upon elements of both Trait and Style, dependent upon the variability of the leadership situation. (See Yukl (1981) for a comprehensive review).

Bowers & Seashore (1966), Stogdill (1973), Gordon (1976), Katz & Kahn (1978) suggest success traits connected with top management levels, for example, strong responsibility, risk-taking, originality, drive, self-confidence. Further, Bray, Campbell and Grant (1974) consider the influence of the first boss to be reflected within those success traits. Leaders will demonstrate high achievement needs (McClelland, 1965, 1975; Wainer & Rubin, 1969; Donley & Winter, 1970; Hundal, 1971; Miner, 1975). Leaders will exhibit distinct managerial styles (Ohio studies (1950's), Michigan studies (1950's), Lickert (1961, 1967), Bowers & Seashore (1966). Building upon the leadership concept of style, the situational theorists contend that different styles will be identified relative to different conditions (Fiedler, 1965,

House, 1971; Crowe, Bucher & Clark, 1972; Vroom & Yetton, 1973; Hersey & Blanchard, 1977; Yukl, 1981). Youthfulness has been related to risk propensity (Child, 1974) and to the ability to consider commercial solutions from a wider set of options (Hart & Mellons, 1970). From these sources, variables were operationalised to measure ambition, need for achievement, challenge, career replication and managerial style, in addition to personal habits, political and religious affiliation, and age.

Domestic Influences: Variables tested in this constituency emanate largely from research in Organisational Behaviour and concentrate upon parental and childhood experiences and upon the extent of educational attainment. The conditioning of managerial attitudes from childhood family experience is suggested by Collins & Moore (1970), Handy (1976), and by Hunt (1979). The socio-economic background of senior executives is related to the level of managerial attainment by Burck (1976), and by Sturdivant & Adler (1976). Stanworth & Curran (1976) extend this by suggesting a lack of upward social mobility. On both sides of the Atlantic - in England, Channon (1976), and in the United States, Collins & Moore (1970), Miner (1975), Pfeffer (1981), and Margerison (1983) - type and level of education is thought to predict membership of managerial level. Variables were therefore operationalised to measure childhood influences - sibling position, locality, parental guidance and socio-economic

grouping, trauma; current marital situation; and the level and type of educational achievement.

METHOD

Population:

The most strategically influential companies within the U.K. economy are listed in the Times 500. Ranked by Sales Revenue, and Net Tangible Assets, these companies broadly correspond in industry sector distribution to the whole population of UK publicly-quoted companies. The top 500 cover twenty Standard Industrial Classification (SIC) groups and are split in relative proportions between manufacturing and service sectors in a 60/40 ratio respectively. This dichotomy corresponds broadly to the US Fortune 500. Access to the names of current CEOs was not available from the Times list, necessitating the utilisation of the UK Stock Exchange Yearbook. This provided a point of contact for 450 of the top 500 companies and formed the population of this study.

Pilot survey:

The framework for this research was tested at the pilot stage with 20 British executive directors to establish the propriety of the three major variable sets, and the prospect of access. Two constraints emerged immediately. Firstly, whereas directors were willing to participate by questionnaire, direct clinical

observation in the Boardroom was stated unlikely to be agreed. The implications of this advice meant that for results obtained for certain variables, e.g. managerial style, interpretation should be cautious given the reliance on self-perception. Secondly, directors insisted on complete anonymity as to both person and corporation, although they were prepared to release their company's Standard Industrial Classification (SIC). This not only precluded financial analysis of company performance, but also made it impossible to compare CEOs with their own TMT on an intra-industry basis. Given this pre-requisite of absolute corporate confidentiality, the study necessarily became one of aggregation which inherently reduced the power of subsequent statistical analysis. Nevertheless, it was considered that the prospect of a larger, albeit anonymous, sample was justified given the limits of knowledge within the newer field of Strategic Management, a view endorsed by Bowman (1986), Daft (1986), and Hambrick (1986) in their recent recommendations as to future directions for Strategy research.

Sample:

A personal letter was written to all 450 CEOs requesting their participation and that of the three fellow executive directors who they considered to comprise the caucus of the TMT. In the U.K. the TMT is that of the executive director set, the equivalent within the U.S. being the Executive Committee comprising the CEO and the Senior Vice-Presidents. All CEOs were promised a copy of the research findings irrespective of their

decision to participate, reducing vested interest in responding. 417 questionnaires were received, a response rate of 24%. Although the questionnaires were returned on an individual basis, it would appear that companies chose to participate either as a whole or not at all, since 108 CEOs responded together with 310 executive directors. As no U.K. company within the chosen population employed joint CEOs, the average TMT response therefore approximated the requested three per company. These responding companies covered 18 of the 20 SICs from the main population thus indicating, in terms of the U.K. industrial spread, that no prima facie evidence of atypicality should be suspected. The response rate itself compares favourable with other studies at the highest managerial echelon, for example, the Margerison & Kakabadse (1984) study of U.S. CEOs which elicited a response rate of 14%, despite the backing of the prestigious American Management Association.

Measures and Statistics:

Data from the two groups of Corporate, and Domestic influences were essential factual. Where responses were judgemental, particularly within the third group of Self-Concept, scales were drawn from the literature referenced earlier in this paper.

For metric data, two-tailed t-tests were conducted, and for non-metric data, the chi-squared test of homogeneity. Discriminant analysis was subsequently conducted to test for multivariate

differences between the two groups. Statistical results are presented in Tables 2-4; 6-8.

RESULTS AND DISCUSSION

Corporate Factors. *H1: CEOs will demonstrate significantly different corporate experiences than TMTs.*

Table 2 illustrates the points of similarity and difference between CEOs and TMTs concerning corporate factors, from which substantial support is given to H1. Of the fourteen variables considered, nine showed a significant difference at the 0.05 level, and one at the 0.10 level.

Insert Table 2 about here

Firstly, CEOs show a longer tenure (mean; 20.6 years: S.D, 11.3) with the current company than the TMT (mean; 16.5 years: S.D, 11.3) and tend to have worked for fewer corporations. (CEO mean, 2.5: S.D, 1.8; TMT mean, 3.2: S.D, 2.4) Whereas initial observation from this result leads to a tentative conclusion that the CEO may well be "blinkered," evidence of the CEOs functional experience indicates the opposite. CEOs differ from their TMT in their early multi-functional "grooming" - the variety of

managerial functions experienced - and in their rapid promotion to a general management position. Further, most CEOs have had an overseas posting, an experience which they consider to be extremely valuable in their managerial development. Rather than be "blinkerred", the evidence indicates that the CEO has received a multi-functional, international and profit-responsible "grooming" - an exposure to a greater number of varied corporate situations.

Secondly, relative to the TMT, many CEOs had run their own business prior to joining the present corporation. Some observers (Handy, 1976) have concluded that early holistic exposure to corporate decision-making enables executives to adapt far better to turbulence in the business environment. They should be exposed to strategic trade-offs, the decisions for which they become personally accountable - indeed, the current trend to decentralised operations endorses top management's belief in the importance of this observation (Leontiades, 1982). This is not to argue that running your own business is a prerequisite for being the CEO of a larger enterprise, but it may well be reinforcing to that executives self-reliance, and may establish experiential underpinning for future holistic decisions.

Thirdly, although vacation-time showed similarity, CEOs worked longer hours a week (CEO mean, 52.8: S.D, 7.7: TMT mean, 49.3: S.D, 10.8) and spent a greater number of nights away from home on

company business. Since "the buck stops here" at the CEO's desk, this result seems unsurprising.

Three "hygiene"-type variables failed to demonstrate a significant difference - relocations, holidays taken, and working week increase. The fourth, the fastest functional route to the top currently within their corporations, was thought might delineate on the basis that CEOs would replicate their own historical experience but failed to be supported.

Self-Concept. H2: CEOs will demonstrate significantly different perceptions as to their self-concept than TMTs.

The development of variables within this section emanated predominately from Leadership Studies. Broadly speaking, stronger support emerged for the Style and Contingency theorists rather than for those scholars of the Trait school. Seven of the twenty-two variables dichotomised, the results of which are seen in Table 3.

Insert Table 3 about here

Differences emerged between CEOs and TMTs with regard to their perception as to career replication and alternative career paths, and on managerial style. CEOs could be summarised as being self-

satisfied with their occupational experience: the TMT, less so. CEOs would continue in the same job even if financially independent, and, given the choice, would follow the same career again. However, the TMT would pursue a different career, particularly if financial independence was achieved. Many TMT members had considered self-employment as an exit path from the Boardroom which, given their perception of occupational dissatisfaction, does raise an interesting question for further research as to why they had not already done so. A possible hypothesis could relate the varied emphasis on self-reliance as a result of different corporate experiences between the CEO and the TMT, as discussed in the first section of this analysis.

Self-perception as to managerial style also showed significant delineation: TMTs regarded their style as mainly participative both at the TMT level and within their own executive operation, whereas the CEOs perceived their style to be mainly interventionist. On a 9 point scale (1 = completely dictatorial : 9 = completely democratic) the median TMT score was 6; for the CEOs, 4. This result seems consistent with the CEOs different early career experience with its emphasis on holistic decision-making, and with earlier interpretation of their time-management. Nevertheless, since this data was self-perceived, interpretation should be cautious.

With regard to promotion within the corporation, further differences emerged. The TMT considered patronage to be endemic,

whereas the CEOs rejected this observation and considered it far better that rising executives should stick with one company and work their way up the managerial ladder by their own efforts - seemingly, a recommendation based upon their own self-perception!

Consistent with the greater tenure discussed within the preceding section, CEOs were older (mean, 51.7 years) than TMTs (mean; 48.4 years).

Of the variables within this section of Self-Concept which failed to demonstrate a significant difference, three are particularly interesting to this author. On the evidence of this sample, neither CEOs - the pinnacle position - nor TMTs show further ambition to advance. In a negative sense, therefore, the lack of a further need to achieve on behalf of the TMT would support those Leadership scholars allied to the Trait school who advance this characteristic as a distinguishing variable. TMTs could thus be interpreted to be "followers", not "leaders".

The second non-distinguishing variable of interest concerned the respondents' identification of the most desirable traits for executive success. Highly rated characteristics were intelligence and creativity: less rated were concern for people, and personal integrity. Although fraught with cross-cultural obstacles of interpretation, it should be noted that this ranking of executive criteria for promotion is virtually inverse to that

valued by U.S. senior vice-presidents (Sussman, 1979).

The third variable of interest showing non-significance was that of perceived company status. At the upper-echelon of management, no disagreement on this particular dimension existed, a condition which American scholars (Bourgeois, 1980, Dess, 1982) have related to intra-industry superior financial performance.

Despite the caveat of self-reported data, the populist caricature of the CEO as an atypically irreligious, highly stressed, "hard-living" (alcohol and tobacco consumption), little sleeping personality found no support from executives within this sample.

Domestic Influences H3: *CEOs will have experienced significantly different domestic and educational influences than TMTs.*

The category of domestic and educational influencing factors showed a distinction in eight of the twenty-three variables tested. Strong support was given to those scholars hypothesising the significance of education at the upper-echelons of management, but minimal support emerged for the importance of parental influence or sibling position. These results are seen in Table 4.

Insert Table 4 about here

The popular "wisdom" that an undergraduate experience at Oxford or Cambridge - purportedly, the U.K.'s most prestigious Universities - would delineate the corporate elite was given mixed support. Whereas Cambridge failed to differentiate between the two sets, both Oxford and London skewed strongly towards the CEO. Conversely, the older provincial universities - Manchester, Glasgow, and Birmingham - showed prominence for the TMT.

The last decade has seen much debate as to the relevance of an arts degree - in the U.S. liberal arts has become almost a perjorative: in the U.K. funding for university arts degree departments has been reduced in favour of scientific, particularly technological, degrees. Whereas it is not appropriate for this paper to enter the debate, results from this sample do show a bipolar distribution: CEOs tended to have an arts degree, TMTs a science degree. This data would appear consistent with the different functional paths of the two sets - the TMT having an intensive degree and become a functional specialist: the CEOs, the reverse. The attainment of a higher degree, however, failed to delineate.

The location of childhood upbringing was noteworthy. In those U.K. regions where significant differences were observed, the TMTs tended to come from the poorer economic areas - Scotland, Wales, and Northern England, giving partial support to Stanworth

& Curran's (1976) concept of social marginality. However, the most striking result emanated from the CEO set. Although the cosmopolitan area of London showed the largest number, (35%) the second largest locational proportion (17%) of CEOs experienced an upbringing outside of the U.K. boundaries, usually in a (then) colonial country. This result could well suggest that the childhood location of the CEO was more likely to be one of a wider experiential situation which would enable the embryonic CEO to receive an early training for the multi-dimensional decisions for which he is now responsible.

Whereas a characteristic of the entire sample was a much lower divorce rate (9%) than the U.K. norm for that age group, (30%), for those senior executives who were divorced, the CEO set exhibited the greatest proportion (58%). It would however, be unwise to make a strong conclusion from this evidence, but it may be related to the workload factors described earlier in this paper - an atypically long working week in conjunction with frequent nights away from home. Additionally, CEOs produced more children although this was unrelated to any particular religious denomination. (CEOs - mean, 2.71: TMTs - mean, 2.34.)

Of those variables failing to demonstrate a significant difference between the two sets, no support was given either to the importance of sibling position (Hunt, 1979), or parental marital status, parental occupational patterns, and parental influence (see Handy, 1976). In addition, experience at team

sports as opposed to individual sports failed to delineate, as did the importance of winning at sport.

Discriminant Analysis:

Univariate analysis, although indicative of the direction of causation, fails to highlight multivariate differences between the two groups (Klecka, 1980). Consequently discriminant analysis was conducted to analyse whether differences between CEOs and TMTs would emerge with respect to several variables simultaneously. The canonical discriminant functions calculated were found to be significant at a 1% level for each of the three categories (Corporate; Canonical correlation = 0.424, Wilks Lambda = 0.82, Chi-squared = 80.3, df = 21: Self-Concept; Canonical correlation = 0.373, Wilks Lambda = 0.86, Chi-squared = 60.79, df = 22: Domestic; Canonical correlation = 0.334, Wilks Lambda = 0.89, Chi-squared = 47.9, df = 25). The functions were therefore tested for classification accuracy, all three being found significant at 1% (see Table 5). Interpretation of the data was conducted by examination of the discriminant loadings. (See Tables 6-8). Whilst discriminant loadings may be subject to instability, they are considered relatively more valid than weights as a means of interpreting the discriminating power of the variables. (Hair, Anderson, Tatham, and Grablovsky, 1979).

Insert Table 5 about here

In all three cases, six of the seven factors which showed the highest discriminant loadings were also those which demonstrated significant difference at the univariate level thus lending strong support to the earlier discussion of distinguishing factors.

Insert Tables 6-8 about here

CONCLUSION

This research proposed the theory that the CEO would exhibit different characteristics from the TMT. Since the role of the CEO was, by definition, at the apex of the organisational hierarchy, the theory posited observable differences in three broad areas - company influence, self-concept, and domestic and educational experience. To plagiarise the current slogan of Merrill Lynch Inc., results from this sample demonstrate quite clearly that British CEOs are "a breed apart" since, of the 59 variables tested, 42% showed a significant differentiation. Across all variables, therefore, the theory should be supported. However, when the variables were grouped into the three major areas of investigation, support was less than uniform.

The category of Domestic and Educational influence received the least support. Whereas educational experiences delineated, thus supporting the theories of Collins & Moore (1970), Miner (1975),

Channon (1976), Pfeffer (1981), and Margerison (1983), no support was given to those behavioral academics who consider that managerial attitudes were conditioned by childhood family experience (Collins & Moore, 1970; Handy, 1976; Hunt, 1979).

The Self-Concept category received mixed support. Those theorists who advanced the importance of leadership Trait found less support from this sample, for example, drive, self-confidence, risk-taking (Bowers & Seashore, 1966; Stogdill, 1973; Gordon, 1976; Katz & Kahn 1978). Conversely, the leadership Style and Situational scholars (e.g., Lickert, 1961, 1967; Vroom & Yetton, 1973; Yukl, 1981), the theoretical development from whom was based mainly upon observation of leadership characteristics at lower levels within corporations, were supported at the highest echelon - that of the CEO.

It was however, the category of Corporate Influence which delineated the strongest. Of the fourteen variables measured, ten demonstrated a significant difference. With the exception of the workload sub-group (Korn/Ferry, 1979; Sussman, 1979; Heidrick & Struggles, 1981, 1982), the theory of CEO differentiation with regard to width of functional experience [e.g., Pfeffer & Salancik, 1978; Norburn & Miller, 1981; Leontiades, 1982) and to the breadth of company experience (e.g., Hayes & Abernathy, 1980; Kotter, 1982) received solid endorsement.

The results appear to raise a number of implications with regard to management recruitment, management development, and top management succession. From the evidence of this data, recruitment at the entry-point of the management trainee could be more focused upon specific undergraduate disciplines at particular universities. These differences, together with those of junior management career paths, could be monitored and identified at the middle-management hierarchical level - the embryonic CEO set. Following this, by interventionist management development, it may be possible to replicate these experiential characteristics to widen the set from which the future CEO is chosen, for example, by accelerating multi-functional exposure.

Insert Figure 2 about here

To this researcher, the major unifying and underlying characteristic which distinguishes the CEO set is one of exposure to multiple experiences, a pictorial summation of which is seen in Figure 2. In early childhood, the challenge of evolving within an urban cosmopolitan or colonial infrastructure: in education, cerebral development of a more general nature by an arts first-degree: at the timeframe of occupational entry, rapid exposure to multi-functional trade-offs - a forerunner for those strategically significant decisions at the highest managerial level - followed by an international commercial exposure: in the

middle-management years, responsibility and accountability at the profit-centre level.

The combination of these experiences infer that, however inadvertently, the CEO has been exposed during his formative exposure to different experiences within both the domestic and the corporate environment, to take decisions, and to become more self-reliant. This observation is reinforced by the dichotomy on managerial style, the CEO being predominantly interventionist in contrast to the more participative perception of the TMT.

However, as with many research results of a social scientific nature, the data for this analysis may not be as robust as that which emanates from direct observation. It would therefore be appropriate to exhibit caution in their generalisability given their self-reporting source, and to replicate the study perhaps in a more intensive manner. Further avenues of research from this base should consider the characteristics of the CEOs relative to the financial performance of that company for which they were strategically responsible, an experiment which would extend the results of Hambrick and d'Aveni (1985), Norburn (1986), and those succession theorists referenced earlier in this paper, but over a larger set of variables.

Yet a nagging concern which remains from this analysis is that even if embryonic CEOs may be identified prior to the corporate experience, and "groomed" in a similar manner to the present

incumbent, how apposite is this grooming relative to anticipated trading conditions of the 1990's and beyond? The results certainly indicate that current British CEOs would replicate their own experience. Given their position at the very pinnacle of the organisational hierarchy, some may consider that the CEOs are establishing a managerial generation of corporate "clones", trained to solve yesteryear's trading problems. To this researcher, however, the very nature of that grooming with its emphasis upon self-reliance in the face of multiple trading conditions should mitigate against the fear of replicating historical solutions.

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FIGURE 1

THREE THEMES OF POTENTIAL DIFFERENCE

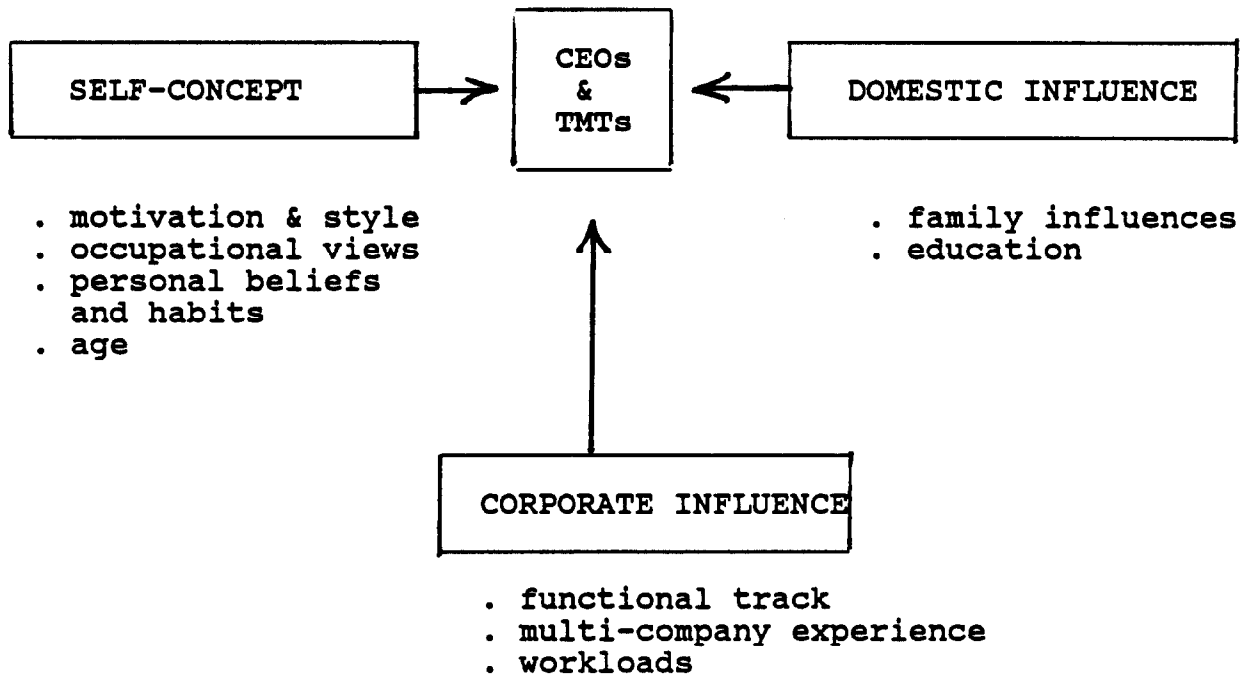


FIGURE 2

THE CHRONOLOGICAL DEVELOPMENT OF THE CEO
SUMMARY OF SIGNIFICANT DIFFERENCES FROM TMTs

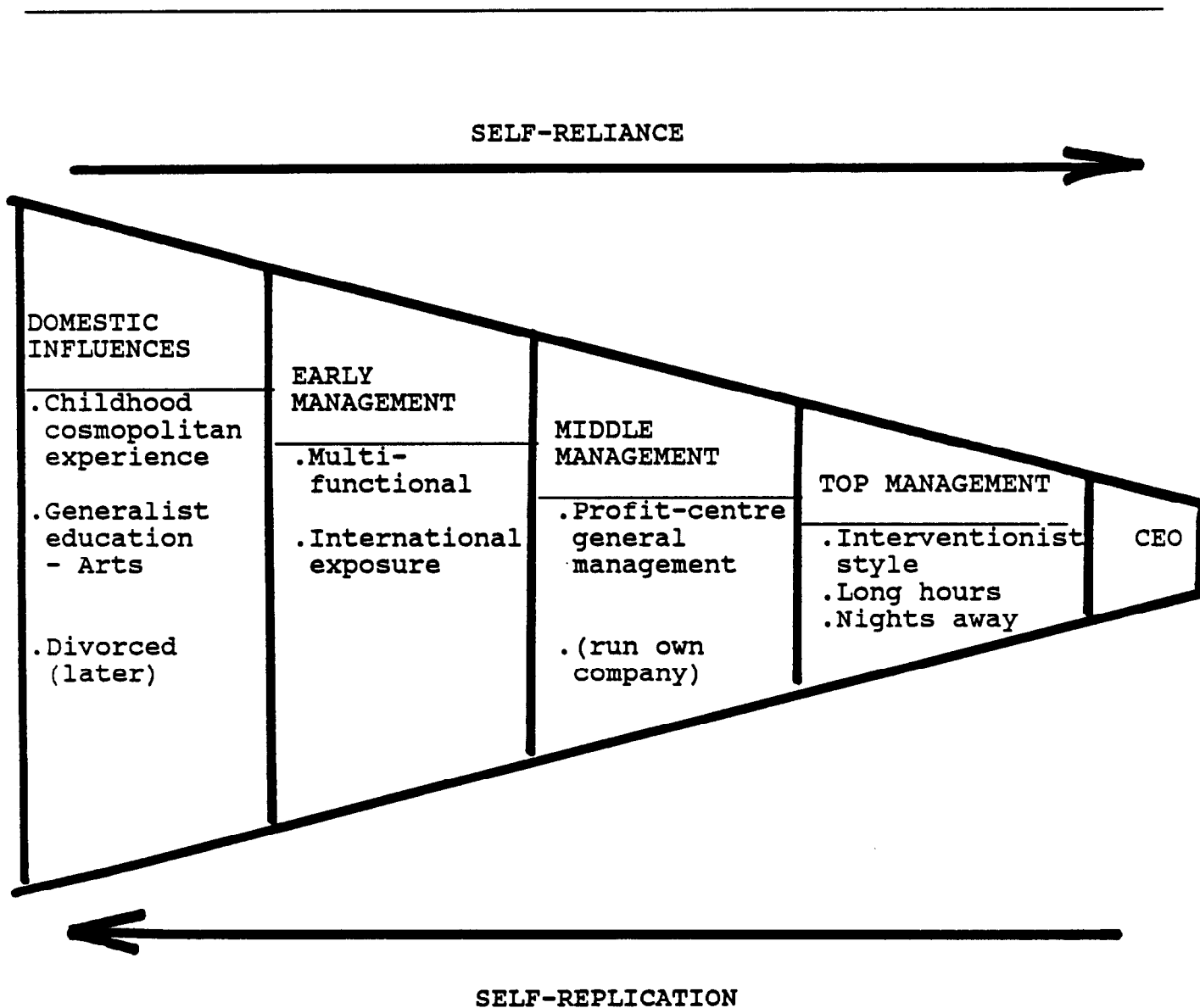


TABLE 1

VARIABLES OPERATIONALISED TO ESTABLISH POTENTIAL
DIFFERENCES BETWEEN CEOS AND TMTS

Corporate Influences:

Tenure with current company.
Number of companies worked for.
Reasons for changing companies.
Functional experiences - starting, predominant, current.
Fastest functional route to the top.
Run own business. International exposure.
Workloads. Nights away from home. Holidays.
Relocations.

Self-Concept:

Aspirations levels. Continue if financially independent.
Retirement age wish. Career replication. Stay in one
company.
Mentor effect. Corporate status.
Executive success traits. Self-perception of managerial
style.
Family time. Religious importance. Political
affiliation.
Drink, Smoke, Stress, Exercise, Sleep.
Age.

Domestic Influence:

Education: primary, secondary, tertiary.
University. Type of degree. Sport at University -
team/individual.
Importance of winning at sport.
Childhood: region, locality.
Parental influence. Parental marriage pattern. Parental
occupation.
Siblings. Birth position.
Marital status. Number of children. Outside interests.

TABLE 2

RESULTS OF CORPORATE INFLUENCE
DIFFERENCES BETWEEN CEOs AND TMTs

Variables : Non-Metric	Chi-squared	Degrees of Freedom	N	S.L.(1)
Why change companies	16.15	8	306	**
Career starting function	15.15	8	410	*
Predominant career function	37.20	8	417	***
Overseas posting	8.08	2	414	**
Value of overseas posting	17.87	2	249	***
Run own business	6.18	2	415	**
Fastest route to top	13.00	8	400	-
Working week increase	3.56	3	415	-
Holidays	8.44	7	417	-

Variables : Metric	CEOs		TMTs		N	S.L.(1)
	Mean	S.D.	Mean	S.D.		
Tenure	20.62	11.27	16.52	11.38	418	***
No. of Companies worked for	2.53	1.76	3.18	2.43	418	**
Hourly working week	52.81	7.70	49.33	10.80	418	***
Nights away	51.71	25.21	39.52	28.80	418	***
Relocations	2.91	3.70	2.47	2.91	418	-

(1) *** p = <0.01
 ** p = <0.05
 * p = <0.10
 - not significant

TABLE 3
RESULTS OF SELF-CONCEPT
DIFFERENCES BETWEEN CEOs AND TMTs

Variables : Non-metric	Chi-squared	Degrees of Freedom	N	S.L.(1)
Continue if financially independent	10.39	2	409	***
Same career again	12.37	3	414	***
Considered running own business	11.81	2	355	***
Best to stay in one company	12.10	2	409	***
Patronage during career	7.97	2	413	**
Managerial style	21.00	10	410	**
Aspiration levels	2.16	2	413	-
Retirement age wish	3.60	5	412	-
Executive success traits	9.98	13	415	-
1st boss influence	2.10	2	417	-
Direction of 1st boss influence	3.09	2	223	-
Perceived corporate status	56.71	63	412	-
Family time	1.99	2	411	-
Importance of religion	1.48	3	271	-
Religious denomination	5.12	6	416	-
Political affiliation	6.99	7	412	-
Drink	7.65	4	410	-
Smoke	0.36	5	414	-
Stress	5.93	5	407	-
Exercise	5.30	5	415	-
Sleep	7.75	6	401	-

Variables : Metric	CEOs		TMTs			
	Mean	S.D.	Mean	S.D.		
Age	52.37	6.86	48.36	9.94	418	***

(1) *** p < 0.01
 ** p < 0.05
 - not significant

TABLE 4

RESULTS OF DOMESTIC AND EDUCATIONAL
DIFFERENCES BETWEEN CEOs AND TMTs

Variables : Non-Metric	Chi-squared	Degrees of Freedom	N	S.L.(1)
Undergraduate degree	14.05	2	337	***
University	17.79	6	379	***
Childhood location	34.75	9	334	***
Secondary education	10.77	6	411	*
No. of children	16.64	5	401	***
Divorced	5.99	2	409	**
Spouse occupation level	6.84	3	82	*
Sport at University	2.68	2	361	-
Team vs. individual sports	3.93	2	269	-
Importance at winning at sport	2.48	2	282	-
Higher degree	3.99	3	389	-
Childhood locality	4.82	3	416	-
Parental marriage patterns	1.26	4	416	-
Single parents	6.36	5	45	-
Father's occupation	3.40	5	398	-
No. of Siblings	5.50	7	399	-
Birth positions	3.40	4	402	-
Current marital status	1.50	4	407	-
Spouse employment	6.19	3	389	-
Outside interests	0.41	2	417	-

Variables : Metric	CEOs		TMTs		N	S.L.
	Mean	S.D.	Mean	S.D.		
No. of children	2.71	1.36	2.34	1.54	418	**
No. of brothers	0.91	1.11	0.79	1.08	418	-
No. of sisters	0.94	1.60	0.77	1.06	418	-

(1) *** p < 0.01
 ** p < 0.05
 * p < 0.10
 - not significant

TABLE 5

CROSS-VALIDATED DISCRIMINANT FUNCTIONS CORRECTLY CLASSIFIED.

Percentage Correctly Classified

	<u>CEO</u>	<u>TMT</u>	<u>TOTAL</u>
Corporate	77.8	71.9	73.4
Self-Concept	64.8	68.7	67.7
Domestic	63.9	65.5	65.1

TABLE 6

DISCRIMINANT LOADINGS: CORPORATE VARIABLES

Variable	Discriminate Loading
Predominant career area	0.521
Current career area	0.491
No. of nights away	0.487
No. of hours worked weekly	0.377
Tenure	0.346
Overseas experience	-0.261
Run own business	-0.259
No. of Companies worked for	-0.240
Value of overseas experience	0.236
Most important factor to change jobs	-0.222
Use of foreign language	-0.189
Working week increase	0.176
Career start function	0.115
Relocations	0.098
Fastest route to the top	0.088
Fastest route in ten years	-0.083
Weeks holiday	0.076
Considered running own business	-0.062
Travel time increase	-0.004

TABLE 7

DISCRIMINANT LOADINGS:SELF-CONCEPT VARIABLES

Variable	Discriminant Loading
Age	-0.506
Stay in one company	0.426
Managerial style	0.341
Same career again	0.321
Drinking levels	-0.279
Continue if financially independent	0.227
Direction of first boss influence	0.214
Sleep hours	0.209
Retirement age wish	-0.195
Aspiration levels	0.179
First boss influence	-0.174
Enough family time	0.166
Extensive levels	-0.116
Importance of religion	0.103
Company status	0.101
Patronage	-0.083
Best success trait	0.066
Religious affiliation	0.053
Stress levels	0.046
Smoking levels	0.007

TABLE 8

 DISCRIMINANT LOADINGS: DOMESTIC VARIABLES

Variable	Discriminate Loading
Undergraduate degree	-0.395
No. of children	0.377
Spouse occupation level	-0.332
Childhood location	0.320
University	-0.289
Team vs. individual sport	0.262
Higher degree	-0.220
Childhood locality	-0.212
No. of sisters	0.193
Mothers occupation	0.182
Winning at sport	0.180
Spouse income percentage	-0.155
Secondary education	-0.152
Level of spouse employment	0.146
No. of brothers	0.137
Influence of parents on career	0.117
Hobby time increase	0.090
Which parent did you live with	0.086
Sports at University	0.078
Divorced	-0.052
Single parent upbringing	0.051
Hobbies expand to create career	-0.046
Marital status	-0.044
Sibling position	-0.015
Fathers occupation	-0.010
Interest outside work	-0.010