

MOTIVES AND BEHAVIORS OF AMERICAN AND EUROPEAN CEOs. A CROSS-CULTURAL COMPARISON OF LEADERSHIP STYLES

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This paper and the underlying research looks at the needs and motives of Chief Executive Officers (CEOs) in Europe and the United States. The first objective of this study is to gain insight into the personality of CEOs and to better understand the motives that drive their behaviors. The second objective is a comparison between American and European leadership styles at the top management level. In order to measure the motives of CEOs, David G. Winter's "motive imagery", a method of measuring personality, will be applied. The findings will provide information about the dominant motives of American and European CEOs and contribute to a better understanding of the behavioral aspects of corporate leadership.

Keywords: Leadership, Leader Motives, Motive Imagery, Personality

Introduction

Leadership is about an individual's ability to influence people toward the achievement of goals. In numerous attempts to explain this influencing process, lots of theoretical approaches have been developed to explain the force, fascination, and effect of leadership on people. In her definition of leadership, Nancy Adler (1997: 154) points out that

"Leadership involves the ability to inspire and influence the thinking, attitudes, and behavior of people. Besides the ability to motivate employees, leaders also need to display behaviors and be endowed with characteristics that inspire employees to work towards a vision or organizational goals."

This definition follows the new leadership research paradigm of focusing on *personality* rather than specific leader behaviors or situations which were the focus of earlier research approaches to leadership. This tradition will also be followed in this paper by applying methods of measuring personality of American and European Chief Executive Officers (CEOs).

Since the data used in this study derive from the corporate sector, we endeavor to capture mainstream leadership in that part of both American and European societies. This conceptual focus on organizational leadership is in no way intended to diminish the vast richness of other areas and applications of leadership (e.g., political, athletic or spiritual leadership). Throughout this paper, the term American is used interchangeably with the term US, USA and United States. We were selective by mainly concentrating on German-speaking Europe (i.e., Austria, German, German-speaking part of Switzerland). This limitation of the term European to "Germanic Europe" throughout this paper is used to facilitate the flow of writing and reading and not to ignore the vast cultural richness of all other European cultures.

Pioneering work on measuring personality has been done by David McClelland, who identified three human motives including

- Achievement,
- Power, and
- Affiliation-Intimacy.

According to David Winter, these three motive categories have proven to be not only important human motives, but "to involve many of the most common and significant goals and concerns" (Winter 1991a: 62). It is the goal of our study to get a better understanding of the motives that influence and drive the behavior of CEOs in both cultures. Besides making inferences about leader behavior in both cultures, the data also enables a comparison of both American and European top leadership styles.

Method

Motive Imagery as a Method of Content Analysis

Motive Imagery was developed by David G. Winter as a method for measuring personality indirectly and at a distance. Being a method of content analysis, Motive Imagery focuses on the occurrence of selected terms and concepts within a text. Researchers quantify and analyze the presence, meanings and relationships of such words or concepts, then make inferences about the messages in the texts, the writers, the audience, and even the culture and time of which these are a part.

In general, content analysis provides insights into complex models of human motivation and language use in an unobtrusive way. Furthermore, since content analysis looks directly at communication (e.g., transcripts), it provides information on the central aspects of social interaction. Content analysis is similar to two other methods of text analysis, ethnographic and grounded theory. What all these approaches have in common is the use of categories that function as an analytical framework. What sets them apart is the fact that content analysis (including Motive Imagery) requires the categories to be determined *in advance*, whereas ethnographic and grounded theories are inductive approaches that develop categories on the basis of the texts. For the purpose of this study, Motive Imagery, as a method of content analysis, was applied to measure the personalities of American and European top managers

Issues in Personality Testing

Based on its ability to make inferences about the behavior of individuals and sound psychometric credentials, Motive Imagery is the method of choice in this study. It will be applied to verbatim transcripts of interviews with both American and European CEOs. According to David Winter, personality testing is in many cases quite problematic due to the inaccessibility of the subject to be tested. This is particularly true for leaders in any discipline, famous individuals and deceased persons. However, even if an individual *is* accessible, test results may lack the desired validity as a result of the person's reaction to the test setting. Such reactions may include anxiety, self-presentation, defensiveness or adaptation to the test setting (Winter 1991a: 61). McClelland et al.

have pointed out that, as a consequence of adaptation to test settings, participants' *self-attributed* rather than *implicit* motives were attained (McClelland et al. 1992: 49).

In an effort to overcome these shortcomings of traditional testing, personality researchers have developed indirect, non-reactive content analysis methods to measure personality at a distance (Winter 1991a: 61). Such measuring is facilitated by analyzing the content of any written materials, interviews, TV broadcasts or everyday verbal interactions. Motive imagery is therefore a method of content analysis by identifying *motive images* in running text.

As mentioned above, personality research is often limited by the way personality variables are measured. In those instances where direct testing is impossible or undesirable, indirect testing by analyzing running text can be a valuable alternative. According to Winter, running text can refer to all kinds of verbal materials, such as interviews, speeches, dialogs, verbatim transcriptions of press conferences, diaries, dream reports, novels, poems, plays, songs, and mass media programs. The method can be applied to aspirational, imaginative content, such as goals, dreams or wishes as well as to purely factual content (Winter 1991a: 64).

Personality encompasses a range of different domains, with cognitions, beliefs, temperament or motivation prominent among them. Winter's method specifically focuses on the domain of *motivation* by analyzing the content of running text. Following Winter's (1991b) method, content is analyzed for the following important human motives:

- Need for Achievement (nAch)
- Need for Affiliation-Intimacy (nAff)
- Need for Power (nPow)

The *achievement* motive indicates a concern for a standard of excellence and achieving unique accomplishments. This motive corresponds with David McClelland's research on the need for achievement. He points out that people high on achievement motivation are concerned with "doing things better, with surpassing standards of excellence" (McClelland 1985: 190).

Affiliation was originally concerned with "establishing and maintaining warm and friendly relationships", which is most appropriately embodied by the word *friendship*, (Atkinson, Heyns and Veroff 1954: 405-410). Due to the substantial overlap of the definitions mentioned above, Winter labeled this motive category *affiliation-intimacy*. Boyatzis (1973) and McAdams (1982) further asserted that *affiliation-intimacy* predicts defensive behavior in situations of stress.

The *power* motive is concerned with the impact of one's actions on other individuals, prestige, control and influence. Individuals high on power make others behave in a way they would not have behaved otherwise. Such individuals want to influence and dominate others and expect followers to be loyal to them personally. This definition is based on research by Veroff (1957, quoted in Veroff 1992: 279) and was later elaborated by Winter (1973) and Winter & Stewart (1978), who state that power also results in excessive behavior, impulsive actions or aggression.

The validity and practical applications of these three important human social motives has been established by more than forty years of research. The issue of temporal validity of motive images was addressed by a test-retest study by Winter and Stewart. They concluded that temporal validity of motive images is warranted as long as no specific retest instructions were given (Winter and Stewart 1973: 439, quoted in Smith 1992: 133-134).

Research Design

The process of analyzing leader interviews with European and American top managers will follow the flow chart depicted in Figure 1.

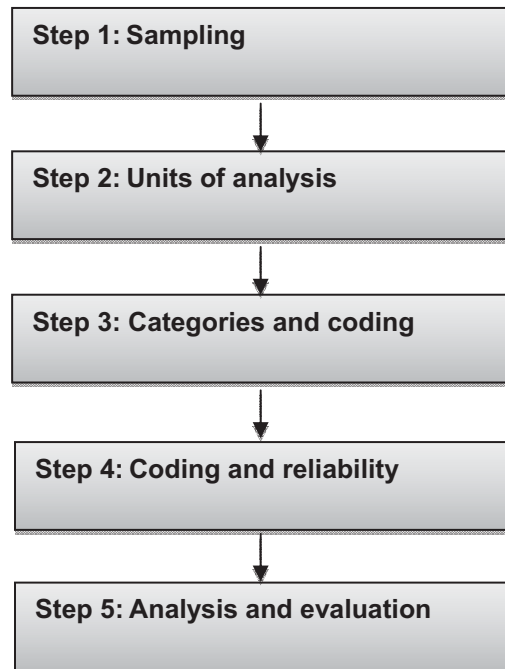


Figure 1. Research Design. Adapted from Titscher et al. (2000: 58-61).

Step 1: Sampling

The samples for analyzing top management data are transcripts of interviews with European and American top managers. Both the European and the American samples include 40 interviews with top managers. The corpora of these interviews are comprised of approximately 246,000 words for the European sample and approximately 114,000 words for the American one.

Step 2: Units of analysis

The *individual sentence* is the unit for scoring motive imagery, although sometimes the context of adjacent sentences must be looked at in order to understand the meaning of a sentence and thus make a scoring decision.

Step 3: Categories of Coding

The following three variables (also referred to as *concepts* or *categories*) will be applied in the analysis of the interviews with European and American top managers:

- Achievement
- Affiliation-Intimacy

- Power

Step 4: Coding and reliability

Motive images will be coded according to David Winter's *Manual for Scoring Motive Images in Running Text* (Winter 1991b). The interview transcripts were coded by the first author, who has previously demonstrated category agreement of .85 or above with calibration materials pre-scored by experts

Step 5: Analysis and evaluation

Results will be presented in the form of frequencies (number of occurrences of motive images) and percentages. In order to correct for varying lengths of the interviews, all scores and percentages will be presented in terms of motive images per 1,000 words.

Results

Interview Results USA

In order to analyze the motives of US top managers, verbatim transcripts of interviews with 40 top managers were scored according to David Winter's concept of Motive Imagery. The corpus of this study consists of interviews which were taken from *The Wall Street Transcript*, a weekly publication that publishes quasi-verbatim interviews with chief executive officers. It should be mentioned at this point that these forty interviews with American executives are not intended to reflect American leadership *discourse* in all its possible manifestations. Rather, these interviews are intended to elicit leaders' *dominant motives* in an organizational context. As a result of the questions asked (e.g., questions about leaders' management philosophies), interview responses are self-presentations in a formalized, controlled interview setting in which the interviewees are aware of the fact that their responses will be made public. While giving full respect to these limitations, the validity of the results does not seem to be compromised. Winter's method can be applied to all kinds of verbal materials, including imaginative content (e.g., dreams, goals or wishes) as well as purely factual content. Despite the fact that the interviews are self-presentations, the data are suitable for making inferences about leaders' motives, concerns and management philosophies in an organizational context.

In order to gather motive information on US top managers, 40 verbatim interview transcripts were scored for motive imagery. Once the texts had been coded, the resulting scores were expressed in terms of motive images per 1,000 words in order to correct for varying text lengths. Interview data yielded the following statistics (Table 1):

Table 11. Statistics of US top management interviews.

	Power		Affiliation-Intimacy		Achievement	
	Frequency	%	Frequency	%	Frequency	%
Mean μ	3.398	48.76%	.19	2.55%	3.34	48.69%
Std Dev σ	1.095		.34		.92	
Length	$\mu = 2,843.75, \sigma = 843.65$					
No. of Images	$\mu = 6.92, \sigma = 2.36$					

Out of forty randomly selected interviews, 39 interviewees were male, one female. On average, interviews were approximately 2,844 words in length ($\mu = 2,843.75$) with a standard deviation of $\sigma = 843.6$ words. Corrected for length, interviews generated 6.92 motive images per 1,000 words with a standard deviation of $\sigma = 2.36$.

In terms of motive imagery categories, interview data showed almost identical (high) scores for both power and achievement and low scores for affiliation-intimacy. On a motive images-per-1,000-word-basis power imagery accounted for 3.4 images (48.76%), achievement for 3.3 images (48.69%) and affiliation-intimacy for .19 or 2.55% as depicted in Figure 2:

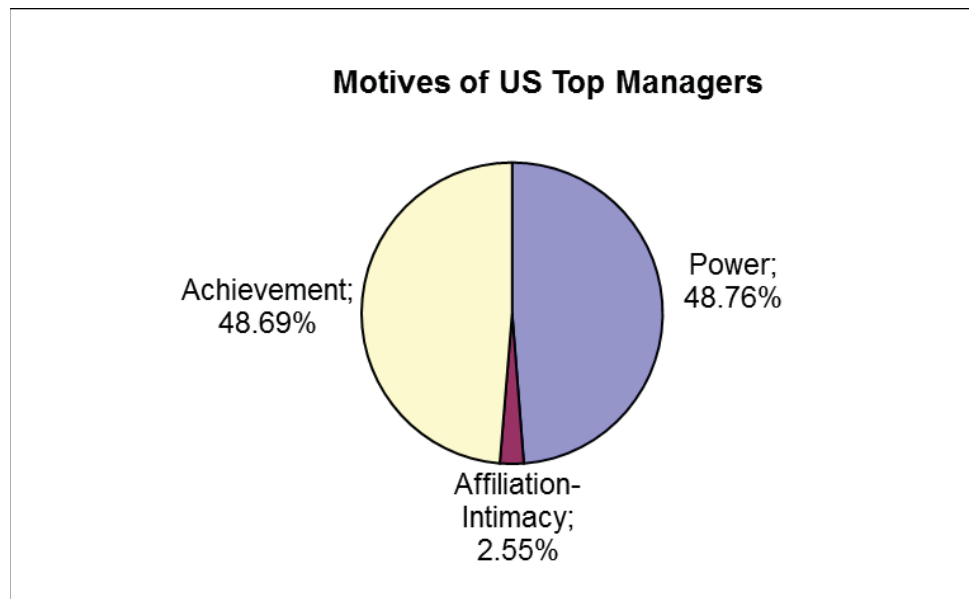


Figure 2. Motives of US Top Managers.

It should be mentioned that affiliation-intimacy was scored in only thirteen out of forty interviews, which not only reflects low motivation in this category but also explains the low mean (.19) and rather high standard deviation (.34) for this category. In the following section these results and their impact on leader communication will be elaborated on.

1 All scores and percentages are expressed in terms of motive images per 1,000 words

Interview Results Europe (Germanic Cluster)

For the European sample, forty business leaders were chosen at random. Interviews were semi-structured, recorded on audio tape, transcribed and scored for motive imagery. Executives were asked to answer several questions and to elaborate rather extensively on their answers. The questions were intended to elicit the executives' dominant concerns, beliefs, values, opinions, and their philosophy of management. The interview sample consisted of 38 male and two female interviewees.

Analogous to the American interview analysis, the transcripts of the forty interviews were scored for motive imagery. In order to facilitate a comparison between the interviews (and interview samples) and to correct for varying lengths, the motive scores were expressed in terms of motive images per 1,000 words. Interview data of the European sample yielded the following results (see Table 2):

Table 22. Statistics of European top management interviews.

	Power		Affiliation-Intimacy		Achievement	
	Frequency	%	Frequency	%	Frequency	%
Mean μ	5.37	49.03%	3.55	5.24%	4.86	45.73%
Std Dev σ	2.31		5.18		1.77	
Length	$\mu = 6,151, \sigma = 2,216$					
No. of Images	$\mu = 10.75, \sigma = 3.17$					

On average, interviews were 6,151 words in length ($\mu = 6,151$) with a standard deviation of $\sigma = 2,216$ words. Expressed in terms of motive images per 1,000 words the interviews yielded a mean of $\mu = 10.75$ with a standard deviation of $\sigma = 3.17$.

In terms of motive imagery categories, the European sample, similar to the American counterpart, showed high scores for power and achievement motivation and low scores for affiliation-intimacy (see Figure 3):

2 All scores and percentages are expressed in terms of motive images per 1,000 words.

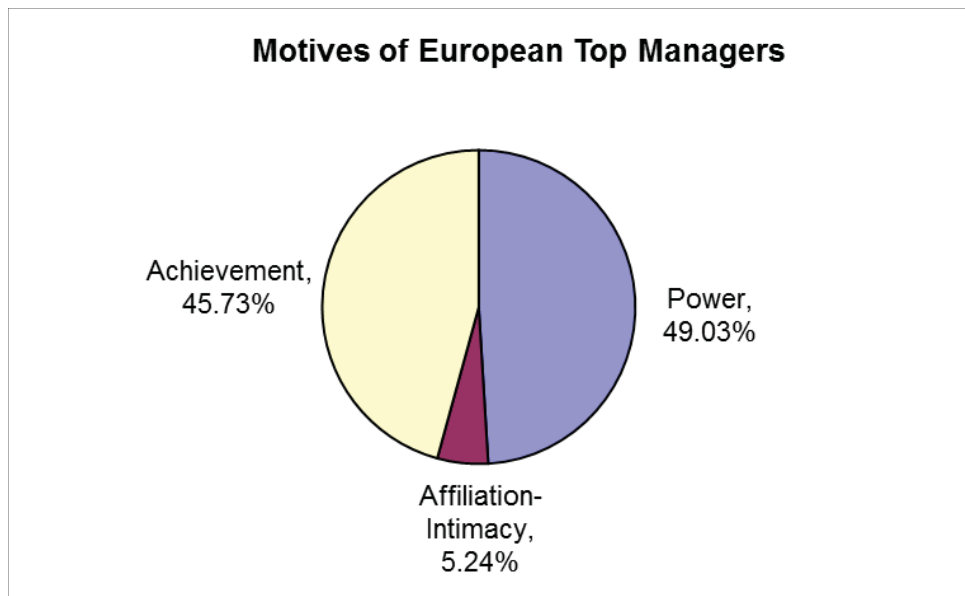


Figure 3. Motives of European Top Managers.

On a motive images per 1,000 words basis, power imagery accounted for 5.37 images (49.03%) on average with a standard deviation of $\sigma = 2.31$. Achievement motivation yielded a mean of $\mu = 4.86$ images (45.73%) with a standard deviation of $\sigma = 1.77$. Finally, affiliation-intimacy accounted on average for .52 images with a standard deviation of $\sigma = 5.18$. This rather high standard deviation can be explained by the scant occurrences of this motive category; out of forty interviews eleven showed no motive images of affiliation-intimacy at all.

Comparison

At a first glance, the above comparison of means suggests similar results for both American and European CEOs. However, in order to find out whether, statistically, the results are similar or significantly different, the standard error of the differences between both countries was calculated. In other words, not only the means, but also the variances between the American and the European scores on all three motive categories were analyzed. This method was chosen since the standard deviations on all three motive categories were rather high (despite similar means). At a .05 level and $n-2$ degrees of freedom, all three motive categories proved to be significantly different. Despite the significantly different distributions between both cultures, the means indicate that both European and American leaders are predominantly power and achievement-motivated. Although both cultures have rather low affiliation-intimacy scores, European leaders are more than twice as affiliation-intimacy motivated than their American counterparts.

Integration of Findings & Conclusions

Generalizability of Findings

When comparing cultures, both cross-cultural (etic) measures and culture-specific (emic) enactments need to be taken into consideration when findings and their generalizability are

discussed. The three motive categories used in our study represent etic measures and allow cross-cultural generalization. The emic manifestation however need to be seen and interpreted from inside each culture and must not be generalized. As shown in our study, cultures may have similar scores motive imagery scales, however the culture-specific (emic) enactment of these scales may differ considerably between American and European CEOs. In other words, universal endorsement of a motive category does not preclude cultural differences in the enactment of such a motive. Our study therefore gives evidence of the cultural contingency of concepts such as Power, Affiliation-Intimacy, or Achievement even if scores on these dimensions suggest similarity between American and European CEOs.

Leadership Effectiveness

One last aspect that deserves a closer look is whether the personality profiles and leadership styles that were derived in our study constitute effective leadership. McClelland did not limit his research to identifying needs for high leadership effectiveness; he also formulated an ideal combination of needs in his Leadership Motivation Profile (LMP) theory (McClelland 1975). According to this theory, the following combination of needs is predictive of leader effectiveness:

- High nPow with a high concern for the moral exercise of power,
- Moderate nAch,
- nPow higher than nAff.

The findings of our study and the resulting prototypical personality profile of American and European CEOs are supported by McClelland's Leadership Motivation Profile theory and its implications for effective leadership.

High power motivation in combination with its moral exercise, as evident in both samples, should be predictive for both, the CEO's influence on others and concerns for the consequences of their own actions on others. Leaders who are high on nAch are predicted to be particularly effective in entrepreneurial settings where high standards of excellence are necessary to start a new business (McClelland and Winter 1969: 230). However, in corporate leadership positions, leaders high on nAch might be inclined to be personally involved in virtually all aspects of performance and therefore reluctant to delegate tasks, authority, and responsibility. Taken together, it appears that a high achievement motivation may be as much a liability as an asset in terms of leader effectiveness (De Hoogh et al. 2005: 26). According to LMP, effective leadership should also include a minimum need for affiliation to provide sensitivity for influencing others. In combination with nPow *higher* than nAff, the need for power will prevent the leader from engaging in favoritism, submissiveness or other dysfunctional behavior usually associated with high need for affiliation.

Following LMP logic, both American and European CEOs display behaviors of highly effective leaders. As mentioned earlier, motives tend to be somewhat stable aspects of one's personality. More recent research has shown that Motive Imagery environmentally reactive. The team around Peter Suedfeld has pointed out that the relative occurrence of motives might change as a result of certain events (Suedfeld et al. 2011: 1010-1018). It might therefore be meaningful to investigate possible or negative relationships between certain events (e.g., corporate scandals, economic crises) and a change in a particular motive category of CEOs.

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