

# CEOs and Followers: motives and values in Romanian companies after 13 years of transition

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## Abstract

This study is an attempt to enter the “black box” of some interrelations between motivations and values promoted by CEOs and their direct subordinates’ reactions to these motivations and values in Romanian firms, after 13 years of transition from centralized to market economy. The data were collected from 44 CEOs and 277 followers from a sample of 44 entrepreneurial and non-entrepreneurial firms from different industries. In our knowledge such a study is done for the first time in Romania. The presented findings are only a part of a larger GLOBE-type research on the effects of CEO behavior on the psychological status of their direct subordinates, on a multi national sample.

*Romanian research context: from survival management to successful leadership?*

Leadership seems to emerge in Romania from a battlefield of a substantial behavioral change with regard of CEOs motivations and values. In order to better understand this statement, a critical feature of Romanian cultural-historic context has to be underlined. Between 1938 and 1990, Romania experimented different dictatorships. Speaking about other motivations and values than those of the “exclusive leader” in such regimes in nothing but a euphemism. Thus, the real situation of Romanian leadership is much more complex than in other East European countries. This is why, after 13 years from dictatorship removal, in most of Romanian organizations (excepting those having foreign capital), the current practice is that of “survival management” in which, along with new behaviors, those from centralized economy times are “refined” (Catana & Catana, 2002). Still, the very few studies on this topic are optimistic with respect of leadership future in Romania. For instance, a study done by KRW International and Romanian-American Center for Business Excellence in February 2003 reached the following three main conclusions: 1) Leadership is perceived as a reality in Romania; 2) There is a growing interest for leadership development programs, and 3) There is a promising potential for new generations of effective leaders to emerge in Romania (<http://www.leadership.ro>). Another study done by Hay Group Management Consultant in January 2003, on a sample of large size Romanian and multinational companies operating business in Romania, ended with optimistic findings about leadership development, also. In short, it is about two trends: 1) CEOs transformation from crisis administrators in initiators and leaders of transition; 2) the concern for creating change agents through infusion of values, promotion of teamwork, followers’ motivation and taking social responsibility (Ziarul Financiar 2003).

## Literature review

In the latest 20 years, leadership passes a prolonged transition to a new paradigm (House, Delbecq, and Taris 1998). There is no unanimity about the direction leadership will turn. In our opinion, there are as many types of leadership as many important authors are! Each author of a “new” theory integrates the previous ones around a certain concept: value, charisma, transaction, transformation, vision etc.

The most recent theories often invoked by empirical researches on CEOs motivations and values are: charismatic leadership (House 1977; House, Spangler, Wozzke 1991; House, Shamir 1993; Conger, Kamingo 1987); transformational leadership (Burns 1978; Bass 1985, 1998), motive profile theory (McClelland 1973, 1975, 1985) visionary leadership (Bennis, Manus 1985; Sashkin 1998), path-goal theory (House 1996). Recently, House integrated these theories in neo-charismatic leadership paradigm (House, Charismatic Theory of Leadership p...) and in value based leadership (House, Delbecq and Taris 1998). These recent theories share at least two characteristics. First, they are critically concerned to explain the way CEO can guide an

organization towards attaining outstanding outcomes (House, Delbecq and Taris 1998) in actions like: setting up and developing entrepreneurial firms, company restructuring, increasing competitive advantage etc. The explanation focuses on outstanding organizational outcomes achieved when having high behavioral motivated CEOs and appropriate answers from their followers: high degree of commitment, admiration, loyalty, satisfaction and perception of top management effectiveness. Second, they focus on values the CEOs believe in, and the degree in which the followers share these values.

In the latest 25 years, more than 200 empirical studies validated the new leadership theories with regard of the two characteristics mentioned above (Avolio, Bass, Jung 1999). The findings show that the effects of leader's behavior can be generalized in USA and, possible, in other cultures also. For instance, studies based upon neo charismatic integrative paradigm (**House-Charismatic**) reached similar conclusions in India (Periera 1987), Singapore (Koh, Terborg, Steers 1991), Nederland (Koene, Pennings, Schrender 1991), China, Germany and Japan (Bass 1997).

### *Leadership and motivation*

Most of the recent leadership theories integrate motivation theories in general, McClelland's motivation model (1985), and leader's motivation profile theory, especially (McClelland 1973, 1975).

The motivation is the immediate cause of CEO's behavior. The leader acts under the influence of a motivational constellation, his behavior being multi-motivated. Like in a parallelogram of forces, the CEO's motivations compound, giving a resultant (dominant), which accomplishes two functions: one of individual and collective energetic involvement and the other of guiding individual and collective behavior. This remark leads to idea that the CEO's motive is a relational one. More specific, while motivation is an inner factor, in its actual manifestation is influenced by the relationships with the followers and the organizational internal and external contingency field. In other words, the leader's behavior is both intrinsically and extrinsically motivated. The intrinsically motivation is an inner tension, while the extrinsically one, is an external pressure.

CEO engages in his activity's complexity with a certain degree of motivation, materialized in a certain level of aspiration (expectation) concerning the satisfaction of his own and the group's needs.

Trying to comprehend employee motivation, Maslow (1954) created the well-known need pyramid. McClelland starts from the premise that needs and desires are socially acquired or taught and they are the fundamental forms of expressing motivations. In his Thematic Apperception Test, McClelland states that in every culture, the general human motivation is a constellation of four unconscious motivations: realization, affiliation, power (influence) and responsibility. The degree in which each motivation is present in the motivational structure differs from one individual to another according to his or her life experience. According to the combination of those four factors, each individual has a certain motivational structure and thus a certain behavioral predisposition. Knowing the needs and desires of his staff, the leader can create a concept of motivation for each individual.

### *Achievement motivation*

The need for achievement of a CEO is actually his desire to succeed. For this purpose, he takes on the responsibility to find outstanding solutions to his tasks; sets high standards and tracks the feedback from his followers. The high motivation of a CEO is his unconscious concern to achieve excellence through individual efforts. Theoretically, a CEO highly motivated by achievement has the following characteristics: 1) sets challenging standards; 2) takes on the responsibility to achieve those standards; 3) is persistent in achieving them; 4) takes the risks of achieving the standards and 5) collects and uses information in order to have the feedback of his success. Such a leader is reserved when delegating responsibility and authority and thus has the tendency to centralize the decision and to interfere in the work of his subordinates. CEOs motivated by achievement are more efficient in small, task oriented entrepreneurial organizations, and in managing physical and technical activities (which do not ask too much responsibility and authority delegation). Achievement motivation might have a negative influence on the efficiency of leadership in large organizations and in political systems, due to the reticence of the CEO in delegating responsibilities and to his tendency to centralize the decision. Also, in non-technical high positions, the achievement motivation can diminish the managerial

performance (McClelland, Boyatzis 1982). For instance it has been discovered that the efficiency of American presidents is reverse proportional to the achievement motivation (House et al, 1991). The slope of the relation between the achievement motivation on one hand, CEO's fairness and followers' reaction on the other hand (motivation, commitment, satisfaction and the perception of leadership effectiveness) is positive in entrepreneurial organizations and negative in non-entrepreneurial ones (House – Charismatic Leader).

#### Affiliation motivation

The need for affiliation of a CEO is characterized by his desire of belonging, the joy of working in a team, the care for the interpersonal relations and the fear of high uncertainty. The high motivation for affiliation of a CEO is the unconscious concern to establish, maintain and reestablish close interpersonal relationships with his followers. Theoretically, such a leader has the following characteristics: is non-aggressive, submissive, depending on others for approval and acceptance, tends to favor someone, is reserved in monitoring the behavior of his followers, in disciplining them and in communicating a negative feedback. He is interested in the quality of personal relationships and not in gaining influence (he wants harmonious and trusty relationships with people he knows). He gets upset when personal relationships are over (in his philosophy not the enemy creates the problem, but the friends do). It has been proved that the affiliation motivation correlates negatively to the presidential managerial performance in USA (House 1996; House et al 1991). House and others (Charismatic leader) have proved that the affiliation motivation correlates negatively to the charismatic leadership, leader's fairness and his followers' reaction towards his behavior.

#### Power motivation

The need for power is characterized by the desire to control, dominate, influence and overcome others. The CEO's high power motivation is the unconscious concern to gain a statute and a reputation, to influence the followers and to have an emotional impact on them. Theoretically, the main characteristics of such a leader are: exerts a customized, directive leadership, based on personal dominance; has an authoritative even aggressive behavior; tends to exploit his subordinates in order to achieve personal goals; is eager to get richer; is not very cooperative (Terhune 1968); is not very grateful to his subordinates; gets a great deal of satisfaction out of exerting social influence; from the psychological point of view, becomes very active when supervising his subordinates; seeks relationships with powerful people, wanting to influence them.

The power motivation is important and necessary for the leadership effectiveness, because the managerial activity requires a behavior that has social influence. Because a CEO highly motivated by power gets a great deal of satisfaction out of exerting social influence, he is very interested in practicing leadership. Power motivation might increase the leader's effectiveness especially if the leader persuades the followers to engage in social influence type behaviors.

The high-power motivated individuals have high performance in middle and top management (McClelland 1985). If they do not encounter any constraints, their power may become aggressive and damaging to the organization. The power motivation correlates negatively with the practice of charismatic leadership, the leader's fairness and support, and the subordinates' commitment and work satisfaction (House – Charismatic leader).

#### Responsibility motivation

The motivation of responsibility is seen as a disposition towards the moral usage of power. The high responsibility motivation is an unconscious concern for moral exercise of power and in the same time, an aversion towards exerting power in an authoritative, constraining and manipulative manner (McClelland 1975, Winter, 1991). Theoretically, such a CEO is group oriented. Thus he is efficient and cooperative, not impulsive, self-controlled, has an ethical behavior, based on good faith, being perceived as such by his subordinates. He is a charismatic leader, fair with, supporting and rewarding the followers. In turn, the followers have a positive feedback with respect of their motivation, commitment, satisfaction and perception of the leader's effectiveness (House – Charismatic leader).

## Multi-motivational profile

As shown before, in general, the behavior of the CEO is multi-motivational. In the motivational constellation, each motive has a moderating effect on the leader's behavior. This idea is the basis for the theory on the leader's motive profile (McClelland 1973). According to this theory, a very efficient leader is one who has such a motivational structure in which the power motive is stronger than the affiliation motive. Moreover, if this combination is associated with a high responsibility motivation, theoretically the CEO exerts a *socialized leadership* (not a personalized one). Leader motive profile (LMP) was confirmed by large empirical studies (Winter 1991). Furthermore, it has been confirmed that the CEOs having the motivational combination supported by LMP have a behavior of a charismatic leader (House – Charismatic leader). The contingent psychological field in which his behavior occurs influences the motivational architecture of a CEO. Mischel (1973) distinguishes strong and weak psychological situations. The strong situations set obstacles in the path of the motivational tendencies of the executives and impede the response of followers to their behavior. They are specific to non-entrepreneurial organizations, characterized by a strong formalization and highly centralized decision. The weak psychological situations give the executives a larger area for expressing motivation. Such situations occur more often in entrepreneurial organizations that are less formalized and less restricted by norms, rules and procedures.

It was empirically confirmed that in an entrepreneurial firm, an effective CEO is a person with high achievement motivation and low power motivation. Conversely, in a non-entrepreneurial firm, a good manager has a high power motivation, combined with a lower achievement motivation (McClelland, 1985). The researches show that individuals strongly and earlier motivated by achievement have a propensity toward entrepreneurial activities. They are motivated by standards of excellence, accurate roles and responsibilities, an adequate and in time feedback. House and Shamir (1993) confirmed that a weak context provides the appropriate conditions for a charismatic and effective leadership.

## *Leadership and values*

The research of values impact on an effective management is a major concern of new leadership theories. While the "classic" theories focused upon describing successful behaviors under some given values, the new ones focus on creating a value system and disseminating it in organizations. In this way, the attention given to explaining the causes of an effective leadership replaces the focus on explaining the effects of an effective leadership.

From an axiological perspective, the value is a relation between "something" deserving worth and "someone" able to worth that "something". In other words, it is a relation between a valued object and a valuing subject. In the context of our study, the valued "object" is the leader's vision (understood as a system of values he believes in), and the valuing subjects are the followers. An effective leader is one who succeeds to transform his own vision in a collective, through followers sharing his values.

Usually, the leader's vision (system of values) is build upon values of different nature, having different chances to be converted in behavioral motivators for followers. But, any vision has a certain orientation, given by dominant values, i.e. those having the biggest behavioral impact, through an anticipative socialization.

House (Charismatic...si, House, Delbecq and Taris 1998) groups the values in two categories: ideological and pragmatic. He considers the ideological values are the moral ones, related to what is morally good/wrong. Such values for a leader are responsibility, altruism, honesty, fairness with followers, fulfillment of obligations coming from their relations with followers, customers, shareholders etc. Ideological values are end values (self-satisfying). Pragmatic values are those related to material, monetary or status incentives. The two categories of values are the basis of value based leadership theory (House, Delbecq and Taris 1998) which, in the authors' view integrates the above-mentioned theories and others (dissonance theory and equity theory).

### *Value based leadership and followers' feedback*

In essence, leadership based upon this theory leads to: strong identification of the followers with the leader; internalized followers' commitment to their leader's vision and to their group; arousal of the motives relevant to fulfillment of collective vision; the followers desire to make substantial personal sacrifice and a higher effort than that of their jobs' requirements.

In our study, we expect CEO's value based behavior to lead to: 1) a strong motivation of the followers; 2) followers commitment; 3) job satisfaction of the followers; 4) perception of leaders' effectiveness. Theoretically, these four reactions of the followers have a major impact on organizational performance. In fact, the theory of value-based leadership has significant empirical evidence, because all of the theories it integrates had been empirically supported by many researches.

## **Research methodology**

### *The sample*

The CEOs and their direct followers belong to a sample of 44 companies from three different fields: a) forestry and mining; b) manufacturing and constructions; c) services (wholesale trade, retail trade, transportation and warehousing; IT; finance and insurance; health care).

The sample consists of 20 entrepreneurial and 24 non-entrepreneurial (established) firms. During the interviews with their CEOs, the type of each firm has been checked. The reason of using these types of companies is the assumption that CEOs motivations and values on one hand and their followers' reactions on the other hand, could be different in entrepreneurial and non-entrepreneurial firms. CEOs of entrepreneurial firms are their founders, also. From a theoretical point of view, in such firms, there is a higher degree of flexibility, thus the CEOs having greater opportunities to express their motivations and values. CEOs from non-entrepreneurial firms are hired by the owners. In non-entrepreneurial organizations, the higher degree of formalization might impede the CEOs to behaviorally manifest their motivations and values.

A statistical unit of analysis consists of relationships between CEO and at least 6 of his/her direct subordinates. In this study, the relationships between 44 CEOs and 277 direct followers are statistically analyzed. The size and structure of the sample are considered appropriate for the research objectives, at least from two points of view. First, the sample is large enough to allow statistically relevant findings (much extended researches were done on smaller samples). Second, the sample layered on entrepreneurial and established firms from different fields of activity allowed a nuance analysis of statistical units mentioned above.

### *Methods of data collection*

The data were collected through interviews and questionnaires, according to the method used in GLOBE Cross Cultural CEO Study.

### *CEOs motivations*

To get information about CEOs motivations, the authors used a semi-structured interview, 40-60 minutes in length. CEOs developed answers around questions like: their education, managerial career, vision, philosophy, strengths /weaknesses in playing their roles, organizational opportunities/threats, and important changes. First recorded on audiotapes, the interviews were transcribed and coded by two coders. To find out the structure of CEOs motives, the coders used Winter's scoring system (1991). Has to be mentioned that moral responsibility score is the sum of the scores given to the following dimensions: self-judgment, concern about negative consequences, concern for others, legal or moral standards and obligation (thus, the analysis and measurement took into account eight motive items).

The scoring decisions were based on the specific content of what has been said, inferences or any kind of intuitions concerning the subjects being avoided. In fact none of the two analyzers were in any way familiar with the subjects of the interviews. The effective analysis began only by the time that both analyzers were

familiar enough with the scoring system and for any of the exercises obtained scores correlated for more than 0.80.

As it concerned written text, the unit for scoring the motive imagery was the individual sentence. The presence of a specific motive imagery in an individual sentence was scored with 1 for the specific motive imagery. Each sentence was scored only once for the occurrence of a particular motive, even if that motive had appeared more times in the same sentence. A specific imagery was scored only once if it occurred in two consecutive sentences. But, a single sentence was accepted to be scored for two or more different motives at the same time. However, if the same motive appeared more than once in two consecutive sentences, but the separate occurrences were separated by the imagery of a different motive, then both occurrences were scored. The same strategy of individually scoring two occurrences of the same motive was used for its presence in the last sentence of one response and the first sentence of the next response. The final scores for each motive imagery were obtained by summing the motive scores for the individual sentences in a single interview.

#### *CEOs and direct followers' values*

Right after the interview, CEO answered a questionnaire of 17 important questions concerning the values they believe in. In fact, the questions themselves make up a list of 17 ideological and pragmatic values. CEO indicated on a 7 points scale (1 point for "of no importance", 7 points for "the most important") the importance *should be given* to each value in adopting *critical decisions*. The same questions were answered by at least 6 direct subordinates of each CEO. The subjects indicated the importance they think *should be given* to each value in adopting *critical decisions* (the same 7 points scale was used). The processed answers offered the opportunity of finding out the degree of compatibility between the values the CEOs and their direct subordinates believe in.

#### *Follower's reaction*

The same number of direct subordinates (at least 6 for each CEO) answered 11 questions of another section of the questionnaires, concerning their reaction to the CEO's motivations and values. The answers describe the followers' relation with their CEO, from two perspectives: a) followers commitment to their CEO and organization; b) followers perception of their management team effectiveness.

## **Findings**

#### *CEOs motives*

Tables 1 and 2 present the distribution of all four dominant motives (achievement, power, responsibility and affiliation) for the entire sample, on types of firms (entrepreneurial / non-entrepreneurial) and, respectively on main fields of activity.

*Table1 CEOs' dominant motives*

	Dominant motives										Total	
	Achievement		Power		Responsibility		Affiliation		Multiple motives			
	Nr.	%	Nr.	%	Nr.	%	Nr.	%	Nr.	%	Nr.	%
<b>Whole sample</b>	21	47,77	7	15,9	9	20,45	1	2,27	6	13,63	44	100
out of which:												
• Entrepreneurial	11	55	4	20	2	10	1	5	2	10	20	100
• Non-entrepreneurial	10	41,7	3	12,5	7	29,2	-	-	4	16,7	24	100

According to *Table 1*, most Romanian CEOs from the sample of 44 firms are motivated by *achievement* (about 48%) and *responsibility* (20,5%). *Power* is a behavioral motivation encountered in 16% of the CEOs and *affiliation* is only incidental (one single case). For 13,6% of the CEOs there was *no dominant motivation*, because those leaders got the same score for at least two motivational factors, without having a dominant factor. The responsibility motivation is much more present in non-entrepreneurial organizations (78% of the cases) than in the entrepreneurial (22%). In all cases of high responsibility motivation, not only do the leaders have high scores for this motivational variable, but also they have low scores for the power motivation, which clearly

verifies the theory and research about the disposition of moral responsibility (McClelland 1975; Winter 1991). On the other hand, in the whole sample there are many cases with 0 or very low score on *power motive*.

Concerning *achievement* and, respectively, *power* motivation, there are no significant quantitative differences in the distribution on types of firms, the number of cases being approximately the same in entrepreneurial and non-entrepreneurial firms. This situation leads to assertion that most probably, the firm type has no relevance for the two dominant motivations, CEOs from non-entrepreneurial firms relying on power just as much as those from entrepreneurial firms do.

The high motivation of *affiliation* is almost missing from the sampled CEOs motivational architecture. This is surprising at least from two points of view. First, a common belief in Romania is that favoritism and nepotism are often encountered in the firms. Second, theoretically, the affiliation motive is quite frequent in non-entrepreneurial firm. Even though our sample had 24 non-entrepreneurial companies, the only one case with relatively strong affiliation was encountered in an entrepreneurial firm. Due to the fact that this motive is mixed up with a low power motivation, a dysfunctional managerial behavior could be expected in that firm.

The question to be answered is how different are the CEOs coming from different type of companies and having the same prevailing motivation. In answering this question, “t” test was used. For none of the prevailing motivation, “t” is higher than 1,96 (the values being indeed, very small). Thus, most probably, the type of the company is not relevant for the prevailing motivation.

9 out of the 44 CEOs (20,45%) confirm the leader motive profile theory (LMP) concerning the mixture between the power, affiliation and responsibility motivation (McClelland 1973). These cases have satisfied, cumulatively, three conditions: 1) the score of power is greater than the median of all the scores of power; 2) the score of power is greater than the score of affiliation and 3) the score of responsibility is greater than the median of all responsibility scores (**House – Charismatic leader**). It is interesting that 66% of the CEOs with LMP come from entrepreneurial firms and 33% of them, from non-entrepreneurial companies. In other studies (**House – Charismatic leader**), the entrepreneurial firms do not satisfy the limit conditions of the LMP theory.

Table 2. Dominant motives in different fields of activity

	Dominant motive										Total	
	Achievement		Power		Responsibility		Affiliation		Multiple motives			
	Nr.	%	Nr.	%	Nr.	%	Nr.	%	Nr.	%	Nr.	%
<b>Whole sample</b>	21	47,77	7	15,9	9	20,45	1	2,27	6	13,63	44	100
<b>Mining &amp; forestry</b>	1	25	2	50	-	-	1	25	-	-	4	100
<b>Manufacturing &amp; construction</b>	15	50	3	10	7	23,3	-	-	5	16,7	30	100
<b>Services</b>	5	50	2	20	2	20	-	-	1	10	10	100

According to Table 2, 78% of CEOs motivated by *responsibility* and 71,42% of those motivated by *achievement* come from manufacturing and construction. In mining and forestry, in 3 out of 4 cases, the CEOs are driven by the desire of *achievement* or *power*. What is interesting is that the only case of *affiliation* is encountered in this field (specifically, methane gas), where the vast majority of tasks are technical.

In the case of CEOs driven by *power*, there are no significant quantitative differences in their distribution in the three fields of activity.

#### CEOs and followers' values

The authors grouped the values from a GLOBE-3 type questionnaire (concerning the importance of some values in adopting *critical decisions*) in two variable classes: ideological and pragmatic. The *ideological values* (which *should have* an impact on critical decisions) are the following: customer satisfaction, employee relations issues (employee well-being, safety, working conditions, care for the employee), contribution to the economic welfare

of the nation, welfare of the local community, respecting a divine being, effect on female employees, effect on minority employees, effect of supernatural forces, effect on environment. *Pragmatic values* concern: cost control, employee professional growth and development, long term competitive ability of the organization, relationships with other organizations, profitability, product quality and sales volume.

Table 3 shows the ranks of the first 10 values, the CEOs and their followers believe in, in the whole sample.

Table 3 CEOs and followers' values rank

CEOs (44 cases)		Rank	Followers (277 cases)	
VALUES	Mean		Mean	VALUES
• Customer satisfaction	6,25	1	6,12	• Customer satisfaction
• Profitability	6,00	2	5,90	• Profitability
• Cost control/Product quality	5,93	3	5,88	• Cost control
• Sales volume	5,84	4	5,81	• Sales volume
• Long term competitive ability	5,75	5	5,75	• Product quality
• Employees prof. growth	5,57	6	5,53	• Long term competitive ability
• Relationships with other org.	5,41	7	5,44	• Employee relations issues
• Employee relations issues	5,39	8	5,41	• Relationships with other org.
• Effects on environment	4,98	9	5,28	• Employees prof. growth
• Respecting a divine being	4,53	10	4,91	• Effects on environment

The 321 subjects (CEOs and followers) of the sample believe in a system of values strongly oriented towards the market economy. In adopting crucial managerial decisions, both CEOs and their direct subordinates believe in the necessity of assuring *customer satisfaction*, as a fundamental principle. The CEOs show a strong marketing orientation. A package of pragmatic values, having a very high or high importance, supports the main *ideological value* (of customer satisfaction): profitability, cost control, product quality, sales volume, and long-term competitive ability of the company. High means got the concern for employees professional growth and development and the relationships with other organizations. Issues like employee relations (well-being, safety, work conditions), environment protection and respecting a divine being encountered high or moderate mean scores. The Romanian CEOs and followers in the sample believe stronger in *pragmatic values*. The mean of pragmatic values is 5.77 for CEOs and 5.65 for followers. For ideological values, the means are: 4.07 for CEOs and, respectively, 4.40 for their followers. The *ideological values* have a higher importance for followers than for CEOs. For instance, the ethical considerations of critical decisions have a moderate to high importance for followers, while for CEOs the mean is 2.51 (very low importance). The followers are also significantly more concerned than CEOs with respect of critical decisions impact on female or minority employees.

As Table 3 shows, there is a strong match between CEOs and their followers, with respect of the ranks of the first 10 values of the questionnaire. The statistical analysis of all 17 values of the questionnaire leads to an enough high compatibility between CEOs' and followers' values. The *Gamma* coefficient (Goodman & Kruskal) between CEOs and followers values is 0.232 for *ideological values* and, respectively, 0.234 for *pragmatic* ones. So, it is about a direct, positive, and strong enough association for statistical practice. This correlation is confirmed by *Pearson* coefficient of 0.324 for *ideological values* and, respectively, 0.332, for *pragmatic* ones. Should be emphasized that the compatibility is higher in the case of pragmatic values, especially for sales volume, product quality and profitability (*Gamma* coefficient being 0.577-0.475). Generally speaking, the CEOs and their followers are animated by the same set of main values, in which the dominant ones are those significantly *pragmatic*. Moreover, due to the high degree of compatibility, one might suppose that the values have a high potential of action and a high probability of being converted into behavioral motivations of CEOs and followers.

Table 4 displays data which emphasize the above findings concerning the values "fit" when taking into account the type of firms. The question was if the ranks and mean values significantly differ in entrepreneurial firms comparing with those in non-entrepreneurial ones? In answering, "t" test was applied for both firm categories. In CEOs case, "t" got values higher than 1.96 in only three out of 17 variables (employees professional growth and development, ethical considerations and decision effects on minority employees), from -2.21 to -3.247. For followers there is no significant difference between the two sub-samples, with respect of "t" test. So, based upon



the values of “t”, it could be said that the firm type does influence in a significant way neither the rank, nor the means of CEOs and followers’ values.

Table 4 CEOs and followers’ values by firm type

CEOs (N=44)				Followers (N=277)
VALUES	Mean	Rank	Mean	VALUES
<b>A. Entrepreneurial firms</b>				
• Customer satisfaction	6,40	1	6,16	• Customer satisfaction
• Product quality	6,05	2	5,83	• Profitability
• Cost control	5,95	3	5,80	• Cost control
• Profitability	5,90	4	5,77	• Sales volume
• Long term competitive ability	5,85	5	5,67	• Product quality
• Employee prof. growth & devel.	5,80	6	5,57	• Long term competitive ability
• Employee rel. issues	5,45	7	5,52	• Employee rel. issues
• Rel.with other org.	5,40	8	5,45	• Rel. with other org.
• Effects on environment	5,15	9	5,23	• Employee prof. growth & devel.
• Contrib. to ec. welfare of nation	4,90	10	4,93	• Effects on environment/Etichal considerations
<b>B. Non-entrepreneurial firms</b>				
• Customer satisfaction	6,13	1	6,09	• Customer satisfaction
• Profitability	6,08	2	5,97	• Profitability
• Cost control	5,92	3	5,95	• Cost control
• Sales volume	5,88	4	5,85	• Sales volume
• Product quality	5,83	5	5,81	• Product quality
• Long term competitive ability	5,67	6	5,50	• Long term competitive ability
• Rel.with other org.	5,42	7	5,38	• Rel.with other org.
• Employee prof. growth & devel.	5,38	8	5,37	• Employee rel. issues
• Employee rel. issues	5,33	9	5,33	• Employee prof. growth & devel.
• Effects on environment	4,83	10	4,89	• Effects on environment

Tables 5-8 display the CEOs and followers’ value system related to the dominant motivation of CEO, on the two types of firms (entrepreneurial and non-entrepreneurial).

The comparative analysis of the data from these tables show once again that the value systems in the sample do not differ significantly according to the CEOs’ *dominant motivation*. These systems have in a great extent, the same hierarchy, in which in the critical decisions *should* prevail the customer satisfaction and the quartet of cost control, product quality, firm profitability and sales volume.

No matter the CEOs’ dominant behavioral motivation and the contingency frame in which the CEOs exercise their roles, seems that the Romanian leaders instill in their collectives, the same set of values, which, most probably, is a *pattern of values*, peculiar for the transition from centralized to market economy, from survival management to successful leadership. (A comparative analysis would be very interesting for empirical evidence of this pattern).

Table 5 Values related to achievement as prevailing motivation

CEOs (N=21)	Mean	Rank	Mean	Followers (N=139)
VALUES				VALUES
<b>Whole sample</b>				
• Customer satisfaction	6,33	1	6,11	• Customer satisfaction
• Cost control/Product quality	6,00	2	5,87	• Profitability/Cost control
• Long term competitive ability	5,90	3	5,75	• Sales volume/Product quality
• Profitability/Sales volume	5,76	4	5,61	• Long term competitive ability
• Employee prof. growth& devel.	5,67	5	5,47	• Employee relations issues
• Employee relations issues/ Rel. with other org.	5,48	6	5,42	• Employee prof. growth & devel.
• Effects on environment	5,10	7	5,36	• Rel. with other org.
• Respecting a divine being	4,81	8	5,01	• Effects on environment
• Contrib. to ec. welfare of nation	4,76	9	4,98	• Ethical considerations
• Welfare of local community	4,71	10	4,68	• Respecting a divine being
<b>A. Entrepreneurial firms (11)</b>				
• Customer satisfaction	6,55	1	6,19	• Customer satisfaction
• Product quality	6,00	2	5,78	• Profitability
• Long term competitive ability	5,91	3	5,77	• Cost control
• Cost control /Sales volume	5,82	4	5,67	• Sales volume
• Employee prof. growth&devel.	5,73	5	5,65	• Product quality
• Profitability	5,64	6	5,63	• Long term competitive ability
• Rel. with other org.	5,55	7	5,53	• Employee relations issues
• Employee relations issues	5,36	8	5,36	• Rel. with other org.
• Effect on environment	5,18	9	5,33	• Employee prof. growth&devel.
• Contrib. to ec. welfare of nation/Respecting a divine being	5,00	10	5,08	• Effect on environment
<b>B. Non-entrepreneurial firms (20)</b>				
• Control cost	6,20	1	6,02	• Customer satisfaction
• Customer satisfaction	6,10	2	5,98	• Cost control/Profitability
• Product quality	6,00	3	5,85	• Product quality
• Profitability/Long term competitive ability	5,90	4	5,84	• Sales volume
• Sales volume	5,70	5	5,59	• Long term competitive ability
• Employee prof. growth&devel /Employee relations issues	5,60	6	5,52	• Employee prof. growth&devel
• Rel. with other org.	5,40	7	5,40	• Employee relations issues
• Effects on environment	5,00	8	5,37	• Rel. with other org.
• Respecting a divine being	4,60	9	4,95	• Ethical considerations
• Welfare of local community	4,50	10	4,92	• Effects on environment

Table 6 Values related to responsibility as prevailing motivation

<b>CEOs (N=9)</b>				<b>Followers (N= 54)</b>
<b>VALUES</b>	<b>Mean</b>	<b>Rank</b>	<b>Mean</b>	<b>VALUES</b>
<b>Whole sample</b>				
• Profitability	6,33	1	6,26	• Customer satisfaction
• Customer satisfaction/Sales volume	6,00	2	6,09	• Cost control
• Cost control/Product quality	5,89	3	5,93	• Profitability
• Long term competitive ability	5,67	4	5,85	• Product quality/Sales volume
• Employee prof.growth&devel.	5,33	5	5,61	• Employee relations issues
• Employee relations issues	5,22	6	5,48	• Long term competitive ability
• Effects on environment	5,00	7	5,44	• Rel. with other org.
• Rel. with other org.	4,78	8	5,39	• Employee prof.growth&devel
• Respecting a divine being	4,63	9	5,06	• Effects on environment
• Welfare of local community	4,38	10	4,75	• Respecting a divine being
<b>A. Entrepreneurial firms (2)</b>				
• Cost control/Product quality	6,50	1	6,42	• Customer satisfaction
• Customer satisfaction/Employee relations issues/Employee prof.growth&devel/Long term competitive ability/Profitability/Sales volume	6,00	2	6,08	• Cost control
• Contribution to ec. welfare of nation/Welfare of local community/Effects on environment	5,50	3	6	• Profitability
• Respecting a divine being /Effects on female employees	5,00	4	5,92	• Product quality
• Rel. with other org./Effects on minority employees	3	5	5,83	• Employee relations issues
• Ethical considerations/Effects of supernatural forces	1	6	5,75	• Long term competitive ability/ Sales volume
		7	5,67	• Employee prof.growth&devel
		8	5,50	• Rel. with other org.
		9	5,33	• Respecting a divine being
		10	5,00	• Effects on environment/Ethical considerations
<b>B. Non-entrepreneurial firms (7)</b>				
• Profitability	6,43	1	6,22	• Customer satisfaction
• Customer satisfaction./sales volume	6,00	2	6,10	• Cost control
• Cost control/ Product quality	5,71	3	5,90	• Profitability
• Long term competitive ability	5,57	4	5,88	• Sales volume
• Rel. with other org.	5,29	5	5,83	• Product quality
• Employee prof.growth&devel	5,14	6	5,55	• Employee relations issues
• Employee relations issues	5,00	7	5,43	• Rel. with other org.
• Effects on environment	4,86	8	5,40	• Long term competitive ability
• Respecting a divine being	4,50	9	5,31	• Employee prof.growth&devel
• Welfare of local community	4,00	10	5,07	• Effects on environment

Table 7 Values related to power as prevailing motivation

<b>CEOs ( N=7)</b>				<b>Followers (N=42)</b>
<b>VALUES</b>	<b>Mean</b>	<b>Rank</b>	<b>Mean</b>	<b>VALUES</b>
<b>Whole sample (7)</b>				
• Customer satisfaction	6,43	1	5,98	• Customer satisfaction
• Profitability/ product quality	6,00	2	5,82	• Sales volume
• Cost control	5,86	3	5,81	• Profitability
• Employee prof. growth&devel./ Long term competitive ability/ Rel. with other org. / Sales volume	5,71	4	5,75	• Product quality
• Employee relations issues	5,43	5	5,64	• Cost control
• Contrib. to ec. welfare of nation	5,14	6	5,43	• Rel. with other org.
• Welfare of local community	5,00	7	5,41	• Employee relations issues
• Respecting a divine being	4,86	8	5,39	• Respecting a divine being
• Effects on environment	4,57	9	5,30	• Long term competitive ability
• Effects on female employees	3,29	10	5,18	• Employee prof. growth&devel
<b>A. Entrepreneurial firms (4)</b>				
• Customer satisfaction /profitability	6,25	1	5,96	• Customer satisfaction/sales volume/profitability
• Cost control/ Employee prof. growth&devel / Long term competitive ability / Rel. with other org./Product quality	6,00	2	5,77	• cost control
• Sales volume	5,75	3	5,69	• Product quality
• Employee relations issues	5,50	4	5,58	• Employee relations issues
• Contrib. to ec. welfare of nation/Welfare of local community	5,25	5	5,54	• Rel. with other org.
• Effects on environment	4,75	6	5,31	• Respecting a divine being/ Long term competitive ability
• Respecting a divine being	4,50	7	5,19	• Effects on environment
• Effects on minority employees	4,25	8	5,15	• Employee prof. growth&devel
• Ethical considerations/Effects on female employees	4,00	9	5,08	• Ethical considerations
• Effects of supernatural forces	2,75	10	4,88	• Contrib. to ec. welfare of nation
<b>B. Non-entrepreneurial firms (3)</b>				
• Customer satisfaction	6,67	1	6,00	• Customer satisfaction
• Product quality	6,00	2	5,83	• Product quality
• Cost control/Profitability /Sales volume	5,67	3	5,61	• Profitability/Sales volume
• Employee relations issues / Employee prof. growth&devel / Respecting a divine being / Long term competitive ability / Rel. with other org.	5,33	4	5,50	• Respecting a divine being
• Contrib. to ec. welfare of nation	5,00	5	5,44	• Cost control
• Welfare of local community	4,67	6	5,28	• Long term competitive ability / Rel. with other org
• Effects on environment	4,33	7	5,22	• Employee prof. growth&devel
• Effects on female employees	2,33	8	5,17	• Employee relations issues
• Effect of supernatural forces	2,00	9	5,00	• Effects on environment
• Ethical considerations/Effects on minority employees	1,00	10	4,89	• Ethical considerations

Table 8 Values related to affiliation as prevailing motivation

CEOs (N=1)	Mean	Rank	Mean	Followers (N=6)
VALUES				VALUES
<b>Entrepreneurial firms (1)</b>				
• Profitability	7,00	1	6,83	• Customer satisfaction
• Cost control/ Customer satisfaction./ Employee prof. growth & devel./ Rel. with other org./ Product quality/ Sales volume	6,00	2	6,00	• Long term competitive ability /Rel. with other org./Profitability/Product quality/ Sales volume
• Employee relation issues/ Contribution to ec. welfare of nation/ Welfare of local community/ Effects on environment/ Long term competitive ability	5,00	3	5,83	• Cost control
• Respecting a divine being	4,00	4	5,33	• Employee relation issues
• Ethical considerations/ Effects on minority employees/ Effects on female employees	2,00	5	5,17	• Employee prof. growth & devel /Ethical considerations
• Effect of supernatural forces	1,00	6	4,83	• Effects on environment
		7	4,17	• Contribution to ec. welfare of nation/ Welfare of local community/ Respecting a divine being
		8	2,67	• Effects on minority employees
		9	2,50	• Effects on female employees
		10	1,00	• Effect of supernatural forces

*Followers' reaction*

The questions from a GLOBE type questionnaire (3rd phase) concerning the followers' attitudes and image about their company were grouped into two classes (variables): a) followers' commitment to the vision (CSM) and b) their perception of top management team effectiveness (EFF).

CSM was measured using mean scores given by followers to some questions concerning: agreement with CEO's vision; contribution to the organization with 100% of follower's ability; expectation to be with the organization three years from now; expectation of an excellent future for the organization; significant personal sacrifice for the success of the organization; personal effort above and beyond which is required.

The perception of top managers' work effectiveness (EFF) was assessed using mean scores given to the questions related to: followers stimulation by CEO, in order to make personal sacrifices; cooperation and support provided by CEO to his followers (reverse scored); team working of top managers; cooperation at the follower's hierarchical level.

The followers' reaction as a dependent variable is thus made up by CMS and EFF. The scores distribution for these variables are shown in Table 9.

Table 9 Distribution of followers' reaction scores in the sample, according to firm types

	N		Mean	Median	Mode	Std. Deviation	Minimum	Maximum
	Valid	Missing						
<b>Whole sample</b>								
CSM	277	44	<b>5,5085</b>	6,1429	6,57	1,0073	1,86	7,00
EFF	277	44	<b>5,0647</b>	5,2500	5,00	1,0366	2,00	7,00
<b>Entrepreneurial firms</b>								
CSM	128	20	<b>5,7098</b>	6,14429	6,57	1,1633	1,86	7,00
EFF	128	20	<b>5,1367</b>	5,2500	5,00	1,0419	2,00	7,00
<b>Non-entrepreneurial</b>								
CSM	149	24	<b>5,8933</b>	6,1429	6,14	0,8457	2,57	7,00
EFF	149	24	<b>5,0028</b>	5,0000	5,00	1,0316	2,00	7,00

As shown, in the whole sample, there is a moderate tendency (on a scale of 1-7 points) toward followers' commitment to CEO's vision an organization (*CSM*). At the same time, there is a light to moderate agreement of followers with respect of CEOs effectiveness (*EFF*). The firm type does not influence in a statistical significant way, the followers reaction (means, medians and modes on sub-samples being equal or almost equal with those of the whole sample).

Table 10 displays the distribution of scores given to *CMS* and *EFF*, related to the dominant motivation of CEO.

Table 10 Distribution of followers reaction scores according to the CEOs dominant motivation

	N		Mean	Median	Mode	Std. Deviation	Minimum	Maximum
	Valid	Missing						
<i>Followers from firms led by CEO having achievement as prevailing motivation</i>								
CSM	135	21	5,8832	6,1429	6,57	1,0257	1,86	7,00
EFF	135	21	5,0802	5,0000	5,00	1,0183	2,00	7,00
<i>Followers from firms led by CEO having power as prevailing motivation</i>								
CSM	44	7	5,9277	6,2857	6,71	0,9381	3,00	7,00
EFF	44	7	5,1875	5,2500	5,25	0,9168	2,75	7,00
<i>Followers from firms led by CEO having responsibility as prevailing motivation</i>								
CSM	54	9	5,7972	6,0000	5,00	0,8682	2,57	6,86
EFF	54	9	4,8349	5,0000	6,00	1,2368	2,00	7,00
<i>Followers from firms led by CEO having affiliation as prevailing motivation</i>								
CSM	6	1	5,8571	5,8571	5,29	0,4607	5,29	6,43
EFF	6	1	6,0000	6,1250	6,25	0,4472	5,25	6,50
<i>Followers from firms led by CEO not having a prevailing motivation (multiple motivated)</i>								
CSM	38	6	5,4135	5,8571	6,29	1,1956	2,71	7,00
EFF	38	6	5,0461	5,2500	5,25	0,9095	3,00	7,00

Oweral, nevertheless the CEO's dominant motivation, the followers have a moderate agreement (on a 1-7 points scale) with regard of *CSM* and *EFF*. In order to discover if there are differences among followers' reaction related to dominant motivation of CEO, *ANOVA* analysis and *Bonferroni* test were used. The conclusion was that there is no statistically significant differences with respect of *CMS* and *EFF* related to dominant motivation of CEO. The values were: a) for *CSM*,  $F=1,82$ ,  $sig = 1,24$ ; b) for *EFF*,  $F=2,082$ ,  $sig=0,083$ . Only in extremis someone can speak about a lightly significant difference between the four groups of followers, with respect of *EFF* variable, because *sig.* levels are big. Most probably, these *sigs* values are due to the fact that *CSM* and *EFF* distributions lean to the right of normal distribution.

Therefor, it might be strongly stated that the followers reaction does not depend significantly on the CEO's prevailing motivation guiding his behavior.

### Conclusions and Suggestions for Further Research

The most important findings of the research are: 1) Most of Romanian CEOs in the sample are motivated by *achievement* and *moral responsibility*; 2) Romanian CEOs instill their organizations a *vision* based on a set of market economy values, out of which, *profitability*, *cost control*, *product quality* and *long term competitive ability* are dominant; 3) The CEOs direct subordinates believe in the same dominant values as their leaders; 4) The direct subordinates' reaction to CEOs motivations and values strongly manifests through *commitment*, *satisfaction* and *motivation* and perception of their management team *effectiveness*; 5) The type of the firms seem to have no significant influence on CEOs motivations and values and on their followers reaction.

The authors feel that future inquiries should be broadened to include: a) followers' perception on CEO behavior; b) dominant leadership styles in the sample; c) comparative studies aiming at discovering if the Romanian pattern has empirical support in other East and Central European countries.

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