

Successful CEOs of Private Equity Funded Ventures

LESLIE PRATCH AND JORDAN JACOBOWITZ

LESLIE PRATCH

advises corporate directors, senior executives, private equity investors, and venture capitalists whether the individuals being considered for a firm's most important strategic and operational responsibilities possess the psychological resources and personality strengths needed to be successful.

leslie@lesliepratch.com

JORDAN JACOBOWITZ

is an associate professor at the Chicago School of Professional Psychology and adjunct senior lecturer at Northwestern University, Counseling Psychology Department.

Among his professional activities during the past thirty years has been the application of psychological assessment instruments to assess, explain, and predict behavior and feelings among normal and clinical populations across the life span.

Georges Doriot, the Harvard business school professor who in 1946 co-founded American Development and Research, the first modern venture capital fund, famously told his students that he would rather invest in a B venture with an A person than in an A venture with a B person. Doriot's thinking about what drives the success of a new venture is today a central feature of the venture capitalist's professional identity. Many experienced venture capitalists and private equity investors, in fact, regard the quality of a CEO's leadership as the decisive factor in a venture's success. Their evaluation of the quality of a venture's leadership is often the most important consideration in making investment decisions.

Compared to firms in stable industries, privately funded ventures typically operate under conditions of high stress, possess limited resources, and have short and possibly unforgiving time spans for achieving goals. In some cases, the market space for these ventures may never materialize. The leaders of these ventures often face operating environments more challenging than those faced by executives heading more established firms.

Investors need confidence in the CEO's capacity to function in this environment. The CEO needs not only cognitive ability and functional skills, but also a generalized coping

ability that allows him to utilize all his skills and experience. Can the CEO improvise to exploit unexpected opportunities and deal with threats? Is he or she at risk for avoidant or manipulative behaviors when timetables are not met, when plans need to be revised? Is the CEO willing to work with investors to resolve problems and address concerns? Predicting how a CEO is likely to perform under these conditions is one of the most difficult evaluations that private equity investors must make.

Investors typically try to predict the quality of an executive's leadership by examining CVs, observing behavior during interviews, and checking references. This is the approach that firms use when determining which management trainees to hire. This approach works best in traditional corporate settings, where future conditions often repeat the past, and where the executive's performance has little effect on the company's bottom line performance. It has a hit or miss quality in terms of predicting an executive's leadership under ambiguous, novel, or rapidly changing conditions, where the quality of the executive's performance is not meaningfully different from the company's overall performance. Given the enormous risks their ventures face, can private equity investors improve the accuracy of their predictions regarding the future performance of senior executives of their portfolio companies?

This article argues that clinical psychology possesses methods that can help reduce the risk private equity investors face in selecting executives whose functioning is critical to the success of particular ventures in their portfolios. Investors need to become more intelligent consumers of these methods. They have every reason to use the most effective tools possible to make their predictions as accurate as possible.

In particular, we believe that semi-projective and projective techniques provide the most valuable information. Using them in conjunction with the more traditional evaluation tools should substantially increase the accuracy of executive selection and thereby enhance returns in portfolios of new venture investments. The insight offered by clinical psychology adds indispensable information that reduces the “prediction error” associated with selecting top executives.

Using a clinical psychology methodology, this article reports on research on the psychological characteristics of successful CEOs of ventures funded by private equity. It is a first step to help venture capitalists improve their evaluation of potential leaders.

Here is an example illustrating the power of our approach. Shown a picture of a little boy sitting before a violin, one CEO told the following story to describe what he saw:

Here’s (he gave his own first name) at his early age in elementary school, studying and dreaming about what the future holds. As he looks back, he has fond memories of friendships that he enjoyed and is appreciative of the efforts everyone made to bring him to where he is today.

A second CEO told a different story in response to the same picture:

The little boy, we’ll call him Timmy, has just been given a violin and he is trying to learn how to play. But he’s pretty much decided he’ll give it a chance.

What might these two stories predict about how these two executives would perform as CEOs of private equity funded ventures?

Before you read further, stop for a moment and jot

down what *you* would predict. Later in this article we lay out the clinical psychological interpretation of these two stories and relate them to actual outcomes. These stories reveal a great deal about the CEOs’ likely functioning. One private equity fund made the right decision in picking the CEO. The other probably wishes it had known more about the CEO’s functioning because in moving forward with him, it assumed far more risk than it likely was comfortable with. This CEO’s functioning led to an adverse outcome.

STRATEGIES FOR ASSESSMENT

Let us begin by reviewing the traditional tools used to evaluate senior management before summarizing our clinical approach.

There are many perspectives on leadership—developmental, behavioral, cognitive—that psychologists use to examine why some managers, when promoted into positions of authority, perform better than others. Industrial and organizational psychologists use trait or behavioral approaches. Narrowly defined traits (for example, an individual’s dominance) have frequently been found to be situation specific. They have little ability to predict how well an individual will perform as a leader in a new or different situation. Similarly, approaches that look only at an executive’s overt behaviors (typical of the approach of executive coaches) are unable to predict how the individual will perform in novel conditions.

Private equity funded ventures often have operating environments unlike any their CEOs have previously encountered. Relying solely on an executive’s past performance, as conveyed by a CV and reference checking, is inadequate to predict how well this executive can perform in the future. Here methods borrowed from clinical psychology can help.

Our approach mirrors the perspective of the venture capitalist. We accept that individuals are complicated, idiosyncratic, and that they have qualities that manifest themselves in certain situations and not in others. Unlike approaches common to industrial/organizational psychology, where the candidate being assessed is easily reduced to a grade or a type, our approach requires the expertise of a clinical psychologist to make nuanced distinctions between two candidates who are superficially very similar.

Obviously, some of the variability in the success of private equity funded ventures is situational and some of

it is luck. But we believe that much firm-specific risk can be explained by the individual functioning of the CEO. To understand why a CEO was successful, we take into account such factors as motivation, stress tolerance, and perceived social supports such as marriage.

In the next section we outline the skeleton of the conceptual framework we use to integrate information that bears on whether a CEO can fulfill his investors' expectations. We describe how we used this framework to assess CEOs in our study. We then discuss the findings of this research and their implications for how venture capitalists can improve their hiring and funding decisions.

THE CLINICAL ASSESSMENT STRATEGY

The approach we take looks at a CEO's psychological functioning as it bears on workplace performance. In addition to looking at the public aspects of self (résumé, experience, and achievements) we also look at private aspects (motivation, family, values, conflicts, and fantasies) that affect workplace functioning. Our assessment strategy examines five areas:

Business Culture. Some highly capable leaders are better suited for larger corporate environments, not the less structured environment of a start-up. Other CEOs function best only as long as the firm remains under a certain size. Understanding the business and managerial environment in which the CEO is expected to execute a corporate strategy is necessary before making predictions regarding an individual's leadership in that context. Some of the factors we consider include the competitive environment, investors' exit strategies, and organizational culture.

Intelligence, Work Skills, and Experience. The executive has to have the necessary functional skills and cognitive capability in order to perform the work of the role.¹ This dimension generally reveals itself on résumés and in interviews and reference checks. Venture capitalists and executive recruiters emphasize this dimension in screening senior management candidates.

Development. Understanding an executive's past helps us articulate his public and private motivations and capabilities. Understanding an individual's current developmental needs (for example, possible midlife concerns or thoughts of ultimate retirement) enhances the overall assessment of motivational priorities as they bear on predicting the quality of his leadership.

Personal Life Areas. We want to know how the individual handles non-business aspects of life that affect his or her leadership—family, leisure, religious beliefs, for example. How does the person balance these aspects of life with his work life? What are the sustaining relationships and support systems outside of work?

Personality Structure and Dynamics. We look at different levels and functions of personality, conscious and unconscious, including motives, coping, interpersonal style, and integrity. By taking a sophisticated look at the individual's personality, we are able to examine his motivation and capacity to carry out his work responsibilities.

To some extent, these five areas appear deceptively distinct. In fact, they overlap and interact, as, for example, past development shapes personality and intellectual functioning, and the latter two affect continued development and functioning in vocational and personal life domains. Therefore, these five areas are components of a global, holistic approach to understanding and predicting leadership, which we have branded the Active Coping Assessment[®]. This approach marries two normally distinct approaches to evaluating executive capability. It combines the approach traditionally used by venture capitalists emphasizing an executive's industry knowledge and functional expertise, with a clinical approach that explores less easily observed dimensions of the executive that bear on the ability to perform as expected.

METHOD AND PROCEDURES

We contacted 30 leading private equity firms. Each firm was asked to nominate CEOs whom it regarded as having been successful leading one of its past or present portfolio companies. Fifteen firms nominated 25 CEOs. In the end, our sample included 20 CEOs nominated by 12 different firms. We left it to each firm to define for itself how the outcome measure of success was defined,² but every CEO ran a venture the investing firm regarded as a financial success: The firm had either successfully exited the investment or had a reasonable expectation of doing so.

In addition to the financial outcome, some investors defined success along a second dimension that turned on the quality of their relations with the CEO as a factor in the venture being successful. They noted their ability to raise concerns and resolve problems with the CEO in an open, straightforward manner, their perception of the

CEO's integrity, and whether they would want him as a CEO for another venture. Several investors cited the willingness of the CEO to share information and raise matters of concern in a timely way as being important factors in reducing the perceived risk associated with the venture.

The CEOs (*see Exhibit 1*) headed firms in a well-diversified range of industries, stage of company growth, and size of investment. The industries included pharmaceuticals, web-based services, manufacturing, telecommunications, hospital management, and consumer products. The nature of the private equity investor's involvement fell into four categories of funding during the CEO's tenure: start-up/early stage (nine or roughly 50%); growth (six or roughly 30%); mature (one or 5%); LBO/turnaround (four or 20%). Of the 20 CEOs, six had successfully led venture-backed firms more than once; 14 were first time CEOs whose tenure ranged from two to 15 years. It turned out that the sample divided almost equally between CEOs who were founders or part of the original management, and CEOs who were installed by the venture firms when or after the investment was made. Some of the CEOs came in to run start-ups that had almost no revenues; others were asked to turn around companies that were under-performing.

Participation in the study involved the CEO giving us four hours for the assessment and two hours for feedback and discussion following the assessment. In all but two cases, the assessment was conducted at the executive's place of work. (The other two cases were conducted at conference centers.)

The assessment proceeded in line with the clinical assessment strategy described in the previous section. The particular operational details of the assessment is included in Appendix A.

The sample included 19 men and one woman. The mean age of the participants was 50 years (S.D. = nine; range = 30–64 years). One participant was originally from India; the rest were native-born Americans. All were married. All had at least a college degree. Eight of the 20 had some kind of advanced degree that ranged from an M.B.A. to a law degree to a Ph.D.

FINDINGS

In the interest of stressing what readers find new and of most concern, we are reporting the findings on

the first four of the five components of our model in Appendix B. We will integrate the findings in Appendix B with the findings below in a later stage when we discuss the implications of the findings for investors and our conclusions. We will focus here on the last component of our model, personality structure and dynamics, an area where investors have the least expertise in evaluating prospective CEOs.

Self-Description of Motivational Priorities

The CEOs completed a psychometric self-report test that was designed to identify motivational priorities and patterns. This test was standardized with an American adult population. The test is comprised of 20 motivational scales and two validity scales. Each motivational scale represents a defined psychological need such as the need to achieve, socialize, direct others, and have fun. The validity scales assess any tendencies to represent the self in either an extremely negative or positive manner.

Validity scores of the CEOs indicated that they were within one standard deviation of the norm (average) of the standardized sample. Therefore, the CEOs did not display any extreme proclivities to present themselves as especially positive or negative. The scale indicative of a positive self-representation was higher than that of the negative self-representation, suggesting that overall these individuals tended to describe themselves in a manner considered socially and conventionally favorable.

Similarly, of the 20 motivational scale scores, all of the averages for the CEOs fell within one standard deviation of the normative mean. This pattern suggests that the group of CEOs is quite "normal" with regard to motivational needs. Nevertheless, some needs approached exceeding the normative mean by one standard deviation and others approached falling one standard deviation below the normative mean. Among the former group were needs for achievement, dominance, and exhibitionism. Among the latter were the needs for abasement (passivity and self-negation), autonomy (need to rebel and resist pressure to conform), understanding (interest in theoretical and abstract activities), and sentience (aesthetic appreciation). This pattern of motives indicates that the CEOs strive actively to accomplish difficult, pragmatic tasks by leading others in such endeavors. The CEOs like being in the limelight and being praised for their accomplishments

EXHIBIT 1

Company Stage and CEO Success Measures

ID	Business	Company Stage When CEO Arrived	Industry	Business Challenge	Why Considered Successful
1	Web-based personal publishing and communities	Start-up	Web-based media services	Grow company and develop revenue model Raise capital to finance growth Exit through sale or IPO	Sold internet company for \$60+ million in late 1990s Grew internet division for acquiring company that was later sold for \$10+ billion
2	Automated materials management software	Start-up	Web-based distribution services	Take product from concept to beta, bring to market and sell at a profit (expansion stage) Grow software sales (growth stage) Exit through sale	Proved he could design and procure industrial commodity through web-based distribution Launched and grew company to seven-figure in revenue in six months Raised two rounds of venture capital
3	Biotechnology for pharmaceutical and food industries	Start-up	Life sciences, pharmaceuticals	Develop and license chemicals for food and pharmaceutical applications	Sold first company and led IPO raising \$50+ million Started current company to supply chemicals to pharmaceutical and food industries
4	Performance opticals	Growth	Consumer products – health care and optical	Build the business in a sustainable way Strengthen its distribution and leverage that growth	Prior success as CEO of consumer products company that was funded by his current investors; led a dramatic turnaround there
5	Contract research	Growth	Pharmaceutical services	Save a dying business: Unsustainable losses running millions of dollars every month In first 90 days, CEO assessed and restructured management, developed strategic marketing plan, opened new headquarters, and hired new sales team; tripled revenues while reducing losses by over 80%	Vcs did a search and liked this CEO: "He knew where he was going and how to get there. He was firm, decisive; he could bring discipline to a company that needed it. His experience was extremely relevant; he had built a business to several more than \$35 million in revenues in a couple of years. He has been a great choice so far. If the company continues at its current rate, we expect to make 4x the investment (over 4 years)."
6	Heavy manufacturing	Recapitalization	Manufacturing – automotive	Replace absentee manager, build stronger management team, cut costs, restore profitability, repair relationships with customers, then grow the top line (acquisitions)	Track record of success with responsibility in a number of functional areas Investors called him straightforward, "open, clear communication and able to make tough decisions."
7	Receivables management for businesses	Recapitalization	Collection industry	Grow the business	Previously successful at predecessor company, with responsibility for a number of different functional areas
8	Hotel management	Recapitalization	Hospitality industry	Increase profitability	Investors saw company as a growth opportunity; CEO had assembled a strong leadership team; 20% CAGR; 30% EBITDA growth over four years When hotel sold to new investor group, current GM was asked to stay; in four years he grew profits from \$4.5 million to \$14 million; now running additional properties for same investor group
9	Hospital management	Growth	Health care	Acquire hospitals, run them more efficiently, leverage economies of scale	Co-founded company and ran it for 12 years Under his leadership, company grew to become large hospital management company
10	National franchiser	Growth	Personal care	Grow the business without sacrificing profits	Grew up in the industry and knew how to run the company On track to deliver on investors' financial expectations

EXHIBIT 1 (continued) Company Stage and CEO Success Measures

11	Lawn and garden equipment	Recapitalization	Home improvement products	Top line growth while maintaining profitability Sell to strategic or financial buyer within five years or go public	Has restructured the business successfully Has so far exceeded investors' expectations for earnings growth
12	Semiconductors	Growth	Semiconductors	Grow company to be candidate for successful IPO	Company was losing millions/month; CEO sold facilities, reduced headcount, cut product lines, and returned company to profitability in less than one year
13	Software for consumer electronics	Early stage	Software	Grow the business Permit investors to exit through sale to strategic buyer	Measured by unit sales, the company's software was one of the top 100 programs ever produced Founded company and led it through several successful rounds of financing
14	Corporate training and performance support software	Start-up	Software	Grow the business Permit investors to exit through sale to strategic buyer	Started company with no capital; rate of growth averaged over 40% per year; arranged highly successful sale to outside investors
15	Semiconductor components	Early stage	Semiconductors	Grow revenue and profits	Hired as consultant to build strategic marketing plan; eventually appointed CEO On track to meet investor timetables/expectations
16	Medical software	Start-up	Software	Grow revenues and profits prior to IPO	Met investors' timetables/expectations
17	Semiconductor manufacturing technology	Early stage	Semiconductors	Grow revenues and profits leading to IPO	Has been successful with previous start-ups Share price up 8x since IPO
18	Telecommunications services	Growth	Telecommunications	Grow through acquisitions	Revenues up 5x over three years during difficult industry conditions
19	Genome sequencing	Early stage	Biotechnology	Develop commercial applications of academic research	Two-time successful CEO of venture backed firms Before that, led successful start-up funded by parent company
20	Packaging and container manufacturing	Recapitalization	Paper products	Under-performing family business Outside investors hired CEO to head turnaround	Improved sales, cut costs, maintained morale while turning around sleepy family business

while they pursue goals that are socially acceptable, if not conventional. They are not particularly interested in devoting time to theoretical and aesthetic endeavors. Overall, these executives described themselves as being utilitarian, ambitious, loyal, and proud people, but not academic, philosophical, oppositional, or artistic-minded.

Coping Tendencies

The CEOs were also administered a semi-structured instrument designed to assess coping tendencies. Semi-structured instruments permit the evaluator to direct the candidate to particular content areas without limiting the choice of responses. Thus, we obtain a more spontaneous and less self-conscious and controlled depiction of self, at least in comparison to psychometrically structured and objective tests. The particular instrument that was employed was designed to obtain information about the ability to define clear goals, identify realistic obstacles or challenges, actively strive to actualize goals and deal with obstacles in a manner that preserves and promotes self-esteem and satisfaction.

The CEOs' mean score across all categories of this test was about one standard deviation above the expected average, that is, as a group the CEOs revealed very active coping tendencies. This level of coping was validated by a second measure of global coping derived from this test. This second measure includes the scores on the particular categories as well as other indicators of defensive and passive coping. On this second global measure, 50% of the CEOs were classified in the highest category of coping. This percentage can be compared to only 15% of the individuals from the original standardized population of this instrument.

Looking at the particular measures of this test, the CEOs exhibited great optimism, self-esteem, and confidence, a consistent readiness to actively deal with problems, and an average capacity to articulate goals and recognize problems. In setting goals, they were

prone to emphasize an overriding need to be successful in their endeavors; they were more interested in demonstrating their self-competency than in admiring the outcome of the endeavor itself. This pattern was congruent with the findings on the objective self-descriptive test: high exhibitionism and achievement motives but low needs for intellectual or artistic accomplishments. It appeared that their sense of satisfaction derived more from the validated feeling of being successful than the promotion of the product they were hired to develop. Additionally, the semi-structured test indicated that they placed great value in maintaining harmonious and happy families.

In defining perceived impediments, the CEOs seemed much more concerned with the behavior of others than with physical or instrumental deterrents. They complained of individuals who were not loyal, logical, dependable, communicative, cooperative, or honest. Given their high level of self-confidence and need for success, the CEOs basically viewed themselves as forthright and conscientious leaders with little tolerance for individuals who were unreasonable or incompetent. Overall, the CEOs could be characterized as proud, if not boastful, individuals who value hard work, strong families, trustworthy and direct colleagues and employees, optimism, and integrity.

Underlying Motivational and Coping Tendencies

A story telling projective personality test was used to assess the presence of motives, interpersonal styles, conflicts, coping tendencies, and personality dispositions such as self-esteem, confidence, and conscientiousness that may or may not have been manifest on self-report instruments. Although it is possible to apply or construct reliable procedures to obtain scores for these areas, we used the projective test results qualitatively and clinically to yield an individualized personality profile for each subject. This profile aided in understanding how each individual CEO integrated psychologically (on conscious and unconscious levels) his or her past history, internal needs, and current external work, familial, and leisure life spheres.

We discovered a number of patterns, ranging from CEOs who were psychologically organized in a secure, resilient, and self-satisfied way to those who revealed underlying areas of defensiveness and vulnerability. We believe

that those with the latter pattern are more limited in their abilities to function successfully in the business arena in a consistent and effective manner. Depending on the specific profile, individuals in this latter group may falter in completing their work objectives if they encounter disrupting changes in either their work or familial situations. Following we present a number of examples of this range of patterns.

The first example is of a CEO who has managed to blend his personal ambitions for success with social and familial values. His stories emphasize how characters recognize their interdependency upon others and how success is always a mutual enterprise, balancing the needs of self and others. His stories demonstrate congruency among his self-reported achievements in life, motives, core values, and personal desires. For example, the first story he created in response to a picture of a boy sitting before a violin was as follows.

Here's (he gave his own first name) at his early age in elementary school, studying and dreaming about what the future holds. As he looks back, he has fond memories of friendships that he enjoyed and is appreciative of the efforts everyone made to bring him to where he is today.

Another story highlights the theme of "one for all and all for one." His response to a picture of two women and a man on a farm was as follows.

This is a story about the people and their relationships. . . . The family is working the fields, providing for themselves, expecting another child. The older daughter is going off to school. To me it communicates the bonds that everyone has and the roles that everyone plays supporting each other and it looks like a happy family and for me the takeaway is the development of each person individually and yet as part of a family unit.

Finally, the sheer enjoyment of personal success and a pervasive sense of self-satisfaction is captured in the next story (recited to a picture of a man climbing a rope).

This is the story of a man who has the ability to climb up and down a rope. He found the dream opportu-

nity performing in Cirque du Soleil, and even though he's aging, he still performs today and feels a great sense of accomplishment that his body allows him to perform, and he's very satisfied with his role.

A second CEO created different stories to the three pictures to which the CEO just described told his stories. This second CEO appeared just as content, successful, and resilient as the first but emphasized much more the personal needs of the stories' central characters, and emphasized how success was tied to the perseverance and drive of the individual and not the collective support received from others. In fact, the message seemed to be that successful individuals must go beyond the expectations of others and pursue relentlessly their own goals. One must respect others, but not let their desires or limitations serve as impediments for success and self-actualization. For example, to the picture of a boy playing a violin, this CEO told the following story.

Bobby was a young boy who had to take violin. His mother and father believed that he should learn culture. Bobby wanted to play sports. He religiously played the violin to fulfill his one-hour-a-day practice requirements and even an occasional recital; but his true love was the tennis courts. Finally, after struggling for 10 years to play the violin, he won his first tennis tournament and went on to become a great tennis player. He never did learn to really enjoy the violin.

To the picture of farm people, this CEO revealed the need to go beyond environmental limitations and reverse the fear of becoming overwhelmed by circumstance by transforming it into glorious success.

"Life on the Farm"—a title. We lived on a farm in rural Kansas. As you can see my mother was pregnant. There were many children. We all had tasks to perform. It was our job to help raise the crops, tend to the livestock. It was all part of our upbringing but it made it difficult to get a good education. Elizabeth wanted to be a student. She was a good student. She loved reading; she loved working with children, and she didn't care a lot

about the farm. She also resented the life that her mother had because she had to work so hard for so many hours a day. Elizabeth wanted to be better than that, to have more, to tour more places than just rural Kansas. So she worked on the farm to scrimp up enough money to finally attend a university outside the state. She went on to become a world-renowned poet, Elizabeth Browning. And now you know the rest of the story.

Finally, this CEO's philosophy that perseverance and coping are the keys to success is clear in his story to the man climbing a rope.

Called "The Rope of Life." As you can see from the picture, life is represented by a rope and how to climb it. The higher you go, the more mental and physical strength it requires. When your feet are on the ground and you are holding on to the rope, it is kind of like childhood. You have something to hold on to, to hold you up, and to orient you, and you have a stable foundation. But as you rise, pull-by-pull, kick-by-kick, it gets a little tougher. Sometimes you slide backwards. It actually burns your hands. Sometimes you bleed it's so painful. But you know you can't go back to the ground, you have to move on, so you try a little harder, you think about ways to deal with the pain and the stress and you realize you can move forward and upward, you have to make time for those sacrifices. Sometimes you don't have time for eating, for sleeping. In the end, it is worth it, but don't let somebody tell you that you can let go of the rope; it's easier, because when you have hit the ground it hurts and you have to start over. So the moral of the story is: plan your next move, focus, hang on, deal with problems at hand, and in the end you'll achieve the heights of success.

In contrast to the CEOs just described, there were those whose stories revealed tendencies towards restriction, defensiveness, passivity, and uncertainty, *despite the fact that they consciously described themselves as active, open, energetic, and confident individuals*. This contrast suggested

that they attempted to ward off weaknesses or self-doubts and defensively proceeded in life as if these parts of self did not exist. However, these individuals are at risk of encountering these partitioned sides of self when the internal and external means they use to distance them are challenged and overwhelmed. For example, a third CEO was eventually dismissed from his job for failing to inform his investors of a unionizing attempt by workers. Although he was initially deemed successful, his failure to resolve these labor-management tensions, forced his investors to oust him. His projective stories reveal in style and content the tendency to simplify complex situations, avoid conflict, and be passive before threatening situations. There is a failure to integrate interpersonal and self-motives.

To the card with a boy sitting before a violin, this CEO responded as follows.

The little boy, we'll call him Timmy, has just been given a violin and he is trying to learn how to play. But he's pretty much decided he'll give it a chance.

In that story, the main character does not possess an internal desire to play or achieve. His motivation is linked to accommodating himself to external impositions. There is no development of a plot, no other people are involved, feelings are missing, and there is no decisive end. The story lacks vitality.

In the following story about the people on the farm, the character is decisive in a way but does not find a way to blend her needs with the people she cares about. A sense of sadness and self-justification pervades the ending.

The young woman has decided that or has been wondering whether or not she should stay home with the family in a traditional farm or should she go off and do something else and try and get an education; and since she is holding books, she is embracing an education; she will go off and do what she wants and forsake the family farm. She's sad about that but she's decided it's the right thing to do.

The next story about the man climbing a rope, though happy sounding, demonstrates the way this CEO views things simply, avoiding perceiving or dealing with the potential stressors and intricacies of life.

The kid's in gym class. He just learned how to climb the rope. He's climbed the rope and he's happy about it.

Finally, the next story (to a card showing a woman in a bed and a man standing with his arm on his forehead) reveals a basic sense of helplessness that may emerge at stressful times. The main character is paralyzed with worry, and there is no action or resolution.

The first thing that pops into my mind is that the woman is sick or in some other distress and the guy is distraught about it and doesn't know what to do; is beside himself with worry.

The stories of a fourth CEO likewise reveal pervasive insecurities that underlie a self-presentation of confidence and success. The characters in the following stories feel pressured by others, struggle to remain on their feet, are driven by their fears, or find themselves "nakedly" embarrassed despite their efforts.

He's looking at the violin and wondering why he can't play it and is thinking about all the other things he could be doing if his parents didn't say he had to play the violin and he wished it came easy to him so he could go on to do those other things, which is what he will do shortly and be much happier. The end.

She is wondering about her future and is so deep in thought that she doesn't notice the strapping guy in the back or the Amish woman by the tree but she is deep in thought on a million things and then she trips and falls because she was deep in thought but then gets up again and continues on her way.

He read a brochure one day that challenged him to face his fears and he realized he was afraid of heights but given the introduction that he should face his fears, he decided to climb the rope nonetheless and when climbing the rope he found it was easier to be up high than he realized and he found that he enjoyed the view although he wished he had put some clothes on before climbing.

In summary, while the material from the developmental histories and objective tests revealed numerous similarities among the CEOs, the projective test data indicated differences on the more “private” domain of fantasy and inner life. As reported in other places (Pratch and Jacobowitz [1996, 1997, 1998]), these differences can be important in making long-term predictions about the stability and course of coping, behavior, and leadership effectiveness. The projective material helps both to differentiate among individuals who consciously report similar attitudes, behaviors, and achievements and also to tie together in a holistic fashion the various manifestations of personality across the different data collection instruments.

IMPLICATIONS FOR INVESTORS

The psychological functioning of highly successful business executives has not received systematic scrutiny from researchers, particularly from the vantage point of how to select such individuals and predict their success. Our study, however preliminary, is one of the first and most extensive. We have uncovered a great many fresh insights, but given our present audience’s interests and concerns, we will confine our discussion to what private equity investors should take from the study. We will begin by describing the kinds of considerations that investors can explore in their interviews with potential CEOs and build toward the sort of deeper insights that only a clinical psychologist can elicit but which bear importantly on a CEO’s ability to deliver the results he claims he can. This presentation follows the model we presented earlier.

Business Culture

This study examined private equity funded ventures in a variety of industries and stages of growth, ranging from start-ups to mature firms requiring a turnaround. Given their different business models, market conditions, and stage of organizational development, the fact that we found similarities in the CEOs’ personalities suggests that the conclusions of this study are generalizable to many businesses funded by private equity investors. Where this research departs from our model is in not giving close attention to the specific fit between executive and corporate culture. Because the investors had already decided that the CEOs were successful, we assumed that there was

a good fit between the CEOs and the role they were expected to fulfill, and therefore did not need to assess each particular business environment. If this were a complete psychological assessment performed on behalf of investors wanting to know the chances of a particular executive’s chances of being successful in a specific venture, we would analyze the corporate culture, including the team on which the executive would be expected to function as part of an effort to link the executive’s leadership to the characteristics of the setting.

Intelligence, Work Skills, and Experience

Given that 18 of our 20 executives had considerable experience prior to becoming CEO (*see Exhibit B-1*), and that this experience was a factor in their being selected by their investors to head up the venture, we need to explore whether this experience was necessary for their success or whether it is an artifact of selection. We believe that experience had bearing on their success but without having strong coping and motivation, their chances of being successful would have diminished greatly. Many experienced executives, in fact, when placed in the top roles, fail to perform. A crucial dimension of a psychological assessment would be to gauge the executive’s path to success to determine how much an experienced executive’s success owed to his personal strengths that will be important in the success of the new venture (versus factors that are either not transferable or irrelevant to the job).

Two of our CEOs were first-time entrepreneurs. In the case of inexperienced executives or ones whose experience is not directly relevant to the new venture, a psychologist would assess their coping and motivation as a way to predict the executive’s ability to harness other strengths in lieu of experience, such as intelligence. In all of these cases, the psychologist’s clinical judgment is crucial for determining whether there is a good probability that the executive can deliver the needed results.

Development

The CEOs generally came from intact, upwardly mobile families with each parent playing a distinct role (*see Exhibits B-2 and B-3*). The fathers were ambitious and hard working, and while they supported the family, the sons characterized them as distant. The mothers stayed at

home to raise children and were described as the emotional center of the family. As the first-born or first male child, the CEOs identified closely with their parents' values while seeking to actualize their fathers' aspirations in terms of status and wealth. This is an important source of the son's motivation to achieve. We believe that the CEOs' needs for achievement and integrity had their roots in their nuclear families and the surrounding cultural milieu.

The importance of the early nuclear family was manifest in the kinds of families that they created as adults (*see Exhibit B-4*). All described themselves as having successful marriages, with family life vital to their happiness and emotional equilibrium. They did not, however, describe themselves as having important household and child-related responsibilities. These were handled by their wives, whom they characterized as capable and independent. The CEOs married well-educated, intelligent women who devoted themselves to their families. To the extent the wife sacrificed her career ambitions in favor of her children and husband, we hypothesize that this becomes a powerful source that allows the CEO to achieve his own career ambitions.

The CEOs thus appeared emotionally nourished by the connection to a loving wife and family, while being free to devote themselves to work and career. Such a family life is important for explaining, in part, the career successes they have enjoyed. Competent but nurturing wives, who have primary responsibility for children and the household, become a means for the CEOs to recreate the psychological and emotional circumstances of their own upbringing. From this perspective, the CEOs use their wives to play a role similar to the one their mothers played, leaving them psychologically free to pursue career goals, much as their fathers had done. Such sharp distinctions between roles enable ambitious executives to focus on their careers while still meeting their basic developmental needs.

It should be noted that in the sample there is only one female CEO who was married to a successful executive but she had no children which certainly liberated her time to devote to her career. Given our findings, though, related to the men's needs for nurturing wives, one would need to embark on a separate study investigating female CEOs to determine what familial constellation of personal lifestyles might contribute to the success of the CEO. Women might have very different dynamics for how to structure their lives.

Private equity investors would do well to consider whether a potential CEO of one of their portfolio companies has a private life arranged to support his career ambitions rather than having it be a distraction or a source of guilt or anxiety. We find that more experienced investors have learned to give the circumstances of a CEO's family life appropriate consideration when making hiring and funding decisions.

Personal Life Areas

The CEOs' lives revolved around work and family. They tended not to devote energy to activities that were not work or family related. This corroborates the above analysis that they have organized their lives to reflect the importance of success at work and family. The fact that none of the CEOs had powerful outside interests beyond family indicates that work itself is its own reward. Investors should seek executives who are motivated to succeed for its own sake—not for the lifestyle that it affords.

Personality Structure and Dynamics

Self-Described Motivation. When interviewed the CEOs appeared extroverted and forceful. They talked quickly and confidently, exuding energy—so much so that one is tempted to ascribe to them an inborn temperament of high energy and excitability. Individuals with such active temperaments generally require less sleep than other people as well as almost constant stimulation. They rarely tire. These CEOs channel their hyperactivity into achievement and execution.

On a self-report measure, the CEOs' most salient motives were needs for achievement, exhibition, and dominance. They seek admiration; they strive to stand out; they want to guide and direct others. They need to be in the limelight and seek wealth and status as a way to show others how successful they are. They are not humble individuals willing to remain in the background. They are not contemplative, artistic, or academic types. Nor are they revolutionaries—they do not attack the system; to the contrary, they want mainstream conventional success. This motivational configuration is consistent with being a leader who is focused on achieving goals set by and valued by others.

Coping Tendencies. Our discussion to this point has focused on behaviors that are apparent to both investors

and the CEOs themselves. We now consider the findings of the semi-projective and projective measures as a way to deepen our understanding of the CEOs' functioning, in many cases revealing what is not apparent either to the investors or to the CEOs themselves, and in some cases, contradicting what the CEOs claim on self-report measures. This added level of insight as it compares to self-report data starts to give us a full understanding of the CEOs' abilities to deliver on their ambitions.

At a self-report level, all 20 of the CEOs claimed to be strong copers. This is not surprising given how successful they were and the kinds of behaviors required of CEOs. The semi-projective measures of coping confirmed the CEOs' self-characterization: The majority received extremely high scores on a formal measure of active coping. This is further confirmation that they possess the kinds of resources that they need to carry out their self-described motives.

The semi-projective measures also added to our understanding of the nature of the CEOs' achievement motive. In particular, the CEOs were not only active in temperament but also assertive and perfectionistic in their work style. They were extremely confident that not only could they achieve what they set out to accomplish, but they could accomplish what subordinates probably could not. Without being mistrustful of others or in any way paranoid, they were consistently critical of subordinates, holding them to high standards while dubious that they were actually capable of performing at that level. Nevertheless, they attempt to motivate subordinates to perform at their best. This becomes an exceptionally effective context for the venture achieving its goals and helps explain why several private investors who nominated the CEOs for this study mentioned they would consider backing the CEO in another venture.

When asked to define aspirations or goals, the CEOs typically emphasized a need for success and a fear of failure more so than a desire to develop or promote a particular product. Therefore, it appeared that their need for achievement was highly linked to their needs for exhibitionism and dominance in that they acquired great gratification out of personal success. Their focus was attaining the goals set for them rather than seeking pleasure in creating or developing or even selling a product for the inherent worth or social value of the product itself. They appear to be the quintessential

entrepreneurs, intent upon meeting challenges successfully, regardless of what merchandise or services their efforts promote. It is this characteristic that motivates them to invest energy in time limited economic ventures.

Consequently, the CEOs are focused on achieving success in a way that dovetails with the interests of their investors. We saw no evidence that they pursued objectives that were not necessarily shared by their investors, such as, for example, perfecting their company's technology in a way that did not have direct bottom line consequences. We surmise that such a focus distinguishes them from their firm's chief technology officer and, perhaps, less successful CEOs, who may be overly involved in the product or goals that are of no interest to their investors.

Of importance, too, is that their focus on success goes hand in hand with a fear of failure and is a crucial element of their also showing evidence of having considerable integrity. Our CEOs associate failure with shame, and they do not want to be shamed. To the contrary, they want to be perceived as good and capable. Seeking to earn praise and avoid shame, be it from investors or their families or the outside world more generally, keeps them honest. It serves as a powerful ethical backstop to their behavior.

We can understand their strong ethical compass in terms of their acceptance of their parents' values. They abide by the rules and need to come by their success in an honest and ethical way. By virtue of their strong coping they are able to act within this moral framework to do the right thing as opposed to doing the expedient thing. Once again we see the important role that early developmental experiences play in the fashioning of guiding motives and controls in the business behaviors and achievement of successful leaders.

Underlying Motivation and Coping. Up to now we have discussed the CEOs in terms of modal similarities. Underlying the tendencies our CEOs have in common are unique coping and motivational qualities that shape the individual character of their leadership. They show considerably more variability when we looked at the less conscious areas of personality functioning. By using projective measures, we are able to make fine-grained distinctions among CEOs who were externally very similar. Moreover, it is at this level of their functioning that we are able to predict the quality of their functioning when the success of the venture may be at stake.

The projective measures indicated that the 20 CEOs

had personality structures that ranged from secure and resilient to those with underlying areas of defensiveness and vulnerability (50% of the CEOs assessed fell into the former category, 15% into the latter category, and 35% into an intermediate one). We believe that those with noteworthy defensive and vulnerable patterns are more limited in their abilities to function in the business arena in a consistent and effective manner and pose risks to investors contemplating backing them. In fact, we suggest that weaknesses and blind spots in their functioning, meant that some CEOs enjoyed successes that could as easily be ascribed to luck and circumstance as their own leadership. Further, we believe that investors who funded their ventures unwittingly accepted more risk than they realized.

The ambiguous stimuli of the projective instruments mimic the kinds of pressures a CEO would likely encounter at work and enable us to see how candidates would respond to similar stresses in the workplace. For example, how do they perceive and react to uncertain business or social situations? How open and imaginative are they to seeing and dealing with conflict? Do they overcome opposition successfully? Is their coping defensive and reactive, or open and proactive? The instruments provide a wealth of detail that enable us also to understand why a particular executive might be successful in certain kinds of businesses and not in others. To the extent executives have Achilles' heels in the quality of the leadership that they can supply at crucial times, projective measures allow us to make predictions regarding the kinds of situations in which an executive's leadership may be shaky.

The projective instruments act as the final validity check on what an executive asserts about his ability to deliver on his motivations as expressed on the behavioral and self-report level. They allow us to determine whether the image this individual presents to the world is based on a healthy, vibrant, active coping stance, or whether it is defensive, reactive, or compensatory, and likely to crumble when stressed. Projective measures, which require a clinical psychologist to administer and interpret, are powerful predictive tools for assessing an executive's leadership.³ They allow us to build a comprehensive picture of an executive's workplace functioning that a private equity investor would want to know before making a hiring or funding decision.

In the Findings section of this article, we presented some of the projective test data for four of the CEOs.

The first two examples represented individuals who we classified as reliably resilient. They revealed motivational and coping tendencies that were congruent on all levels of assessment. The operative leadership style of the two differed. One emphasized more "communal," cooperative, and socially facilitating strategies of directing others, and the second, a more "instrumental," directive, persevering, and commanding leadership style. While both are very active copers, they may be differentially successful, depending upon the particular culture and circumstances of the target business venture.

In contrast, the other two CEOs depicted in the Findings represented instances where past achievements and self-reported confidence hid deep-seated insecurities and lingering weaknesses in the coping domain. The first of these two used denial, avoidance, and over-simplification as a way of buttressing his surface optimism. Nevertheless, at times of threatening challenges, his passivity and paralysis emerged. As noted, this individual was eventually fired by the investor who had initially deemed him successful. The second vulnerable CEO appeared to be a person who, at least unconsciously, believed that he cannot meet others' expectations of him, nor those of himself, and is prone to become too self-preoccupied, losing sight of his goals, and, even if successful, tends to feel ultimately a fraud. Recognizing that we cannot predict the timing or precise circumstances that would cause these individuals' underlying insecurities to manifest themselves and perhaps adversely affect the ventures they are heading, with luck, their insecurities may never cause their venture any problems. Had we known in advance of the weaknesses in their functioning, we would have recommended against their being hired. This is an example of a risk investors need not face.

CONCLUSION

Although our assessment methodology is applicable to any corporate hiring decision, its utility is potentially the greatest with private equity funded firms, where the success of the CEO is not meaningfully different from the success of the venture he is leading. Investors regard themselves as capable of evaluating the prospects associated with unproven technologies or uncertain markets. But the investment's success depends on management's capability to deliver on those prospects. As skilled as investors are at evaluating managerial expertise, they have

not relied on the most sophisticated methods to improve the robustness of their hiring decisions. This suggests that investors are assuming more risk than they appreciate. The approach described in this article seeks to understand the CEO's coping and motivation as they bear on the business demands the venture is likely to face. We believe this approach can help investors reduce their risk.

Investors have a forward-looking approach to evaluate technology and markets. But they often use a backward-looking approach to evaluate the quality of management. They focus on experience, credentials, and other factors gleaned from interviews. They exclude personality factors that bear importantly on the executive's capacity to function in highly uncertain operating conditions.

Moreover, the executives likely even to receive scrutiny from private investors are individuals who have already excelled on the very criteria on which they are now being evaluated. The winnowing that first brings them to the attention of investors (e.g., executive recruiters and industry contacts) means that superficially, at least, all candidates will appear capable. This selection approach limits the range of behaviors being exhibited and makes it difficult to identify individual differences that will be meaningfully related to the quality of an executive's future leadership. Investors need not limit themselves in this way.

The clinical approach described in this article is the only methodology that addresses an executive's likely functioning under conditions that cannot be reliably predicted. For example, when the business is under stress—when it faces threats or when it must respond to an unexpected opportunity—do its executives have the flexibility to respond appropriately? Furthermore, our methodology examines behaviors that are difficult to observe in groups of executives who are candidates to be CEOs. This allows us to make fine-grained distinctions between superficially very similar individuals. To choose a manager is to make a prediction. Specifically, the choice “predicts” that the chosen managers will produce more value than any others. Clinical psychological analysis adds independent information that reduces the “prediction error” of top management selection.

Our research has already yielded guidelines concerning the desirable characteristics of executives likely to succeed as CEOs of private equity funded firms. With the caveat that there are exceptions to the general rules, it appears that to optimize success, venture capitalists and private equity ven-

tures should select individuals who loosely fit the following profile: middle-aged, ambitious executives with strong academic records; who have at least 15 years experience in the targeted industry; and who have functional families—including educated and supportive wives. In terms of their upbringing, they will have come from traditional nuclear families where the father was ambitious and upwardly mobile and the mother nurturing and child-focused. The executive will have an extroverted, hyperactive temperament, with self-reported confidence and optimism. He will have needs to be exhibitionistic, perfectionist, and pragmatic, while possessing the capacity to articulate, analyze, and deal with both expected and unexpected obstacles in a manner that reflects a socially recognized sense of integrity.

Examining the CEOs of this study and other successful business leaders, we conclude that the above characteristics form a constellation, each characteristic interacting and supporting each other. We surmise that many candidates for senior management fail to meet the above profile. Instead, they have personalities that are deficient in one or more of these qualities. For example, a candidate could be extroverted but insufficiently ambitious, or be exhibitionistic but vulnerable to ethical lapses; or perfectionistic without being pragmatic or action-oriented; or consciously confident but unconsciously fearful and passive. Moreover, this general constellation can support many different leadership styles. For instance, in the analysis of the projective story-telling test, one leader integrated a communal or social orientation in his managerial style, while another relied on his forceful, charismatic, and inspirational personality to direct and motivate others. Additionally, particular organizational cultures could react differently to different leadership styles. A style appropriate for a biotech start-up may not work in a firm producing a commodity like corrugated cardboard boxes. These points suggest that effective selection requires the expertise of an individual who is familiar with both the business issues the investors regard as salient as well as clinical psychology.⁴

The business of venture capital and private equity investing is to exploit opportunities through the appropriate investment vehicle. The risk these investors face is considerable. The assessment methodology we have described represents the most powerful tool available to help investors reduce their risk in uncertain managerial capability. It identifies the executives with the psycho-

logical resiliency to function well under conditions of high stress. Having this knowledge prior to making an hiring or funding decision needs to be a standard element in an investor's due diligence.

APPENDIX A

MULTI-METHOD ASSESSMENT APPROACH

In accord with the assessment strategy we outlined at the beginning of our article, our first step in the assessment is to understand the business culture and the job.

Business Role Diagnostic

We conduct in-depth interviews with private equity investors to understand the role's relationship to corporate strategy and objectives. What is the business context and competitive strategy? What are the critical business imperatives? What is the team that the person would join? What is the culture of the organization? What is the job—dimensions, nature, scope, time frame, key relationships, principal accountabilities? What are the characteristics of an ideal candidate—functional skills, work experience, career flow? What are the trade-offs the firm would make for someone who is not ideal?

This information helps us understand the business culture and context in which the CEO is expected to operate. At different times, different organizations require different kinds of leadership. The assessment of a CEO is particular to the kind of venture, its stage in the organizational life cycle, the needs and interests of the venture capitalist, and the threats and opportunities the company faces.

Intelligence, Work Skills, and Experience

When individuals come to us for an assessment, they have already met the venture capitalist's screens for industry knowledge and functional expertise. Even so, we will begin by again reviewing the candidate's CV, asking him to explain inconsistencies, anomalies, turning points, and highlights of his career. This knowledge helps us build an understanding of the individual's work skills and intellectual abilities. To provide a formal measure of general intelligence, we use an empirically validated non-verbal instrument intended to make distinctions among already very bright individuals.

Personal History Interview

We conduct a personal history interview, asking about original family setting, formative developmental experiences, and education. We also ask about the CEO's current family situation and aspects of the CEO's life that can affect functioning in the business arena. By examining the executive's ability to balance and integrate different areas of his life, we are able to get a holistic view of his functioning. The personal history also allows us to identify the presence of salient developmental issues that may influence behavior in future and which can facilitate or inhibit managerial functioning critical to the venture's success.

Structural Personality Assessment

Finally, we take what psychologists call a structural look at personality. We examine relations among different levels and functions of the individual's self, including motives, coping, interpersonal style, values, and integrity. Such a view allows us to begin to frame where there may be instabilities in the individual's psychological functioning that can translate into adaptive problems at work.

Our assessment technique uses a combination of objective and projective techniques. Objective techniques refer to self-report statements that are classified using psychometric procedures. Projective tests reflect more indirect, symbolic, and more covert ways of self-expression that frequently are beyond the range of a person's understanding. By using a combination of objective and projective techniques, we can observe how consistently the same conceptual variable (e.g., coping, motivation) appears across different levels of an individual's consciousness. We characterize levels of consciousness in terms of the degree of awareness the individual possesses of personality strivings and functioning, ranging from overt and consciously controlled to covert and less consciously controlled. Behaviors which appear one way at levels subject to the individual's conscious control often operate differently at deeper levels, where the individual has less (or no) control over their expression. Such discrepancies indicate that the individual is in a state of intrapsychic conflict or personality disequilibrium. Strivings beyond the range of the individual's awareness may influence conscious feelings, cognitions, and actions. This is important to understand when making predictions about an executive's future performance. Our assessment approach is described in depth elsewhere (e.g., Pratch and Jacobowitz [1996, 1998]).

To assess the structural dimensions of the self, we use three instruments. The first is a self-report objective personality test to measure motivational tendencies at a surface level of

EXHIBIT B - 1

Background and Qualifications for CEO Role

ID	Age	Cognitive Ability Test Score	Highest Degree	Years Relevant Experience Prior to Becoming CEO of Present Venture	Corporate or Small Venture Background	Remarks
1	30	19	B.A.	0	Small venture	Began the business as a college student
2	33	25	B.A.	5	Small venture	Two-time successful entrepreneur
3	41	32	Ph.D.	16	Small venture	Two-time successful entrepreneur
4	50	28	M.B.A.	20	Corporate	Two-time successful CEO Early experience was in corporate finance as turnaround specialist
5	51	24	M.B.A.	21	Small venture and corporate	Began career at major pharmaceutical company before moving to smaller ventures
6	51	19	M.B.A.	20	Corporate	Manufacturing manager for industrial parts and services
7	53	20	B.A.	22	Corporate	Led MBO
8	55	26	M.B.A.	17	Corporate	Two time successful CEO
9	61	20	B.A.	17	Corporate	Prior experience in the industry
10	54	19	B.S.	5	Corporate	Started as CEO in 1983 Family was in similar business when he was growing up
11	57	24	B.A.	35	Corporate	Long-time Fortune 500 executive Was recruited by PEI to identify and head an acquisition
12	58	25	B.A.	36	Corporate and small venture	Began career at Fortune 500 Assumed ever greater responsibilities in a variety of public and private companies in the same industry Has been CEO of several public and private firms Turnaround specialist
13	45	25	B.A.	19	Small venture	President, founder, and CEO 1993-1999
14	42	29	J.D.	2	Small venture	Ran consulting practice for accounting firm before going into business for himself
15	44	26	B.S.	22	Corporate and small venture	Hired as consultant before replacing CEO
16	47	30	M.A.	19	Corporate and small venture	Academic research background; moved between corporate jobs and smaller ventures; started present venture in 1990
17	64	15	B.S.	19	Corporate	Recruited by VC to head a portfolio company
18	53	*	B.A.	22	Corporate	Recruited by VC to head a portfolio company Career ranges from heavy manufacturing to telecommunications, all in Fortune 500
19	56	**	M.B.A.	17	Corporate	Career spent in industrial chemicals, first in Fortune 500 before moving to smaller firms; ran corporate-funded start-up before becoming CEO of present venture
20	54	16	B.S.	19	Corporate	Turnaround specialist Recruited by PEI to head company being added to their portfolio

* Did not complete test.

** Subject answered haphazardly and therefore score is not reliable.

EXHIBIT B - 2

Original Family Setting: Structure

ID	Geographic Location While Growing Up	Family Structure	Position in Sibship
1	Suburban	Intact	Older of two
2	Suburban	Intact	Older of two
3	Suburban	Intact	Oldest of five
4	Suburban	Intact	Oldest of nine
5	Suburban	Intact	Younger of two sons
6	Suburban	Disrupted	Older of two sons
7	Rural	Intact	Oldest of four
8	Suburban	Intact	Older of two
9	Rural	Intact	Oldest of three
10	Rural	Disrupted	Second of five; only son
11	Rural	Intact	Second of three sons
12	Rural	Intact	Third of five
13	Suburban	Disrupted	Youngest of three sons
14	Suburban	Disrupted	Oldest of two; only son
15	Suburban	Intact	Youngest of three
16	Rural	Intact	Second of two but first boy
17	Rural	Disrupted	Second of two from original family; oldest son; eventually step-siblings from father's second marriage
18	Suburban	Intact	Second of three
19	Suburban	Intact	Second of five; oldest son
20	Rural	Intact	Youngest of three; only son

personality functioning. The second is a semi-projective sentence completion technique, which elicits a more spontaneous presentation of self. The third is a projective story telling technique, which taps even more covert, indirect, and less conscious revelations of self.

Information gathered using these three instruments taken together allows us to determine the congruency or stability of an individual's personality. Are the individual's coping abilities manifest either behaviorally or in a self-reported way congruent with other motives or drives, or are they in conflict? Knowing this is important because if the personality system is in conflict, the individual's behavioral style may break down over time and cause instability in his or her leadership.

APPENDIX B

FINDINGS ON INTELLIGENCE AND DEVELOPMENT

As mentioned in the body of the text, we are reporting in this appendix the research findings as they bear on 1) intel-

ligence, work skills, and experience, and 2) development, including family and socio-cultural background.

Intelligence, Work Skills, and Experience

As evaluated by the investor (*see Exhibit B-1*), all of the CEOs demonstrated the requisite level of functional skill and cognitive ability to perform in their jobs. The mean score on a non-verbal assessment of reasoning abilities was consistent with the authors' research on M.B.A. students and medical students. The CEOs, however, tended to be considerably older than business and medical school students. This is significant because non-verbal intelligence scores tend to peak in the twenties and decrease gradually with age. We might hypothesize that had the CEOs taken the mental reasoning test in their twenties, they might have scored a standard deviation higher. In general, then, the CEOs are highly intelligent people.

This study made no formal evaluation of the quality of the CEOs' functional skills (e.g., expertise in marketing, fundraising, engineering) and accepts the investors' assessment that their skills in these areas were sufficient.

EXHIBIT B - 3

Original Family Setting: Parents

ID	Father's Occupational History While Children at Home	Father's Career Progression	Subject's Characterization of Father	Mother's Occupational Role While Children at Home	Mother's Emotional Relationship with Son	Subject's Characterization of Mother	Special Comments
1	Schoolteacher	Stable	"Loyal, honest, helpful, generous, everybody's friend, super positive. Undoubtedly my moral compass. Almost became a minister; taught that being a teacher is fundamentally about serving others."	Business-oriented but chose to teach so that she could be around for her children	Distant "More a friend than a mom"	Unemotional. Did not provide a feminizing influence. Not one to delve deeply into matters of the heart."	Family close but does not share much emotion. Unsupervised from age 16 on — got attention by achievement in sports
2	Entrepreneur: started as auto engineer, moved into management, then started own business	Ascending	Did not elaborate on father.	High school English teacher for 38 years	Nurturing	Encouraged her sons' education. Highly educated and more refined than father	Father and son started medical device business together that they still operate
3	Entrepreneur: started as auto engineer, moved into management, then bought spin off of Big 3 auto maker	Ascending	"Serious but fun. Always starting businesses on the side."	Homemaker Schoolteacher then stayed home to take care of kids	Nurturing	"Funny and artistic. Very supportive of dad."	"Great family environment growing up."
4	Entrepreneur: started in retail and carpet sales; started his own successful business	Ascending	"Successful businessperson, the consummate sales person, good rapport with people."	Homemaker	Nurturing	"The foundation of the family. The morals of the family came from her. She conditioned our ideas of what was right and wrong She was well educated and wanted to ensure we were all well educated." "Came up through a more affluent than father."	Warm, benevolent, traditional Catholic family
5	Corporate: rose from door to door insurance sales to regional head of major insurance company	Ascending	"Dad was very professional, passionate about being honest. You could count on whatever he said to be the truth."	Homemaker	Nurturing	"Mom was a super mom, a great cook. The rock at home with dad traveling all the time. Strong, opinionated. A powerful physical presence at home."	"Parents relationship was very stable."
6	Middle management: accountant within a business	Stable	"Dad wasn't jovial; was serious, reserved. "Didn't do a lot with dad. Dad worked six days a week and one night so I only saw him Sundays." "Dad was very loving, very caring. Fishing, hunting, sports with dad."	Homemaker	Distant	"Serious, stern, Germanic reserve; not warm or emotionally expressive."	Parents divorced when subject was in 5th grade and remarried each other a few years later.
7	Small businessman: owned insurance agency	Stable	"Dad was very loving, very caring. Fishing, hunting, sports with dad."	Homemaker Worked a bit in the insurance agency.	Nurturing	"Her life was her family. She ruled the roost at home without letting father know it."	
8	Middle management: started as engineer	Ascending	Very forceful, strict, authoritarian, put intense pressure to achieve	Homemaker	Nurturing	"The moral force; whatever principles I have today, she taught me—humility, humanity, sincerity, and openness to others."	
9	Laborer: construction worker	Stable	Little interaction with father, who "worked, ate, slept, watched TV."	Homemaker	Distant	Mother in poor health	
10	Laborer: construction worker	Descending	Absent	Various jobs, from waitress to hair salon operator	Nurturing	"She is determined, has a great sense of humor; went through a lot of adversity and did so with dignity and grace."	Father alcoholic and deserted the family "Oldest sister was very strong."
11	Schoolteacher who rose to be school superintendent	Ascending	Distant Father "stern, disciplinary."	Homemaker	Nurturing	"Made each son feel like he was the center of her universe."	
12	Entrepreneur: started in mid-management then owned and operated small hotels and restaurants	Ascending	"Totally devoted to kids, uncompromising in his moral values" (Quaker).	Worked in the business with father Came from a rich, socially prominent family Concert level pianist, phenomenal artist	She was "driven" and had high expectations of son.	"A tough business person in a pill box hat — she would not let someone take advantage of her, very gracious but tough as nails. A very proper lady."	"Parents never fought. Epitome of compromise and a good family. They worked together, played together." Very admiring of father and proud of mother.

EXHIBIT B - 3 (continued) Original Family Setting: Parents

13	Entrepreneur: machine tool sales	Ascending	"Very controlling," authoritarian, tried to impose straight laced Eagle Scout values" on son. Went to Harvard Business School, went into business, and expected same of all three sons.	Homemaker	"Protective in a Jewish mother kind of way."	"Very controlling," "manipulative," an "emotional train wreck." "Used displays of emotion to get her way." Was raised by a primary caretaker in addition to mother.	Parents divorced when subject was 17. Conflicted relations with both parents. Experienced both parents as very controlling and rejects their values
14	Corporate: partner at accounting firm	Ascending	Distant Father very focused on career, socially ambitious	Homemaker	Distant	Focused on raising kids without being emotionally invested in the role	Parents separated a few times when subject was a teenager and divorced when subject was in his mid-20s.
15	Laborer: factory worker	Stable	Distant "Father was not an affectionate person. Incredible work ethic. Very involved in church" with mother.	Mother worked in administrative/clerical job in a major corporation after father hurt in a hunting accident	Nurturing	"A very wonderful person. Spent a lot of time edifying others and taking care of others. A very strong leader."	Achievement of mother released only when father injured
16	Entrepreneur: owned and operated bowling alley, insurance agency, retail stores	Ascending	"Abdicated the role of father." Distant, self- and career-focused	Homemaker	Nurturing	"She had friends everywhere, very outgoing, always making cookies and helping at the schools." "Got along really well with mom, similar sense of humor, could talk to her."	Father uninvolved in son's life
17	Sharecropper, then odd jobs in town	Stable	Didn't have an ambitious bone in his body. As teenager, kicked out of house by father and lived with older sister for a year until college	Worked as a waitress after divorce	Distant	Didn't grow up with mother	Parents divorced; subjects lived with father until his late teen years; father remarried within three years of separation from mother
18	Middle management	Unstable	Father did not live up to promise	Homemaker	Nurturing	Responsible child in an alcoholic family	"Dad ended up drinking a bit too much" in high school years Parents divorced when subject graduated from college and eventually remarried each other
19	Middle management: electrical engineer	Stable	Distant Perceived father as an under-achiever	Homemaker	Nurturing	Mother made the family run. "Mother more creative, someone to find a common ground. More of a counseling personality."	"Both parents were heavy drinkers."
20	Middle management: salesman on salary	Stable	Hard working, ambitious, a dreamer, wanted to have his own business but mother put the clamps on, never let him achieve.	Homemaker; worked in administrative role, claims adjudication. Described mother as constrictive, restrictive rather than encouraging	Controlling. Did not empathize with son's desires. Wanted him to do well and conform to system.	Mother the power in the household, held his father back. Mother risk adverse (controlling). Believed in the system. "these are the authorities and you conformed to them."	Stern but caring family life. Structured.

EXHIBIT B - 4

Current Family Setting

ID	Age	Marital History	Wife's Level of Education	Wife's Occupational Preference During Childrearing Years	Subject's Image of Wife	Children	Leisure Activities	Remarks
1	30	Married at age 29	J.D.	Presently running a non-profit and writing a novel	"She understood the part of me that is an entrepreneur; she understood my passion, my business. Also, she was smart and pretty and we got along great."	None – plan to have children in a year	Golf, skiing, singing, restaurant business	Wife unusually demanding compared to the other wives in this sample. She challenges him to deal with emotional issues he would otherwise not.
2	33	Married at age 32	B.A.	Former hedge fund trader	"Drop dead gorgeous, focused on my happiness; very sweet, cares about everyone."	None – plan to have children	Golf, other sports	
3	41	Married at age 26	B.A.	Worked with husband until the start up took off and then became a mom at home	"Very outgoing, fun, funny, a beautiful person and has a lot of integrity. Is great with kids and great with the home."	Two children, three and five	Family – "hanging out with family and kids,"	
4	50	Married at age 23	B.A.	Taught until pregnant with first child	"A natural with kids, created a successful, warm family."	Five children, between ages of eight and 17	Active sports (golf, tennis, skiing, scuba diving), travel outside the United States "Everything outside of work involves the family."	
5	51	Married at age 28	B.A.	Homemaker	She regards everyone else as "more important than she is; she is a very kind and most giving person." Moved frequently; "when opportunities presented themselves, we took them, she has said, 'if you think it's right and financially we'll be better off, then let's go.' There has never been a battle, though there have been tears for her."	Three children, 20, 16, and 12.	Sports with sons; listening to music with wife	"Definition of successful marriage is when you make the other persons happiness more important than your own."
6	51	Married at age 23, divorced at age 38 and remarried at age 40	B.A.	Works full-time in mid-management position	"More independent than first wife."	Two adult children from first marriage and two adopted children, age one and four, in present marriage.	Not well developed; finds it hard not to work	Significantly overweight. Does not know why first wife wanted a divorce Met current wife at work
7	53	Married at age 23	B.A.	Taught school until they had their first child	"Smart, from the right side of the tracks, has very good values, and challenges people when she talks to them."	Two children, both launched	Spends time with wife and friends	
8	55	Married at age 34		Worked front desk at hotel and then focused on raising children; is now producing a movie	"A great cook, one of the most loving women (he has) known, caring, a bit overprotective, she has been the rock of the family. Does all the electrical work at home, is a great mother. A health freak."	Two children, high school and college	Movies, concerts, games with family and friends Has run several marathons	Started family relatively late (38) Recovered from lung cancer at age 50
9	61	Married at age 25	B.A.	Worked about three years then focused on children	Attractive to wife because she was "quiet, stable, and mature," and they were "compatible."	Two adult children	Skiing, community service	
10	54	Divorced; remarried at age 30	Unk	"Has worked the whole time, a very successful businesswoman."	"Wonderful, kind, caring, supportive, a great mother to (our) kids, beautiful."	Three children, two from their previous marriages and one they had together	Running	Bypass surgery at age 49

EXHIBIT B - 4 (continued)

Current Family Setting

11	57	Married at age 24	B.A.	Wife has not worked full time. President of local art museum, involved in Literacy Council, asked to serve on board of local bank	Attracted to her because she was cute. "A very bright lady, very aggressive. "It was tough for her moving around so much but she was always able to get herself established and participate in a lot of the things she likes to do. She is socially adept but luckily she isn't a person who has a social need.	No children. Delayed children until too late to conceive; eventually they made a conscious decision not to adopt because they liked the life style.	Skiing, gardening, cooking, snow shovel racing	Bypass surgery a few years ago
12	58	Married at age 21	B.A.	Homemaker	"She had an awful childhood yet is one of the strongest people ever, very well balanced, smart as a whip. Ultimately she became very competent, aggressive, very comfortable with herself." "I moved all over during the course of my career and she went along." "I told her, 'I will be traveling all over, you will be alone.'" "She had to deal with it."	One child, launched	Tennis, golf, cars and detailing, being with his wife	
13	45	Divorced at age 34, engaged to be remarried	Completing M.A.	In school	She is like him — "sense of humor, values, able to take care of herself, doesn't require (him) to make her happy."	No children and does not know if they will have children	Volleyball	
14	42	Married at age 21	B.A.	Homemaker	"Very left brain; more task oriented	One child (baby)	Spending time with his wife and baby dogs	
15	44	First marriage at age 21; divorced shortly thereafter. Second marriage at age 40.	B.A.	Homemaker; registered nurse when first married	"Strong and independent. Analytical and caring, giving." "Someone I can expose my vulnerabilities to and get support, and guidance, and critical feedback." "She never doubted I'd be successful."	Two school aged children	Writing poetry, stories for his children, camping with children, cooking	
16	56	Married at age 22; divorced at age 49; remarried	unk	Homemaker	Attracted to current wife because she was "self sufficient, bright, employed, and she had no interest in kids." "She is insightful, creative, in your face."	Two children from first marriage		
17	47	Married at age 21; divorced and remarried around age 43	B.A.	A marketing executive in her husband's company.	Good at describing her feelings with words. Subject claims wife is conflicted over working in the company or staying at home with children.	Two young children		
18	64	Married at age 22; divorced at age 42; remarried at age 44	B.A.	Met his second wife at work; her children are now launched.	Hard working as a single mother Supportive and encouraging of his career; "she followed me literally around the world." "I need to give her a lot of credit. With my first wife, I never would have taken risks the way I did. She (current wife) has said: if you feel that this is a good thing for you, let's support it."	Four children from first marriage; two step children; now has several grandchildren	Running, international travel	
19	53	Divorced in 30s; remarried	B.A.	Retired executive	N/A	None	None reported	This is the only woman in sample
20	54	Married shortly after college	B.A.	Homemaker; active in community and volunteer activities	Attracted to wife because she was "cute and small."	Two children, both launched, successful professionals	Spending time with wife	

In terms of their academic performance, all of the CEOs described themselves as having done well or exceptionally well in school. Only three had unconventional academic records that included flunking out or dropping out of college before eventually returning to graduate. All 20 of the CEOs had at least undergraduate degrees. Eight possessed an advanced degree (six M.B.A.s, one J.D., one Ph.D.). In general, they did well in school and moved on, with higher education having an instrumental purpose.

The sample was skewed towards executives who had extensive experience before becoming a CEO, with 16 out of 20 having 15 or more years' experience before becoming a CEO of the present venture. The mean years' relevant experience prior to becoming CEO was 18 (range = 0-36). That mean understates their business background because some of the CEOs had business experience that was not considered relevant.

Ten had small venture experience, 15 had experience in corporate settings, and five had experience in both small venture and corporate settings. The kind of experience and the length of the experience indicates that they learned their management skills in a prior job. The CEOs with less experience were the two who worked in an internet sector. They were also the younger ones in the sample.

Development

We take two perspectives when we look at the individual's development. The first relates to the executive's past, how he came to be who he is. This helps explain the individual's motivational system. The second perspective looks at the individual's current state. It explores the developmental forces that are currently acting on the individual in order to understand the individual's present behavior and possibly future behavior.

Family and Socio-Cultural Background

Formative Geographic Location. Twelve of the 20 (60%) executives had suburban upbringings, and eight (40%) had rural upbringings. None had urban upbringings. Given that few Americans have rural upbringings, that 40% of the sample had rural backgrounds is unusual. Without drawing any particular conclusions, we surmise this is an artifact of the sample. Overall, the executives' backgrounds suggest that they were upwardly mobile in their socioeconomic status.

Race. Except for one CEO from India, the sample is comprised of American-born whites. Were this study to be undertaken a decade or two into the future, we would expect to see more non-white CEOs.

Family Structure. We looked at how many of the CEOs

came from intact families (parents were alive and in the family while the CEO was growing up) and how many came from broken families (only a single parent or a stepparent where one parent died or left). Six of the 20 (30%) came from families that were disrupted by divorce or separation. For three of these six, the parents divorced shortly before the subject reached adulthood. In another case, the parents divorced and then remarried each other. In the fifth case where the parents divorced, the subject grew up with his father and stepmother. In case six, the father abandoned the family. None of the CEOs had a parent die during their childhood.

Interpreting this finding is tricky. With the divorce rate so much lower in the 1950s than today, many of the subjects may have grown up in households that experienced the kind of stress that nowadays would result in a divorce. Overwhelmingly, however, the subjects did not grow up in single parent households. (Only one of the 20 grew up in a single parent household.) They were socialized into stable families. Moreover, most of the CEOs experienced a very traditional family structure. They had stay-at-home mothers who were responsible for the family's emotional well-being and fathers whose responsibility was the family's financial well-being. As will be seen later, they seemed to internalize these values and roles, and reproduced them in their own marriages.

Position in Sibship. Fourteen of the 20 were either first-borns or first males. Generally, first-borns or first males in traditional Western cultures are reputed to be high achievers, identified with authority (parental) figures and high-strung (i.e., not easy-going). They strive to achieve social (particularly, authority) approval. The theory is that since they are the first born (or eldest male) the parents pay much more attention to their development, particularly regarding the pace and quality of their early developmental milestones. They are likely to be more exhibitionistic than later-born children in an effort to live up to and meet parental expectations and gain their approval. (Later-born children are generally thought to be more peer-oriented and less needy for parental attention than first-borns.) First-borns, because of their identification with parents, generally try to lead others, or to serve as models for others as they grow older. They are the models that their siblings try to emulate (or rebel against).

Fathers' Occupational History and Characteristics. Of the 20 CEOs, 10 had fathers with ascending careers, eight had fathers with stable careers, and only two had fathers with unstable/descending careers. Of the 10 whose fathers had ascending careers, six were successful entrepreneurs, and four rose to executive positions within large organizations. Of the eight whose fathers had stable careers, all were in civil service/middle management positions. It stands to reason that children where at least one parent has already been an entrepreneur would have

less fear about risking a steady paycheck.

The CEOs did not grow up in wealthy families but in a culture of upwardly mobile ambitiousness. The fathers were described as moral, hardworking, authoritarian, and not emotionally close. In general, it appears that the CEOs' fathers provided them with an identification figure that valued achievement, integrity, and self-reliance.

Mothers' Occupational History and Characteristics. The mothers of successful CEOs tended to be reasonably well educated, tended to work before having children, and if they worked, stopped once they had children. Fourteen of the mothers were homemakers. Of the six who worked, only two had jobs that could be considered careers. These two mothers were both schoolteachers.

The CEOs generally described their mothers as intelligent, extroverted, stable, loving women. Fifteen of the 20 CEOs described their mothers as the heart of the family and moral center. Only five of the 20 CEOs described the mother as distant or emotionally unavailable.

In sum, while there are exceptions, the CEOs tended to be first-born/oldest male from intact families. The family structure was conventional, with clearly differentiated gender roles. The father was the main income producer and force for ambition; the mother, the homemaker and moral force in the family. Noteworthy, there was a sharp contrast between a distant, career-focused, stern father and a nurturing, caring mother. As we will flesh out later in this article, this pattern is important for understanding the success of the CEOs.

In addition, the father was described as moralistic in terms of work ethic whereas the mother was described as moralistic in terms of social morality. These CEOs come from families with a morality that was constantly communicated to them. They had a foundation of family, integrity, and ambition.

Current Family Setting

Marital History. In terms of their current families, all of the CEOs are married. All 20 CEOs married in their twenties or early thirties. Eight of the 20 were divorced but remarried. Of the eight who were on their second marriage, five regarded their first marriages as a youthful mistake; the other three divorces came after long marriages. (There is one woman in the study; what follows focuses on wives and not the husband of the one female CEO.)

Characteristics of Wives. Noteworthy, while all of the wives had college degrees, only four had full-time jobs. Of the four wives who worked, only two had careers independent of their husbands. None of the wives had high-powered careers with extensive demands. The CEOs described their wives as intel-

ligent, educated, and stable women. They regarded them as non-demanding, supportive, and enabling, yet admired them as very enlivening, effective individuals. They regard their wives as the center of the household.

Reviewing and comparing the ways the executives described their parents and wives, and themselves, one is impressed that they seemed to strive to recreate their families of origin with their marital families. The executives depicted themselves, and their fathers, as ambitious and conscientious men who value instrumental success and wholesome families. The executives described their wives and mothers as unique, energetic, and inspiring women who independently rule the homestead while passionately admiring and supporting their husbands. The traditional role differentiation between male (worker) and female (homemaker) was maintained and may play a crucial role in allowing the executives to expend much time and effort in their work (meeting their fathers' expectations of them) while assuring a warm, caring, and loving home life (meeting their mothers' expectations). Choosing the "right" woman (educated, attractive, and exuberant but home oriented) permits these men to establish a workable harmony between self-development (work) and familial duties. Disruption in either area may cause them psychological distress.

Children and Leisure. Of the CEOs examined, 16 had children. Two did not have children and did not plan to have children. Two were in their thirties and had not yet started families.

While the CEOs indicated having many interests outside work and family, they devoted relatively little time to them. Their leisure activities tended to revolve around competitive sports and games where achieving, improving, and mastering are important components. These sports and games, however, tend to be country club types of activities, with many opportunities for socializing and networking. Even their leisure activities did not distract them from work. This indicates how focused on work these CEOs are.

Summary of Development

To characterize the CEOs psychologically, we find that they come from stable families with loving mothers and strong but distant fathers. They expressed admiration for their fathers but conveyed a sense that their fathers let them down. As a result, they developed a sense of independence; they do not need other people to achieve—they have confidence that they can do it themselves. They were able to accept the value structure of the distant father because the mother accepted them and valued them. One can argue that they became the image of the father to get the mother's love. They gained confidence and a sense of self-esteem from the love of their mothers. The

CEOs became more successful versions of their fathers without their competitive drive risking their relationship with their father. As adults, their wives serve as sources of nurture to help maintain this dynamic of success.

ENDNOTES

¹See, for example, Pratch and Levinson ([2001, pp. 18-19]).

²To make this research more rigorous, we would need a definition of success that separates out the role and influence of the CEO from other factors that in hindsight bore importantly on the success of the venture—be they powerful technologies, effective business models, a strong supporting cast of other operating executives, market timing, or sheer luck.

³In our research on coping and business leadership (Pratch and Jacobowitz [1996, 1998]), the highest correlations between measures of coping and leadership effectiveness were found at the level of the projective stories ($r = .54, p < .001$).

⁴Making predictions about a high functioning executive's performance under conditions that may not be easily described is a probabilistic, not exact science in which the psychologist's clinical judgment and business knowledge are vitally important. Furthermore, the psychologist's expertise must be informed by ongoing research. For example, the present study inadvertently focused on middle-aged males who grew up in rural and suburban areas of the United States in the 1940s and 50s. Individuals who grew up in the 1960s and '70s may have different nuclear family structures and values than those who grew up in the 1940s and '50s. Future research needs to investigate the personality characteristics of executives from completely different socio-demographic backgrounds (e.g., immigrant families, women, urban upbringing) than the ones we studied. Earlier research conducted by the present authors (Pratch and Jacobowitz [1996]) has already shown that women business leaders are likely to have different motives and personality characteristics than their male counterparts.

REFERENCES

Pratch, L., and J. Jacobowitz. "Gender, Motivation, and Coping in the Evaluation of Leadership Effectiveness." *Consulting Psychology Journal: Practice and Research*, Vol. 48, No. 4 (1996), pp. 203-220.

———. "The Psychology of Leadership in Rapidly Changing Situations: A Structural Psychological Approach." *Genetic, Social, and General Psychology Monographs*, Vol. 123, No. 2 (1997), pp. 169-196.

———. "Integrative Capacity and the Evaluation of Leadership: A Multimethod Assessment Approach." *Journal of Applied Behavioral Science*, Vol. 34, No. 2 (1998), pp. 180-201.

Pratch, L., and H. Levinson. "Understanding the Personality of the Executive." In R. Silzer, ed., *The 21st Century Executive*. San Francisco: Jossey-Bass, 2001.

To order reprints of this article, please contact Ajani Malik at amalik@ijournals.com or 212-224-3205.