

The influence of CEO personality on engagement in corporate social responsibility: The  
mediating influence of servant leadership

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## **ABSTRACT**

### **The influence of CEO personality on engagement in corporate social responsibility: The mediating influence of servant leadership**

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While previous research in upper echelons theory has attempted to understand how managerial characteristics influence organizational criteria, few have directly investigated the effects of personality and leadership on these outcomes and in particular, on corporate social responsibility (CSR). This dissertation addresses the previous concern by investigating how the Five Factor Model of personality influences CSR engagement when mediated by servant leadership in top managers. While previous studies have primarily investigated servant leadership at the micro level of analysis, this study investigates this relatively underexplored concept at the executive level. Using a sample of 101 chief executive officers (CEOs) of the largest S&P 500 organizations, I found that four of the Big Five personality traits had an indirect effect on strategic CSR when servant leadership served as an intervening mechanism on this relationship. Moreover, this indirect effect varies depending on which facet of servant leadership is being investigated. For instance, I found that servant leadership has a stronger indirect effect on the personality-CSR relationship primarily through the dimension of building community and subordinate support as opposed to other dimensions of this concept. These findings reinforce previous research in this domain that servant leaders emphasize subordinate development and provide stewardship to multiple stakeholders both inside and outside of the organization. Overall, the findings in this study offer further insight not only into the antecedents of servant leadership, but on its effects on CSR as well. Finally, limitations and avenues for future research are further discussed.

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## CHAPTER 1

### INTRODUCTION

A recent review of the literature in corporate social responsibility by Aguinis and Glavas (2012) reveals the numerous conceptual and empirical studies examining what impels an organization to engage in corporate social responsibility (CSR). The importance of this phenomenon is underscored with the majority of scholarship in this field appearing within the last 15 years. Numerous studies have examined the antecedents of firms engaging in CSR from perspectives including corporate governance (Davis, Schoorman, & Donaldson, 1997; Johnson & Greening, 1999), impression management (Bansal & Kistruck, 2006), alignment of organizational values and mission with CSR issues (Bansal, 2003), and from a strategic implication perspective (McWilliams & Siegel, 2001). There however exist few studies which investigate the motives for engaging in corporate social responsibility from the perspective of an organization's top management team (TMT) and in particular, the CEO. Given the relative salience and importance of the top manager within the organization (cf. Hambrick & Quigley, 2014; Lovelace, Bundy, Hambrick, & Pollock, 2017), further research examining how the top manager's personality and value system (Hambrick, 2007) influences CSR engagement through leadership remains an unexplored area of upper echelons research (Waldman & Siegel, 2008).

Further expounding on this concept, one way of investigating the antecedents of why a top manager engages in CSR can be explained through upper echelons theory (Hambrick & Mason, 1984) which contends that strategic choices made within the organization are a reflection of the values, cognitive style, personality, and experiences of top executives. Recent studies have incorporated the upper echelons perspective to explain CSR initiation by investigating leadership style (Waldman, Siegel, & Javidan, 2006) as well as the demographic background (i.e. formal education) of the CEO (Lewis, Walls & Dowell, 2014). Few studies however, have investigated CSR engagement from the perspective of the individual values and personality of organizational members with even fewer investigating the personality structure of an organization's leadership constellation. Therefore, research specifically investigating executive personality and CSR engagement can offer a better understanding of why firms make these decisions. Furthermore, as argued by Waldman and Siegel (2008) there is a notable absence of knowledge concerning how leadership and in particular a leader's values, beliefs, and morals are associated with CSR initiatives. To summarize the need for research to focus on strategic leadership aspects, Orlitzky,

Siegel, and Waldman (2011) argue "...micro-level phenomena (e.g., values and leadership) are generally either assumed or not explicitly considered by CSR researchers" (p. 11). This dissertation addresses this particular concern.

To further examine CEO personality and strategic decision making in greater detail, one possible solution is through the examination of broad personality traits using a well-established personality taxonomy, the Five Factor Model (FFM; Norman, 1963). This tool has been employed in investigating top management team (TMT) dynamics (Peterson, Smith, Martorana, & Owens, 2003), strategic flexibility (Nadkarni & Herrmann, 2010), and strategic change (Herrmann & Nadkarni, 2013). Relying on the previous research as guidance, this dissertation will examine how specific personality traits, as evidenced by the Five Factor Model, will be related to the focal CEO of an organization to engage in CSR practices.

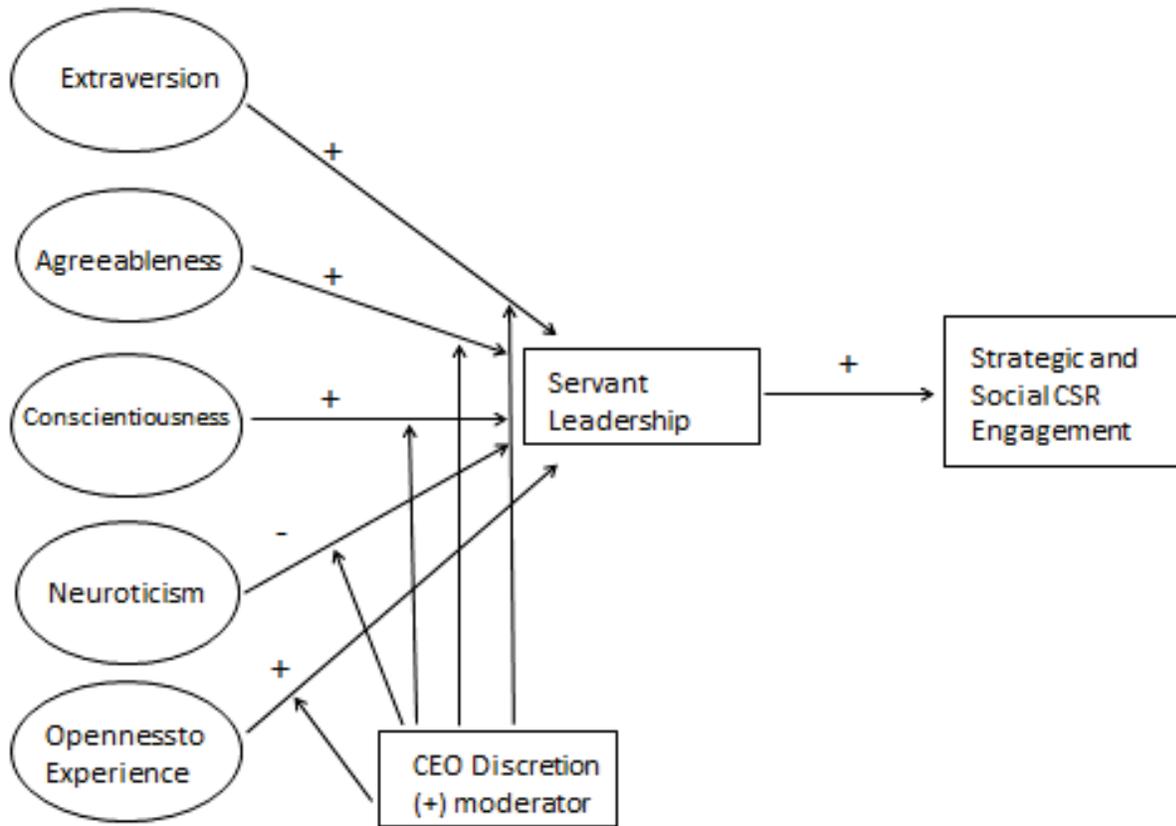
In determining how specific personality traits relate to CSR engagement, this dissertation investigates the mediating role of servant leadership (Greenleaf, 1977). Establishing a causal link incorporating leadership style as an intermediate step in this sequence will further elucidate the processes through which executive characteristics affect strategic action. For example, a CEO scoring high on agreeableness is characterized as being selfless, forgiving, lenient, and helpful. These attributes in turn should be reflected in workplace actions such as humility, interpersonal acceptance of followers, providing support and direction, and engaging in stewardship-oriented behaviors with organizational stakeholders, all of which are characteristics of servant leadership. Furthermore, the inherent morally guided principles embedded in this form of leadership are expected to lead to engagement in both strategic and social dimensions of CSR.

This dissertation contributes to the literature in numerous ways. First, this dissertation further advances the use of the Five Factor Model of personality in the domain of strategic leadership, and in particular, into the realm of how the inclinations and personality of top managers can influence strategic decision making through servant leadership. Using the Five Factor Model provides an overarching framework for future research investigating not only the causes of servant leadership, but how personality affects corporate social responsibility. Second, this dissertation further examines how some aspects of CSR may appeal to a top manager's personality and leadership style more than others. For example, managers who exhibit high levels of openness to experience were found to identify with strategic CSR which includes factors such as building community and a commitment to the environment more than social CSR (diversity and employee

relations). Furthermore, using a thorough and comprehensive repository of data such as the Kinder, Lydenberg, and Domini (KLD) social rating index allows detailed examination of these particular CSR factors. Third, investigating the role of managerial discretion in moderating the effects of servant leadership allows for a further in-depth analysis of the antecedents and contextual factors surrounding this form of leadership. In doing so, this dissertation helps answer the call for research to empirically distinguish between the various forms of leadership (Avolio, 2007) and in particular, the antecedents of servant leadership (Peterson, Galvin, & Lange, 2012). Finally, this dissertation complements findings from recent research investigating the specific dimensions of servant leadership (Van Dierendonck, Stam, Boersma, de Windt, & Alkema, 2014).

In this dissertation, I contend that the association between CEO personality and CSR engagement is mediated by servant leadership. First, I establish five hypotheses, one for each personality trait, which explicates a direct effect between the Big Five and strategic and social dimensions of corporate social responsibility. Furthermore, I contend that extraversion, conscientiousness, openness to experience, and emotional stability are associated with both dimensions of CSR. For example, the enthusiasm and need for change found in extraverted leaders (Judge & Bono, 2004) is expected to influence proactive and bold actions in CSR areas such as having a strong commitment to the environment, implementing diversity in the workplace, and engaging stakeholders and the community alike which are subsumed under strategic and social factors of social responsibility. Second, I contend that top managers who are agreeable in nature are predisposed to promote participative decision making among the top management team (Peterson et al., 2003) and overall be more receptive to equality and diversity among employees analogous with socially-oriented CSR engagement. Third, I propose that the relationship between distal traits (personality) and both dimensions of CSR engagement will be mediated through servant leadership which is considered a proximal variable within this study in Hypotheses 6-10. For example, leaders who score high on openness to experience are characterized as being receptive to new ideas (McCrae & Costa, 1987). This distal trait should therefore manifest itself through a proximal form of servant leadership characterized by Greenleaf (1977) as authenticity and interpersonal acceptance of subordinates which in turn is expected to foster a diverse workforce and employee satisfaction corresponding to high levels of social CSR.

**Figure 1**  
**Proposed Structural Relationships between the Five Factor Model of Personality and Engagement in CSR**



Finally, I hypothesize that contextual influences (Weiss & Adler, 1984) and discretion afforded to managers (Ng et al., 2008) will moderate the hypothesized direct effect of the Big Five on CSR engagement (Hypotheses 1-5) in addition to the mediating influence of servant leadership on these relationships (Hypotheses 6-10). Further explication of these hypotheses is presented in later sections of this dissertation. A proposed model is listed in Figure 1 which illustrates the direct effects (Hypotheses 1-5) between executive personality and both dimensions of CSR engagement as well as the mediating influence of servant leadership (Hypotheses 6-10) which is moderated by managerial discretion (Hypotheses 11 and 12).

The remainder of this dissertation proceeds as follows: Chapter 2 reviews the literature in upper echelons theory including executive characteristics, personality, leadership, and their relation to CSR engagement. In addition, I present the justification for investigating how personality and leadership can enable a better understanding of these relationship with CSR in the domain of upper echelons research. In Chapter 3, I present the hypotheses of the study which include both the direct and indirect effects of personality on both dimensions of CSR engagement. I then present the hypotheses for the moderated mediation analysis of managerial discretion. This is followed by a discussion on the possible confound of transformational leadership in the model. Chapter 4, discusses the conceptual definitions, coding procedures, methods, data, and research design in this study. In addition, I describe the statistical analyses which were used to test the hypotheses. I then report the preliminary results in which a validation sample is constructed to examine the construct validity of the Big Five Model and servant leadership using zero-acquaintance assessment. This chapter concludes by reporting interrater agreement for all coded variables in the main study. Chapter 5 presents the findings of the main study including all correlations between the focal variables used in this dissertation as well as the effect sizes for the mediation analyses. This is followed by a post-hoc analysis of the different facets of servant leadership in this study presented in Chapter 6. This chapter concludes with a discussion of the main findings. Finally, Chapter 7 concludes this dissertation with the limitations, managerial implications, and future research.

## **CHAPTER 2**

### **THEORETICAL BACKGROUND**

In this chapter, I first address the conceptual definitions of the main variables used in this study. This is followed by a review of the relevant literature in upper echelons theory, leadership, and its proposed relation to CSR. In doing so, I provide a theoretical justification why servant leadership is the most appropriate mechanism in which CEO personality leads to CSR engagement.

#### **Corporate Social Responsibility**

While the concept of corporate social responsibility has evolved considerably since its modern usage in the academic literature appearing over 60 years ago (Carroll, 1999), it can be loosely defined by Barnett (2007) as "...a discretionary allocation of corporate resources toward improving social welfare that serves as a means of enhancing relationships with key stakeholders" (p. 801). This conceptual definition has come to generally encompass numerous stakeholder groups which include employees, suppliers, regulatory agencies, non-governmental organizations (NGOs), along with broader measures of contemporary social issues (Waldman & Siegel, 2008). Typical examples of CSR actions and behaviors include a concern for the environment, gender diversity within the organization, manufacturing of safe and reliable products, investing in the local community, and governing the organization in an ethical manner among others. Overall, CSR is about proactive involvement in a social issue which is not required by law while going beyond the interests of the organization and its immediate shareholders. In the following sections of this chapter, I review the relevant literature of this field in relation to upper echelons theory, executive personality, and leadership in general.

#### **Upper Echelons Theory**

The rationale underlying upper echelons theory is that strategic decision making within an organization is a reflection of the beliefs, values, personality, and observable experiences of executives within the top tiers or echelons of its leadership (Hambrick & Mason, 1984). Early studies investigating the demographic attributes and psychological traits of top managers root these studies in research in organizational behavior and strategic management which examined the relationship between the locus of control of a CEO and corporate strategy (Miller, Kets de Vries & Toulouse, 1982). In their study, Miller et al. (1982) found that executives with a higher internal locus of control, that is, the extent to which an individual perceives events in their lives to be within

their control (Rotter, 1966), were more likely to take risks as well as be more innovative with organizations under their leadership.

In an extension of Miller et al. (1982), Kets de Vries and Miller (1984, 1986) further examined how corporate strategy, and in particular, organizational pathology was a reflection of executive neuroticism. In their study, they examined the correlation between a top manager's neurotic style behavior and organizational role constellations or frameworks. An example of a constellation type is that of a dramatic-type organization characterized by risk-taking, rapid growth, accelerated product development, and a centralized administrative structure. Continuing with this example, the authors found that these firms were a reflection of the charismatic, grandiose, and narcissistic orientations of their leaders.

Although early studies in strategic leadership illustrate how executive personal characteristics can influence executive decision making in a broad sense, research in this domain progressed into an applied context investigating psychological attributes such as hubris (Hayward & Hambrick, 1997), overconfidence (Malmandier & Tate, 2005), and narcissism (Chatterjee & Hambrick, 2007) and their relation to organizational outcomes<sup>1</sup>. A recurring theme appearing in these aforementioned studies and in the overall upper echelons literature is the ability of the top management team members of an organization, and in particular the CEO, to influence strategic decision making. In essence, upper echelons theory contends that CEOs vary in their preferences, values, and inherent beliefs and these differences in turn impact heterogeneous outcomes within organizations under their leadership.

### **Related Studies of Executive Personality and CSR**

One relevant stream of research which falls under the purview of upper echelons theory (Hambrick & Mason, 1984) is that of executive political orientations or ideologies and CSR emphasis. While numerous studies have examined the personal attributes of CEOs such as their demographic characteristics and functional background (Adams & Ferreira, 2009; Ahern & Ditmar, 2012; Manner, 2010; Rivera & De Leon, 2005), few have examined strategic action from the perspective of executive orientations or ideologies. Furthermore, even fewer studies appearing within the upper echelons literature have done so examining outcomes within the CSR domain.

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<sup>1</sup> In this context, 'attributes' is used to broadly describe hubris, narcissism, and overconfidence. Closer inspection of the literature labels hubris and overconfidence as cognitive biases (Petit & Bollaert, 2010), while narcissism is generally classified as a psychological disorder (Owen & Davidson, 2009).

The relative dearth of these types of studies may be attributed to the challenges inherent in observing the personal tastes, values, and orientations of top managers (Brickley, Smith, & Zimmerman, 1997) in an objective and unobtrusive manner.

Before forming the specific hypotheses in this dissertation, it will first be necessary to review relevant studies examining the main tenets of upper echelons research, which emphasize how a top executive's observable as well as unobservable characteristics are associated with corporate social responsibility. To begin, I first review research which examines how observable characteristics such as CEO age, education, and functional background influences CSR initiatives. I then review relevant upper echelon theory research which investigates the association between unobservable characteristics of a top manager and CSR activity. These unobservable cues include, but are not limited to, political orientations, ideologies, and overall values of organizational leaders. Finally, I focus on how leadership styles are related to CSR engagement. This section concludes with a justification for the need for research to examine the antecedents of servant leadership and its ultimate effect on CSR engagement thus laying the groundwork for the generation of the specific hypotheses in this dissertation.

**Observable characteristics.** Within the upper echelons literature, observable characteristics such as age, education, functional experience, and gender serve as indicators of cognitive as well as value-based filters of information. In this section, some of these selected indicators are reviewed and subsequently discussed for their relation to CSR engagement.

In a recent study investigating how CEO characteristics influence corporate social responsibility, Manner (2010) examined how different attributes of a top executive's background variables such as gender, functional work experience, and education were associated with positive and negative aspects of corporate social performance. Using a sample of 650 U.S. firms in 2006 examining both KLD strengths and concerns separately, numerous results supporting upper echelons theory (Hambrick & Mason, 1984) were found. First, in conjunction with findings by Frank, Gilovich, and Regan (1993), who found differences in gender accounted for by the level of cooperation in economic experiments, Manner (2010) found that female CEOs had larger correlations with KLD rating scores<sup>2</sup> relative to their male counterparts.

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<sup>2</sup> For each category or area of coverage (i.e., environment, employee relations), KLD issues binary scores for the presence of an exemplary quality (strength) and for the presence of a problematic issue (concern).

Another interesting finding in this study is related to CEO functional background. Based on the assumption that greater exposure of a top manager to different functional stakeholder groups associated with the organization should increase her awareness of CSR initiatives, Manner (2010) found that increased breadth in output (i.e., marketing, operations) and throughput functions (i.e., finance, accounting) were associated with proactive CSR (KLD strengths). Similar to functional experience, educational background was also hypothesized to positively influence CSR performance. Following the logic presented by Frank et al. (1993) and Kahneman, Knetsch, and Thaler (1986), which found that economics students were less cooperative than students in other disciplines, Manner (2010) found that CEOs with a bachelor's degree in economics were associated with lower CSR scores relative to CEOs with a bachelor's degree in social sciences and humanities. These findings may be explained by an absence of corporate social responsibility and ethics taught in managerial economics courses at undergraduate and MBA levels in universities (Arce, 2004). Relative to a degree in economics, other academic disciplines such as psychology and sociology are less likely to emphasize the utility of self-interest and profit maximization. Rather, the content in these courses are more likely to focus on the inherent need to cooperate with others. Finally, it is interesting to note that these findings remained significant even when controlled for year, industry, and organizational effects. As a whole, these findings suggest that CEOs will have more influence and discretion to affect proactive CSR rather than mitigating poor CSR.

In addition to observable characteristics such as age, gender, and functional background, having an influence on CSR actions, the attribute of executive education has also been examined within recent literature on sustainability. Lewis et al. (2014) investigated the propensity of top managers to make voluntary disclosures of environmental information. Using a sample of 589 U.S.-based organizations from 2002-2008, the authors posited that certain demographic attributes of these focal CEOs would increase CSR engagement more than others. They found that CEOs with MBA degrees were more likely to disclose environmental information while those with legal backgrounds were less likely. The rationale underlying these findings was that a CEO with an MBA degree is more likely to view a voluntary act of disclosure as a strategic opportunity while those with legal degrees were more likely to view disclosures in CSR as a risky proposition. In addition, Lewis et al. (2014) found increased CEO tenure to be negatively related to disclosure. These findings are consistent with Hambrick and Fukutomi (1991) who found that executives with

legal backgrounds and longer tenure are characterized as being strategically conservative and exhibiting higher degrees of risk aversion.

In a similar study examining the role of executive education on CSR activity, Rivera and De Leon (2005) surveyed 52 hotel CEOs in Costa Rica. They found that those top managers who had an undergraduate degree in humanities such as literature, philosophy, religion, psychology, and sociology among others were associated with higher participation in the Certification for Sustainable Tourism (CST), a program which assesses voluntary performance beyond the minimum environmental industry compliance standards and regulations for hotel employees in Costa Rica. In contrast, Rivera and De Leon found undergraduate economics degrees to be negatively correlated with participation in CST. Finally, the authors found that CEOs with a graduate or advanced degree were also associated with higher participation in CST. The underlying logic presented in their study was that individuals with higher education are in a better position to understand uncertainty and complexity which should enable them to exhibit a greater awareness and concern for the environment relative to their peers without an advanced degree.

In conclusion, these aforementioned observable characteristics serve as proxies for the underlying beliefs, values, and patterns of CEOs. Furthermore, these studies add significant value to both the upper echelons and CSR literatures given the predictive power of these types of organizational outcomes. A limitation of these studies however is the lack of emphasis on the internal mechanisms involved in decision making such as the actual beliefs, values, and personality of these top managers instead of proxies for these concepts. The next section will focus on how monetary incentives and executive power influences decision making in reference to CSR engagement.

**Executive compensation and power.** Appearing within the upper echelons literature, another stream of theory which has recently emerged is about the relationship between managerial power and CSR engagement. According to the theoretical framework proposed by Porter and Kramer (2006), organizations engage in CSR due to the following reasons: moral obligation, the need for long-term sustainability, reputation or image, and the license to operate. Of particular interest to this dissertation, both corporate reputation and the license to operate are crucial to the long-term profitability and survival of the organization. The underlying rationale is that increased legitimacy and reputation to stakeholders have the potential to mitigate both production and operational risks, improve brand value and attract quality employees (Thorpe & Prakash-Mani,

2003). In particular, Thorpe and Prakash-Mani (2003) argue that this ‘business case’ for increased CSR is more salient for larger organizations. The underlying theoretical framework implied in these aforementioned studies is that increased legitimacy and reputation to stakeholders have the potential to affect the valuation of the organization, and hence the compensation and non-pecuniary benefits accrued to the CEO.

A recent study by Fabrizi, Mallin, and Michelon (2014) investigated both financial and non-financial compensation packages awarded to CEOs of 597 U.S.-based corporations from 2005-2009. They found long-term option-based compensation to be positively related to CSR engagement while finding a negative correlation between annual bonuses and CSR. In this study, the authors attributed the rationale for these findings to an alignment of long-term interests between stakeholders and the focal CEO for option-based compensation while attributing the negative relationship between annual bonuses and CSR engagement to pressures to achieve short-term or quarterly increases in firm performance. Another characteristic examined by Fabrizi and colleagues was that of CEO power and its relation to engaging in CSR. They found that more powerful CEOs were less likely to engage in CSR initiatives relative to their less powerful counterparts. Similar results were also found by Deckop et al. (2006) in a sample of 313 organizations from S&P 500 organizations for the calendar year of 2001. In their study, Deckop and colleagues incorporated both salary and annual bonuses given to the focal CEO to derive a measure of short-term compensation while including stock options and restricted stock as long-term compensation. The underlying rationale is that more powerful CEOs are prone to entrenchment in their careers; however findings on this topic are not consistent across studies. For example, a recent study by Jiraporn and Chintrakarn (2013) investigating the association between CEO power and CSR engagement on a sample of 1370 organizations from 1995-2007 found a curvilinear relationship present between these constructs. That is, when her power is low, a CEO is more likely to engage in CSR possibly in efforts to please stakeholders as reflected by higher KLD ratings. As her relative power increases and reaches a certain level however, she is prone to entrenchment and becomes less receptive to the needs of stakeholders.

In summary, these studies examined how the need for legitimacy and reputation may impel a CEO to engage in CSR through the use of financial and non-financial incentives. The underlying rationale in these studies illustrates that a CEO considers both the personal costs and benefits associated with engaging in CSR and whether he will place the needs and interests of stakeholders

above those of the organizations' shareholders. One finding in these studies is that managerial power is positively related to CSR engagement to a certain degree. This can be attributed to the research which found that entrenched managers are less affected by market and shareholder pressure to increase short-term performance at the expense of long-term performance and benefits (Stein, 1989). Thus, more powerful CEOs are in more of a position to pursue CSR for their personal interests and motivations. These implications are subsequently examined in the next section examining managerial beliefs and values.

**Political ideologies and values.** Another stream of upper-echelons oriented literature is that of the inherent values, beliefs, and political inclinations of top managers and their association with CSR engagement. Despite the lack of scholarly advancement in this area, recent research within the past five years has shown promise. One such study by Chin et al. (2013) examining the political ideologies of top managers serves as a point of reference for how executive ideologies influence strategic action, namely that of CSR investment. In their study, Chin et al. (2013) hypothesized that CEOs with liberal political orientations are more likely to make advances in CSR relative to their top managers with conservative political belief systems. The underlying rationale for their hypotheses was that liberal-oriented beliefs and values are associated with issues such as diversity, social justice, and a concern for the environment while conservative value systems are congruent with free markets, individualism, and a tolerance for inequality (Detomasi, 2006; Jost, 2006). As a result, liberal-oriented belief systems were expected to be related to higher CSR scores in social as well as strategic CSR dimensions.

To investigate these purported relationships, Chin et al. (2013) examined the political ideologies of 249 CEOs of U.S. organizations from 2004-2009 to support their hypothesis. Overall, they found liberal belief systems in top managers to be associated with higher total CSR scores (summed across all dimensions). Furthermore, this relationship was moderated by the degree of discretion afforded to the CEO. That is, the greater the discretion of the top manager relative to the focal organization's board of directors, the stronger the relationship between liberalism and CSR investment. It is worth noting that these findings remained the same for all variables of interest when controlling for numerous organizational and personal attributes such as firm size, leverage, executive tenure, ownership by blockholders, as well as year and industry effects.

In a similar study, Borghesi, Houston, and Naranjo (2014) examined the relationship between managerial characteristics and CSR engagement. In their study, they postulate three

motivations why CEOs make investments in CSR. First, managers may invest in CSR strictly due to altruistic reasons. For example, a CEO will pursue CSR initiatives such as engaging stakeholders within the community, or on a larger scale, protecting the environment. Second, managers will engage in CSR depending on their political inclinations. Third, managers may undertake CSR actions since it may benefit the organization, and ultimately themselves (Margolis & Elfenbein, 2008). In this scenario, doing so can increase customer loyalty, increase employee satisfaction and productivity, and mitigate instances of government scrutiny, regulation, and legal action brought against the organization as well as the CEO. Finally, Borghesi et al. (2014) contend that managers engage in CSR activities to enhance their image among stakeholders.

To further investigate these potential underlying motivations, Borghesi and colleagues tested a time-series cross-sectional sample of more than 11,700 publically-traded U.S.-based organizations using KLD data from 1992-2006. In particular, they tested firm as well as individual level characteristics including but not limited to the following: gender and age of the CEO; political contributions to both Democratic and Republican parties; and media scrutiny surrounding both the CEO and their respective organization. One of their main findings was that female as well as CEOs under 56 years of age were more likely to invest in CSR relative to their older male counterparts. These findings are consistent with previous studies by Adams and Ferreira (2009) and Ahern and Ditmar (2010) which found that gender diversity among top executives is associated with corporate risk-taking and investment.

Another notable result in this study was their finding that top managers who donated to both political parties were more likely to engage in CSR. A plausible explanation for this finding is that CEOs who donate to both parties wish to maintain a positive relationship with whoever may be in power suggesting that they will try to please as many stakeholders as possible. While these findings lend support to the fact that those personal characteristics of top managers may influence CSR engagement, one limitation of this study conceded by the authors was the considerable overlap with a top manager's underlying motivations outlined in their theoretical framework. In other words, it is difficult to discern whether altruistic characteristics or the desire to be perceived in favorable light among stakeholders is attributable to investing in CSR.

Finally, literature investigating the concept of social responsibility traditionalism which is conceptualized by Aldag and Jackson (1984) as disagreeing with the fundamental principles of CSR in favor of profit maximization above other organizational goals (Friedman, 1970), Mudrack

(2007) examined social traditionalism in two groups of participants in greater metropolitan Detroit. The first sample of respondents consisted of 146 working professionals in the engineering field while the second sample consisted of 178 employees in the banking and financial services industries. Across both samples, Mudrack found that social traditionalists viewed the organization as being the most important stakeholder, that managers should maximize a firm's wealth, and that placing overall concerns for society was of lesser importance relative to that of an organization. In addition, these social traditionalists were found to be authoritarian, have an entitled perspective toward others, and to exhibit lower principle moral reasoning regardless if the practice is ethically questionable. While these findings are quite informative in their own right, it deserves to mention that authoritarianism is reflected in styles of leadership (Bass & Stogdill, 1990).

One limitation inherent in these aforementioned studies is that examining observable attributes and characteristics alone may not serve as valid indicators to assess an executive's underlying beliefs, values, and personality. Furthermore, reliance on single-item measures such as relative compensation has been shown to exhibit lower construct validity of the focal concept (Pedhazur & Schmelkin, 1991). Another limitation, in conjunction with the first comment is the need for research to examine personality directly rather than through the use of demographic variables as a stand-alone tool to assess psychological constructs in terms of their construct validity (Cannella & Monroe, 1997). I now focus on the concept of personality and in particular, how the Big Five is an important antecedent to CSR engagement.

**Personality and the Big Five.** The Five Factor Model of Personality (FFM) or alternatively the "Big Five", is a taxonomic structure that broadly categorizes personality traits of individuals into five unique and orthogonal dimensions consisting of the following: extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience (Barrick & Mount, 1991). While the Big Five is certainly not without its criticisms and opponents (cf. McAdams, 1992), it remains the most widely used model to classify personality traits (John & Shrivastava, 1999). Furthermore, its use facilitates comparison of previous studies in upper echelons theory strategic leadership. These limitations are further discussed in Chapter 4 of this dissertation.

Previous studies investigating these traits at the executive level within the domain of upper echelons theory have largely explored how these traits affect organizational criteria. Peterson et al. (2003) found that CEO personality, assessed through the Big Five, influenced organizational performance through top management team dynamics such as the top manager's dominance over

the TMT, cohesiveness of the TMT, and their degree of legalism and centralization of power among others. Nadkarni and Herrmann (2010) investigated how the Big Five personality influenced organizational performance on a sample of 195 CEOs of small to medium enterprises (SMEs) in India. They found that the Big Five personality traits influenced performance when mediated by strategic flexibility. In a similar study, Herrmann and Nadkarni (2014) found CEO personality to affect firm performance when mediated by strategic change on a sample of 120 top managers of SMEs in Portugal. The overarching theme in these studies focuses on how executive personality can affect organizational criteria such as performance.

It is worth mentioning that the concepts presented earlier in this section which range from observable characteristics of top managers to political inclinations and values to styles of leadership, can all be mapped onto coarse-grained personality measures such as the Big Five for purposes of comparison to the current study. Doing so helps to address the relatively understudied role of executive personality and its relation to CSR engagement. Moreover, the findings in these aforementioned studies investigated how executive values, beliefs, political inclinations, and personality are reflected in organizational decisions concerning CSR. Moreover, these findings suggest that the decision to engage in CSR transcends economic or non-pecuniary benefits afforded to organizational leaders which further strengthen the theoretical framework underlying upper echelons theory. One limitation inherent in this stream of literature however is the lack of emphasis on leadership which is considered the mechanism through which distal traits such as personality directly influence strategic action and organizational criteria (Lim & Ployhart, 2004; Peterson, Walumbwa, Byron, & Myrowiz, 2009). This is examined in the following section.

**Leadership style.** As mentioned in the previous section, attributes of the focal CEO such as her values, beliefs, previous experiences, and political inclinations have been shown to affect CSR engagement. While these attributes have been extensively researched in upper echelons theory, there is a relative absence of scholarship on how they are manifested into CSR actions. This sentiment is echoed by Waldman and Siegel (2008) and Du, Swaen, Lindgren, and Sen (2013) who argue that a focus on leadership remains an avenue for future research to investigate the underlying motivations for CSR engagement. To address this inherent gap in the upper echelons literature, I address this relatively underexplored topic by examining how servant leadership channels CEO personality into strategic CSR outcomes. To begin, I review the relevant literature in the domain of strategic leadership and its relation to CSR. In doing so, I discuss how the concept

of servant leadership is best suited to account for the relationship between executive personality and CSR engagement.

Within the domain of transformational leadership, Waldman et al. (2006) examined the impact this leadership style had on engagement in CSR. In their study, Waldman and colleagues examined 125 TMT members including the CEO from 56 publically-traded organizations in the United States and Canada on two dimensions of corporate social responsibility: strategic and social. In this study, transformational leadership was operationalized as having two dimensions: charisma and intellectual stimulation of followers. While charisma was originally hypothesized by Bass (1985) to contain two unique factors of idealized influence and inspirational motivation, these two factors are shown to be highly correlated and often load onto a single dimension (Bycio Hackett, & Allen, 1995; Lowe, Kroeck, & Sivasubramaniam, 1996). In their study, Waldman et al. (2006) found non-significant relationships between charisma and both CSR dimensions while finding intellectual stimulation to positively correlate with strategic but not social CSR.

These non-significant findings for charisma may be attributed to a lack of assessment of individualized consideration, a key component of transformational leadership (Judge & Piccolo, 2004) on the basis that this factor only examines the proximal or close relationship between a leader and followers; therefore this factor is not expected to correlate with any components of CSR. This logic should be interpreted with caution however given that individualized consideration could have been easily assessed by top management team members close to the CEO. This line of reasoning emanates from the fact that charisma can have both proximal and distal components (Shamir, 1995). That is, charisma can have different effects on followers depending on their focal distance to the leader. For example, lower-level subordinates at a distance may perceive the focal leader to be larger than life and romanticize the leader's actions if particularly salient. At the same time followers at a proximal distance who have a relatively closer relationship with the leader such as members in middle and upper management who are more familiar with the leader tend to form impressions of him on the basis of his observable behavior. Since this study was administered not only to the CEO but to members of the top management team, these managers in a proximal relation to the focal manager should have been able to form more accurate opinions than outsiders in relation to the social dimension of CSR. Given that Waldman et al. did not differentiate between these two components, this may have led to non-significant findings for this particular dimension of transformational leadership.

In a closely related study to Waldman et al. (2006), Ng and Sears (2012) examined the relationship between transformational leadership and workplace diversity. In their study, Ng and Sears (2012) investigated the leadership styles of 286 CEOs in Canada and found transformational leadership to positively correlate with implementation of workplace diversity. In particular, they found CEOs engaging in transformational leadership to have a stronger correlation with measures of diversity than CEOs who were transactional in nature. Furthermore, it was found that social values and age positively moderated the relationship between transactional leadership and workplace diversity. Concerning age, a reoccurring demographic characteristic in the upper echelons literature, and in particular to the aforementioned studies in this section, this finding can be attributed to older leaders who are imbued with social expertise which is characterized by a greater propensity to observe ethical conduct within an organization (Hess & Auman, 2001) as well as cultural intelligence, a concept defined by Ang, Van Dyne, and Koh (2006) as "...the capability to deal effectively with people from other cultures" (p. 102). In light of these findings, Ng and Sears (2012) postulate that transactional leaders who are older have a propensity to go beyond their rigid emphasis on bureaucratic and formal authority typically found in these leader prototypes to a more proactive, consultative, and ethical style of leadership. In summary, Ng and Sears called for future research to focus on how the different dimensions of executive transformational leadership influences workplace diversity.

Along these lines, factors of transformational leadership such as idealized influence (II) and individualized consideration (IC) should be of particular interest to researchers wishing to examine its impact on organizational justice and implementation of workplace diversity programs. The importance of these issues cannot be understated given the potential overlap with corporate social responsibility initiatives. Therefore, in a broader sense, this dissertation attempts to address this need for future research on how a similar concept like servant leadership can relate to workplace diversity measures as assessed by positive KLD rating areas in diversity and employee relations which are two components of social CSR. Given how the general concept of leadership is considered a proximal mechanism to organizational and workplace outcomes (Barrick & Mount, 2005; Ng, Ang, & Chan, 2008), it is expected that this leadership style will affect corporate sustainability practices. In the next chapter, I will further elaborate on how servant leadership serves as a proximal mediating mechanism between managerial personality and organizational criteria such as CSR engagement.

Finally, when reviewing the existing research within this field, it is worth noting a fairly recent study by Angus-Leppan, Metcalf, and Benn (2010) examining CSR engagement from a sensemaking perspective. In this study, CSR initiatives were examined by looking at both institutional forces as well as the individual within the organization by conducting qualitative analysis employing in-depth open-ended interviews with key managers, employees, and stakeholders. These said groups were tasked with implementation of corporate social responsibility from both an explicit and implicit CSR perspective (Matten & Moon, 2008).

In their study, Angus-Leppan et al. (2010) examined autocratic and authentic leadership styles and their relation to CSR. They found that autocratic leaders pursue explicit CSR, characterized by profit-oriented bottom-line results, while their counterparts who had an authentic leadership style were associated with an implicit CSR system, characterized by individual values, norms, and actions which permeate the organization (Matten & Moon, 2008). In particular, they found that these authentic leaders were associated with self-awareness, collaboration, and discourse (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Despite the fact that these leadership styles are quite empirically distinct, Angus-Leppan and colleagues found substantial conceptual overlap concerning ambiguity, uncertainty, and conflict of CSR among organizational actors. Overall, they suggest that future research should examine how other leadership styles (i.e. transformational, servant) impact CSR initiatives. Doing so will facilitate a better understanding of how an individual's beliefs, values, and ultimately personality fit within the existing research framework. In summary, the authors illustrated how leadership is associated with both systems of CSR irrespective of the leadership style employed. In the next section, I further elaborate on servant leadership and discuss how this concept is an optimal mediator between executive personality and CSR engagement.

### **Servant Leadership**

The concept of servant leadership, originally postulated by Greenleaf (1977) revolves around the central concept of an overarching need to serve others. According to Greenleaf (1977), leaders who practice servant leadership place emphasis on the interests, well-being, and development of followers over and above that of organizational goals. In this regard, servant leadership transcends the basic tenets of agency theory which emphasizes the agent (or in this context, the leader) as being opportunistic, self-serving, and individualistic by nature. Servant

leadership on the other hand recognizes individuals as being trustworthy, cognizant of their actions, and loyal to the organization and its stakeholders (Van Dierendonck, 2011).

Servant leadership is distinct from other forms of leadership in the sense that it places the welfare of subordinates before that of the organization and practices stewardship, which includes serving stakeholders both from within and outside the organization (Graham, 1991). In essence, servant leadership is hypothesized to contribute to corporate social responsibility through the building and maintaining of trust with employees, clients, suppliers, and the community as a whole. As a result of this need to serve others, Greenleaf (1977) contends that servant leaders create a safe psychological environment and organizational culture enabling employees to achieve personal development and self-actualization with the ultimate goal of transforming employees themselves into servant leaders. This is evidenced by Liden, Wayne, Zhao, and Henderson (2008) who found subordinates of servant leaders to have increased in-role performance, greater commitment to their respective organizations, and to engage in community citizenship behavior.

In relation to personality, only two studies appearing within the literature on servant leadership investigated the Big Five in relation to this concept (Hunter et al. 2013, Washington, Sutton, & Field, 2006). First, Washington et al. (2006) investigated how agreeableness was related to servant leadership in a local community development agency and in two offices of municipal government. They found that agreeableness was related to follower perceptions of servant leadership when controlling for follower job tenure. In a similar fashion, a second study by Hunter et al. (2013) investigated how extraversion and agreeableness were related to this leadership concept. In their study, Hunter and colleagues investigated servant leadership in a national retail organization both at the store and regional level. Although they found that extraversion was negatively related to follower perceptions of servant leadership for both types of managers, they found that agreeableness was only related to subordinate-rated servant leadership instead of ratings provided by regional managers. While these studies were performed on front-line managers within their organizations, no such studies exist in the literature examining these antecedents among top executives. Furthermore, these aforementioned studies only examined extraversion and agreeableness, two of the Big Five traits. As a consequence, there exists a gap in the literature examining the remaining personality traits in relation to servant leadership. This dissertation addresses this absence in the literature on this concept.

In examining the proximal mechanisms which mediate the relationship between personality and CSR, this study will focus on the mediating influence of executive servant leadership. Rather than focusing on the self-serving tendencies inherent in other forms of leadership (Peterson et al., 2012), I argue that leadership research should examine more relational and subordinate-oriented styles of leadership, notable for CSR-oriented outcomes. In relation to other forms of leadership such as transformational leadership, servant leadership is quite appropriate given the focus on follower needs (Van Dierendonck et al., 2014). Furthermore, servant leadership is hypothesized by Avolio and Gardner (2005) to be guided by inner morals; a characteristic Waldman and Siegel (2008) stress is important when assessing the effects of top managerial character as well as leadership styles on CSR.

**Relation to other forms of leadership.** As previously mentioned, servant leadership is similar to, yet distinct from, other forms of leadership including ethical leadership (Brown, Trevino, & Harrison, 2005), responsible leadership (Voegtlin, Patzer, & Scherer, 2012), and transformational leadership (Bass, 1985). These forms of leadership were chosen as points of reference in order to compare their similarities and illustrate their respective differences with servant leadership.

Ethical leadership is a form of leadership emphasizing normative actions and behavior expected of the leader (Brown et al., 2005; Brown & Trevino, 2006), which is characterized as building trust and establishing an ethical climate within the organization. Although this type of leadership overlaps with servant leadership along the dimensions of empowerment, humility, and stewardship, ethical leaders do not emphasize the development or guidance of subordinates. Furthermore, ethical leadership is characterized by Reed, Vidanver-Cohen, and Colwell (2011) as more transactional and less transformational given the lack of emphasis on intellectual stimulation and visionary leadership.

The concept of responsible leadership is based on engaging stakeholders through establishing social capital and sustainable relationships among all stakeholders associated with the organization (Voegtlin, Patzer, & Scherer, 2012). In particular, Voegtlin et al. (2012) contend that responsible leadership is a concept based in practical reasoning by stakeholders where controversies and disputes among actors is mitigated through rational discourse facilitated by the leader. Its conceptual overlap with servant leadership is found in the dimensions of interpersonal acceptance and stewardship; however the discursive nature of responsible leadership fails to

emphasize the leader as providing direction and empowering employees to achieve their greatest potential. In terms of CSR engagement, responsible leadership does not emphasize the moral development and self-actualization of subordinates nor is it characterized by providing direction and guidance to followers.

**Relation to transformational leadership.** Of closest conceptual overlap to servant leadership is the construct of transformational leadership. Transformational leadership consists of four distinct dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985). Charisma was found to consist of the component of idealized influence and inspirational motivation (Bycio et al., 1995; Lowe et al., 1996). According to Bass (1985) transformational leaders use charisma to inspire, motivate, and rally subordinates to follow the vision of the leader. Most closely related to transformational leadership are the dimensions of empowerment, providing direction, and stewardship. Despite this conceptual overlap with transformational leadership, servant leadership is distinct from transformational leadership in two respects. First, unlike transformational leaders, servant leaders are sensitive to the needs of all stakeholders (as opposed to focusing solely on followers) with their loyalty belonging to their respective organizations, and second, servant leaders encourage subordinates to engage in moral and ethical reasoning (Graham, 1991). In essence, servant leaders rely on forming lasting social exchanges with subordinates (Liden et al., 2008).

As previously mentioned, one distinguishing feature of servant leadership is highlighted by the focus of the leader on subordinates rather than that of the organization. As noted by Stone, Russell, and Patterson (2004), the fundamental difference between both styles of leadership relies primarily on the focus on subordinates as opposed to the organization. These findings are also supported by Mayer, Bardes, and Piccolo (2008) who found empirical support for the association between servant leadership and satisfaction of follower needs as well as job satisfaction. In examining the differential effects of both servant and transformational leadership, Van Dierendonck et al. (2014) found that while both forms of leadership positively influence both organizational commitment as well as engagement at work, servant leadership has a stronger association with the fulfilment of psychological needs of followers than does transformational leadership. In tandem with these findings, they also found that transformational leadership functioned through perceived leader effectiveness. Similar results were found by Schaubroeck, Lam, and Peng (2011) who investigated the effects of servant leadership on team psychological

states. In their study, Schaubroeck and colleagues found servant leadership to influence affect-based trust in their leader and subsequently team psychological safety when controlling for transformational leadership. These findings suggest that servant leadership is a unique construct which specifically focuses on the development of the subordinate by offering stewardship to individual followers and team members alike. As noted by Van Dierendonck et al. (2014), transformational leadership: "...puts the leader at the center of the group, while servant leaders will attribute successes to followers instead of themselves" (p. 546). In sum, servant leaders address follower needs and the extent to which they are served. Furthermore, it lends support to the proposition that organizational goals are of secondary concern to servant leaders (Greenleaf, 1977).

While the need to serve others and placing subordinate interests above those of the organization may be perceived as having a detrimental effect on overall performance, previous research has found the opposite to be true. By developing subordinates to be servant leaders themselves, servant leaders create an environment permitting subordinates to flourish and realize their maximum potential through recognition, empowerment, and acknowledgment of their achievements (Van Dierendonck, 2011). These servant leader actions in turn have translated into organizational criteria such leader trust (Schaubroeck et al., 2011), organizational trust (Washington, et al., 2005), organizational commitment (Van Dierendonck et al., 2014), leader-member exchange (LMX, Liden et al., 2008), and organizational citizenship behavior and team effectiveness (OCB, Ehrhart, 2004; Garber, Madigan, Chick, & Fitzpatrick, 2009). Moreover, empirical studies examining both transformational and servant leadership simultaneously have found servant leadership to influence in-role performance and organizational commitment (Liden et al., 2008) as well as organizational performance (Choudhary, Akhtar, & Zaheer, 2013) when controlling for the effect of transformational leadership. Finally, a recent meta-analysis by Hoch, Bommer, Dulebohn, and Wu (2016) found that servant leadership contributed to incremental variance for numerous organizational criteria such as job performance, OCB, job satisfaction, employee engagement, and organizational commitment over and above transformational leadership suggesting that this construct is empirically distinct from its transformational counterpart. Given the positive association of servant leadership with the numerous prosocial outcomes previously listed, it is expected that this concept should influence CSR engagement. This is discussed in the following section.

**Proposed relation with CSR.** A recent review by Parris and Peachey (2013) investigated the effects of servant leadership within the context of the organization. In their review, they investigated 39 relevant studies which examined the outcomes of servant leadership. In addition to the numerous studies mentioned in the previous section, they found that servant leadership was associated with numerous CSR-oriented criteria including the creation of a positive work climate (Neubert, Kacmar, Carlson, Chonko, & Roberts, 2008) as well as organizational justice (Mayer et al., 2009). Servant leaders are also expected to focus on the development of subordinates in self-motivation, community involvement, and ultimately engaging in a role of being future leaders themselves (Farling, Stone, and Winston, 1999). Furthermore, although both forms of leadership lead to work engagement (Van Dierendonck & Nuijten, 2011; Van Dierendonck et al., 2014), servant leadership has been shown to explain variance in organizational commitment and community citizenship behavior above and beyond transformational leadership (Liden et al., 2008). These findings suggest that servant leadership has a positive impact on followers by addressing their psychological needs as evidenced by Van Dierendonck et al. (2014) who suggest that servant leadership "...comes from recognition of universal principles and a focus on justice and the greater whole" (p. 547). It is also suggested that unlike servant leadership, which stresses the importance of moral and ethical components to servant leadership (Avolio & Gardner, 2005; Graham, 1991; Stone et al., 2004), transformational leadership does not specifically emphasize a moral component or dimension in its assessment suggesting that the former leadership concept is better aligned with CSR engagement. Despite the fact that the numerous studies mentioned focused on the micro level of analysis, servant leadership is expected to produce the same effects at the organizational level as well (Agle, Nagarajan, Sonnenfeld, & Srinivasan, 2006). Finally, as an avenue for future research in their respective studies, Peterson et al. (2013) and Van Dierendonck and colleagues recommended studying the effects of servant leadership on corporate social responsibility. Given the numerous findings presented above that servant leadership is strongly correlated with several positive subordinate outcomes within the organization, I contend that servant leadership will be positively associated with many indices of corporate social responsibility at the macro level of analysis. I now focus on how managerial discretion is expected to moderate the relationship between executive personality and CSR engagement.

## **Managerial Discretion**

Although the CEO is normally considered to be the top decision maker of strategy within the organization (Hambrick, 1989), the level of discretion<sup>3</sup> and authority afforded to him can vary significantly (Finkelstein, 1992). That is, top executives may be more or less constrained by forces emanating from within as well as outside the organization. Overall, a top manager's discretion is determined from three main sources: the organization's external environment, the internal environment of the firm, and the executive's managerial characteristics (Hambrick & Finkelstein, 1987). Environmental constraints include industry structure, market growth, and the legal/regulatory environment while organizational sources of constraints include the institutional environment, resource availability, and power shared among the firm's members of the top management team (Finkelstein, Hambrick & Cannella, 2009). Finally, discretion is contingent on the individual-level attributes of the focal manager to include her tolerance for ambiguity, aspiration level, base of power, and political acumen (Hambrick & Finkelstein, 1987). Therefore, any decisions made within the organization are not only influenced by other members of the top management team but also tempered by forces within the external context in which the firm operates. Within the literature on upper echelons theory, managerial discretion is an important moderator of the relationship between executive orientations and strategic outcomes (cf. Hawyard & Hambrick, 1997). The concept of managerial discretion has also been recently employed by Chin, Hambrick, and Treviño (2013) who investigated the relationship between political ideologies of a CEO and CSR participation. Furthermore, Finkelstein (1992) contends that "power can be seen to hold a central position in decision making" (p. 507).

Of particular relevance to this dissertation, Kaiser and Hogan (2007) contend that managerial discretion moderates the leader attribute – organizational performance relationship. That is, when discretion afforded to the CEO is high, this relationship is strengthened. Conversely, situations involving low discretion weaken or constrain the executive's actions. In this dissertation, managerial discretion is expected to moderate the proposed relationships in a similar fashion as outlined by Kaiser and Hogan (2007). Furthermore, any increase in managerial discretion will complement these proposed relationships over and above their main baseline levels.

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<sup>3</sup> Managerial discretion has also been defined by Haleblian and Finkelstein (1993) using the labels of 'CEO power' and 'CEO dominance'. All three terms are conceptually equivalent and will be used interchangeably throughout the remainder of the study.

In summary, this chapter gave a comprehensive review of the literature in upper echelons theory concerning executive personality, leadership, and managerial discretion. In the next chapter, I describe the specific hypotheses concerning the direct and indirect effects of executive personality on CSR engagement. In doing so, I specifically address how servant leadership is expected to have a mediating influence on the relationship between personality and CSR.

## CHAPTER 3

### HYPOTHESES DEVELOPMENT

In this chapter, I further develop specific hypotheses outlining the proposed relationship between executive personality and CSR. I first begin with the development of the proposed direct effects of personality on both dimensions of CSR (Hypotheses 1-5) followed by the formation of Hypotheses 6-10 which outline the mediating influence of servant leadership on the relationship between the Big Five and CSR as well. I then describe the moderated mediation framework in which managerial discretion is hypothesized to strengthen the proposed direct and indirect effects of personality through servant leadership in the model.

#### Specific Hypotheses

**Extraversion.** Individuals who are extraverted are classified as being sociable, active, passionate, and friendly (McCrae & Costa, 1987). Goldberg (1990) found these personality types to be dramatic and expressive. Specifically, extraverted leaders are ambitious and enthusiastic individuals who wish to seek and implement change (Herrmann & Nadkarni, 2013; Judge & Bono, 2004). Leaders scoring high on this trait were found to dominate other members of the top management team (Peterson et al., 2003). Furthermore, extraversion is a characteristic often found in transformational leaders (Bass, 1985) as was evidenced by a recent meta-analysis which found this trait to be positively related to intellectual stimulation (Judge & Bono, 2004) which in turn is positively related to strategic CSR as investigated by Waldman et al. (2006). Given the needs of extraverted leaders for social attention (Ashton, Lee, & Paunonen, 2002) it is not surprising that organizations led by extraverted CEOs' desire to maintain a favorable image among the public and stakeholders alike (Bansal & Kistruck, 2006; Dutton & Dukerich, 1994). Therefore, it is likely that extraverted managers will identify with strategic CSR factors such as commitment to the environment and social factors such as employee relations and initiating diversity among members of the top management team, which leads to the formation of the following hypothesis:

*Hypothesis 1: CEOs scoring higher on extraversion are more likely to engage in strategic and social CSR.*

**Agreeableness.** Agreeable individuals are characterized as being helpful, trusting, humble, and cheerful (McCrae & Costa, 1987). While agreeableness is characterized as being flexible, this can also suggest being acquiescent to others (McCrae & Costa, 1985). In particular, this trait in leaders is often manifested in times of conflict and ambiguity (LePine & Van Dyne, 2001). In

particular, LePine and Van Dyne (2001) found that these types of individuals were less likely to voice their opinion when initiating change-oriented behaviors, suggesting that their agreeable nature inhibits them from upsetting others to the extent that they support the status quo and current organizational norms. Agreeableness was also found to correlate negatively with strategic change (Herrmann & Nadkarni, 2013). Although it is unlikely that these types of leaders will make bold strategic changes like their extraverted referent peers, their agreeable and docile nature may allow them to be more receptive to external stakeholders regarding strategic CSR factors. Therefore, it is not possible to predict whether or not these types of leaders will engage in strategic factors of CSR. At the same time, however, the agreeable nature of these types of leaders can also promote participative group decision-making. This was evidenced by Peterson et al. (2003) who found that agreeableness in CEOs was related to TMT cohesion and decentralization of power. Therefore, it is likely that agreeable CEOs will identify with a social CSR factor such as TMT diversity. Given this reasoning, the following hypothesis is presented:

*Hypothesis 2: CEOs scoring higher on agreeableness are more likely to engage in social CSR.*

**Conscientiousness.** Overall, conscientiousness is purported to consist of three main facets: order, ambition, and dependability (Paunonen & Jackson, 1996). Conscientious individuals are characterized by McCrae and Costa (1987) as being dependable, businesslike, well-organized, and reliable. These types of managers were found by Peterson et al. (2003) to be associated with legalism and a strict adherence to established rules. Other attributes associated with this personality trait include being organized and, as indicated by its label, conscientious. In addition, conscientiousness was found by LePine and Van Dyne (2001) to be related with cooperative contextual performance which is characterized by cooperation, helping others, and acts of organizational citizenship behavior. In a similar vein, Barrick and Mount (1998) found this trait to be positively related to performance in jobs involving interpersonal relations and teamwork. These aforementioned results suggest that the attributes associated with this personality dimension should correlate strongly with CSR factors such as a commitment to the environment, treating employees fairly, positive relations with employees, and engaging in good corporate governance practices which form both strategic and social dimensions of corporate social responsibility. Thus, the following hypothesis is advanced:

*Hypothesis 3: CEOs scoring higher on conscientiousness are more likely to engage in strategic and social CSR.*

**Neuroticism.** Neuroticism or emotional instability is defined as being nervous, insecure, impatient, and worrying (McCrae & Costa, 1987). Individuals characterized as being neurotic generally have a negative perspective toward the world (Bono & Judge, 2004). In addition, neuroticism is characterized by having low self-esteem as well as low self-efficacy (Judge et al., 2004). Miller et al. (1982) found neurotic managerial types to be less innovative and more risk averse. Similar findings were reported by Herrmann and Nadkarni (2013) who found that these types of CEOs were less likely to engage in strategic change. Furthermore, the concept of core-self evaluations, a higher-order construct which includes having low levels of neuroticism as one of its components (Judge et al., 2002), was negatively associated with CEO entrepreneurial orientation (Simsek, Heavey, & Veiga, 2010). This suggests that these types of top managers scoring higher in neuroticism were less likely to undertake bold, proactive, and innovative strategic initiatives. In a similar fashion, Peterson et al. (2003) found that CEOs who were characterized as more neurotic were less dominant and cooperative with members of the TMT. Overall, the underlying logic associated with CEOs who are less emotionally stable implies that they “may be too anxious to undertake transformational change” (Bono & Judge, 2002, p. 902). Therefore, it is likely that a CEO scoring low on neuroticism will associate her values with both components of CSR thus leading to the following hypothesis presented:

*Hypothesis 4: CEOs scoring lower on neuroticism are more likely to engage in strategic and social CSR than those scoring higher on neuroticism.*

**Openness to experience.** This personality trait is characterized as being curious, broadminded, original, and intelligent (Barrick & Mount, 1991). In addition, this trait has been shown to correlate positively with divergent thinking (McCrae, 1994). Individuals scoring high on this trait were found to have a greater adaptability to change (LePine, Colquitt, & Erez, 2000). Furthermore, Peterson et al. (2003) found that top managers with higher levels of Openness to Experience were associated with greater risk taking and TMT intellectual flexibility. In a similar fashion, these types of executives were more associated with strategic flexibility (Nadkarni & Herrmann, 2010) as well as strategic change (Herrmann & Nadkarni, 2013). Concerning strategic decision making, Peterson et al. (2003) posit that these types of leaders are open to try new strategies therefore suggesting that these leaders are optimistic in terms of strategic decision-

making. Therefore, it is likely that both strategic and social dimensions of corporate social responsibility will relate to a CEO scoring higher on this trait. Therefore, the following hypothesis is given:

*Hypothesis 5: CEOs scoring higher on openness to experience are more likely to engage in strategic and social CSR.*

### **Servant Leadership and its Mediating Influence**

Central to this dissertation is the role that servant leadership plays in determining the association between CEO personality and CSR engagement. Consistent with recent theory and research into the proximal and distal motivational antecedents which account for the relationship between personality and leadership outcomes (Barrick & Mount, 2005; Ng et al., 2008; Paglis & Green, 2002), I propose that servant leadership will serve as a proximal mechanism which will mediate the relationship between CEO personality and CSR engagement. For further background into the use of servant leadership as an intervening mechanism in the relationship between CEO personality and CSR engagement, I rely on the taxonomic structure provided by Mathieu and Taylor (2006). I then provide a justification for the nature and type of intervening process servant leadership has on the relationship between the Big Five and CSR engagement. To begin, it is necessary to provide a brief discussion surrounding not only the conceptual definition of what a mediator is, but to provide a clear explanation of its function within the hypothesized framework of this dissertation.

**Background.** The concept of mediation was originally advanced by Baron and Kenny (1986) who describe this phenomenon as the process by which a third variable accounts for the correlation between the predictor and criterion. In addition, Baron and Kenny (1986) suggest that whereas moderator variables specify the requisite conditions needed for certain correlations to hold, mediators examine how such effects are possible. In essence, mediation analysis helps to explain the intervening mechanisms responsible in transmitting their effects to other variables (Hayes, 2009). Furthermore, this can be summarized by Mathieu and Taylor (2006) who note that mediator variables "...are explanatory mechanisms that shed light on the nature of the relationship that exists between two variables" (p. 1038).

In their seminal article, Baron and Kenny (1986) noted that specific conditions termed the 'causal steps approach' were necessary before claiming mediation. To establish mediation, four conditions prescribed by Baron and Kenny (1986) must be met. First, a significant direct effect

between the predictor and criterion must be established. That is, the independent variable (IV) must account for variation in the dependent variable (DV). For convention, Path C will be used to delineate this relation. Second, the predictor variable must significantly account for variance in the mediator (Path A). Third, the mediator is expected to have a significant correlation with the criterion (Path B). Finally, when controlling for Paths A and B, the previous direct effect sizes established in Path C must be reduced to non-significance implying full or ‘complete’ mediation or at a minimum, be mitigated, thus implying partial mediation.

Despite the widespread use of mediator variables, there is considerable confusion and controversy surrounding the conceptual and operational definitions of mediator variables and their use (Mathieu & Taylor, 2006). In addition, Mathieu and Taylor (2006) have noted that there is debate on whether a total effect ( $X \rightarrow Y$  relationship) is necessary before claiming that mediation exists. For example, while Baron and Kenny (1986) and Preacher and Hayes (2004) posit that a total effect is necessary, MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) have relaxed this assumption and noted that mediation exists provided it functions as an intervening variable between X and Y without establishing a prior total effect. In efforts to clarify these distinctions, Mathieu and Taylor (2006) prescribe a taxonomical structure and a set of decision rules for mediation which will be used in this dissertation. They include indirect effects, partial mediation, and full mediation. The distinction between these intervening processes are further discussed in the following sections.

The first type of intervening process described by Mathieu and Taylor (2006) is that of an indirect effect. In this model, paths A and B are significant, however there is an absence of any significant prior direct effect (Path C). This model is the most parsimonious and constrained meaning that only the combined indirect effect ( $A \times B$ ) is significant in explaining the relationship between X and Y. The second most constrained model is that of “full mediation” which is described by Baron and Kenny (1986) in the previous section. In this model, the direct effect becomes non-significant after controlling for the effect of the mediator on the criterion. Finally, the least constrained intervening process is that of partial mediation, when Path C remains significant after introducing the mediator variable into the model. Given the potential for confusion and hence the need to differentiate among these intervening effects, Mathieu and Taylor (2006) contend that researchers must specify a priori and with theoretical justification the type of

processes anticipated. In accordance with these guidelines, I further outline the role of servant leadership and its intervening process for this study.

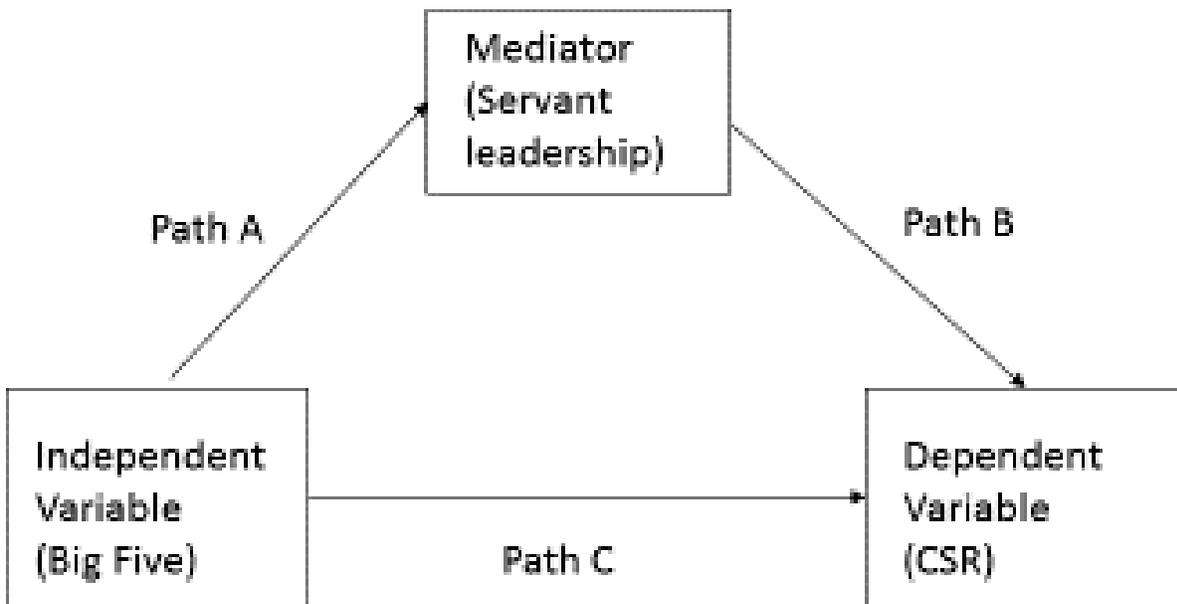
Within the context of this dissertation, it is expected that servant leadership will partially mediate the relationship between CEO personality and CSR engagement. This type of intervening process is justified given the prior hypothesized relationships between the Big Five and CSR engagement (Path C: Hypotheses 1-5) which is a requisite condition for this type of mediation. Despite the intervening process of servant leadership, this is not expected to nullify the direct effect of personality on CSR engagement. In the next section, I further outline the justification for this type of intervening effect while providing the broad rationale for the proposed relationship between the Big Five and servant leadership (Path A) and the relationship between this leadership style and CSR engagement (Path B). I then focus on the specific hypotheses in Chapter III describing the partial mediation for each of the Big Five traits.

**Rationale for mediation.** Research into personality and leadership (Barrick & Mount, 2005; Ng et al., 2008; Paglis & Green, 2002) has suggested that distal traits such as personality are mediated through proximal states of motivation which, in turn, affect performance and effectiveness in positions of leadership. For example, Ng et al. (2008) examined how the Big Five factors of personality, transmitted through leadership self-efficacy (LSE), influence a leader's effectiveness. The underlying rationale for investigating LSE as a mediator is based on how distal traits such as the Big Five affect leadership outcomes through motivational states. The rationale for this relationship was based on previous research investigating how behavior mediates the relationship between personality (DuBois, Sackett, Zedek, & Fogli, 1993; Ployhart, Lim, & Chan, 2001) and organizational criteria. In relation to this dissertation, personality traits such as extraversion and conscientiousness are expected to be expressed through leadership behaviors and actions which, in turn, influence organizational outcomes and consequences.

Similar research examining the relationship between personality and criteria such as leader effectiveness (Judge & Bono, 2000), team performance (Lim & Ployhart, 2004), interviewing self-efficacy (Tay, Ang, & Van Dyne 2006), and organizational performance (Peterson, Walumbwa, Byron, & Myrowitz, 2009) highlight the relevance of studying how distal personality traits are proximal antecedents to organizational outcomes when using leadership as a behavioral mediator. In this fashion, this dissertation follows a similar pattern in the sense that a leader's personality traits, a distal construct, are manifested through a particular style of leadership (servant leadership),

a proximal construct, which translates into CSR engagement. I now turn my attention to the relevance of Path A which examines the relationship between the Big Five and servant leadership and subsequently leading to CSR engagement (Path B) within this model. For illustrative purposes, a general mediation model and its corresponding paths are listed in Figure 2 of this study.

**Figure 2**  
**Diagram of Mediation Model and its Corresponding Paths**



**Path A.** To begin, research has illustrated how the Big Five directly influences transformational leadership (Bono & Judge, 2004; Deinert, Homan, Boer, Voelpel, & Gutermann, 2015) in efforts to reconcile trait theory within the broader leadership spectrum (Judge et al., 2002). Given the similarity and conceptual overlap with transformational leadership, it is thus expected that servant leadership will map onto the Big Five in a similar manner as it is hypothesized with CSR engagement. To lend support to this claim, Liden et al. (2014) proposed that leadership attributes consisting of the desire to serve others, moral maturity, a high core self-evaluation, and emotional intelligence among others are antecedents to servant leadership behaviors. Take for example the desire to serve others. The altruistic nature of these types of leaders naturally suggests

they should score high on agreeableness which is characterized as being generous, kind, forgiving, and sympathetic (McCrae & John, 1992).

Another example concerning the concept of emotional intelligence and the trait of openness to experience follows the same logic. Emotional intelligence (EI) in this regard, is defined as a combination of intelligence and emotion (Mayer & Salovey, 1997) which consists of three main components including emotion perception, emotion understanding, and emotion regulation (Joseph & Newman, 2010). Within this context, emotion perception is the ability to identify emotion in oneself and in others while emotion understanding is defined as the understanding of how emotions evolve, differ from others, and an overall understanding of which emotion is appropriate for the current context (Mayer & Salovey, 1997). In a similar fashion, emotion regulation is defined by Gross (1998) as “the processes by which individuals influence which emotions they have, when they have them, and how they experience and express these emotions” (p. 275). Concerning the traits of openness to experience, which is characterized as being insightful and introspective, and low levels of neuroticism as being stable and relaxed (McCrae & John, 1992), it is expected that these personality factors will serve as antecedents to servant leadership as described by Liden et al. (2014). Although the concept of emotional intelligence is not directly investigated within this dissertation, the underlying attributes of this concept pertaining to an individual who is able to understand and regulate her emotions and those of others are elements of these aforementioned personality traits. Given the proposed relationship the Big Five is expected to have with servant leadership, it will be necessary to establish how this leadership style will influence CSR. This is addressed in the next section.

**Path B.** In this section, I posit that servant leadership is related to both strategic and social dimensions of CSR engagement. As previously mentioned, the main focus of servant leadership places the needs, interests, and well-being of subordinates over that of the organization (Graham, 1991; Greenleaf, 1977). Furthermore, servant leaders empower followers, practice humility, provide support and acceptance of followers, and engage in stewardship to stakeholders both inside and outside of the organization (Van Dierendonck, 2011). These actions are thus expected to influence strategic KLD issue areas of CSR such as community relations which include charitable giving, corporate volunteering, and an absence of tax disputes with state and local government authorities.

Another strategic dimension of CSR concerns that of corporate governance. The authentic, humble, and inner moral compass of a servant leader is expected to influence KLD governance issue areas such as non-excessive managerial compensation as well as financial transparency. In a similar fashion, servant leadership behaviors are expected to influence social CSR as well. For example, an altruistic servant leader who empowers employees, provides stewardship, and establishes a safe and all-inclusive workplace environment for employees might encourage employee stock ownership, profit sharing, and provide on-site child care facilities through his actions.

The above examples underscore the importance and impact of executive servant leaders on CSR initiatives. Furthermore, research examining related leadership concepts and their relation to sustainability-oriented criteria has found similar results. For example, it has been shown in top managers that both ethical leadership (Wu, Kwan, Yim, Chiu, & He, 2015) and transformational leadership styles (Verissimo & Lacerda, 2015; Waldman et al., 2006) influence CSR engagement. Given the conceptual overlap of servant with ethical leadership (Van Diemendonck, 2011) and with transformational leadership (Stone et al., 2004), it is therefore expected that servant leadership will impact CSR engagement.

The underlying framework presented in the previous sections can be traced to upper echelons theory which states that a leader's value system influences the strategic decisions of the organization (Hambrick & Mason, 1984). More specifically, Ciulla, Price, and Murphy (2005) contend that a leaders' value system will affect their organization only if they are expressed through actions. Overall, these studies address the call by Waldman and Siegel (2008) to further investigate how leader values, expressed through leadership style and actions, influence CSR. In summary, the need for a proximal mediating mechanism through distal antecedents such as personality can be summarized by Barrick and Mount (2005) who argue the following: "Personality traits are enduring, distal forces that influence behavior, but there are both mediating and moderating variables that must be accounted for to adequately explain the effects of personality on human behavior" (p. 369). In the next section, I further outline how a proximal mediator such as leadership can influence organizational outcomes and in particular, CSR engagement.

Given the strong influence that servant leadership is expected to have as an intervening process within this framework as well as the hypothesized direct effects between the Big Five and

CSR engagement, I propose that servant leadership will at minimum partially mediate this association. In the following sections, I turn my attention to deriving specific hypotheses which will elucidate the mediating processes of servant leadership for each personality trait and its relation to both types of corporate social responsibility as specified above.

**Extraversion.** As previously mentioned in Hypothesis 1, extraverted individuals are characterized as being sociable, talkative, warm, active, and bold (McCrae & Costa, 1985). In addition, Goldberg (1990) found these types of individuals to be expressive and dramatic while Costa and McCrae (1988) found extraversion to correlate highly with social leadership. As previously mentioned, given that leaders scoring high on this personality trait have a high need for social attention (Ashton, Lee, & Paunonen, 2002), this is expected to manifest itself by the servant leader engaging stakeholders. Contrary however to transformational leadership, which uses charisma as a form of power to instrumentally motivate followers (Bass & Stogdill, 1990), the servant leader uses this influence to facilitate stewardship and servant leadership in their subordinates (Stone et al., 2004). The characteristics of this personality trait are thus considered antecedents to engage in discursive dialog and inclusive communication with stakeholders corresponding with attributes of servant leadership such as intrapersonal acceptance and stewardship.

It is possible however that extraversion in top managers may be associated with fostering an aggressive rather than a supporting workplace environment as was found by Judge and Cable (1997), suggesting that higher levels of extraversion in CEOs is counterproductive to servant leadership actions and behaviors. In addition, it may be possible that extraversion in top managers contains both a social and aggressive aspect thus negating any effect on any servant leadership behaviors or on the indirect effect of this personality trait. Despite this possible outcome, high levels of extraversion were associated with team-oriented workplace cultures (Judge & Cable, 1997), suggesting that the attributes of this personality trait are considered antecedents to engage in discursive dialog and inclusive communication with stakeholders which should be associated with KLD issue areas of employee relations, as well as community relations, both of which are subsumed under the respective dimensions of strategic and social CSR. Given the following logic, I offer the following hypothesis:

*Hypothesis 6: CEO servant leadership is expected to partially mediate the relationship between extraversion and strategic and social dimensions of CSR.*

**Agreeableness.** This trait is defined as the extent to which one is courteous, compassionate, flexible, cheerful, and sympathetic (McCrae & Costa, 1985). In addition, Wiggins (1996) suggested that a key component of agreeableness was altruism or a concern for others which is considered essential for servant leadership (Graham, 1991; Van Dierendonck, 2011). Furthermore, agreeableness was found by Judge and Bono (2000) to correlate with the transformational leadership dimension of individualized consideration. In a similar vein, Liden et al. (2014) characterize servant leaders as being altruistic and selfless toward others. This concern for others was also found by Liden et al. (2008) to associate with servant leadership dimensions of emotional healing, and helping subordinates to grow and succeed. In particular, Liden et al. (2008) claim that servant leaders “create value for the community at large” (p. 163). Furthermore, it has been found by Costa and McCrae (1992a) that people with higher levels of agreeableness are less likely to have interpersonal problems and alienate others. Finally, based on previous research investigating agreeableness and servant leadership, research found a positive relationship between these two concepts in store managers and in managers in local municipal government (Hunter et al., 2013, Washington et al., 2006) therefore suggesting that this relationship should be present in CEOs as well.

Following this reasoning, these aforementioned attributes of servant leaders are seemingly related to dimensions of humility, support, and providing stewardship as mentioned earlier by Van Dierendonck (2011). Overall, these leaders are less likely to behave in a less self-serving and instrumental manner (Schminke, Ambrose, & Neubaum, 2005). Therefore, these findings suggest that agreeableness is an important antecedent to servant leadership given that an altruistic and compassionate leader promotes a safe psychological environment for their followers (Greenleaf, 1977) while engaging stakeholders in the local community. As a consequence, these inclusive and accepting behaviors in turn are expected to contribute to positive social KLD rating areas of employee relation strengths, favorable union relations, and employee involvement programs such as stock ownership plans while being associated with lower concern areas such as workforce reductions. Given this rationale, I offer the following hypothesis:

*Hypothesis 7: CEO servant leadership is expected to partially mediate the relationship between agreeableness and strategic and social dimensions of CSR.*

**Conscientiousness.** As previously mentioned, individuals exhibiting high conscientiousness are characterized as being dependable, careful, practical, businesslike, and well-

organized (McCrae & Costa, 1985). In a meta-analysis by Judge et al. (2002), these types of leaders were associated with both leader emergence and leader effectiveness. Furthermore, an individual with high levels of conscientiousness is described by Goldberg (1990) as having persistence and dependability suggesting that these types of leaders are able to implement strategic change. In addition, these types of managers were found to use rational persuasion for upward influence tactics (Cable & Judge, 2003). Overall, these attributes describe servant leader behaviors such as being authentic, stewardship, and providing support and direction to employees as described by Van Dierendonck (2014). Given that conscientious leaders are organized, planful, and dutiful, it is expected that they will utilize servant leadership as a means of empowering employees as well as providing guidance to their subordinates. Furthermore, the dutiful nature of conscientious leaders suggests that they should score higher on moral and ethical decision-making relative to leaders having lower levels of this trait, which is particularly important given the inherent nature of morality in servant leadership (Graham, 1991; Liden et al., 2008).

Servant leadership behaviors such as empowering employees, stewardship, and morality are thus expected to contribute to outcomes such as promoting professional development of employees and employee involvement, two factors which are subsumed under KLD rating areas of employee relations. Moreover, it is expected that leaders scoring higher on conscientiousness and thus servant leadership should correlate with KLD corporate governance sub-domains such as strong business ethics, engaging in fewer controversial investments, and having higher transparency strength on social and environmental issues.

While it is expected that conscientiousness will have an indirect effect on strategic CSR, I do not expect this trait to affect its social dimension. Given the pragmatic, industriousness, and discipline-oriented nature inherent to this personality trait, Judge and Cable (2003) found that these types of leaders used rational persuasion and exchange as an upward influence tactic rather than personal appeal and consultation. This suggests that these types of leaders will rely on instrumental tactics which may run contrary to servant leader behaviors given the interpersonal nature of this leadership concept. Furthermore, this relation suggests that top managers scoring higher on this trait are less likely to lend interpersonal support and exhibit altruism despite the proactive elements of being achievement oriented and persistent toward establishing corporate initiatives. As stated by Cable and Judge (2003), these types of leaders are "...less likely to use personal appeals because they are based on friendship and personal favors rather than task-focused productivity" (p. 201).

Consequently, I propose that conscientious leaders will be more inclined to engage in servant leadership which in turn will lead to strategic engagement in strategic corporate social responsibility leading to the following hypothesis:

*Hypothesis 8: CEO servant leadership is expected to partially mediate the relationship between conscientiousness and strategic CSR.*

**Neuroticism.** As mentioned in the previous hypothesis, emotional intelligence is a crucial component of servant leadership (Liden et al., 2014). While emotion perception, one sub-domain of emotional intelligence, enables a leader to identify the emotional and similar idiosyncratic needs of subordinates, emotion regulation is hypothesized to allow servant leaders to provide emotional healing (Liden et al., 2014). Furthermore, Liden and colleagues contend that during times of uncertainty, placing the needs of followers first and providing emotional support may require not only self-awareness, but also the requisite amount of emotional stability on behalf of the servant leader. That is, higher levels of emotion regulation allow a leader to control negative emotions in order for them to provide greater levels of emotional support and healing toward their followers. This is made possible by higher levels of emotional stability which have been found to be an antecedent to emotion regulation (Joseph & Newman, 2010). In summary, the attributes of being able to control one's emotions as described by Liden and colleagues shares key characteristics of this personality trait. As a result, these attributes are expected to influence servant leadership attributes of both stewardship and providing direction identified by Van Dierendonck (2011).

Overall, these aforementioned findings may be explained by research closely related to leadership in general. First, concerning neuroticism as antecedent to leadership, Northouse (1997) contends that self-confidence is necessary for most leadership roles. In addition, Bass (1985) posits that neurotic leaders are less likely to involve themselves in subordinate efforts. Following this reasoning, servant leaders at the executive level of the organization are expected to have the emotional character, stability, and decisiveness to engage in strategic CSR actions such as building community and establishing superior corporate governance mechanisms as well as social CSR initiatives such as implementation of diversity and transparency policies. Therefore, extending the logic that servant leadership should mediate the relationship between low levels of neuroticism (emotional stability) and strategic as well as social CSR engagement is justified. Thus, the following proposition is advanced:

*Hypothesis 9: CEO servant leadership is expected to partially mediate the relationship between low neuroticism and strategic and social dimensions of CSR.*

**Openness to experience.** McCrae and Costa (1987) found individuals scoring high on openness to experience to have broad interests as well as being analytically-minded. In addition, McCrae and Costa (1997) found these types of individuals to exhibit greater creativity. Moreover, a higher level of openness to experience is associated with being innovative and detail oriented (Judge & Cable, 1997). Similarly, increased strategic flexibility was also found to be present among CEOs in Nadkarni and Herrmann's (2010) study correlating highly with openness to experience. Openness to experience also suggests the ability for a CEO to try 'unthinkable things' (Peterson et al., 2003, p. 799) in terms of strategic decision making as well as being original and daring (McCrae & Costa, 1987), thus not being afraid to challenge the status quo in terms of strategic decision making. This suggests that these top managers scoring high on openness to experience will engage in behaviors such as building community, providing stewardship, and empowering employees, actions which are important attributes of servant leaders (Liden et al., 2008; Van Dierendonck & Nuijten, 2011)

Given the previous logic relating openness to experience to servant leadership attributes such as employee empowerment and providing stewardship to a broad and inclusive group of stakeholders, it is thus expected that these types of leaders will exhibit high levels of personal and interpersonal authenticity as well as an overall acceptance of followers given the perceptive and broad-minded inclination of individuals who have high levels of this personality trait. In particular, I contend that a leader who is not only authentic but accepting of all followers will be open to suggestions from subordinates at all levels of the organization with a particular emphasis from those with a proximal relationship to the focal leader, namely, members of the top management team. This interpersonal acceptance and level of openness toward others (Greenleaf, 1970, 1977) should in turn correlate with KLD issue areas of board diversity as well as positive relations with employees positively influencing both social and strategic dimensions of CSR. Furthermore, these aforementioned characteristics of having an open mind and broad interests should correlate highly with servant leadership dimensions such as empowering subordinates and their intrapersonal acceptance (Van Dierendonck, 2011), two key dimensions required for followers to achieve self-actualization (Greenleaf, 1977). Following this logic, I claim the following hypothesis:

*Hypothesis 10: CEO servant leadership is expected to partially mediate the relationship between openness to experience and social and strategic dimensions of CSR.*

Together, these five personality traits are expected to influence strategic and social CSR. The strength of this relationship however is contingent on the degree of autonomy and discretion afforded to the top manager. In the following section, this relationship is investigated in greater detail.

### **The Moderating Role of Managerial Discretion**

While the previous hypotheses contend that servant leadership is expected to mediate each of the Big Five personality traits in a top manager's decision to engage in CSR, the strength of these purported relationships across personality dimensions are expected to vary according to the degree of discretion afforded to the top manager. Research examining the Big Five personality traits and the behavior of managers (Barrick & Mount, 1993; Gellatly & Irving, 2001; Judge et al., 2002; Ng et al., 2008) has examined how contextual influences such as situational strength (Mishel, 1977; Weiss & Adler, 1984) can inhibit an individual's freedom to act in a desired manner.

These aforementioned contextual situations according to Mishel (1977) are classified as weak or strong depending on the range of behaviors an individual can exhibit. Strong situations are classified as those in which there exists considerable pressure exerted on the individual thus inhibiting the full range of actions normally available to him. For example, a CEO who is constrained by structural forces such as not having the position of chairperson may be inhibited by building relationships with stakeholders which may fall outside the purview of his authority and thus limiting the degree of servant leadership exhibited. As a result, personality traits such as agreeableness and openness to experience may not fully manifest themselves into servant leadership behaviors relative to circumstances where the focal CEO has full autonomy and direction. A similar example concerns the use of conceptual skills. According to Liden et al. (2008), servant leaders have a repertoire of conceptual skills at their disposal such as the ability to solve complex problems from a creative perspective. A CEO scoring high on conscientiousness and openness to experience has been shown to take greater risks and exhibit greater strategic flexibility (Nadkarni & Herrmann, 2010; Peterson et al., 2003). If, however, contextual restraints imposed by the organization and/or the firm's board of directors limit a CEO's latitude of action

in this manner, these personality traits are mitigated from manifesting themselves into servant leadership.

Two conceptually related studies involving managerial discretion and behavioral mediation form the theoretical background of the hypotheses in this section. First, Li and Tang (2010) examined the moderating influence of managerial discretion on the relationship between managerial hubris and risk taking. Overall, they found that greater managerial discretion afforded to the top manager strengthened this relationship thus lending support to upper echelons research that the effects of managerial attributes are greater under conditions of greater managerial discretion (Hambrick, 2007). In relation to the current study, these findings suggest that under conditions of high discretion afforded to the top manager, CEO personality will have greater impact on servant leadership behavior and ultimately on CSR engagement.

A second study by Ng, Ang, and Chan (2008) also forms the basis for the association between managerial discretion and organizational outcomes. In their study, Ng et al. (2008) investigated how distal personality traits affect leader effectiveness using a moderated mediation framework (Preacher, Rucker, & Hayes, 2007) where the degree of managerial autonomy either mitigates or enhances the role of leadership self-efficacy (LSE) in explaining the relationship between the Big Five and leadership effectiveness.

Using the moderated mediation approach by Preacher et al. (2007), this dissertation examines both the direct effects of the Big Five on CSR engagement as well as the mediating effect of servant leadership on this relationship. Given the aforementioned logic presented, it is thus expected that managerial discretion will moderate both of these hypothesized paths where any increase in managerial discretion will enhance both direct and mediated relationships between the Big Five and CSR engagement. Concerning the traits of extraversion, agreeableness, conscientiousness, and openness to experience (Hypotheses 1-3, 5-8, and 10) in which a positive relationship is expected, any increase in discretion will strengthen these hypothesized relationships from their expected base levels. In the instance where the relationship is expected to be negative (Hypotheses 4 and 9), any increase in discretion is also expected to further strengthen this negative relationship. On the basis of this reasoning, the following hypotheses are given.

*Hypothesis 11: Managerial discretion will moderate the expected relationships between the Big Five personality traits (Hypotheses 1-5) and engagement in strategic and social*

*dimensions of CSR, such that higher levels of discretion will strengthen this positive relationship between personality and CSR engagement.*

*Hypothesis 12: Managerial discretion will moderate the expected mediated relationships between the Big Five personality traits (Hypotheses 6-10) and engagement in strategic and social dimensions of CSR, such that higher levels of discretion will strengthen this positive relationship between personality and CSR engagement.*

### **Control for Transformational Leadership**

As previously noted, the constructs of both servant and transformational leadership have conceptual overlap in many regards (Stone et al., 2004). Despite recent research which found that these leadership constructs are empirically distinct (Liden et al., 2008; Parolini, Peterson, & Winston, 2009; Peterson et al., 2012), there is an absence of research examining the effects of both servant and transformational leadership constructs in a simultaneous manner on CSR or micro-level organizational outcomes. For example, it is possible that individualized consideration in transformational leadership, characterized as being considerate, recognizing follower needs, and providing mentoring and coaching (Avolio & Bass, 2004), may confound with executive servant leadership dimensions such as providing support to subordinates and altruism (Reed et al., 2011), notably when assessing strategic CSR outcomes. In addition, prior research by Waldman et al. (2006) found that transformational leadership was related to strategic but not social CSR. Therefore it remains plausible that transformational leadership may be correlated to either dimension of CSR and even possibly to servant leadership itself. Despite this possible confound, it is possible that top managers can be servant leaders while at the same time having relatively low levels of transformational leadership. This conceptual difference is again due to the transformational leader's focus and priority being directed toward the organization (Bass, 1985) while the servant leader's main priority is toward subordinates (Greenleaf, 1970, 1977). Furthermore, servant leadership is differentiated from its transformational counterpart with the added dimension of moral and ethical reasoning (Graham, 1991). Given both arguments presented, I propose that transformational leadership may have a slight impact on the relationship between servant leadership and both dimensions of CSR engagement (Path B), however I do not expect any change in the effect size or their level of significance.

Concerning the addition of transformational leadership into the model, when introducing control variables, doing so must be done with caution due to partialling of variance (Becker, Atinc,

Breaugh, Carlson, Edwards, & Spector, 2016; Carlson & Wu, 2012). In particular, Becker et al. (2016) describe that explained variance in a regression model can be divided into two components: variance attributed to the dependent variable (DV) by each independent variable (IV) and joint variance that can be explained by the addition of two or more IVs added to the model. This joint variance however cannot be allocated or traced back to each IV but instead to the total variance in the model. Furthermore, as the correlation between IVs increases, so does the amount of joint variance, thus reducing the unique contribution from each predictor variable (Williams, Vandenberg, & Edwards, 2009). Furthermore, as described by Becker et al. (2016), when introducing a control variable into a regression model which is uncorrelated with the DV, then this control variable cannot be considered as an alternative explanation for the DV. In relation to this study, by adding transformational leadership as a control variable, any significant correlations with servant leadership will reduce the unique variance explained by each leadership construct. Therefore, it is recommended that before introducing statistical control into a regression model, proper theory, or at least a compelling logical explanation outlining the proposed relationship with the dependent variable is highly recommended (Becker et al., 2016; Bernerth & Auginis, 2016).

## CHAPTER 4

### DEFINITIONS, MEASUREMENT, METHODS, AND VALIDATION SAMPLE

This chapter begins with a conceptual definition and measurement of the variables used in this dissertation which include the Big Five, corporate social responsibility, servant and transformational leadership, and managerial discretion. In doing so, I describe the methodology and coding procedures for how personality, servant, and transformational leadership are assessed in this study. In addition, I further explicate the study design and address the selection criteria for organizations and the focal CEOs. I then describe the mediation analysis used to assess the indirect effect of the Big Five. This chapter concludes with a validation sample examining interrater agreement of the variables assessed by raters in this dissertation.

#### **Executive Personality**

As previously mentioned, the Big Five model of personality is a broad taxonomic structure encompassing the following personality traits: extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience (Barrick & Mount, 1991). This taxonomy was originally formed in its present state by Norman (1963) using natural language to describe broad individual personality traits. Moreover, this model has been extensively replicated across different contexts and languages (McCrae & Costa, 1997) and is the most common taxonomic model of personality currently used in the academic literature.

Despite the widespread usage of the Big Five, this model of personality it is not without its criticisms (Block, 1995; McAdams, 1992). One of the biggest shortcomings of the Big Five personality concerns the structure of the traits themselves. Concerning the purported orthogonal properties of these traits, Saucier (2002) noted that many personality inventories used to assess the Big Five (i.e., NEO-PI-R) produced high intercorrelations among dimensions. As a consequence, this increases multicollinearity in multiple regression analysis thus reducing the effectiveness of the Big Five to predict criteria. To mitigate against this occurrence, the indirect effect of each personality trait on CSR was investigated in a separate manner by utilizing mediation analysis in PROCESS rather than as a constellation of personality traits. Doing so isolates the unique contribution of each personality trait on CSR engagement. Moreover, any empirical similarities and overlap of two different constructs by themselves do not alone form a sufficient basis to conclude that they are conceptually similar (Van Dierendonck et al., 2014).

Another criticism of the Big Five, as expressed by McAdams (1992), is the lack of contextualism which influences how these traits are evaluated in their respective inventories. That is, although personality has shown to remain constant over time (Costa & McCrae, 1988), situational characteristics may affect the manner in which some personality traits are expressed (McAdams, 1992). Furthermore, John and Shrivastava (1999) contend that the lexical adjective content contained in some personality inventories (cf. Goldberg, 1992) may offer less contextual information relative to an item format utilizing short phrases instead. To mitigate against this concern, raters in this study not only used the appropriate personality inventory which included short phrases, they were able to assess personality of focal CEOs across numerous contexts which limited reliance on one particular situation or context. These coding procedures are further elaborated upon in subsequent sections of this chapter.

Finally, the Big Five has been criticized on grounds that a five-factor solution is not always produced. Depending on the rotational solution used, research has frequently shown the emergence of a sixth factor labelled honestly-humility, independent of the Big Five factor structure (Ashton et al., 2004). In this scenario, having finer-grained personality traits may serve as a more valid predictor of organizational criteria, depending on the criteria employed (Ashton, 1998; McAdams, 1992). While investigating alternative personality taxonomies is beyond the scope of this dissertation, this remains a potential limitation to the current study. Despite these shortcomings, the Big Five has exhibited acceptable construct validity using multiple methods (Judge, Bono, Ilies, & Gerhardt, 2002) and raters (Costa & McCrae, 1992). Furthermore, the use of the Big Five is consistent with previous research in this area investigating the relationship between executive personality and servant leadership (Hunter et al., 2013, Washington et al., 2006) in addition to establishing a validation sample for comparative purposes with Peterson et al. (2003). As will be subsequently discussed, this was performed in efforts to validate our sample of 101 CEOs utilizing a non-obtrusive assessment technique of their personality. In the next section, I further elaborate on how these personality traits were assessed in top managers in this study.

## **Measurement of Personality**

In this dissertation, measurement of CEO personality employed zero-acquaintance methodology (Albright, Kenny, & Malloy, 1988; Kenny, Albright, Malloy, & Kashy, 1994) rather than the traditional use of survey-based measures. The reticence of top managers to participate in academic surveys has been examined in a fairly recent meta-analysis performed by Cycyota and Harrison (2006). In their study, Cycyota and Harrison found not only that the overall participation to academic surveys involving upper echelon executives was declining over time, they also found no evidence that traditional procedures employed to increase employee participating at the non-executive level (i.e., personalized invitations and follow-up reminders) were effective with top managers. Furthermore, they found that issues of topical salience such as those related to current business trends, features of their organization, or related to their duties were found to only moderately increase the participation rate of executive surveys. These results further suggest that many top executives have a negative perception of academic surveys, particularly those which the focal CEO may consider intrusive (Hambrick, 2007) such as completing a personality inventory. Hence, the assessment of the Big Five factors and servant leadership in this survey relied on an innovative and underutilized technique involving zero-acquaintance methodology.

Zero-acquaintance methods involving the Five Factor Model was initially employed by Passini and Norman (1966) and Norman and Goldberg (1966) to establish the validity of the taxonomic structure of the Five Factor Model (FFM). In these studies, the authors utilized diverse populations of participants with varying degrees of relation between the rater and the target. That is, while they found that well-acquainted peers exhibited higher self-peer agreement than participants with no prior relation, the zero-acquaintance validity coefficients were statistically significant and remarkably similar to that of the well-acquainted peer groups for the dimensions of extraversion, conscientiousness, and openness to experience. Further studies replicating this phenomenon reached similar conclusions concerning the dimensions of extraversion and conscientiousness and to a lesser extent openness to experience (Albright, et al., 1988; Watson, 1989). These findings led researchers to conclude that judges based their opinions on the physical appearance of the target; however the non-salient evaluative attributes of ratees such as self-esteem and political orientation (Vazire & Carlson, 2011) perhaps inhibited raters from achieving higher levels of consensus with their respective targets. What was needed was further in-depth examination of targets' physical and behavioral cues.

To better understand the relevant physical and behavioral attributes that influence raters' perception of targets, researchers began to utilize Brunswick's (1956) Lens Model in zero-acquaintance studies. This model consists of two main components: cue utilization and cue validity. Cue utilization occurs when raters make trait inferences about the target based on the physical and behavioral attributes he projects to the rater. For example, a rater may ascribe the target to be an extravert based on an observable cue such as the perceived attractiveness of the target. Cue validity is achieved when the target projects or expresses her personality through observable cues. Thus, increased rater-target consensus of a focal personality trait requires convergence of both cue utilization and cue validity. That is, observable cues (physical and behavioral attributes) projected by the target mediate or transmit the relationship between target ratings and ratings made by strangers. A practical and concrete example of this phenomenon is given below.

Suppose that a rater infers a target to have high levels of agreeableness. This process jointly involves the rater observing both physical and behavioral attributes of the target as well as a significant correlation of the target's self-report with those physical and behavioral cues. Continuing with the example, an agreeable target will perceive himself as being agreeable by acting sympathetic, being easy to understand when speaking, and having a friendly expression among other attributes. These physical and behavioral attributes of the target must then be subsequently inferred by the rater as being associated with agreeableness. Thus, the observer's rating of agreeableness is correlated with the self-rating of the target for this personality factor through the mediating mechanisms of these observable cues emitted by the ratee.

In further attempts to establish construct validity at zero-acquaintance, Borkenau and Liebler (1992) investigated Brunswick's Lens Model using 60 second observation sessions examining 45 observable target attributes hypothesized to mediate the level of peer-target rating consensus. In their study, they examined varying levels of observable cues projected by the focal target ranging on a continuum from audiotape recordings to still photographs to silent film and finally sound-film and found that inter-rater reliability increased with the salience of physical and behavioral cues projected by the target. That is, consensus among judges was rated the highest when observing targets under sound-film conditions. Furthermore, they found that as the level of information associated with these observable cues increased from audiotape recordings to cues containing both sound and film (audio-video), so did the correlations between target self-reports

and stranger ratings for all of the Big Five personality factors. To summarize their findings, extraversion was associated with stranger-target agreement of observable cues more than any other factor followed by conscientiousness, agreeableness, neuroticism, and finally openness to experience. While openness to experience had the lowest agreement among targets and raters in their study, it is important to note that raters only were given one-minute windows of observation to evaluate the target. The next study examined in this section will further explicate how target-rater agreement is increased with level of exposure, or acquaintance with the focal target being observed.

In a similar study employing zero-acquaintance methodology, McCrae, Costa, and Busch (1986) examined the five factor model using different personality rating instruments in efforts to establish the convergent and discriminant validity of this model using a multi-trait, multi-method (MTMM) matrix (Campbell & Fiske, 1959), examining rater as well as rating scale type. Of particular interest to this dissertation was the finding that expert raters of targets who observed 40-minute videotaped sessions achieved significant validity (diagonals) correlations for all five personality dimensions between target self-report and ratings by strangers used to establish the validity of the Big Five factors of personality. In sum, these previous studies indicate that greater inter-rater agreement (Watson, 1989) as well as increased acquaintance with the target results in higher observer-self agreement. This latter contention that validity of observer-self ratings increases with acquaintanceship has been confirmed through a meta-analysis by Connolly, Kavanagh, and Viswesvaran (2007).

Building on these findings that stranger-target agreement increases with the amount of observable cues emitted by the target and observed by the rater as well as the level of exposure to the focal target, this dissertation will utilize numerous sources of information to evaluate top executives. These sources include: video excerpts of the focal CEO appearing in the popular press; media coverage; quarterly earnings call transcripts and audio (when available); and finally the CEO's annual letter to shareholders.

Closely related to the method of personality measurement in this dissertation is the use of media reports and biographical accounts of historical figures such as U.S. Presidents (House, Spangler, & Woycke, 1991; Rubenzer, Faschinbauer & Ones, 1996; Simonton, 1988) and U.K. Prime Ministers (Owen & Davidson, 2009). Although these previously mentioned studies did not incorporate the use of video in their assessment of personality traits of these historical figures,

adding this feature is expected to increase rater accuracy resulting from contextually-induced cues given by the focal executive (Hirschmuller, Egloff, Schmukle, Nester, & Back, 2014). Furthermore, the importance of using zero-acquaintance methodology is advocated by Connolly et al. (2007) for assessing top executives (Peterson et al., 2003; Resick, Whitman, Weingarden, & Hiller, 2009).

**International Personality Item Pool.** In this dissertation, measurement of the Big Five factors of personality relied on the International Personality Item Pool (IPIP; Goldberg et al., 2006). The IPIP is an open source personality inventory available in the public domain which measures numerous personality concepts in addition to the Big Five traits. Currently, the IPIP offers more than 2,000 items subsumed under 230 different personality-oriented scales listed on its website (<http://ipip.ori.org/>) as well as their respective scoring manuals. Unlike numerous personality scales which strictly rely on trait-oriented adjective items (cf. McCrae & Costa, 1987), the IPIP utilizes abbreviated contextual phrases. Doing so offers the advantage of parsimony over lengthier items while at the same time adding relevance (Saucier & Goldberg, 1996). For example, to measure conscientiousness, a typical IPIP item might be “Make plans and stick to them” or “Pay attention to details” corresponding to single-word adjectives labeled “reliable” or “perceptive”.

Overall, the IPIP offers both a 100-item scale as well as an abbreviated 50-item measure of the Big Five factors equally divided among dimensions on a 5-point Likert scale with values ranging from 1 (*very inaccurate*) to 5 (*very accurate*). Furthermore, the IPIP has been shown to exhibit high correlations corresponding to Costa and McCrae’s (NEO-PI-R) inventory. Correlations for personality dimensions range from .85 for agreeableness to .92 for emotional stability and conscientiousness (Goldberg, 1992).<sup>4</sup> For the purposes of this dissertation, the abbreviated 50-item representation of the Big Five factor structure developed by Goldberg (1992) was used to assess top executive personality. Finally, all values and effect sizes for neuroticism are reverse scored meaning that greater scores for this trait suggest that the CEO is more emotionally stable.

The IPIP has been well validated to assess the Big Five. A study by Lim and Ployhart (2006) examined the factor structure of the IPIP measure in comparison to the NEO-FFI. In establishing the construct validity of this scale, a confirmatory factor analysis (CFA) was first used to establish the composite reliability of each personality domain. CFA analysis concluded that the

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<sup>4</sup> Corrected for unreliability.

latent structure of this scale fit the data in an acceptable manner. In addition, coefficient alphas for this scale fell between .74 and .82. Also, convergent and discriminant validity of this instrument was established using a multi-trait, multi-method (MTMM) analysis at the scale level employing a structural equation modeling (SEM) approach producing five oblique personality dimensions with a mean intercorrelation of .16. Finally, Lim and Ployhart (2006) found very few latent mean differences among subgroups of race and gender. Overall, the psychometric properties of the IPIP are comparable to that of the NEO-FFI. Appendix A illustrates the particular form of the IPIP questionnaire used in this dissertation.

### **Coding Procedures**

In this dissertation, coding of the Big Five, servant leadership, and transformational leadership followed a similar procedure utilized by House et al. (1991) and Peterson et al. (2003). To begin, information on the focal CEOs used in this study were sourced from numerous online articles appearing within the popular press which described the focal leader's personality and leadership style. Articles were initially screened to ensure each one contained sufficient information pertaining to the leader's biography, personality, and/or leadership style. Examples of sources included *Newsweek*, *Bloomberg*, *The Wall Street Journal*, *Vanity Fair*, *Harvard Business Review*, and *The Atlantic* among others. In addition to utilizing news articles to assess personality and leadership, numerous sources of video were collected for each focal CEO contained within the sample. Examples of video included interview excerpts from *CNBC*, *C-Span*, *The Financial Times*, as well as numerous speaker series at local universities and alumni events where the CEO was often asked non-scripted interview questions from the audience. These sources of video contained a diverse set of locations, audiences, and contexts. Information about focal articles and video were electronically organized into a Word document to contain approximately 7-8 sources for each category of print and video and was subsequently distributed to raters. Appendix B contains a sample of focal articles and video sources of a CEO in the validation sample which was given to raters in this study.

To assess executive personality, I utilized the assistance of an undergraduate student trained in the areas of psychology and personality research who was familiar with the Big Five traits. She was subsequently trained in zero-acquaintance methodology, using a practice sample of 10 CEOs prior to coding the validation sample. Before coding for the practice sample commenced, both raters jointly coded two CEOs by discussing how each item of the IPIP should be assessed.

The second step involved both raters spending between one to two hours examining the relevant articles and video of the focal CEO before completing the IPIP Big Five scale independently for them. After this process was completed, both raters met to discuss their results. This process took approximately 10 hours to complete. After the practice sample was completed, we proceeded to perform the validation sample involving coding of servant leadership as well. Further details of this study are listed at the end of this section. On average, each CEO took between 1.5 and 2.5 hours to code.

Raters met every two weeks to discuss instances where item scores differed by more than 2 marker points (i.e., 1 and 4), or where the average aggregate dimension scores differed by more than 1.5 marker points (i.e., 3.6 and 5.4). Furthermore, a rule was established that any item score differing by two or more markers (i.e. 2 and 5) were discussed in efforts to reconcile these differences. In addition, possible inconsistencies among raters were examined to correct mistakes attributed to incorrectly responding to reverse-coded items (Weijters & Baumgartner, 2012). Finally, given the construction of items within the IPIP with some items being reverse coded, higher scores of this personality trait suggest lower levels of neuroticism and being more emotionally stable. With the exception of a few instances, the rater and I were able to resolve any disputes in coding during the post-agreement meeting. This is further elaborated upon in the next section concerning the rating instruments employed to assess servant and transformational leadership.

Once coding for personality was complete, coding for servant leadership was performed in the same manner. To minimize any effects of information biases inherent to one construct, all sources of information used to code personality were included to code both servant and transformational leadership to prevent multiple sources of information. This was done to prevent bias resulting in any source of important information and video used to code one construct (i.e. servant leadership) being withheld from coding another one (transformational leadership). That is, no new sources of information concerning the focal CEO was given to raters once personality was assessed. Furthermore, to mitigate potential method biases in common measurement context (Podsakoff, Mackenzie, Lee, & Podsakoff, 2003) as a result from coding the Big Five and leadership simultaneously, a second individual was trained to code servant leadership independent of personality. This rater was a doctoral student in management who was versed in the field of human resources and leadership. Furthermore, this rater had prior exposure and research

experience in servant leadership as well as in personality. Finally, to assess the possible confound of transformational leadership, I utilized the same rater who assisted in coding the Big Five to code this leadership concept. To mitigate the effect of common method variance from the same rater coding both variables (personality and transformational leadership), Podsakoff et al. (2003) recommend utilizing a temporal lag between survey administrations. Doing so reduces the salience of any attribute concerning the focal CEO the respondent may have, thus reducing the likelihood of demand characteristics. Given the four month time lag between coding of personality and transformational leadership, common method was unlikely to have been a factor in this study.

Another source of shared method variance can result from assessing the dependent variable prior to measurement of the predictor. It has been noted by Podsakoff et al. (2003) that increased salience of some particular attribute being assessed as part of the criterion or independent variable can subsequently affect a rater's judgment when evaluating the criterion or independent variable in what is labeled as a contextual measurement effect. According to Podsakoff et al. (2003), attributes of the variable being assessed can remain within the rater's short-term memory and subsequently provide contextual cues during the evaluation or coding process. For example, being exposed to the actual CSR score provided by KLD prior to assessing personality or leadership of the focal CEO can increase common variance among variables. As a continuation of this example, suppose the rater discovers a low KLD score for an organization in the study. In this instance, the rater may be compelled to believe its CEO is not a servant leader in efforts to conform to prior knowledge of the low score and therefore assign lower scores for some items corresponding to the KLD dimension of interest. This problem will be completely mitigated however if coding of both independent variables for all organizations are performed prior to accessing KLD scores from the WRDS database. Therefore, coding of all variables in this dissertation employed this approach.

### **Servant Leadership**

A recent review of servant leadership by Van Dierendonck (2011) indicated that while the conceptual and operational definitions of servant leadership are open to numerous interpretations of leader behaviors, the overall theoretical framework of servant leadership can be characterized according to the original conception advocated by Robert Greenleaf (1970). In this seminal work, Greenleaf emphasized the leader as fostering the personal advancement and self-actualization of subordinates with the ultimate goal being their increased personal growth, satisfaction, commitment, and overall career success. While this informal description of servant leadership may

appear on the surface as simple and concise, numerous studies have failed to agree on the specific characteristics which encompass this style of leadership. For example, in an earlier review on servant leadership, Russel and Stowe (2002) listed a total of 20 characteristics of this concept while Patterson (2003) contends there exist only seven dimensions which strictly focus on a need to serve rather than from an overall leadership perspective.

Given this inherent confusion surrounding the conceptual definitions and meaning of servant leadership, Van Dierendonck (2011) argues for six overarching attributes of this style of leadership based on a review of the literature examining the antecedents, behaviors, and consequences of this leadership style. As a result, Van Dierendonck (2011) contends that servant leaders engage in showing humility, empowering followers, being authentic to one's self and to followers, empowering subordinates, providing support and direction, and engaging in stewardship with all organizational stakeholders. These characteristics appear to share a common theme with a majority of the empirical studies examining servant leadership as well as with the numerous scales used to develop servant leadership which have appeared within the literature in the last 15 years.

In addition to these aforementioned characteristics of servant leaders, Liden, Panaccio, Meuser, Hu, and Wayne (2014) contend that these types of leaders are empathetic with others suggesting conceptual similarity to interpersonal acceptance of followers. Furthermore, Liden et al. (2008) characterize servant leaders as having conceptual skills which they define as knowledge "of the organization and tasks at hand so as to be in a position to effectively support and assist others, especially immediate followers" (p. 162). Examples of leader conceptual skills include having the ability to identify problems among followers, the ability to think effectively through complex problems, and solving problems utilizing a creative perspective (Liden et al., 2008). Together, these overall attributes of servant leaders will serve as a conceptual base which will be used to establish the mediating process of this leadership style on the relationship between the Big Five traits and both forms of CSR engagement.

**Measurement of servant leadership.** To test the mediating influence of servant leadership on the relationship between the Five Factor Model and CSR engagement, this dissertation incorporated a recent scale developed by Reed et al. (2011) which was designed exclusively to assess servant leadership. As previously mentioned, the nascent concept of servant leadership lacks a consistent conceptual identification of its intended theoretical dimensions (Avolio, Walumbwa,

& Weber, 2009; Van Dierendonck, 2011). Furthermore, the existing scales designed to capture this leadership construct have focused exclusively on middle and lower-level organizational managers without any emphasis on top management team members which may have limited generalization of this leadership style to the firm level (Reed et al., 2011). Therefore, using an executive leadership scale in this dissertation is most appropriate for capturing the mediating influence of this form of leadership for CEOs to engage in corporate social responsibility. Furthermore, the vast majority of scales measuring servant leadership have not allowed for the inclusion of a higher-order factor (Reed et al., 2011). Utilizing a second-order factor not only acknowledges any higher correlations among first-order factors, it also allows for retention of the structural model, and for an easier interpretation of that latent variable when interpreting results (Chen, Sousa, & West, 2005). Finally, the use of a scale designed to assess servant leadership at the executive level is most appropriate given the fact that this instrument was designed to assess top executive leadership by followers and participants having a distant rather than close relationship to the focal top manager. Research has shown that follower perceptions differ depending on the social distance to the focal leader (House et al., 1991; Shamir, 1995).

Given the need for a scale which specifically measures servant leadership at the executive level, this dissertation used the Executive Servant Leadership Scale (ECLS) designed by Reed and colleagues (2011). The ECLS is a 25-item scale assessing five dimensions of servant leadership utilizing a 4-point Likert scale with anchors ranging from ‘Strongly Disagree’ to ‘Strongly Agree’. The items contained in this scale were created by relying on previous instruments from Erhart (2004), Liden et al. (2008), and other similar studies which assessed servant leadership and were hypothesized by Reed et al. (2011) to resemble most closely Greenleaf’s original conceptual definition of this construct. Both exploratory and confirmatory factor analyses of this scale produced five dimensions labeled as interpersonal support, building community, altruism, egalitarianism, and moral integrity which by closer inspection relate to the respective dimensions proposed by Van Dierendonck (2011) of providing direction, interpersonal acceptance, stewardship, humility, and authenticity respectively. Given the need to maximize variance among scale items and to maintain consistency with the IPIP, the ECLS questionnaire used in this dissertation employed a 5-point rather than a 4-point Likert scale. Anchor points were ranging as “strongly disagree” with an anchor point of 1 to “strongly agree” with an anchor point of 5 for this scale.

Appendix C contains the leadership inventory used in this dissertation. Furthermore, the six subscales were aggregated to arrive at a composite score. After rating for personality and servant leadership was complete, raters met to reconcile disagreement among items. As mentioned previously, criteria were established that raters met every two weeks to discuss instances where item scores differed by more than 2 marker points (i.e., 1 and 4), or where the average aggregate dimension scores differed by more than 1.5 marker points (i.e., 3.6 and 5.4). With the exception of a few instances, raters were able to resolve any disputes in coding during the post-agreement meeting.

### **Corporate Social Responsibility**

To examine the extent to which an organization engaged in CSR practices, this dissertation utilized the Kinder, Lydenberg, and Domini (KLD) social rating index. The information contained in this index includes a combination of survey data, corporate financial statements, government reports, and numerous mainstream news and academic articles for more than 3,000 publically traded organizations. Individual item ratings are then aggregated to form a composite score corresponding to the desired dimension of interest. Data for this index is obtained from numerous sources including corporate annual reports, environmental reports, academic articles, surveys, proxy statements, and articles from the business press. This information is then assessed on strategic dimensions such as product quality, environment, corporate governance, human rights, and community relations and for social dimensions such as diversity and employee relations.

While the main objective of this index is to provide social investing advice for money managers as well as individual investors, this database has also been extensively used within the academic domain. This index has been used in closely related studies examining CEO transformational leadership (Waldman et al., 2006), corporate governance (Deckop, Merriman & Gupta, 2006), and the impact of CEO perceptions of stakeholder attributes which affect stakeholder salience and ultimately organizational performance (Agle, Mitchell & Sonnenfeld, 1999). In particular, KLD data have exhibited high construct validity when contrasted against similar measures of corporate social responsibility (Sharfman, 1996).

In spite of its mainstream use, it is worth mentioning that there are some inherent limitations when assessing corporate social performance using the KLD index. One limitation addressed by Entine (2003) is the potential of bias toward some interests or even organizations. Another limitation of this dataset is the potential to confound unique industry effects when multi-

industry samples are used (Griffin & Mahon, 1997). Finally, another limitation of KLD is the lack of coverage and sufficient variation for smaller organizations. This is evidenced by closer inspection of this database revealing null values for numerous dimensions for companies not included within the S&P 500.

Despite these limitations, the KLD index remains the most widely used and reliable source of sustainability data in current research relative to other measures of CSR (Agle et al, 1999; Coombs & Gilley, 2005; Wong, Ormiston, & Tetlock, 2011). As previously mentioned, this database has been shown to have high construct validity relative to survey-based measures and its closest rival, the Fortune reputation ratings (Sharfman, 1996; Szwajkowski & Figlewicz, 1999). Furthermore, it is noteworthy to mention that convergent validity of this dataset was established in a fairly recent study by Sharfman and Hart (2007).

**Measurement of corporate social responsibility.** KLD data are partitioned into several dimensions consisting of the following: environment, product quality, military contracting, nuclear power, employee relations, racial and gender diversity in top management, executive compensation, and community relations. Notably, Waldman et al. (2006) obtained a higher-order two-factor solution representing strategic and social dimensions. Strategic factors include categories such as a firm's commitment to the environment, military, product quality, community relations, and corporate governance while the social dimension of this index includes two main factors consisting of relations and diversity in upper management. Although other studies have examined different combinations of these factors<sup>5</sup>, using strategic and social dimensions of CSR is more relevant to the taxonomy of the Big Five. In addition, using these dimensions allows greater comparison to findings obtained by Waldman et al. (2006) which are more relevant to the scope of this dissertation.

Scoring of KLD scores can be assessed along specific dimensions of interest (cf. Johnson & Greening, 1999), or through aggregation of net strengths and concerns on all dimensions to derive a single score (Chin et al., 2013; Deckop et al., 2006; Wong et al., 2011). Using the latter approach offers the advantage of overcoming problems of low variation for the dependent variable. For purposes of this dissertation, assessing strategic dimensions of this construct entailed aggregating product quality, environment, corporate governance, and community relations while

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<sup>5</sup> For example, Johnson and Greening (1999) extracted two common CSR factors labeled 'people' and 'product quality', while Agle et al. (1999) extracted six factors mapped onto different stakeholder groups.

social dimensions were formed by adding dimensions of diversity and employee relations<sup>6</sup>. Visual inspection of these scores used in a subsequent validation sample reveals a range of scores from -3 to 6 for individual dimensions while scores for aggregated dimensions ranged from -5.7 to 8. Furthermore, given that this study examines large organizations appearing in the S&P 100 index, this ensures that there is sufficient coverage within the public domain to assess their performance, governance mechanisms, and other related organizational attributes. Furthermore, using organizations of this size ensures that there are sufficient sources of focal articles, videos, interviews, and other third-party coverage to make a valid assessment of the focal CEO's personality and leadership style.

### **Measurement of Transformational Leadership**

To assess the possible confound of transformational leadership in our model, I followed similar procedures to operationalize this concept as was done to measure personality and servant leadership using zero-acquaintance methodology (Borkenau & Liebler, 1992; Carlson, Vazire, & Furr, 2011; Connolly et al., 2007). Given that transformational leadership in this study is introduced for purposes of statistical control outside our model, we randomly selected 40 CEOs from our sample. As previously mentioned, given the advantages of statistical resampling in mediation analysis (Hayes, 2009; Williams & MacKinnon, 2008) in addition to accommodating as few as 20 observations for sufficient statistical power (Efron & Tibshirani, 1993), I contend that our subsample size of 40 CEOs is large enough to make adequate references in terms of statistical control.

In this dissertation, I assessed transformational leadership using the Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (2005). This inventory contains 20 items equally distributed along five dimensions which include the following: idealized influence (attributed), idealized influence (behavior), intellectual stimulation, inspirational motivation, and individualized consideration on a 5-point Likert scale with anchor points ranging from 1 (not at all) to 5 (frequently, if not always) for each item. Despite some criticisms, the MLQ remains the most widely used inventory to assess transformational leadership (Van Knippenberg & Sitkin, 2013).

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<sup>6</sup> It is worth mentioning that KLD contains an additional performance indicator labeled 'human relations' subsumed under the strategic facet of CSR. Closer inspection of this performance indicator however revealed insignificant variation for this issue area. We ran a concurrent analysis without this indicator and our results remained almost identical. As a consequence, we omitted this facet from our analysis.

Coding for this leadership construct was performed in a similar fashion as with the Big Five and servant leadership employing the same rater as for the Big Five. In addition, a practice sample consisting of seven CEOs was constructed prior to coding the validation sample. Furthermore, similar criteria were established as with executive personality and servant leadership in efforts to resolve any disputes prior to coding the main sample. As previously mentioned, to mitigate against common method variance, a temporal lag of four months was established between coding personality and TFL, which mitigated the effects of common source variance. Values for inter-rater agreement are reported in subsequent sections of this chapter.

### **Measurement of Managerial Discretion**

In this dissertation, managerial discretion afforded to the CEO was measured using an adapted version of an unobtrusive instrument developed by Finkelstein (1992). The original measure is partitioned into four dimensions of power: structural, ownership, expert, and critical expertise using a total of 13 individual items. Together, these four dimensions are typically tested separately as well as being included together depending on the theoretical nature of the study under consideration. Convergent, discriminant, and predictive validity of this measure using different methods (self-reports contrasted against measures) as well as multiple criteria (i.e., cost of acquisitions) were established in the original study.

Despite the comprehensiveness of this aforementioned measure of managerial discretion, the current design of this dissertation precluded utilizing all of these dimensions given the lack of feasibility and the scope of the current study. As a result, managerial discretion was assessed by utilizing a principal components analysis involving CEO duality and relative compensation for all 101 observations in this sample. The use of these two measures, relative compensation and duality form the structural dimension of managerial power used by Finkelstein (1992). CEO duality was assessed with an indicator variable that took a value of a “1” if the CEO was the chairperson of the board of directors during 2011. Relative compensation was obtained by adding the focal CEO’s salary, bonuses, stock awards, and the total value of option awards for the same year as well<sup>7</sup>. A two-factor solution explaining 65.45% of the variance was obtained for these two constructs<sup>8</sup>.

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<sup>7</sup> It is important to note that previous literature investigating relative compensation has found that salary or cash compensation has produced similar findings with respect to total executive compensation (Siegel & Hambrick, 2005).

<sup>8</sup> It should be noted that other commonly used variables to assess discretion were tested as well. They involved relative ownership, tenure as CEO, and tenure within the organization prior to being appointed CEO among others. Utilizing other combinations of these variables produced a sub-optimal factor solution loading onto more than one factor and/or

The choice of these variables was appropriate for two reasons. First, the majority of studies examining managerial discretion most often use duality, tenure, and ownership as a proxy for discretion (Cannella & Shin, 2001) which are subsumed under structural and ownership dimensions. Second, the scope of structural power is often investigated using the CEO's discretion over the firm's board of directors (cf. Adams, Almeida, & Ferreira, 2005; Combs, Ketchen, Perryman, & Donahue, 2007) which is the most immediate concern in this dissertation with regards to executive discretion. Data for both of these dimensions were sourced from SEC proxy filings, notably Form DEF 14A found on the Securities and Exchange Commission's (SEC) website. Further details of each variable used in this study can be found in Appendix D of this dissertation.

### **Methods and Data**

To test the aforementioned hypotheses, this dissertation examined 101 CEOs of the largest publically traded organizations in the United States in terms of market capitalization. The abundance of archival data as well as the stringent disclosure requirements of publicly listed organizations in the U.S. makes this an ideal location for examining top executive personality traits, discretion, and organizational sustainability engagement. In addition, since the majority of the literature examining personality in top managers was conducted on American executives, this facilitates comparison across previously related studies. The following sections will further elaborate on the sample of firms included, the sources of data for all variables, the measurement procedures, and the methodology proposed to test the hypotheses.

### **Organization Selection**

As previously mentioned, this dissertation examined 101 CEOs of the largest publicly-traded U.S.-based organizations belonging to the S&P 500 Index in 2011. This year was selected given the significant changes in the KLD database in 2014 which eliminated the current reporting of strength and concern issue areas. During this transition period, numerous organizations experienced missing issue dimensions for the years 2013 and 2012 which resulted in 2011 being used as the focal year in the study.

To ensure availability of archival data for all variables, organizations had to meet certain criteria for inclusion into this sample. Selecting firms from this particular index ensured that they were found in the KLD index which was used in this study. First, only organizations where the

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with communalities less than .500. As an additional measure of robustness, a mean standardized composite index was formed (Chin et al., 2013) utilizing these two variables. Results in both cases were nearly identical.

CEO had been in office for more than two years were selected into this sample (Waldman et al., 2006). Furthermore, any CEOs who left office or resigned their position in 2011 were excluded from this sample given the ambiguity surrounding leadership and control of the focal organization.

Second, organizations with missing or incomplete data in terms of financial metrics such as market capitalization or ownership by blockholders were deleted from the sample. However in spite of this latter restriction, this did not substantially diminish the study sample given the abundance of content found in the archival data sources used. Third, companies who were classified as being a subsidiary or division of a larger parent company were excluded from this sample as well. For example, Southern Copper Corporation is a subsidiary of American Mining Corporation which is wholly owned by Grupo Mexico de SAB de C.V. Another example is Kraft Foods Inc. which in 2011 reorganized into its parent holding company of Mondelez International.

Finally, CEOs without adequate sources of video or focal articles describing their leadership styles were excluded from the sample. In many circumstances, the top manager did not appear in any sources of video in the public record thus forcing raters to exclude this individual given their lack of cue utilization and cue validity (Borkenau & Liebler, 1992). Conversely, in a few instances, there were sufficient sources of video to assess the CEO on personality but a lack of focal articles describing their leadership. For example, some CEOs being interviewed only discussed broad corporate objectives such as increasing revenue or operating leverage which precluded raters from assessing any facets of servant leadership.

To further examine the potential concern of available information, raters recorded the amount of information given to them that enabled them to make a valid assessment of servant leadership on a Likert scale with values ranging from 1 to 4 with values of “1” indicating there was relatively few sources of information available while values of “4” indicated that there was sufficient information available to code for servant leadership with some confidence. This assessment is further discussed in subsequent sections of this dissertation concerning construct validity. In summary, when organizations and their respective CEOs did not meet this eligibility criteria, the next largest organization belonging to the S&P 500 was subsequently selected for inclusion into the sample. It is estimated that approximately 75 organizations in this index were deleted from this sample in total.

Another limiting factor in this study was that sources of articles and video were obtained from 2011 and prior in order for raters to accurately assess the focal CEO’s personality and

leadership style. This was done to ensure that coders' assessment of these variables overlapped with KLD ratings for that year. In instances where relatively few sources of video were available prior to 2011 for the focal CEO, raters examined sources of video appearing subsequent to this year in question<sup>9</sup>. For the vast majority of these cases however, raters found that articles and video were fairly consistent for their portrayal of the top manager. In very few cases however, when articles and video sources exceeded the focal year of 2011 (i.e., 2014), raters relied on the focal year of 2011 when assessing personality and servant leadership in CEOs. Overall, raters found that both a CEO's personality and servant leadership appeared to remain stable over time when utilizing zero-acquaintance methodology.

### **Validation Sample**

Before proceeding with the full study of CEOs appearing within the S&P 500 Index, a validation sample was constructed using scores from the CEOs examined in Peterson et al. (2003) as a point of reference. This was performed in order to achieve construct validity of both personality and servant leadership constructs. For example, Peterson and colleagues found the former CEO of Coca-Cola, Robert Goizeuta, to exhibit high levels of Emotional Stability, Extraversion, Openness to Experience and Conscientiousness while the former CEO of Disney, Ron Miller had considerably lower scores on these personality dimensions. Incorporating the use of video to assess physical as well as behavioral cues of these top executives (Borkenau & Liebler, 1992; McCrae et al., 1986) is expected to produce similar personality scores as those obtained under Peterson et al. (2003). Establishing a validation sample not only allowed the assessment of inter-rater agreement, it also permitted coders to assess the validity and accuracy of their coding procedures at an early phase in the rating process to clarify any disagreements.

Upon completion of the practice sample, as described earlier under the section for coding procedures, raters proceeded to establish the validation sample which contained the 17 former CEOs used in Peterson et al. (2003) spanning various decades from the 1960s until the early 2000s. With the exception of Ronald Miller, CEO of The Walt Disney Company from 1983 until 1984, raters were able to find sufficient sources of information for all remaining top managers including

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<sup>9</sup> Concerning the availability of CSR data, KLD normally releases their sustainability ratings one year after the focal year in question to ensure that all relevant information concerning the organization such as press releases, analyst ratings, public disclosures, and other in-house analyses are performed. Therefore, any information concerning the organization in 2011 is reflected in the ratings for that year.

relevant sources of video for the vast majority of these focal individuals. As described earlier, a set of references for each CEO containing articles appearing in the popular press, news releases, and video were assembled in an electronic format and given to the rater to code. Similar to the practice sample, raters spent approximately 1.5 to 2.5 hours to code each CEO.

### **Interrater Agreement**

To evaluate the convergence of personality scores for these focal CEOs in the validation sample with that of Peterson et al. (2003), inter-rater agreement as well as correlations with their study were computed for all personality trait dimensions of the Big Five using intraclass correlation coefficient (ICC) and Pearson's  $r$  coefficients respectively. Intraclass correlation is a form of reliability typically used to determine whether raters are interchangeable within a group of raters (Klein & Kozlowski, 2000). In particular, different forms of intraclass correlation are used depending on the design of the study in question. Shrout and Fleiss (1979) noted that which version of ICC should be contingent on the source of variation (i.e., one-way random, two-way random, or two-way mixed); whether absolute agreement or consistency is needed among raters; and whether the researchers are interested in the unit of analysis as being an individual or an aggregate group rating.

In determining whether construct validity is achieved through zero acquaintance methodology, this dissertation relied on the statistic of ICC(3) to assess agreement of raters with that of Peterson et al. (2003). To address Shrout and Fleiss' criteria for choosing ICC, three guidelines were followed. First, given that this validation sample considered both raters as a population who evaluate all targets, two-way mixed effects were utilized meaning that raters and variation among them remain constant or fixed throughout the study. Second, for purposes of establishing the validation sample, consistency rather than absolute agreement among raters was sought given the importance of both raters relative to that of utilizing a lone rater. Third, we were interested in utilizing the average reliability of raters instead of relying on reliability from a single rater. Therefore, ICC(3,2) was utilized within the validation sample.

### **Validation Results**

The findings of the validation sample including both ICC(3,2) and Pearson's zero-order correlations are listed for pre- and post-agreement among raters illustrated in both sections of Table 1. As can be seen from the pre-agreement section, all of the Big Five personality traits are significant for their respective ICC and Pearson correlation coefficients with the exception of

emotional stability. When the validation sample is reduced to include CEOs containing available video, both variables of interest markedly increase in magnitude and become significant at the five percent level of significance. In addition, the average values for ICC and Pearson's correlation increase from 0.62 and 0.55 to 0.73 and 0.66 respectively. When examining post-agreement ICC and Pearson scores to the pre-agreement sample, these values are higher across all personality traits. In addition, when excluding CEOs without available video, both ICC and Pearson values dramatically increase. In particular, the average ICC and Pearson scores increase from 0.76 and 0.54 to 0.84 and 0.69 respectively exceeding an ICC(2) value of 0.75 reported by Peterson et al. (2003). Given that zero-acquaintance methodology can assist personality inference using the Big Five, it is hypothesized that this process should be as effective concerning assessment of servant leadership in terms of achieving inter-rater agreement.

Table 2 reports the findings for intraclass as well as Pearson's correlations for executive servant leadership for all five of its facets. Similar to the Big Five, it can be seen that both ICC and Pearson correlations among raters increased from pre- to post-rater agreement for servant leadership. Unlike with the measurement of the Big Five personality traits however, exclusion of CEOs without available video did not significantly influence interrater agreement when assessing servant leadership in this study. For example, although ICC(3) decreased from .71 ( $p < .01$ ) to .60 ( $p = ns$ ) for the facet of building community in the pre-agreement condition, we find an overall increase in the post-agreement condition under the full sample and with video only. Overall, Pearson's  $r$  and ICC values for the post-agreement are highly significant ( $p < .01$ ) for all facets of servant leadership in this validation sample.

In sum, these findings illustrated highly significant values for ICC and Pearson's  $r$  correlations across all traits examined. In particular, interrater agreement increased not only for all traits from the pre- to the post-agreement condition, it increased when raters examined CEOs in the sample who had video archival sources available. Overall, these results suggest that not only does inter-rater reliability and construct validity markedly increase after raters reach a common agreement; they also illustrate how behavioral and contextually-induced cues found in video can lead to more accurate judgments of personality than without (Borkenau & Liebler, 1992; Hirschmuller et al. 2014).

**Table 1**  
**Intraclass Correlation and Pearson Correlations for Validation Sample of Big Five Personality Traits**

<i>Pre-Agreement</i>	<u>Intraclass Correlation</u>		<u>Pearson's <i>r</i></u>	
	Full Sample	Video Only	Full Sample	Video Only
Extraversion	0.641**	0.735**	0.63**	0.70*
Agreeableness	0.670**	0.788**	0.53*	0.71**
Conscientiousness	0.777**	0.821**	0.68**	0.78**
Emotional Stability	0.403	0.621*	0.35	0.54
Openness	0.631**	0.691**	0.54*	0.69*
Composite	0.671**	0.743**	0.23*	0.38**
Observations	16	13	16	13
<i>Post-Agreement</i>	Full Sample	Video Only	Full Sample	Video Only
Extraversion	0.788**	0.836**	0.62*	0.69*
Agreeableness	0.775**	0.863**	0.49	0.68*
Conscientiousness	0.835**	0.879**	0.69**	0.78**
Emotional Stability	0.576*	0.777**	0.33	0.58**
Openness	0.826**	0.863**	0.59*	0.74**
Composite	0.722**	0.779**	0.23*	0.37**
Observations	16	13	16	13

Notes: 1) Intraclass correlations represent ICC(3, 2) test statistic contrasting coders 1 and 2 with Peterson et al. (2003). 2) Pearson-*r* correlations derived from average value of coders 1 and 2 in relation to focal study.

\* $P < 0.05$ ; \*\* $P < 0.01$ .

Concerning servant leadership, a similar pattern of increased interrater agreement was reported across the pre- to the post-agreement condition as well. Contrary to expectations, ICC values and Pearson's *r* did not increase for all facets of this leadership construct. This may be attributed to raters relying on newspaper articles in the popular press as well as available biographies which describe the leadership style of the focal CEO in greater detail than in sources of video. In the latter instance, video has been found to be a valid indicator of physical or behavioral cues used to assess personality (Borkenau & Liebler, 1992; McCrae et al., 1986). This however is not expected to be an issue in the main study of this dissertation given the abundance of archival video appearing within the last 10 years. Overall, given the high inter-rater agreement for both personality and leadership constructs, this enabled averaging the scores of both raters to determine a single score for each of these variables within the study. They are reported in the following Chapter.

**Table 2**  
**Intraclass Correlation and Pearson Correlations for Validation Sample of Executive Servant Leadership**

	<u>Intraclass Correlation</u>		<u>Pearson's <i>r</i></u>	
	Full Sample	Video Only	Full Sample	Video Only
<i>Pre-Agreement</i>				
Int. Support	0.583*	0.521	0.43	0.37
Build Community	0.709**	0.593	0.55*	0.43
Altruism	0.759**	0.655**	0.641**	0.69**
Egalitarianism	0.683**	0.671*	0.53*	0.54
Moral Integrity	0.766**	0.794**	0.62*	0.66*
Composite	0.701**	0.670**	0.54**	0.51*
Observations	16	13	16	13
<i>Post-Agreement</i>				
Int. Support	0.898**	0.889**	0.84**	0.84**
Build Community	0.941**	0.918**	0.89**	0.85**
Altruism	0.883**	0.906**	0.79**	0.83**
Egalitarianism	0.886**	0.886**	0.81**	0.83**
Moral Integrity	0.879**	0.883**	0.87**	0.79**
Composite	0.901**	0.806**	0.82**	0.81**
Observations	16	13	16	13

Notes: 1) Intraclass correlations represent ICC(3, 2) test statistic contrasting coders 1 and 2.

2) Pearson *r* correlations derived from average value of coders 1 and 2.

\* $P < 0.05$ ; \*\* $P < 0.01$ .

### Testing procedures

As previously mentioned, testing the intervening influence of servant leadership involved mediation analysis. Although a majority of studies appearing in the administrative sciences literature employ the methodology prescribed by Baron and Kenny (1986), this approach suffers from numerous shortcomings and is rife with criticism concerning the estimation of indirect effects as well as the criteria used to claim mediation (Hayes, 2009; Zhao, Lynch, Chen, 2010). As a result, numerous studies have adopted more robust and reliable techniques (cf. Bollen & Stine, 1990; Efron & Tibshirani, 1993) which better approximate the point estimate of the indirect effect in addition to its respective confidence interval. Furthermore, new advances in resampling techniques allow more flexibility in designing models involving mediated moderation as well as the introduction of confounding variables as a measure of statistical control (Hayes, 2013; Preacher

et al., 2007). Before proceeding however, it is first necessary to discuss the original prescriptions for mediation advanced by Baron and Kenny (1986) which will serve as a benchmark prior to introducing the concept of bootstrap resampling.

When examining the magnitude of the indirect effect, Baron and Kenny describe a test developed by Sobel (1982). In this study, the product of paths A and B are statistically significant from a point null hypothesis equal to zero. Thus, if the value obtained from the Sobel test exceeds its corresponding two-tailed critical value obtained from a normal distribution, then one can conclude to the presence of a significant direct effect. Furthermore, in addition to examining the point estimate of AB, the Sobel test allows for the construction of a confidence interval surrounding this value. If the resulting interval excludes zero, then one concludes that a significant direct effect is present according to the desired level of confidence chosen.

Despite the simplicity of the Sobel test, it assumes that the sampling distribution associated with the indirect effect falls under a normal distribution when in fact simulation studies have illustrated a potential violation of normality when the product of two normal variables is obtained (Meeker, Cornwell, & Aroian, 1981), leading to excess kurtosis and skewness of the AB product distribution (Bollen & Stine, 1990). Typically, products of two positive normal variables will be positively skewed while products of two variables differing in sign will exhibit a negative skewness (Bollen & Stine, 1990). This often results in the researcher falsely concluding that mediation is present in spite of the absence of any indirect effect (Preacher & Hayes, 2004; Shrout & Bolger, 2002; Zhao et al., 2010), given symmetric confidence intervals produced by assumptions of a standard normal distribution under the Sobel test. Research has shown that excess kurtosis and skewness produce wider confidence intervals on the side of the null hypotheses ( $AB=0$ ) while producing intervals too narrow on the side of the alternative hypothesis (MacKinnon & Dwyer, 1993).

Given the tendency for complex products of two random variables to lead to a non-normal distribution associated with the Sobel test, resampling methods have been advanced which address these inconsistencies. The rationale underlying bootstrapping or resampling is that by repeatedly sampling from a sample size N amount of times with replacement, an empirical representation of the population is constructed (Hayes, 2009). With each simulation or iteration performed, parameters for paths A, B, and AB are subsequently estimated. Depending on how many estimates

of K are obtained<sup>10</sup>, the values of the indirect effect AB are placed in ascending order to generate a confidence interval containing a lower and upper bound. This is known as the percentile-based bootstrap or its variant, the bias-corrected bootstrap (Williams & MacKinnon, 2008) which overcomes the inherent problem of non-normality resulting from the product of two variables. Furthermore, a clear advantage of using this type of mediation framework is the ability to accommodate sample sizes with as few as 20 observations (Efron & Tibshirani, 1993). For purposes of this dissertation, the moderated mediation model will be tested using Hayes' PROCESS methodology using an add-on macro for SPSS which facilitates testing models of moderated mediation (Hayes, 2013) utilizing 20,000 simulations or iterations.

### **Statistical Control**

To prevent confounding effects from related organizational and institutional attributes, factors, or other phenomena, this dissertation employed numerous potentially relevant control variables. First, it is necessary to control for the size of the focal organization since larger firms are more likely to engage in CSR as well as make voluntary disclosures of environmental information relative to their smaller counterparts (Lewis et al., 2014; Waldman et al., 2006). Organization size in this study was measured as the logarithm of the firm's total revenue for the focal year normalized for inflation. Second, given that some states and regions within the United States exert more legal and institutional pressure than others, controlling for the institutional regulatory environment is warranted (Reid & Toffel, 2009). In this dissertation, an indicator variable was coded as "1" if an organization was located within a state or region that is part of the Western Climate Initiative (WCI) or the Regional Greenhouse Gas Initiative (RGGI; Lewis et al., 2014). Third, given that some industries are more regulated than others over time, controlling for year and industry effects are necessary to prevent confounding results. As a result, both year and two-digit standard industry classification (SIC) codes were added to the final sample as indicator variables (Lewis et al., 2009). It has also been shown in upper echelons theory that as the tenure of a CEO increases, their degree of risk aversion and resistance to strategic change increases as well (Hambrick & Fukutomi, 1991). Furthermore, Lewis et al. (2014) also found executives with less than three years tenure to make more voluntary environmental disclosures than top managers with more than three years of tenure. Along these lines, Ng and Sears (2012) found that older

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<sup>10</sup> It is recommended by Hayes (2009) that a minimum of 5,000 simulations are needed to sufficiently approximate the population parameter.

leaders were more likely to engage in workplace diversity practices given the propensity of these leaders to exhibit greater social expertise within their organizations. Therefore, controlling for executive tenure was necessary to prevent its potential confound with personality or servant leadership and was controlled for by including the duration of time the CEO has been in office. Finally, it was necessary to control for executive education given the propensity for an executive with a legal background to make less voluntary environmental disclosures (Lewis et al., 2014). A complete list of the definitions of these variables, their measurement, and sources of data are listed in Appendix D.

Finally, recent research in CSR activity within the domain of mergers and acquisitions has shown that organizations may benefit from acquiring high-CSR quality target firms. For example, Deng, Keng, and Low (2013) found that high-CSR performing organizations benefitted from acquiring high-CSR target firms in terms of greater announcement returns and post-merger operating performance thus increasing the wealth of stakeholders. A similar study by Mahjufa (2014) investigating the acquisition premium found that low CSR acquiring firms engage in M&A activity of high CSR targets through diversification to transfer CSR capabilities from the target to the parent firm rather than stand-alone investments in CSR. Furthermore, acquisition of these high-CSR target firms was justified by higher premiums paid by the acquiring organization. Therefore, engaging in mergers and acquisitions of high CSR target firms may substitute for engagement in stand-alone CSR-oriented initiatives and engagement. While this is a noteworthy topic in its own right and offers opportunities for future research at the firm and industry levels of analyses, it falls beyond the scope of the present study. Nonetheless, the presence of mergers and acquisitions by these focal organizations suggests the need for adequate statistical control in the present study to prevent confounding with any potential increases in KLD scores. Thus, an indicator variable was assigned to any focal organization in the sample which completed a major acquisition of a target firm greater than \$10 million in enterprise value within the previous three years.

As previously alluded to, I exercise prudence when introducing specific statistical control variables into the model given the potential issues with partialling of variance (Becker et al., 2016; Bernerth & Auginis, 2016, Carlson & Wu, 2011). When reporting these findings, I follow the recommendations by Becker (2005) and Becker et al. (2016) who propose that if the results with the inclusion of statistical control do not substantially differ from the original model, then only the original analyses need be reported. I will however report any control variables which merit further

investigation or future research at the end of the results section of the main study. In the following chapter, I present the main findings for this dissertation including summary statistics, the direct and indirect effects of the Big Five on CSR engagement, the moderating influence of managerial discretion, and the addition of transformational leadership as statistical control.

## CHAPTER 5

### RESULTS

This chapter contains the findings of the main study of this dissertation. It begins with reporting of the zero-order correlations of the main variables examined in this study. I then examine the direct and indirect effects of executive personality on CSR followed by the findings of moderated mediation for managerial discretion and a discussion on the possible confound of transformational leadership within the model.

#### **Interrater Agreement**

Table 3 reports the findings for inter-rater agreement in the main study as measured by intraclass correlations (ICC) and Pearson's  $r$  correlations. Similar to the findings reported in Chapter IV concerning the validation study, we find very high levels of inter-rater agreement for personality and both leadership constructs. Starting with personality, we find that both measures of inter-rater agreement are highly significant with the exception of ICC for conscientiousness (.41,  $p < .05$ ) under the pre-agreement condition. Under the post-agreement condition, we find that both measures markedly increase in value. For example, Pearson's  $r$  values increase for agreeableness under the pre-agreement condition (.63,  $p < .01$ ) to .84 for post-agreement ( $p < .01$ ). Concerning servant leadership, we find that values for all facets concerning both the pre- and post-agreement conditions are highly significant ( $p < .01$ ). Furthermore, there is an overall increase in these values for the post-agreement condition. Concerning the composite measure of this construct, these values increase from .86 to .97. Overall, we find high levels of inter-rater agreement construct.

When examining transformational leadership, values for both ICC and Pearson's  $r$  correlations are relatively smaller than for servant leadership, however they remain highly significant. For example, although ICC values for transformational leadership dimensions range from .68 to .88 under the post-agreement condition, they remain lower than their corresponding dimensions for servant leadership, but they remain highly significant ( $p < .01$ ). In addition, we find that across all dimensions of this construct including its aggregate measure, inter-rater agreement increases from pre- to post-agreement as well. In summary, interrater agreement for both personality and leadership surpasses the values reported in the pilot study suggesting that these constructs are valid indicators of their respective concepts. Further discussion of construct validity with all variables using zero-acquaintance methods is elaborated upon in Chapter 7.

**Table 3****Intraclass Correlation and Pearson Correlations for Full Sample of Big Five Personality Traits, Servant Leadership, and Transformational Leadership**

<i>Big Five</i>	<u>Intraclass Correlation</u>		<u>Pearson-r</u>	
	Pre-Agreement	Post-Agreement	Pre-Agreement	Post-Agreement
Extraversion	0.726**	0.898**	0.61**	0.83**
Agreeableness	0.756**	0.900**	0.63**	0.84**
Conscientiousness	0.410*	0.728**	0.26**	0.57**
Emotional Sta.	0.649**	0.856**	0.50**	0.77**
Openness	0.466**	0.828**	0.35**	0.75**
Composite	0.705**	0.875**	0.56**	0.80**
Observations	101	101	101	101
<i>Servant Leadership</i>				
Int. Support	0.800**	0.947**	0.67**	0.90**
Build Community	0.797**	0.953**	0.67**	0.91**
Altruism	0.851**	0.960**	0.74**	0.92**
Egalitarianism	0.791**	0.950**	0.66**	0.91**
Moral Integrity	0.839**	0.956**	0.73**	0.92**
Composite	0.856**	0.968**	0.75**	0.94**
Observations	101	101	101	101
<i>Transformational Leadership</i>				
Idealized Infl. (attribution)	0.643**	0.681**	0.47**	0.68**
Idealized Infl. (behavior)	0.633**	0.834**	0.47**	0.72**
Intellectual Stim.	0.539**	0.711**	0.37**	0.56**
Inspirational Motivation	0.604**	0.743**	0.44**	0.60**
Individualized Consideration	0.784**	0.879**	0.86**	0.79**
Composite	0.691**	0.821**	0.53**	0.70**
Observations	40	40	40	40

Notes: 1) Intraclass correlations represent ICC(3, 2) test statistic contrasting coders 1 and 2 with Peterson et al. (2003). 2) Pearson-r correlations derived from average value of coders 1 and 2 in relation to focal study.

\*P < 0.05; \*\*P < 0.01.

**Factor structure of servant leadership.** Confirmatory factor analysis (CFA) was performed in order to examine the factor structure for servant leadership in greater detail. Results for this construct indicated a good model fit utilizing five factors which loaded onto a second-order factor solution ( $\chi^2 = 453.34$ ,  $df = 270$ , RMSEA = .082, CFI = 0.949, SRMR = .033). Furthermore, when comparing this model to a five-factor model with intercorrelated factors but no second-order factor loading, the composite model produced a superior improvement in model fit ( $\chi^2 = 12.26$ ,  $df = 5$ ,  $p < .01$ ). Internal consistency reliabilities (Cronbach's alphas) were .95, .94, .96, .95, and .97 for subordinate support, building community, altruism, egalitarianism, and moral integrity respectively. Moreover, it is worth mentioning that factor loadings for each of these items range in value from .79 to .96 ( $p < .01$ ). In summary, these findings indicate strong convergent validity with Reed et al. (2011) who suggested similar psychometric properties thus suggesting that this scale is a valid measure of servant leadership in top executives.

### **Zero-Order Correlations**

Table 4 reports the respective means, standard deviations, and the correlation matrix for all variables used in this study. As can be seen from Table 4, servant leadership correlates with agreeableness (.81,  $p < .01$ ), openness to experience (.51,  $p < .01$ ), emotional stability (.49,  $p < .01$ ) while mildly correlating with extraversion (.24,  $p < .05$ ). When examining the relation between both strategic and social dimensions of CSR and the Big Five, no significant relationship exists between these constructs, however I find that strategic CSR is significantly correlated with servant leadership (.24,  $p < .05$ ) which may suggest that a proximal mechanism such as leadership (Ng et al., 2008) may better explain this relation between personality and organizational outcomes such as CSR.

Closer inspection of servant and transformational leadership indicates high intercorrelations between their respective facets. For reasons of parsimony, Table 5 lists the dimensions of these leadership constructs separately, while Table 4 includes only global constructs. As indicated in Table 5, intercorrelation among servant leadership dimensions range from a low of .87 for egalitarianism and moral integrity ( $p < .01$ ) to a high of a .92 for egalitarianism and subordinate support ( $p < .01$ ).

**Table 4**  
**Descriptive Statistics and Correlation Matrix**

Variables (N=101)	M	SD	1	2	3	4	5	6	7
1. Extraversion	3.41	0.62	1.00						
2. Agreeableness	3.79	0.66	.28**	1.00					
3. Conscientiousness	4.31	0.35	-.11	.17	1.00				
4. Emotional Stability	3.84	0.49	-.01	.66**	.17	1.00			
5. Openness	3.84	0.45	.29**	.52**	.04	.25*	1.00		
6. Servant Leadership	3.47	0.84	.24*	.81**	.13	.49**	.51**	1.00	
7. Int. Support	3.69	0.80	.16	.78**	.11	.54**	.42**	.96**	1.00
8. Community	3.52	0.85	.26**	.77**	.13	.45**	.51**	.96**	.89**
9. Altruism	2.96	0.93	.23*	.78**	.08	.41**	.47**	.95**	.88**
10. Egalitarianism	3.61	0.93	.24*	.77**	.07	.49**	.51**	.96**	.92**
11. Morals	3.59	0.94	.23*	.76**	.21*	.44**	.52**	.95**	.88**
12. Strategic CSR	2.47	3.02	.04	.14	.10	.08	.17	.24*	.27**
13. Social CSR	2.80	2.78	-.03	.07	.09	.03	.04	.13	.17
14. Transformational <sup>1</sup>	3.69	0.85	.37*	.77**	.06	.38*	.43**	.78**	.74**
15. II-Attribution	3.67	0.96	.35*	.69**	.05	.28	.43**	.73**	.67**
16. II-Behavior	3.76	0.96	.25	.76**	-.01	.42**	.38*	.78**	.75**
17. IS	3.81	0.80	.38*	.79**	.08	.38*	.51**	.78**	.75**
18. IM	3.94	0.72	.49**	.56**	.00	.21	.36*	.60**	.55**
19. IC	3.30	1.05	.35*	.81**	.13	.46**	.37*	.81**	.79**
20. Level of information	3.91	0.78	.34**	.22*	-.11	-.03	.34**	.43**	.37**
21. Age	57.87	5.19	-.08	.05	.01	.22*	-.12	.07	.08
22. Gender	0.30	0.17	.10	-.09	.21*	-.07	-.16	-.03	.01
23. Tenure	8.53	6.48	-.04	-.06	-.15	.00	-.18	-.02	.01
24. Discretion	3.74	1.01	-.01	-.03	.07	-.04	-.07	-.07	-.05
25. Duality	0.75	0.43	.00	-.14	-.20	-.14	.23*	-.16	-.21
26. Relative ownership	1.16	0.20	-.06	-.24*	-.26*	-.18	.13	-.22*	-.20*
27. Relative salary	2.86	1.20	-.08	-.03	.09	-.02	-.01	-.03	-.01
28. Humanities	0.08	0.27	.10	.05	.02	.05	.10	-.04	-.05
29. Social science	0.08	0.27	.02	-.01	-.08	-.02	.14	-.03	-.04
30. Economics	0.13	0.33	.21*	.15	.04	-.04	.11	.19	.17
31. Business	0.32	0.47	-.12	-.02	.01	.01	-.25*	-.03	.01
32. MBA	0.49	0.50	.02	.04	.08	-.06	-.04	.11	.07
33. JD	0.12	0.32	.00	-.03	.11	-.06	-.04	-.08	-.06
34. Size <sup>2</sup>	10.66	0.75	.04	-.24*	-.21*	-.14	-.09	.00	.03
35. WGI	0.17	0.37	.02	.04	-.19	-.03	.22*	.10	.10
36. RGGI	0.21	0.41	.11	-.05	.16	-.08	.14	-.06	-.12
37. No. blockholders	1.73	1.18	-.11	.14	.26**	.14	.20*	.04	.08
38. Blockholder total	12.91	12.43	-.05	-.04	.17	.00	-.03	-.10	-.09

<sup>1</sup>N=40, <sup>2</sup>Natural log. of market capitalization. \*p<.05, \*\*p<.01

**Table 4 Contd.**

Variable	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1.														
2.														
3.														
4.														
5.														
6.														
7.														
8.	1.00													
9.	.89**	1.00												
10.	.90**	.88**	1.00											
11.	.90**	.87**	.87**	1.00										
12.	.27**	.19	.23*	.21*	1.00									
13.	.13	.12	.12	.08	.47**	1.00								
14.	.75**	.78**	.69**	.77**	.19	.11	1.00							
15.	.70**	.73**	.62**	.76**	.12	.09	.97**	1.00						
16.	.74**	.76**	.71**	.78**	.18	.08	.97**	.92**	1.00					
17.	.75**	.76**	.72**	.75**	.18	.10	.95**	.91**	.92**	1.00				
18.	.57**	.64**	.47**	.63**	.17	.13	.91**	.91**	.83**	.81**	1.00			
19.	.79**	.81**	.74**	.75**	.26	.15	.96**	.90**	.92**	.90**	.82**	1.00		
20.	.44**	.45**	.42**	.38**	.24*	.16	.47**	.48**	.43**	.47**	.43**	.42**	1.00	
21.	.06	.04	.13	.02	-.01	-.03	.06	.05	.07	.02	-.04	.15	.05	1.00
22.	-.05	-.02	-.04	-.06	-.07	.08	.20	.17	.18	.17	.24	.21	-.10	-.05
23.	.02	-.01	-.03	-.09	.23*	.23*	-.17	-.20	-.14	-.23	-.12	-.11	.03	.13
24.	-.08	-.08	-.07	-.07	-.01	-.03	-.02	-.02	.00	-.05	.09	-.07	.01	-.01
25.	-.11	-.15	-.16	-.13	.08	-.07	-.09	.02	-.12	-.15	.04	-.20	.09	-.10
26.	-.20*	-.21*	-.19	-.19	.05	-.14	-.19	-.10	-.18	-.24	-.07	-.28	.08	-.08
27.	-.02	-.07	-.03	.01	.01	-.11	-.02	.01	-.01	.00	.04	-.11	.04	-.05
28.	-.05	-.06	.01	-.03	.09	.14	-.24	-.23	-.21	-.21	-.26	-.22	.04	.05
29.	.00	-.06	.00	-.02	.00	-.05	.03	.04	.01	.00	.06	.02	.08	.11
30.	.19	.18	.16	.20*	.14	.15	.24	.22	.18	.27	.26	.24	.16	-.09
31.	-.05	-.07	.01	-.05	-.13	-.07	-.01	.00	.07	.01	-.13	-.02	-.17	.01
32.	.11	.12	.09	.11	-.20	.14	.09	.06	.06	.11	.12	.08	.05	.04
33.	-.09	-.06	-.07	-.09	-.02	.04	-.05	-.05	-.06	-.05	-.03	-.05	-.03	-.06
34.	-.01	-.03	.03	-.04	.11	.33**	-.11	-.12	-.10	-.18	.02	-.14	.30**	.11
35.	.08	.05	.11	.14	.15	.04	.28	.31	.26	.20	.32*	.23	.22*	.00
36.	-.02	-.04	-.05	-.04	-.06	.03	.17	.16	.14	.19	.03	.24	.11	.00
37.	.00	-.01	.04	.10	.01	-.03	.08	.05	.12	.12	-.03	.09	-.10	.02
38.	-.10	-.11	-.09	-.10	.00	-.05	.14	.13	.15	.18	.07	.15	.06	-.01

**Table 4 Contd.**

	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
1.																	
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17.																	
18.																	
19.																	
20.																	
21.																	
22.	1.00																
23.	-.21*	1.00															
24.	.04	.18	1.00														
25.	-.13	.26*	.02	1.00													
26.	-.06	.20*	.18	.71**	1.00												
27.	-.03	.01	.81**	-.01	.14	1.00											
28.	-.05	.05	.02	-.07	-.10	-.05	1.00										
29.	-.05	.02	-.04	.13	-.08	.02	.05	1.00									
30.	-.07	-.07	-.13	.07	-.01	-.16	-.11	-.11	1.00								
31.	.13	.03	.14	-.32**	-.12	.14	-.20*	-.20*	-.20*	1.00							
32.	-.05	.00	.06	-.15	-.24*	-.09	-.06	-.06	.04	-.02	1.00						
33.	.12	-.14	-.11	-.15	-.06	-.18	.35**	.12	.04	-.12	-.17	1.00					
34.	-.04	.17	-.06	-.10	.02	-.09	.02	-.05	.16	-.09	.05	-.08	1.00				
35.	-.08	-.01	-.08	.19	.15	.04	-.03	.16	.06	-.08	.04	-.08	.25*	1.00			
36.	.05	-.21*	-.20*	.01	-.13	-.23*	.03	.12	.02	-.19	.09	.11	-.09	-.23*	1.00		
37.	-.11	-.36*	-.18	-.08	-.18	-.11	.10	-.06	.06	-.19	-.12	.03	-.21*	.01	.14	1.00	
38.	-.09	-.26*	-.16	-.09	-.17	-.10	.08	-.07	-.02	-.13	-.14	.24*	-.14	-.04	.23*	.66**	1.00

**Table 5**  
**Correlation Matrix for Servant and Transformational Leadership Dimensions**

Variables (N = 40)	1	2	3	4	5	6	7	8	9	10	11	12
1. Servant Leader	(.96)											
2. Int. Support	.96**	(.94)										
3. Community	.96**	.89**	(.95)									
4. Altruism	.95**	.88**	.89**	(.96)								
5. Egalitarianism	.96**	.92**	.90**	.88**	(.95)							
6. Moral Int.	.95**	.88**	.90**	.87**	.87**	(.96)						
7. Transformational	.78**	.74**	.75**	.78**	.69**	.77**	(.82)					
8. II-Attribution	.73**	.67**	.70**	.73**	.62**	.76**	.97**	(.68)				
9. II-Behavior	.78**	.75**	.74**	.76**	.71**	.78**	.97**	.92**	(.83)			
10. IS	.78**	.75**	.75**	.76**	.72**	.75**	.95**	.91**	.92**	(.76)		
11. IM	.60**	.55**	.57**	.64**	.47**	.63**	.91**	.91**	.83**	.81**	(.81)	
12. IC	.81**	.79**	.79**	.81**	.74**	.75**	.96**	.90**	.92**	.90**	.82**	(.87)

Items in parentheses indicate interrater reliabilities. \*P < .05, \*\*P < .01

I find an average inter-facet correlation of  $r = .89$  ( $p < .01$ ) for these items, similar to the factor structure found by Reed et al. (2011) for this inventory. In a similar fashion, a similar correlation is reported for facets of transformational leadership as well.

### Direct and Indirect Effects

I now focus attention toward examining both the direct and indirect effects of executive personality on CSR employing Hayes' PROCESS (Hayes, 2013) utilizing 20,000 simulations. For Hypotheses 1-10, all simulations utilized Model 4 of Hayes' PROCESS with the exception of managerial discretion which utilized Model 8 to test Hypotheses 11-12. In this dissertation, all PROCESS analyses were performed separately in order to isolate the full effect of each personality trait.

As reported in Table 6, I find no evidence of a direct effect of extraversion for either dimension of CSR thus failing to support Hypothesis 1. However I find an indirect effect for extraversion on both strategic ( $point\ estimate = .28, SE = .16, CI_{99\%} = .001, .096$ ) and social CSR ( $point\ estimate = .15, SE = .13, CI_{90\%} = .001, .064$ ) when mediated by servant leadership thus lending support to Hypothesis 6 which predicted an indirect effect between both facets of CSR. For agreeableness, there is no evidence of a direct effect for this personality trait and either dimension of CSR thus failing to support Hypothesis 2. However I found partial support for an indirect effect on strategic CSR only ( $point\ estimate = 1.36, SE = .64, CI_{95\%} = .135, 2.665$ ) lending partial support to Hypothesis 7. For conscientiousness, I find no evidence of a direct or indirect

effect when mediated by servant leadership failing to support Hypotheses 3 and 8 respectively. When examining the relationship between neuroticism and CSR engagement, no evidence is found to support Hypothesis 4 which posited a direct effect between these constructs. I do find however a significant indirect effect between this personality trait and strategic CSR (*point estimate* = .82, *SE* = .34, *CI*<sub>99%</sub> = .126, 1.94), thus partially supporting Hypothesis 9. A similar pattern emerged with openness to experience thus failing to support Hypothesis 5, which posited a direct effect on CSR, but supporting Hypothesis 10 arguing for an indirect effect through servant leadership (*point estimate* = .72, *SE* = .39, *CI*<sub>95%</sub> = .061, 1.597).

In addition to these reported indirect effects, it is worth noting that while performing mediation analysis in PROCESS, it was possible to determine the antecedents of personality on servant leadership (Path A). From Table 6, significant paths are found from extraversion (*point estimate* = .31, *SE* = .13, *CI*<sub>95%</sub> = .057, .582), agreeableness (*point estimate* = 1.03, *SE* = .08, *CI*<sub>99%</sub> = .880, 1.180), neuroticism (reverse scored, *point estimate* = .84, *SE* = .15, *CI*<sub>95%</sub> = .447, 1.247), and openness to experience (*point estimate* = .95, *SE* = .16, *CI*<sub>95%</sub> = .634, 1.276) to servant leadership. Thus, with the exception of conscientiousness, all of the Big Five traits serve as antecedents to servant leadership. For brevity, these findings and support for hypotheses are summarized in Appendix E.

### **Managerial Discretion**

Hypotheses 11 and 12 posited that managerial discretion had both a direct and a moderating effect on the relationship between CEO personality and CSR engagement. Table 7 reports the findings for this model of mediated moderation. Across all personality traits, managerial discretion does not moderate the direct effect for any personality trait within this model. Upon closer inspection, all indirect effects remain non-significant across all levels of the moderator for each personality trait for both strategic and social CSR as evidenced by their respective confidence interval containing a zero value. This failed to support Hypothesis 11. For example, under agreeableness, the effect sizes are -1.27 (*p* = *ns*) for low discretion, -.82 (*p* = *ns*) for its baseline mean, and -.36 (*p* = *ns*) for high levels of managerial discretion.

**Table 6****Mediation Analysis Using Strategic and Social Corporate Social Responsibility as Outcomes**

	Mediator (Servant Leadership)				Strategic (n=101)				Social (n=101)			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.31<sup>1</sup></b>	<b>.13</b>	<b>-.029</b>	<b>.667</b>								
Servant-CSR					.88	.36	-.059	1.828	.47	.34	-.090	1.031
Extrav.-CSR					-.10	.49	-1.338	1.181	-.27	.46	-1.026	.494
Indirect Effect					<b>.28***</b>	<b>.16</b>	<b>.001</b>	<b>.096</b>	<b>.15*</b>	<b>.13</b>	<b>.001</b>	<b>.464</b>
Agree.-Servant	<b>1.03**</b>	<b>.08</b>	<b>.880</b>	<b>1.180</b>								
Servant-CSR					<b>1.32**</b>	<b>.59</b>	<b>.154</b>	<b>2.494</b>	.71	.56	-.211	1.636
Agree.-CSR					-.72	.75	-2.213	.772	-.46	.79	-1.634	.722
Indirect Effect					<b>1.36**</b>	<b>.64</b>	<b>.135</b>	<b>2.665</b>	.73	.59	-.142	1.795
Consc.-Servant	.30	.24	-.096	.692								
Servant-CSR					<b>.84*</b>	<b>.35</b>	<b>.253</b>	<b>1.419</b>	.39	.33	-.1556	.941
Consc.-CSR					.60	.84	-.788	1.987	.59	.79	-.7133	1.897
Indirect Effect					.25	.21	-.005	.712	.12	.15	-0.193	.495
Stability-Servant	<b>.84***</b>	<b>.15</b>	<b>.447</b>	<b>1.247</b>								
Servant-CSR					.97	.40	.174	1.76	.48	.15	.594	1.099
Stability-CSR					-.35	.69	-2.175	1.47	-.21	.65	-1.298	.869
Indirect Effect					<b>.82***</b>	<b>.34</b>	<b>.126</b>	<b>1.94</b>	.41	.32	-.067	.990
Open.-Servant	<b>.95**</b>	<b>.16</b>	<b>.634</b>	<b>1.276</b>								
Servant-CSR					.76	.41	-.048	1.560	.49	.38	-.145	1.123
Open.-CSR					.41	.76	-1.097	1.926	-.24	.71	-1.426	.948
Indirect Effect					<b>.72**</b>	<b>.39</b>	<b>.061</b>	<b>1.597</b>	.47	.40	-.084	1.225

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

<sup>1</sup>When tested at the 0.05 level of significance, this coefficient becomes significant. (CI<sub>95%</sub> = .057, .582)

**Table 7**  
**Moderated Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes across Levels of**  
**Managerial Discretion**

	<u>Mediator</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.32*</b>	<b>.14</b>	<b>.086</b>	<b>.555</b>								
Servant-CSR					<b>.89*</b>	<b>.36</b>	<b>.283</b>	<b>1.491</b>	.47	.34	-.099	1.033
Disc. x (Path A)					.01	.12	-.195	.208	.01	.12	-.195	.208
Disc. x (Path C)					.15	.44	-.575	.870	-.33	.41	-.101	.346
<u>Direct Effect</u>												
Low Discretion					-.19	.56	-1.122	.741	-.06	.52	-.933	.813
Baseline					-.04	.52	-.904	.819	-.39	.49	-1.198	.417
High Discretion					.11	.78	-1.184	1.394	-.72	.73	-1.928	.486
<u>Indirect Effect</u>												
Low Discretion					<b>.28*</b>	<b>.20</b>	<b>.046</b>	<b>.719</b>	.15	.16	-.009	.522
Baseline					<b>.28*</b>	<b>.17</b>	<b>.072</b>	<b>.651</b>	.15	.14	-.008	.459
High Discretion					<b>.29*</b>	<b>.23</b>	<b>.025</b>	<b>.782</b>	.15	.17	-.012	.567
Mod. Mediation					.01	.13	-.218	.196	.01	.08	-.126	.142
Agree-Servant	<b>1.03*</b>	<b>.08</b>	<b>.906</b>	<b>1.161</b>								
Servant-CSR					<b>1.36*</b>	<b>.60</b>	<b>.375</b>	<b>2.354</b>	.77	.55	-.139	1.689
Disc. x (Path A)					-.04	.78	-.175	.087	-.04	.78	-.175	.087
Disc. x (Path C)					.45	.46	-.315	1.233	<b>.97*</b>	<b>.43</b>	<b>.257</b>	<b>1.677</b>
<u>Direct Effect</u>												
Low					-1.27	.94	-2.826	.287	-1.60	.87	-3.042	-.166
Baseline					-.82	.76	-2.081	.451	-.64	.70	-1.907	.532
High					-.36	.84	-1.762	1.041	.33	.78	-.965	1.624

**Table 7 Contd.**

<u>Indirect Effect</u>											
Low				<b>1.47*</b>	<b>.68</b>	<b>.397</b>	<b>2.627</b>	.84	.63	-.124	1.939
Baseline				<b>1.41*</b>	<b>.65</b>	<b>.357</b>	<b>2.502</b>	.80	.61	-.134	1.843
High				<b>1.35*</b>	<b>.63</b>	<b>.332</b>	<b>2.393</b>	.77	.58	-.134	1.776
Mod. Mediation				-.06	.07	-.234	.019	.03	.05	-.172	.009
Consc.-Servant	.34	.24	-.065	.752							
Servant-CSR				.82	.36	.231	1.41	.35	.33	-.194	.904
Disc. x (Path A)				.11	.19	-.221	.436	.11	.19	-.221	.436
Disc. x (Path C)				.61	.69	-.542	1.754	1.10	.64	.028	2.163
<u>Direct Effect</u>											
Low				.17	.97	-1.439	1.787	-.16	.90	-.165	1.345
Baseline				.78	.87	-.663	2.221	.94	.81	-.402	2.282
High				1.39	1.23	-.663	3.436	2.04	1.15	.129	3.942
<u>Indirect Effect</u>											
Low				.19	.25	-.109	.700	.08	.15	-.042	.488
Baseline				<b>.28*</b>	<b>.24</b>	<b>.003</b>	<b>.836</b>	.12	.16	-.026	.528
High				.37	.35	-.032	1.144	.16	.22	-.045	.731
Mod. Mediation				.09	.18	-.137	.453	.04	.11	-.041	.332
Stability-Servant	<b>.85*</b>	<b>.15</b>	<b>.592</b>	<b>1.100</b>							
Servant-CSR				<b>.94*</b>	<b>.40</b>	<b>.272</b>	<b>1.617</b>	<b>.39*</b>	<b>.369</b>	<b>0.222</b>	<b>1.005</b>
Disc. x (Path A)				.10	.11	-.085	.289	.10	.11	-.085	.289
Disc. x (Path C)				<b>.31*</b>	<b>.45</b>	<b>.442</b>	<b>1.053</b>	<b>1.08*</b>	<b>.41</b>	<b>.395</b>	<b>1.758</b>
<u>Direct Effect</u>											
Low Discretion				-.63	.81	-1.965	.711	-1.18	.73	-2.397	.043
Baseline				-.32	.70	-1.489	.842	-.10	.64	-1.161	.959
High Discretion				-.02	.86	-1.440	1.409	.98	.78	-.323	2.274

**Table 7 Contd.**

<u>Indirect Effect</u>										
Low Discretion			<b>.70*</b>	<b>.37</b>	<b>.251</b>	<b>1.393</b>	.29	.29	-.134	.809
Baseline			<b>.80*</b>	<b>.36</b>	<b>.287</b>	<b>1.426</b>	.33	.32	-.168	.870
High Discretion			<b>.89*</b>	<b>.40</b>	<b>.336</b>	<b>1.601</b>	.37	.36	-.171	.995
Mod. Mediation			.10	.13	-.064	.348	.04	.07	-.022	.236
Open.-Servant	<b>.96*</b>	<b>.16</b>	<b>.687</b>	<b>1.229</b>						
Servant-CSR			<b>.35*</b>	<b>.77</b>	<b>-.927</b>	<b>1.622</b>	.49	.39	-.154	1.134
Disc. x (Path A)			-.14	.15	-.3887	.119	-.14	.15	-.3887	.119
Disc. x (Path C)			.56	.62	-.469	1.587	.08	.58	-.895	1.050
<u>Direct Effect</u>										
Low Discretion			-.21	1.03	-1.923	1.499	-.33	.97	-1.949	1.287
Baseline			.35	.77	-.927	1.622	-.25	.73	-1.458	.952
High Discretion			.91	.94	-.654	2.467	-.18	.89	-1.651	1.300
<u>Indirect Effect</u>										
Low Discretion			<b>.87*</b>	<b>.50</b>	<b>.218</b>	<b>1.881</b>	.54	.50	-.121	1.495
Baseline			<b>.76*</b>	<b>.42</b>	<b>.177</b>	<b>1.547</b>	.47	.43	-.122	1.257
High Discretion			<b>.65*</b>	<b>.38</b>	<b>.159</b>	<b>1.421</b>	.40	.38	-.091	1.126
Mod. Mediation			-.11	.15	-.485	.041	-.07	.12	-.420	.022
Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Values of low and high for moderators are +/- one standard deviation from the baseline mean. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect).										

This non-significance for the baseline and high discretion conditions indicates that greater managerial discretion does not increase the direct effect for the mediating influence of servant leadership on the relation between executive personality and CSR engagement. This suggests that greater autonomy afforded to the top manager does not inhibit nor increase her personality from influencing servant leadership behaviors.

Concerning the intervening mechanism of servant leadership, results in Table 7 illustrate that four of the five personality traits are mediated by this leadership style. However there is no evidence of mediated moderation given that their effect sizes remain approximately the same across both low and high levels of managerial discretion. For example, the effect sizes for extraversion are similar for low (*point estimate* = .28, *SE* = .20, *CI*<sub>90%</sub> = .046, .719), baseline (*point estimate* = .28, *SE* = .17, *CI*<sub>90%</sub> = .072, .651), and high levels of managerial discretion (*point estimate* = .29, *SE* = .23, *CI*<sub>90%</sub> = .025, .782). Moreover, this is confirmed by a lack of any significant interaction terms for any of the Big Five traits and managerial discretion on the mediator. Finally, there is no evidence of any significant effects across any levels of managerial discretion for social CSR thus failing to lend support to Hypothesis 12.

### **Transformational Leadership Control**

In this section, I present the findings when transformational leadership is added as a control variable into the model. The effect sizes containing both the direct and indirect effects of personality are presented in Table 8 of this dissertation. Given that this subsample of 40 CEOs contains fewer observations than the full sample ( $N = 100$ ), it was first necessary to analyze the subsample prior to adding transformational leadership as a control variable thus establishing a baseline of effect sizes. The findings from this analysis are presented in Panel A of this table. As can be seen, the effect sizes in Panel A remain similar in magnitude to the main study however with slightly lower levels of corresponding significance for three of the five personality traits, which is not unexpected given the smaller  $N$ . One noteworthy finding however is the lack of significance of agreeableness in this subsample (*point estimate* = 1.01, *SE* = .75, *CI*<sub>90%</sub> = -.216, 2.245).

Turning our attention to Panel B of Table 8, we find that when transformational leadership is introduced into the model, there is no significant mediating effect of servant leadership for any personality trait with the exception of neuroticism (*point estimate* = .89, *SE* = .67, *CI*<sub>90%</sub> = .035, 2.330) when compared to the subsample of CEOs in Panel A which did not include transformational leadership as a potential confound. Finally, in efforts to exclude an alternate explanation that transformational leadership may explain any significant variance between personality and CSR engagement, I performed a separate analysis to determine if this leadership construct serves as a mediator in this relationship. As reported in Panel C, transformational leadership had no significant effect on either strategic or social CSR in the capacity as a mediator as evidenced by the non-significant confidence boundaries confirming that this leadership style does not influence CSR engagement. In Chapter 6, I perform a post-hoc analysis of the facets of both servant and transformational leadership constructs.

### **Statistical Control**

Finally, it is worth mentioning that when introducing control variables into the model, one inherent limitation to this procedure concerns the small number of observations in the sample. That is, given that there exist more than 30 possible controls subsumed under environmental variables (i.e., industry), demographic (i.e., education), as well as organizational variables such as firm size, it was not possible to simultaneously introduce all these controls at once due to issues of statistical power. Instead, these variables were introduced in blocks of five to six at a time along their respective theoretical domains. To clarify, this included adding industry control variables separately from those related to the CEO's education or those related to the acquisition of a high CSR target.

Overall, by adding these aforementioned statistical control variables, I found no material changes for the indirect effect or their levels of significance concerning the Big Five personality traits. As an additional measure of robustness, these control variables were introduced in parcels utilizing different configurations along industry and educational domains to determine if these nonsignificant findings were attributed to their specific combination within the model. By testing the sample utilizing this alternate method, these findings remained robust throughout the model.

**Table 8**  
**Comparative Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes with Transformational Leadership as Control**

Panel A: Subsample Without Control (n=40)

	<u>Mediator (Servant)</u>				<u>Strategic</u>				<u>Social</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extra.-Servant	<b>.43*</b>	<b>.20</b>	<b>.094</b>	<b>.762</b>								
Servant-CSR					.81	.53	-.076	1.706	.48	.52	-.394	1.350
Extraversion-CSR					.56	.68	-.60	1.709	-.57	.67	-1.694	.563
Indirect Effect					<b>.35*</b>	<b>.38</b>	<b>.015</b>	<b>1.254</b>	.20	.32	-.084	1.000
Agreeable-Servant	<b>.92*</b>	<b>.10</b>	<b>.738</b>	<b>1.086</b>								
Servant-CSR					1.11	.88	-.374	2.591	.44	.86	-1.014	1.889
Agreeable-CSR					-.206	.98	-1.855	1.442	-1.41	.96	-1.754	1.473
Indirect Effect					1.01	.75	-.216	2.245	.40	.74	-.765	1.656
Consc.-Servant	<b>.61*</b>	<b>.48</b>	<b>.195</b>	<b>1.409</b>								
Servant-CSR					.86	.51	.004	1.717	.37	.50	-.471	1.220
Consc.-CSR					1.42	1.53	-1.478	3.981	-.61	1.50	-3.144	1.923
Indirect Effect					.52	.51	-.028	1.766	.23	.46	-.160	1.519
Stability-Servant	<b>.72**</b>	<b>.26</b>	<b>.194</b>	<b>1.251</b>								
Servant-CSR					.97	.55	-.149	2.085	.20	.54	-.709	1.012
Consc.-CSR					-.05	.97	-2.109	1.920	.59	.94	-1.005	2.187
Indirect Effect					<b>.70**</b>	<b>.43</b>	<b>.106</b>	<b>1.913</b>	.14	.42	-.486	.886
Openness-Servant	<b>.74**</b>	<b>.28</b>	<b>.183</b>	<b>1.312</b>								
Servant-CSR					.78	.54	-.318	1.884	.34	.54	-.570	1.242
Control-TFL					.81	1.02	-1.251	2.879	-.01	1.02	-1.711	1.684
Indirect Effect					<b>.59**</b>	<b>.50</b>	<b>.002</b>	<b>2.011</b>	.25	.48	-.338	1.231

Panel B: Transformational Leadership Control (n=40)												
Extra.-Servant	<b>.43*</b>	<b>.20</b>	<b>.094</b>	<b>.762</b>								
Servant-CSR					1.17	.81	-.196	2.535	.21	.20	.094	.762
TFL-CSR					.64	.70	-.553	1.822	-.62	.69	-1.788	.537
Extraversion-CSR					-.46	.78	-1.775	.863	.34	.77	-.955	1.620
Indirect Effect					.50	.51	-.007	1.708	.09	.38	-.367	.865
Agree.-Servant	<b>.91*</b>	<b>.10</b>	<b>.738</b>	<b>1.806</b>								
Servant-CSR					1.26	.98	-.397	2.910	.30	.96	-1.318	1.920
TFL-CSR					-.07	1.05	-1.854	1.707	-.26	1.03	-2.006	1.480
Agree.-CSR					-.30	.83	-1.695	1.097	.27	.81	-1.092	1.642
Indirect Effect					1.15	.88	-.220	2.631	.27	.86	-1.118	1.653
Consc.-Servant	.61	.48	-.195	1.409								
Servant-CSR					1.04	.84	-.374	2.446	.24	.83	-1.151	1.636
TFL-CSR					1.35	1.56	-1.289	3.983	-.56	1.54	-3.163	2.047
Consc.-CSR					-.21	.79	-1.521	1.106	.16	.77	-1.142	1.455
Indirect Effect					.63	.75	-.079	2.584	.15	.65	-.447	1.716
Stability-Servant	<b>.72*</b>	<b>.26</b>	<b>.282</b>	<b>1.162</b>								
Servant-CSR					1.22	.83	-.187	2.627	.07	.81	-1.302	1.441
TFL-CSR					-.01	.99	-1.68	1.657	.57	.96	-1.058	2.198
Consc.-CSR					-.32	.78	-1.63	.997	.16	.76	-1.123	1.442
Indirect Effect					<b>.89*</b>	<b>.67</b>	<b>.035</b>	<b>2.330</b>	.05	.60	-.944	.988
Openness-Servant	<b>.75*</b>	<b>.28</b>	<b>.277</b>	<b>1.218</b>								
Servant-CSR					1.14	.81	-.235	2.508	.17	.80	-1.186	1.531
TFL-CSR					.94	1.05	-.8338	2.713	-.07	1.04	-1.829	1.685
Control-TFL					-.46	.78	-1.783	.861	.21	.78	-1.096	1.525
Indirect Effect					.85	.73	-.0160	2.345	.13	.62	-.785	1.225

Panel C: Transformational Leadership as Mediator (n=40)												
Extra.-TFL	<b>.51*</b>	<b>.21</b>	<b>.162</b>	<b>.854</b>								
TFL-CSR					.39	.52	-.488	1.276	.49	.50	-.347	1.334
Extraversion-CSR					.70	.71	-.498	1.905	-.61	.68	-1.757	.534
Indirect Effect					.20	.40	-.136	1.136	.25	.32	-.151	.926
Agree.-TFL	<b>.90*</b>	<b>.12</b>	<b>.690</b>	<b>1.103</b>								
TFL-CSR					.14	.76	-1.133	1.423	.38	.73	-.845	1.607
Agree.-CSR					.67	.89	-.820	1.423	.34	.85	-1.517	1.350
Indirect Effect					.13	.81	-1.055	1.607	.34	.68	-.763	1.432
Consc.-TFL	.18	.51	-.681	1.040								
TFL-CSR					.55	.48	-.261	1.367	.33	.47	-.456	1.123
Consc.-CSR					1.89	1.51	-.726	4.405	-.44	1.47	-2.929	2.043
Indirect Effect					.10	.35	-.186	1.102	.06	.28	-.150	.812
Stability-TFL	<b>.70*</b>	<b>.28</b>	<b>.226</b>	<b>1.167</b>								
TFL-CSR					.53	.53	-.363	1.423	.21	.50	-.639	1.054
Consc.-CSR					.28	.98	-1.377	1.938	.59	.93	-.983	2.158
Indirect Effect					.37	.47	-.173	1.411	.15	.46	-.453	1.062
Openness-TFL	<b>.84*</b>	<b>.29</b>	<b>.356</b>	<b>1.332</b>								
TFL-CSR					.35	.54	-.557	1.250	.34	.51	-.536	1.209
Control-TFL					1.12	1.06	-.676	2.890	-.05	1.02	-1.768	1.675
Indirect Effect					.29	.53	-.433	1.350	.28	.56	-.487	1.330

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

## **CHAPTER 6**

### **POST-HOC ANALYSIS**

#### **Introduction**

These aforementioned findings suggest that the different facets of both leadership styles could mediate the relationship between leader personality and CSR in a different manner. Concerning the findings in this study, the similarity between dimensions of servant and transformational leadership may have reduced the indirect effects of servant leadership. In the next section, I present a post-hoc analysis in which the different facets of both leadership styles and their relation to CSR were examined. Doing so enables us to answer the following research questions pertaining to servant leadership: 1) What is the magnitude and strength of each dimension of servant leadership when mediating the personality-CSR relationship? 2) When controlling for transformational leadership, what facets of servant leadership continue to have a significant indirect effect? 3) When subtracting the transformational leadership facet of individualized consideration, do these effect sizes and their significance again increase?

#### **Background and Theoretical Justification**

In the previous section, it was found that servant leadership had an intervening effect on the relationship between executive personality and CSR engagement for the majority of the traits examined. However, I found that when introducing transformational leadership as a possible confound into the model, the majority of these indirect effects disappear. In this section, I attempt to address this confound in greater detail by examining both leadership concepts at their respective dimensions to further understand the underlying processes through which personality influences CSR engagement. In doing so, I rely on two studies which investigated similar constructs. First, given the conceptual overlap between both servant and transformational leadership (Bass, 2000; Stone et al., 2004), Van Dierendonck et al. (2014) contend that regardless of these two leadership constructs being found to be statistically different (cf. Liden et al., 2008), a comparative, in-depth analysis of their underlying dimensions on organizational outcomes is needed.

Second, borrowing from the literature on transformational leadership, Deinert et al. (2015) investigated this construct at the facet level. Based on prior research by van Knippenberg and Sitkin (2013) who questioned the current practice of operationalizing transformational leadership as a unitary construct without proper theoretical justification, Deinert et al. (2015) posit that the

different sub-dimensions of this leadership construct may have differential effects on outcomes. That is, despite the findings that transformational leadership is associated with generally positive outcomes (Judge & Piccolo, 2004), some facets of this leadership style can have competing effects and work in opposite directions. For example, Parr, Hunter, and Ligon (2013) found that transformational leadership sub-dimensions of idealized influence and individualized consideration affected organizational commitment through anxiety in both positive and negative ways. That is, idealized influence and individualized consideration had a positive indirect effect on organizational commitment while inspirational motivation had a negative effect. Another example is given which pertains to the indirect influence of transformational leadership sub-dimensions on the relationship between the Big Five and leader performance by Deinert et al. (2014). In their study, one notable finding was that despite the fact that extraversion predicted leader performance through the unitary construct of transformational leadership, not all sub-dimensions of this leadership construct were significant.

In relation to the current study, it remains more likely that CEO personality will have an indirect effect on CSR engagement through the facets of servant leadership in a differential manner rather than in a competing fashion. That is, each of these servant leadership facets should positively mediate the relationship between personality and CSR engagement, however their effect sizes are expected to vary in magnitude. By extension, it is not expected that any dimension of servant leadership will exert a negative mediating influence on the personality-CSR framework. For example, it may be possible that while agreeableness does not have a significant indirect effect on social CSR through the unitary construct of servant leadership, this personality trait could have a positive indirect effect on social CSR through interpersonal facets such as subordinate support and altruism. Therefore, given the potential overlap of servant leadership with transformational leadership, investigating how executive personality will have an indirect effect on CSR engagement through the different facets of servant leadership is justified.

### **Transformational Leadership Confound**

When controlling for the possible confound of transformational leadership on the different dimensions of servant leadership, it is expected that the indirect effects of personality on CSR engagement will vary in magnitude as well. In other words, based on the findings in Table 8 where it was found that controlling for transformational leadership significantly reduced the indirect effect of the Big Five on CSR engagement, it is expected that this potential confound may not

reduce the indirect effect size on the Big Five for each servant leadership facet equally. For example, the interpersonal nature of servant leaders implies that they are most effective when their efforts are directed toward the development of follower needs and well-being (Graham, 1991; Greenleaf, 1977) suggesting that when subordinate support mediates the relationship between the Big Five and CSR, these indirect effect sizes are expected to remain significant regardless of whether transformational leadership is introduced as a potential confound.

Another reason why the indirect effect of personality on CSR engagement was mitigated when transformational leadership was introduced as a potential confound may be explained by the aggregate measure of the construct itself. As previously mentioned, van Knippenberg and Sitkin (2013) argued that the distinct dimensions of transformational leadership, when combined as a unitary construct, may not operate through the same intervening process and thus exhibit differential relationships to organizational outcomes (Deinert et al., 2015). Furthermore, van Knippenberg and Sitkin (2013) contend that a priori reasoning and justification is needed when selecting for inclusion the particular facets of this leadership construct in order to mitigate this concern.

### **Post-Hoc Analysis Design**

As previously mentioned, despite previous research which found both leadership constructs to be empirically distinct (Liden et al., 2008; Parolini et al., 2009), there remains considerable overlap on a conceptual basis with their dimensions (Bass, 2000; Stone et al., 2004). In particular, one facet of transformational leadership, which shares considerable overlap with servant leadership, is that of individualized consideration, given the altruistic nature of both leadership concepts (Stone et al., 2004). This again is further evidenced by the high intercorrelations among both constructs. Therefore, in addition to introducing the aggregate measure of transformational leadership across all five servant leadership facets, this post-hoc analysis examined transformational leadership minus the dimension of individualized consideration. For simplicity, these post-hoc analyses are divided into two sections with the first analyses investigating the indirect effects of personality on CSR when mediated through the five different servant leadership dimensions on each personality trait (Hypotheses 6-10). These results are listed in Tables 10-14. The second set of analyses then examines the potential confound of transformational leadership, first by examining its aggregate construct followed by examining the same construct minus the dimension of individualized consideration as reported in Tables 15 and

16. These analyses are then repeated by investigating the intervening mechanism of subordinate support in place of the aggregate servant leadership construct which appear in Tables 17 and 18.

One restriction facing this second set of post-hoc analyses, which investigates transformational leadership and its aggregate construct minus that of individualized consideration, concerns the scope of the analysis itself. Given that each dimension of servant leadership requires five separate analyses, and hence individual tables, only the aggregate measure of transformational leadership in addition to its aggregate measure minus the dimension of individualized consideration are examined for reasons of parsimony. In both of these analyses, I perform five separate Hayes' PROCESS regressions utilizing 20,000 simulations to estimate the population parameter by utilizing Model 4 in the same manner as with the main study.

## Results

**Post-hoc analysis 1.** Tables 9-13 contain the full results of the first set of post-hoc analyses. For simplicity, these indirect effect sizes are summarized in Table 14. Beginning with subordinate support in Table 9, I find that this facet of servant leadership exhibits similar effect sizes to that of the main study. In particular, this facet mediates the relationship between all of the Big Five personality and strategic CSR with effect sizes ranging from .21 ( $p < .10$ ) for extraversion to 1.42 for agreeableness. In addition, I find this facet of servant leadership to have a significant indirect effect on four of the five personality traits for social CSR. In particular, agreeableness (*point estimate* = .94, *SE* = .50, *CI*<sub>95%</sub> = .005, .417) and neuroticism (*point estimate* = .64, *SE* = .38, *CI*<sub>90%</sub> = .114, 1.330) are found to have the largest effect sizes for this facet on social CSR. When examining the servant leadership of building community in Table 10, similar effect sizes are again reported comparable to the findings of the main study albeit with higher levels of significance for strategic CSR with values ranging from .35 ( $p < .01$ ) for extraversion to 1.33 for agreeableness ( $p < .01$ ), however this facet is not significant on social CSR.

When examining the remaining three facets of servant leadership, I find that both altruism (Table 11) and moral integrity (Table 12) have only a marginal effect as mediators on the relationship between the Big Five and either dimension of CSR. For example, in Table 11, I find that altruism is only significant for the personality traits of extraversion (*point estimate* = .22, *SE* = .13, *CI*<sub>95%</sub> = .032, .597) and neuroticism (*point estimate* = .50, *SE* = .26, *CI*<sub>95%</sub> = .085, 1.141) for strategic CSR only. In Table 12, the effect size for moral integrity is only significant for extraversion (*point estimate* = .24, *SE* = .16, *CI*<sub>95%</sub> = .027, .374) as well as for conscientiousness

(*point estimate* = .35, *SE* = .25, *CI*<sub>95%</sub> = .029, 1.053) and neuroticism (*point estimate* = .60, *SE* = .33, *CI*<sub>95%</sub> = .097, .797) on strategic CSR. Finally, when examining the intervening mechanism of egalitarianism listed in Table 13, the effect sizes are comparable to those listed in the main study. For example, both neuroticism and openness to experience have effect sizes of .77 ( $p < .01$ ) and .65 ( $p < .05$ ) respectively.

**Post-hoc analysis 2.** Table 15 reports the indirect effect of the Big Five when mediated by the servant leadership dimension of building community when controlling for transformational leadership. In contrast to the mainly non-significant indirect effect when utilizing the aggregate measure of servant leadership as reported in Table 8, we find that extraversion (*point estimate* = .53, *SE* = .50, *CI*<sub>90%</sub> = .009, 1.696), neuroticism (*point estimate* = .94, *SE* = .69, *CI*<sub>90%</sub> = .092, 2.291) and openness to experience (*point estimate* = .91, *SE* = .72, *CI*<sub>90%</sub> = .043, 2.386) remain significant. In Table 16, I examine the aggregated dimensions of transformational leadership minus individualized consideration with building community serving as the mediating mechanism of the personality-CSR relationship. The coefficients for each trait are listed: extraversion (*point estimate* = .63, *SE* = .45, *CI*<sub>90%</sub> = .072, 1.630); agreeableness (*point estimate* = 1.51, *SE* = .68, *CI*<sub>95%</sub> = .135, 2.838); conscientiousness (*point estimate* = 1.00, *SE* = .81, *CI*<sub>90%</sub> = .031, 2.483); neuroticism (*point estimate* = 1.06, *SE* = .61, *CI*<sub>95%</sub> = .098, 2.571); openness to experience (*point estimate* = 1.07, *SE* = .71, *CI*<sub>95%</sub> = .109, 3.043).

One noteworthy feature of this servant leadership dimension is that irrespective of the measurement of transformational leadership introduced into the model as a potential confound, the indirect effect of the Big Five remains significant. In fact, when individualized consideration is excluded from the measurement of transformational leadership, these effects for building community are significant across all personality traits suggesting this facet of servant leadership is a significant proximal antecedent to strategic CSR regardless of whether transformational leadership is present.

**Table 9****Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes**

	Mediator (Sub. Support)				Strategic (n=101)				Social (n=101)			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extra-Sub.	<b>.20*</b>	<b>.13</b>	<b>-.008</b>	<b>.413</b>								
Sub.-CSR					<b>1.02*</b>	<b>.37</b>	<b>.406</b>	<b>1.643</b>	<b>.61*</b>	<b>.35</b>	<b>.032</b>	<b>1.196</b>
Extra-CSR					-.02	.48	-.813	.768	-.24	.45	-.983	.504
Indirect Effect					<b>.21*</b>	<b>.16</b>	<b>.018</b>	<b>.538</b>	<b>.12*</b>	<b>.11</b>	<b>.005</b>	<b>.417</b>
Agree.-Sub.	<b>.93**</b>	<b>.08</b>	<b>.780</b>	<b>1.083</b>								
Sub.-CSR					<b>1.52**</b>	<b>.58</b>	<b>.372</b>	<b>2.669</b>	1.01	.55	-.070	2.097
Agree.-CSR					-.77	.70	-2.153	.607	-.67	.66	-1.968	.636
Indirect Effect					<b>1.42**</b>	<b>.60</b>	<b>.246</b>	<b>2.614</b>	<b>.94**</b>	<b>.50</b>	<b>.041</b>	<b>2.060</b>
Consc.-Sub.	<b>.24*</b>	<b>.22</b>	<b>-.132</b>	<b>.612</b>								
Sub.-CSR					<b>.99*</b>	<b>.37</b>	<b>.380</b>	<b>1.605</b>	.57	.35	-.020	1.131
Consc.-CSR					.61	.83	-.763	1.985	.58	.78	-.719	1.870
Indirect Effect					<b>.24*</b>	<b>.23</b>	<b>-.049</b>	<b>.702</b>	.13	.16	-.015	.539
Stability-Sub.	<b>.87***</b>	<b>.14</b>	<b>.510</b>	<b>1.239</b>								
Sub.-CSR					<b>1.22***</b>	<b>.43</b>	<b>.079</b>	<b>2.359</b>	.73	.41	.049	1.409
Stability-CSR					-.60	.71	-2.465	1.261	-.44	.68	-1.554	.669
Indirect Effect					<b>1.07***</b>	<b>.38</b>	<b>.271</b>	<b>2.314</b>	<b>.64*</b>	<b>.37</b>	<b>.114</b>	<b>1.330</b>
Open.-Sub.	<b>.75**</b>	<b>.16</b>	<b>.430</b>	<b>1.070</b>								
Sub.-CSR					<b>.91**</b>	<b>.41</b>	<b>.109</b>	<b>1.719</b>	<b>.65*</b>	<b>.38</b>	<b>.010</b>	<b>1.281</b>
Open.-CSR					.45	.72	-.973	1.867	-.25	.68	-1.37	.866
Indirect Effect					<b>.69**</b>	<b>.32</b>	<b>.161</b>	<b>1.408</b>	<b>.48*</b>	<b>.31</b>	<b>.067</b>	<b>1.094</b>

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P = < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

**Table 10****Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes**

	Mediator (Community)				Strategic (n=101)				Social (n=101)			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Comm.	<b>.35***</b>	<b>.13</b>	<b>.009</b>	<b>.700</b>								
Community-CSR					<b>.97***</b>	<b>.36</b>	<b>.032</b>	<b>1.918</b>	.48	.34	-.086	1.041
Extraversion-CSR					-.16	.4873	-1.442	1.119	-.28	.46	-1.050	.480
Indirect Effect					<b>.35***</b>	<b>.1718</b>	<b>.036</b>	<b>.971</b>	.18	.14	.006	.497
Agree.-Comm.	<b>.98***</b>	<b>.08</b>	<b>.764</b>	<b>1.196</b>								
Community-CSR					1.36	.58	-.058	2.772	.62	.51	-.228	1.471
Agree.-CSR					-.69	.69	-2.494	1.019	-.33	.66	-1.416	.754
Indirect Effect					<b>1.33***</b>	<b>.50</b>	<b>.038</b>	<b>2.661</b>	.61	.46	-.101	1.398
Consc.-Comm.	.32	.24	-.078	.710								
Community-CSR					<b>.91*</b>	<b>.35</b>	<b>.224</b>	<b>1.492</b>	.39	.33	-.159	.938
Consc.-CSR					.56	.83	-.820	1.941	.59	.79	-.721	1.892
Indirect Effect					.29	.23	-.003	.766	.12	.15	-.016	.511
Stability-Comm.	<b>.78***</b>	<b>.16</b>	<b>.374</b>	<b>1.192</b>								
Community-CSR					<b>1.00***</b>	<b>.39</b>	<b>.014</b>	<b>2.057</b>	.47	.37	-.144	1.077
Stability-CSR					-.34	.67	-2.114	1.425	-.17	.634	-1.230	.890
Indirect Effect					<b>.81***</b>	<b>.30</b>	<b>.203</b>	<b>1.828</b>	.37	.27	-.400	.853
Open.-Comm.	<b>.96***</b>	<b>.16</b>	<b>.536</b>	<b>1.386</b>								
Community-CSR					.86	.40	-.200	1.921	.49	.38	-.146	1.123
Openness-CSR					.30	.76	-1.683	2.292	-.24	.72	-1.430	.948
Indirect Effect					<b>.83***</b>	<b>.38</b>	<b>.005</b>	<b>2.046</b>	.47	.39	-.069	1.229

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

**Table 11****Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes**

	<u>Mediator (Altruism)</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Altr.	<b>.34**</b>	<b>.15</b>	<b>.055</b>	<b>.632</b>								
Altruism-CSR					.64	.33	-.0187	1.296	.41	.31	-.106	.917
Extrav.-CSR					-.04	.49	-1.012	.941	-.25	.46	-1.015	.505
Indirect Effect					<b>.22**</b>	<b>.13</b>	<b>.032</b>	<b>.597</b>	.14	.13	-0.013	.439
Agree.-Altruism	<b>1.09*</b>	<b>.09</b>	<b>.942</b>	<b>1.235</b>								
Altruism-CSR					.70	.54	-.542	1.552	.54	.48	-.259	1.330
Agree.-CSR					-.12	.72	-1.310	1.075	-.30	.67	-1.414	.805
Indirect Effect					.76	.55	-.129	1.69	.58	.58	-.293	1.610
Consc.-Altruism	.20	.26	-.235	.632								
Altruism-CSR					<b>.61**</b>	<b>.32</b>	<b>.077</b>	<b>1.147</b>	.35	.30	-.151	.845
Consc.-CSR					.73	.84	-.667	2.122	.64	.78	-.659	1.939
Indirect Effect					.12	.17	-.073	.503	.07	.13	-.032	.435
Stability-Altruism	<b>.78**</b>	<b>.17</b>	<b>.434</b>	<b>1.125</b>								
Altruism-CSR					.64	.35	-.060	1.342	.39	.33	-.157	.936
Stability-CSR					-.04	.67	-1.368	1.297	-.11	.63	-1.146	.930
Indirect Effect					<b>.50**</b>	<b>.26</b>	<b>.085</b>	<b>1.141</b>	.303	.27	.096	.799
Open.-Altruism	<b>.96*</b>	<b>.18</b>	<b>.656</b>	<b>1.262</b>								
Altruism-CSR					.48	.36	-.122	1.087	.41	.31	0.106	.9170
Open.-CSR					.67	.75	-.567	1.907	-.25	.46	-1.015	.5049
Indirect Effect					.46	.34	-.045	1.079	.14	.13	0.013	.4391

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

**Table 12**

**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes**

	Mediator (Moral)				Strategic (n=101)				Social (n=101)			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Moral	<b>.34**</b>	<b>.15</b>	<b>.054</b>	<b>.635</b>								
Moral-CSR					<b>.69**</b>	<b>.33</b>	<b>.039</b>	<b>1.337</b>	.28	.31	-.234	.785
Extrav.-CSR					-.05	.49	-1.026	.920	-.21	.46	-.974	.553
Indirect Effect					<b>.24**</b>	<b>.16</b>	<b>.027</b>	<b>.686</b>	<b>.09*</b>	<b>.13</b>	<b>.048</b>	<b>.374</b>
Agree.-Moral	<b>1.07*</b>	<b>.09</b>	<b>.920</b>	<b>1.226</b>								
Moral-CSR					.79	.49	-.025	1.605	.22	.46	-.544	.986
Agree.-CSR					-.20	.69	-1.354	.944	.04	.65	-1.037	1.119
Indirect Effect					.85	.56	-.016	1.816	.24	.49	.507	-.118
Consc.-Moral	<b>.55**</b>	<b>.26</b>	<b>.040</b>	<b>1.066</b>								
Moral-CSR					.64	.33	-.005	1.285	.20	.30	-.311	.701
Consc.-CSR					.50	.86	-1.202	2.192	.60	.80	-.730	1.932
Indirect Effect					<b>.35**</b>	<b>.17</b>	<b>.029</b>	<b>1.053</b>	.11	.19	-.091	.550
Stability-Moral	<b>.85**</b>	<b>.17</b>	<b>.5062</b>	<b>1.192</b>								
Moral-CSR					<b>.71**</b>	<b>.36</b>	<b>.0075</b>	<b>1.42</b>	.25	.33	-.307	.800
Stability-CSR					-.14	.68	-1.491	1.210	-.01	.64	-1.075	1.046
Indirect Effect					<b>.60**</b>	<b>.33</b>	<b>.092</b>	<b>1.402</b>	.21	.28	-.222	.699
Open.-Moral	<b>1.07*</b>	<b>.18</b>	<b>.772</b>	<b>1.364</b>								
Moral-CSR					.54	.37	-.074	1.175	.25	.25	-.325	.833
Open.-CSR					.55	.77	-.722	1.827	-.04	.72	-1.242	1.155
Indirect Effect					.58	.43	-.027	1.370	.27	.39	-.261	1.015

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

**Table 13**

**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes**

	Mediator (Egalitarianism)				Strategic (n=101)				Social (n=101)			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Egal.	<b>.35**</b>	<b>.15</b>	<b>.067</b>	<b>.642</b>								
Egal.-CSR					<b>.75**</b>	<b>.33</b>	<b>.101</b>	<b>1.148</b>	.40	.301	-.113	.912
Extrav.-CSR					-.08	.49	-1.054	.887	-.26	.46	-1.019	.504
Indirect Effect					<b>.27**</b>	<b>.16</b>	<b>.046</b>	<b>.719</b>	.14	.14	-.007	.462
Agree.-Egal.	<b>1.07*</b>	<b>.09</b>	<b>.930</b>	<b>1.226</b>								
Egal.-CSR					<b>.95*</b>	<b>.50</b>	<b>.119</b>	<b>1.785</b>	.50	.47	-.278	1.286
Agree.-CSR					-.38	.70	-1.546	.781	-.26	.66	-1.36	.828
Indirect Effect					<b>1.03*</b>	<b>.57</b>	<b>.011</b>	<b>1.980</b>	.54	.50	-.261	1.379
Consc.-Ega.	.18	.26	-.25	.61								
Egal.-CSR					<b>.72*</b>	<b>.32</b>	<b>.191</b>	<b>1.252</b>	.34	.30	-.157	.839
Consc.-CSR					.72	.83	-.665	2.102	.65	.78	-.651	1.946
Indirect Effect					.13	.20	-.108	.547	.06	.12	-.040	.406
Stability-Egal.	<b>.94***</b>	<b>.17</b>	<b>.503</b>	<b>1.375</b>								
Egal.-CSR					.82	.37	-.145	1.787	.41	.35	-.166	.980
Stability-CSR					-.31	.69	-2.143	1.528	-.19	.66	-1.276	.902
Indirect Effect					<b>.77***</b>	<b>.35</b>	<b>.051</b>	<b>1.959</b>	.38	.34	-.109	.998
Open.-Egal.	<b>1.04**</b>	<b>.18</b>	<b>.688</b>	<b>1.393</b>								
Egal.-CSR					.62	.37	-.114	1.356	.41	.35	-.172	.985
Open.-CSR					.48	.76	-1.024	1.993	-.19	.71	-1.381	.992
Indirect Effect					<b>.65**</b>	<b>.35</b>	<b>.021</b>	<b>1.409</b>	.44	.38	-.128	1.119

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification (A, B, C, and indirect effect) unless otherwise indicated. Indirect effects appearing in bold indicate significance for the entire specification at the following levels: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01.

**Table 14**  
**Summary of Indirect Effect Sizes for the Big Five on Strategic and Social CSR**

<i>Panel A: Strategic CSR</i>					
Trait	Sub. Support	Community	Altruism	Moral	Egalitarianism
Extraversion	0.21*	0.35***	0.22**	0.24**	0.27**
Agreeableness	1.42**	1.33***	NS	NS	1.03*
Conscientiousness	0.24*	NS	NS	0.35**	NS
Neuroticism	1.07***	0.81***	0.50**	0.60**	0.77***
Openness to Exp.	0.69**	0.83***	NS	NS	0.65**
<i>Panel B: Social CSR</i>					
Extraversion	.12*	NS	NS	.09*	NS
Agreeableness	.94**	NS	NS	NS	NS
Conscientiousness	NS	NS	NS	NS	NS
Neuroticism	.64*	NS	NS	NS	NS
Openness to Exp.	.48*	NS	NS	NS	NS

Note: \*P < 0.10, \*\*P < 0.05, \*\*\*P < 0.01. NS = Nonsignificant

Concerning the servant leadership facet of subordinate support, I repeat the same procedure first by introducing the unitary construct of transformational leadership (Table 17) followed by its aggregate measure minus the dimension of individualized consideration as reported in Table 18. As noted in Table 17, only the personality trait of neuroticism on strategic CSR remains significant (*point estimate* = 1.05, *SE* = .76, *CI*<sub>90%</sub> = .021, 2.501) with no significant indirect effects reported for its social dimension. When subtracting individualized consideration from transformational leadership, a slight increase is found for the indirect effect size for neuroticism (*point estimate* = 1.12, *SE* = .74, *CI*<sub>90%</sub> = .091, 2.250). In addition, when utilizing this construct of transformational leadership, openness to experience becomes significant (*point estimate* = .71, *SE* = .61, *CI*<sub>90%</sub> = .018, 2.08).

**Table 15**  
**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes with Transformational Leadership as Control**

	<u>Mediator (Community)</u>				<u>Strategic (n=40)</u>				<u>Social (n=40)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.43*</b>	<b>.20</b>	<b>.094</b>	<b>.762</b>								
Servant-CSR					1.24	.77	-.060	2.550	.29	.76	-.998	1.570
TFL-CSR					-.60	.78	-1.908	.717	.27	.77	-1.026	1.559
Extrav.-CSR					.66	.70	-.523	1.848	-.61	.69	-1.780	.553
Indirect Effect					<b>.53*</b>	<b>.50</b>	<b>.009</b>	<b>1.696</b>	.12	.39	-.293	.973
Agreeable-Servant	<b>.91*</b>	<b>.10</b>	<b>.738</b>	<b>1.806</b>								
Servant-CSR					1.32	.97	-.316	2.950	.35	.94	-1.252	1.954
TFL-CSR					-.44	.81	-1.812	.930	.18	.80	-1.164	1.529
Agreeable-CSR					-.03	1.04	-1.783	1.724	-.21	1.02	-1.937	1.509
Indirect Effect					1.20	.84	-.169	2.593	.32	.87	-1.099	1.740
Consc.-Servant	.61	.48	-.195	1.409								
Servant-CSR					1.12	.80	-.238	2.476	.32	.80	-1.028	1.659
TFL-CSR					-.33	.78	-1.640	.988	.07	.78	-1.227	1.376
Consc.-CSR					1.29	1.57	-1.352	3.935	-.58	.67	-.369	1.929
Indirect Effect					.68	.75	-.072	2.588	.19	.67	-.369	1.929
Stability-Servant	<b>.72*</b>	<b>.26</b>	<b>.282</b>	<b>1.162</b>								
Servant-CSR					1.30	.80	-.054	2.663	.17	.79	-1.213	1.445
TFL-CSR					-.45	.77	-1.751	.856	.11	.76	-1.169	1.381
Consc.-CSR					-.20	.98	-1.679	1.638	.58	.96	-1.038	2.205
Indirect Effect					<b>.94*</b>	<b>.69</b>	<b>.092</b>	<b>2.291</b>	.08	.60	-.902	1.067
Openness-Servant	<b>.75*</b>	<b>.28</b>	<b>.277</b>	<b>1.218</b>								
Servant-CSR					1.22	.78	-.092	2.527	.24	.77	-1.065	1.541
TFL-CSR					-.62	.78	-1.938	.703	.14	.78	-1.175	1.453
Control-TFL					1.00	1.05	-.774	2.779	-.06	1.05	-1.824	1.712
Indirect Effect					<b>.91*</b>	<b>.72</b>	<b>.043</b>	<b>2.386</b>	.18	.60	-.687	1.284

**Table 16**  
**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes with Transformational Leadership Minus Individualized Consideration as Control**

	<u>Mediator (Community)</u>				<u>Strategic (n=40)</u>				<u>Social (n=40)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extr.-Servant	<b>.40*</b>	<b>.20</b>	<b>.064</b>	<b>.751</b>								
Servant-CSR					<b>1.54*</b>	<b>.70</b>	<b>.363</b>	<b>2.711</b>	.21	.70	-.983	1.397
TFL-CSR					-.79	.72	-2.003	.427	.33	.73	-.906	1.558
Extraversion-CSR					.67	.68	-.487	1.813	-.61	.69	-1.771	.560
Indirect Effect					<b>.63*</b>	<b>.45</b>	<b>.072</b>	<b>1.630</b>	.08	.32	-.297	.751
Agreeable-Servant	<b>.89**</b>	<b>.12</b>	<b>.662</b>	<b>1.123</b>								
Servant-CSR					<b>1.69**</b>	<b>.83</b>	<b>.001</b>	<b>3.382</b>	.24	.84	-1.188	1.660
TFL-CSR					-.55	.71	-2.114	1.019	.22	.78	-1.096	1.543
Agreeable-CSR					-.25	.97	-2.209	1.710	-.14	.98	-1.789	1.512
Indirect Effect					<b>1.51**</b>	<b>.68</b>	<b>.135</b>	<b>2.838</b>	.21	.72	-1.008	1.357
Consc.-Servant	<b>.70*</b>	<b>.49</b>	<b>-.119</b>	<b>1.509</b>								
Servant-CSR					<b>1.43*</b>	<b>.73</b>	<b>.200</b>	<b>2.672</b>	.25	.74	-1.003	1.507
TFL-CSR					-.53	.72	-1.750	.681	.13	.73	-1.108	1.360
Consc.-CSR					.99	1.54	-1.606	3.591	-.57	1.563	-3.209	2.067
Indirect Effect					<b>1.00*</b>	<b>.81</b>	<b>.031</b>	<b>2.483</b>	.18	.64	-.480	1.690
Stability-Servant	<b>.67**</b>	<b>.27</b>	<b>.120</b>	<b>1.219</b>								
Servant-CSR					<b>1.56**</b>	<b>.72</b>	<b>.127</b>	<b>3.032</b>	.81	.71	-1.131	1.312
TFL-CSR					-.62	.71	-2.072	.824	.13	.72	-1.084	1.341
Consc.-CSR					-.03	.94	-1.940	1.886	.60	.95	-1.005	2.199
Indirect Effect					<b>1.06**</b>	<b>.61</b>	<b>.098</b>	<b>2.571</b>	.06	.51	-.767	.886
Openness-Servant	<b>.71**</b>	<b>.29</b>	<b>.117</b>	<b>1.287</b>								
Servant-CSR					<b>1.53**</b>	<b>.70</b>	<b>.110</b>	<b>2.933</b>	.17	.71	-1.030	1.368
TFL-CSR					-.82	.727	-2.29	.651	.19	.75	-1.071	1.445
Control-TFL					1.01	1.02	-1.051	3.081	-.04	1.04	-1.082	1.723
Indirect Effect					<b>1.07**</b>	<b>.71</b>	<b>.109</b>	<b>3.043</b>	.12	.53	-.578	1.143

**Table 17**  
**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes with Transformational Leadership as Control**

	<u>Mediator (Sub. Support)</u>				<u>Strategic (n=40)</u>				<u>Social (n=40)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extr.-Servant	<b>.34*</b>	<b>.20</b>	<b>.007</b>	<b>.669</b>								
Servant-CSR					1.15	.77	-.161	2.454	.68	.75	-.594	1.945
TFL-CSR					-.40	.74	-1.647	.8551	.03	.72	-1.187	1.245
Extraversion-CSR					.72	.70	-.4660	1.901	-.60	.68	-1.753	.546
Indirect Effect					.39	.42	-.038	1.394	.23	.33	-0.084	1.034
Agreeable-Servant	<b>.86*</b>	<b>.10</b>	<b>.687</b>	<b>1.040</b>								
Servant-CSR					1.14	.93	-.430	2.716	1.02	.90	-.492	2.533
TFL-CSR					-.19	.80	-1.538	1.627	.08	.77	-1.214	1.383
Agreeable-CSR					-.01	1.04	-1.778	1.749	-.70	1.00	-2.394	.997
Indirect Effect					.99	.85	-.358	2.387	.88	.77	-.242	2.278
Consc.-Servant	.63	.46	-.145	1.407								
Servant-CSR					.95	.81	-.406	2.314	.80	.78	.525	2.123
TFL-CSR					-.09	.73	-1.316	1.130	-.21	.71	-1.400	.988
Consc.-CSR					1.35	1.57	-1.293	4.001	-.85	1.53	-3.426	1.727
Indirect Effect					.60	.75	-.107	2.540	.50	.80	-.123	2.747
Stability-Servant	<b>.87*</b>	<b>.24</b>	<b>.459</b>	<b>1.268</b>								
Servant-CSR					1.21	.84	-.208	2.636	.59	.82	-.786	1.968
TFL-CSR					-.19	.72	-.414	1.029	.14	.70	-1.325	1.039
Consc.-CSR					-.26	1.04	-2.020	1.490	.32	1.01	-1.376	2.021
Indirect Effect					<b>1.05*</b>	<b>.76</b>	<b>.021</b>	<b>2.501</b>	.51	.68	-.398	1.830
Openness-Servant	<b>.60*</b>	<b>.28</b>	<b>.131</b>	<b>1.071</b>								
Servant-CSR					1.12	.77	-.188	2.247	.69	.76	-.598	1.969
TFL-CSR					-.41	.75	-1.672	2.835	-.13	.73	-1.365	1.106
Control-TFL					1.08	1.04	-.683	2.835	-.07	1.02	-1.792	1.662
Indirect Effect					.67	.61	-.023	2.038	.41	.51	-.125	1.641

**Table 18**  
**Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes with Transformational Leadership minus Individualized Consideration as Control**

	<u>Mediator (Sub. Support)</u>				<u>Strategic (n=40)</u>				<u>Social (n=40)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extr.-Servant	<b>.34*</b>	<b>.20</b>	<b>.007</b>	<b>.669</b>								
Servant-CSR					1.21	.74	-.045	2.457	.70	.72	-.515	1.922
TFL-CSR					-.51	.74	-1.761	.731	-.01	.72	-1.224	1.205
Extraversion-CSR					.75	.70	-.432	1.930	-.59	.68	-1.744	.556
Indirect Effect					.41	.42	-.0231	1.410	.24	.33	-.075	1.043
Agreeable-Servant	<b>.86*</b>	<b>.10</b>	<b>.687</b>	<b>1.040</b>								
Servant-CSR					1.18	.92	-.371	2.738	1.05	.89	-.451	2.542
TFL-CSR					-.32	.79	-1.642	1.012	.02	.76	-1.256	1.301
Agreeable-CSR					.04	1.03	-1.691	1.781	-.66	.99	-2.336	1.001
Indirect Effect					1.02	.85	-.378	2.423	.90	.77	-.217	2.293
Consc.-Servant	.63	.46	-.145	1.407								
Servant-CSR					1.03	.78	-.284	2.337	.82	.76	-.453	2.010
TFL-CSR					-.20	.73	-1.419	1.036	-.25	.71	-1.447	.943
Consc.-CSR					1.31	1.57	-1.344	3.964	-.88	1.53	-3.46	1.707
Indirect Effect					.65	.75	-.096	2.572	.52	.80	-.122	2.772
Stability-Servant	<b>.87*</b>	<b>.24</b>	<b>.459</b>	<b>1.268</b>								
Servant-CSR					1.29	.82	-0.89	2.676	.60	.79	-.734	1.944
TFL-CSR					-.31	.72	-1.530	.9102	.17	.70	-1.351	1.009
Consc.-CSR					-.28	1.04	-2.033	1.474	.31	1.01	-1.351	1.001
Indirect Effect					<b>1.12*</b>	<b>.74</b>	<b>.0912</b>	<b>2.250</b>	.52	.68	-.368	1.862
Openness-Servant	<b>.60*</b>	<b>.28</b>	<b>.131</b>	<b>1.071</b>								
Servant-CSR					1.19	.74	-.065	2.437	.70	.73	-.528	1.936
TFL-CSR					-.55	.75	-1.811	.707	-.17	.73	-1.410	1.072
Control-TFL					1.14	1.04	-6.18	2.909	-.05	1.03	-1.782	1.692
Indirect Effect					<b>.71*</b>	<b>.61</b>	<b>.018</b>	<b>2.086</b>	.42	.51	-1.03	1.675

## **CHAPTER 7**

### **GENERAL DISCUSSION**

In this dissertation, I investigated the relationship between CEO personality and CSR engagement. I found that the majority of personality traits with the exception of conscientiousness had an indirect effect on CSR engagement through servant leadership in top managers. That is, I found servant leadership to be the driving force through which personality manifests itself into CSR engagement, but for strategic CSR only, and not social CSR. This unexpected finding that servant leadership is primarily manifested in strategic CSR will be discussed in subsequent sections of this study. One interesting finding in this study was that the degree of discretion given to the top manager had no influence on this relationship meaning that servant leaders with both high and low autonomy were able to implement CSR within their organization and throughout the community as reflected in their KLD ratings. This suggests that managerial discretion is not a boundary condition to the limits of what servant leaders can accomplish concerning sustainability practices. Furthermore, I found that when transformational leadership is present, this effect on CSR is partially mitigated. Finally, closer inspection of the individual attributes of servant leadership indicates that community relations and subordinate support are the primary mechanisms through which these types of leaders direct their personality into strategic action. These findings are further elaborated upon in the following sections of this study.

This study, to the best of my knowledge, is the first to examine the relationship between CEO personality and CSR when mediated through servant leadership. This dissertation contributes to the literature in personality and strategic leadership by investigating how proximal antecedents such as servant leadership mediate the effects of distal personality traits on CSR engagement. In doing so, this dissertation addresses the call for leadership research to further differentiate among the diverse forms of leadership (Avolio, 2007) while addressing the antecedents of servant leadership (Peterson et al., 2012). I now elaborate in greater detail on the theoretical implications to the theories or body of work which served as foundation to this dissertation, namely, upper echelons theory, servant leadership, and personality assessment.

## **Theoretical Implications**

**Upper echelons theory.** The underlying rationale supporting upper echelons theory as proposed by Hambrick and Mason (1984) is that strategic decision making and organizational outcomes are a reflection of the characteristics of the firm's top management team, in particular, those concerning their beliefs, values, and personality. Given the relative salience and importance of the CEO within the organization (cf. Hambrick & Quigley, 2014; Lovelace, Bundy, Hambrick, & Pollock, 2017), further research examining how the top manager's personality and value system (Hambrick, 2007) influences CSR engagement through leadership remains an unexplored area of upper echelons research (Waldman & Siegel, 2008). Previous research in upper echelons theory has often relied on investigating observable characteristics serving as surrogates for personality such as age, education, functional experience, and gender (for a review, see Yamak, Nielsen, & Escribá-Esteve, 2014). By directly investigating executive personality, the findings of this dissertation have numerous implications for upper echelons research and in particular, strategic leadership. These are subsequently discussed.

The findings from this study illustrate that CEOs vary in their respective personality traits with respect to engaging in CSR. This suggests that within the upper echelons literature, some personality traits matter more than others depending on which focal criteria is being investigated. For example, while personality was found by Herrmann and Nadkarni (2010) to influence strategic change, each of the Big Five predictors were approximately equivalent in their effect sizes. Concerning this study, extraversion was found to be a significant predictor of CSR and its indirect effect was marginal at best. Agreeableness however was found to not only have the largest effect size, it also experienced the highest levels of significance relative to the other Big Five traits.

Concerning the moderating influence of managerial discretion, it was found that regardless of the high or low levels of discretion afforded to the top manager, no evidence was found for this to be true. This was surprising given that this is a cornerstone of upper echelons theory which states that managerial characteristics will become more salient as the top manager's authority increases. When investigating managerial tenure, I again found that there was an overall decrease in effect sizes as tenure increased indicating a downward trend. Despite not finding any significant moderating effect for these variables, managerial power remains a central tenet to upper echelons theory. Future studies in this field investigating leadership as a mediator between managerial characteristics and organizational criteria should continue to examine the potential boundary conditions of these complex models.

Finally, the implications from this study illustrate that not only can personality traits be validly assessed through the use of zero-acquaintance methods, leadership can be assessed as well through employing these similar practices. Similar research investigating the effects of narcissism on CSR engagement by Petrenko, Aime, Ridge, and Hill (2016) has recently illustrated the utility of observer ratings of personality in large-sample studies. Extending this methodology to assess leadership in top executives holds great promise given the abundance of information within the public domain for these focal CEOs both in text and sources of video. This allows upper echelons research to directly assess a top executive's psychological characteristics and leadership style, thus granting scholarship a better understanding of these processes which lead to organizational criteria.

**Servant leadership theory.** Servant leadership at the executive level is a relatively understudied area (with the exception of Peterson et al. 2012; Reed et al., 2011). While previous research in this domain of leadership has investigated micro-oriented organizational criteria such as organizational commitment (Liden et al., 2008), organizational citizenship behaviors (OCBs; Ehrhart, 2004), and team effectiveness (Mayer et al., 2008), this dissertation explored this leadership concept at the organizational level. In doing so, it aims to guide scholarship in the area of executive servant leadership by enabling research toward macro-oriented outcomes such as CSR engagement.

By going beyond previous research which has primarily examined the effects of servant leadership on organizational criteria, this dissertation jointly investigated its antecedents as well as its consequences. By examining how each Big Five personality traits are related to servant leadership, this dissertation contributes to the literature in this field by answering the call by Liden et al. (2014) for research to empirically distinguish between the antecedents of this leadership concept. Although Liden and colleagues listed broad leader characteristics such as emotional intelligence, narcissism, and prosocial identity which are purported antecedents to servant leadership, this study utilized a broad taxonomic personality structure. In doing so, this enables future research to incorporate the Big Five as a platform to further investigate these finer-grained personality concepts as potential antecedents.

Concerning the outcomes associated with servant leadership, the findings from this study suggests that servant leadership affects CSR initiatives in a different manner depending on which facets serve as a mediator. Despite the finding that servant leadership primarily affects strategic CSR engagement, it was found that the facet of subordinate support had an indirect effect on social

CSR suggesting that executive servant leaders affect CSR initiatives within the organization. For example, servant leaders can implement diversity and maintain positive union relations when they direct their efforts through interpersonal relationships with stakeholders as investigated through the dimension of subordinate support. Overall, while servant leadership is based on interpersonal acceptance and providing stewardship (Van Dierendonck, 2011), it appears that at the executive level, servant leaders have a greater impact outside of the organization as evidenced by the findings in this study.

Finally, this dissertation aimed to augment previous research which examined the fundamental differences between servant leadership and transformational leadership (Parolini et al., 2009; Stone et al., 2004) by empirically examining the latter construct as a potential confound within the model. Overall, by controlling for transformational leadership, servant leaders were found to engage stakeholders within the broader community over and above that their transformational counterparts. Thus, the implications from this study aim to guide scholarship in this domain by helping to differentiate the unique outcomes associated with each leadership style. In summary, the findings from this study lay the groundwork for future research examining how servant leadership influences CSR engagement.

**Personality assessment.** In this study, we assessed both personality and leadership utilizing zero-acquaintance methodology which allowed observers to evaluate these concepts in a non-obtrusive manner. Doing so addressed many inherent biases associated with traditional survey measures in which previous research has been extensively documented. Examples of these biases include social desirability biases, impression management, and low participation rates among top management. The use of zero-acquaintance assessment thus attempts to alleviate this concern. This argument is further supported by Connolly et al. (2007) who note that when assessing historical figures or leaders who are inaccessible to participate through self-report questionnaires, observer ratings can provide valuable insight into their personality.

Going beyond the use of CEO biographies, articles appearing within the popular press, and other traditional print media outlets, the present study builds on previous leadership studies by House et al. (1991) and Peterson et al. (2003) by incorporating the use of video. Furthermore, the present study supports existing theory and research by claiming that the accuracy of personality assessment not only increases based on familiarity with the target, but with the level of information provided to raters as well (Borkenau & Liebler, 1992; McCrae et al., 1986; Vazire & Carlson,

2011) as evidenced by the findings in a prior validation sample. Not only were we able to measure personality in these top executives, we were also able to assess leadership in a similar fashion by achieving high interrater agreement as evidenced by their significant values for both ICC and Pearson's  $r$  correlations. These findings imply that the use of readily available video within the public domain remains a valuable resource to researchers wishing to analyze the personality and leadership styles of top management.

### **Direct Effect on CSR**

One surprising finding in this study was the lack of a direct effect between any of the Big Five traits and either strategic or social dimensions of CSR. Despite the compelling rationale that many of these traits were expected to exhibit at least a marginally significant relationship with CSR engagement, the low zero-order correlations and the nonsignificant direct effects reported in the main study failed to support Hypotheses 1-5. Given that this lack of support was consistent across all personality traits, it may be reasonable to conclude that servant leadership indeed functions as a proximal mechanism (Barrick & Mount, 2005; Ng et al., 2008; Tay et al., 2006) through which the values, beliefs, and overall character of a leader are manifested.

Ultimately, these servant leadership actions and behaviors subsequently influence CSR engagement. For example, it is possible that altruistic, caring, and creative leaders, as evidenced by high levels of agreeableness and openness to experience, need to convey these principles and values to the organization and its stakeholders through servant leadership actions. In other words, as Waldman and Siegel (2008) noted, leaders who feel obligated to be fair and do the right thing, and who are guided by an inner moral compass will express themselves through leadership actions and behaviors to accomplish their objectives. This finding again underscores that servant leadership is necessary to communicate the inner values, beliefs, and personality of these top managers into promoting CSR within and outside of the organization.

Another possible explanation for the lack of a direct effect between CEO personality and CSR engagement may be attributed to a nonlinear relationship between these two variables. To investigate this possibility in greater detail, I examined whether a curvilinear and/or inverse relationship accounted for the initial lack of a direct effect. For example, it may have been possible that the cooperative, open, and social nature associated with agreeable leaders (Bono & Judge 2004) is positively related to increased strategic and social CSR engagement, but if the leader is too agreeable, this may promote passivity, conflict avoidance, and deferring one's opinions to

others at any cost. This in turn could inhibit any significant and/or controversial CSR-oriented decisions. To lend support to this claim, similar research in this area by Herrman and Nadkarni (2013) found that CEOs scoring higher on this trait were negatively associated with strategic change. Further examination of this possibility however failed to reveal any curvilinear relationship between any of the Big Five and CSR engagement.

### **Direct Effect and Managerial Discretion**

Despite the logic presented in Hypothesis 11 that managerial discretion would moderate the relationship between executive personality and CSR engagement, I found no support for this claim. One reason why managerial discretion had no moderating influence can be reconciled by prior theory stating that dispositional antecedents such as personality affect organizational criteria through leadership behaviors and therefore cannot be understated. That is, executive personality traits must first be expressed through actions and behaviors such as servant leadership in order to have an effect on CSR engagement, irrespective of the level of discretion or authority granted to the CEO. Take for example a CEO scoring high on agreeableness. While it is expected that the courteous, compassionate, and agreeable nature associated with this trait would be reflected in CSR criteria such as having positive community relations, providing stewardship, and interpersonal acceptance of followers, these traits must be expressed and manifested in servant leader behavior prior to influencing CSR initiatives. Therefore, the importance of servant leadership as an intervening mechanism cannot be understated within this study; this is subsequently discussed in the next section.

### **Indirect Effect**

Although it was hypothesized that servant leadership would partially mediate the relationship between the Big Five and CSR engagement, I found this leadership style to only have an indirect effect. While this finding did not run contrary to Hypotheses 6-10, it was nonetheless a more restrictive intervening process based on the previously expected direct effect which failed to materialize. That is, given the prior theory presented which suggested partial mediation, this assumption was based on having a significant direct effect (Path C), but this was not the case. Overall, this finding is best summarized by Mathieu and Taylor (2006) who note: "...there are very few instances where researchers actually hypothesized a priori that the total X→Y relationship would be non-significant" (p. 1041).

Despite this non-significance, the importance of servant leadership having an intervening process as a proximal mechanism to distal personality traits on CSR engagement cannot be understated. According to Zhao et al. (2010), establishing a direct effect should not be a prerequisite to establishing mediation given the importance of the indirect effect. In particular, the authors claim that abandoning a research endeavor on these grounds often overlooks a potential indirect effect which can further explain the causal sequence among variables. Furthermore, Shrout and Bolger (2002) contend that this is notably true when studying distal processes given that bivariate tests or zero-order correlations of these variables have a limited power to detect significant effects. Given this reasoning, the impact of servant leadership on the relationship between the Big Five and CSR engagement was examined regardless of the presence of a direct effect. In the following section, I will further discuss these findings for the mediating influence of servant leadership on each of the Big Five personality traits.

### **Extraversion**

Concerning this personality trait, despite not finding any direct effect with CSR, I found support for extraversion having an indirect effect on and both strategic and social dimensions of CSR. However, the level of significance for this effect was marginal at best. As previously mentioned, extraverts are often talkative, sociable, and people-oriented, but they may have a tendency to be assertive, forceful, and domineering (Goldberg, 1990; McCrae & Costa, 1995). Perhaps, the positive emotionality aspect of extraversion, namely social attention (Ashton et al., 2002), enables these types of leaders to be sociable while at the same time being proactive enough to engage stakeholders both within and outside of the organization. Overall, support for this hypothesis suggests that being outgoing, talkative, and sociable, is an antecedent to servant leadership in general.

In addition, this finding suggests that these types of leaders are associated with team-oriented cultures (Judge & Cable, 1997) which enable discursive dialog among employees and stakeholders outside the organization as well. Rather than leading from the sidelines, servant leaders at the executive level invite constructive criticism, encourage extensive debate, and welcome input from all levels within the organizational hierarchy. An example of this type of servant leadership behavior associated with high levels of extraversion in a CEO is the former CEO and chairperson of International Business Machines (IBM) Corporation, Sam Palmisano. In this case, Mr. Palmisano spent much of his time engaging employees at all levels within the

company for advice concerning both internal and strategic matters. Furthermore, he was known to lead by example and spend considerable time personally meeting clients both locally and worldwide. This again illustrates how extraversion is a driver of the interpersonal aspect of servant leadership in general.

One potential issue concerning the significance of the indirect effect for this personality trait concerns magnitude. Despite the highly significant indirect effect reported for extraversion on strategic CSR (.24,  $p < .01$ ), in addition to this being the only personality trait to have a significant indirect effect on social CSR (.15,  $p < .10$ ), its magnitude remained minor in relation to other personality traits<sup>11</sup>. A possible explanation for this small effect size may be explained by closer inspection of the dimensions of this personality trait. Further investigation of extraversion by DeYoung et al. (2007) found this trait to partition into two aspects or factors labeled “enthusiasm” and “assertiveness” with the former being characterized by friendliness, warmth, and poise while the latter aspect is associated with leadership, agency, and gregariousness. Thus it may be possible that raters observed the more salient attributes of extraversion associated with assertiveness and paid less attention to attributes related to being sociable and kind which are inherent to servant leaders. While further examination of the sub-dimensions of this trait remain beyond the scope of this study, further investigation of this trait, particularly its individual facets may help explain this small effect size.

### **Agreeableness**

The findings for the indirect effect of agreeableness were consistent with previous research by Van Dierendonck and Patterson (2015) who hypothesized that agreeableness would be the most significant antecedent of servant leadership relative to the remaining Big Five traits given the large and significant indirect effect that was obtained. Furthermore, this finding lends support to previous research investigating agreeableness and its relationship to servant leadership (Hunter et al., 2013; Washington et al., 2006). Despite the finding that agreeableness was not found to have any direct effect on either dimension of CSR, I found this personality trait to have an indirect effect on CSR through servant leadership (Hypothesis 7) for the strategic dimension of this construct. Furthermore, this executive personality trait had the largest reported correlation between

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<sup>11</sup> It is important to note that in PROCESS, the indirect effect is determined by the product of the regression coefficients on Paths A and B while controlling for Path C. (Hayes, 2013). Therefore, it is possible to obtain a relatively small yet highly significant indirect effect if the standard errors on both paths are relatively small compared to their respective coefficients.

agreeableness and servant leadership (Path A), suggesting that agreeableness plays an important role as an antecedent to this leadership concept. Despite the fact that agreeableness did not have an indirect effect on social CSR through this personality trait, it had a strong and significant indirect effect on strategic CSR. This unexpected finding is subsequently discussed.

A typical example of agreeableness translating into servant leadership actions can be exemplified by the current CEO and chairperson of AFLAC Incorporated, Daniel Amos. Congruent with existing theory and research, Mr. Amos has exhibited servant leadership behaviors such as providing a friendly working climate, flexible work hours for employees, increased autonomy, and shown an overall interest for his employees on a daily basis. In particular, Mr. Amos was the first CEO of a publically traded company to allow shareholders an advisory role for the compensation policies of the top five members of the companies' board of directors (AFLAC, 2012). These actions along with his refusal to lay off a single employee has earned the company a spot on the *Fortune* 100 Best Companies to Work For list in 2012 (Tkaczyk, Keating, Konrad, Vandermey, & Kapelke, 2012). This servant leader behavior can be best exemplified by the reputation Mr. Amos has for successfully integrating business and CSR practices in his leadership style (Grillo, 2010). In summary, leaders who score high on agreeableness were found to be active with numerous stakeholders (Van Dierendonck, 2011) be less self-serving (Schmike et al., 2015), and provide a safe psychological environment for employees (Greenleaf, 1977) among others.

As previously mentioned, although agreeableness had a positive indirect effect on strategic CSR engagement, it was expected that servant leaders with high levels of this personality trait would have influenced its social dimension as well, however this was not the case. Given the altruistic nature inherent to agreeableness, this trait should have manifested itself into servant leader actions affecting both employee relations and workplace diversity initiatives which form the basis of social CSR. One possible explanation for this may be found in the findings contained in the post-hoc analysis of this dissertation.

Recall from Table 9, agreeableness had a relatively large indirect effect under the intervening mechanism of subordinate support for social CSR, but this trait had no significant indirect effect for any other servant leadership facets. This suggests that while agreeableness is primarily manifested through interpersonal relationships such as providing stewardship, this was strictly limited to this dimension of servant leadership. When subsumed under the aggregate construct of this leadership construct however, its magnitude was diminished.

Another explanation why this personality trait failed to influence social CSR can further be reconciled within the domain of upward influence (Kipnis & Schmidt, 1988). Concerning agreeableness, Cable and Judge (2003) found that middle managers scoring high on this personality trait were more likely to engage in coalition-building influence tactics while resisting those tactics which were confrontational in nature. This suggests that managers scoring high on this trait cooperate and unite with others to accomplish a collective outcome while avoiding pressure tactics and those which rely on formal organizational policies or rules when attempting to influence their respective leaders. The findings in this study have similar implications for the top managers examined in this study. Although the former study examined upward influence tactics in middle managers, it is expected that the same concepts will apply to executive servant leaders scoring high on agreeableness given their relation to stakeholders within the broader community in which the organization operates in terms of both organizational legitimacy and reputation (Deephouse & Carter, 2005; Lange, Lee, & Dai, 2011; Scherer & Palazzo, 2011) in addition to its license to operate within the broader community (Thorpe, & Prakash-Mani, 2003). That is, highly agreeable managers appear focus their servant leader behaviors toward stakeholders more within the community than within the organization. Given these findings in this study as well as the propensity for servant leaders at the executive level to engage the community as a whole (Reed et al., 2011), future research investigating how servant leaders interact with various stakeholders both inside and outside of the organization hold promise.

### **Conscientiousness**

One surprising finding in this study is the lack of any indirect effect of conscientiousness on either dimension of CSR. Although it was hypothesized that this trait would have an indirect effect on strategic CSR, the nonsignificant finding for this dimension was surprising given the underlying logic presented. In particular, it was hypothesized that servant leaders scoring high on conscientiousness would engage in strategic CSR given the planful, dutiful, and achievement-oriented nature associated with this trait. To reconcile these nonsignificant findings, I first examine both the statistical properties of this trait, namely skewness and kurtosis. Following this, I then offer a discussion. Finally, in addition to the statistical properties of conscientiousness, I examine related literature surrounding the conceptual definition and measurement of this personality trait.

To begin, closer inspection of conscientiousness indicates a rightward shift in the distribution of the respective scores for the CEOs in this sample. When examining its skewness,

we note a value of  $-.978$  which is within the acceptable range of  $\pm 1.0$  for most psychometric applications (George & Mallery, 2016). Although this value lies within the prescribed limits, the mean score for this variable (4.31) is higher than the other Big Five traits. Turning our attention to kurtosis, we report a value of 2.551 which lies outside the acceptable range of  $\pm 2.0$  for this variable (George & Mallery, 2016) and is thus considered to exhibit negative excess kurtosis.

Therefore, the relatively higher mean score and lower variance of .13 relative to the other Big Five personality traits reported in Table 4 may be ascribed to borderline skewness and excess negative kurtosis associated with the distribution of scores for conscientiousness and hence the nonsignificant indirect effect on CSR engagement. It is important to note however that while the Big Five trait of neuroticism experienced skewness values approaching the lower limit ( $-.985$ ), this appeared to have little or no effect on the magnitude or the level of the significance or its indirect effect on strategic CSR. These implications are now discussed.

One plausible explanation as to why the scores for conscientiousness had a relatively high score and flatter distribution may be explained by classic leadership theory advanced by Pfeffer (1977) who investigated leader effects and homogeneity. In this theoretical piece, Pfeffer (1977) describes how leaders are often selected to handle various contingences within the organization based on their previous abilities and competencies. In this case, leaders scoring high on conscientiousness are not only attracted to these high-profile positions, which involve great responsibility, but they are able to adapt and excel within these roles as well. In particular, Pfeffer (1977) contends that these types of leaders "...are likely to select themselves into organizations and roles based on their preferences for the dimensions of the organizational and role characteristics as perceived through these images" (p. 106). Given the great responsibility conferred to these top managers as well as the diverse managerial roles (Mintzberg, 1975) expected of them, scoring above average on this trait is not only expected, it is the norm in large organizations as evidenced in this dissertation. Furthermore, similar scores for conscientiousness in top managers reported by self-assessment were found by Herrmann and Nadkarni (2014) as well. Similar to the findings in this dissertation, Herrmann and Nadkarni (2014) found this trait to have the highest scores relative to the remaining Big Five personality traits. Therefore, these uniformly high scores for conscientiousness resulted in a lower variance for this construct which may have contributed to the nonsignificant findings for any indirect effect on CSR.

Another reason for the nonsignificant indirect effects of conscientiousness may lie in the conceptual and operational definition of the personality trait itself. On a sub-dimension level, Costa, McCrae, and Dye (1991) contend that this trait can be further subdivided into six factors or sub-dimensions consisting of competence, order, dutifulness, achievement striving, self-discipline, and deliberation. These facet scales exhibited high consistency and factor loadings were replicated in subsequent studies (cf. Roccas, Sagiv, Schwartz, & Knafo, 2002). In their discussion of this trait, Costa et al. (1991) contend that conscientiousness contains both proactive and inhibitive aspects. That is, they note that the facets of self-discipline and achievement orientation (Saucier & Ostendorf, 1999) in addition to work orientation are proactive aspects of this trait (Costa et al., 1991). Conversely, order, dutifulness, and deliberation suggest cautiousness, moral judgement, and adherence to established rules and regulations which can be perceived as inhibitive aspects of this trait. This was further validated in by Roccas et al. (2002) who investigated the unique facets of this personality trait on motivational values. In their study, Roccas et al. (2002) found that competence, achievement orientation, and self-discipline correlated with the motivational value of achievement while order, dutifulness, and deliberation/reflection were associated with the motivational value of conformation (following of norms and not agitating others). A similar study by Roberts, Chernyshenko, Stark, and Goldberg (2005) investigating the properties of this trait revealed differential relationships between the facets of conscientiousness and workplace criteria as well.

Taken together, the aforementioned findings from these studies suggest that the different facets of conscientiousness can not only either promote or inhibit organizational criteria, they can differentially affect CSR engagement. In relation to the current study, the proactive and inhibitive aspects of this personality trait may exert a countervailing influence on CSR engagement concerning both the direct and indirect effect on CSR. For example, it might be possible that the competence and achievement striving facets of conscientiousness have a positive influence on strategic CSR, notably on establishing corporate governance mechanisms, community involvement, and clean energy initiatives while the inhibitive aspects of this trait such as order and deliberation may hinder proactive CSR actions due to the cautious nature inherent to these facets. In the latter instance, these inhibitive aspects suggest adherence to established rules, regulations, and corporate ethical codes of conduct within the workplace which can inhibit the undertaking of novel initiatives.

In order to gain a better understanding of the interplay between the facets of conscientiousness and organizational criteria, future research within this area could focus on the individual aspects of this construct. Previous research within the domain of applied psychology (Paunonen, Haddock, Forsterling, & Keinonen, 2003) and organizational behavior (Ashton, 1998; Ekehammar & Akrami, 2007; Judge, Rodell, Klinger, Simon, & Crawford, 2013) has advocated the importance and utility of investigating facets of the Big Five as opposed to employing broad measures of these traits. In doing so, Paunonen et al. (2003) contend that not only does it afford greater accuracy in prediction, but it also improves the overall construct validity of these individual facet scales and other personality constructs.

### **Neuroticism**

Despite finding no evidence of a direct effect for neuroticism on either dimension of CSR (Hypothesis 4), I found partial support for Hypothesis 9 which posited an indirect effect through servant leadership on CSR, albeit on the strategic dimension only. Based on the attributes associated with this trait which include nervousness, hostility, anxiety, and pessimism among others, I would have expected that emotionally stable leaders would have a direct influence on some form of social CSR engagement. However, neuroticism only influenced strategic CSR through servant leadership behaviors.

In this study, it was found that neuroticism had an indirect effect on strategic CSR engagement when servant leadership was an intervening mechanism. This implies that emotionally stable CEOs have the stability and decisiveness to provide stewardship and direction to subordinates as outlined by Van Dierendonek (2011). An example of a servant leader in this study with low neuroticism is the former chairperson and CEO of Tyco International, Edward Breen. Following the aftermath of the corporate scandal involving Tyco's predecessor Dennis Kozlowski, Breen spent the next several years restoring the companies' tarnished image and returning the company to profitability. In particular, one defining characteristic was Breen's emotionally stable character which enabled him to restore confidence with employees and outside stakeholders, be authentic with himself and others, practicing humility, and being easily approachable by all members within the organization. As quoted by Breen: "I keep in mind that any problem can be resolved. It might be ugly, but that's the mindset I went into this with. I'm not afraid to make decisions and I'm not afraid to make a few mistakes along the way" (as cited in Vanourek & Vanourek, 2012). Congruent with the reasoning presented in Hypothesis 7, servant leaders who

are emotionally stable will have the character, stability, and decisiveness to implement and maintain CSR initiatives such as implementing diversity policies, adherence to one's ethical principles, and enacting superior corporate governance mechanisms. Despite this rationale, neuroticism did not have an indirect effect on social CSR engagement.

Research investigating upward influence tactics (Cable & Judge, 2003) may offer an explanation for why social CSR was not affected by servant leadership. In their study, Cable and Judge (2003) found that low levels of neuroticism in middle managers was positively related to upward influence tactics of inspirational appeal, ingratiation, and personal appeal while at the same time showing a positive association with rational persuasion. This may suggest that emotionally stable leaders utilize servant leadership as a means of community engagement through rational persuasion and discursive dialog with stakeholders while being less inwardly focused toward the organization and subordinates. That is, socially-oriented CSR actions such as involving employees in profit sharing and stock ownership could be less of a priority given the preference for these types of leaders to engage stakeholders within the community as a whole. Further investigation of this personality trait and its relationship to micro-oriented organizational outcomes hold promise for future research.

### **Openness to Experience**

Consistent with the findings for the previous hypotheses, I found no support for any direct effect between this personality trait and either dimension of CSR (Hypothesis 5), however I found servant leadership to have an intervening effect on this personality trait and its relation to strategic CSR thus lending partial support to Hypothesis 10. That is, despite the focus of social CSR being directed toward micro-oriented actions within the organization such as board diversity and employee relations, servant leaders scoring higher on this trait were instead found to have higher KLD scores in CSR activity outside the organization in the form of strategic CSR. Given the likelihood that being original, creative, and daring (McCrae & Costa, 1987) would facilitate servant leadership actions such as empowering subordinates and taking strategic risks in challenging the status quo (McCrae, 1994), it was expected that servant leaders high on openness to experience would have had an impact on CSR initiatives across organizational boundaries. Nonetheless, servant leaders of these large organizations who scored high on this personality trait were associated with strategic or macro elements of CSR such as being environmentally friendly,

employing equitable and transparent corporate governance mechanisms, and better community relations.

An example of a high degree of openness to experience in servant leadership can be exemplified by the CEO and chairperson of Starbucks Incorporated, Howard Schultz. Under his leadership, Mr. Schultz has prioritized the success and well-being of employees, supported local merchants and suppliers, exhibited high levels of authenticity toward subordinates, and solicited suggestions and ideas of how to improve the company from employees at all levels within the organization and from customers as well. Furthermore, Mr. Schultz has established the Starbucks Foundation focusing on sustainability, ethical and fair sourcing coffee products, recycling initiatives, and improving the welfare of members of the local community in which Starbucks operates (Starbucks Global Responsibility Report, 2011). To summarize, Mr. Schultz's leadership toward the company can best be summarized by the following quote from the CEO himself: "I do not believe that shareholder value is sustainable if you are not creating value for the people who are doing the work and then value for customers" (as cited in Ignatius, 2010, p. 113).

Relating to the underlying theory presented in Hypothesis 10, high level of openness to experience which is characterized by creativity, challenging of the status quo, and initiating novel ideas, was expected to lead to servant leader behaviors such as interpersonal acceptance of subordinates, being receptive to suggestions from others, and being authentic, as posited by Van Dierendonck (2011). Despite servant leadership having an intervening effect on the relationship between openness to experience and strategic CSR, this personality trait had no effect on its social dimension.

One reason for the finding why openness in top executives is primarily manifested strategically may be explained by a similar study by Deinert et al. (2015) who found openness to experience to have the strongest meta-analytic correlation with transformational leadership. Recall that the primary conceptual difference between servant and transformational leadership is the inward focus of transformational leadership on the organization relative to that of servant leadership, which is more outwardly focused (Parolini et al., 2009; Stone et al., 2004). As a consequence, servant leaders who score high on openness to experience may direct their resourcefulness and creativity toward stakeholders externally rather than toward those within the organization given their proclivity to emphasize stewardship and engage the broader community. As will be further elaborated upon in the post-hoc discussion of this dissertation, servant leaders

with high levels of openness to experience tend to focus their efforts on strategic CSR engagement through the intervening mechanism of building community. I now focus on the moderating influence of managerial discretion in this study.

### **Managerial Discretion**

Contrary to Hypotheses 11 and 12, I found no evidence that managerial discretion moderated the relationship between the Big Five and either strategic or social CSR engagement or through moderated mediation of servant leadership on any dimension of CSR as well. One possible explanation for this lack of a moderating influence may be explained by the model itself. As previously mentioned, testing the moderating influence of managerial discretion utilized PROCESS Model 8 by placing the moderator on Path A (Big Five to servant leadership) and on Path C (direct effect). Recall from Chapter 3 that contextual influences were posited to either mitigate or strengthen how personality was expressed into organizational criteria. Relying on Ng et al. (2008) as guidance, personality influenced leader effectiveness through leadership self-efficacy (LSE) with autonomy as a moderator being placed on Paths A and B. In particular, it was expected that managerial discretion would have either constrained or magnified the relationship between the Big Five on servant leadership prior to influencing both dimensions of CSR. Doing so leaves open the possibility that these non-significant findings may be a consequence of the placement of managerial discretion within the model. That is, it may be possible that although managerial discretion did not influence the relationship between CEO personality and CSR engagement when placed between the Big Five and servant leadership, it may still influence this relationship when placing the moderator of managerial discretion between servant leadership and CSR engagement. In this scenario, managerial discretion would affect the magnitude of servant leadership on both dimensions of CSR engagement.

One compelling reason for placing the moderator on the relationship between personality and servant leadership can be traced to prior theory by Mishel (1977) and Weiss and Adler (1984) who note that the strength of a situation inhibits the freedom of an individual to act in a particular manner. Concerning this study, however, it is plausible that managerial discretion may have had more of an influence on the relationship between servant leadership and CSR engagement (Path B) instead. Recall that from prior theory, servant leaders are characterized as being altruistic, having a concern for others, providing stewardship, engaging in moral and ethical reasoning, and interpersonal acceptance of others (Graham, 1991; Greenleaf, 1977, Van Dierendonck, 2011). This

begs the question why would managerial discretion influence who a servant leader is. That is, would the degree of authority and power afforded to the top manager influence whether she exhibits servant leader behaviors such as being approachable, supportive of others, encouraging debate, being cooperative, and listening to subordinates' perspectives? To help answer this question, I referred back to the executive servant leadership scale found in Appendix C of this study.

When examining the majority of the dimensions and their respective items in this scale, it appears that the majority of these items were not contingent on the CEO's level of discretion when coding for this leadership concept. Take for example the Big Five personality trait of agreeableness. A CEO scoring high on this trait may need greater discretion to enact stringent measures of transparency as well as being able to invite criticism from subordinates. However for the majority of the other items subsumed under the dimensions of altruism, egalitarianism, building community, and subordinate support, this does not appear necessary. Sample items include providing dignity and respect, valuing diversity, recognizing low morale, admitting mistakes, and sacrificing personal benefit, these do not appear contingent on the level of managerial discretion.

Turning our attention to Path B of this model, I now examine whether managerial discretion influences the relationship between servant leadership and CSR engagement (Path B). As previously surmised, the notion argued by Hambrick (2007) is that managerial characteristics have a greater influence on corporate strategy and performance under circumstances where the CEO has greater discretion. More interestingly, it has been shown in prior research in the field of upper echelons theory that managerial discretion or power influences the relationship between executive characteristics and organizational performance (Crossland & Hambrick, 2007; Daily & Johnson, 1997; Finkelstein & Hambrick, 1990).

In particular, Daily and Johnson (1997) argue that the success resulting from performance is contingent on the strategic choices the CEO is able to make. By extension, the concept of organizational performance is thus considered to be a result of strategic choice and action. Therefore, allowing managerial characteristics to be manifested through leadership on organizational outcomes may be contingent on the degree of discretion given to the CEO.

As previously mentioned, by examining the concept of managerial discretion in greater detail, this concept may be contingent on where discretion moderates the relationship between CEO attributes and organizational criteria. Given that very few empirical studies in upper echelons

theory have employed empirical testing utilizing moderated mediation analysis involving managerial discretion, guidance from prior studies of this nature is lacking. By placing the moderator of managerial discretion on Path B, this would still take into account how managerial discretion influences the relationship between executive personality and CSR engagement by capturing the magnitude of the proximal antecedent, servant leadership, on CSR engagement.

Table 19 reports the findings for the moderating influence of managerial discretion employing PROCESS Model 15. One noticeable finding is the significant indirect effect of moderated mediation for extraversion (*point estimate* = .25, *SE* = .16, *CI*<sub>95%</sub> = .021, .672) and openness to experience (*point estimate* = .80, *SE* = .40, *CI*<sub>95%</sub> = .016, 1.570) based on the significant interaction terms of managerial discretion on Path B (servant leadership to CSR). Moreover, it is worth noting that although the interaction term on Path B for conscientiousness was significant (*point estimate* = .66, *SE* = .35, *CI*<sub>90%</sub> = .072, 1.253), it had no significant indirect effect on social CSR due to the lack of a significant effect on the mediator. Finally, when examining whether managerial discretion moderated the direct effect (Path C) of the Big Five on CSR, I found no evidence to support this claim based on the non-significant interaction terms for this construct. Thus, this confirms that irrespective of the degree of autonomy given to the CEO, servant leadership must serve as an intervening mechanism between the association between personality and CSR engagement.

Finally, I examine some alternative theoretical explanations to assess whether the choice of variables used to assess managerial discretion fully captures this concept utilizing Model 15 in PROCESS. Recall from Chapter 4 that discretion was assessed by a two-factor principal components solution involving CEO duality and relative salary. It may be possible that relative salary, which is often used to assess hubris (Hayward & Hambrick, 1997; Jiang, Stone, Sun, & Zhang, 2011) and narcissism (Chatterjee & Hambrick, 2007), may not fully capture the CEO's relative power and discretion either within or outside of the organization. In an additional analysis, I examined CEO duality as a proxy for managerial discretion. As reported in Table 20, the interaction effect sizes between servant leadership and social CSR are significant for extraversion (*point estimate* = 1.89, *SE* = .90, *CI*<sub>90%</sub> = .384, 3.393), conscientiousness (*point estimate* = 1.60, *SE* = .85, *CI*<sub>90%</sub> = .194, 3.003), and openness to experience (*point estimate* = 1.88, *SE* = 1.08, *CI*<sub>90%</sub> = .085, 3.682). However their level of significance remains slightly lower relative to the two-factor construct employed in Table 19. By adding the additional factor of relative compensation to CEO

duality, this produces similar effect sizes and a higher level of significance for the indirect effects of these personality traits.

As an alternate measure for managerial discretion, I examined whether the focal CEO was the founder of the organization. The underlying rationale for testing founder status as a surrogate for managerial discretion is argued by Wu et al. (2015) who claim “When a CEO is a founder, he or she enjoys more freedom in making decisions and creating and implementing firm strategies than a non-founder CEO, because a founder CEO is less likely to be constrained by organizational routines and history” (p. 822). In addition, Wu et al. (2015) discovered that CEO founders moderated the relationship between ethical leadership and CSR. It has also been shown by Peterson et al. (2012) that CEO founders were more likely to be servant leaders themselves. Within this study, founder CEOs form approximately 9% of the sample. These findings are reported in Table 21 of this study. Overall, I find no significant interaction effects for servant leadership and managerial discretion on either strategic or social dimension of CSR indicating that there is a marked difference between founders relative to non-founders.

Despite the argument made by upper echelons theory that top executive characteristics become more pronounced with increased discretion afforded to the CEO, it has been argued that the opposite holds true for managerial tenure. Although managerial tenure is associated with increased discretion (Finkelstein & Hambrick, 1990), longer organizational tenure has been argued by Hambrick and Fukutomi (1991) to serve as a hindrance to the organization. The underlying logic presented by Hambrick and Fukutomi (1991) is that the longer the focal CEO remains in office, the greater the likelihood he will experience fatigue, boredom, and disinterest in the organization. This in turn will lead to the CEO engaging in fewer substantial strategic actions and initiatives leading to a decline in both the CEO’s effectiveness and organizational performance due to environmental conditions (Henderson, Miller, & Hambrick, 2006).

**Table 19**  
**Moderated Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes across Levels of**  
**Managerial Discretion**

	<u>Mediator</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.32*</b>	<b>.13</b>	<b>.096</b>	<b>.539</b>								
Servant-CSR					<b>.85*</b>	<b>.36</b>	<b>.246</b>	<b>1.457</b>	.41	.34	-.260	1.072
Servant x Discr.					.45	.39	-.194	1.104	<b>.78*</b>	<b>.36</b>	<b>.069</b>	<b>1.497</b>
Extrav. x Discr.					.08	.44	-.651	.805	-.45	.40	-1.254	.348
<u>Direct Effect</u>												
Low					-.09	.57	-1.030	.853	.12	.52	-.920	1.151
Baseline					-.01	.52	-.873	.850	-.34	.47	-1.284	.610
High					.06	.78	-1.22	1.351	-.79	.71	-2.207	.629
<u>Indirect Effect</u>												
Low					.13	.19	-.101	.531	-.12	.18	-.570	.151
Baseline					<b>.27*</b>	<b>.16</b>	<b>.073</b>	<b>.626</b>	.13	.14	-.056	.483
High					<b>.42*</b>	<b>.23</b>	<b>.134</b>	<b>.926</b>	<b>.38**</b>	<b>.23</b>	<b>.053</b>	<b>1.020</b>
Mod. Mediation					.15	.13	-.008	.443	<b>.25**</b>	<b>.16</b>	<b>.021</b>	<b>.672</b>
Agree-Servant	<b>1.03*</b>	<b>.08</b>	<b>.905</b>	<b>1.556</b>								
Servant-CSR					<b>.133*</b>	<b>.60</b>	<b>.339</b>	<b>2.325</b>	.76	.55	-.157	1.683
Servant x Discr.					.70	.78	-.606	2.000	.26	.73	-.951	1.463
Extrav. x Discr.					-.28	.94	-1.854	1.294	.70	.87	-.762	2.156
<u>Direct Effect</u>												
Low					-.49	1.29	-2.625	1.651	-1.32	1.19	-3.298	.665
Baseline					-.77	.77	-2.037	.504	-.62	.71	-1.780	.559
High					-1.05	-1.16	-2.947	.854	.08	1.60	-1.684	1.839

**Table 19 Contd.**

<u>Indirect Effect</u>											
Low				.65	1.12	-1.030	2.601	.52	1.02	-1.101	2.215
Baseline				<b>1.37*</b>	<b>.66</b>	<b>.278</b>	<b>2.466</b>	.79	.61	-.154	1.839
High				<b>2.09*</b>	<b>1.01</b>	<b>.575</b>	<b>3.877</b>	1.05	.99	-.394	2.856
Mod. Mediation				.72	.83	-.653	2.047	.26	.79	-1.007	1.614
Consc.-Servant	.30	.24	-.096	.692							
Servant-CSR				<b>.80*</b>	<b>.36</b>	<b>.213</b>	<b>1.392</b>	.33	.32	-.216	.869
Servant x Disc.				.42	.39	-.225	1.060	<b>.66*</b>	<b>.35</b>	<b>.072</b>	<b>1.253</b>
Consc. x Disc.				.52	.70	-.638	1.672	.95	.64	-.107	2.016
<u>Direct Effect</u>											
Low				.18	.97	-1.436	1.787	-.15	.89	-1.634	1.329
Baseline				.69	.87	-.755	2.141	.80	.80	-.529	2.133
High				1.21	1.24	-.855	3.276	1.76	1.14	-.142	3.665
<u>Indirect Effect</u>											
Low Discretion				.11	.19	-.058	.625	-.10	.17	-.538	-.051
Baseline				.24	.21	-.008	.722	.10	.14	-.028	.460
High				.36	.35	-.017	1.087	.30	.289	-.006	.990
Mod. Mediation				.12	.16	-.018	.560	.20	.18	-.006	.649
Stability-Serv.	<b>.85*</b>	<b>.15</b>	<b>.594</b>	<b>1.099</b>							
Servant-CSR				<b>.98*</b>	<b>.41</b>	<b>.301</b>	<b>1.649</b>	.41	.38	-.206	1.027
Servant x Disc.				.53	.48	-.275	1.330	.32	.44	-.409	1.059
Stabil. x Disc.				-.06	.56	-.995	.871	.85	.51	-.004	1.703
<u>Direct Effect</u>											
Low				-.41	.83	-1.785	.973	-1.04	.76	-2.302	.220
Baseline				-.47	.71	-1.651	.715	-.19	.65	-1.273	.891
High				-.53	.98	-2.155	1.094	.66	.89	-.828	2.145

**Table 19 Contd.**

<u>Indirect Effect</u>										
Low			<b>.38*</b>	<b>.46</b>	<b>-.351</b>	<b>1.147</b>	.07	.49	-.703	.895
Baseline			<b>.83*</b>	<b>.36</b>	<b>.345</b>	<b>1.054</b>	.35	.32	-.138	.887
High			<b>1.27*</b>	<b>.56</b>	<b>.543</b>	<b>2.307</b>	.62	.54	-.119	1.678
Mod. Mediation			.45	.37	-.039	1.128	.27	.41	-.400	.997
Open.-Servant	<b>.95*</b>	<b>.16</b>	<b>.686</b>	<b>1.224</b>						
Servant-CSR			<b>.72*</b>	<b>.41</b>	<b>.034</b>	<b>1.411</b>	.36	.39	-.400	1.130
Servant x Disc.			.44	.41	-.237	1.112	<b>.80**</b>	<b>.38</b>	<b>.0460</b>	<b>1.545</b>
Open. x Disc.			.35	.65	-.731	1.425	-.31	.60	-1.507	.890
<u>Direct Effect</u>										
Low			.14	1.08	-1.653	1.935	.31	1.00	-1.684	2.304
Baseline			<b>.72*</b>	<b>.41</b>	<b>.034</b>	<b>1.411</b>	.01	.72	-1.434	1.438
High			.83	.94	-.729	2.400	-.31	.88	-2.044	1.431
<u>Indirect Effect</u>										
Low			.27	.54	-.755	1.021	-.41	.57	-1.355	.791
Baseline			<b>.69*</b>	<b>.40</b>	<b>.134</b>	<b>1.445</b>	.35	.40	-.319	1.218
High			<b>1.11*</b>	<b>.55</b>	<b>.345</b>	<b>2.172</b>	<b>1.11**</b>	<b>.55</b>	<b>.196</b>	<b>2.438</b>
Mod. Mediation			.42	.37	-.100	1.092	<b>.80**</b>	<b>.40</b>	<b>.016</b>	<b>1.570</b>

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Values of low and high for moderators are +/- one standard deviation from the baseline mean. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification unless otherwise indicated (A, B, C, and indirect effect). \*P < 0.10, \*\*P < 0.05

**Table 20**  
**Moderated Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes across Levels of CEO Duality Status**

	<u>Mediator</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.32*</b>	<b>.13</b>	<b>.096</b>	<b>.539</b>								
Servant-CSR					.05	.90	-1.442	1.535	-1.08	.82	-2.446	.292
Servant x Discr.					1.01	.98	-.623	2.638	<b>1.89*</b>	<b>.90</b>	<b>.394</b>	<b>3.393</b>
Extrav. x Discr.					-.51	1.04	-2.229	1.217	-.92	.95	-2.502	.667
<u>Direct Effect</u>												
No Chair					.28	.82	-1.092	1.659	.40	.76	-.865	1.665
Duality					-.22	.62	-1.260	.814	-.51	.57	-1.471	.436
<u>Indirect Effect</u>												
No Chair					.01	.29	-.399	.535	-.34	.32	-1.053	.016
Duality					<b>.34*</b>	<b>.19</b>	<b>.099</b>	<b>.741</b>	<b>.26*</b>	<b>.17</b>	<b>.060</b>	<b>.670</b>
Mod. Mediation					.32	.34	-.069	1.064	<b>.60*</b>	<b>.40</b>	<b>.120</b>	<b>1.511</b>
Agree-Servant	<b>1.03*</b>	<b>.08</b>	<b>.905</b>	<b>1.556</b>								
Servant-CSR					.02	1.48	-2.442	2.483	-.10	1.37	-2.380	2.181
Servant x Discr.					1.57	1.62	-1.119	4.269	1.06	1.50	-1.437	3.551
Extrav. x Discr.					-1.11	2.04	-4.50	2.286	.92	1.89	-2.227	4.059
<u>Direct Effect</u>												
No Chair					.21	1.86	-2.891	3.302	-1.25	1.73	-4.118	1.618
Duality					-.90	.84	-2.290	.487	-.33	.77	-1.619	.953
<u>Indirect Effect</u>												
No Chair					.02	1.66	-2.723	2.667	-.10	1.51	-2.942	1.972
Duality					<b>1.64*</b>	<b>.72</b>	<b>.495</b>	<b>2.869</b>	.99	.670	-.006	2.198
Mod. Mediation					1.62	1.82	-1.255	4.672	1.09	1.65	-1.305	4.11

**Table 20 Contd.**

Consc.-Servant	.30	.24	-.096	.692								
Servant-CSR					.16	.84	-1.230	1.549	-.94	.76	-2.207	.330
Servant x Disc.					.82	.93	-.719	2.357	<b>1.60*</b>	<b>.85</b>	<b>.194</b>	<b>3.003</b>
Consc. x Disc.					.39	1.82	-2.631	3.402	2.54	1.66	-.210	5.300
<u>Direct Effect</u>												
No Chair					.28	1.50	-2.207	2.765	-1.28	1.37	-3.540	1.000
Duality					.67	1.03	-1.043	2.374	1.27	.94	-.285	2.835
<u>Indirect Effect</u>												
No Chair					.05	.27	-.228	.656	-.28	.31	-1.108	.021
Duality					.29	.26	-.018	.836	.20	.20	-.006	.688
Mod. Mediation					.24	.36	-.072	1.182	.48	.44	-.001	1.525
Stability-Serv.	<b>.85*</b>	<b>.15</b>	<b>.59</b>	<b>1.099</b>								
Servant-CSR					.08	.94	-1.493	1.644	-.54	.87	-1.988	.902
Servant x Disc.					1.10	1.05	-.641	2.834	1.23	.96	-.375	2.826
Stabil. x Disc.					-.78	1.55	-3.370	1.792	1.37	1.43	-1.004	3.753
<u>Direct Effect</u>												
No Chair					.24	1.32	-1.945	2.426	-1.14	1.21	-3.149	.877
Duality					-.55	.83	-1.922	.828	.24	.76	-1.028	1.506
<u>Indirect Effect</u>												
No Chair					.06	.70	-1.032	1.189	-.46	.84	-1.874	.803
Duality					<b>.99*</b>	<b>.40</b>	<b>.463</b>	<b>1.758</b>	<b>.58*</b>	<b>.34</b>	<b>.083</b>	<b>1.215</b>
Mod. Mediation					.93	.80	-.227	2.323	1.04	.92	-.283	2.651

**Table 20 Contd.**

Open.-Servant	<b>.95*</b>	<b>.16</b>	<b>.69</b>	<b>1.224</b>								
Servant-CSR					.24	1.08	-1.557	2.041	-1.10	1.00	-2.767	.567
Servant x Disc.					.61	1.17	-1.331	2.559	<b>1.88*</b>	<b>1.08</b>	<b>.085</b>	<b>3.682</b>
Open. x Disc.					.92	1.92	-2.273	4.112	-.58	1.78	-3.542	2.374
<u>Direct Effect</u>												
No Chair					-.21	1.72	-.3062	2.637	.44	1.59	-2.160	3.084
Duality					.71	.87	-.735	2.147	-.14	.80	-1.475	1.195
<u>Indirect Effect</u>												
No Chair					.23	.69	-1.134	1.102	-1.05	1.03	-2.782	.591
Duality					<b>.82*</b>	<b>.45</b>	<b>.117</b>	<b>1.648</b>	<b>.75*</b>	<b>.44</b>	<b>.145</b>	<b>1.596</b>
Mod. Mediation					.58	.82	-.530	2.102	<b>1.80*</b>	<b>1.14</b>	<b>.087</b>	<b>3.851</b>

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. No chair and Duality are dichotomous variables representing values of 1 and 0 respectively. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification unless otherwise indicated (A, B, C, and indirect effect).

**Table 21**  
**Moderated Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes across Founder and Non-Founder Status**

	<u>Mediator</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.32*</b>	<b>.13</b>	<b>.096</b>	<b>.539</b>								
Servant-CSR					1.04	.39	.398	1.686	.40	.37	-.205	1.017
Servant x Discr.					-.76	1.10	-2.588	1.072	.65	1.05	-1.083	2.392
Extrav. x Discr.					-1.24	1.95	-4.483	2.002	-.71	1.85	-3.791	2.366
<u>Direct Effect</u>												
No Founder					-.08	.51	-.929	.767	-.24	.48	-1.050	.561
Founder					-1.32	1.88	-4.451	1.809	-.96	1.8	-3.929	2.014
<u>Indirect Effect</u>												
No Founder					<b>.33*</b>	<b>.18</b>	<b>.110</b>	<b>.720</b>	.13	.14	-.030	.442
Founder					.09	1.76	-.397	2.242	.34	1.04	-.025	2.117
Mod. Mediation					-.24	1.76	-1.551	.505	.21	1.03	-.231	1.860
Agree-Servant	<b>1.03*</b>	<b>.08</b>	<b>.905</b>	<b>1.556</b>								
Servant-CSR					1.78	.61	.764	2.780	.80	.59	-.181	1.785
Servant x Discr.					-4.56	2.20	-8.220	-.898	-.43	2.13	-3.967	3.115
Extrav. x Discr.					<b>4.53*</b>	<b>2.38</b>	<b>.581</b>	<b>8.477</b>	1.30	2.30	-2.519	5.117
<u>Direct Effect</u>												
No Founder					-1.25	.81	-2.588	.097	-.73	.78	-2.026	.572
Founder					3.28	2.24	-.429	6.99	.57	2.16	-3.018	4.162
<u>Indirect Effect</u>												
No Chair					<b>1.83*</b>	<b>.61</b>	<b>.909</b>	<b>2.895</b>	.83	.60	-.084	1.873
Duality					-2.86	103.12	-6.641	5.208	.39	104.21	-3.401	8.194
Mod. Mediation					-4.70	103.12	-8.815	3.067	-.44	104.20	-4.523	7.205

**Table 21 Contd.**

Consc.-Servant	.30	.24	-.096	.692								
Servant-CSR					1.01	.38	.381	1.629	.36	.36	-.237	.949
Servant x Disc.					-1.00	1.150	-2.904	.906	-.02	1.09	-1.830	1.788
Consc. x Disc.					-1.03	2.54	-5.242	3.183	2.082	2.41	-1.919	6.082
<u>Direct Effect</u>												
No Founder					1.05	.92	-.474	2.583	.32	.87	-1.135	1.769
Founder					.02	2.36	-3.900	3.950	2.40	2.24	-1.329	6.127
<u>Indirect Effect</u>												
No Founder					.30	.26	-.022	.824	.11	.16	-.029	.549
Founder					.00	3.429	-.785	.898	.10	3.51	-.405	1.179
Mod. Mediation					-.30	3.44	-2.429	.206	-.01	3.51	-.840	.709
Stability-Serv.	<b>.85*</b>	<b>.15</b>	<b>.59</b>	<b>1.099</b>								
Servant-CSR					<b>1.24*</b>	<b>.42</b>	<b>.541</b>	<b>1.940</b>	.39	.41	-.280	1.066
Servant x Disc.					-2.37	1.32	-4.563	-.781	1.09	1.27	-1.014	3.202
Stabil. x Disc.					3.80	2.30	-.009	7.619	-1.54	2.21	-5.211	2.123
<u>Direct Effect</u>												
No Founder					-.78	.73	-1.997	.430	-.11	.70	-1.277	1.056
Founder					3.02	2.18	-.594	6.637	-1.65	2.09	-5.131	1.822
<u>Indirect Effect</u>												
No Founder					<b>1.05*</b>	<b>.38</b>	<b>.546</b>	<b>1.798</b>	.33	.34	-.165	.956
Founder					-.96	57.26	-4.778	.987	1.26	44.97	-1.783	2.920
Mod. Mediation					-2.01	57.27	-6.000	.0779	.93	44.98	-2.150	2.761

**Table 21 Contd.**

Open.-Servant	<b>.95*</b>	<b>.16</b>	<b>.69</b>	<b>1.224</b>								
Servant-CSR					<b>1.04*</b>	<b>.45</b>	<b>.292</b>	<b>1.794</b>	.53	.43	-.177	1.238
Servant x Disc.					-1.24	1.08	-3.028	.551	.05	1.02	-1.634	1.738
Open. x Disc.					2.70	2.91	-2.137	7.538	4.12	2.74	-.433	8.676
<u>Direct Effect</u>												
No Founder					-.05	.81	-1.399	1.304	.54	.77	-1.817	.731
Founder					2.65	2.79	-1.993	7.287	3.58	2.63	-.794	7.951
<u>Indirect Effect</u>												
No Founder					<b>1.00*</b>	<b>.41</b>	<b>.415</b>	<b>1.755</b>	.51	.44	-.149	1.317
Founder					-.19	18.76	-3.986	1.156	.56	5.44	-1.486	3.523
Mod. Mediation					-1.18	18.77	-4.874	.305	.05	5.50	-2.087	2.907

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. No Founder and Founder are dichotomous variables representing values of 1 and 0 respectively. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification unless otherwise indicated (A, B, C, and indirect effect).

In Table 22, I examined the moderating effects of organizational tenure on the relationship between CEO personality and CSR engagement. Consistent with the previous regression analyses, this moderator was placed on Path B in a similar fashion. Although these findings reveal a significant decrease in overall effect sizes as tenure increases, its interaction term on the mediator involving tenure remains non-significant as evidenced by the respective confidence boundaries for every Big Five trait on both strategic and social CSR, thus invalidating any moderated effect of organizational tenure. In summary, the above findings reinforce the current argument that managerial discretion, as operationalized in its present form, is the best surrogate for moderated mediation analysis in this study. This is based on the underlying theory presented as well as the lack of significance for the other constructs investigated. I now offer a discussion of these findings.

**Discussion of managerial discretion.** In this section, I offer a discussion of placing managerial discretion on Path B when performing moderated mediation. This is followed by a discussion of the implications of the indirect effect of CEO personality on social CSR engagement and why this dimension was the only facet of corporate social responsibility which became significant. I then offer some closing for future research in this area.

**Choice of moderating path.** To begin, when reexamining the moderating influence of managerial discretion after placing this construct on Path B in the model, I found a significant interaction between discretion and extraversion, conscientiousness, and openness to experience on social CSR engagement. Moreover, the significant interaction between servant leadership and extraversion and openness to experience on Path A resulted in a significant moderated mediation effect for these two personality traits.<sup>12</sup> While prior empirical literature in the domain of upper echelons research has not specifically determined the optimal placement of managerial discretion within a moderated mediation framework, this may be addressed by the underlying logic surrounding this leadership concept. As previously mentioned, when assessing executive servant leadership, we found few items in this questionnaire that appeared to be contingent on the degree of managerial discretion afforded to the focal CEO.

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<sup>12</sup> It is important to note that while it is possible to have a significant interaction effect between managerial discretion and servant leadership (Path B), this does not guarantee a significant indirect effect in the presence of a non-significant relationship between personality and servant leadership (Path A) as was illustrated with the personality trait of conscientiousness. Thus, it is still worth mentioning that managerial discretion strengthened the effect of servant leadership on social CSR concerning this personality trait.

**Table 22**  
**Moderated Mediation Model Using Strategic and Social Corporate Social Responsibility as Outcomes across Levels of**  
**Managerial Tenure**

	<u>Mediator</u>				<u>Strategic (n=101)</u>				<u>Social (n=101)</u>			
	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL	Beta	SE	LCL	UCL
Extrav.-Servant	<b>.32*</b>	<b>.13</b>	<b>.096</b>	<b>.539</b>								
Servant-CSR					1.11	.88	-.351	.539	-.60	.81	-1.951	.754
Servant x Discr.					-.01	.34	-.066	.047	.04	.03	-.008	.097
Extrav. x Discr.					-.01	.41	-.801	.054	-.06	.04	-.121	.003
<u>Direct Effect</u>												
Low					.09	.69	-1.056	1.233	.52	.64	-.537	1.581
Baseline					-.06	.48	-.863	.740	-.14	.45	-.883	.600
High					-.21	.64	-1.276	.851	-.08	.59	-1.789	.176
<u>Indirect Effect</u>												
Low					<b>.32*</b>	<b>.20</b>	<b>.085</b>	<b>.785</b>	-.02	.16	-.312	.224
Baseline					<b>.28*</b>	<b>.16</b>	<b>.084</b>	<b>.613</b>	.14	.14	-.011	.447
High					<b>.25*</b>	<b>.21</b>	<b>.025</b>	<b>.696</b>	<b>.30*</b>	<b>.24</b>	<b>.044</b>	<b>.855</b>
Mod. Mediation					-.00	.01	-.025	.011	.01	.01	-.001	.043
Agree-Servant	<b>1.03*</b>	<b>.08</b>	<b>.905</b>	<b>1.556</b>								
Servant-CSR					.51	1.79	-2.469	3.491	-1.29	1.68	-4.090	1.502
Servant x Discr.					.03	.07	-.083	.139	.08	.06	-.026	.182
Extrav. x Discr.					-.06	.08	-.186	.076	-.06	.07	-.185	.061
<u>Direct Effect</u>												
Low					.16	1.32	-2.035	2.362	.55	1.24	-1.512	2.614
Baseline					-.46	.77	-1.737	.826	-.15	.72	-1.350	1.056
High					-1.07	1.00	-2.739	.560	.85	.94	-2.408	.715

**Table 22 Contd.**

<u>Indirect Effect</u>												
Low					.88	1.07	-.714	2.771	-.36	.97	-1.739	1.420
Baseline					<b>1.20*</b>	<b>.62</b>	<b>.184</b>	<b>2.240</b>	.54	.59	-.351	1.580
High					<b>1.52*</b>	<b>.93</b>	<b>.066</b>	<b>3.123</b>	<b>1.45*</b>	<b>.81</b>	<b>.173</b>	<b>2.815</b>
Mod. Mediation					.03	.07	-.088	.139	.08	.06	-.021	.175
Consc.-Servant	.30	.24	-.096	.692								
Servant-CSR					1.20	.82	-.159	2.566	-.26	.78	-1.548	1.054
Servant x Disc.					-.01	.03	-.067	.041	.03	.03	-.023	.080
Consc. x Disc.					<b>-.14*</b>	<b>.07</b>	<b>-.258</b>	<b>-.012</b>	-.02	.07	-.142	.093
<u>Direct Effect</u>												
Low					<b>2.76*</b>	<b>1.27</b>	<b>.653</b>	<b>4.876</b>	1.10	1.21	-.919	3.114
Baseline					1.24	.84	-.145	2.635	.82	.80	-.505	2.148
High					-.28	1.08	-2.068	1.517	.55	1.04	-1.167	2.257
<u>Indirect Effect</u>												
Low Discretion					.31	.28	-.013	.929	.03	.18	-.152	.446
Baseline					.27	.24	-.027	.743	.12	.16	-.018	.524
High					.23	.24	-.018	.862	.22	.25	-.020	.843
Mod. Mediation					-.00	.01	-.035	.006	.01	.01	-.004	.043
Stability-Serv.	<b>.85*</b>	<b>.15</b>	<b>.594</b>	<b>1.099</b>								
Servant-CSR					1.21	1.17	-.730	3.156	-.81	1.09	-2.632	1.005
Servant x Disc.					-.01	.04	-.082	.062	.05	.04	-.015	.120
Stabil. x Disc.					-.01	.07	-.137	.107	-.05	.07	-.169	.059
<u>Direct Effect</u>												
Low					-.24	1.20	-2.24	1.755	<b>.60*</b>	<b>1.12</b>	<b>1.267</b>	<b>2.460</b>
Baseline					-.40	.71	-1.578	.774	-.02	.66	-1.122	1.080
High					-.57	.96	-2.167	1.029	-.64	.90	-2.134	.857

**Table 22 Contd.**

<u>Indirect Effect</u>												
Low				<b>.93*</b>	<b>.56</b>	<b>.194</b>	<b>2.007</b>	-.15	.52	-.948	.737	
Baseline				<b>.84*</b>	<b>.35</b>	<b>.351</b>	<b>1.463</b>	.35	.33	-.235	.941	
High				<b>.74*</b>	<b>.47</b>	<b>.085</b>	<b>1.560</b>	<b>.84*</b>	<b>.47</b>	<b>.169</b>	<b>1.708</b>	
Mod. Mediation				-.01	.03	-.067	.043	-.04	.03	-.007	.101	
Open.-Servant	<b>.95*</b>	<b>.16</b>	<b>.686</b>	<b>1.224</b>								
Servant-CSR					1.58	1.08	-.207	3.368	.01	.02	-1.676	1.705
Servant x Disc.					-.04	.04	-.105	.032	.02	.04	-.047	.083
Open. x Disc.					.07	.07	-.038	.183	.04	.06	-.065	.144
<u>Direct Effect</u>												
Low					-1.10	1.10	-1.931	1.724	-.33	1.04	-2.054	1.403
Baseline					.71	.76	-.550	1.971	.12	.72	-1.069	1.315
High					1.53	1.03	-.186	3.236	.57	.97	-1.046	2.190
<u>Indirect Effect</u>												
Low					<b>1.09*</b>	<b>.58</b>	<b>.270</b>	<b>2.166</b>	.22	.56	-.641	1.196
Baseline					<b>.70*</b>	<b>.38</b>	<b>.115</b>	<b>1.348</b>	.41	.40	.162	1.141
High					.31	.55	-.568	1.187	.61	.59	-.255	1.629
Mod. Mediation					-.04	.04	-.099	.021	.02	.04	-.042	.077

Notes: Hayes' PROCESS analysis using 20,000 bootstrap samples. Values of low and high for moderators are +/- one standard deviation from the baseline mean. Beta = standardized path coefficients; SE = standard error; LCL = lower confidence level; UCL = upper confidence level. The default level of confidence was performed at 0.90 for all regression paths within that respective specification unless otherwise indicated (A, B, C, and indirect effect). \*P < 0.10, \*\*P < 0.05

To further support this claim, recall the concepts of cue utilization and validity within the domain of personality assessment (Brunswick, 1956). As described by Brunswick (1956), the concept of cue utilization is when raters make inferences about the target's character based on the physical and behavioral attributes projected to the rater while cue validity is the process by which the target makes an effort to express himself through these observable actions. When assessing both the physical and behavioral attributes of the focal CEO, raters were able to observe numerous behavioral cues (attributes) of the leader's character, irrespective of the degree of discretion given to the top manager. Example items included inspiring trust, making others succeed, and listening carefully, among others. Although these items were assessed partially by the use of focal news articles and biographies, the majority of these questionnaire items were assessed by evaluating the observable characteristics emitted by the CEO across numerous situations and contexts. While these aforementioned concepts have been previously used in personality assessment (i.e. Borkenau & Liebler, 1992), the same underlying logic applies to coding this leadership concept as well.

The underlying logic surrounding servant leadership assessment implies that discretion does not appear to influence how the Big Five is reflected in servant leadership. In other words, discretion does not appear to make a CEO more or less of a servant leader compared to what she can accomplish in terms of outcomes. Therefore, placing the moderator on Path B of this model still permits managerial discretion to moderate the relationship between managerial characteristics and organizational criteria as outlined by Hambrick (2007).

***Social CSR.*** Of particular interest in this study is the significance of managerial discretion as a moderator on the relationship between the Big Five and CSR engagement. Although discretion failed to moderate any strategic dimension of CSR, it had a moderating effect on two of the Big Five personality traits for its social facet. Despite the lack of any significant interaction effect for the trait of conscientiousness, there was still a positive and significant interaction with servant leadership and managerial discretion. This positive interaction effect on social CSR engagement may be explained by the concept of managerial discretion as outlined by Finkelstein (1992). In this seminal study, Finkelstein (1992) contends that the underlying concept of power emanates from the ability to navigate organizational uncertainty, both from within and outside of the organization.

When assessing managerial discretion, Finkelstein (1992) noted that this source of power can be partitioned into four aspects which include structural, ownership, expert, and critical expertise. Of particular relevance to this study concerns the dimension of structural power based on the authority conferred to the CEO relative to other members of the organization (Brass & Burkhardt, 1993; Daily & Johnson, 1997). For the purposes of this study, these structural components include the CEO serving as board chair and having higher relative total compensation. Therefore, the formal authority that the top manager wields over members of the organization may help explain the significance of the social dimension of CSR.

Based on the rationale presented above, one reason why managerial discretion produced a significant interaction with servant leadership for the social dimension of CSR may be explained by the nature of this facet itself. Recall from Chapter 2 that social CSR is formed by the dimensions of diversity and employee relations while its strategic dimension is formed by community relations, corporate governance, product quality, and a concern for the environment. Given that the structural form of managerial discretion entails having power over other members of the organization, it may be easier for a CEO wielding considerable discretion to enact CSR initiatives which concern internal outcomes relative to those concerning the external environment. For example, while it may be easier for a CEO to enact diversity policies within her company, it may be more difficult for her to control external CSR outcomes such as mitigating the effect of controversial investments within the community or attempting to maintain favorable ratings from regulatory or environmental agencies. In summary, it may be easier for the CEO to control internal corporate matters relative to those of an external nature.

In conclusion, allowing managerial discretion to moderate the relationship between executive personality and CSR through placement of the moderator on Path B of the model produced a significant interaction for the majority of the social dimensions of CSR engagement. Moreover, the significant indirect effects produced for this facet of CSR suggests that servant leaders are able to influence CSR-oriented initiatives which directly affect the organization more than initiating policies which affect stakeholders externally. To summarize, Appendix F graphically illustrates these specifications under low, baseline, and high levels of managerial discretion for each Big Five trait for both dimensions of CSR engagement. Thus, we can conclude from the findings in this study that when placing the moderator of managerial discretion between

servant leadership and CSR engagement, this produces a significant moderated mediation effect on the relationship between extraversion and openness to experience on social CSR engagement.

It is important to consider however that while the indirect effect of personality on CSR was moderated by managerial discretion, only extraversion and openness to experience were significant. Therefore, one must exercise caution when concluding that an increase in discretion will lead to a significant indirect effect for all Big Five traits. Overall, the findings from this study offer direction for future scholarship in upper echelons research involving the boundary conditions and the situational context in which servant leadership operates.

### **Post-Hoc Analysis of Servant Leadership**

A post-hoc analysis was performed examining the separate mediating paths of servant and transformational leadership facets to further investigate the link between executive personality and CSR engagement. In the first post-hoc analysis, the indirect effect of personality through the individual dimensions of servant leadership were examined. With the exception of altruism, I found similar results to the original study for the remaining servant leadership dimensions. Most importantly, I found that the dimension of building community was the strongest and most significant intervening mechanism for executive personality on CSR engagement for all the servant leadership facets, rivaling that of the unitary construct for servant leadership employed in the main study. This finding lends support to that idea that servant leaders at the top of the organization are more visible and salient to stakeholders within the broader community relative to middle or lower-level managers. Not only is this a function of their duties as CEO (Mintzberg, 1975), but interacting with the community as a whole increases organizational legitimacy and reputation (Deephouse & Carter, 2005; Lange, et al., 2011; Scherer & Palazzo, 2011) in addition to its license to operate within the broader community (Thorpe & Prakash-Mani, 2003).

One interesting finding concerns the servant leadership dimension of egalitarianism. I found evidence of a significant indirect effect for a majority of the Big Five traits on strategic CSR as mediated by egalitarianism. This finding supports previous research by Van Dierendonck (2011) who argued that humility is one of the key attributes of servant leadership as originally postulated by Greenleaf (1977). Furthermore, this finding suggests that egalitarianism overlaps with the strategic domain of CSR by having positive governance mechanisms concerning relative compensation afforded to the CEO. In this regard, top managers who receive larger compensation

packages relative to their peers have been shown to have increased levels of hubris (Hayward & Hambrick, 1997), and narcissism (Chatterjee & Hambrick, 2007).

The underlying rationale is that larger relative pay has been shown by Chatterjee and Hambrick (2007) to correlate with superiority/arrogance and entitlement dimensions of the Narcissistic Personality Inventory (Emmons, 1987) suggesting that modesty in top management is crucial to having superior corporate governance mechanisms within the organization. Furthermore, Reed et al. (2011) describe egalitarianism as “...rejecting the notion that leaders are inherently superior to other organizational members...” (p. 425). Therefore, it is not surprising that the humble nature associated with this facet of servant leadership promotes a sense of self-awareness which contributes to increased CSR engagement.

**Transformational leadership.** Prior to performing the post-hoc analysis, it was found that adding transformational leadership to the model confounded the indirect effect of executive personality for the majority of the Big Five traits. Only for the personality traits of extraversion and neuroticism was marginal significance found for an indirect effect on strategic CSR. I attempt to reconcile these findings.

First, despite previous research which found that both transformational and servant leadership are empirically distinct (Liden et al., 2008; Peterson et al., 2012; Van Dierendonck et al., 2014), there remain considerable similarities between these two leadership styles on a conceptual level (Bass, 2000; Stone et al., 2004). For example, individualized consideration in transformational leadership, which contains attributes such as personal attention, mentoring, and empowerment (Stone et al., 2004), is quite similar to servant leadership dimensions of interpersonal support, altruism, and providing stewardship (Reed et al., 2011). In this study, this is evidenced in Table 5 by the significant and high intercorrelation with this dimension and the composite construct of servant leadership ( $r = .81, p < .01$ ) as well as among its individual facets. In addition, idealized influence in transformational leadership, which consists of attributes such as vision, trust, and role modeling (Stone et al., 2004), shares a conceptual overlap with humility and authenticity that are part of its servant leadership counterpart. Overall, the main conceptual difference between these two leadership dimensions lies in the focus of servant leaders on the needs of followers rather than organizational and/or collective goals emphasized by transformational leadership (Graham, 1991; Greenleaf, 1977; Parolini et al., 2009; Stone et al., 2004).

As previously mentioned, although prior research has illustrated that both leadership concepts are empirically different, it remained to be seen exactly in what manner servant leadership influenced the relationship between personality and CSR engagement when introducing a similar leadership concept in the model. By comparing the different effect sizes produced by these mediating mechanisms against various facets of transformational leadership, I was able to determine both the conceptual and operational overlap between these two dimensions in addition to the boundary conditions of servant leadership. In doing so, the findings in this study build upon recent research by Van Dierendonck et al. (2014) in attempting to further delineate the boundary conditions of servant leadership by differentiating which facets best mediate the relationship between executive personality and CSR engagement.

Another interesting finding in this post-hoc analysis was how the servant leadership dimension of building community remained significant despite the introduction of transformational leadership for either its aggregate construct or its aggregate minus that of individualized consideration. That is, when controlling for the effect of a similar leadership concept, it was found that CEOs with positive community relations had a unique impact on strategic CSR. This can be reconciled by prior theory stating that the focus of servant leaders is directed to subordinates and stakeholders while the main focus of transformational leadership is directed toward the organization (Graham, 1991, Greenleaf, 1977, Stone et al., 2004).

Finally, one finding of particular interest in this analysis was the significant effect sizes for the mediating influence of subordinate support on personality and social CSR. I found that with the exception of conscientiousness, the remaining Big Five personality traits had an indirect effect on this dimension of CSR. Given that one of the differentiating attributes of servant leaders is their emphasis on the well-being and development of subordinates (Graham, 1991, Greenleaf, 1977) as opposed to that of the organization (Stone et al., 2004), it seems quite appropriate that this leadership concept operates through the mediating mechanism of this facet. This is further supported by the findings of Van Dierendonck et al. (2014) who found servant leadership to influence organizational commitment through the mediating mechanism of psychological need satisfaction.

**Post-hoc analysis conclusion.** A post hoc-analysis was performed in this dissertation in order to better reconcile the non-significant findings for the indirect effects of executive personality on social CSR engagement. By investigating how each facet of servant leadership

mediates the relationship between executive personality and CSR engagement, I was able to determine which facet was the driving force behind this leadership concept. These findings, as summarized in Appendix G, indicate that executive personality has an indirect effect on social CSR through the intervening mechanism of subordinate support. Furthermore, the facets of building community, moral integrity, and egalitarianism play an important role in establishing the indirect effect on the personality-CSR relationship. The second important finding in this post-hoc analysis revealed that despite the introduction of transformational leadership as a control variable, the facet of building community remained a significant mediator of the relationship between CEO personality and strategic CSR engagement as summarized in Appendix H of this study.

Taken together, the findings in this post-hoc analysis advance our understanding of executive servant leadership on two fronts. First, these findings illustrate that one defining and unique characteristic of executive servant leaders is their engagement with multiple stakeholders both inside and outside of the organization. Second, the findings of this study suggest that both servant and transformational leadership share a common overlap of idealized influence as argued by Stone et al. (2004). Taking into account the conceptual and empirical overlap with both leadership styles, the findings from this study imply that executive servant leaders focus their actions toward providing stewardship toward a diverse group of stakeholders rather than directing their efforts inward to the organization.

When interpreting the results of this post-hoc analysis, it is important to note that these individual facets of servant leadership investigated only represent the specific pathways through which these dimensions affect the relationship between executive personality and CSR engagement. That is, each dimension was not intended to substitute for the aggregate measure of servant leadership itself but merely indicated the specific factors of servant leadership which were the driving force behind this leadership style. Therefore, this should be taken into account when applying the findings of this dissertation to the broader literature in servant leadership theory. Overall, the purpose for performing this post-hoc analysis was to gain a better understanding of the driving mechanisms through which servant leadership has an intervening effect on the relationship between executive personality and CSR engagement. In doing so, this has enabled a better understanding of the construct of executive servant leadership while providing avenues for future research concerning the specific sub-dimensions of this construct.

## **Limitations**

**Generalizability.** While this dissertation advances research in managerial personality as well as in corporate social responsibility, it is not without limitations. First, this dissertation examines only large publically-traded corporations in the United States. Although choosing large organizations in this environment was advantageous given the accessibility to the numerous sources of archival data, the findings may not be generalizable to other contexts including organizations in the private sphere, government-affiliated, or smaller corporations which have different motivations, governance structures, and varying degrees of stakeholder salience, thus limiting the generalizability of the results of this dissertation. On a more positive note however, similar studies examining executive personality and strategic decision making have been successfully replicated across geographical contexts (Herrmann & Nadkarni, 2013; Nadkarni & Herrmann, 2010), illustrating how the Big Five traits are valid across countries and languages (McCrae & Costa, 1997).

With respect to servant leadership, it has been shown by Mittal and Dorfman (2012) that some dimensions of this construct vary among geographic regions. For example, in Asian countries, the facet of humility, which corresponds to altruism in this study, has been shown to be higher among middle managers than their counterparts in Nordic Europe. Another example concerns the dimension of empathy which corresponds to subordinate support where Nordic Europe is associated with the highest scores of this concept while Asia is concerned with the lowest scores. Finally, managers in Latin American countries have reported higher levels of egalitarianism than those in Eastern European countries. Despite these potential limitations across social contexts, servant leadership has been replicated across different contexts and countries such as Portugal, Italy, The Netherlands, the United Kingdom, and China among others (Bobbio, Dierendonck, & Manganelli, 2012; Han, Kakabadse, & Kakabadse, 2010; Jorge Correia de Sousa & Van Dierendonck, 2014; Zhang, Kwong Kwan, Everett, & Jian, 2012). In summary, although servant leadership varies in perception among countries and societal values, these aforementioned studies have found similar effects of this leadership style on organizational criteria.

Despite these advances into the comparative aspects of servant leadership and personality, future research should focus on these boundary conditions; not only across geographic and cultural boundaries, but contextual influences as well. For example, although the Big Five had an indirect effect on CSR, this leadership style only served as an intervening variable accounting for this

relation (MacKinnon et al. 2002) rather than fully mediating the relationship between personality and CSR engagement. Thus, it may be possible that in countries such as Finland and Denmark where social protection of employees and an expectation of universal welfare is embedded within the social fabric of organizations (Gjølberg, 2009), servant leadership may not be required as a proximal mediator between executive personality and CSR engagement. Rather, it may be plausible that a direct effect in this scenario would exist.

In a similar fashion, it has been illustrated that servant leadership dimensions of humility and empathy in Southern and Southeast Asia are lower than in the United States (Mittal & Dorfman, 2012) and presumably than in this study. This may imply that in countries such as India and Indonesia, servant leadership may have less of an intervening effect on the relationship between personality and CSR engagement. In summary, these concerns underscore the importance of taking into account the cultural and social context when examining the boundary conditions of servant leadership and CSR.

### **Alternate Theories**

Although CSR engagement was examined through the lens of upper echelons theory and in particular, the personality of the top manager, it is quite possible that other alternative theories may explain why organizations engage in socially responsible activities. These theories include neo-institutional theory (DiMaggio & Powell, 1983), legitimacy theory (Deephouse & Carter, 2005; Meyer & Rowan, 1977), and impression management within the context of CSR reporting (Diouf & Boiral, 2017; Merkl-Davies, Brennan, & McLeay, 2011). Taken together, these theories can further contribute to our understanding of why organizations and top management choose to become socially responsible actors within their domain. These theories are further elaborated upon in the following sections. As will be discussed in the following sections, many of these institutional factors directly impact the CEO (Campbell, 2007) who is considered to be at the organizational or executive level of analysis (Waldman & Yammarino, 1999).

To begin, the premise of neo-institutional theory (DiMaggio & Powell, 1983) contends that organizations are constrained to homogenize their structure, behavior, and practices through institutional isomorphism. Examples of these institutions include government entities, consumer advocate groups, trade organizations, NGOs, trade groups, environmental activists, and other salient stakeholders who pressure organizations into socially responsible behavior. Moreover, Matten and Moon (2008) argue that normative, regulative, and cognitive institutional processes

“...lead to increasingly standardized and rationalized practices in organizations across industries and national boundaries” (p. 411). In doing so, organizations attempt to achieve legitimacy and acceptance for these actions (Deephouse & Carter, 2005; Meyer & Rowan, 1977). In this regard, legitimacy is viewed as social acceptance from adhering to these institutional norms which is a consequence of these isomorphic forces (Deephouse & Carter, 2005). These theories are subsequently discussed in the following paragraphs.

**Institutional theory.** Although organizations may invest in CSR for voluntary reasons such as enhancing organizational performance (Orlitzky et al., 2003), organizations face political and institutional pressures brought about by numerous stakeholder groups<sup>13</sup> to behave in a socially responsible manner. These pressures or institutional forces include the threat of capital disinvestment, legal action, government intervention, and corporate peer pressure among others (Campbell, 2007). As a consequence, Campbell (2007) contends that organizations will voluntarily invest in CSR and sustainability practices to mitigate these external threats. Thus, while CSR is considered to be of a voluntary nature (Brammer, Jackson, & Matten, 2012), the importance of the institutional context which may compel managers to invest in CSR cannot be understated.

**Impression management and legitimacy theory.** In attempts to portray their organizations as CSR-friendly, recent studies within the domain of financial as well as sustainability reporting have investigated how managers use impression management<sup>14</sup> techniques to influence their reporting of organizational performance in the annual report to shareholders (Merkl-Davies, Brennan, & McLeay, 2011) in addition to corporate sustainability reports (Diouf & Boiral, 2017). In relation to CSR, Diouf and Boiral (2017) investigated how top managers attempt to influence the overall reporting of sustainability-oriented metrics through the Global Reporting Initiative (GRI). Within this context, these reporting principles or guidelines encompassing the GRI ensure that organizations report information on sustainability practices in a timely, accurate, clear and reliable manner among others. By surveying analysts, portfolio managers, academic authors, and other participants actively involved in evaluating sustainability performance, the authors found that a clear majority of respondents believed that organizations

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<sup>13</sup> The label ‘stakeholder group’ is used to emphasize the collective members of a group who share a common interest and identity-based perspective rather than the focus on an individual stakeholder (Rowley & Moldoveanu, 2003).

<sup>14</sup> In this context, impression management concerns the reporting of sustainability metrics to influence how the organization is perceived, not the personal attributes or the leadership style of the CEO. This is discussed in the following section.

purposely highlighted their sustainability metrics in a positive light while obfuscating, concealing, and/or downplaying negative information. Furthermore, the respondents believed that most information contained in the GRI was too general, vague, and lacked clarity. These findings suggest that CEOs use impression management techniques to influence stakeholders and the general public into gaining legitimacy and acceptance of their actions.

In summary, organizations respond to both internal and external pressure to adopt CSR from numerous institutional forces and stakeholder groups. Whether these organizations will respond to these isomorphic pressures depends on many factors which include the particular request the stakeholder group is making, the power of the stakeholder group relative to the stakeholders of the organization, the legitimacy of the stakeholder group, the request being made, and the particular request tactics employed among others (Eesley & Lenox, 2006). Along these lines, recent research by Chatterji and Toffel (2018) explores the phenomenon of CEO activism which specifically addresses the motivations and tactics top managers use to influence public policy issues. In this scenario, an individual CEO who is well-respected in her industry can have a profound influence on top managers of other organizations to adopt social policies legitimized into practice. Overall, the aforementioned theories imply that top managers adopt CSR initiatives for various reasons in addition to their respective personalities and leadership styles which may explain additional variance over and above the findings in this dissertation. These alternate theories presented however are meant to further complement existing upper echelons research in this area rather than act in a competing manner. As will be discussed in the following sections, many of these institutional factors directly impact the CEO (Campbell, 2007) who is considered to be at the executive level of analysis (Waldman & Yammarino, 1999). While investigating these topics remains outside the scope of the current study, further investigation how stakeholder groups influence organizations remains a promising avenue for future research in this area.

**KLD limitations.** Another limitation in this study is the use of KLD Analytics to measure corporate social responsibility. Despite establishing the construct validity of KLD in general (Sharfman, 1996), there are numerous tradeoffs which need to be assessed when measuring environmental corporate social responsibility (ECSR). These issues are discussed below.

First, Delmas and Blass (2010) note that when assessing ECSR, tradeoffs such as current or future performance need to be addressed. Take for example an organization which is a known polluter, but is making strides to lower greenhouse emissions. In this case, should the organization

be penalized for its current practices or for the potential for improvement with its superior management and reporting practices? In particular, Delmas and Blass (2010) have shown that firms with the highest levels of compliance and environmental benchmarks are the biggest polluters within their industry. In relation to the previous tradeoff, there is often confusion surrounding what environmental issues should be priority for an organization. For example, should a firm's strength and progress in biodiversity outweigh its excessive water consumption if that concern area is of minimal importance to its central operations? The question in this scenario is how much importance should the organization place on a small issue which can adversely impact the organization and community as well.

Another issue raised by Delmas and Blass (2010) is the extent of globalization or internationalization of the organization's ECSR practices. For example, environmental benchmarks such as the Toxic Release Inventory (TRI), a database operated by the United States Environmental Protection Agency (EPA) and used by numerous sustainability indices, only covers the US-based operations of these multinational firms. Thus, it is quite possible that organizations who participate in initiatives such as the WGI and RGGI operate in countries with relatively few environmental regulations. The overarching issue raised here is that the measurement of ECSR can be problematic due to a lack of transparency, uniform reporting procedures, and replicability concerning these proprietary sources of information (Delmas & Blass, 2010; Rahman & Post, 2012). Another concern worth noting is that information provided to KLD and similar databases by environmental surveys and questionnaires to practicing managers of these said organizations is often voluntary in nature and can suffer from survey fatigue or social desirability biases (Levine & Chatterjee, 2006). Overall, Delmas and Blass (2010) note: "the methodologies used to evaluate and screen corporations are not yet standardized and are often kept confidential by the rating organizations" (p. 246).

In addition to the challenges of assessing ECSR in general, the reliance on KLD Analytics in academic studies is by no means perfect and has its share of criticism. Concerning the validity of KLD, studies have investigated its convergent, predictive, and concurrent validity with mixed findings (Chatterji, Durand, Levine, & Touboul, 2016; Chatterji, Levine, Toffel, 2009; Hart & Sharfman, 2015). One notable criticism of KLD and sustainability ratings in general concerns their lack of convergence. In a recent study, Chatterji et al. (2016) found that when comparing KLD scores to other sustainability rating agencies such as Innovest, Asset4, and the Dow Jones

Sustainability Index (DJSI), these ratings failed to establish convergent validity. These findings suggest that the leading sustainability indices suffer from low common theorization, referring to the agreement among rating agencies about the common CSR definition, and to a certain extent, low commensurability, which is the extent to which the rating agencies have common agreement when assessing the same measure (i.e., emission levels). In light of these findings however, Chatterji et al. (2016) note that KLD ratings may still have high construct validity when compared to actual performance using publically available data as a benchmark. Thus, it is possible that KLD data may provide valid ratings of the metrics it is purported to assess. This is subsequently discussed.

In efforts to examine the transparency of the KLD index, Chatterji et al. (2009) investigated the transparency and predictive validity of this database. This entailed regressing KLD's environmental ratings (subscores) on prior performance metrics published by the United States Environmental Protection Agency (EPA) such as hazardous waste, harmful emissions, and regulatory penalties assessed against the focal organization for purposes of transparency. Conversely, predictive validity was assessed through the opposite of regressing prior performance on KLD subscores. In summary, Chatterji et al. (2009) found that these subscores (strengths minus concerns) were a significant predictor of emissions and regulatory penalties, even when controlling for autocorrelation from previous ratings. Overall, these findings suggest that KLD is a valid predictor of some, but not all, pollution levels.

One limitation of Chatterjee et al.'s (2009) study is its focus solely on environmental ratings. Given that KLD is a multidimensional database which focuses on other areas of CSR such as diversity and community relations, the overall predictive validity of this dataset has yet to be determined in a systematic manner. Take for example the KLD area of employee relations. Chatterji et al. (2009) note that this lack of agreement surrounding sustainable human resource practices in the workplace is "...suggestive of the substantial challenge rating agencies face" (p. 164). As with the current study, given that there exists no universally accepted conceptual definition or measure of CSR (Hart & Sharfman, 2015), assessing the validity of other areas within this concept remains a challenge to scholarship in this field. These difficulties are further compounded by the proprietary and secretive nature of KLD further inhibiting replication in many of these areas of corporate social responsibility.

In spite of these criticisms concerning the overall validity of KLD, this database remains the preferred method to assess CSR in an objective and non-intrusive manner. Moreover, despite the tendency of KLD to favor larger organizations (Hart & Sharfman, 2015), Waddock (2003) notes that academic research primarily relies on these larger and more established S&P 500 companies as examined in this dissertation. This is particularly true as upper echelons research continues to utilize KLD data when investigating CSR criteria, particularly when investigating the attributes and personality of top managers (Chin et al., 2013; Manner, 2010; Petrenko et al., 2016). Furthermore, Hart and Sharfman (2015) found KLD to have high concurrent validity with previous versions which used different scoring systems, thus allowing an accurate comparison of the findings presented in this dissertation to prior research in this field (cf. Waldman et al., 2006). In summary, KLD has made significant improvements since its introduction by building upon the research of many analysts covering these larger publically traded companies in efforts to continually refine their data collection and coverage techniques (Waddock, 2003).

**Common method biases.** As mentioned in the previous section concerning measurement of executive personality and servant leadership, simultaneous coding of these constructs may result in inflated variance due to common method biases (Podsakoff et al., 2003). To mitigate these effects, Podsakoff and colleagues recommend operationalizing both predictor and criterion variables utilizing multiple sources and/or raters. Given these prescriptive guidelines, coders worked independently of each other employing multiple sources of video and media when making assessments of personality and servant leadership for a significant portion of the sample. Specifically, this entailed that the second rater who assessed executive personality using the IPIP scale was different from the second rater coding executive servant leadership. Although this procedure entails duplicative effort given that only one rating instrument is used in any given observational session of the focal CEO, it remained necessary to reduce possible variance inflation between focal constructs.

Another possibility recommended by Podsakoff et al. (2003) in mitigating common method biases is the use of temporal separation concerning the measurement of the predictor and criterion variables. Doing so reduces the saliency of possible contextually induced retrieval cues. Within the scope of this dissertation, this entailed incorporating a time lag between observations of the focal CEO within the sample for coding both constructs. As a result, relevant contextual cues such as appearances and behavior used to make assessments of personality will have been less likely to

subsequently bias ratings. Therefore, the combined use of these procedural remedies was expected to significantly mitigate common method variance between personality and servant leadership.

**Measurement using zero-acquaintance methods.** Concerning the use of zero-acquaintance methods, I outline some strengths and limitations to utilizing this relatively underutilized approach to personality and leadership assessment. One potential limitation concerning the assessment of personality and servant leadership using zero-acquaintance methodology concerns the way one presents themselves. For example, Leary and Kowalski (1990) argue that self-presentation is influenced by three different needs: self-esteem enhancement, the desire to maintain a particular identity, and the desire to be perceived in a certain way by others (impression management).

In relation to this current study, these motivations may compel the focal CEO to present herself in a favorable light in order to maximize potential rewards while minimizing possible punishments and/or sanctions (Schlenker, 1980). In addition, it may be possible that under certain contexts, a top manager may wish to manage impressions made to others. For instance, Leary and Kowalski (1990) contend that when an individual is under intense scrutiny, he is not only cognizant of the impressions and opinions others are forming, he will purposely search for cues that will convey the desired image or persona in efforts to make the right impression to others.

While it has been argued that people will engage in impression management for deceptive purposes (Buss & Briggs, 1984), Leary and Kowalski (1990) cite the work of Schlenker (1980) who contends that the images people attempt to project are similar to that of their self-concept. That is, people will convey to others how they perceive themselves. The underlying rationale is that people not only have an inner moral objection against lying (Leary & Kowalski, 1990), they hesitate to portray themselves as someone different than their true self due to the likelihood that they will not succeed (Schlenker, 1980).

In summary, although impression management may obfuscate accurate perceptions of the character and personality of a focal CEO, recent research into how social context influences various manifestations of personality stresses the importance of how situational factors influence personality assessment (Fleeson & Jayawickreme, 2015; Fournier et al., 2009). Therefore, utilizing multiple raters across different situational contexts is recommended to counter any potential bias inherent to a specific situation (McAbee & Connolly, 2016). In accordance with this

recommendation, raters utilized many sources of video which contained numerous environments and contexts when assessing personality and servant leadership to mitigate this potential bias.

Finally, despite the previous motivations concerning the concept of impression management, the desire to maintain self-esteem, and the need to be perceived accurately by others when being observed, there are potential biases when relying on self-reports to assess personality and leadership all of which support the use of zero-acquaintance methods in this study. In particular, it has been argued by Vazire and Carlson (2011) that a lack of information is an obstacle to accurate self-reporting of personality traits. First, Vazire and Carlson (2011) posit that while an individual may have more information to evaluate internal traits based on feelings or thoughts (i.e., anxiety, self-efficacy), referent others are in a better position to assess external traits based on behavior (i.e., extraversion, agreeableness). However, this is contingent on the amount of information available to the rater. Second, similar to the previous logic underlying self-presentation, motivational biases such as defensiveness (Critcher, Dunning, & Armor, 2010) and social desirability factors (Paulhus, 1984, 1991) often preclude an individual from making an accurate and unbiased self-assessment. Overall, these findings suggest that incremental validity of personality assessment increases with the level of information conveyed to observers.

In relation to the present study, these findings again suggest that the numerous sources of focal articles, interviews, and video spanning different contexts while utilizing different raters was maximized in order to achieve construct validity of both personality and leadership. As previously mentioned, this approach was recently employed to assess CEO narcissism in relation to CSR engagement (Petrenko et al., 2016) therefore suggesting that the use of zero-acquaintance methods in personality and leadership assessment holds great promise in this field. In summary, Vazire and Carlson (2011) note the following: “What is beyond doubt is that self-perception is not simply an objective, neutral process.... As a result, we cannot judge our own personality as dispassionately as we might a stranger’s” (p. 105).

**Sample size.** The final limitation worth mentioning concerns the relatively small number of observations examined in this dissertation. Although the use of statistical resampling to test mediation is optimal for samples of this size (Efron & Tibshirani, 1993), issues of statistical power remain concerning the introduction of control variables. Given that this study included an excess of 30 control variables (including 11 for industry), it was not possible to introduce all of them simultaneously due to the unknown effect on the statistical power (A. F. Hayes, personal

communication, April 22, 2017) as well as multicollinearity, joint variance, and unwanted confounding with the predictor and criterion variables (Becker et al., 2016; Bernerth & Aguinis, 2014; Carlson & Wu, 2012). Furthermore, this issue was exacerbated when introducing transformational leadership as a potential confound in utilizing a subsample of 40 CEOs. It is important to note however that aside from complications which may result from introducing numerous control variables in a smaller sample, none of these control variables had any significant impact on CSR engagement in the full sample of  $N = 100$ .

Finally, given the appropriateness of statistical resampling, it can be concluded that inferences made from utilizing the subsample of 40 CEOs can generalize to the full study. This is based on several reasons. First, as reported in Panels A and C of Table 8, the relatively larger ratio of standard errors to effect sizes (2X on average) indicate that their accompanying confidence boundaries extend well beyond zero in this sample. Second, when comparing the findings in Panel A, the holdout sample, which excludes transformational leadership as a control variable, there is little difference in their effect sizes and their levels of significance in relation to the effect sizes in the main study. Taken together, these findings suggest that the subsamples in Panels A and C are representative of the full sample in the main study. Furthermore, this is based on the exceptionally large confidence boundaries which include zero in either direction for this smaller sample. In summary, while having a smaller holdout subsample of transformational leadership may inhibit the addition of additional control variables, it remains unlikely that increasing the sample size for transformational leadership will make any significant contribution to CSR engagement based on the findings presented in the main study given the exceptionally large confidence boundaries which include zero in either direction for this smaller sample.

### **Practical Implications**

This dissertation contains numerous managerial implications which can be of benefit to investors, human resource practitioners, and executive succession specialists as well. The utility of these findings accrued to each group of these stakeholders will be subsequently discussed. Despite the ambiguity surrounding the CSR-organizational performance relationship (cf. Griffin & Mahon, 1997), research has generally shown that there exists a positive relationship between these two constructs (Orlitzky et al., 2011; Orlitzky, Schmidt, & Rynes, 2003; Waddock & Graves, 1997; Pelozo, 2009). Given its importance, the interest in corporate sustainable practices has not gone unnoticed by stakeholders within the financial community. According to The United States

Forum for Sustainable and Responsible Investment, over \$8.10 trillion in total US-based assets were under professional management in 2016, an increase from \$6.57 trillion three years prior (United States Sustainable Investment Forum, 2017). Of this amount, \$2.56 trillion in assets were held by money managers or institutional investors who sponsored or co-sponsored shareholder resolutions on CSR-oriented issues toward an organization's board of directors, which underscores the importance of CSR practices by organization.

Given the ubiquity and importance of CSR practices within the business community, the findings of this dissertation can be of tremendous importance to academics and consultants alike. Of greatest importance, I found that the servant leadership dimension of building community and subordinate support were the primary mechanisms through which servant leaders direct their efforts (Graham, 1991; Stone et al., 2004). These findings imply that activities such as charitable giving, support for local housing initiatives, support for local education initiatives, and behaviors of improving relations with stakeholders outside of the organization are the primary ways through which personality manifests itself through servant leadership behaviors. Overall, this information is of particular relevance for industry consultants, fund managers, and corporate blockholders who wish to predict whether the current or incoming top management will continue to engage in positive relations with community stakeholders among other sustainability-oriented practices.

**Executive selection.** In addition to advice for practicing managers, the findings in this dissertation carry significant managerial implications in the domain of executive selection. This is an important issue to consider when an organization's current CEO or board of directors wish to sustain or improve their practice of being socially responsible surrounding a change in leadership and thereafter. Recent figures of CEOs failing to meet expectations are staggering. For example, Hogan (2003) estimates that two-thirds of executives in leadership positions will not succeed. Furthermore, fewer than 30% of organizations have any type of formal succession plans in place (Fegley, 2006). This figure is hardly surprising given that the current state of executive selection is largely considered a highly proprietary and politicized process (Kraut, 2009). Moreover, Kraut (2009) posits that internal human resources managers in addition to board members tend to be biased in the selection process given that their "Egoism based on their own success and their self-convinced perception of subtle factors in the corporate environment help to persuade them that they personally are the optimal selection devices" (p. 172). The importance of having an incoming

CEO succeed in their respective position is crucial to ensuring the organization's CSR initiatives will be implemented correctly.

In a fairly recent article discussing executive selection, Hollenbeck (2009) describes how the state of the selection process heavily relies on traditional validation models, interviews, simulations, and even prior accomplishments. While these formal assessment techniques are often quite helpful, they have been shown to be sub-optimal predictors of performance and job success (Highhouse, 2008). Furthermore, Hollenbeck (2009) and Fernanced-Araoz (2005) note that at the executive level, decisions in organizations are often complex with no specific set of rules or procedures for success. The day-to-day tasks of these top managers often involve developing subordinates, leading teams, and collaborating with other stakeholders. Thus, evaluating the prospective abilities of these candidates can create considerable challenges for industrial and organizational psychologists, consultants, assessment centers, and other participants involved in the selection process. To evaluate these managerial attributes which are necessary to perform these tasks, Hollenbeck (2009) argues that competencies (how the job is done) and competence (actual results) are considered significantly more important to hiring committees than internal character attributes of the potential applicant which he attributes to frequent mismatches between the CEO and the organization. The end result often leads to premature firings and demotions.

While other criteria such as organizational performance and profitability remain a priority, the importance of maintaining CSR throughout the organization and the community in which it operates goes beyond competitive advantage; it is a prerequisite for its long-term strategy and survival in an increasingly competitive marketplace (Porter & Kramer, 2006; Thorpe & Prakash-Mani, 2003). Rather than simply relegating CSR as a passing fad, it is a practice which is here to stay. Thus, if an organization wishes to maintain or improve upon its sustainability practices, the findings in this study suggest that both personality and leadership matter.

Thus, when evaluating potential candidates for top management, organizations may wish to first consider their strategic objectives. Moreover, it is recommended by Fernanced-Araoz (2005) that organizations not only define their strategic direction, but to evaluate the requirements on how to achieve them as well. In the case of CSR engagement, once an organization chooses to emphasize this practice, participants involved in the search process should define the behavioral prerequisites of potential applicants to better assess their competencies, notably those of an

interpersonal nature. In doing so, being able to assess personality and servant leadership can be seen more as supplementing a comprehensive process rather than being perceived as a trade-off.

One noteworthy finding of this dissertation was failing to find a significant direct effect between the Big Five and CSR engagement. This begs the question why should other participants involved in CEO selection evaluate potential candidates on their personality traits if assessing servant leadership alone will suffice on predicting CSR engagement? The rationale is that being able to map servant leadership onto an established personality taxonomy such as the Big Five allows selection specialists to evaluate the potential CEO's personality while being able to predict servant leadership simultaneously. In doing so, this allows comparison among personality types of these potential applicants in addition to being able to evaluate servant leadership scores given the antecedents obtained from this study.

As emphasized earlier, given the importance of engaging in sustainability and CSR practices, selecting the right candidate for the top management position by assessing servant leadership can be viewed as an additional component of the evaluation process. Therefore, given the findings in this study, if selection experts wish to choose an appropriate CEO who will pursue (or maintain) a rigorous CSR agenda for their organization, it is recommended that they rely on servant leadership first and foremost. Given the significant intervening mechanism of this leadership style, choosing a future top manager scoring high on this concept is necessary to direct personality traits such as agreeableness, neuroticism, and openness to experience into strategic action. Furthermore, significant servant leadership facets of building community and subordinate support over and above that of transformational leadership establish the importance of this concept in achieving organizational objectives directed toward CSR engagement.

In summary, the less than stellar performance record associated with numerous CEOs in their tenure emphasizes the importance of finding the right individual for the top management position. Given the rationale presented above in addition to the findings presented in this study, the importance of CSR cannot be understated. As part of the hiring process, selecting a CEO should not only focus on inner and contextual competence, but should place a greater emphasis on character of the applicant as well. As Hollenbeck (2009) suggests, when an organization has the right people 'on board', issues arising from ethics, compensation, corporate wrongdoing, and strategic decision making "take care of themselves" (p. 135). Overall, selecting the right applicant to lead an organization not only ensures that the new CEO will succeed, but it also stresses the

importance of examining character and personality of the focal applicant. Doing so will require the use of established and valid psychometric measurement, methods, and analysis (Ones & Dilchert, 2009). Therefore, the underlying theories, the use of a statistically reliable and valid instrument to assess personality, and the findings of this dissertation aim to improve not only our understanding of corporate social responsibility within the context of leadership, but to assist practitioners involved with the selection process as well. In doing so, selecting a CEO who will behave and lead in a socially responsible manner is not meant to come at the expense of leading a profitable organization, but rather to supplement the current selection process to ensure that the top manager will succeed not only in leading a profitable organization, but lead a socially responsible one as well.

Along these lines, the findings from the post-hoc analysis which investigated the specific facets of servant leadership can be used to predict and increase social CSR scores within organizations as well. For example, as reported in Table 10, a strong correlation between agreeableness and subordinate support and the indirect effect of this personality trait on social CSR allows further screening of potential top leadership candidates. In particular, investigating servant leadership at the facet level has the potential to have a larger impact on social CSR as opposed to its aggregate measure. In summary, these findings underscore the importance of utilizing both personality scores in addition to executive servant leadership scores to predict CSR engagement in potential top managers.

### **Future Research**

**Personality facets.** The findings in this dissertation provide numerous avenues for future research into servant leadership. First, given the inconclusive findings for conscientiousness, future research could examine the sub-dimensions of this personality trait in addition to the remaining Big Five factors (Costa & McCrae, 1995; DeYoung et al., 2007) in efforts to determine the optimal facet having the largest effect size. For example, as previously mentioned, extraversion was found by DeYoung et al. (2007) to consist of two factors involving enthusiasm and assertiveness. It might be possible that the small effect size for this trait may be a result of two competing facets having an opposite effect on each other. That is, enthusiasm, which is characterized as being friendly, warm, and talkative, may positively increase servant leadership actions while assertiveness may have the opposite effect and thus decrease servant leadership behaviors due to aggressive and ambitious behavior by the focal leader. Furthermore, the small yet

significant indirect effect of extraversion on social CSR may indicate that the factor of enthusiasm is prevalent given its hypothesized effect on social areas such as positive union relations, fewer workforce reductions, and greater diversity at the board level. Along the same lines, as illustrated by the non-significant findings for conscientiousness in this study, investigating both proactive and inhibitive aspects of this trait will provide a better insight about whether or not it can predict CSR engagement. Finally, it has been shown by Judge et al. (2013) that analyzing personality through specific facets of the Big Five rather than utilizing broad trait-based measures has been shown to more accurately predict organizational criteria.

**Levels of analysis.** Given the findings in this dissertation that personality has an indirect effect on strategic CSR through servant leadership actions and behaviors, further research into the drivers of CSR throughout the organization is justified. Borrowing from the literature in transformational leadership, it has been shown by Bass, Waldman, Avolio, and Bebb (1987) that a transformational leaders' charisma and influence can permeate the managerial levels of the organization from the CEO downward to middle managers to first-level supervisors. In relation to the current study, research could further examine how CSR is implemented at various levels within the organization by incorporating both a qualitative perspective (Angus-Leppan et al., 2010) at different levels of analysis (Rousseau, 1985).

For example, building on the findings from Angus-Leppan et al. (2010) who found that explicit CSR (Matten & Moon, 2008) was prevalent throughout the organization, and notably among top management, it was found that this form of CSR was related to an autocratic leadership style. Despite the fact that the presence of implicit CSR mainly at lower levels of the organization was associated with authentic leadership behaviors, explicit CSR was pushed down the organizational hierarchy. Overall, these two forms of CSR were often found to be in conflict, not only across organizational hierarchy, but within these levels as well.

The findings from this study present numerous implications for servant leadership within the organization. For example, given that humility and authenticity are key attributes of servant leadership (Van Dierendonck, 2011) would an executive servant leader be associated with embedded or internal CSR rather than external? If so, does this concept cascade downward the organizational hierarchy to first-line managers? Furthermore, if external CSR is present (i.e. first-line managers under pressure to implement CSR initiatives), does this conflict with internal CSR among employees? Answering these questions not only further defines the boundary conditions of

servant leadership (Van Diernendonck et al., 2014), it further advances our understanding of the consequences of this leadership style.

**Related criteria.** Given the indirect effect associated with servant leadership on the personality-CSR relationship, future research could examine similar organizational criteria. One related outcome is that of corporate greenwashing which is defined by Delmas and Burbano (2011) as the “...act of misleading consumers regarding the environmental practices of a company” (p. 66). Despite this being a relatively new field of research, numerous studies have attempted to examine the antecedents of these corporate actions which include institutional pressures (Delmas & Toffel, 2008), social norms and cultural beliefs (Roulet, & Touboul, 2015), and even prior sustainability ratings (Parguel, Benoît-Moreau, & Larceneux, 2011).

One potential mechanism which has been the subject of little empirical research are the individual-level and psychological antecedents of what impels management and, in particular, the CEO to engage in corporate greenwashing. One theoretical study by Delmas and Burbano (2011) addressed the potential psychological drivers within a decision-making framework, but the role of personality was not mentioned as a potential antecedent with little attention given to the concept of leadership in general. Given that the inherent nature of greenwashing is to improve corporate image (Parguel et al., 2015), it is quite likely that top management will experience a moral and ethical lapse in judgment in the absence of servant leadership at the top of the organization. Given this potential framework, future research could examine how servant leadership can mitigate an organization’s propensity to engage in greenwashing. This avenue for future research is based on the idea that servant leaders who practice authenticity, humility, and engaging stakeholders in a moral and ethical manner are less likely to deceptively portray their corporate image to the broader community.

In addition to CSR implementation, research could investigate how the daily practice of servant leadership at the top of the organization can influence other related variables such as the fulfilment of psychological needs of employees (Deinert et al., 2015), organizational trust (Washington et al., 2006) and organizational citizenship behaviors (Ehrhart, 2004) which result from servant leadership behaviors at the top of the managerial hierarchy. This issue has been suggested by Aguinis and Glavas (2012) as a potential avenue for future research in CSR as well. In summary, these propositions for future research can ultimately enable us as researchers to better understand the complicated mechanisms underlying how servant leadership can influence all

employees throughout the organization. Finally, given the propensity of servant leaders to engage stakeholders both inside and outside of the organization, future research could examine the potential mechanisms through which this leadership style affects community relations.

## **Conclusion**

In this dissertation, I investigated how CEO personality influences CSR engagement. In doing so, I tested a model which simultaneously investigated the antecedents of servant leadership and its effect on strategic and social dimensions of CSR while moderated by managerial discretion. I found that on the whole, CEO personality has an indirect effect on strategic CSR through the intervening mechanism of executive servant leadership. In addition, when examining the potential confound of transformational leadership in the model, I found that most of the indirect effect from servant leadership was significantly mitigated. Closer inspection of this phenomenon revealed however that servant leadership is primarily mediated through the dimension of building community which signifies that servant leaders, despite having transformational leadership attributes, provide stewardship and broaden their focus to include all stakeholders as opposed to transformational leaders who primarily direct their efforts toward the organization and goal accomplishment (Graham 1991; Stone et al., 2004). Finally, this dissertation was able to determine the specific personality antecedents to servant leadership in this process. The findings in this dissertation suggest that executive leadership affects CSR implementation, and this has broad implications not only for subordinates within the organization, but for stakeholders as well. In summary, servant leadership was empirically validated as a proximal mediator accounting for the relationship between executive personality and CSR engagement, thus advancing our understanding of the effects of how this leadership style contributes to upper echelons theory and reinforcing the contention that leadership in organizations is a significant and important factor in organizations (Dirks & Ferrin, 2002; House & Aditya, 1997). In conclusion, I encourage future research to build on these findings in efforts to further advance scholarship in this field.

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## APPENDICES

### Appendix A

#### International Personality Item Pool Inventory

	Very Inaccurate	Moderately Inaccurate	Neither Accurate Nor Inaccurate	Moderately Accurate	Very Accurate	
1. Am the life of the party.	0	0	0	0	0	(1+)
2. Feel little concern for others.	0	0	0	0	0	(2-)
3. Am always prepared.	0	0	0	0	0	(3+)
4. Get stressed out easily.	0	0	0	0	0	(4-)
5. Have a rich vocabulary.	0	0	0	0	0	(5+)
6. Don't talk a lot.	0	0	0	0	0	(1-)
7. Am interested in people.	0	0	0	0	0	(2+)
8. Leave my belongings around.	0	0	0	0	0	(3-)
9. Am relaxed most of the time.	0	0	0	0	0	(4+)
10. Have difficulty understanding abstract ideas.	0	0	0	0	0	(5-)
11. Feel comfortable around people.	0	0	0	0	0	(1+)
12. Insult people.	0	0	0	0	0	(2-)
13. Pay attention to details.	0	0	0	0	0	(3+)
14. Worry about things.	0	0	0	0	0	(4-)
15. Have a vivid imagination.	0	0	0	0	0	(5+)
16. Keep in the background.	0	0	0	0	0	(1-)
17. Sympathize with others' feelings.	0	0	0	0	0	(2+)
18. Make a mess of things.	0	0	0	0	0	(3-)
19. Seldom feel blue.	0	0	0	0	0	(4+)
20. Am not interested in abstract ideas.	0	0	0	0	0	(5-)

21. Start conversations.	0	0	0	0	0	(1+)
22. Am not interested in other people's problems.	0	0	0	0	0	(2-)
23. Get chores done right away.	0	0	0	0	0	(3+)
24. Am easily disturbed.	0	0	0	0	0	(4-)
25. Have excellent ideas.	0	0	0	0	0	(5+)
26. Have little to say.	0	0	0	0	0	(1-)
27. Have a soft heart.	0	0	0	0	0	(2+)
28. Often forget to put things back in their proper place.	0	0	0	0	0	(3-)
29. Get upset easily.	0	0	0	0	0	(4-)
30. Do not have a good imagination.	0	0	0	0	0	(5-)
31. Talk to a lot of different people at parties.	0	0	0	0	0	(1+)
32. Am not really interested in others.	0	0	0	0	0	(2-)
33. Like order.	0	0	0	0	0	(3+)
34. Change my mood a lot.	0	0	0	0	0	(4-)
35. Am quick to understand things.	0	0	0	0	0	(5+)
36. Don't like to draw attention to myself.	0	0	0	0	0	(1-)
37. Take time out for others.	0	0	0	0	0	(2+)
38. Shirk my duties.	0	0	0	0	0	(3-)
39. Have frequent mood swings.	0	0	0	0	0	(4-)
40. Use difficult words.	0	0	0	0	0	(5+)
41. Don't mind being the center of attention.	0	0	0	0	0	(1+)
42. Feel others' emotions.	0	0	0	0	0	(2+)
43. Follow a schedule.	0	0	0	0	0	(3+)
44. Get irritated easily.	0	0	0	0	0	(4-)
45. Spend time reflecting on things.	0	0	0	0	0	(5+)

<b>46. Am quiet around strangers.</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>(1-)</b>
<b>47. Make people feel at ease.</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>(2+)</b>
<b>48. Am exacting in my work.</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>(3+)</b>
<b>49. Often feel blue.</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>(4-)</b>
<b>50. Am full of ideas.</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>O</b>	<b>(5+)</b>

Note: Values of 1 – 5 indicate personality dimensions of extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience and scoring direction. Source: Goldberg (1992).

## **Appendix B**

### **Sample Reference List for CEO Validation Sample**

#### **Michael Eisner (Disney)**

CEO from 1984-2005, Chair from 1984-2004

#### Video:

- 1) <https://www.youtube.com/watch?v=z81RXLeHJ1s>
- 2) <https://www.youtube.com/watch?v=toXcbneNxMs>
- 3) <http://www.cbsnews.com/videos/eisner-ousted-from-chair/>
- 4) <http://video.foxnews.com/v/4339166/michael-eisner-on-your-world/?#sp=show-clips>

#### Focal Articles:

- 1) <http://hbswk.hbs.edu/archive/1330.html>
- 2) <http://www.adviseamerica.com/michael-eisner-leadership-style/>
- 3) <http://www.nytimes.com/1999/08/18/business/hey-there-hi-there-it-s-new-michael-eisner-disney-s-leader-woos-fretful-wall.html?pagewanted=2>
- 4) <http://www.emmytvlegends.org/interviews/people/michael-eisner> (click on the tab labeled “interview” and you can see the relevant topics)
- 5) <http://www.cnn.com/id/100853464> (interview)
- 6) [https://www.google.ca/search?q=Michael+Eisner+%28Disney%29&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&gfe\\_rd=cr&ei=cgl1VfXrD-qM8Qfh6oGYDQ#q=Michael+Eisner+interveiw](https://www.google.ca/search?q=Michael+Eisner+%28Disney%29&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&gfe_rd=cr&ei=cgl1VfXrD-qM8Qfh6oGYDQ#q=Michael+Eisner+interveiw)

## Appendix C

### Executive Servant Leadership Scale

	Strongly Disagree	Moderately Disagree	Neither Agree or Disagree	Moderately Disagree	Strongly Agree
<i>Interpersonal Support (0.97)*</i>					
Recognize low morale	0	0	0	0	0
Make other succeed	0	0	0	0	0
Nurtures employee leadership	0	0	0	0	0
Dignity and respect	0	0	0	0	0
Decision-making control to most affected	0	0	0	0	0
Listens carefully	0	0	0	0	0
<i>Building Community (0.95)</i>					
Effects of decisions on community	0	0	0	0	0
Spirit of cooperation	0	0	0	0	0
Organizational commitment	0	0	0	0	0
Improve community	0	0	0	0	0
Values diversity and differences	0	0	0	0	0
<i>Altruism (0.96)</i>					
Sacrifice personal benefit	0	0	0	0	0
Serve with no expectation of reward	0	0	0	0	0
Others interests over self	0	0	0	0	0
Serving others over being served	0	0	0	0	0
<i>Egalitarianism (0.96)</i>					
Encourages debate	0	0	0	0	0
Invites constructive criticism	0	0	0	0	0
Learns from employees at all levels	0	0	0	0	0
Welcomes input from all levels	0	0	0	0	0
<i>Moral Integrity (0.97)</i>					
Inspires trust	0	0	0	0	0
Refuses manipulation and deceit	0	0	0	0	0
Admits mistakes	0	0	0	0	0
Transparency and honesty in organization	0	0	0	0	0
Integrity over profit	0	0	0	0	0
Models expected behavior (walks the walk)	0	0	0	0	0

\*Items in parenthesis indicate composite reliabilities

## Appendix D

### Description of Variables, Their measurement, and Their Respective Sources

Variables	Description	Measurement	Source(s)
<i>Main Study</i>			
Personality	Five Factor Model (FFM) of personality consisting of Extraversion, Agreeableness, Neuroticism, Openness to Experience, and Conscientiousness	Coding by raters utilizing video, proxy statements, earning reports, and other corporate documents using the International personality Item Pool (IPIP) for the focal CEO	Securities and Exchange Commission (SEC) filings; Media coverage in the public record; corporate websites
Servant leadership	The extent of servant leadership displayed by the focal CEO	Coding by raters utilizing video, proxy statements, earning reports, and other corporate documents of the focal CEO using the executive servant leadership scale (ESLS; Reed et al., 2011)	SEC filings; Media coverage in the public record; Corporate websites
Corporate social responsibility (CSR)	The extent to which the focal organization engages in strategic or social areas of CSR	Strategic: Subtracting the strengths and weaknesses of environment, community, governance, and product, then adding the final measure. Social: A similar process but with KLD dimensions of employee relations and diversity	Kinder, Lydenberg, and Domini (KLD) social rating index
Managerial discretion	The degree of discretion and autonomy afforded to the top manager	Principal components analysis (PCA) producing a two-factor solution of CEO duality and relative compensation.	SEC filings; BoardEx;
Firm size	The size of the focal organization in 2011	Natural logarithm of total assets	COMPUSTAT

**Appendix D (Contd.)**

Previous acquisition of high CSR firm	Previous acquisition may attribute and/or confound with executive personality or servant leadership	Indicator variable ascribed to focal organization within last three years	Securities Data Corporation (SDC); KLD database
CEO tenure	The length of time the focal CEO assumed his/her position	Measured in years	SEC filings; BoardEx
CEO age	Age of the focal CEO in 2011	Measured in years	SEC filings; BoardEx
CEO education	Type of university degree granted to the focal CEO	M.B.A or legal degree granted (i.e. J.D.)	SEC filings; BoardEx
Western Climate Initiative (WCI)	Partner agreement by western states to reduce greenhouse gasses	Indicator variable ascribed if focal firm is located within or has substantial business interests within that state	SEC filings; WCI Website
Regional Greenhouse Gas Initiative (RGGI)	Cap-and-trade program for CO <sub>2</sub> emissions emanating from power plants	Indicator variable ascribed if focal firm is located within or has substantial business interests within that state	SEC filings; RGGI website

**Appendix E**  
**Summary Table of Hypotheses and Findings**

Panel A: Hypotheses 1-10

Direct Effect of Big Five on CSR	Findings	Conclusion
1. Extraversion on strategic and social CSR	NS	No Support
2. Agreeableness on social CSR only	NS	No Support
3. Conscientiousness on strategic and social CSR	NS	No Support
4. Neuroticism	NS	No Support
5. Openness to Experience	NS	No Support

Indirect Effect of Servant Leadership

6. Extraversion on strategic and social CSR	Both	Fully Supported
7. Agreeableness on strategic and social CSR	Strategic Only	Partially Supported
8. Conscientiousness on strategic and social CSR	NS	No Support
9. Neuroticism	Strategic Only	Partially Supported
10. Openness to Experience	Strategic Only	Partially Supported

Panel B: Hypothesis 11

Managerial Discretion as Moderator (Direct Effect)

Extraversion on strategic and social CSR	No Moderation	No Support
Agreeableness on social CSR only	No Moderation	No Support
Conscientiousness on strategic and social CSR	No Moderation	No Support
Neuroticism on strategic and social CSR	No Moderation	No Support
Openness to Experience on strategic and social CSR	No Moderation	No Support

Panel C: Hypothesis 12

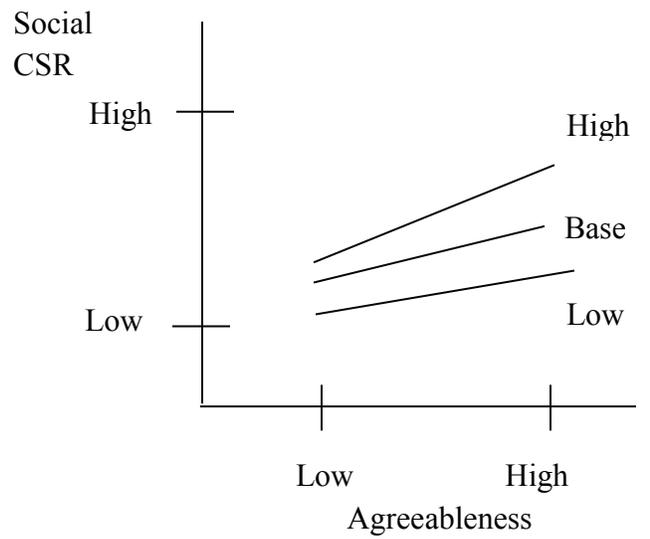
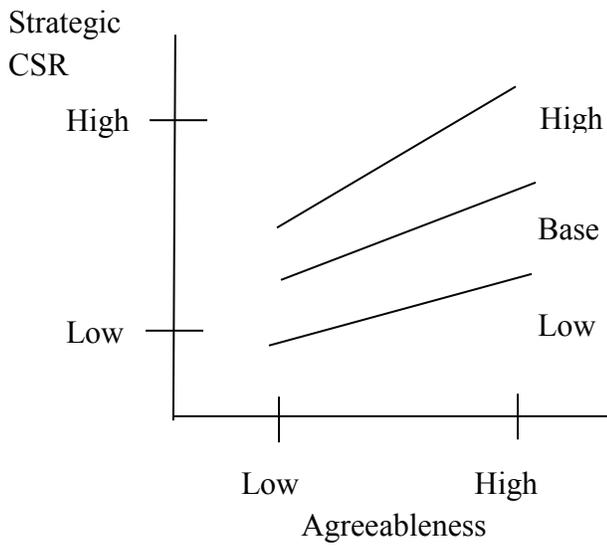
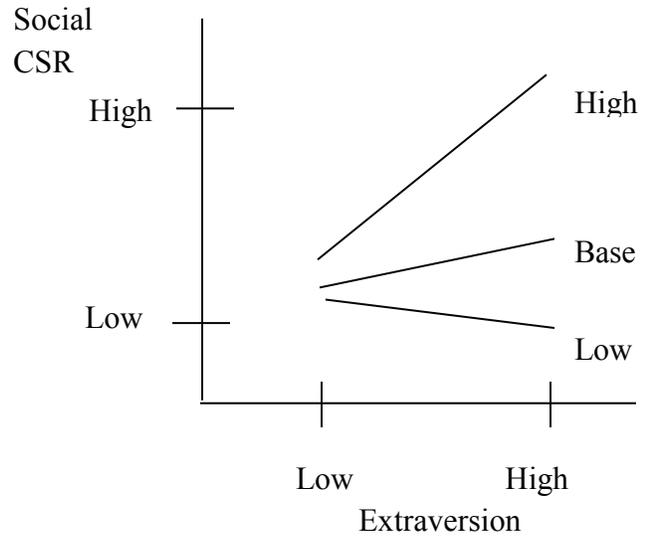
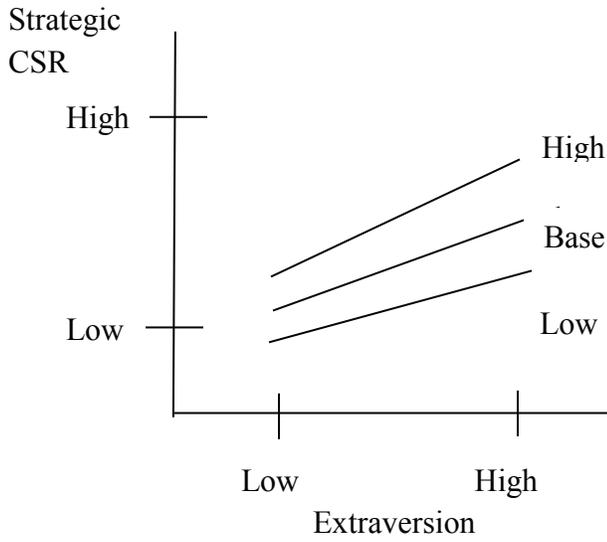
Managerial Discretion as Moderator (Indirect Effect)

Extraversion on strategic and social CSR	No Moderation	Partially Supported
Agreeableness on strategic and social CSR	No Moderation	No Support
Conscientiousness on strategic and social CSR	No Moderation	No Support
Neuroticism	No Moderation	No Support
Openness to Experience	No Moderation	Partially Supported

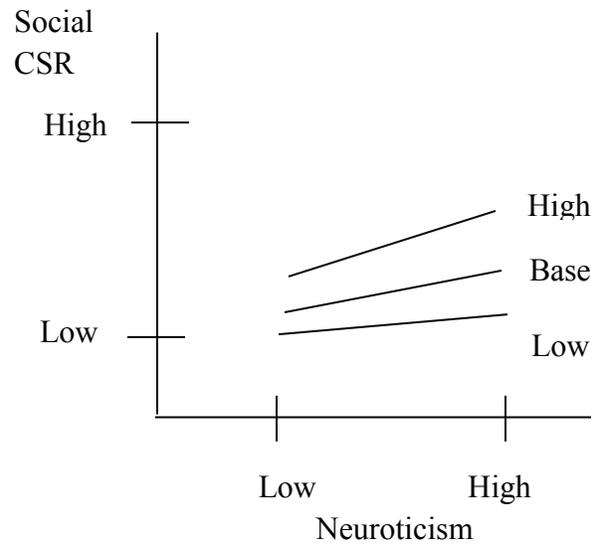
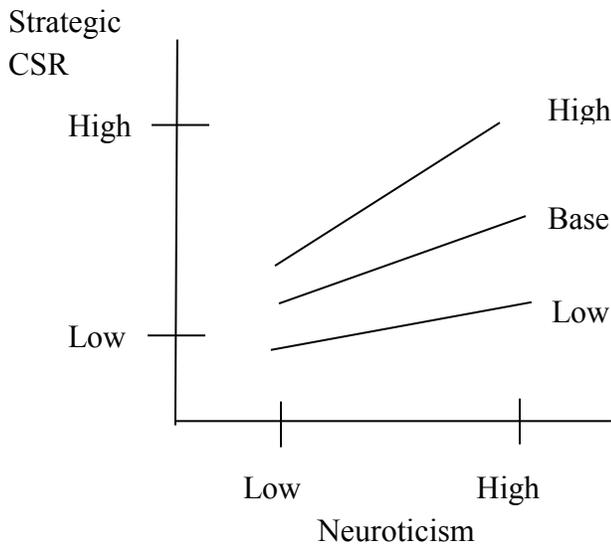
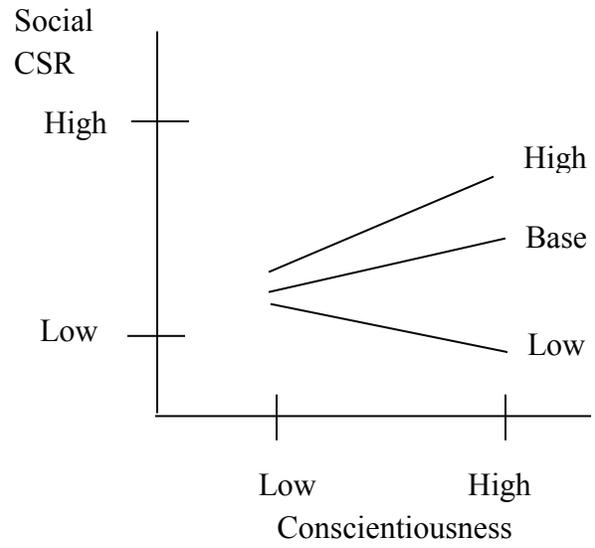
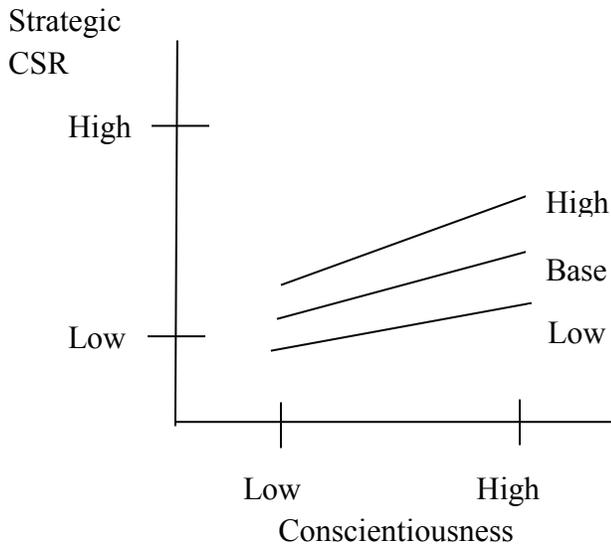
Note: Findings in Panel B sourced from Table 6; Panels B and C sourced from Table 19. NS = Not Significant. Level of significance is  $p < .10$  or greater.

## Appendix F

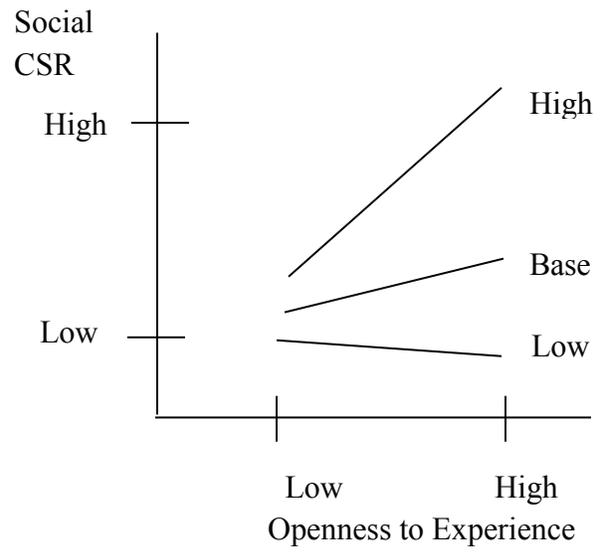
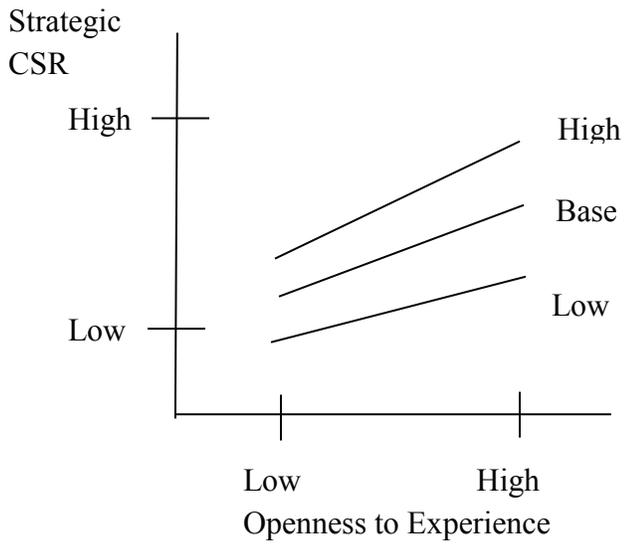
### Moderated Mediation of Managerial Discretion for the Big Five on Strategic and Social CSR Engagement



**Appendix F. Contd.**



**Appendix F. Contd.**



## Appendix G

### Summary of Post-Hoc Analysis of the Intervening Effect of Servant Leadership Facets

#### Panel A: Strategic CSR

	Subordinate Support	Building Community	Altruism	Moral Integrity	Egalitarianism
Extraversion	Significant	Significant	Significant	Significant	Significant
Agreeableness	Significant	Significant	NS	NS	Significant
Conscientiousness	Significant	NS	NS	Significant	NS
Neuroticism	Significant	Significant	Significant	Significant	Significant
Openness to Experience	Significant	Significant	NS	NS	Significant

#### Panel B: Social CSR

Extraversion	Significant	NS	NS	Significant	NS
Agreeableness	Significant	NS	NS	NS	NS
Conscientiousness	NS	NS	NS	NS	NS
Neuroticism	Significant	NS	NS	NS	NS
Openness to Experience	Significant	NS	NS	NS	NS

Note: Findings in Panels A and B sourced from Tables 9-13. NS = Not Significant. Level of significance is  $p < .10$  or greater.

## Appendix H

### Summary of Post-Analysis of the Intervening Effect of Servant Leadership Facets with Transformational Leadership Control

#### Panel A: Strategic CSR

	Aggregate SL Mediating Aggregate TFL	Community Mediating Aggregate TFL	Community Mediating TFL - IC	Sub. Support Mediating Aggregate TFL	Sub. Support Mediating TFL - IC
Extraversion	NS	Significant	Significant	NS	NS
Agreeableness	NS	NS	Significant	NS	NS
Conscientiousness	NS	NS	Significant	NS	Significant
Neuroticism	Significant	Significant	Significant	Significant	NS
Openness to Experience	NS	Significant	Significant	NS	Significant

#### Panel B: Social CSR

Extraversion	NS	NS	NS	NS	NS
Agreeableness	NS	NS	NS	NS	NS
Conscientiousness	NS	NS	NS	NS	NS
Neuroticism	NS	NS	NS	NS	NS
Openness to Experience	NS	NS	NS	NS	NS

Note: Findings in Panels A and B sourced from Tables 8, 15-18. NS = Not Significant, SL = Servant Leadership, TFL = Transformational Leadership, IC = Individualized Consideration, Community = Building Community. Level of significance is  $p < .10$  or greater.