

# UPPER ECHELONS THEORY REVISITED: THE NEED FOR A CHANGE FROM CAUSAL DESCRIPTION TO CASUAL EXPLANATION

*Seth Oppong\**

Received: 29. 12. 2013

Accepted: 29. 10. 2014

Review

UDC 005.7

*This paper presents a review of the past and present upper echelons research with the intention of drawing attention to the need for a change of direction from causal descriptive studies to causal explanatory studies. Review of the extant literature indicates that many of the organizational researchers have shown greater interest in studying relationships between top management characteristics (in the form of demographics) and organizational outcomes. This has continued despite the effort by Priem, Douglas and Gregory to draw attention to the limitations of demographic proxies of psychographic variables of top management teams and the caution that the role of the entire top management team in strategy development may be over-exaggerated. Since many of the studies failed to show empirically how or why top management demographics related to organizational outcomes, implications for theory and research are discussed.*

## 1. BACKGROUND

There is some reason to believe that organizations parallel the profile of the dominant individuals who manage the affairs of the organization and that some organizational pathologies may reflect pathologies in the personality of these dominant individuals. Their perceptions of the corporate environment can be said to determine to a large extent how organizations or business units act in response to their environment. Thus, the organizations are what their leaders think, feel, perceive, and believe. This was the thesis of the seminal paper by Hambrick and Mason (1984), known as the Upper Echelons (UE) perspective.

---

\* Seth Oppong, MSc, Sam Jonah School of Business, African University College of Communication, P. O. Box LG 510, Legon, Accra, Ghana; Email: [oppon.seth@gmail.com](mailto:oppon.seth@gmail.com)

Upper echelons theory states that organizational outcomes – both strategies and effectiveness – are reflections of the values and cognitive bases of powerful actors (senior executives) in the organization (Carpenter, Geletkanycz, & Sanders, 2004; Hambrick & Mason, 1984). More specifically, the theory states that top managers' perception of their corporate environment influences the strategic choices they make which eventually affects the performance of the organization. It further states that their fields of vision (the areas top managers direct their attention to) and for that matter the perceptions of the environment that result are restricted by their cognitive base and values. This is because the attentional process is constrained by the limited capacity of humans for information processing at any given time and as a result, our decision to attend to certain elements in the environment is determined by our dispositions and personal tendencies. In other words, personal characteristics of top managers determine the aspects of the environment that they can "see" and what they see inform the decisions they make regarding strategic choices which ultimately affects the bottom-line of the organization. The revision of the theory by Carpenter et al. (2004) adds mediators and moderators of top management team effects such as power, team processes, integration, incentives, and discretion to the model. They also re-conceptualize both strategic choices (which in the original version of the theory are mediators) and firm performance as organizational outcomes.

In order to test this theory, management researchers have approached the question of whether top managers influence their organizations in two ways. First, they assess top executives demographics and relate them to the metrics of organizational performance. Second, they measure the underlying psychological traits of top executives and determine whether or not they relate to the performance of organizations. However, the majority of the UE research took the 'demographic' approach rather than the 'psychographic' one with a handful of studies assessing both demographic and psychographic variables. Based on the original and revised versions of the theory, it can be suggested that top managers' personal characteristics can directly influence the organizational outcomes (Carpenter et al, 2004; Hambrick & Mason, 1984).

Empirical studies that followed from Hambrick and Mason's (1984) thinking suggest that indeed the top management team (TMT) matters to organizational performance. For instance, Bantel and Jackson (1989) and Murray (1989) documented that top management team demographics related to innovation and firm performance respectively. It was therefore considered crucial for organizational scientists and practitioners alike to understand the factors that underpin the cognitions, values, and perceptions of top management

teams. Until recently, the distinguishing feature of these studies was that they typically studied top management team demographic variables such as age, functional background, education, tenure, and similar variables in relation to the organizational outcomes (Carpenter et al., 2004; Sparrow, 1994). As the studies proceeded, certain variables were conceptualized as “control variables” or moderators. They included organizational age, size, and environment. In the modified casual model of the upper echelons theory, Carpenter et al. (2004) indentified these and other factors as affecting the top management sensing-making of their environment and strategic decision-making process. More recently, Nishii, Gotte, and Raver (2007) demonstrated that demographic diversity of senior management related positively with the adoption of diversity practices.

## **2. CRITICISMS OF THE CURRENT UPPER ECHELONS RESEARCH**

Priem, Douglas and Gregory (1999) criticized the demographics-based top management team (TMT) research as sacrificing construct validity, explanatory power and prescription practicality. Hambrick and Mason (1984) suggested that cognitive diversity is needed for the success in a turbulent business environment and that demography served as proxy for underlying deep-level personal factors such as personality, power, values, interests, and so on. In fact, Carpenter et al. (2004) described the demographics characteristics of top management teams as observable variables. The use of demographics partly stemmed from this piece of advice as well as the reliability and ease with which demographics can be measured. The danger here is that one is not sure which aspect of the deep-level attribute is being captured or the appropriate combination of the demographics that capture a particular deep-level attribute (Priem et al., 1999). In other words, in demographics-based studies, one is unsure of what the demographics being measured reflect. As a result, the mechanism through which these demographics influenced firm performance has been assumed and remained largely unexplored.

Again, these demographics identified through empirical studies are not necessarily under the control of the CEO and practitioners or are less amenable to manipulation by them. For instance, if the CEO of a firm replaces an old tenured manager with a young one he or she may also alter other characteristics of the top management team. Thus, it is always difficult to effect changes based on demographics-based evidence without introducing another form of unanticipated change. In some countries, for example, it may be even illegal to select on the basis of age and other such demographics; such selection practices

are considered discriminatory and unfair to the disadvantaged individuals. Arguably, it seems almost impractical to use the evidence gathered so far to serve the ultimate purpose for which the studies were conducted. The demographics-based studies can be said to be unsuccessful when viewed against psychological research in terms of goals of Psychology. Research, according to psychologists, must be able to describe, explain, predict and control the phenomenon being studied.

Clearly, the demographic-based studies have been quite successful at describing the relationships between top management team characteristics and firm performance and to some extent predict but unsuccessful at explaining and controlling. This is to say that such demographic-based studies have been successful at generating causal descriptions rather than causal explanations of the mechanisms through which demography affects organizational outcomes. This has gradually created a “black box of organizational demography” (Oppong, 2009) which results from causal descriptive studies that search for relationships between top management characteristics and organizational performance without attempting to identify the intervening mechanisms through which organizational performance is affected by top management characteristics.

Consequently, Priem et al. (1999) suggested that studies should move beyond the current interest in demography into studying the factors that the demographics are construed to proxy. They suggested that researchers should focus on judgment, psychographics, and power distribution within the top management teams. Empirical studies seem to suggest that deep-level variables such as those mentioned above are more salient. For instance, Harrison, Price, and Bell (1998) reported a strong negative association between the length of time group members worked together and effects of demographic diversity on the one hand and a positive correlation with attitudinal diversity on the other. This suggests that it might be more important to study the deep-level variables as top management teams often consist of individuals who have worked together for some time. However, requiring that top management demographic studies be abandoned will prevent researchers from exploring certain interesting relationships. For instance, in spite of Priem et al.’s (1999) caution, Nishii et al. (2007) reported that top management team diversity with respect to gender, ethnicity, and disability correlated significantly with adoption of diversity practices in these three domains. This underscores a need for “*demography renaissance*” in organizational science as it is still worthwhile to study organizational demography at the same time as researchers are being called upon to focus more on psychographic variables.

Though upper echelons theory inspired research focused on the top management team, it might be also useful to focus on the characteristics of the leaders or chief executive officers (CEOs) of the TMTs. This is because the distribution of power within such a small team is differentially lopsided towards the leader or the CEO. Priem et al. (1999, p.945) argued that: *"...the role and importance of the entire TMT in strategy development would likely be reduced, thereby curtailing their contribution to firm performance. This diminished role can occur independently of the collective skills and capabilities resident in the TMT; as the power and assertiveness of the CEO increases, the other TMT members simply become less relevant"*.

In addition to the upper echelons theory, there are a number of the theoretical frameworks that other researchers have developed that can also help us understand the causal link between top management characteristics and organizational performance. Another example is the framework employed by Peterson, Martorana, Smith, and Owens (2003). Peterson et al. (2003) cast their study within a process model that links leader traits to organizational effectiveness.

The renewed interest in leader traits, according to Peterson et al. (2003), partly stems from the research evidence that at least three dimensions of the Five-factors of personality correlated with transformational leadership emergence and effectiveness (Judge and Bono, 2000). Peterson et al. (2003) also suggested that studying the trait-effectiveness relationships without understanding the mechanism through which the traits affect leader effectiveness presents a static view of leadership. Hence, Peterson et al.'s (2003) decision to adopt a process approach in which they conceptualized top management team dynamics as mediating variables.

Additionally, Hogan and Kaiser (2005) also proposed a general model of how leadership of organizations impacts the organizational performance. Based on the work by Peterson et al. (2003) and the meta-analytic study by Harter, Schmidt, and Hayes (2002), they propose that (a) leader's personality predicts leadership style (who we are determines how we lead), (b) leadership style predicts employee attitudes and team functioning and (c) attitudes and team functioning predict organizational performance.

Despite this, Grawitch, Gottschalk, and Munz (2006) having done on a qualitative review of the literature argued that there are two pathways from workplace practices to organizational improvement; one is a direct path and the other is an indirect path through employee wellbeing including commitment and

job satisfaction. It is important to note here that the debate in work motivation about whether or not job satisfaction, and for that matter employee attitudes, lead to high job performance has been resolved. It is now known that employee attitudes are both antecedents and consequence of job performance.

Further empirical evidence can be located in the extant literature. For instance, Schneider, Hanges, Smith, and Salvaggio (2003) asked themselves "*Which comes first: employee attitudes or organizational financial and market performance?*" They answered this question using data from 35 companies over 8 years and found reciprocal relationship between employee attitudes and organizational financial or market performance.

Further, based on evidence from a meta-analytic study, Parker et al. (2003) found that the relationships of psychological climate (individual's perceptions of work environment) with employee motivation and performance were fully mediated by employee attitudes. This suggests that one can, more often than not, observe that organizations with high productivity also have satisfied workforce and the reason is not that high productivity is only intrinsically rewarding but also because it is instrumental to getting some valued external rewards like high pay. This means that there is a reciprocal relationship between employee job attitudes and organizational performance.

### **3. GAPS IN THE CURRENT LITERATURE**

This section has two functions: (1) to examine the major gaps in the UE research domain and (2) to explore the gaps in related studies. Over the years, organizational researchers in the UE domain have established molar or causal descriptions that summarize the relationships between TMT characteristics and organizational outcomes, though Hambrick and Mason (1984) suggested a molecular causation or causal explanation that outlined the mechanism through which TMT characteristics influence organizational outcomes. Again, Hambrick and Mason (1984) also proposed that organizational researchers should measure psychological variables such as personality that underlie the perceptions of the TMTs.

However, researchers have knowingly or unknowingly ignored this proposition and have continuously measured demographic variables, which only serve as proxies. Finally, Priem et al. (1999, p.945) also showed that the role and importance of the entire top management team in strategic decision-making and strategy development may have been over-exaggerated or may be less

important than had been previously assumed. In the ensuing paragraphs, the gaps in related studies are explored.

### **3.1. Relationship between manager characteristics and organizational performance**

Organizational researchers have investigated the relationship that exists between the characteristics of the top management and organizational performance. While some researchers have studied non-management teams, others have focused on top management teams. For instance, Bantel and Jackson (1989) reported that innovative banks were managed by more educated teams who were diverse with respect to their functional areas of expertise. In addition, they found that average age and education attained by top management team members correlated significantly with innovations. Again, Lefebvre and Lefebvre (1990) also investigated the relationship between CEO characteristics and degree of firm innovativeness among small manufacturing firms in the Canadian plastics sector. They reported that CEO's personality traits (locus of control, risk-taking, and proactive attitude) related positively to the firm's innovativeness. They further derived via factor analysis that CEO personality traits formed part of what they labeled "*entrepreneurial mind-set*".

In a meta-analytic study, Bell (2007) reported that the degree of the big five personality factors possessed by teams related positively with team performance in the field settings than in the lab settings. Specifically, Bell (2007) found that all five personality factors correlated positively with team performance except emotional stability/neuroticism. Bell also reported that these traits appeared almost unrelated to team performance when they were operationalized as heterogeneity.

Similarly, using 113 graduate and 449 undergraduate business students, Harrison, Price, Gavin, and Florey (2002) found that team conscientiousness diversity did not relate to team task performance. Carpenter et al. (2004) also reported in a review article of studies rooted in UE theory that demographic characteristics of TMT were related to organizational outcomes. More recently, Nishii et al. (2007) have also found that top management team diversity with respect to gender, ethnicity, and disability correlated significantly with adoption of diversity practices in these three domains.

What can be concluded about the relationships between executive attributes and measures of organizational performance is that (1) non-management team personality traits relate to team performance, (2) top

management team demography relates to organizational outcomes. It can also be concluded from the literature that it might not be useful to concentrate on top management team diversity with respect to psychographic variables. What remains unknown is whether or not characteristics of the CEOs or leaders of top management teams would also be related to organizational outcomes.

### **3.2. Relationship between management practices and organizational performance**

The literature suggests that management practices are conceptualized as various forms of high-performance work systems. For instance, Nishii et al. (2007) reported in a study involving 260 US companies and controlling for organizational size by means of partial correlation that the adoption of diversity practices was associated positively with perceived organizational performance. In addition, Guthrie (2001) operationalized high-involvement work practices as a composite score of 11 different HR practices that were positively associated with employee retention and firm productivity. In an earlier research, Delaney and Huselid (1996), in a study of 590 US firms, hypothesized that progressive HR practices would correlate positively with perceived organizational performance and perceived market performance; their data partially supported the hypothesis. The problem with this research was that they used secondary source of data collected in 1991 from the US National Organizations Survey.

In another series of studies (Studies 1 and 2), Zacharatos, Barling, and Iverson (2005) reported a positive correlation between high-performance work systems and occupational safety at the organizational level. Becker and Gerhart (1996) and Huselid (1995) reported similar results of the impact of HR practices on organizational outcomes. It can therefore be expected that work practices operationalized as either individual dimensions or a composite will correlate positively with metrics of organizational effectiveness. What we know here is that certain work practices described as high-involvement work practices and employee perceptions of the work practices relate to organizational outcomes. What is unknown is whether other work practices not captured in these studies and elsewhere will show similar relationships with other measures such as innovation, organizational goal accomplishment, and a host of related concepts.

### **3.3. Relationship between management practices and employee job attitudes**

Organizational researchers have studied the relationship between management practices and employee attitudes extensively. Grawitch, Trares,



and Kohler (2007) explored the relationship between employee satisfaction with different workplace practices and employee outcomes. They reported that satisfaction with healthy workplace practices was predictive of employee outcomes. While they found positive relationship between satisfaction with workplace practices and organizational commitment and mental wellbeing, they also found negative relationship between satisfaction with the workplace practices and emotional exhaustion and turnover intentions.

In a meta-analysis of 94 studies, Parker et al. (2003) reported that psychological climate perceptions of role, job, leader, work group, and organization had positive correlations with job satisfaction, organization commitment, and psychological wellbeing. It is important to note that researchers defined psychological climate perceptions in terms of individual's perceptions of their work environment. Ghebreorgis and Karsten (2007), in study of 252 employees in Eritrea, assessed attitudes of employees towards HRM practices, such as internal promotion, staffing, equal employment opportunity, quality of training, reasonable compensation, paid vacation, and sick days. The researchers concluded from their data that the HRM practices implemented led to employees' positive attitude. What is, therefore, known about the relationship between management practices operationalized as psychological climate perceptions influence employee attitudes. What is not known is whether management practices conceptualized differently will also show similar relationship with employee job attitudes including employee turnover intentions.

### **3.4. Relationship between employee job attitudes and organizational performance**

The relationship between employee job attitudes and organizational performance has been the subject of some studies. Harter et al. (2002) used meta-analysis to examine the relationship at the business-unit level between employee satisfaction–engagement and the business-unit outcomes. They reported positive average correlations between business-unit-level employee satisfaction and engagement and business-unit outcomes.

Again, Ghebreorgis and Karsten (2007) in their study reported that over the period during which their study took place (December, 2002 to June, 2003), productivity increased while employee turnover, absenteeism, and grievance or employee complaints decreased. They argued that the increasing productivity levels and decreasing employee turnover, absenteeism and complaints were due

to the positive attitudes employees expressed towards the HRM practices. Though their conclusions may be sound, it suffers from many threats to internal validity. This is to say that one cannot be sure whether the observed changes were due to the HRM practices alone or other organizational factors or due to labor market conditions. What we know, therefore, is that management practices influence employee attitudes positively and this was demonstrated using measures such as the Gallup Workplace Audit and nonstandard job satisfaction measures. What we do not know is whether the relationship will be the same if different measures of employee attitudes are used instead.

### **3.5. Relationship between characteristics of managers and management practices**

Very little has been done to examine the relationship between the characteristics of managers and management practices. Using data from the same 260 US organizations, Nishii et al. (2007) reported that demographic diversity of senior management related positively with the adoption of diversity practices. A flaw associated with the study by Nishii et al. (2007) is a continued focus on organizational demography in the face of shifting focus on deep-level variables. However, their study also demonstrated a need to once in a while go back to demography when an issue that makes demography salient surfaces. The changing nature of the workforce in terms of demography requires perhaps that organizational researchers interested in top management teams examine demographic diversity in relation to gender, ethnic groups, religion and so on.

Peterson et al. (2003) also showed that CEO personality correlates with the top management team (TMT) dynamics, implying that CEO personality affects the nature of interaction within the TMT. Besides, Hollenbeck, DeRue, and Mannor (2006) criticized Peterson et al.'s (2003) work, arguing that when small sample size ( $N = 17$ ) is combined, many statistical tests yield unstable parameter estimates. They showed that many significant relationships found by Peterson et al. (2003) changed after one data point was removed.

Bantel and Jackson's (1989) results, regarding the relationship between top management team demographics and administrative innovation, can be interpreted as providing evidence that management demographics relate to work practices. They operationalized administrative innovation as the adoption of corporate planning, training, salary/benefits, and general management. What is known, therefore, is that at least certain executive demographic characteristics may be related to certain management or work practices. What appears missing

in the literature is whether there is any relationship between senior executive personality and perceived work practices.

The lapses in the literature identified above require urgent research attention by organizational researchers. The implications are that there is an urgent need to establish a causation, or causal explanation that would attempt to provide sufficient explanation, as to why TMT or managers' characteristics relate to strategic organizational outcomes. Peterson, Martorana, Smith, and Owens' (2003) empirical work is an exception. The problem with their work, however, is that the study was conducted without direct contact with top managers which made it less possible to capture certain aspects of top team dynamics. Besides, there is a need to also give attention to both psychological and demographic variables.

#### **4. IMPLICATIONS FOR THEORY AND RESEARCH**

This paper points towards new directions in UE research. For example, the theoretical analysis suggests that executive demographic and psychographic characteristics impact organizational performance through the extent to which they predispose TMTs to prefer various management practices, adopt, and endorse the relative use of such practices within the organization. Synthesizing the UE research with Harter et al.'s (2002) general model of leadership, it also suggests that management practices affect organizational performance through their effect on employee job attitudes. Thus, (a) who executive managers are determines their use of various effective management practices and (b) the management practices they adopt determine employee job attitudes or behavioral outcomes while (c) these behavioral outcomes determine organizational effectiveness.

It further attempts to provide theoretical explanation as how manager's characteristics impact management practices. It can, therefore, be concluded that top manager characteristics influence management practices in the workplace through three important processes: Attraction or preference, Installation or introduction of work practices, and relative Use or actual implementation (**A-I-U**). First, personal characteristics influence how attractive or preferable a particular set of management practices is to the executive; then, they influence its adoption and finally, they influence how and which aspects of it are implemented. But these processes do not occur in a vacuum but are rather affected by both organizational and environmental factors. Consequently, one can study top managers in one of the three ways: (1) we can examine the personal characteristics of top managers in relation to the degree of attraction

they have towards a set of effective management practices, (2) we can also examine their characteristics in relation to their willingness to install or turn such practices into policies, written or unwritten and (3) we can examine their characteristics in relation to the degree of actual use of the practices in the workplace. Cascio's (2007) view that HR practices can be studied with regards to presence (yes-no response), coverage (proportion of employees applied to), and intensity of application of the HR practices is consistent with the A-I-U conceptualization.

## **5. CONCLUSION**

The principal objective of the paper was to draw attention to the need for a swift from causal descriptive studies to causal explanatory studies in UE research domain. It was noted that organizational researchers continued to investigate the relationship between demographics of and organizational outcomes, despite cautions by Priem et al. (1999) that demographic proxies have certain limitation and that TMTs are overemphasized. Again, many of the studies also failed to explain how TMT characteristics are related to organizational outcome. It can be concluded that there is an urgent need for (1) more causal explanatory studies that attempt to identify the mediating mechanisms by which top management characteristics influence organizational factors and (2) researchers to begin to focus more on leaders of the top management teams instead of the entire team. Some suggestions were made as to how researchers should go about this process. It can be concluded from the narrative review that there are still uncharted waters in the upper echelons research domain.

## **REFERENCES**

1. Bantel, K. A., & Jackson, S. E. (1989). Top management and innovations in banking: Does the composition of the top team make a difference? *Strategic Management Journal*, 10: 107 – 124.
2. Becker, B., & Gerhart, B. (1996). The Impact of Human Resource Management on Organizational Performance: Progress and Prospects. *The Academy of Management Journal*, Vol. 39, No. 4, 779 – 801.
3. Bell, T. S. (2007). Deep-Level Composition Variables as Predictors of Team Performance: A Meta-Analysis. *Journal of Applied Psychology*. Vol. 92, No. 3, 595 – 615.
4. Carpenter, M. A., Geletkanycz, M. A., & Sanders, G. W. (2004). Upper Echelons Research Revisited: Antecedents, Elements, and Consequences of

- Top Management Team Composition. *Journal of Management*, 30(6), 749 – 778.
5. Cascio, W. F. (2007). The Costs–and–Benefits of Human Resources. In G. P. Hodgkinson & J. K. Ford (Eds.), *International Review of Industrial and Organizational Psychology*, Vol. 22, 71 – 109.
  6. Delaney, T. J. & Huselid, M. A. (1996). The Impact of Human Resource Management Practices on Perceptions of Organizational Performance. *The Academy of Management Journal*, Vol. 39, No. 4, 949 – 969.
  7. Ghebreorgis, F. & Karsten, L. (2007). Employee Reactions to Human Resource Management and Performance in a Developing Country: Evidence from Eritrea. *Personnel Review*, Vol. 36, No. 5, 722-738.
  8. Glunk, U. & Heijltjes, M. G. (2003). *Changes in Top Management Team: Performance Implications of Altering Team Composition*. Faculty of Economics and Business Administration, Department of Organization and Strategy, Universiteit Maastricht, The Netherlands.
  9. Grawitch, M. J., Gottschalk, M., & Munz, D. C. (2006). The Path to a Healthy Workplace A Critical Review Linking Healthy Workplace Practices, Employee Well-being, and Organizational Improvements. *Consulting Psychology Journal: Practice and Research*, Vol. 58, No. 3, 129–147.
  10. Grawitch, M. J., Tares, S., & Kohler, M. J. (2007). Healthy Workplace Practices and Employee Outcomes. *International Journal of Stress Management*. Vol. 14, No. 3, 275-293.
  11. Guthrie, J. P. (2001). High-Involvement Work Practices, Turnover, and Productivity: Evidence from New Zealand. *The Academy of Management Journal*, Vol. 44, No. 1, 180-190.
  12. Hambrick, D. C., & Mason, P. A. (1984). Upper Echelons: The Organization as a Reflection of Its Top Managers. *The Academy of Management Review*, Vol. 9, No. 2, 193-206.
  13. Harrison, D. A., Price, K. H., & Bell, M. P. (1998). Beyond relational demography: Time and the effects of surface and deep-level diversity on work group cohesion. *Academy of Management Journal*, 41: 96–107.
  14. Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, Teams, and Task Performance: Changing Effects of Surface- and Deep-Level Diversity on Group Functioning. *Academy of Management Journal*, Vol. 45, No. 5, 1029-1045.
  15. Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-Unit-Level Relationship between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology*, Vol. 87, No. 2, 268–279.

16. Hogan, R., & Kaiser, B. R. (2005). What We Know About Leadership. *Review of General Psychology*, Vol. 9, No. 2, 169-180.
17. Hollenbeck, J. R., DeRue, D. S., & Mannor, M. (2006). Statistical Power and Parameter Stability When Subjects Are Few and Tests Are Many: Comment on Peterson, Smith, Martorana, and Owens (2003). *Journal of Applied Psychology*, Vol. 91, No. 1, 1-5.
18. Huselid, M. A. (1995). The Impact of Human Resource Management Practices on Turnover, Productivity, and Corporate Financial Performance. *The Academy of Management Journal*, Vol. 38, No. 3, 635-672.
19. Judge, T. A., & Bono, J. E. (2000). Five-Factor Model of Personality and Transformational Leadership. *Journal of Applied Psychology*, Vol. 85, No. 5, 751-765.
20. Lefebvre, E. & Lefebvre, L.A. (1992). Firm Innovativeness and CEO Characteristics in Small Manufacturing Firms. *Journal of Engineering and Technology Management*, 9, 243 – 277.
21. Murray, Alan I. (1989). Top Management Group Heterogeneity and Firm Performance. *Strategic Management Journal* 10: 125-141.
22. Nishii, L., Gotte, A., & Raver, J. (2007). *Upper echelon theory revisited: The relationship between upper echelon diversity, the adoption of diversity practices, and organizational performance* (CAHRS Working Paper #07-04). Ithaca, NY: Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies.
23. Oppong, S. (2009). *Management Practices and Employee Job Attitudes as Mediators of the Influence of Managers' Personality and Professional Development on Innovations*. (Unpublished M. Phil. Thesis). University of Ghana, Legon, Accra, Ghana.
24. Parker, C. P., Baltes, B. B., Young, S. A., Huff, J. W., Altmann, R. A., Lacost, H. A., & Roberts, J. E. (2003). Relationship between Psychological Climate Perceptions and Work Outcomes: A Meta-analytic Review. *Journal of Organizational Behavior*, 24, 389-416.
25. Peterson, R. S., Martorana, P. V., Smith, D. B., & Owens, P. D. (2003). The Impact of Chief Executive Officer Personality on Top Management Team Dynamics: One Mechanism by Which Leadership Affects Organizational Performance. *Journal of Applied Psychology*, Vol. 88, No. 5, 795-808.
26. Priem, R. L., Douglas, W. L., & Gregory, G. D. (1999). Inherent Limitations of Demographic Proxies in Top Management Team Heterogeneity Research. *Journal of Management*, Vol. 25, No. 6, 935-953.
27. Schneider, B., Hanges, P. J., Smith, D. B., & Salvaggio, N. A. (2003). Which Comes First: Employee Attitudes or Organizational Financial and Market Performance? *Journal of Applied Psychology*, Vol. 88, No. 5, 836-851.

28. Sparrow, P. R. (1994). The Psychology of Strategic Management: Emerging Themes of Diversity and Cognition. In C. L. Cooper & I. T. Robertson (Eds.), *International Review of Industrial and Organizational Psychology*, Vol. 9, 147-181.
29. Zacharatos, A., Barling, J., & Iverson, R. D. (2005). High-Performance Work Systems and Occupational Safety. *Journal of Applied Psychology*, Vol. 90, No.1, 77-93.

### **NOVI PRISTUP TEORIJI „GORNJIH EŠALONA“: OD DESKRIPCije PREMA OBJAŠNjENJU KAuzALNOSTI**

#### **Sažetak**

U ovom se radu prezentira pregled prethodnih i tekućih saznanja o istraživanju „gornjih ešalona“, kako bi se ukazalo na potrebu promjene istraživačkog usmjerenja od deskripcije prema objašnjenju kauzalnosti. Pregled postojeće literature indicira sve veći interes istraživača za analizu odnosa između demografskih karakteristika top menadžmenta i rezultata organizacije. Ovakva se orijentacija nastavlja i dalje, bez obzira na upozorenja Priema, Douglasa i Gregora, koji ukazuju na ograničenja demografskih varijabli kao nadomjestka istraživanja psihografskih varijabli u timovima top menadžmenta, kao i na pozornost koju treba obratiti na moguće preuveličavanje uloge top menadžmenta u formuliranju strategije. S obzirom da mnoge studije nisu pokazale empirijsku povezanost demografskih obilježja najviše razine menadžmenta s organizacijskim performansama, raspravlja se o implikacijama ove problematike za teoriju i empirijsko istraživanje.

