

THE INTERPLAY BETWEEN LEADERSHIP AND TEAM PERFORMANCE: AN EMPIRICAL INVESTIGATION IN A MAJOR SWISS HR CONSULTING FIRM

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This paper reports the results of an empirical examination of leadership traits and behaviors that contributed to team performance in a major Swiss HR consulting firm. Based on personality tests, survey research, and in-depth interviews, results indicate that, in the context of the company's sales-driven, high-pressure environment, personality factors such as conscientiousness or detail-orientation seem to be better predictors of leadership success than extraversion and openness to experience. Female leaders overall outperformed their male counterparts, and experience was found to significantly contribute to superior performance. Implications for hiring, development, and succession practices are discussed.

Keywords: leadership, trait research, personality, human resources.

JEL classification: M5

1. Introduction

As part of an effort to improve overall performance, an investigation of the relationship between leadership and team performance was carried out in a major Swiss HR company. The firm in question is one of the world's leading providers of HR solutions, employing over 30,000 people in more than 5,000 branches spread across 60 countries. The Swiss subsidiary, which was the subject of this study, consists of about 500 people in 102 branches at over 50 domestic locations. Its business is characterized by a simultaneously strong focus on sales performance and lasting relationships. At the outset of this study, anecdotal evidence suggested that weakening financial results might at least partly be linked to insufficient leadership performance, with the implied assumption that replacing the leaders of weak branches could increase both leadership and financial performance, if the right replacements were chosen. This study set out to identify desirable leadership traits and behaviors of branch managers (i.e. team leaders), given the company's particular business environment.

2. Literature Review

Traits are habitual, relatively stable patterns of emotion, disposition, and thoughts present in a person that may influence behaviors and which tend to differ significantly from one person to another. Trait-based leadership research can be separated into two broad

categories: leadership emergence and leadership effectiveness. *Leadership emergence* refers to the fact that someone “is considered leader-like” (Hogan et al., 1994) and is ready to resume responsibility, while *leadership effectiveness* refers to a leader’s performance in influencing and guiding the activities of his or her unit toward achievement of its goals (Zaccaro, 2007). The underlying rationale for this body of research is the assumption that, based on the traits they possess, some people may be more likely to emerge as leaders than others and may subsequently also be more successful. When hiring and selecting potential leaders, both aspects are obviously important.

Over the past decades, leadership research has accumulated a large number of traits that are associated with leader emergence and effectiveness and have also led to the development of a number of personality typologies (i.e. ‘category labels’ for personality traits) and associated instruments, such as the *Myers-Briggs Type Indicator*, Cattell’s *16 Personality Factors*, or a number of instruments based on the ‘big five’ personality factors, such as the NEO PI-R, the NEO FFI, and particularly the OPQ32, which is frequently used in companies for leader selection and development, team building, and succession planning. While these instruments are still widely used, the sheer quantity of traits identified in the underlying first wave of trait research, the fact that the traits identified often differed significantly between studies, and the mixed empirical results overall led to criticism of this body of literature and made the associated findings impractical to use when selecting (future) leaders. Owing to improved conceptual and methodological sophistication, however, newer research has generally found support for key postulates of the Trait School: personality does matter, and the combination of various personality aspects (but not necessarily isolated traits) will make it more likely that a person emerges (and is accepted) as a leader, and that he or she is effective in a leadership position. For example, in a meta-analysis of 222 correlations from 73 samples, Judge et al. (2002) found support for the trait perspective, provided traits are organized according to the ‘big five’ personality factors. Specifically, openness (made up of traits such as originality, creativity, or adaptability) and extraversion (consisting of traits like dominance, sociability, or an energetic disposition) were positively associated with both leader emergence and leader effectiveness. The same was reported for conscientiousness (consisting of traits like initiative, persistence, or tenacity), although with regard to leader effectiveness the link was found to be weak. Agreeableness (made up of traits such as cooperativeness, compassion, modesty, or sensitivity) was found to be negatively linked to leader emergence but weakly positively to leader effectiveness. Finally, neuroticism (consisting of traits such as low self-esteem, hostility, anxiety, or poor emotional adjustment) was negatively associated with both leader emergence and leader effectiveness, which makes intuitive sense. In order to be more consistent with the other factors, some authors (e.g. Barrick & Mount, 1991) have inverted this factor, labelling the new construct *emotional stability*.

Attempts to move past the debate about the ‘right’ traits are e.g. Zaccaro, Kemp, and Bader’s (2004) leader attributes and leader performance model and Schüz’s (2016) responsible leadership model. The former is based on the premise that leadership emerges from the combined influence of multiple traits. Specifically, it postulates that two types of leader attributes, *distal attributes* (consisting of personality, cognitive abilities, and motives/values) and *proximal attributes* (consisting of problem-solving skills, social appraisal skills, and expertise or tacit knowledge) influence relevant leader processes,

which predict leader emergence, leader effectiveness, and leader advancement subject to the environment's moderating influence. In an associated study, the performance of military officers in a three-day decision-making exercise was assessed and compared to their level of meta-cognition, tolerance for ambiguity, and social intelligence (Kemp et al., 2004). Reinforcing the notion that leadership success depends on a combination of aspects, performance ratings were stronger for participants who exhibited high levels of all three attributes, while participants who received lower scores on one or two of them did not perform more effectively than those low on all three.

Schüz (2016), on the other hand, emphasizes that leaders who achieve long-term success (responsible leaders) are those who possess technical skills (based on cognitive intelligence) as well as ethical competencies (based on emotional intelligence) in addition to what he terms esthetical insights.

Of course, even excellent leaders are not always in equally good form. Like everyone else, they are subject to external influences (such as good and bad news) and personal issues (such as health problems or memories of previous failures or difficult situations) that may lead to mood swings, anxiety, and so forth, and influence performance. The specific capacity of a person or a system to adapt to change or setbacks is commonly described as *resilience*. In psychology, resilience is defined as the ability to properly adapt to stress and adversity. In a 1993 study, Wagnild and Young found that the principal components of resilience were *personal competence* (consisting of aspects such as self-reliance, determination, resourcefulness, and perseverance) and *acceptance of self and life* (consisting of adaptability, mental balance, flexibility, and a balanced perspective of life), and that resilience was positively linked to good physical health, life satisfaction, and morale, but negatively to depression.

Another aspect of leadership frequently examined in the context of leader and team effectiveness is leadership style. It has been extensively studied over the past decades, leading to a number of frameworks and models. In one of the earliest such studies, Lewin et al. (1939) identified three archetypical leadership styles – authoritarian, democratic, and laissez-faire – and found that authoritarian leaders caused high levels of discontent while laissez-faire leaders did not provide the necessary direction; both behaviors tended to decrease team performance under normal circumstances. Other frameworks that propose particular leadership styles are e.g. Tannenbaum and Schmidt's (1958) Leadership Continuum (authoritarian, paternalistic, consultative [I & II], participative, democratic, and laissez-faire styles); Blake and Mouton's (1964) Managerial Grid (five styles based on the task-orientation vs. people-orientation dichotomy common in leadership theory); Fiedler's (1967) Contingency Model (task-oriented or relationship-oriented style); Hersey and Blanchard's (1969) Situational Leadership (directing, coaching, supporting, and delegating styles); House's (1971) Path-Goal Model (directive, supportive, participative, and achievement-oriented styles); the Vroom-Yetton-Jago (1973/1987) Normative Decision Model (autocratic [I & II], consultative [I & II], and group [II] styles); Goleman's (2000) Six Emotional Leadership Styles (visionary, coaching, affiliative, democratic, pace-setting, commanding) based on emotional intelligence; or House, Hanges, and Javidan's (2003) Six Universal Leadership Dimensions (charismatic/value-based, team-oriented, self-protective, participative, humane-oriented, and autonomous) developed within the context of Project GLOBE. While these frameworks differ considerably, the styles they postulate almost universally represent points between two extremes that might be

termed ‘overbearing’ (corresponding to authoritarian/autocratic/commanding styles) and ‘absent’ (laissez-faire/delegative/autonomous styles). While authoritarian leadership has occasionally been found to be associated with short-term performance (particularly in high-stress situations), democratic/participative leadership has been reported to be linked to long-term satisfaction and performance, at least in Western settings (Bass, 2008; House et al., 2003).

One of the factors reported to be a moderator of leadership style is gender. In a meta-analysis of gender-specific leadership behavior studies, Eagly and Johnson (1990) found that women tended to adopt a more democratic/participative style than men, who tended towards more autocratic leadership.

Additionally, the effect of leadership will likely also depend on a leader’s experience, although its effect may depend on stress: while during low-stress periods it may contribute to bounded rationality (which can lead to decreasing performance owing to not considering all available alternatives when making decisions), it may increase performance when stress is high (Fiedler, 1967). Avery et al. (2003) found that relevant experience, as well as experience with high-stress conditions, were both significant predictors of leader effectiveness. ‘Relevant’ experience can conceivably refer to functional and general in-company experience as well as what might be termed ‘life experience’, but although both of the latter may contribute to leader effectiveness, their effect will likely depend on a myriad of aspects such as individual histories, intelligence, and career paths. In a high-stress, sales-driven environment like that of the company that was the subject of this study, however, functional leadership experience (i.e. in-job experience) should measurably contribute to increased performance.

3. Methodology

3.1 Sampling and Data

The sampling frame for this study consisted of all of the company’s 102 Swiss branches. Ten were removed from the study as they were purely project-oriented or had only a single client, largely removing the potential impact of the branch manager’s leadership because either the project was run by a single person or the business predominantly driven by that single client’s needs. Nine others were removed because, at the time of the study, they had no branch manager or their branch manager had insufficient in-job tenure (to eliminate predecessor spillover effects, a branch manager was only included if he or she had been in charge for at least 2 years). This left a preliminary sample of 83 branches.

The basis for the collection of data on distal and proximal leader attributes (cf. Zaccaro et al., 2004) for the managers of these branches was the widely used OPQ32r questionnaire which measures a number of dimensions related to social relationships, cognitive style, and feelings and emotions. In order to gain additional insights regarding leadership dimensions not covered by this instrument, a supplementary questionnaire (41 items) was sent to all the branch managers in the preliminary sample. Questions were alternately worded positively and negatively in order to avoid social desirability and positive response bias. To check for self-completion bias, the eight regional directors responsible for the respective branch managers (i.e. their direct supervisors) also completed a separate, abbreviated questionnaire (26 items) that provided additional insights about both their views of their subordinates and their self-view. Both questionnaires were anonymous

but included control variables needed for statistical analysis. Each of the questionnaires came in both German and French, with the version used depending on the geographic region of a branch.

All eight regional directors returned the abbreviated 26-item questionnaire, for a response rate of 100%. Of the 41-item branch manager questionnaires sent out to all 83 branch managers in the preliminary sample, 81% were returned, for a final sample size of 67. These branches were divided into three sub-samples according to their financial performance during the period between 2010 and 2014: the top quartile (17 branches), the bottom quartile (17 branches), and the 33 middle-of-the-road branches.

The standard OPQ32r questionnaire was administered to all branch managers in the top and bottom group by a licensed professional mandated by the company studied. Finally, to explore particular issues identified in the previous steps, in-depth telephone interviews were conducted with the branch managers of the four best and the four worst-performing branches.

3.2 Variables and Operational Definitions

The OPQ32r questionnaire consists of 32 questions. Respondents choose a position on a continuum from 1 (minimum) to 10 (maximum) between two opposing, pre-provided answers for the following traits and characteristics: persuasive, controlling, outspoken, independent minded, outgoing, affiliative, socially confident, modest, democratic, caring, data rational (attitude to working with numbers and statistics as opposed to opinions and feelings), evaluative, behavioral (interested in the reasons behind people's behaviors and actions), conventional, conceptual, innovative, variety seeking, adaptable, forward thinking, detail conscious, conscientious, rule following, relaxed, worrying, tough minded, optimistic, trusting, emotionally controlled, vigorous, competitive, achieving, and decisive.

The 41-item questionnaire for the branch managers explored the following additional skill and personality dimensions: resilience, integrity, courage, communication, personal commitment, self-learning, participative leadership, leader/team integration, supportive behavior, rewarding behavior, trainer behavior, goal orientation, goal setting, and quality orientation,

The 26-item questionnaire for the regional directors was used in two ways. One, it provided an additional view by the direct supervisors on select items from the branch manager survey, specifically on the corresponding regional director's view regarding their branch managers' commitment, self-learning, leader/team integration, goal setting, and quality orientation. This was intended to help identify signs of widely diverging self and outside views and thus provide some indication about the presence of self-completion or social desirability bias. And two, it was used to collect additional information about the regional directors' self-view regarding their own integrity, trust in subordinates, participative leadership, rewarding behavior, goal orientation, and directing behavior.

Owing to the high-pressure, sales-driven environment in which the company studied operates and in order to be consistent with the way it internally measures success, financial performance was used as a proxy for team performance. It was defined as net profit per full-time equivalent and was collected from the company's management information

system in the form of ‘profit R5’, an internal, consistently used measure of net profit in the company that allows comparisons across all branches.

Control variables collected were age (in years), gender (male or female), education level (secondary or tertiary), the geographic region within Switzerland of the branch (German-speaking or Latin Switzerland), and the branch’s type of business environment (urban or rural). Age was used as a proxy for life experience, while both types of company-related tenure measures (in-company and in-job) were used as proxies for job-related experience. They were calculated as the difference, in years, between the date of sampling (April 1, 2015) and the date of entry into the company and the promotion to branch manager, respectively.

Representativeness of the three sub-samples was checked with regard to branch manager age. In order to account for heteroscedasticity and differing sample sizes during the analysis, Welch t-Tests were used. Two-tailed tests revealed no significant difference at the 5% level between the population as a whole and sub-sample one ($p=0.729$), two ($p=0.835$), and three ($p=0.951$), leading to acceptance of the null hypothesis and thus indicating representativeness.

4. Results and Discussion

In the full sample, only about a quarter (24%) of the branch managers were female. In the best-performing sub-sample, however, the percentage of female branch managers was considerably higher (29%) than in the worst-performing (18%) and middle-of-the-road (24%) branches. This may indicate that, while females are still under-represented in the company’s management, they tend to be more successful as branch managers.

A good 79% of branches operate in an urban setting. The percentage of rural settings was highest in the best-performing sub-sample (29%) and lowest in the worst-performing sub-sample (18%). Considering the company’s sales-driven business, this may indicate that operating in an urban environment is tougher for the company, with higher average stress levels, more choices for potential clients, and a faster pace of business and life in general.

The percentage of branch managers in the three age groups (28-35, 36-45, and 46-55) was 28%, 49%, and 22%, respectively. In all three sub-samples, the majority was in the age group 36-45. In the best-performing sub-sample, age group 46-55 accounted for over 29%, compared to only 21% in the middle-of-the-road and less than 18% in the least-performing sub-samples. The best performers were 41.7 years old on average, compared with 39.9 years in the middle-of-the-road and 39.4 years in the worst-performing sub-samples, although the differences were not statistically significant. One-tailed t-tests *did*, however, reveal both significantly higher in-company (12.8 vs. 5.8 years; $p=0.003$) and in-job tenure (9.3 vs. 3.3 years; $p=0.009$) of the best performers compared to the worst performers, underscoring the importance of experience for leadership performance. This indicates a tentative link between experience and leadership performance in high-stress environments, as reported by Fiedler (1967).

Of all branch managers, only slightly over 40% had completed tertiary (i.e. university-level) education, attaining at least a Bachelor’s degree or equivalent. The others had completed secondary education – which considering the company’s business and Switzerland’s dual education system usually meant a commercial apprenticeship – and had come up through the ranks. Interestingly, the percentage of university graduates was

considerably lower (24%) in the best-performing sub-sample than in the middle-of-the-road (42%) and the worst-performing (53%) branches. This indicates that, in this specific business, a university degree is not yet a common prerequisite for a management position (as it has become in other industries) and does not seem to be a moderator of performance. Possibly, the particularly low percentage of university graduates in the best-performing sub-sample may also be explained with those leaders' generally higher age. Considering that the vast majority of the best-performing branch managers are aged between 36 and 55, they may have gotten their formal training at a time when, in Switzerland, university education was not yet considered as important as it is now. This is supported by the fact that, according to data supplied by the Swiss Federal Statistical Office, the number of university graduates in Switzerland more than tripled in the thirty years between 1982 and 2012 and still more than doubled in the fifteen years between 1997 and 2012. When looking at business degrees alone, the growth is even more impressive, with 226% growth between 1997 and 2012 and 591% between 1982 and 2012. The seeming unimportance of tertiary education in the sample – and particularly among the managers of the best-performing branches – may thus be misleading and cannot be confidently interpreted without an additional investigation.

Table 1 shows the overall structure of the final sample and the three sub-samples, as well as the means for the three experience measures and financial performance.

Table 1 | Branch Manager Survey Sample Description

Aspect	Range	Responses (n)			
		Full Sample	Sub-Sample 1: Best-performing	Sub-Sample 2: Middle-of-the-road	Sub-Sample 3: Worst-performing
Gender	Female	16	5	8	3
	Male	51	12	25	14
Branch environment	Urban	53	12	27	14
	Rural	14	5	6	3
Age group	1: 28-35	19	4	10	5
	2: 36-45	33	8	16	9
	3: 46-55	15	5	7	3
Education level	Tertiary	27	4	14	9
	Secondary	40	13	19	8
Mean age		40.2	41.7	39.9	39.4
Mean tenure in-company		9.2	12.8	9.1	5.8
Mean tenure as branch manager		6.1	9.3	6.0	3.3
Mean financial performance		124,104	244,870	111,689	27,438

Source: authors.

Examining the influence of various aspects such as gender, branch environment, or age on performance, two-tailed Welch t-tests revealed no significant differences between branches lead by male and female branch managers (CHF 111,430 vs. 164,502; $p=0.102$), although the figures for female branch managers intuitively seem considerably higher. Likewise, although urban branches were found to exhibit slightly higher mean performance than rural branches (127,553 vs. 12,193; $p=0.844$), the difference was not significant. The same was found for the differences between ages groups, despite the fact that age group 3 (46-55) exhibited considerably larger mean performance than the other two. Conceivably, experience may again play a role here. Exploring this issue further, a comparison of the two previously suggested measures of job-related experience, in-company and in-job tenure, revealed that both were significant predictors of performance, while the same was not true for age. With regard to in-company tenure, the longer a branch manager worked in the company, the higher the corresponding team's performance, generally speaking. The difference of over CHF 70,000 in average financial performance between branch managers in the top and combined two bottom quartiles was significant at the 5% level. As predicted, this effect was even more pronounced with regard to in-job tenure. The difference of more than CHF 91,000 between the top quartile and the combined two bottom quartiles was significant at the 1% level, while the difference of over CHF 61,000 between the third and the combined two bottom quartiles was significant at the 5% level. These results lend clear support to the notion that experience is a significant and important predictor of leadership success, and that new leaders must be given time to get their feet on the ground.

No significant influence of the cultural region or the education level of the branch manager on financial performance was found, although it is interesting to note that, on average, those with secondary education seemed to outperform those with a university or equivalent degree. Further exploring this point, university-educated branch managers exhibited both lower in-company tenure (7.9 vs. 10.1 years) and lower in-job tenure (5 vs. almost 7 years), although both groups were of exactly equal average age (40 years). Getting a university education takes time and, considering the role of experience discussed above and the nature of the business, it is possible that the higher education level does not offset the correspondingly smaller exposure to the company's internal environment. Nonetheless, owing to the lack of significance, the observed outcome may also be due to the previously discussed lower importance of university education at the time the most experienced and best-performing of these branch managers were educated, or it may simply be an effect of the comparatively small sample size. No clearer answer can be provided without an in-depth analysis of each individual branch manager's educational and professional track, which was not conducted in the context of this study. Table 2 below summarizes these results.

Following Judge et al. (2002), the results obtained from administering the OPQ32r questionnaire to the branch managers of the top and bottom quartiles were aggregated according to the Big Five personality factors. In line with Barrick and Mount (1991), a new construct *emotional stability* was calculated as the inverse of neuroticism. For additional detail, results for all 32 traits and skills of the questionnaire measures were also individually compared.

When aggregated according to the Big Five, the best-performing leaders were found to be significantly less extravert, slightly more agreeable, considerably (although

not significantly) more conscientious, significantly less stable emotionally (i.e. more neurotic), and highly significantly less open to new experiences than the worst performers. These results run contrary to e.g. Judge et al. (2002), except for the (not significant) finding of higher conscientiousness of the best performers.

Table 2 | Performance Overview

Aspect	Range	<i>n</i>	Mean Performance (R5/FTE)	Diff.
Gender	Female	16	164,502	53,072
	Male	51	111,430	
Environment	Urban	53	127,553	4,360
	Rural	14	123,193	
Age group	1: 28-35	19	115,407	1-2: 7,118 2-3: -55,209 1-3: -48,091
	2: 36-45	33	108,290	
	3: 46-55	15	163,498	
In-company tenure	1: 0.00-8.01 (1./2. quartile)	33	99'948	1-2: -24'685 2-3: -45'83 1-3: -70'516*
	2: 8.02-13.25 (3. quartile)	17	124'633	
	3: 13.51-29.44 (4. quartile)	17	170'464	
In-job tenure	1: 0.00-3.58 (1./2. quartile)	32	92'952	1-2: -29'737 2-3: -61'552* 1-3: -91'289***
	2: 3.92-7.25 (3. quartile)	18	122'689	
	3: 7.76-29.44 (4. quartile)	17	184'241	
Language & cultural region	German-speaking	40	141,490	43,144
	Latin (French/Italian)	27	98,346	
Education level	Tertiary	27	106,552	-29,399
	Secondary	40	135'951	

Note: * - significant at the 5% level, ** - significant at the 1% level

Source: authors.

A more differentiated picture emerged when the various skills and traits the OPQ32r measures were considered individually.

Regarding their relationships with people, the best performers considered themselves more outspoken but less independent minded, outgoing, affiliative, modest, democratic, and caring than the worst performers. They also considered themselves significantly less socially confident and controlling and highly significantly less persuasive. With the exception of the higher level of outspokenness of the best performers, this clearly runs counter to seemingly established leadership wisdom and would warrant further examination.

With regard to the feelings and emotions category, the best performers were less relaxed, tough minded, optimistic, emotionally controlled, and achieving (i.e. achievement-oriented), about equally decisive and competitive, and more trusting and vigorous than the worst performers. Interestingly, they also reported significantly higher levels of worrying.

Finally, with regard to thinking style, the best performers saw themselves as considerably less data rational, evaluative, conceptual, and variety seeking; moderately less adaptable; slightly more behavioral (i.e. more prone to trying to understand motives and behaviors of people); and moderately more forward thinking, detail conscious, conscientious, and rule following. They were also significantly less innovative and highly significantly more conventional (i.e. less prone to frequently changing work methods and preferring new approaches). Together with the finding of significantly lower levels of social confidence and significantly higher levels of worrying among the best performers, these findings strongly suggest that in the studied company's fast-paced, sales-driven business, overconfidence and grand ideas that may lead to frequently changing approaches may be detrimental to leadership performance. Instead, incremental steps using established methods, diligence, and attention to detail, coupled with constant reflection on progress and results seem to be more promising traits. Consequently, these traits should be emphasized when selecting leaders in this kind of business. Table 3 summarizes these results.

Next, with regard to dimensions of leadership not covered by the OPQ32r, the 41-item questionnaire administered to the full sample of branch managers revealed two significant differences between male and female branch managers, and one significant difference between the best and worst performing group.

With regard to male and female leaders, only negligible differences were found vis-à-vis their resilience, integrity, courage, and communication, as well as their supportive behavior and their view of their role as trainers of their teams. Women showed moderately higher personal commitment as well as goal and quality orientation and moderately lower leader/team integration and self-learning. Only two results were statistically significant, however: women exhibited significantly more participative leadership and rewarding behavior than their male counterparts. Interestingly, self-learning, leader/team integration, and supportive behavior showed surprisingly low (below 3) scores overall, indicating that these aspects are not seen as a priority by the company's branch managers. Additional telephone interviews suggested a few explanations for this. Given the high-pressure environment in which the studied leaders operate, self-learning – which is seen as something that should occur predominantly outside of work – might be considered too time-consuming and “too much like work”, with leaders preferring formal training instead. Leader/team integration may be seen as allowing direct comparisons between leaders and team members, increasing the pressure on leaders to perform and giving rise to fears of losing respect if said performance is not forthcoming. Finally, with regard to leaders' supportive behavior there is an inherent conflict of interest for these leaders because, on the one hand, they are responsible for the overall team's performance, but on the other hand they also compete for sales with their team members and feel pressured to perform better than the rest. This could explain at least some of their ambiguity vis-à-vis supporting their team members. In other words, support may be seen as important, but only when it does not lead to a (real or imagined) erosion of the branch manager's own sales record.

Table 3 | OPQ32r Results for Best and Worst Performers

Aspect	Mean Response Scores (1= lowest, 10=highest)									
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Aggregated Big Five Personality Factors ¹					
Trait/Score	Extra-version	Agree-ability	Conscien-tiousness	Emotional stability ²	Openness to experi-ence
Best	5.59	4.31	5.60	5.00	4.54
Worst	6.44	4.13	5.15	6.45	5.73
Diff.	-0.85*	0.18	0.45	-1.45*	-1.19**

OPQ32: Relationships with People										
Trait/Score	Persua-sive	Con-trolling	Outspo-ken	Indepen-dent minded	Outgo-ing	Affiliative	Socially confi-dent	Modest	Democ-ratic	Caring
Best	5.92	5.00	5.69	5.23	5.85	6.23	5.69	5.15	4.00	4.46
Worst	7.88	7.00	5.13	6.88	7.13	6.75	7.50	5.75	4.38	5.25
Diff.	-1.95**	-2.00*	0.57	-1.64	-1.28	-0.52	-1.81*	-0.60	-0.38	-0.79

OPQ32: Feelings and Emotions										
Trait/Score	Relaxed	Worry-ing	Tough minded	Optimistic	Trusting	Emo-tionally controlled	Vigorous	Com-petitive	Achiev-ing	Decisive
Best	5.15	6.15	5.08	5.23	5.46	5.00	6.92	7.15	5.62	5.69
Worst	6.13	4.25	6.25	6.63	4.88	5.63	5.75	7.00	5.88	5.63
Diff.	-0.97	1.90*	-1.17	-1.39	0.59	-0.63	1.17	0.15	-0.26	0.07

OPQ32: Thinking Style								
Trait/Score	Data rational	Evalua-tive	Behav-ioral	Conven-tional	Con-ceptual	Innovative	Variety seeking	Adapt-able
Best	4.62	3.69	5.46	5.92	4.08	4.00	5.08	5.38
Worst	6.00	4.75	5.38	4.38	4.88	6.13	6.63	5.63
Diff.	-1.38	-1.06	0.09	1.55**	-0.80	-2.13*	-1.55	-0.24

OPQ32: Thinking Style (cont.)				
Trait/Score	Forward thinking	Detail conscious	Conscien-tious	Rule following
Best	4.54	5.00	5.92	5.77
Worst	4.25	4.50	5.38	5.50
Diff.	0.29	0.50	0.55	0.27

Notes: * - significant at the 5% level, ** - significant at the 1% level

¹ OPQ32 aggregation, ² Neuroticism reversed

Source: authors

Comparing the best to the worst performers, the former reported slightly higher resilience; moderately higher integrity, courage, rewarding behavior, supportive behavior, goal orientation, goal setting, and quality orientation; almost equal participative leadership and leader/team integration; slightly lower personal commitment and trainer behavior; and significantly stronger communication behavior. This reinforces the importance of communication for leaders.

It is noteworthy that all leaders in the sample reported fairly high resilience levels, with a median score of 3.44 out of 4. Since the best performers were found to be significantly more worrying, it is conceivable that they might systematically underestimate their own resilience, while the reverse may or may not be true for the worst performers. Additional telephone interviews were not able to shed further light on this issue, which warrants further investigation. Table 4 summarizes these deliberations.

Table 4 | Overview of Additional Survey Leadership Dimensions (41-item questionnaire)

Leadership Dimension	Gender			Performance Group		
	Female	Male	Diff.	1: Best-performing	3: Worst-performing	Diff.
Resilience	3.53	3.45	0.08	3.65	3.48	0.17
Integrity	3.13	3.07	0.06	3.27	2.83	0.44
Courage	3.54	3.55	-0.01	3.74	3.44	0.30
Communication	3.31	3.39	-0.08	3.50	3.11	0.39*
Personal commitment	3.60	3.47	0.13	3.36	3.56	-0.20
Self-learning	2.72	2.89	-0.17	3.12	2.44	0.67
Participative leadership	3.56	3.29	0.27*	3.38	3.33	0.05
Leader/team integration	2.44	2.59	-0.15	2.31	2.33	-0.03
Rewarding behavior	3.50	3.10	0.40*	3.31	3.11	0.20
Supportive behavior	2.53	2.46	0.07	2.50	2.28	0.22
Trainer behavior	3.00	3.00	0.00	3.00	3.11	-0.11
Goal orientation	3.52	3.31	0.21	3.49	3.33	0.15
Goal setting	3.35	3.31	0.04	3.49	3.26	0.23
Quality orientation	3.25	3.12	0.13	3.31	3.11	0.20

Note: * - significant at the 5% level

Source: authors.

Finally, the results from the 26-item survey administered to the regional directors responsible for the respective branch managers in the sample were used to check for response bias and provided additional information on those regional directors' self-view regarding several leadership dimensions.

The regional directors' view of their subordinates was moderately lower than their subordinate's corresponding responses on all compared dimensions (commitment, self-learning, leader/team integration, goal setting, and quality orientation), with the exception of goal setting, which was moderately higher. Although the differences regarding commitment and self-learning were statistically significant, they can be considered moderate (3.22 vs. 3.50 and 2.58 vs. 2.85, respectively), indicating that, overall, there should be no undue bias. The exception is the significantly different resilience score, where the branch managers' self-view (mean score 3.44) and their supervisors' outside view (mean score 2.75) significantly and substantially diverge. As mentioned before, it is possible that there is systematic bias in the branch managers' answers, considering they are self-reported. Additionally, asymmetric information and possibly a certain (mostly subconscious) feeling of competition with their subordinates may lead the regional directors to underestimate their subordinates.

Table 5 | Branch Manager and Regional Director Perspectives on Survey Leadership Dimensions

Leadership Dimension	Mean Scores		Diff.
	Regional Directors' Perspective (26-item questionnaire)	Branch Managers' Perspective (41-item questionnaire)	
Questions Related to Branch Managers			
Resilience	2.75	3.44	0.69*
Commitment	3.22	3.50	0.28*
Self-Learning	2.58	2.85	0.27*
Leader/Team Integration	2.36	2.55	0.19
Goal Setting	3.46	3.32	−0.13
Quality Orientation	2.96	3.15	0.19

Questions Related to Regional Directors		
Integrity	3.85	
Trust in Subordinates	3.67	
Participative leadership	3.66	
Rewarding Behavior	2.55	
Goal Orientation	3.40	
Directing Behavior	3.36	

Note: * - significant at the 5% level

Source: authors.

The regional directors' self-view on dimensions which the branch managers also reported indicated that they scored themselves considerably higher than their subordinates on integrity, participative leadership, rewarding behavior, and goal orientation. Since regional directors are almost always picked from the best branch managers and since all of these dimensions develop with experience, this makes intuitive sense. The alternative explanation – that regional directors are less realistic in their self-assessment – was rejected after additional telephone interviews and personal discussions. The regional directors also reported high trust in their subordinates and fairly directive behavior, indicating that their view of participative leadership is not democratic but rather participative in the original sense, i.e. involving subordinates but retaining the right to the final decision. Owing to the small sample size, however, these interpretations are tentative at best. Table 5 summarizes these deliberations.

5. Summary and Conclusions

A number of insights were gained through this study that have practical applications for hiring and promotion practices, management development, and succession planning.

Despite the absence of statistically significantly higher financial performance in branches led by women compared to those led by men, the substantially higher mean performance of female-led branches, a noticeably higher percentage of female branch managers in the best-performing group compared to the other two groups, the fact that two of the top three performing branches were led by women, and the significantly higher level of participative leadership and rewarding behavior (both of which are considered contributors to leadership success in the literature) suggests that, in light of the still fairly low ratio of female managers in Switzerland, companies like the one studied may want to systematically promote women to positions of more responsibility.

Another important result of this study is the significant role of experience. Highly experienced branch managers significantly outperformed their less experienced colleagues, both with regard to their tenure as branch managers and to the time spent in the company overall. Experience should thus be considered alongside desired traits and skills when hiring or promoting managers by attaching clear priority to internal candidates. Additionally, the fact that in-job tenure is also an important predictor of team performance suggests that newly promoted managers will need some time to reach peak performance, which in turn would suggest that experience should be a factor when setting e.g. sales targets; in other words, more experienced managers should be given more challenging targets.

With regard to the personalities that may contribute to leadership success in this kind of business, commonly emphasized personality aspects such as high degrees of extraversion or openness to experience seem to be less important than conscientiousness and a certain level of neuroticism, embodied in traits such as worrying and detail consciousness. The best performers were found to be significantly less persuasive, controlling, socially confident, and innovative, but significantly more worrying and conventional than the worst performers.

It seems that, in this particular line of business, very extravert leaders who like to frequently try new things and have grand visions are less successful than incremental leaders who are able to “get with the program”. Accordingly, such companies should

adjust which personality factors they emphasize when hiring or promoting leaders. In fact, personality factors should play a bigger role than they traditionally do in the hiring process, period. Knowledge and skills can be developed over time yet personalities are comparatively stable. Focusing on the ‘right’ traits when hiring or promoting leaders can have a direct impact on results by raising the overall leadership capability of the organization. Introducing a general requirement for personality testing – including aspects such as resilience which are not covered by the OPQ32r – as a systematic part of the hiring and/or promotion process at all management levels would enable systematic succession planning for all management positions in a company. Training requirements to ensure that all leaders possess both transactional and transformational leadership skills should be individually assessed and, where necessary, the corresponding skills systematically developed, either through formal training (such as leadership development programs) or individual coaching.

Owing to the comparatively small sample size, however, results need to be taken with a grain of salt. For example, drawing general conclusions about female leadership from only 16 female leaders in the sample is questionable and results may serve as a trend indicator at best. Also, the significance or insignificance of some results may be impacted by the way the sub-samples were partitioned. Finally, this study did not consider the impact of various reward systems, which form a transactional component of leadership.

Based on larger sample sizes, future research might focus on the under-researched relationship between resilience and performance, as well as between participative leadership style and performance. It might also investigate the applicability of findings for larger teams or teams in a less stressful environment. Finally, the field in general would benefit from replication of this kind of study in various organizational contexts and environments.

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Appendix 1 | Branch Manager Questionnaire

#	Question	Your Answer			
		Strongly agree	Agree	Disagree	Strongly disagree
1	I feel proud that I have accomplished important things in my life	4	3	2	1
2	I feel that I can handle many issues and topics at a time	4	3	2	1
3	I take things one day at a time	4	3	2	1
4	I have high self-discipline	4	3	2	1
5	My belief in myself gets me through hard times	4	3	2	1
6	In an emergency, I am someone others can rely on	4	3	2	1
7	Sometimes I just make myself do things whether I want to do them or not	4	3	2	1
8	I do not dwell on things that I cannot change	4	3	2	1
9	I always have enough energy to do what I have to do	4	3	2	1
10	As a leader I should not make mistakes	4	3	2	1
11	If I miss a deadline for a deliverable that my team was supposed to produce, I personally take responsibility for this.	4	3	2	1
12	I am not afraid to express myself just because some people might disapprove	4	3	2	1
13	I never intentionally ridicule, embarrass, or hurt others	4	3	2	1
14	I can make important decisions after careful analysis, even if I cannot obtain my supervisor's input.	4	3	2	1
15	I regularly communicate my expectations to my team	4	3	2	1
16	I realize that I will not finish an important task during the regular workday and I will therefore continue tomorrow	4	3	2	1
17	I rarely go home without having both answered all candidate and client requests/calls and having asked my colleagues if they need help	4	3	2	1
18	My professional ambitions are all directed towards the company goals	4	3	2	1
19	I read newspapers and magazines related to my daily business on a regular (at least weekly) basis	4	3	2	1
20	I have completed continuing education or training in the past two years	4	3	2	1
21	I usually try to find a consensus for important decisions in my branch	4	3	2	1

#	Question	Your Answer			
		Strongly agree	Agree	Disagree	Strongly disagree
22	My team members are allowed to decide on their own, provided they follow my rules	4	3	2	1
23	My job is very similar to the jobs of my team members	4	3	2	1
24	We always celebrate and appreciate both big and small achievements	4	3	2	1
25	My branch has a common goal, and we all work together to achieve it	4	3	2	1
26	Every single member of my team is very ambitious	4	3	2	1
27	We all live up to our values every single day	4	3	2	1
28	I always pass on the orders to the team exactly as I have received them above	4	3	2	1
29	I regularly (at least weekly) discuss individual and team results and set new goals to ensure achievement of overall objectives	4	3	2	1
30	Relying on corporate information, I am able to identify and plan which and how many activities are necessary to be successful in the market	4	3	2	1
31	I can afford carrying a weaker team members	4	3	2	1
32	My team members do not need to know details about financial performance and/or the budget, they just need to deliver their own targets	4	3	2	1
33	We regularly exchange best practices in our team meetings to improve quality	4	3	2	1
34	Team-internal training and coaching is not necessary	4	3	2	1
35	One of my primary tasks as a leader is to help solve any internal problems that may arise internally (team or company) or externally (candidates or clients)	4	3	2	1

36	My age	years	
37	My gender	Male	Female
38	My education level	secondary	tertiary
39	The geographic/cultural region of my branch	German CH	Latin CH
40	My business environment	Urban	Rural
41	My organizational context (regional number or business line)	Region/BL	

Leadership dimensions

#	Dimension	Questions
BM-1	Resilience	1, 2, 3, 4, 5, 6, 7, 8, 9
BM-2	Integrity	10, 11
BM-3	Courage	12, 13, 14
BM-4	Communication	15, 28
BM-5	Personal commitment	16 (inverted), 17, 18
BM-6	Self-learning	19, 20
BM-7	Participative leadership	21, 22
BM-8	Leader team integration	23
BM-9	Rewarding behavior	24
BM-10	Supportive behavior	31, 35
BM-11	Trainer behavior	34
BM-12	Goal orientation	25, 26, 27
BM-13	Goal setting	29, 30, 32 (inverted)
BM-14	Quality orientation	33

Appendix 2 | Regional Director Questionnaire

#	Question	Your Answer			
		Strongly agree	Agree	Dis-agree	Strongly disagree
1	My subordinates are allowed to make mistakes	4	3	2	1
2	If I miss a deadline for a deliverable that my team was supposed to produce, I personally take responsibility for this.	4	3	2	1
3	My subordinates are allowed to speak up at any time if they disagree with a decision	4	3	2	1
4	My subordinates are empowered to make their own decisions	4	3	2	1
5	I fully trust all my direct reports	4	3	2	1
6	My direct reports work considerably more than the minimally required amount in order to achieve their targets	4	3	2	1
7	My direct reports keep themselves up-to-date about issues that are relevant for their jobs	4	3	2	1
8	The leader has to be the best performing member of a branch	4	3	2	1
9	We always celebrate and appreciate both big and small achievements	4	3	2	1
10	My region or business line has a common goal, and we all work together to achieve it	4	3	2	1
11	We all live up to our values every single day	4	3	2	1
12	I regularly adapt orders and tasks from above before passing them on to my direct reports	4	3	2	1
13	My direct reports regularly (at least weekly) discuss individual and team results and set new goals to ensure achievement of overall objectives	4	3	2	1
14	All my direct reports as well as their team members know relevant corporate information	4	3	2	1
15	My direct reports regularly exchange best practices in their team meetings to improve quality	4	3	2	1
16	My direct reports are mostly extraverted personalities	4	3	2	1
17	My direct reports are conscientious and reliable	4	3	2	1
18	My direct reports are open to change and innovation	4	3	2	1
19	My direct reports stay calm and focused even in tough times	4	3	2	1
20	My direct reports care about their team members	4	3	2	1
21	My age	years			
22	My gender	Male		Female	
23	My education level	secondary		tertiary	
24	My business environment	Urban		Rural	
25	My organizational context (regional number or business line)	Region/BL			

Leadership Dimensions

#	Dimension	Questions (21-Item Questionnaire)	Corresponding Questions (41-Item Questionnaire)
Related to Branch Manager (Other-View)			
RD-1	Resilience	19	16 (inverted), 17, 18
RD-2	Commitment	6	16 (inverted), 17, 18
RD-3	Self-Learning	7	19, 20
RD-4	Leader/Team Integration	8	23
RD-5	Goal Setting	13, 14	29, 30, 32 (inverted)
RD-6	Quality Orientation	15	33
RD-7	Extraversion	16	
RD-8	Conscientiousness	17	
RD-9	Openness to Experience	18	
RD-10	Agreeableness	20	
Related to Regional Director (Self-View)			
RD-11	Integrity	2	
RD-12	Trust in Subordinates	5	
RD-13	Participative leadership	1, 3, 4	
RD-14	Rewarding Behavior	9	
RD-15	Goal Orientation	10, 11	
RD-16	Directing Behavior	12	