REPLY

EXECUTIVES SOMETIMES LOSE IT, JUST LIKE THE REST OF US

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In our conceptualization of executive job demands, we sought to integrate a diverse body of literature from strategy, organization theory, and organizational behavior. Ganster suggests that such an integration of ideas is highly welcome but also incomplete. We build on several of Ganster's key points to further clarify the executive job demands construct, and we expand the range of possible research questions that come out of a more complete integration of ideas from the macro and micro spheres of organizational science.

Dan Ganster's (2005) commentary on our article (Hambrick, Finkelstein, & Mooney, 2005) illustrates the superb opportunity that exists to examine executive behavior from a psychological perspective. Indeed, we can imagine no more fertile terrain in the organizational sciences today than the study of executive cognitions, personality, interpersonal relations, and task conduct. Scholarly attention to executives is warranted not because they are different from the rest of us but precisely because they are *not* different from the rest of us. Executives are finite, flawed human beings. But they reside in jobs where the stakes associated with their humanness—both positive and negative—are enormous.

We are gratified by the supportive thrust of Ganster's response to our article, and we have learned a great deal from it—which is the hoped-for benefit when scholars steeped in different perspectives tackle a common subject. Of all the food for thought Ganster has given us, we are particularly stimulated by four of his observations: (1) executive job demands should be conceptualized at the level of the individual decision and not at the level of overall workload difficulty; (2) prior research has not been successful in confirming that extremely high job demands cause behavioral impairment or poor performance; (3) stress and, by extension, job demands influence a person's affect or emotions in ways that may profoundly affect decision making and performance; and (4) there may not be a very high degree of convergence between objective determinants of executive job demands and executives' subjective ratings of their job difficulty. We discuss each of these observations in turn.

THE PROBLEMS WITH FOCUSING ON INDIVIDUAL DECISIONS

Ganster argues that focusing on individual decisions—and the characteristics of those decisions—will be the best way for research on executive job demands to proceed. According to this view, individual decisions can be readily characterized, in terms of their uncertainty, number of alternatives, urgency, and so on, which will allow for highly specified measurement of decision difficulty. We can readily envision some classes of executive decisions that might lend themselves to such dimensionalization and large sample analysis, including acquisition, product recall, and downsizing decisions.

But there are also drawbacks in restricting attention to individual decisions. For example, the demands on an executive may emanate from beyond the boundaries of a given decision. In this vein, an executive who is being pressured to deliver substantially greater revenue growth may pay far more for an acquisition than is warranted (Hayward & Hambrick, 1997). In such a case, the researcher would have difficulty tracing the executive's behavior to the characteristics of the focal decision.

Even more important, decision making is only a limited part of what executives do and, hence, represents only a limited place where executive job demands will originate or be manifested. As Ganster acknowledges, executives engage in communication, organizational leadership, external representation, environmental scanning, and internal monitoring (Mintzberg, 1973). These are not incidental, secondary activities for executives. It is through these "nondecisional" activities that executives greatly influence the many, many decisions and daily behaviors of others inside and outside the organization (Bower, 1970; Burgelman, 1983; Wrapp, 1984). To the extent that executives experience high levels of stress due to their job demands, they will surely manifest it in a wide array of behaviors (and not just in their strategic decisions), which, in turn, will influence the behaviors of others.

Even if we were to focus specifically on the decisional aspects of executive work, doing so would not be as straightforward as Ganster envisions, for strategic decisions rarely present themselves as tidy, discrete bundles. Sometimes executives are not aware that certain decisions are called for, such as when executives at Kodak apparently long failed to grasp the implications of digital imaging technology. And sometimes executives are not *confronted* with decisions so much as they *create* decision opportunities through their insight or ingenuity. In this vein, Ganster raises the very interesting idea of examining the effects of executive job demands on innovation. To the extent that creativity requires some amount of available time and cognitive resources, extremely high levels of job demands may squeeze out novelty and fresh thinking.

In sum, we comprehend Ganster's argument for conceptualizing executive job demands at the level of individual decisions. Such an approach would allow precise parameterization of decision difficulty and executive choices. How-

ever, such an approach would omit a very large part of what executives do; it would cause researchers to miss a great deal of the demands that executives face, as well as the myriad behavioral consequences of those demands.

EFFECTS OF EXTREMELY HIGH LEVELS OF EXECUTIVE JOB DEMANDS AND STRESS

Ganster's most vigorous reservation arises when he questions our contention that very high levels of job demands cause behavior and performance degradation. We argue, for instance, that executives who are under considerable pressure will take shortcuts that often prove unwise; at the extreme, they may panic and exhibit wildly erratic behavior. Ganster's doubts about our portrayal of executives under extreme stress seem to be based on two conclusions he has drawn from the literature on task workload and stress. The first is that individuals adapt remarkably well to difficult job conditions, often learning how to take prudent shortcuts through seemingly overloaded situations. His second conclusion is that, to the extent performance deterioration does occur under high task demands, it is due to the difficulty of the task and not to physiological arousal or a stress response.

As support for his first point, Ganster cites two studies that demonstrate adaptive behaviors of individuals under high task demands. Payne, Bettman, and Johnson (1988) used a numerical decision-making exercise to demonstrate that subjects under time pressure adopt simplifying heuristics that align reasonably well with those called for by a computer simulation. Raby and Wickens (1994), in a fascinating study, found that when pilots were instructed to perform a difficult landing in a flight simulator, they reacted by focusing intently on the most essential parts of the task, while minimizing or delaying their attention to less important elements (with an exception we will note momentarily), thus exhibiting adaptation to task difficulty. What Ganster downplays, however, is that in both studies the researchers found that when subjects were put under onerous conditions, they performed substantially less well than under easier task conditions. That is, they adapted their behaviors in response to task difficulty, but not enough or not in a way to surmount that difficulty. As Payne et al. euphemistically say,

"The degree of adaptivity was not perfect" (1988: 551).

So, too, will it be with executives who face difficult situations. They can be expected to focus intently on their challenges, to shed tasks that do not seem to be directly helpful, and to otherwise struggle to muddle through. But they will not perform as well as they would were their job demands in a more moderate range.

Then we come to Ganster's doubts about behavioral impairment due to extreme stress. He acknowledges that high job demands may be associated with performance deterioration. But he argues that the drop in performance will be because of the increased task difficulty, not because of a stress response by the individual: "Research has not so far convincingly shown that there is a downturn in the monotonic positive relationship between arousal and performance" (p. 497).

We are not thrilled about being likened to those who were sure there were WMDs in Iraq. But, still, our answer is "Keep looking." Our conviction in the existence of a stress response is based on our lifetimes of observing it—in our colleagues, our students, our family members, and in ourselves. Time and again, we have seen people under stress behave in ways that only worsened their situations. Although the specific forms of flawed behaviors depend on contexts and personalities, we routinely have seen people who are under extreme stress become belligerent, lash out, take ridiculous risks, cheat, emotionally shut down, and sometimes give up. The conclusion that extreme job demands and accompanying stress do not induce behavioral impairment is simply at odds with an abundance of everyday observations.

We even detect an intriguing hint of suboptimal behavior under high task demands in Raby and Wickens' (1994) flight simulator study. In a result that escaped note by the authors, it seems that, under the most difficult flight conditions, pilots spent an extraordinary amount of time—at precisely the most challenging part of the flight—on the least essential of tasks: filling out paperwork. Just as Nero fiddled while Rome burned, these overchallenged pilots may have figured that they might as well attend to something that was doable, even though it wasn't going to help their cause.

It is possible that the failure of researchers to find a stress response is due to an inability to impose the requisite level of stress. Consider, for example, what might have occurred had Raby and Wickens put their subjects in real planes instead of flight simulators, and had they, in addition to increasing the difficulty of the flight arc, added the occasional violent wind shear or insistent pounding on the cockpit door. Surely, the pilots would not have been able to stay uniformly focused and put the exhilaration of the moment to good use. Some might have lost it entirely.

It is interesting to think about the factors that could affect the degree of impairment that occurs under extreme stress. Perhaps the subject's preparation and training matter. Perhaps the duration of the stress matters. But, in general, we believe stress responses occur, and executives who are under extremely high levels of job demands can, and often will, succumb to them in various ways.

THE INFLUENCE OF JOB DEMANDS ON EXECUTIVE AFFECT

Ganster turns to the literature on affect—or emotion—to raise a fascinating line of thought. "If stress does anything," he notes, "it produces strong affective reactions" (p. 496). In turn, research has shown that negative affect impairs decision-making ability. Thus, in the executive context, we can anticipate that executives who experience great stress because of high job demands will tend to become anxious, depressed, angry—which, in turn, will cause them to be less effective decision makers. More interesting, recent research has shown that positive affect (which is not simply the obverse of negative affect) tends to enhance cognitive powers. Accordingly, we can anticipate that executives whose job demands are in a more manageable range will experience positive emotions that will enhance the quality of their decisions. Positive affect—perhaps even more so than negative affect—can be a driving force in influencing the quality of decision making.

Even more important, the stress and negative affect experienced by an executive will spill over to others, influencing *their* stress, affect, and powers of judgment. In this vein, we proposed that executives who experience high job demands will be more likely to put pressure on others in the organization. In transferring pressure onto others, executives will also pass along

negative affect, causing a spiraling effect that will have damaging consequences for employees at all levels, as well as for the organization. It is not surprising, then, that workers often cite their managers as major sources of stress (Schabracq & Cooper, 1998).

We expect that executives who experience moderate, manageable job demands will not only put less pressure on others (leading to less negative affect) but also may, in fact, pass along more positive affect and its corresponding benefits. Indeed, examination of how executive job demands ultimately influence the affective states of individuals at other levels of the organization seems a promising avenue for future research.

In our article we also proposed that job demands encourage impression management by executives. As job demands decrease, we expect executives to pay more attention to enhancing the impression of having high job demands; as job demands increase, we expect executives to pay more attention to conveying confidence and calm. The latter proposition particularly suggests a strong link to an executive's affect. If highly pressured executives are aware that their display of stress, along with any resulting negative affect, will make stakeholders nervous and less confident in their abilities, they often will manage impressions so as to mask their stress and anxiety. It is important to note that, just as with job demands, impression management may make it difficult to assess an executive's affect. What we see in an executive's demeanor may not match reality—a fact that relates to the importance of developing reliable measures of job demands, which is a topic we turn to now.

METHODS AND MEASUREMENT

Ganster offers an important insight on the measurement of executive job demands when he observes that executives' subjective appraisals of job difficulty are unlikely to correspond closely to objective indicators of executive job demands. The idea that one can meaningfully ask executives how demanding their jobs are is a seductive notion, but after considering Ganster's comment, we have to agree that such an approach might be far from suitable. Lab experiments hold some promise, particularly if designed as part of an executive education expe-

rience. But perhaps the ideal research design is one in which there is a "natural experiment" that involves the unequivocal increase (or decrease) of job demands for a CEO. Such a condition would exist in newly privatized companies, in deregulated industries, in companies spun off from their parent organizations, and in companies confronting sudden catastrophe—as when a biotech company has its major new drug rejected by the FDA or when a company is accused of severe accounting manipulations or other wrongdoings. Such situations present executives with unequivocally greater challenges almost overnight and provide clear contexts in which to examine the consequences of heightened job demands we have proposed.

Ganster's point about the weak alignment of subjective and objectives measures of executive job demands is additionally valuable, because it highlights the idea of looking at objective and subjective indicators separately. In fact, an interesting research agenda would be to examine those factors that might cause either convergence or divergence between objective and subjective assessments. We can envision two broad sets of factors that might cause objective indicators and subjective assessments of executive job demands to diverge: general executive tendencies and individual differences.

General Executive Tendencies

One might think that a given executive would have little difficulty accurately perceiving the amount of challenge in his or her job. If a competitor adopts aggressive new tactics or the board ratchets up pressure on the CEO, the stimuli are relatively straightforward and should elicit cognitive, affective, and behavioral responses from the executive. But there is reason to believe that executives very often miss or discount these cues, resulting in a general tendency to underestimate their job demands. Abundant literature on overconfidence, for example, suggests that executives sometimes underestimate the relevance, importance, or power of critical stakeholders (Camerer & Lovallo, 1999). Similarly, executives may react to objectively stressful situations with denial (Finkelstein, 2003). In either case, the executive's experienced job demands may not correspond to the objective reality of the situation. Anecdotally, we have seen a collection of CEOs in recent

years who apparently missed numerous signs of oncoming distress; we would not be surprised to find that many of them never thought it could happen—even while it was.

Sometimes, executives' subjective assessments of job demands might not match objective indicators because they believe themselves so powerful that they need not be concerned with the pressing demands of boards and shareholders. These "imperial CEOs" may have stellar track records, but they are unable to fully appreciate that the pressure from key stakeholders has increased (Khurana, 2002).

It is interesting to ask whether the very biases, schema, and mindsets that executives rely on to simplify complex situations cause a lack of appreciation of the challenges they face (Starbuck & Milliken, 1988). The objective characteristics of an executive's job may signal overload, pressure, and difficulty, but the executive's reliance on simplifying heuristics will color—turn rosy—his or her perceptions of job difficulty. The net result will be a gross underrating of executive job demands.

Individual Differences

Could there be executive characteristics that influence the extent to which an executive accurately perceives the magnitude of the challenges of his or her job? We don't refer here to how talented a given executive is, a possibility we discussed in our initial paper. Rather, are there personal attributes that cause an executive to perceive the job in a different way than the objective characteristics of his or her situation warrant?

It is beyond the scope of this reply to provide a comprehensive inventory of individual differences, but it is possible to identify one or two possibilities that could hold promise for future research on perceptions of executive job demands. One place to look is the well-established literature on tolerance for ambiguity (e.g., Gupta & Govindarajan, 1984).

The job of an executive involves considerable ambiguity. There are rarely bounds on what is potentially important and what is not, and the sheer number of stimuli the typical executive faces can be astounding—emanating from competitors, suppliers, customers, regulatory agencies, other top managers, direct reports, and the multiple sources of information that make up

the economic, demographic, social, and political environment. While it is likely that most senior managers have been selected in part for their ability to deal with ambiguity, there still will be variations in tolerance for ambiguity among executives (Gupta & Govindarajan, 1984).

We could expect those who have low tolerance for ambiguity to adopt one of two contrasting tactics for dealing with their overloaded situations. They will either engage in cognitive simplification, tidying up their perception of their world so that the ambiguity abates, or, in contrast, they will concentrate their attention on one or two particularly worrisome stimuli that gain outsize importance in their minds. In either case, executives' perceptions of their job demands will differ markedly from the objective reality. Executives who have a high tolerance for ambiguity, however, may not be as easily spooked by multiple, conflicting task and performance demands, which may lead to a closer alignment between subjective and objective indicators of job demands—or, in some cases, rosier construals of job demands than are warranted.

A different type of individual difference—one that is based less on innate personality than on actual behavior—is the extent to which an executive is personally prepared for his or her job and the challenges that go with it. Executives who are intensely prepared—by virtue of their prior experiences, training, and readiness for difficult conditions—are less likely to feel the same degree of pressure from a set of task stimuli than are other executives who always seem to be catching up. The intensely prepared executive is able to attend to his or her task and performance challenges and is unlikely to feel overwhelmed or stressed, compared to a less prepared executive.

There are numerous other individual differences that would affect executives' perceptions of the difficulty of their jobs. Our intent is not to document a complete array of such factors but, rather, to illustrate how differences in executive attributes might account for the nonalignment of subjective ratings and objective indicators of executive job difficulty. Taken with our earlier ideas about executive reactions to job demands, these latter suggestions further represent a potentially interesting research direction to pursue—one that can further draw together

scholarship from both the micro and macro spheres of organizational science.

CONCLUSIONS AND SUMMARY

Ganster's commentary prompted us to clarify some of the relationships we had earlier posited. In particular, we were motivated to consider more fully the nature of the relationship between executive job demands and performance; the relationships among executive job demands, executive affect, and performance; and the factors that might cause divergence between objective and subjective job demands. We hope that our responses to Ganster serve to encourage and strengthen future research in the area, but we believe that the greatest value in Ganster's commentary is in its call for more overt sharing of ideas across academic boundaries. Our article on executive job demands and Ganster's thoughtful response should be seen as an entreaty to broaden the shared interests of micro and macro researchers. These two streams of scholarship have much to learn from each other.

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