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WHY SOME LEADERS CAN BUILD NEW ORGANIZATIONS: LEADERSHIP,  
INDIVIDUAL DIFFERENCES, AND GENDER IN ENTREPRENEURSHIP

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## Abstract

From researchers, to practitioners, to politicians, there is significant interest in entrepreneurship. Research on entrepreneurship has traditionally focused on characteristics of the entrepreneur, but as with many other areas of research, there is now a move toward a better understanding of process. Additionally, as we begin to understand just how many factors influence the ultimate success or failure of an entrepreneurial venture, the field is in need of good theory to organize the diverse perspectives. In recent decades, much similarity has been noted between the study of entrepreneurship and leadership, and just as it has made inroads with the more general field leadership study, the three-factor model of leadership, and the CIP (charismatic, ideological, pragmatic) approach to leadership might also be interesting frameworks for sorting out some of the chaos in the research on entrepreneurship. The current study aimed to further our understanding of the relationships between leadership, entrepreneurship, individual differences and gender, as well as the role of followers. This paper describes a study in two parts. A qualitative pilot study consisted of semi-structured interviews with entrepreneurs. The qualitative data was used to create an overall picture of the entrepreneurial context, and then as interesting trends began to emerge, qualitative responses were used to inform a second general quantitative portion which was designed to provide a more detailed understanding those trends. Results obtained from the quantitative questionnaire (administered to a larger group of entrepreneur-follower pairs from additional organizations) suggest that relationship-focused behaviors are more strongly tied to venture success than are task and change oriented behaviors. Additionally, the effective application of the CIP leadership approach to entrepreneurship will require improved conceptual development and measurement. Definitions of success and the keys to achieving success varied both by leadership style and individual differences. Of particular note

was the significant difference in the importance of profit/revenue to definitions of success for male and female entrepreneurs. Finally, the role of followers in entrepreneurial ventures appears to be as strong complements to the entrepreneurs themselves; both entrepreneurs and followers highlighted the importance of working with people who complement your own skills and abilities. Future research and practical implications are discussed.

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## **Chapter 1**

### **Why Some Leaders Can Build New Organizations: Leadership, Individual Differences, and Gender in Entrepreneurship**

Entrepreneurship is a topic that has come into particularly clear focus during the current financial crisis as individuals lose jobs in organizations and are forced to consider the option of going out on their own. It is one of the major factors that economist Joseph Schumpeter says drives economic progress (2008), and a topic which has recently seen a significant increase in interest in the research and academic world as well. Over the course of the last century, the study of entrepreneurship has aimed not only to define entrepreneur, entrepreneurship, entrepreneurial orientation and culture, but also to determine who is most likely to become an entrepreneur, what makes an entrepreneur most likely to succeed or fail, what internal and external factors impact success, and how different types of entrepreneurship have different intended outcomes, be they wealth building and independence, or social change, or something else altogether.

The focus of this paper is on better understanding the roles of creativity/innovation and leadership behaviors and styles, as well as gender, in the success or failure of entrepreneurial ventures. Based on previous literature, these studies aimed to answer the following questions. Should entrepreneurs be leaders? If so, what kind? How do leadership and creativity/innovation interact to enable new venture success? How is entrepreneur gender related to success?

#### **Definition of Terms**

Who coined the term, and when it was first used, seems to be a matter of some contention, and how one defines an entrepreneur varies considerably based on background and purpose. Some suggest that an economist in the early 1800's first described the entrepreneur as "one who undertakes an enterprise, especially a contractor, acting as intermediary between capital and

labour" (Hindle, 2008, p. 77). In 1934, Schumpeter referred to an entrepreneur as a "creative destructor." In other words, one who interrupts established ways and pushes for development of new products and ideas. Since then, no single definition has been recognized as the be-all-end-all. Definitions have generally included reference to one who assumes responsibility for an enterprise or venture, particularly when significant risks might be associated with outcomes. According to Mirriam-Webster online dictionary, an entrepreneur is "one who organizes, manages, and assumes the risks of a business or enterprise." Other authors suggest that an entrepreneur is a leader who is ambitious and combines resources to create and market new goods or services (Sullivan & Sheffrin, 2003). Although this research recognizes the benefits to having a more narrow definition, one which focuses on those who create a completely new product or service or give completely new value to an existing product or service, for the purposes of this research, a more broad definition will be employed. An entrepreneur is one who creates or adds new value to a product or service while gathering and managing resources in a business for which they assume financial risk.

As with "entrepreneur," the definition of "entrepreneurship" has also seen much discussion. According to Hisrich and Peters (1989) "Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction" (p. 6). According to Tan, Williams, and Tan (2005) entrepreneurship is, "the process of attempting, [over time] to make business profits by innovation in the face of risk" (p. 357). Regardless of definition, the general consensus across sources seems to be that entrepreneurship is a tricky process. Even when entrepreneurship occurs in response to identified and well defined market opportunities, attempts to get businesses off the

ground are often unsuccessful, and as many as half of these types of efforts will fail in the first five years (Baum & Locke, 2004).

### **Types of Entrepreneurship**

Just as the meaning of the terms entrepreneur and entrepreneurship have been difficult to nail down there are also different types of entrepreneurship one can examine. In the US, one such example is the difference between what we might consider traditional entrepreneurship, and what has been termed social entrepreneurship. To add complexity to the topic a sort of middle ground has been emerged with what has been called creative capitalism which includes elements of both traditional and social entrepreneurship (Gates, 2008).

As has been previously described, the traditional entrepreneur or entrepreneurship is concerned with starting a new enterprise or taking an existing enterprise in a dramatically different direction, an action that is likely to have uncertain outcomes associated with significant risk. A traditional entrepreneur takes responsibility for these risks and the outcomes. The ultimate goal of traditional entrepreneurship is understood to be wealth building and independence (Tan et al., 2005). On the other end of the spectrum, is a type of entrepreneurship whose goal is not wealth building per say, but instead a focus on social change where the result of the new effort is a meaningful and measurable difference within society. According to Tan et al. (2005), social entrepreneurship is an attempt to start a new venture whose aim is to create “profits for society or a segment of it by innovation in the face of risk, in a way that involves that society or segment of it” (p. 658). At a more general level, perhaps, social entrepreneurship might involve “someone who recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a venture to initiate social change;” Whereas a traditional entrepreneur typically measures performance in revenue, “a social entrepreneur assesses success

in terms of the impact s/he has on society in addition to profit and return”

([http://en.wikipedia.org/wiki/Social\\_entrepreneurship](http://en.wikipedia.org/wiki/Social_entrepreneurship)). However, Tan et al.’s (2005) definition suggests that social change is not just *for* society, it must also be engaged *with* society. Social entrepreneurs work in various private and public sector jobs, and aim to facilitate social or environmental change.

Yet another variation on the idea of entrepreneurship is what has become known as creative capitalism. Highly visible individuals and organizations have begun to gravitate towards creative capitalism, where the goal is a combination of traditional and social entrepreneurship. In a *Time* magazine article, Bill Gates calls creative capitalism, “an attempt to stretch the reach of market forces so that more companies can benefit from doing work that makes more people better off” (Gates, 2008). The concept suggests that businesses whose primary responsibility is to turn a profit can also use their products and services to, at the same time, benefit social change. For example, an organization that donates a share of the profit from a particular product to support a charity can be seen as engaging in creative capitalism. Bono (of U2) achieved this with his “red” line which sells at Gap retailers, a portion of the profits goes toward the fight against AIDS in Africa.

These other types of entrepreneurship, however interesting and potentially impactful, make up only a small proportion of entrepreneurial ventures in the US today. It is the traditional entrepreneurial venture that this study refers to and traditional entrepreneurship which is the focus of this work.

## **Entrepreneurship as a Process**

Much like other well studied phenomenon in the research literature, recent studies suggest that entrepreneurship may also be understood as a series of steps or phases. Baron (2007) describes the process of entrepreneurship as three primary phases, each with its own set of activities or sub-phases, and each with its own independent and dependant variables. The first phase is the pre-launch. The prelaunch phase includes everything that occurs prior to the actual launch of an entrepreneurial venture. For example, activities or sub-phases included in the pre-launch phase are: identification of opportunity, initial evaluations of those opportunities, clear intentions to proceed are defined and set, and finally, gathering of the resources needed to move the effort forward.

The launch phase encompasses roughly the first year of the ventures existence, and according to Baron (2007) is perhaps when the entrepreneur actually becomes an entrepreneur. Prior to launch, most energy is spent organizing and determining how best to bring new ideas to market. Once the organization is actually launched, then the entrepreneur is responsible not just for ideas, but also for running the venture and taking responsibility for outcomes. Some of the activities or sub-phases occurring during the launch phases include choosing a legal form for the venture, protecting the competitive nature of the products/services, and developing initial marketing strategy. After the first 12-18 months, a venture moves into the last or post-launch phase. As an established firm, sub-phases are more directly related to running a business and include handling conflicts, conducting negotiations, influencing and motivating others, adding employees, and managing or developing a plan for the continued operation as well as creating an exit strategy.

Each of these phases is crucial to the successful venture, but the phases themselves are likely much less clear cut than they appear on paper (Baron, 2007). Phases may vary greatly in terms of length and complexity of activities, and may in fact occur simultaneously as some parts or products may take off more quickly than others, forcing the entrepreneur to act both as a manager for the new products or services, while also trying to finish making the organization a reality. Alternatively, a failed attempt may mean taking steps backward and reassessing the resources necessary to make or keep the organization viable. The pre-launch phase may last several years, or a new idea might be ready for market and successful in just a few months. There appears to be no single descriptive or correct timeline. Furthermore, there appears to be no one correct set of activities necessary at any given time.

### **Profile of an Entrepreneur**

We now know the dictionary and field definitions of entrepreneur, but perhaps a better question might be what does she look like? Or perhaps, how does he behave? What makes her successful? The following is a discussion of the traits and characteristics that have thus far been demonstrated to relate to being an entrepreneur.

**Individual Differences.** As with nearly every other area of study in the field of industrial and organizational psychology, here too, we see a discussion of the importance of individual traits in predicting success as an entrepreneur. In entrepreneurship, the link between personality traits and success seemed to be obvious as the viability of the upstart organization often sat squarely on the shoulders of the founder. If the founder had the right stuff, and the ability to get others to follow along and support the new enterprise, certainly this should ensure success. The expected relationships, however, failed initially to materialize. Research through 1990

demonstrated only negligible relationships between personality and success (Aldrich & Wiedenmayer, 1993). Fifteen years later, though, Baum and Locke (2004) re-examined these relationships, focused specifically on passion, tenacity, new resource skill, communicated vision, self-efficacy, and goals, and results suggested that some of the variables indeed had significant direct effects (goals, self-efficacy, and communicated vision), and others had indirect effects. The authors suggest that perhaps the research on the link between personality and venture success might be more productive if such indirect relationships received greater attention.

In their chapter on entrepreneurship and personality, Rauch and Frese (2007a) describe a strong push to ignore personality differences in the study of entrepreneurship for a myriad of reasons. These authors go on to suggest that this view has changed, and the resurgence in personality oriented research has been made possible for nine primary reasons. First, an understanding that although personality variables measured across situations still may not be able to predict specific behaviors, they can often be related to a class of behaviors. Second, context matters; personality will be better able to predict behaviors when the situation is taken into account (Magnusson & Endler, 1977 as cited by Rauch & Frese, 2007a). Third, personality variables that are more specific and more closely related to their intended outcomes will have stronger effects than more global or more distal characteristics (Kanfer, 1992; Rauch & Frese, 2000). Fourth, personality variables should not necessarily be looked at on their own as concrete and independent concepts but instead, we might endeavor to see them as more dynamic, interconnected, and possibly as only indirectly related to outcomes such that they may influence outcomes through other or additional mechanisms.

A fifth reason suggested in the paper is that only limited attention has been given to what has consistently been shown to be one of the strongest individual difference characteristics;

cognitive ability. Considerable connections might be drawn with entrepreneurial success or failure and the raw mental horsepower of the entrepreneur. Sixth, relationships between behaviors and characteristics might be non-linear. Seventh, meta-analyses have allowed us to get a better big picture view of the impact individual difference variables can have. Eighth, meta-analytic techniques have demonstrated that the smaller correlations typically associated with personality variables may very well be important or larger than they appear as relationships are often weakened by methodological problems. Finally, individual difference variables have different relationships with different kinds of outcome variables. Outcome variable differentiation is needed, for example, performance as an outcome or DV can have many different aspects that might all relate differently to the individual differences included. These authors argue that although it may take some time and interpretation, individual difference variables such as personality should be taken into account when trying to understand the antecedents of research areas like entrepreneurship (Rauch & Frese, 2007a).

More specifically, Rauch and Frese (2007a) identified some of those individual differences with the closest links to entrepreneurship. One such individual difference was need for achievement. Research suggests that small business owners are more likely to be higher on need for achievement, and what's more, higher levels of need for achievement are positively related to venture success (Rauch & Frese, 2007b). Another characteristic often examined when looking at entrepreneurs is propensity for risk taking. Despite having intuitive appeal, research suggests that in fact the relationship is positive, but rather small (Stewart & Roth, 2004). Instead, risk-taking may have more indirect influence and an increased focus on moderators is necessary (Rauch & Frese, 2007b). The personality variable of innovativeness is another such intuitive variable, and indeed research demonstrates a moderate positive relationship, not just between

innovativeness and likelihood of being an entrepreneur, but also with success as an entrepreneur. Rauch and Frese (2007a) lament the relatively little amount of research examining creativity, and not just innovation.

Both risk-taking and innovativeness are also often considered in their capacity as part of a larger constellation called entrepreneurial orientation (EO). EO can be understood to mean the “processes, practices, and decision-making activities that lead to new entry [starting a new business, and]...including a propensity to act autonomously, a willingness to innovate and take risks, and a tendency to be aggressive toward competitors and proactive relative to market place opportunities” (Lumpkin & Dess, 1996, p.136-137). Krauss, Frese, Friedrich, and Unger (2005) discuss the history of this construct and its path from a firm-level variable to an individual-level variable. Their work discusses the nature of EO, and describes the process by which it helps to measure how the individual entrepreneur is likely to structure and staff a new organization. Krauss et al. (2005) explain how EO can be a function of the situation, and is thus somewhat more flexible than more stable traits, and it’s measurement is based more closely on behaviors than attitudes.

A number of researchers have examined the relationship between EO and venture success, and the findings have been inconsistent (Hughes & Morgan, 2007; Krauss et al., 2005; Lumpkin & Dess, 1996). Although effects varied somewhat by EO subscale, Krauss et al. (2005) report significant relationships of EO with components of business performance, largely defining performance as business growth. Meanwhile, Hughes and Morgan (2007) discuss findings from various researchers who have found differing relationships between EO and venture success depending on whether EO is examined as one composite variable, as five subscales (innovativeness, proactiveness, risk taking, autonomy, and competitive aggressiveness) or as

only three subscales (risk taking, innovativeness, and proactiveness). These authors also conclude that when all five scales are included and examined, only proactiveness and innovativeness have positive relationships with business performance, while the relationship of risk taking is actually negative. Thus questions remain about how best to examine EO, and what exactly the relationships are between EO and measures of venture performance.

Two additional individual difference traits have also seen relatively significant attention in the entrepreneurship literature; locus of control, and self efficacy. The first, locus of control, is closely related to the construct of autonomy and demonstrates largely the same patterns as those traits mentioned previously, small positive relationships. As for the related concept of locus of control, individuals with an internal locus of control usually believe they have control over what happens to them, while those with an external locus of control are more likely to believe that others or the environment has control over their actions, and chance plays a greater role in both failure and success (Landy & Conte, 2003; Rotter, 1966). Common sense suggests that entrepreneurs should be more likely to have an internal locus of control, and again, there do seem to be small but positive links. Self-efficacy, on the other hand, describes individual's beliefs regarding their abilities to successfully accomplish tasks. Furthermore, the relationship between self-efficacy and positive outcomes (in contrast to many of the traits discussed to this point) has been shown to be strong and positive for all types of employees, and in terms of predicting success for entrepreneurs, at least one meta-analysis reported this relationship to be the strongest of all examined (Rauch & Frese, 2007b).

**Competencies.** Markman (2007) suggests that perhaps in addition to individual difference traits, it might also be important to understand the knowledge, skills and abilities associated with success in starting a new venture. Although all three are closely related, each

also offers different insight into what might help entrepreneurs to thrive. Knowledge is most commonly conceptualized as *unique* knowledge, in other words, knowledge of any specific opportunity or resources that is not known to others. However, knowledge is also important as it impacts the ongoing process of entrepreneurship (i.e. separating relevant from irrelevant information, averting crises), as well as itself encouraging more learning and growth for the entrepreneur. Skills are commonly thought of as being developed through training and practice, and as mentioned above, are both a derivative of knowledge and integral to the development of abilities. Past research suggests that skills tend to fall into three to four categories (Ensley, Carland, & Carland, 2000). Technical skills are those which deal directly with the product or service provided by the venture. Knowledge or conceptual skills are those that allow the entrepreneur to understand, evaluate, and manage the market for the product or service. Finally, human or social skills are related to entrepreneurs' leadership, motivation of employees, and networking within and outside of the organization. Ability, as described by Markman (2007) is "the aptitude to combine assets and resources (including knowledge) in new ways to deploy them to meet customers' needs while maintaining profitability" (pp.79). While skills are related to training and practice, ability is related to learning and experience. Those who are *able* to more quickly acquire skills and knowledge and use them to their advantage, are more likely to achieve success. Related to ability is cognition. "Cognitions are the mental processes of knowing, including aspects such as awareness, perception, reasoning, and judgment" (Markman, 2007, p. 81). Although not as commonly researched in the field of entrepreneurship as in many other fields (Rauch & Frese, 2007a), cognitive ability does appear to allow entrepreneurs to be lower on characteristics such as planning while maintaining high performance (Escher et al., 2002).

A number of demographic differences (age, education, gender and ethnic background) have also been demonstrated to impact likelihood that an individual has intentions to, will pursue, and/or will successfully develop an entrepreneurial venture.

**Demographics: Age and education.** Raijman (2001) examined entrepreneurial intentions of 315 Mexican immigrants, and found that various factors impact those intentions. Among them, personal assets, years of formal education, risk disposition, and having a family member in business. Those with more education, a higher risk disposition, and a family member involved in business were all more likely to report stronger intentions to start their own businesses. Other researchers have also noted the relationship between education and starting an organization; Reynolds, Hay, Bygrave, Camp, & Autio (2000 as cited by Markman, 2007) reported higher levels of education in those founding entrepreneurial ventures in Western countries.

**Demographics: Gender.** After WWII, as women entered the workforce in greater numbers, they also became much more likely to attempt entrepreneurial ventures. From 1997 to 2002, women-owned business grew at twice the rate of all others (male- or group-owned), and today, women-owned business account for 2.3 trillion in economic impact and 23 million jobs. Despite these increases, however, women remain significantly underrepresented in entrepreneurship today (Vecchio, 2003). According to the Center for Women's Business Research (2009), the percentage of women-owned businesses in the US was just less than 30%. Furthermore, these businesses were responsible for just 4.2% of all revenue. This may be in part due to reports that women-owned businesses tend to have fewer employees and less access to financial resources; less than 5% of venture capital finds its way to women (Brush, Carter,

Greene, Hart, & Gatewood, 2002), which contributes to lower growth rates and less long term success (Runyan, Huddleston, & Swinney, 2006).

Numerous researchers have examined the relationships between gender and the success of entrepreneurial ventures, and more questions than answers have emerged. Just as a general set of individual difference variables have been identified as relating to entrepreneurial success, so too have individual differences been differentially associated with one gender or the other. On the whole, women entrepreneurs tend to have better communication skills, and they are more successful in creating relationships between seemingly unrelated pieces of information. They also tend to be more focused on developing relationships and encouraging participative decision making (Daniel, 2004). This would suggest that women should have greater social or human capital. Other researchers, however, reveal a number of areas where women tend to be disadvantaged.

Malach-Pines and Schwartz (2008) report that about twice as many male management students had or intended to start a business, and more males than females described themselves as having the necessary skills and traits to make it as a business owner as well as greater desire. Furthermore, several researchers (Chen, Greene, & Crick, 1998; Shaver, Gartner, Crosby, Bakalarova, & Gatewood, 2001) reported lower self-efficacy and self-confidence (respectively) in female students than in males. In terms of motivation, Manolova, Brush, and Edelman (2008) report significant differences between women and men. While both men and women are motivated by financial gains, self-realization, and autonomy, women were significantly more motivated by an increase in status than were men. Although it was not entirely clear why this finding was significant, one possible explanation is that an increase in status might be more desirable for women because it is achieved (in the case of entrepreneurship) in an area where

males are typically most successful (Verheul, Uhlaner, & Thurik, 2005). It may also be that some of these differences are in fact the result of gender socialization. From an early age boys and girls are exposed to environmental stimuli and norms which influence how they see themselves and how they make sense of their world (Bem, 1981). Social norms dictate that gender differences are important for understanding phenomena around us, and children engage in particular behaviors and believe particular traits are strengths based on what they know of those differences. Additionally, the opportunities they are given, or encouraged to seek out, serve to further those gendered beliefs and roles. This socialization may predispose women later in life to consider themselves less able to engage successfully in behaviors or less likely to see themselves as having traits which are seen as more masculine, and entrepreneurship might be one area where we see the results of this socialization.

Gupta, Turban, and Bhawe (2008) examined the link between stereotype activation and intentions to engage in entrepreneurship. Findings suggest that without any manipulation or stereotype activation, men generally report stronger entrepreneurial intentions than women. This is likely due to the social construction of entrepreneurship as more in line with male characteristics than with female characteristics (Bruni, Gherardi, & Poggio, 2004), in much the same way that leadership has been associated with agentic or more masculine qualities (Eagly & Karau, 2002). Men were also more likely to report significantly stronger intentions when stereotype activation was implicitly masculine. However, when stereotypes were activated explicitly, participants reacted oppositely. In other words, when the scenario explicitly described entrepreneurship as more masculine, women actually tended to report higher entrepreneurial intentions than they did when the activation was not as obvious. Interestingly, when

entrepreneurship was described as gender neutral, little difference was found between male and female participants' entrepreneurial intentions.

Runyan, et al. (2006) examined gender differences in entrepreneurial orientation and four dimensions of social capital. Few differences emerged in entrepreneurial orientation, with the exception of innovativeness, where in fact, women reported higher levels. Women also reported higher levels on each of the four dimensions of social capital, including significant differences in levels of shared visions and reciprocity. Neither the differences between male and female responses in network density or network cohesion were significant. The interesting finding, however, was that despite reporting higher levels of all of these variables, women did not seem to be able to take advantage of those differences. Men did not appear to see any negative impact on firm performance as a result of lower reported levels of social capital. This may suggest that perhaps women have not yet figured out how to take full advantage of their social capital. Alternatively, there may again be a situation where it is not necessarily that women actually are unable to take advantage of their social capital, instead they simply are less experienced in doing so as a result of having little exposure to the practice (Bem, 1981).

Although some researchers have found that male and female entrepreneurs are equally likely to see their ventures fail (Kalleberg & Leicht, 1991), others have found that women were significantly more likely (Carter, Williams, & Reynolds, 1997). Moreover, staying in business is not the same as being successful, and male-owned business have reported stronger financial performance (Brush & Hisrich, 2000). Success itself remains an elusive concept as its definition also varies by gender. Powell and Eddleston (2008) describe the "paradox of the contented female business owner." The paradox is modeled after the paradox of the contented female worker (Crosby, 1982), which describes a situation where female workers are content with their

status and pay despite being relegated to jobs with lower levels of both. Crosby (1982) posits that perhaps the women do not feel a discrepancy between what they have or receive, and what they feel they are entitled to. Powell and Eddleston (2008) apply this logic to female business owners to explain why they appear to be as satisfied with business performance as men whose business are performing at much higher levels. Some authors suggest that a definition of success which is not strongly related to business performance might be the result of lower expectations, where women base their standards of success on factors they consider more achievable (Crosby, 1982).

Powell and Eddleston (2008) cite numerous others who suggest that women tend to inhibit the growth of their business more than men, women tend to have lower expectations and greater risk aversion, women tend to engage in entrepreneurial operations more as a way to balance work and life commitments, and finally (in contrast to Runyan et al., 2006) that women tend to have *less* human capital and industry experience (Kepler & Shane, 2007; Morris, Miyasaki, Watters, & Coombes, 2006; Wilson, Kickul, & Marlino, 2007). Thus, perhaps one reason that women have generally been found to have lower levels of performance as defined by revenue and growth, is because their definition of success is different or because they may not believe they have the ability to achieve it. This doubt may also be related to lowered expectations resulting from a number of barriers unique to women (Powell & Eddleston, 2008). These barriers include less access to resources and credibility (Seglin, 1986; Wilkens, 1987 as cited by Harry, 1994), as well as dealing with (or believing in) traditional beliefs that women should be care-takers, dependent on men as breadwinners, and thus not encouraged (in some cases likely discouraged) to take on entrepreneurial ventures. Finally, lingering effects of what used to be overt sexism have resulted in generally lower amounts of experience for women as compared to men, and the experience women do have is often limited to a few, usually less lucrative fields,

like services and retail (Harry, 1994). This lack of experience extends from general business situations, to specific types of tasks and assignments, to business challenges, to leading others. Still another consideration might be related to what Acker (1990) refers to as the gendered organization. The way most organizations are currently structured has an inherently masculine component to them. She describes five processes by which organizations become gendered; divisions along lines of gender, development of “symbols and images that explain, express, reinforce, or sometimes oppose those divisions” (p. 146), interactions both across and within genders, internalization of gender norms, and the impact on society and social structures. If these processes serve to create a more masculine culture in most organizations currently viable, there might be yet another barrier to women entrepreneurs who are much less likely to structure their new businesses in that same fashion. There may be more push back from prospective investors, employees and clients, if for example, traditional divisions of labor aren’t followed, or social norms aren’t observed.

Among the points made here in the discussion of gender and entrepreneurship, two which must and can be more thoroughly and directly addressed in research, sooner rather than later, include definitions of and expectations regarding success. Without a better understanding of how gender influences the development of expectations (what is and is not achievable), we can hardly expect to understand gender differences in the definition of success. And without understanding differences in how individuals’ operationalize success, it is difficult to interpret findings related to business outcomes.

Many of the same difficulties identified in the literature above are also true when examining women and leadership itself. Much like entrepreneurship, the percentage of women in positions of leadership has not kept up with the percentage of women entering the workforce,

and those women who do find themselves in leadership roles are experiencing significant difficulty. Many of the same biased beliefs as were operating decades ago about what the roles of women should be continue to operate today. Although some of the stereotypes have loosed their grip on some organizational managers, others maintain their biases, and beliefs about the incongruence between women's traits and those of successful managers are still common among many male managers and MBA students (Schein, 2007).

A number of frameworks have been developed to attempt to explain this phenomenon. One of the most prominent of those theoretical frameworks comes from Eagly and Karau (2002). In their work, these authors use Eagly's (1987) social role theory as a basis for developing their "role congruity theory of prejudice toward female leaders" (pp. 573). Their paper focuses primarily on the incongruence between what is seen as the female gender role, and how we typically perceive someone occupying a leadership role. This theory suggests that males and females have identified, commonly accepted social roles (men are breadwinners, women are caretakers/homemakers). The role that men play in society is what the authors' term, agentic, and is characterized as more aggressive, more ambitious, and dominant. Women, on the other hand, play the communal role, characterized as more affectionate, helpful, kind and nurturing. Eagly and Karau (2002) then posit that the characteristics of a good leader, as society to this point defines leadership, are most often agentic in nature, and thus more in line with the male role. The incongruence seen between good leaders and women results in two outcomes, first, females are less ideal for taking leadership roles, and second, when females do take leadership roles, their behaviors are less favorable as they are not typical of how a female should act. A number of factors may moderate this situation, for example, the sex of the perceivers, the ratio of women in a work environment, the type of work setting or the masculinity of the actual leader role.

Prejudice towards women in leadership roles appears to be most problematic when the discrepancy between the female and leader roles is greatest (jobs or environments most rigid in gender role and leader role assignments).

Eagly and Karau (2002) also cite relevant research through which their theory is supported. Survey studies demonstrate that men tend to perceive female leaders more negatively than women do, and in situations where both sexes perceive women as having less authority, men are more likely to exhibit prejudicial behavior (Dubno, Costas, Cannon, Wankel, & Emin, 1979; Terborg, Peters, Ilgen, & Smith, 1977). Lower pay and slower promotion rates are more typical for women, particularly in the private sector, and while physical appearance can often be an advantage for men, attributes portraying feminine character such as dress or physical attractiveness often disadvantage women. Additionally, women often need to perform significantly higher than their male counterparts to be seen as equally competent (Green & Ashmore, 1998; Heilman & Saruwatari, 1979; Lyness & Heilman, 2006). Women also face greater challenges to success when they are evaluated by men or when an agentic leader is seen as the most appropriate leader for the role. Finally, women face greater difficulty when the attributions made regarding success are based on factors outside of the female leader's abilities and often outside of her control (Garland, Hale, & Burnson, 1982).

More recently, Eagly and Carli (2007) developed a new metaphor to replace the glass ceiling, describing the difficult journey to the top instead as a leadership labyrinth. The glass ceiling suggests one impermeable barrier, yet some women do make it to the top. The labyrinth, on the other hand, suggests many barriers, many occasions where one must stop, go back, and begin again, many twists and turns and frustrations, but also ultimately the possibility of success

if you finish in time. In other words, some women do make it through the leadership labyrinth and into top management.

If experience with leadership helps one to be a successful entrepreneur, then it seems rather clear that women's *lack* of experience, or difficult experiences with leadership might very well be a contributing factor to their underrepresentation in or lack of success in entrepreneurial ventures.

**Specific to the Context.** Whether or not a venture ultimately becomes a success is due in part to the individual differences and demographics mentioned above, but it can also be impacted by characteristics more specific to the entrepreneurial context. These three qualities include social capital, human capital, and social competence, and although they are likely related to success in a number of other domains, they have seen much attention in entrepreneurial researcher due to the considerable focus on network building (Baron, 2007).

The first of these, social capital, is understood to mean “the ability of individuals to extract benefits from their social structures, networks, and memberships, or, alternatively, the actual benefits themselves” (Baron, 2007, p. 26). Social capital is arguably the most researched of the three, and has been linked to such benefits as advice, support, cooperation, trust, and others. Next, is the ability to find and retain human capital. Human capital is defined by Baron (2007) as “the knowledge individuals possess, especially, knowledge that can contribute to more productive and efficient entrepreneurial activity” (p. 26). Education, past experience, and specific training are examples of human capital, and human capital is important both within the entrepreneur him or herself, as well as in his or her ability to locate it in others. Lastly, social competence refers to “an array of skills that assist individuals in interacting effectively with

others” (p. 26). Baron (2007) suggests that social capital is a necessary precursor, but that social competence is where the deal is sealed. In other words, social capital includes contacts and networks, and social competence allows the individuals to take full advantage of those contacts and networks. Social competence means being able to understand and sometimes persuade others, being able to react appropriately, and ultimately being able to develop mutually beneficial relationships. It is these relationships which then become social networks, and again, social competence helps individuals to maintain and make the most of their networks. This description of these three qualities suggests a designated order, however, due to the close relationships between them, it may be difficult to determine for sure which way the causal arrows might point from one context to the next. It may be just as likely that one must possess social competence before the acquisition of contacts is possible, and before one can gain the benefits of social capital.

### **Entrepreneurs and Creativity/Innovation**

In addition to the profile presented thus far, another important element often researched in conjunction with entrepreneurship is creativity. It has been suggested that greater than fifty different definitions have been given for creativity, ranging from very general to very specific (Kurtzberg, 2005). On the more general side, Csikszentmihalyi (1996) explains that creativity is essentially the “central source of meaning in our lives” (pp. 1). He suggests that it is creativity that allows us to differentiate ourselves from our historical and biological ancestors, which allows us to find fulfillment in life. Somewhat more specifically, Csikszentmihalyi (1996) refines his definition and suggests that creativity is perhaps, “...any act, idea, or product that changes an existing domain, or that transforms an existing domain into a new one” (pp. 28). An even more specific definition of creativity, and that which is most frequently cited in the psychology

literature, is based on the writings of a number of authors (Amabile, 1988; Ford, 1996; Oldham & Cummings, 1996; Shalley, 1991). These authors suggest that creativity is the generation of and processes associated with novel and useful ideas at work, which are usually domain-specific, and generally require some level of knowledge, skill, abilities, and motivation.

According to Runco (2004) creativity is many things. “Creativity ... is often defined as the development of original ideas that are useful or influential” (Paulus & Nijstad, 2003, p.658, as cited by Runco, 2004). In addition to being a problem solving tool, creativity can also be reactive in that it allows individuals to remain flexible and adaptive in the face of challenges and changes. Creativity has to do with originality of thought, as well as the ability to use those thoughts in day to day life. Runco (2004) goes even further in citing a list of authors declaring that “creativity contributes to both physical and psychological health and to optimal human functioning” (p. 659). Finally, creativity has benefits for society at large as it plays a key role in scientific and technological advances, as well as leads to innovation in business and thus entrepreneurship.

While creativity is said to be related to the generation of new ideas, innovation is related to the application and implementation of those new ideas (Patterson, 2002). However, as a complex process, innovation may also be said to include idea generation, usually as an initial step toward later application. The innovative process is often considered a multi-phase process, made up of an awareness phase, and then an implementation phase (Amabile, 1988; Staw, 1990), or made up of a transition and an action phase (Farr, Sin, & Tesluk, 2003). Slightly more specifically, Farr and Ford(1990) define role innovation as, “the intentional introduction within one’s work role of new and useful ideas, processes, products, or procedures” (pp. 63).

Intentionality is also a concept widely thought to be related to innovation, insomuch as it pertains

to persistence in achieving positive work outcomes. Both Farr and Ford (1990) and West (2002) refer to the importance of intention, explaining that while the idea generation for a particular problem or issue may be the result of an unforeseen event, the implementation of a particular innovation is likely to be a concerted effort. It is perhaps this intention to use creativity and to apply and implement new ideas that actually bring entrepreneurial ventures to life.

There has been much discussion regarding the role of creativity and innovation in entrepreneurship, and the general consensus has been that the two often go hand in hand (Zampetakis & Moustakis, 2006). Zampetakis and Moustakis(2006) describe the entrepreneur as one who uses innovation and the entrepreneurial process to create change in the environment. These authors then go on to quote others who suggest that opportunity identification is among the most important characteristics of an entrepreneur, and that after identification the development of new businesses allow entrepreneurs to take advantage of those opportunities. These authors then suggest that this ability to identify solutions and opportunities quickly, and to use them in new and non-obvious ways, may be one way to conceptualize creativity. When looking specifically at entrepreneurship, Amabile (1996) adapts her definition of creativity to “the implementation of novel useful ideas to establish a new business or new program to deliver products or services.” Ward (2004) describes the situation as one where the new and the familiar must come together in a creative way in order to allow a new business idea to develop into a successful entrepreneurial venture. In their empirical work, Zampetakis and Moustakis (2006) found support for the idea that there exists an important link between creativity and the tendency towards entrepreneurship. Creative individuals want to create something new, and they are more likely to report a desire to become entrepreneurs.

## **Entrepreneurs and Leadership**

Although not specifically addressed by Baron (2007), leadership skills are closely linked with individual social competence, and have also played a significant role in entrepreneurship research. Almost by definition it seems that entrepreneurs, regardless of industry, experience, or personality, have one thing in common. Almost all, as founders, are also often viewed as leaders. What type of leader, which behaviors are demonstrated, and whether different strategies are employed at different times, however, is likely to vary as much as the individuals themselves. In many ways, the definition of a leader is very much similar to that of an entrepreneur.

Leadership research has, in the last 50 or more years, gone through various transitions; ideas and theories have changed dramatically. Leadership research has alternatively been hugely impactful and considered nearly useless for the field. Initial theories made a significant splash as researchers tried to better understand what the role of traits and situations was relative to leader success, and then how leader styles might influence important organizational outcomes (Cogliser & Brigham, 2004). Then during the 1970's and 1980's authors lamented the over-abundance and lack of integration of theories, and questioned the very relevance of leadership research as well as the concept itself. Leadership researchers took up the cause again in the 1990's, and a slew of new ideas have helped to shape leadership research into what it is today. Among them, transformational leadership became one of the most heralded, and received considerable attention. With changing times, however, also came new theories that attempted to take into account changes in technology, geographic span/globalization, and increasing numbers of small

or flat organizations. Team leadership and shared leadership, for example, also gained momentum in leadership research (Northouse, 2010).

### **Transformational Leadership**

Some leadership theories allow us to gain increasing knowledge about small parts of what leadership is (Marion & Uhl-Bien, 2001). For example, they help us to understand how relationships between leaders and followers work, and how particular work groups might benefit from a particular type of leader with a particular type of style. Among these theories, one of the most commonly researched is transformational leadership theory. Based in large part on the work of Burns (1978), transformational leadership has emerged as part of a more comprehensive approach to leadership whereby leaders are classified into one of three categories; transactional, transformational, and laissez faire (non-leadership). Transactional leaders are those whose leadership style is based on exchange. Subordinates are rewarded or punished based on the work actions they engage in. For example, a student receives a grade in exchange for completion of a homework assignment, or an employee receives a promotion for achieving a goal. The primary factors involved in transactional leadership are contingent rewards and management-by-exception. The first of these is just what has been described thus far; followers and managers decide what work needs to be done, and what the rewards will be for that work. Management-by-exception, on the other hand, is more focused on negative behavior. This type of management or leadership can be active or passive, but in both situations a leader becomes aware of mistakes or violations and takes corrective action.

In transformational leadership the focus is not so much on basic the exchange, but rather on the relationships developed throughout the work process. According to Northouse (2010)

transformational leaders *transform* both their followers as well as themselves. They increase motivation and self-efficacy, and generally are aware of and take into account the needs of those around them. Transformational leadership is said to be made up of four factors. Idealized influence or charisma describes how a leader becomes a role model for and gains the respect of followers. Inspirational motivation is the leader's attempt to communicate a vision and high expectations designed to motivate followers to achieve more. Intellectual stimulation is how a leader motivates followers to think creatively, to question traditional ways, and to think critically in order to solve problems. Finally, individualized consideration is the individualized attention that transformational leaders give to their employees, reflected in behaviors such as taking the time to listen carefully and convey empathy. Transformational leadership theory has also seen significant research attention from a number of other authors, perhaps most notably, Bass and Avolio (Avolio, 2007; Bass, 1997; Bass & Avolio, 1995). These researchers have helped to broaden the scope of what it means to be a transformational leader. On the whole, research has demonstrated that the benefits of transformational leadership, in terms of higher levels of performance, far outweigh those achieved through transactional leadership alone. This is not to say that transactional leadership does not have a time and place, and there are a number of valid criticisms (construct and factor clarity, measurement, focus on the leader) of the transformational leadership approach, however, it remains generally more encompassing of the complex contextual variables at play in the relationships between leaders and followers.

Charismatic leadership first appeared in the literature around the same time as transformational leadership in work from House (1976). Widely researched and often synonymous with transformational leadership, charismatic leadership was initially considered a personality characteristic. A charismatic leader was one who displayed dominance, desire to

influence, self confidence, and a strong sense of values. Five types of leadership behavior were identified as representative of charismatic leaders. Charismatic leaders tend to be strong role models, convey competence, communication both goals and vision as well as high expectations for follower performance, and lastly engender motives such as affiliation, power and esteem. Over time, charismatic leadership has evolved and ultimately become characterized as an approach which aims to align followers and their identities with the identity of the organization.

Due in large part to the issues mentioned above (lack of construct and factor clarity, difficulty in measurement, and focus on the leader) some authors have suggested using Yukl's (2006) three-factor model of leadership behavior in place of such measures as the MLQ (Bass & Avolio, 1995). The three factor model addresses three categories of leadership; task-focused, relationship-focused, and change oriented. Task-focused behaviors are roughly related to transactional leadership behaviors (organization and assignment of tasks, monitoring work, and clarifying expected results), while relationship-focused behaviors are roughly related to transformational leadership behaviors (motivating subordinates, showing empathy, importance of building relationships). Although a focus on task and relationship behaviors has been part of the leadership literature for some time, the addition of change orientated items allowed Yukl, Gordon, and Taber (2002) to address those aspects of transformational leadership which deal less with specific task or relationship behaviors, but instead with "initiating and implementing change" (p.16). As the situation in entrepreneurial ventures is particularly prone to change and chaos, change oriented behaviors might be of particular importance.

### **CIP Approach to Leadership**

A second line of research aiming to better understand charismatic leadership comes from Mumford and colleagues (Mumford, Scott, & Hunter, 2006; Mumford, Strange, & Bedell, 2006). In their work on leadership it became apparent that although charismatic leaders often wound up successful, there seemed to be other paths to success as well. These researchers developed the CIP approach in an attempt to better organize and understand those potential paths. The CIP approach suggests that leaders fall generally into three categories, charismatic, ideological, and pragmatic. Each type of leader is characterized by different behaviors. See table 1 below.

Table 1.

*Summary of Theorized Mental-Model Differences.*

	Time-frame orientation	Type of experience used	Nature of outcomes sought	Number of outcomes sought	Focus in model construction	Locus of causation	Controllability of causation
Charismatic	Future	Positive	Positive	Multiple	External	People	High
Ideological	Past	Negative	Transcendent	Few	Internal	Situations	Low
Pragmatic	Present	Both	Malleable	Variable	External	Interactive	Selective

Note. Table based on framework presented in Mumford (2006).

As implied above, transformational and charismatic leadership share several commonalities (House, 1977). Charisma, itself, has been suggested as important to transformational leadership, and both make use of a vision. However, while transformational leaders are generally thought to place a greater emphasis on leader interaction with followers, charismatic leaders are more centrally defined as focusing almost exclusively on creating and communicating a vision (Bass 1997). This vision is forward-looking and usually incorporates the views and goals of many different stakeholders. Through emotion and shared experience the vision aims to provide meaning and identity for those who choose to follow. Because many

stakeholders' goals are incorporated, charismatic leaders tend to have many followers, all of whom can identify with (sometimes different parts of) the vision. The tendency to be forward looking and pursuant of multiple goals and outcomes may be beneficial when brainstorming is necessary, but may also be somewhat negative as it can be difficult for charismatic leaders to focus on and prioritize goals and directions, as well as clarify specific plans. Additionally, charismatic leaders can tend towards overconfidence and thus share their goals and vision by presenting followers with an overly positive view communicating the desire for positive future change. Although inspiring, if such a leader becomes too attached to a particular goal, that goal can become all encompassing and the vision can potentially become too narrow. Moreover, it is important for charismatic leaders to consider the possible negative outcomes or consequences associated with their ideas so as to be ready for likely challenges (Mumford, Scott, & Hunter, 2006).

Ideological leaders are also considered visionary, however, their visions are more likely to develop based on past experiences, often negative, and these experiences are then used to inform current decisions (Mumford, 2006). Ideological leaders' beliefs are more often based on firmly entrenched values and beliefs. Both the negative nature of the experiences employed in vision development (and communication) and the strict adherence to strongly held beliefs may, in some cases, serve to alienate potential followers. This may be even more apparent as a result of the fact that ideological leaders are less likely to incorporate the goals and views of others (even when they may be potentially beneficial) because they are not in line with their own beliefs and standards. This narrow vision can become dangerous and cause rigidity in decision making, but this approach also helps ideological leaders to remain focused and to perform well in new and challenging situations. Moreover, in many cases those who choose to follow ideological

leaders already have strong identities developed and based on similar values and beliefs (Mumford, Scott, & Hunter, 2006). This means that although ideological leaders may on the whole have fewer followers than their charismatic counterparts, those followers are more likely to be very loyal, very devoted, and very motivated.

Pragmatic leaders live in the present, and unlike charismatic and ideological leaders they may find themselves at a disadvantage because they do not (or are not able to) focus on a vision or attempt to move or motivate followers through the use of affect or that vision (Mumford & Van Doorn, 2001). They do, however, rely on strong communication skills. Pragmatic leaders gain influence by demonstrating a strong understanding of the social systems in play, the possible causes and goals, and possible practical solutions to problems. In order to be outstanding leaders, pragmatic leaders must also have additional skill in gaining access to and leveraging resources. Also unlike their charismatic and ideological counterparts, ideological leaders do not focus solely on one type of experience, but rather they employ both positive and negative experiences, in essence, the best of both worlds. This allows them the ability to widen the range of options available to them (not the narrow focus of ideologues), while not getting lost in the possibilities (as may happen to charismatic leaders whose goals must cover all stakeholders). This helps to provide a feeling of consistency and a clear idea of the problems while also leaving room for flexibility and negotiation, which encourages more varied individuals to join the cause. Additionally, this approach leaves more room for followers to develop their own visions and can encourage greater creativity.

**Socialized vs. Personalized Influence.** Another importance aspect of the CIP approach is related to leaders' motivation to lead. According to the theory the type of influence used can be positive or negative for any leader (Mumford, Strange, & Bedell, 2006). Socialized leaders

use their influence and motivate followers for the greater good, and generally these leaders have historically seen positive outcomes. Personalized leaders, on the other hand, use their influence for personal, self-aggrandizing purposes, with no regard for the good of others. Historically these leaders' actions generally have more negative outcomes. This second categorization suggests that there are not just three types of leaders, there are in fact six: Socialized charismatic, personalized charismatic, socialized ideological, personalized ideological, socialized pragmatic, and personalized pragmatic.

**Crisis Situations.** The fact that each category of leadership can have both positive and negative outcomes is not necessarily solely a function of the leader him or herself (Mumford, Scott, & Hunter, 2006). The researchers behind the CIP approach suggest that not only is context important, but a particular context may in fact be *necessary* for outstanding leaders to emerge. This context is described as crisis, and outstanding leaders are most often a product of and rise to power during times of crisis. According to Mumford, Scott, and Hunter (2006), the definition of “crisis” itself is discussed and instead of simply an “episodic high-risk event” (pp.27), the authors describe crisis as “a set of events creating turbulence in organizations, institutions, or social system where this turbulence places the organization at risk due to suboptimal performance and the loss of stakeholder support” (pp.27). When crises occur, leaders emerge to help organize how people think and what needs to be done. They develop and garner support for a strategy, whose aim is to help provide structure to very uncertain and ambiguous situations. It may be necessary to employ several different strategies, and leaders must at the same time engage in sense-making, serving two functions. First, sense-making aims to motivate and empower followers, and second, sense-making helps provide not just direction for the current situation, but also a path forward. Individuals who are able to provide structure and are able to

use their experience, reflections and an analysis of causes and goals to accurately make sense of situations are those who are most likely to be successful and rise to leadership positions. The idea of socialized versus personalized influence would then predict that those individuals who rose to power via socialized influence would be more likely to see positive outcomes as a result of or following the averted crisis than those leaders considered personalized.

### **Followership: The Flip Side**

An additional contributor to the complexity of any organization, any situation, or any relationship is the obvious, yet often overlooked fact that there are multiple players involved. Furthermore, not all of those involved are leaders or entrepreneurs, in fact, most of them are not. This leads many to question why so little research attention has focused on followers, not as passive obedient subordinates, but as active, participative, supporters of a particular leader. Although attitudes and definitions have in recent years begun to change, this certainly was true of leadership research (Baker, 2006), and scant attention to followers in the entrepreneurship literature suggests that here too a significant piece of the puzzle is missing.

A number of researchers have, in the leadership literature, begun to address this point, largely in a theoretical way. Nearly all begin by repeating the battle cry that the field needs to move from a leader-centric approach to research to one which incorporates the important role of followers (Baker, 2006; Baker & Gerlowski, 2007; Collinson, 2006; Howell & Shamir, 2006). Next, followers are usually grouped into categories which aim to describe their attitudes and relationships with their leaders. For example, Howell and Shamir (2005) describe followers as having been organized according to levels of maturity, amount of experience, skills, and confidence (Hersey & Blanchard, 1977; House, 1971), or based on ability, training, and

professional orientation (Kerr & Jermier, 1978). Howell and Shamir (2005), however, claim that instead of any of these previous factors, perhaps self-concept is actually the factor by which followers can be understood and categorized. They suggest that within the realm of charismatic leadership theory, followers will have either personalized or socialized relationships with leaders. Those for whom the self-concept is less clear and more disorganized tend to be drawn into personalized relationships with charismatic leaders, one where the follower personally identifies with the leader. When the self-concept is more clear, however, followers are more likely to develop a socialized relationship with the charismatic leader; a relationship which is described as being between the leader, and the group of followers who believe and are drawn to the leader's message or vision.

On the other hand Collinson (2006), who attempts to examine this categorization from a post-positivist view point, suggests instead that the categories, or "selves" created by followers cannot simply be divided into groups. He posits that identities which are created by followers likely do not fit into just one category, they are likely made up of multiple aspects and are "ambiguous, typically blurred, and usually overlapping" (p. 183). Even so, Collinson (2006) also suggests three possible categories that may describe follower "selves" (although he does explain that he does not consider these categories to be exhaustive); conformist, resistant, and dramaturgical. Conformist selves tend to be those who conform to what they believe to be the organizational or leader's ideal follower. They enjoy feeling of value, and Collinson (2006) goes so far as to say that conformists may prefer to live under others' rule, rather than take responsibility themselves. Resistant selves are those followers who become in some way discontented, and thus become oppositional to the organization or their leaders. This identity has both positives and negatives, as challenges may help bring about positive change in the

organization, but it may also create interpersonal conflict or result in the follower's exit from the organization. Finally, the idea of a dramaturgical self refers to the need or desire of followers to impression manage, or alter their behaviors depending on the situation, to appear more motivated, more conscientious, and an overall better follower.

Still other authors believe that in order to achieve a good working relationship between a leader and his or her followers, there needs to be significant overlap in values and beliefs. In particular, followers must be able to identify with their leaders, and leaders need to be able to tailor their messages and demands to the needs and abilities of their followers (Northouse, 2010). The bottom line appears to be that leadership is as much about followers as it is about leaders. Followers are likely to come in different shapes and sizes, and the categories they fit into are likely fluid and not mutually exclusive. An important component in understanding leaders and leadership is an understanding of those who are lead; how they follow, how they interact and empower, and how they impact leader and organizational effectiveness. Although this research cannot be cited as having moved away from the leader/entrepreneur-centric model completely, the aim is to incorporate to some degree the perspective of the follower, and to more closely examine the roles and characteristics of followers in entrepreneurial ventures. In this study, follower responses were employed as corroborating evidence, but also as primary source evidence for what might be some of the intricacies involved in being a follower.

## Hypotheses

Based on this review of the literature regarding entrepreneurship, leadership, individual differences, and the role of followers, several research hypotheses have been developed. The first three hypotheses pertain to the direct relationships between the primary predictor variables, entrepreneurial orientation and leadership, and venture success. In regards to the first of these hypotheses, there are particular attitudes, characteristics, and behaviors which make someone more likely to engage in entrepreneurial activity. In one school of thought these attitudes, characteristics, and behaviors have become known as entrepreneurial orientation (EO). The relationships of these characteristics with venture success have been examined in the literature, and although some disagreement regarding the structure of EO has been expressed, findings generally suggest a positive relationship (Hughes & Morgan, 2007). In order to help clarify the nature of this relationship, this research examines this hypothesis with the current sample.

*H<sub>1</sub>: Entrepreneurs higher on entrepreneurial orientation (EO) will report greater venture success.*

As mentioned above this research also aims to better understand the role of leadership as it relates to entrepreneurial success. Past literature suggests that some types of leadership are more likely than others to be appropriate in different contexts, and have been shown in the leadership literature to be predictive of multiple types of positive outcomes such as employee satisfaction, effort, and commitment (Bass, 1997). The first conceptualization of leadership used for these research purposes was the three-factor model, through which transformational (relationship-focused), transactional (task-focused), and change-oriented behaviors can be examined. A meta-analysis showed that both task and relationship behaviors demonstrated weak

positive relationships with subordinate performance (Fisher & Edwards, 1988), and Yukl (2006) later found a somewhat stronger relationship with unit performance. Other research from Yukl (1998) also demonstrated links between change oriented behaviors and subordinate satisfaction with leadership and commitment to the organization. In short, although there exists evidence for relationships between the three types of behaviors and outcome measures, the relationships have not always been clear and thus require additional attention, as well as attention in different situations. Thus this research hypothesizes a similar relationship between the degree of effectiveness in each of the three factors and performance of an entrepreneurial venture.

*H<sub>2</sub>: There will be a direct relationship between leadership and venture success such that individuals reporting higher efficacy in leadership behaviors will report greater venture success.*

Furthermore, of the three types of behaviors described it is hypothesized that although leaders of established organizations likely need to engage in all three effectively, entrepreneurs in chaotic or less established business would need to have especially strong relationship skills to secure human capital (which help lead to opportunities for venture capital; Brush, Carter, Greene, Hart, & Gatewood, 2002), as well as strong change oriented skills in order to develop contingency plans when changes inevitably become necessary (Dimov, 2010). Thus, at a general level, this research hypothesizes:

*H<sub>3</sub>: Self evaluations will lead entrepreneurs to vary in terms of how they rate their effectiveness and engagement in particular leadership behaviors and styles.*

Then more specifically this research hypothesizes:

*H<sub>3a</sub>: Entrepreneurs will be more likely to rate themselves (and be rated) higher on relationship-focused and change-oriented behaviors than on task-focused behaviors.*

Another method of categorizing leaders (and in this case, entrepreneurs) is the CIP approach. The CIP approach describes three leader types, charismatic, ideological, and pragmatic, and suggests that individuals tend to fall into one (or potentially more) of these leader types. Application of the CIP approach to entrepreneurship is relatively new, however, researchers have suggested that due to the nature of the different leader types, some may be more inclined toward entrepreneurship (Hunter, Bedell-Avers, & Mumford, 2007). For example, charismatic leaders tend to be more strongly tied to a particular path or vision, which may be less beneficial in situations like entrepreneurial ventures where dramatic changes may be necessary to avoid collapse. On the other hand, ideological leaders tend to be more strongly tied to a core set of beliefs or values, which allows for more movement from one path or vision to the next, assuming those beliefs and values remain intact. Pragmatic leaders tend to perform relatively consistently across the board, so there is some reason to believe that good pragmatic leaders would also make good entrepreneurs (Hunter et al., 2007). This research hypothesizes the following more specific relationships.

*H<sub>3b</sub>: Entrepreneurs will be significantly more likely to engage in ideological or pragmatic leadership styles than charismatic leadership.*

*H<sub>3c</sub>: Entrepreneurs will often report being more than one type of leader.*

The second set of hypotheses deal with the relationships of the primary predictors and outcome with gender. Hypothesis 4 discusses the relationship between gender and EO. EO can

be examined as a single construct, but also via its five more specific subscales, each of which measures a different factor of EO. According to Lumpkin and Dess (1996), not all of these subscales may be necessary or appropriate depending on the person or situation. Moreover, research from Eagly and colleagues (Eagly & Karau, 2002; Eagly, Karau, & Makhijni, 1995) suggests that males and females have identified, commonly accepted social roles (men are breadwinners, women are caretakers/homemakers) which may make them more or less likely to rate themselves high or low on the five subscales. The role that men play in society is what the authors' term *agentic* and is characterized as more aggressive, ambitious, and dominant. Women, on the other hand, play the *communal* role, characterized as more affectionate, helpful, kind, and nurturing. Within EO, the subscales which are the most agentic in nature are risk taking, proactivity and competitive aggressiveness. Additionally, other work from Eagly and Johnson (1990) demonstrates a small tendency for women leaders to be more democratic and participative in their leadership styles, suggesting women might also be lower on the subscale of autonomy. Less literature exists regarding gender differences in innovation, but as mentioned previously, Runyan et al. (2006) did find that women tended to rate themselves as more innovative. Additional consideration regarding gender differences must also address the degree to which differences in self-reported ratings are expected based on gender socialization, social norms and men and women's conformance to those norms.

*H<sub>4</sub>: Men and women will differ in terms of how they rate themselves on entrepreneurial orientation and the subscales within EO.*

Just as EO varies by gender, gender is also likely to influence leadership behaviors and styles. These differences are likely to manifest themselves in the degree to which men and women engage in and are considered good at the three categories of behaviors described by Yukl

(2002; task, relationship, and change oriented). Researchers have found that women tend to report increased focus on and higher levels of social capital (Runyan et al., 2006). This suggests that female entrepreneurs will be likely to report more focus on their own relationships with others they work with and their own network building, as well as with the relationships and networks developed by their followers and internal and external clients. Whether differences are perceived regarding effectiveness on task and change oriented behaviors is unclear. The following general hypothesis is proposed.

*H<sub>5</sub>: Men and women will differ in terms of how effectively they engage in leadership behaviors.*

The next logical question to address deals with the primary outcome variable in this research, and involves better defining what we mean when we say “success.” Research suggests that the answer to this question may not be so straight forward, and perhaps the goal of an entrepreneurial venture is different for every entrepreneur, or at least different for different groups or categories of entrepreneurs. For example, Powell and Eddleston (2008) examined the “paradox of the female business owner.” In their work, these researchers aimed to understand why in some cases, women entrepreneurs claim to be more satisfied while earning less and being less “successful.” They suggest that perhaps biases are in place, and women simply do not believe that they have the ability to be as successful as their male counterparts, so they lower their expectations. However, these authors also suggest another possibility. Perhaps, the definition of success differs to some degree by gender. Perhaps success as researchers have often defined it (profitability, revenue) is not as relevant for many female business owners. Instead, success is achieved with increased status, increased flexibility, and reduced work-life conflict/increased work-life balance (Powell and Eddleston , 2008; Verheul, Uhlaner, & Thurik,

2005). Moreover, definitions might differ because what women are expected to do and take care of is different than for men. For example, general social norms place most of the responsibility of taking care of the family on women, so it makes sense that women would be more likely to include work-life balance as part of their definition of success. Thus, this research hypothesizes the following.

*H<sub>6</sub>: Men and women will differ in terms of how they define success.*

*H<sub>6a</sub>: Women will be more likely to define success as being related to flexibility, work-family balance, and status achievement.*

*H<sub>6b</sub>: Men will be more likely to define success as revenue/profitability.*

Just as gender was hypothesized to influence several conceptual variables on their own, gender might also be an important influence on the relationships between some of those variables, in particular, the relationship between EO and venture success. It may be necessary to examine the influence of gender on this relationship because just as this research posited that definitions of self-reported venture success might vary across males and females, the influence of the predictors (in this case EO) on outcomes might also vary by gender. Research on EO has shown men to rate themselves as having a stronger EO than women, and so perhaps there is something about that tendency which also impacts venture success for men, but not for women. Therefore the following is hypothesized.

*H<sub>7</sub>: The relationship between EO and venture success will be stronger for men than for women.*

Moving away just a step from leadership, gender and success, recent research suggests that because the relationship between a leader/entrepreneur and his or her followers has become necessarily reciprocal, more attention must also be paid to the role of the follower and his or her

impact on the relationship, as well as on the organization. Furthermore, because of the reciprocal nature of the entrepreneur/follower relationship, many researchers also posit that in the most effective relationships, the identities of the entrepreneur and the follower become linked and are in many ways similar (Collinson, 2006). It is unclear exactly how these relationships and identities develop. It may be that leaders are able to mold followers to fit matching identities. Alternatively, Schneider's (1995) attraction-selection-attrition model might provide some direction. Initially, followers may be attracted to the new organization, but those whose profiles do not match that of the entrepreneur may either not be selected, or may choose to leave the organization relatively quickly. In either case, this research aims to replicate previous findings in a sample of entrepreneurs and thus focuses on characteristics which are believed to be uniquely important in an entrepreneurial environment.

*H<sub>8</sub>: Followers/employees will be similar to their entrepreneurs/employers in aspects of their identities related to EO.*

Although it appears clear that different leadership styles exist, and that different types of leaders, or in this case entrepreneurs, all have the potential to be successful (although some differences in performance may be due to interactions with socialized or personalized orientations, or specific definitions of performance like problem solving; Mumford, Strange, Gaddis, Licuanan, & Scott, 2006), the means by which they do so are considerably less clear. Furthermore, the lack of clarity extends also to the concept of success itself. Definitions may differ based on styles, but as of yet, how they differ has not been established in the literature. Thus the following exploratory hypothesis is posited.

*H<sub>9</sub>: Definitions of success and the keys to success do not vary by leadership style.*

A model depicting these relationships can be seen in Figure 1.

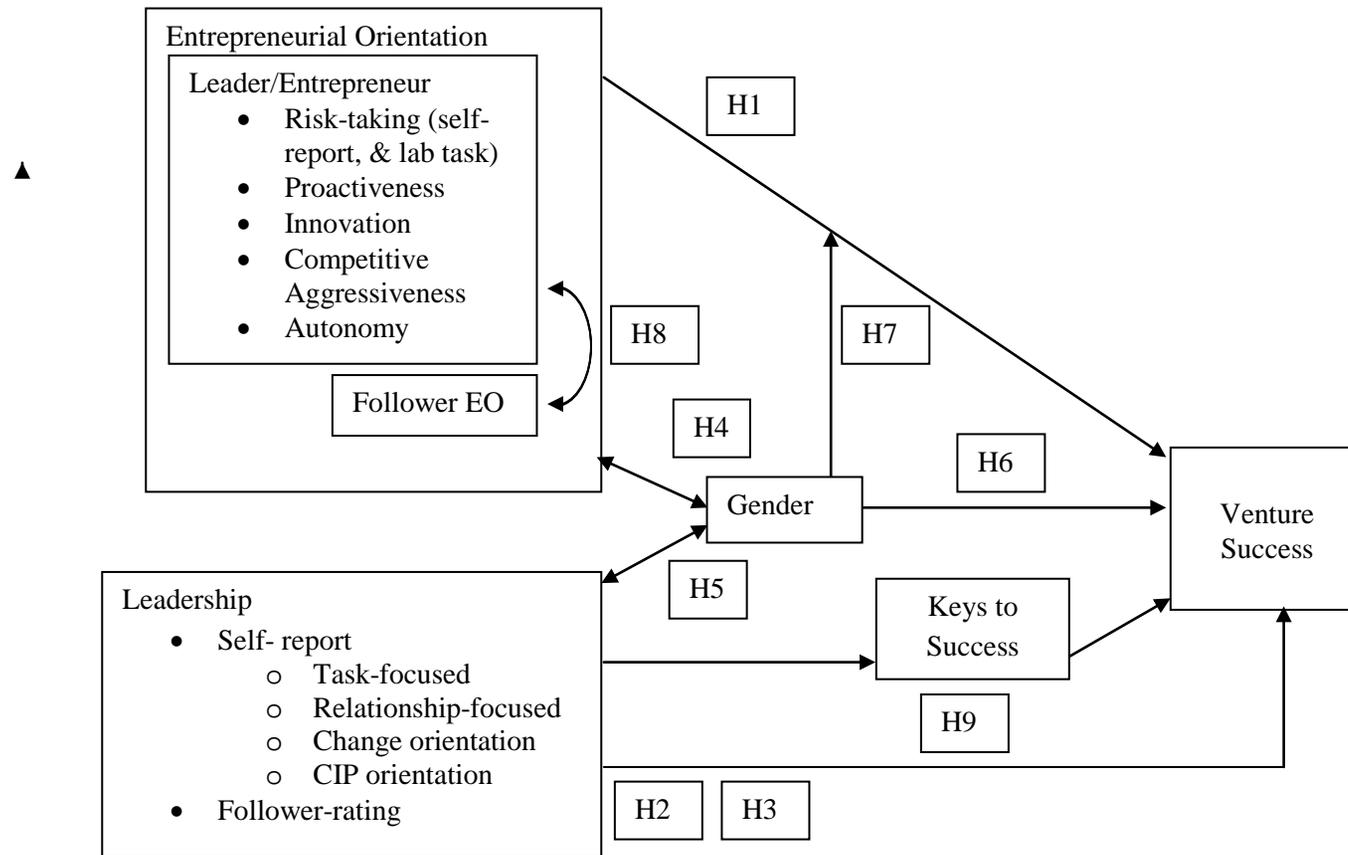


Figure 1. *Research Model*

## Chapter 2

### Methods

#### Qualitative Pilot Study

##### Sample

The pilot study consisted of interviewing a convenience sample of 16 entrepreneurs. These entrepreneurs varied in industry and location as well as on demographic characteristics such as age and gender. Please see Table 2 for demographics.

Table 2.

#### *Demographics and Organizational Statistics for the Qualitative Pilot Study*

	Sample 1 Entrepreneurs (n= 16)	Sample 1 Followers (n= 12)
Gender	11 Men 5 Women	6 Men 6 Women
Age	Average: 1 35 or under 1 36-45 4 46-55 10 56+	Average: 2 35 or under 4 36-45 4 46-55 2 56+
Ethnicity	100% White/Caucasian	
Educational Background	2 High School 1 Associates Degree 3 Bachelors Degree 7 Masters Degree/MBA 3 PhD	
Age at First Venture	Average: 36 Range: 22-52	
Number of Ventures	Average: 2.25 Range: 1-6	
Organization: Length of Time in Business (entrepreneur)	Average: 18 Range: 2-40	Time with organization: Average: 12 yrs Range: 7 mo. – 31 yrs. Time entrepreneur was known: Average: 15 yrs. Range: 3 – 31 yrs.
Organization: Number of Employees	Average: 235 Range: 2-1200	

## Measures

**Entrepreneur Interview.** The semi-structured interview used for entrepreneurs in the pilot study was developed for the purposes of this study, and can be found in Appendix A. This interview includes items which aim to gather information regarding the relationship between leadership and entrepreneurship, creativity/innovation, as well as major challenges and definitions of success. Leadership was assessed two ways. First leaders were asked to rate their skill across three sets of items measuring task behaviors, relationship behaviors, and change-oriented behaviors on a scale from one to five. The second way leadership was assessed was using a brief scenario developed for the purposes of this research. The scenario described an ambiguous crisis situation and asked entrepreneurs how they would react. The resulting narratives were coded by research assistants to determine the type of leadership exhibited. Additionally, entrepreneurs were asked to try to categorize themselves as one of the three CIP leadership types (more than one type could be chosen) based on the following definitions in Table 3, adapted over the course of the interviews from Mumford (2006) and Hunter, Pesin, Thoroughgood, Johnson, & Ligon (in press).

Table 3.

### *Leader Type Definitions for the CIP Model*

Charismatic	Very positive, appeals to the masses and offers hope via a future-oriented vision.
Ideological	Focused on a few key outcomes, places a greater emphasis on the past and draws on some degree of negativity when sharing a vision based largely on strongly held personal beliefs.
Pragmatic	Efforts are focused on the solution of immediate problems, they are very malleable; changing and altering their behavior when necessary.

Additionally, demographic and background information was collected either from the semi structured interviews or from CVs. Finally, the semi-structured interview asked participants to describe their entrepreneurial venture in narrative form.

**Follower Interview.** The semi-structured interview used for followers in the pilot study was developed for the purposes of this study, and can be found in Appendix B. This interview includes questions which are in some ways similar to those in the entrepreneur interview, but uses the entrepreneur as the referent for some items, and the follower for others. Entrepreneur-referent items asked about leadership-entrepreneurship relationships, as well as about creativity and innovation. Follower-referent items asked about the follower's feelings toward entrepreneurship (desire to be an entrepreneur, motivation for joining an entrepreneurial venture) and his or her experience with the venture.

## **Procedure**

Upon agreeing to participate in this research, entrepreneurs were asked to provide an up to date CV. Participants were interviewed via phone or in person, depending on the circumstances. Interviews lasted on average approximately 60 minutes, and were semi-structured following a pre-determined set of questions developed for the purposes of this study (see Appendix A). At the close of the interview, entrepreneurs were asked to provide the name of at least one employee/subordinate who might also be willing to answer similar questions. Those individuals were contacted by the researcher and were also interviewed via phone or in person using the same process as was previously utilized for the entrepreneurs (see Appendix B). Finally, participants were asked whether they knew and would be willing to provide contact information for any other entrepreneurs who might be willing to participate in a later stage of this research.

## **General Quantitative Study**

Findings from the qualitative pilot study formed the basis for moving on to the general quantitative study. The interviews in the pilot study provided a picture from which to work, and gave the project a preliminary look into a topic for which there remains considerable need for research. The interviews allowed for a better contextual understanding of the entrepreneurial environment.

Once this picture developed, interview responses were used to inform this second research study whose aim was to take a more quantitative approach to explaining aspects of entrepreneurial life such as keys to success, definitions of success, engagement in leadership styles and behaviors, and the importance of social identity and personality profiles. In a more practical sense, the interviews served as the basis for ensuring that appropriate questions were being asked, and that appropriate responses were included. Moreover, interview responses helped to indicate where additional questions might be needed for clarification. This was the case in the measurement of CIP leadership styles. Although a narrative response was recorded in the pilot study for the purposes of categorization, it became clear that this method would not yield detailed enough information in a questionnaire as no follow-up questions could be asked based on the responses offered. Thus, two additional methods were incorporated; a scale measuring engagement in facets of leadership indicative of the different styles, and three items asking the degree to which respondents were like definitions of each of the three leadership styles. Furthermore, responses from the interviews confirmed a tendency to report engaging in more than one leadership style, thus responses in the quantitative questionnaire were not required to be mutually exclusive (entrepreneurs could report engaging in one, two or all three leadership styles).

As it became apparent that entrepreneurs were able to self-categorized (or be categorized by others) into groups, and that there seemed to be trends and agreement across entrepreneurs in terms of how they organized their perspectives, lives and businesses, it also became apparent that additional information and participants were needed. In order to accomplish this additional data collection in a practical manner, the following quantitative approach was undertaken.

### **Sample**

The general quantitative study consisted of a sample of entrepreneurs and their followers from a variety of industries and geographic locations. Entrepreneurs were recruited from personal contacts and entrepreneur to entrepreneur contacts in Michigan and Pennsylvania, and through the State College Entrepreneurial Women's Expo (EWE), the Entrepreneur's Forum of Greater Philadelphia (EFGP), and PSU Small Business Development Center (who coordinate with Lion Launch Pad, Penn State Entrepreneur Network, and Innoblue). Additionally, entrepreneurs were recruited from the Alliance of Women Entrepreneurs (AWE) and the Women's Business Enterprise National Council (WBENC). From these sources, names and contact information was provided for approximately 200 entrepreneurs. Of those, 61 participated, resulting in a response rate of about 30% across both the qualitative pilot study and general quantitative study. As in the pilot study, those included in the general quantitative study varied in age and demographic background, as well as stage of the entrepreneurial venture. Those entrepreneurs from the pilot study who had complete data were also included in the sample for the quantitative study. Please see Table 4 for demographics.

Table 4.

*Demographics and Organizational Statistics for the Quantitative Study*

	Sample 2 Entrepreneurs (n= 61)	Sample 2 Followers (n= 41)	Sample 2 Subsample Entrepreneurs* (n= 12)
Gender	33 Men 28 Women	22 Men 17 Women	12 Women
Age	Average: 48.7 7 35 or under 16 36-45 18 46-55 16 56+	Average: 41.55 13 35 or under 8 36-45 13 46-55 5 56+	Average: 42.6 2 35 or under 6 36-45 2 46-55 2 56+
Ethnicity	60 White/Caucasian 1 Asian	34 White/Caucasian 1 Asian 1 Other	12 White/Caucasian
Educational Background	4 High School 7 Some College 7 Associates Degree 16 Bachelors Degree 2 Some Grad School 18 Masters/MBA 7 PhD	3 High School 4 Some College 4 Associates 12 Bachelors 1 Some Grad 7 Masters/MBA 3 PhD	2 Some College 2 Associates 2 Bachelors 1 Some Grad 4 Masters/MBA 1 PhD
Age at First Venture	Average: 32 Range: 7-61		Average: 37.92 Range: 21-61
Number of Ventures	Average: 2.44 Range: 1-12		Average: 1.25 Range: 1-2
Organization: Length of Time in Business (entrepreneur)	Average: 11.95 Range: 0-40	Time with organization: Average: 10.70 yrs Range: 7 mo. – 34 yrs. Time entrepreneur was known: Average: 9.5 yrs. Range: 6 months – 31 yrs.	Average: 2.81 yrs Range: 0-11
Organization: Number of Employees	Average: 87.44 Range: 0-1200		Average: 1.5 Range: 0-14

Note. \* Subsample includes women who currently work alone. N's in each cell may not add to total as some participants had incomplete data.

## Measures

The questionnaires for this study were developed in part based on results from the qualitative pilot study as described previously. The goal was to address many of the questions asked in the interview, as well as to obtain information on several additional constructs. In total, the constructs included for entrepreneurs were self-rated leadership style/behaviors, entrepreneurial orientation (innovation, proactiveness, competitive aggressiveness, autonomy, and risk-taking), self efficacy, achievement striving, locus of control, openness to experience, empowerment, success, and demographic information about the entrepreneur as well as basic organizational data (firm size, years in business). For entrepreneurs' followers, many of the same scales and constructs were included, with a few differences. Followers were asked why they decided to join the company, they completed the leadership style/behaviors scales with their leader as the referent, and they rated themselves on entrepreneurial orientation (innovation, personal initiative, competitive aggressiveness, autonomy, and risk-taking), self efficacy, achievement striving, locus of control, openness to experience, empowerment, and desire to work with the entrepreneur again. They responded to a general question regarding organizational performance, and reported demographics as well as time with the organization and the leader. Finally, followers were asked whether they had considered starting their own business.

**Leadership.** Leadership was assessed using two measures, similar to that which was asked in the interviews. The first assessment is the three-factor measure developed by Yukl and colleagues (Yukl, 2006; Yukl, Gordon & Taber, 2002). Nine items assessed task-focused behavior, of which two example items include "assigning work to groups or individuals" and "clarifying what results are expected for a task." Entrepreneur alpha was .93, follower alpha was .90.

Eleven items assessed relationship-focused behavior, of which two example items include “providing support and encouragement to someone with a difficult task” and “consulting with people on decisions affecting them.” Entrepreneur alpha was .87, follower alpha was .88.

Twelve items assess change orientation, of which two example items include “interpreting events to explain the urgent need for change” and “experimenting with new approaches for achieving objectives.” Entrepreneur alpha was .80, follower alpha was .85.

The second method for assessing leadership was based on the CIP model developed by Mumford and colleagues (Mumford, 2006). The first scale consists of 23 items, broken down into three subscales, rated on a 1-5 response scale ranging from never to nearly always. Sample items from the charismatic subscale include, “To what extent do you as a leader use a future-oriented time-frame,” and “To what extent do you as a leader view people as the cause of outcomes?” Entrepreneur alpha was .63, follower alpha was .73. After dropping two inconsistent items, the entrepreneur alpha increased to .70. Sample items from the ideological subscale include “To what extent do you as a leader view situations as the cause of outcomes?” and “To what extent do you as a leader seek transcendent (e.g., going beyond normal bounds or expectations) outcomes?” Entrepreneur alpha was .20 (increased to .46 after two items were dropped), follower alpha was .42 (increased to .60 after two items were dropped). Finally, sample items from the pragmatic subscale include “To what extent do you as a leader blend both positive and negative prior experiences when interacting with (e.g., motivating) subordinates,” and “To what extent do you as a leader view the interaction of people and situations as the cause of outcomes?” Entrepreneur alpha was .36 (increased to .49 once two items were removed), follower alpha was .79.

An additional method for assessing CIP leadership style was a series of sliding bars, in which entrepreneurs could rate the degree to which definitions of each leadership style (labeled as A, B, and C) was like them, on a scale ranging from “not at all like me” to “just like me.” Respondents could be high or low on any or all three leader types (in other words, they were not limited to being high on one, and low on the other two, an entrepreneur could theoretically be high on two, low on one, or any other combination). Refer to Table 3 for definitions.

**Entrepreneurial Orientation (EO).** EO was measured using separate scales for each of the five components. When taken together, the 31-item scale results in reliabilities of .69 for entrepreneurs and .70 for followers. After excluding the five-item competitive aggressiveness scale (see reliability description below) reliabilities increased to .72 for entrepreneurs and .77 for followers.

*Innovation* was assessed with ten items adapted from Robinson, Stimpson, Huefner, and Hunt (1991). Alpha was .82 for entrepreneurs and .81 for followers, the 1-7 scales anchors were strongly agree to strongly disagree, and sample items include, “I get excited when I am able to approach tasks in unusual ways” and “I enjoy being able to use old concepts in new ways”.

*Proactiveness* was assessed using five items developed by Frese, Fay, Hilburger, Leng, and Tag (1997). Alpha was .66 for entrepreneurs and .74 for followers, the 1-7 scales anchors are strongly agree to strongly disagree, and sample items include, “Whenever something goes wrong, I search for a solution immediately “ and “Whenever there is a chance to get actively involved, I take it.” One item was deleted (I am particularly good at realizing ideas) as it was related to quality rather than speed or frequency with which one goes after opportunities, and entrepreneur reliability increased to .72. Thus, proactiveness was employed as a four-item scale.

*Competitive aggressiveness* was assessed using five items adapted from Krauss et al. (2005). Alpha was .491 for entrepreneurs and .267 for followers, the 1-7 scales anchors are strongly agree to strongly disagree, and sample items include, “If running a business, I would want to beat my competitors “ and “If running a business I would think of my competitors in terms of ‘live and let live’” (reverse scored). An inability to increase reliability sufficiently resulted in the removal of this scale from further analysis.

*Risk-taking* was also assessed as part of EO using six items developed by Reynolds (2000) and Mullins and Forlani (2005). Participants were asked to consider two options and choose the one which best describes them (coded 1-0), and sample items include, “a) an 80% chance of winning \$400 or b) receiving \$320 for sure “ and “a) receiving \$300 for sure or b) a 20% chance of winning \$1,500”. Cronbach’s alpha reliability may not be the most appropriate indicator for this scale as one would expect reliabilities to be very high only for those at either extreme of the scale. Those with a moderate level of risk-taking would be likely to change responses about mid way through the scale. When the scale is broken down into two subscales, the first encompassing lower risk items (items 1-3), and the second encompassing higher risk items (items 4-6), reliabilities for entrepreneurs are .70 and .71. Doing the same for followers results in reliabilities of .38 and .53, and if items 1 and 4 (both items are moderate in level of risk taking) are excluded, reliabilities are .84 and .70.

Finally, *Autonomy* was assessed using five items adapted from Steers and Braunstein (1976). Alpha was .65 for entrepreneurs and .42 for followers, the 1-7 scales anchors are strongly agree to strongly disagree, and sample items include, “In my school work assignments, I try to be my own boss“ and “I try my best to work alone on a project.” Despite alpha below traditionally accepted value, this scale remains in a minimal number of analyses.

**Self-Efficacy.** Self-efficacy was measured using the NEO:C1 scale. The scale consisted of 10 items rated on a seven point scale from “strongly agree” to “strongly disagree” and had a reliability of .83 for entrepreneurs and .86 for followers. Sample items include, “Complete tasks successfully” and “Excel in what I do.”

**Achievement Striving.** Ten items were used to measure achievement-striving from the 6FPQ: Achievement (IT1) scale. Items were rated on a seven point scale from “strongly agree” to “strongly disagree.” The scale had a reliability of .89 for entrepreneurs and .70 for followers and sample items include, “I excel in what I do,” and “I need a push to get started” (reverse coded).

**Locus of Control (LOC).** Sixteen items were taken from Spector’s (1988) Work LOC Scale, and rated on a five-point scale from strongly disagree to strongly agree. The scale was then broken up into two subscales comprising internal and external LOC. Example internal LOC items include, “A job is what you make of it” and “Promotions are given to employees who perform well on the job.” Reliability was .77 for entrepreneurs and .70 for followers. Sample items for external LOC included “Getting the job you want is mostly a matter of luck,” and “To make a lot of money you have to know the right people.” Reliability was .76 for entrepreneurs and .84 for followers.

**Openness to Experience.** Ten items were taken from the NEO Domain and rated on a five-point scale from strongly disagree to strongly agree. Example items include “I believe in the importance of art,” “I have a vivid imagination,” and “I tend to vote for liberal political candidates.” Reliability was .84 for entrepreneurs and .81 for followers.

**Empowerment.** Twelve items were taken from Spreitzer (1995) and rated on a five-point scale from strongly disagree to strongly agree. Example items include “The work I do is very

important to me,” “I have significant autonomy in determining how I do my job,” and “My impact on what happens in my department is large.” Reliability was .89 for entrepreneurs and .88 for followers.

**Willingness to Follow.** Six items were used to measure follower willingness to follow the entrepreneur (Hunter, Cushenbery, Bedell-Avers, & Wapels, 2008). Responses were reported on a five-point scale from strongly disagree to strongly agree. Example items include “I would like to work with this leader on future projects,” and “I would request to work with this leader.” Reliability was .70, and after one item was deleted (I would be willing to serve under this leader) alpha increased to .74.

**Success.** Success was measured several ways. First, nine success factors (plus one “other” option) determined based on responses to the interviews in the qualitative pilot study were listed and entrepreneurs were asked to rate relevance in relation to the other factors, and then overall importance on a five-point scale ranging from “not at all important” to “very important.” Example factors include profitability, work-life balance, and doing interesting work. The second method for determining success asked respondents to generally rate the performance of their current ventures on a five-point scale from “very unsuccessful” to “very successful.” Following the general rating, respondents were asked to provide a short narrative to describe what indicators were used in giving the organization a performance rating. Additionally, number of employees was reported.

**Keys to Success.** Seven keys to success (plus two “other” options) were listed and respondents were asked to rank their top 5 responses. Options listed, much like general success above, were based on interview responses from the pilot study and example options included persistence, having the right people, and access to start up funds.

**Demographics.** Demographics included gender, age, ethnicity, education, age at first venture, number of ventures started, number classified as successful, and family history with entrepreneurship. Followers data was also collected regarding position, how long they have known the entrepreneur, and their tenure working with the entrepreneur. General organizational demographics included length of time in business, industry, and number of employees.

### **Procedure**

Respondents in the general quantitative study were given an online questionnaire to complete. As mentioned above, this questionnaire included items developed using interview responses, as well as other in-tact scales. Entrepreneurs were asked to think of the most recent organization they started and asked questions related to the importance of their leadership styles and behaviors critical to the success of entrepreneurial ventures. They were asked briefly about how they define success, to what degree they believe they have achieved success, as well as what they considered their keys to success. Entrepreneurs were then asked to supply us with contact information for at least one follower or peer in the organization who was to be asked to fill out a similar questionnaire with the entrepreneur as the referent, along with a few questions aimed at understanding the respondent's position and motivation for being a part of the organization.

## Chapter 3

### Results

#### Analyses

Interviews from the qualitative pilot study were recorded, transcribed, and then stripped of all identifying information. Four undergraduate research assistants were recruited and trained during two group trainings to locate and identify facets related to charismatic, ideological, and pragmatic leadership styles. Over the course of one month, those coders rated each entrepreneur as to which leadership style (or styles) seemed most appropriate. After individual coding, three of the four coders as well as the primary researcher reconvened to discuss the categorization of entrepreneurs. As agreement among the raters was not as high as desired, the group categorized entrepreneurs by consensus. Once leaders were categorized, all three coders and the researcher coded transcripts for trends related to personality characteristics, demographics, use/types of experiences referenced, keys to success and definitions of success.

For analysis of the quantitative data (general quantitative study), responses from the initial 28 interviews (16 entrepreneurs and 12 followers) were combined with data from an additional 74 respondents (45 entrepreneurs and 29 followers). Hypotheses 1, 2, 8 and 9 were tested via correlation coefficients. In hypothesis 3, 4, 5, 6, and 7, where specific comparisons could be made, for example with gender of comparing scale scores, t-tests were utilized. To test the moderation in hypothesis 7, regression was used in accordance with the process described by Baron and Kenny (1986). Venture success was entered as the outcome variable (entrepreneur or follower rated overall success or number of employees), controls were entered in at step one (age and length of time in business), the predictor variable (entrepreneurial orientation; EO) was

entered in at the second step and the moderating variable (gender) was entered as step three. In step four, the cross product or interaction term was entered (EO x gender). The change in  $R^2$  from Step 3 to Step 4 was evaluated to determine whether the moderation hypothesis was supported. That is, if the  $R^2$  for Step 4 was significant then the cross product accounted for a significant part of the relationship above and beyond what each variable accounted for alone. This process was repeated using each of the subscales of EO (risk-taking, proactivity, innovativeness, and autonomy) as the predictor.

Before moving on to tests of the hypotheses, a word about sample size and statistical power is necessary. Due to difficulty in obtaining large numbers of entrepreneur-follower pairs, power to find more subtle effects was somewhat low. Therefore, in addition to reporting and interpreting relationships significant at the traditional level ( $p < .05$ ), this research will also report and interpret relationships with probabilities of findings due to chance of less than .10.

## **Tests of the Hypotheses**

### **Qualitative Pilot Study**

Categorization of entrepreneurs who were interviewed into the three leadership styles proved difficult. Although a few were able to place themselves firmly in one leadership type or another, these were the exceptions, not the rule. Entrepreneurs tended instead to categorize themselves as mostly one type, but then also as partially another, and in some cases, all three. Thus, when coders began looking through the transcribed materials, they too found it difficult to agree on just one leader type for any one entrepreneur. Due to this issue (also addressed in the online questionnaire by allowing individuals to rate themselves very much like, or not at all like,

any of the three leader types), coders were asked to consider to what degree each leader type is represented, and then ultimately, which is/are the strongest.

Once coders individually assessed each entrepreneur based on both entrepreneur and followers' responses, coders and the primary researcher used consensus to give entrepreneurs a final categorization. With little exception, entrepreneurs were categorized as displaying facets of more than one leadership style, and in nearly every instance either ideological or pragmatic leadership facets (or both) were present. These categorizations then resulted in four groups; primarily ideological and pragmatic, with a small charismatic component (IPc; three entrepreneurs), primarily ideological and a smaller pragmatic component (Ip; three entrepreneurs), large parts both pragmatic and ideological (PI; five entrepreneurs), and finally, large parts both charismatic and pragmatic (CP; four entrepreneurs).

The first group (IPc) appear to exhibit most obviously facets of all three leadership types, although the influence of ideological and pragmatic leadership styles were somewhat stronger than charismatic. This group focuses on and deals primarily with an inner circle consisting of limited number of people, but maintains an element of charismatic leadership as they, to a lesser degree, charge themselves with motivating all employees. This group tends to take the blame for mistakes themselves, and engender an environment in which failure is not an option, but, instead, mistakes are seen as learning opportunities. In addition, these entrepreneurs tend to be "confident fixers." They see a problem, recognize the challenges, and then go to work with the confidence that they can "fix" the situation, whatever it may be. Keys to success for this group appear to lie with having the right people on board and finding the right market niche, and success is focused in large part on doing right by the individuals who work for the entrepreneurs and supporting organizational growth. According to Ligon, Hunter, and Mumford (2008), individuals are who

they are in large part because of the experiences they have had, and different types of leaders tend to have different events which play a role in the development of their perspectives. For this group, multiple types of events were evident, but one type seemed most prevalent: originating events. Originating events are those which start an individual down a particular path, and provide the basis for future goals and plans (Pillemer, 1998, 2001, as cited by Ligon et al., 2008). Below are examples of originating events from the entrepreneurs in this group.

“We used to read this book to our kids, *The Value of Believing in Yourself*, by Spencer Johnson. I guess some of that must have rubbed off on me. The safe thing would have been to work in a hospital, but instead I risked everything.”

“My dad treated the janitor the same way he treated the superintendent. Everyone gets respect. I’ve seen that in others I work with, how they treat people, how they instill ownership and pride in others. I saw that and I tried to learn, and I also saw what I didn’t want to be.”

“As a child my mother was pretty adept at getting things done right. I saw my parents not being bashful, and [I] got some of that. When I went to school I couldn’t understand what they were doing, so every year they would shove me ahead and things would get worse. So they sent me to a private boys’ school instead. I was in a class with four people, and I did the best I could, but I couldn’t get it. I always had to teach myself, I couldn’t learn in class. I had no choice, I knew that if I needed something, I had to do it myself, nobody was going to do it for me.”

Another type of event is one which occurs and changes, rather dramatically, the course of one’s life. One of the entrepreneurs in this group experienced a significant “turning point” leading to the launch of a new organization.

“I was working with a company [which had recently moved to a new city], and things weren’t going very well there. So later they decided they needed a scapegoat, and that would be me. They brought me down there and basically fired me in front of the whole organization, and told everyone else that they should do nothing to do with me or they would lose their jobs too. So I was sitting there, waiting for the cab to take me to the airport like a prisoner. I was embarrassed, didn’t know what to tell people, my family. So I called a close friend and another person who helped me... what he ended up bringing me was my rolodex with all my contacts. [That rolodex] allowed me to build up my current company.”

The second group (Ip) was largely ideological but with elements of pragmatism. Like the first group, this group also relied and focused on a small group of individuals (although not always within the organization). This group tended toward participative leadership with this small group of people as there was a stronger reliance on advice from these close individuals before a decision to move forward would or could be made, which was not mentioned in the first group. These entrepreneurs tended to pull from more negative past experiences, and one key to success was taking those past experiences and learning from them to inform the type of entrepreneur, leader, and person they became. The emphasis on learning was also strong as this group discussed the difference between leadership and entrepreneurship. They tended to feel that one could just be an entrepreneur, or suddenly find themselves one, while leadership was something which must be developed and required a great deal of effort to develop well. They placed significant emphasis on using a vision to drive success, and the vision was very much a function of the entrepreneurs' moral values. An additional key to success was the absolute necessity of having strong support from others, while success itself was roughly defined as being able to leave a lasting impression. The type of impression varied in strength and focus, but the intent seemed always to be leaving a mark on clients and on the outside world. A third type of event discussed by Ligon et al. (2008) is an anchoring event. This type of event is one which occurs and then is the basis for a set of beliefs or values, and guides who an individual moves forward (Pillemer, 2001, as cited by Ligon et al., 2008). Consider the following examples.

“After college my father was misdiagnosed as having a cyst on his kidney when it was really cancer. He died and I became interested in using ultrasound technology as a medical device to better determine whether a mass might be cystic or solid.”

“Educational background: seminary, 13 years as a priest. I moved from one lifestyle to another, but I've always wanted to work with my hands, probably because my dad did...Everything had its time...but there always seems to be a burn out period and then I go into doing something else. This is probably the last leg, as a lifestyle, you can't find

much better. Looking out the window you're looking over the best of God's creation, we're all part of the evolution...there is nothing greater than being what you are with what God gave you."

Keys to success for the third group (PI) appeared to be very focused on learning from past failures and a general willingness to work very hard. These entrepreneurs were seen as risk takers by others, but did not generally perceive themselves as such. In fact, these entrepreneurs had a significant focus on organizational sustainability, and there was significant mention of the importance of having enough money to create a safety net. These entrepreneurs had a greater tendency toward placing blame on individuals if indeed blame was appropriate. This group tended to have higher levels of education, and with that there appeared to be more of a focus on making sure that everyone's hard work, time, and effort proved worthwhile in the end. In this group nearly everyone also mentioned the importance of family, and usually a family member who was an entrepreneur and served as a role model. Definitions of success were varied, but most commonly included financial success and providing meaningful work for employees. This group demonstrated primarily originating events (first three presented below), but the occasional anchoring event was also apparent (see fourth quote below).

"I was always very independent and figured things out for myself. I think [in my job] I learned to sell myself and to get people behind me, but my [former] organization ...really inhibited me. I didn't know why I worked so hard for them when it didn't help me at all. So I did something I had the skills for already...and [in addition to] making a profit, [another goal] was that everyone in the company would be treated well, they would like coming to work, and they would be motivated to work."

"[Having my own business] has been in my psyche probably from the time I was six or seven years old. It was based on my experience on my grandpa's farm. I fell in love with that...I would ask numerous questions...and I could tell the whole community was affected by what things happened. During a drought I asked what do you do if you don't have enough water and the corn won't grow? He told me that you have to save, and store crops because you know that this will happen, but you never know when."

"As a child I lived the ups and downs of my [entrepreneur] father's successes and failures. I could see early on both the advantages and rewards. The toll was palpable in my family when things were difficult, despite my father's efforts to disguise it from us."

“When I first started, one of the first things I learned was that I didn’t know what I was doing. I was 21 years old and ran out of money going to college because I lost what I’d saved earlier, mostly because I speculated in the stock market...and I got wiped out. Things can be easy come, easy go. I ended up [going back] and studying why things didn’t work with my investment and the companies that failed...and since then I’ve rarely found myself in that situation again.”

Finally, the fourth group (CP) was the only group to demonstrate a stronger categorization toward charismatic leadership. There was a greater emphasis on working toward the good of the community and having a passion which could be instilled in others. This group was also largely highly educated, and included three of the four women in the sample (leadership data was not available for one woman). There was a strong emphasis on family and on the importance of relationship building as one way to overcome barriers, and most described ease in building relationships as a strength. Within this group, becoming an entrepreneur was often a result of needing a change after a significant (usually negative) event. Keys to success, in addition to having passion, included discussion of willingness to do what needs to be done yourself, yet also knowing when it was time to ask for help. An emphasis on knowing ones strengths and weaknesses was also present, and with that, a focus on the importance of self development. This group tended to be greater risk takers, and although it was mentioned with other entrepreneurs, this group as a whole commented on the necessity of having fun, and enjoying the work. In line with the descriptions in the Ligon et al. (2008) research, these largely charismatic entrepreneurs recalled several turning point events in their careers.

“There are certain things they tell you when growing up, and I was always very idealistic. At one point I was very close to being fired, and I needed to do things different. I didn’t want to be 60 years old and saying, why didn’t I do something, why didn’t I do what I wanted?”

“Life was deteriorating for my husband and we always talked about having our own business. When the bottom started falling out, I decided I wanted a business that was really in line with what I wanted in terms of my customer services training. I perceived

myself as very hard working...nobody else saw that in me. Now that I'm doing it I feel so much better, I [proved] that it was possible.”

“I always wanted the challenge of [having my own] business. I also had a very difficult experience in my last year as a social worker that really made me realize I had to do something else.”

All interviewees were asked whether there were aspects of their social identities which had been made salient to them over the course of their careers. Several mentioned class, and both the perks of being middle/upper class and the negatives of coming from a family without much. The women interviewed, in addition to falling primarily into the fourth group and commenting on class from time to time, also discussed the salience of gender for their careers. These entrepreneurs tended to comment on how the salience of gender changed over the course of their careers. Initially (and depending on industry), being female had its downsides. They felt they had to continually prove themselves in order to debunk stereotypes and gain respect. Once respect was gained, with it came with considerably more confidence. These entrepreneurs expressed a pride in their work and thankfulness for being able to do what they loved while continuing to earn the esteem of their male and female peers. This pride was not only for themselves, but also extended to other women entrepreneurs with whom they developed close, supportive relationships, relationships which provided both an emotional connection as well as trusted and honest feedback. Of all entrepreneurs asked a similar question during completion of the online questionnaire, 12 reported that gender had been salient during their careers, and of these, nine were women. Additionally, although there was minimal mention of children during the interviews (owing largely to the fact that several of the women interviewed did not have children), the topic did arise, and eight of the nine entrepreneurs who reported an impact of parenthood on career trajectory in the online questionnaire were women.

For a general summary of qualitative findings, please see Table 5 below.

Table 5.

*Qualitative Pilot Study Summary Results.*

Theme	Group 1- IPc	Group 2- Ip	Group 3- PI	Group 4- PC
Focus	Inner circle, to a lesser degree, everyone.	Small group of individuals		A larger group
Individual Differences			Perceived by others as risk takers.	More women, higher levels of education.
Keys to Success	The right people, and the right niche.	Using past experiences to inform decisions, having a strong vision.	Learning from past failures, willingness to work hard.	Instilling passion in others, relationship building, understanding when to work hard, and when to delegate.
Definition of Success	Doing right by employees and supporting organizational growth.	Being able to leave a lasting impression.	Varied, but focused on financial success, and meaningful work for employees.	Creating greater good for the community.
Narrative Events	Originating and turning point events.	Anchoring events.	Originating and anchoring events.	Turning point events.
Mantra	Failure is not an option, mistakes are learning opportunities.	Emphasis on learning, importance of becoming a leader.	Importance of sustainability, a financial safety net, and familial entrepreneurial role models.	Importance of knowing ones strengths and weaknesses, of self development, and of having fun.

Note. IPc= Ideological, pragmatic, and somewhat charismatic, Ip = Ideological with some pragmatic, PI= equal parts pragmatic and ideological, and PC = equal parts pragmatic and charismatic.

## General Quantitative Study

Analysis of the data collected as a result of the online questionnaire provides more direct tests of the hypotheses offered following the literature review, and those findings will now be presented in combination with qualitative data where appropriate.

Hypothesis 1 proposed that entrepreneurs higher on entrepreneurial orientation (EO) would report great venture success. For the purposes of this hypothesis venture success was operationalized three ways; entrepreneur/follower self-reported overall success and number of employees. High EO was not related to overall success as reported by either the entrepreneur or the follower ( $r = .12$ , and  $r = .30$  respectively, both  $p = ns$ ), or number of employees ( $r = .20$ ,  $p = ns$ ). See Tables 6 and 7 below. When EO was broken down into its components, two had significant correlations with outcomes. Innovativeness was positively related to number of employees ( $r = .28$ ,  $p < .05$ ) and risk taking was positively correlated with follower perceptions of overall venture performance ( $r = .40$ ,  $p < .05$ ). See Table 7. Overall, these results provide minimal support for Hypothesis 1.

In testing Hypothesis 2, although there were no statistically significant differences between means, relationship-focused behaviors were significantly correlated with overall venture success as rated by entrepreneurs ( $r = .35$ ,  $p < .05$ ). The importance of relationship-focused behaviors was also described in the qualitative pilot study as a follower described, “[He’s good at] recognizing contributions, sharing ideas, demonstrating ideas. He’s very good with that. [We] have exciting little parties for reaching milestones, and recognizing people within the company. On the whole he does more in the relationship-focused behaviors.” Another commented, “He builds relationships with us, we go to his house, and he does the same thing with his consultants.

Table 6.

*Entrepreneur Correlation Matrix.*

	Mean	Std. Dev	1	2	3	4	5	6	7	8	9	10
1. Gender	1.46	.50	1.00									
2. Age	48.7	11.68	-0.25	1.00								
3. Overall Success	3.47	1.39	0.07	-0.07	1.00							
4. # Employees	87.44	217.5	-0.14	0.26*	0.08	1.00						
5. Task	4.07	.99	0.21	-0.30*	0.12	-0.28	1.00					
6. Relationship	4.09	.74	0.30*	-0.34*	0.35*	-0.22	0.66**	1.00				
7. Change	4.04	.75	0.18	-0.31*	0.11	-0.06	0.63**	0.79**	1.00			
8. EChar	3.61	.45	-0.03	-0.15	0.17	0.09	0.44*	0.54*	0.67**	1.00		
9. EIdeo	2.85	.36	-0.08	-0.04	0.25	0.26	0.50**	0.30†	0.34†	0.45**	1.00	
10. EPrag	3.26	.35	-0.02	-0.02	0.02	0.32†	0.56**	0.60**	0.54**	0.52*	0.28	1.00
11. Charismatic	81.58	32.20	0.09	-0.39*	0.09	-0.11	0.38*	0.56**	0.51**	0.65**	0.07	0.32†
12. Ideological	37.42	32.63	-0.19	-0.33*	0.12	-0.15	0.16	-0.10	0.05	0.15	0.26	0.40*
13. Pragmatic	66.36	32.43	0.13	0.03	-0.14	-0.03	0.31*	0.28†	0.11	0.19	-0.10	0.54**
14. EO	18.86	1.78	0.01	-0.07	0.12	0.20	0.09	0.16	0.20	0.46**	0.11	0.30†
15. SelfEfficacy	4.14	.49	-0.23†	0.19	0.18	-0.11	0.26†	0.22	0.25	0.48**	0.26	0.46**
16. LOCInternal	4.03	.40	-0.10	0.09	0.24	-0.07	0.20	0.22	0.22	0.53**	0.21	0.22
17. LOCEXternal	1.80	.42	0.10	-0.25†	0.13	-0.09	-0.13	-0.01	-0.07	-0.37*	0.17	-0.31†
18. Openness	3.76	.62	0.14	-0.09	0.17	-0.11	0.38*	0.26†	0.27†	0.39	0.48**	0.25
19. Empowerment	4.43	.48	-0.12	0.12	0.30*	-0.04	0.27†	0.07	0.18	0.56**	0.44*	0.32†
20. Achievement Striving	4.37	.51	-0.17	0.05	0.12	0.17	0.25	0.16	0.33*	0.36*	0.18	0.31†

Note. N ranges from 33 – 60 depending on which variables are correlated. EO is entrepreneurial orientation. \*\*  $p < .01$ , \*  $p < .05$ , †  $p < .10$ .

Table 6 Continued.

*Entrepreneur Correlation Matrix*

	11	12	13	14	15	16	17	18	19	20
1. Gender										
2. Age										
3. Overall Success										
4. # Employees										
5. Task										
6. Relationship										
7. Change										
8. EChar										
9. EIdeo										
10. EPrag										
11. Charismatic	1.00									
12. Ideological	-0.17	1.00								
13. Pragmatic	0.04	-0.05	1.00							
14. EO	0.30†	0.15	0.01	1.00						
15. SelfEfficacy	0.09	0.08	0.09	0.13	1.00					
16. LOCInternal	0.12	-0.09	0.06	0.16	0.28*	1.00				
17. LOCEXternal	0.14	0.16	-0.04	-0.16	-0.29*	-0.47**	1.00			
18. Openness	0.09	0.00	-0.06	0.23†	0.38**	0.16	-0.05	1.00		
19. Empowerment	0.11	0.05	-0.04	0.20	0.63**	0.55**	-0.32	0.41**	1.00	
20. Achievement Striving	0.15	-0.06	-0.10	0.21	0.60**	0.38**	-0.46**	0.22	0.50**	1.00

Note. N ranges from 33 – 60 depending on which variables are correlated. EO is entrepreneurial orientation. \*\*  $p < .01$ , \*  $p < .05$ , †  $p < .10$ .

Table 7.

*Components of Entrepreneurial Orientation (EO) Across Entrepreneurs and Followers.*

	Mean	Std. Dev	1	2	3	4	5	6	7	8	9	10	12	13
1. EO	18.86	1.78	1.00											
2. Innovativeness	4.08	.45	0.39**	1.00										
3. Proactive	3.95	.56	0.20	0.32*	1.00									
4. Autonomy	2.69	.60	0.10	0.12	-0.11	1.00								
5. RiskTaking	8.14	1.72	0.83**	0.00	-0.16	-0.25†	1.00							
6. FEO	18.84	1.88	<b>0.02</b>	0.22	-0.25	0.13	0.00	1.00						
7. FInnovativeness	4.27	.42	0.29	<b>0.26</b>	0.17	-0.16	0.20	0.51**	1.00					
8. FProactive	4.09	.55	0.24	0.24	<b>0.02</b>	0.08	0.13	0.37*	0.58**	1.00				
9. FAutonomy	2.38	.48	-0.17	-0.11	-0.25	<b>0.25</b>	-0.13	0.25	0.02	0.17	1.00			
10. FRiskTaking	8.09	1.63	-0.08	0.14	-0.26	0.08	<b>-0.05</b>	0.83**	0.12	-0.12	-0.07	1.00		
11. # of Employees	87.44	217.5	0.20	-0.11	0.14	0.13	0.04	0.25	-0.17	-0.13	-0.07	0.40*	1.00	
12. Eoverall	3.47	1.39	0.12	0.03	0.18	-0.06	0.08	0.09	0.18	0.20	0.00	-0.01	0.08	1.00
13. Foverall	4.41	.84	0.30	-0.07	-0.25	-0.11	0.40*	0.36†	0.19	0.25	0.13	0.25	0.21	0.00

Note. N ranges from 33 – 55. EO is entrepreneurial orientation. “F” denotes follower responses. \*\* p< .01, \* p< .05, † p<.10.

building personal relationships is really important to this business.” No similar comments or significant relationships resulted for task or change orientation behaviors, or for venture success as defined as number of employees. See Table 8.

Hypothesis 3 posited direct relationships between leadership styles and venture success. The first more specific predictions were related to ratings on task, relationship, and change oriented behaviors. Although relationship-focused behaviors did result in the highest mean ( $M=4.09$ ), as predicted in Hypothesis 3a, task-focused behaviors resulted in a higher mean ( $M=4.07$ ) than change orientation behaviors ( $M=4.04$ ), and none of these means was statistically different from one another. Scales were, however, highly intercorrelated. See Table 9.

Hypothesis 3 also addressed charismatic, ideological, and pragmatic leadership styles. At a general level charismatic and ideological leadership styles did not correlate significantly with any measure of venture success (entrepreneur-rated or follower-rated overalls success, or number of employees). However, charismatic leadership measured both through the scale asking about individual facets of each leadership type (method 1), and one item asking participants to rate the degree to which they are like each of three definitions (method 2, as defined in Table 3) was significantly negatively correlated to another related organizational variable; length of time the organization has been in existence ( $r = -.49, p < .01$ ;  $r = -.37, p < .05$  respectively). Those entrepreneurs who rated themselves as more pragmatic were more likely to have organizations with a greater number of employees ( $r = .32, p < .10$ ). See Table 8. Hypothesis 3b hypothesized that ideological and pragmatic leadership styles would be more commonly reported than charismatic leadership for these entrepreneurs. Results did not support hypothesis 3b. In fact, the means for charismatic leadership measured both ways were higher than those for the other two

Table 8.

*Leadership and Outcomes Across Entrepreneurs and Employees.*

	Mean	Std Dev	1	2	3	4	5	6	7	8	9	10
1. Overall Success	3.47	1.39	1.00									
2. FOverall Success	4.41	.84	0.00	1.00								
3. Number of Employees	87.44	217.5	0.08	0.21	1.00							
4. Task	4.07	.99	0.12	-0.09	-0.28	1.00						
5. Relationship	4.09	.74	0.35*	-0.14	-0.22	0.66**	1.00					
6. Change	4.04	.75	0.11	-0.22	-0.06	0.63**	0.79**	1.00				
7. EChar	3.61	.45	0.17	0.03	0.09	0.44*	0.54*	0.67**	1.00			
8. EIdeo	2.85	.36	0.25	0.15	0.26	0.50**	0.30†	0.34†	0.45**	1.00		
9. EPrag	3.26	.35	0.02	-0.22	0.32†	0.56**	0.60**	0.54**	0.52*	0.28	1.00	
10. Charismatic	81.58	32.20	0.09	0.06	-0.11	0.38**	0.56**	0.51**	0.65**	0.07	0.32†	1.00
11. Ideological	37.42	32.63	0.12	0.18	-0.15	0.16	-0.10	0.05	0.15	0.26	0.40*	-0.17
12. Pragmatic	66.36	32.43	-0.14	-0.15	-0.03	0.31*	0.28†	0.11	0.19	-0.10	0.54**	0.04
13. FTask	4.21	.82	-0.25	0.38*	-0.13	0.34*	0.37*	0.48**	0.13	-0.03	-0.17	0.29†
14. FRelationship	4.33	.61	0.17	0.40*	0.00	0.22	0.41**	0.49**	0.14	0.0	-0.08	0.21
15. FChange	4.37	.63	0.07	0.31	-0.11	0.23	0.47**	0.58**	0.25	-0.03	0.10	0.29†
16. FChar	3.63	.54	0.09	-0.34†	-0.06	-0.12	0.10	0.26	0.21	-0.07	0.06	0.14
17. FIdeo	2.90	.58	0.12	-0.22	-0.11	-0.02	0.03	0.17	0.16	-0.02	0.13	0.09
18. FPrag	3.38	.67	0.33†	-0.16	-0.08	0.03	0.20	0.33†	0.34†	0.14	0.09	0.11
19. Fcharismatic	72.97	26.13	0.25	0.36†	-0.11	0.11	0.25	0.16	0.20	0.11	-0.09	0.21
20. Fideological	41.79	26.76	-0.40†	-0.05	0.11	-0.41*	-0.63**	-0.55**	-0.53**	-0.45*	-0.04	-0.57**
21. Fpragmatic	54.59	25.91	-0.08	-0.19	-0.02	0.12	-0.22	0.00	-0.10	-0.13	0.24	-0.03

Note. N ranges from 27 – 61. EO is entrepreneurial orientation. “F” denotes follower responses. \*\* p< .01, p< .05, † p<.10.

Table 8 Continued.

*Leadership and Outcomes Across Entrepreneurs and Employees.*

	11	12	13	14	15	16	17	18	19	20
1. Overall Success										
2. FOverall Success										
3. Number of Employees										
4. Task										
5. Relationship										
6. Change										
7. EChar										
8. EIdeo										
9. EPrag										
10. Charismatic										
11. Ideological	1.00									
12. Pragmatic	-0.05	1.00								
13. FTask	0.05	0.02	1.00							
14. FRelationship	-0.06	0.17	0.54**	1.00						
15. FChange	0.10	0.03	0.66**	0.78**	1.00					
16. FChar	-0.20	0.13	-0.14	0.37*	0.40*	1.00				
17. FIdeo	0.03	0.05	-0.41*	0.08	0.16	0.74**	1.00			
18. FPrag	-0.11	0.12	-0.35†	0.31	0.27	0.76**	0.72**	1.00		
19. Fcharismatic	-0.41*	0.13	0.02	0.43*	0.32†	0.45*	0.14	0.19	1.00	
20. Fideological	0.25	0.15	-0.18	-0.41*	-0.48**	-0.31	-0.18	-0.26	-0.63**	1.00
21. Fpragmatic	0.32†	0.37*	-0.09	-0.01	0.09	0.01	0.04	0.06	-0.12	0.33†

Note. N ranges from 22 – 60. EO is entrepreneurial orientation. “F” denotes follower responses. \*\* p< .01, \* p< .05, † p<.10.

Table 9.

*Mean Differences in Engagement in Task, Relationship, and Change Orientation Leadership Behaviors.*

Comparison	Difference	SE	Paired Comparison t-test		Correlation	
			<i>t</i>	<i>p</i>	<i>r</i>	<i>p</i>
Task – Relationship	-.01	.10	-.12	Ns	.66	<.001
Task – Change Orientation	.06	.11	.57	Ns	.63	<.001
Relationship – Change Orientation	.07	.07	1.01	Ns	.79	<.001

Note. SE = standard error.

leadership styles. When measured using multiple choice responses which provided ratings on each facet of the leadership style (method 1) the means for charismatic, ideological, and pragmatic were  $M= 3.61$ ,  $M=2.85$ , and  $M= 3.26$  respectively. When respondents were asked to rate the degree to which each leadership style (method 2, as defined in Table 3) was like them, means were  $M(\text{charismatic})= 81.58$ ,  $M(\text{ideological})= 37.42$ , and  $M(\text{pragmatic})=66.36$ . These means were then compared using a paired samples t-test. Using the first method (multiple choice responses) the mean for charismatic leadership was significantly higher than that for ideological leadership ( $t(32) = 11.67$ ,  $p < .001$ ) as well as for pragmatic leadership ( $t(32) = 5.07$ ,  $p < .001$ ). The mean for pragmatic leadership was also significantly higher than that for ideological leadership ( $t(32) = -6.41$ ,  $p < .001$ ). This pattern of results was consistent when leadership style

was measured using leadership definitions (method 2). Charismatic leadership was rated significantly higher than ideological leadership ( $t(32) = 7.26, p < .001$ ) as well as pragmatic leadership ( $t(32) = 3.06, p < .01$ ). The mean for pragmatic leadership was again significantly higher than that for ideological leadership ( $t(32) = -5.15, p < .001$ ). See Table 10. Scales in the first method were highly correlated with one another, suggesting potential problems differentiating between leadership style categories. This was not the case for the responses to the second method.

Table 10.

*Means Differences in Engagement in Charismatic, Ideological and Pragmatic Leadership.*

Comparison	Difference	SE	Paired Comparison t-test		Correlation		
			<i>t</i>	<i>p</i>	<i>r</i>	<i>p</i>	
Charismatic - Ideological	.76	.07	11.67	<.001	.59	<.001	
Method 1- Scale Score	Charismatic – Pragmatic	.35	.07	5.07	<.001	.53	<.001
	Ideological - Pragmatic	-.41	.06	-6.41	<.001	.46	<.001
Method 2- Single-item Definition	Charismatic - Ideological	44.15	5.87	7.52	<.001	-.17	ns
	Charismatic – Pragmatic	15.21	4.98	3.06	<.01	-.01	ns
	Ideological - Pragmatic	-28.94	5.62	-5.15	<.001	.30	.09

Note. SE = standard error, ns= nonsignificant.

Finally, the results appear to support Hypothesis 3c as a total of four entrepreneurs identified themselves as nearly only charismatic, two identified themselves as ideological, and three as pragmatic, all others identified themselves as more than one type. Of the three types,

once student coders categorized entrepreneurs in sample 1, only three of the 61 entrepreneurs remained in only one category, two charismatic and one pragmatic. All others fell into at least two styles, providing some support for the hypothesis. Overall, tests of Hypothesis 3 yielded some significant findings, however, some findings were in the opposite direction hypothesized. Although the scale score for relationship-focused behaviors was higher than that for task-focused, the scale score for task-focused behaviors was higher than that for change oriented, and none of differences were ultimately significant. Furthermore, although evidence supported the last part of hypothesis three, findings for Hypothesis 3c demonstrated that ideological and pragmatic leadership styles were not more common among these entrepreneurs than charismatic. In fact, they were significantly less common. It appears that the popularity of the charismatic approach to leadership is as popular here as it is elsewhere.

Next, men and women were hypothesized to differ in terms of how they rated themselves on EO, as well as on EO subscales of innovativeness, proactivity, autonomy, and risk taking. Results generally do not support Hypothesis 4 as t-tests demonstrate no significant differences between men and women on EO as a whole, or on any subscale except for innovativeness ( $t(54) = -1.67, p < .10$ ). This finding was mirrored in the qualitative pilot study as a number of female entrepreneurs commented on the importance of innovation and creativity; “I’m much more creative and work a lot by instinct, strategic thinking and leadership is much more difficult for me,” “I am a much more up front creative person...and strong through implementation, but after implementation I lose interest,” and “I’m a very creative person, I can think of anything. I try to draw attention, but I prefer that someone else actually make it happen.” Thus, although differences appear for innovativeness, overall there is minimal support for Hypothesis 4.

Next, Hypothesis 5 posited that women and men would differ in effectiveness in leadership behaviors. T-tests demonstrated a significant difference between men and women for relationship-focused behaviors only. Women were significantly more likely to engage in this type of behavior than men ( $M= 4.43$  for women and  $M= 3.95$  for men;  $t(48) = -2.21, p < .05$ ). Comments from the pilot interviews also provide support for this finding, one entrepreneur commented, “I was never afraid of asking friends and family to help me out. I had tremendous support from the community.” Another explained, “A lot of people don’t work on their business, they work in them. They don’t realize the value to getting out and talking to people,” and later as she discussed the role of gender in her career as an entrepreneur, “I surround myself with support, with other women who know what it’s like. We feed off each other, we run things by each other, and [we] are critical if [we] don’t think something will work. We make good use of a social network.” Thus support for this hypothesis was found only for relationship-focused behaviors.

Hypothesis 6 proposes that women and men differ in terms of definitions of success. This hypothesis was tested with t-tests and results suggest that males are significantly more likely to report importance of revenue/profitability ( $t(42)= 2.75, p < .01$ ), and a tendency toward reporting greater importance of autonomy ( $t(40)= 1.79, p < .10$ ). Means support greater emphasis on work life balance and status for women, but tests did not show significant differences. Due to there being a number of women in the sample who reported having no employees, these analyses were re-run with only entrepreneurs with employees and a similar pattern of means resulted. The difference in the importance of revenue/profitability remained significant, but autonomy fell to non-significance, and again, work-life balance trended in the hypothesized direction. Thus, Hypothesis 6 is partially supported. See Table 11 for means and further detail.

Table 11.

*T-test Analysis of Gender Differences in Definitions of Success.*

	$\bar{x}$ Males	$\bar{x}$ Females	$\bar{x}$ Difference	SE	T	p
Revenue/Profit	4.68	4.23	.46	.17	2.75	< .01
Autonomy	3.65	3.14	.51	.29	1.79	< .10
Employees Like Coming to Work	4.55	4.14	.41	.25	1.66	= .10
Work/Life Balance	3.91	4.27	-.36	.29	-1.27	ns
Status	2.36	2.41	-.05	.29	-.16	ns

Note. SE = standard error.

Hypothesis 7 predicts a moderating effect of gender on the relationship between EO and venture success. Success was operationalized the same two ways as described above. Gender did not moderate any of the overall EO relationships with self-rated venture success. When broken down into the EO components, the relationship between innovativeness and venture success as defined by number of employees was significant ( $\Delta r^2 = .08, p < .05$ ), as was the relationship between autonomy and number of employees ( $\Delta r^2 = .07, p < .05$ ). Thus, marginal support is found for this hypothesis. See Tables 12 and 13, and Figures 2 and 3 for interactions. Additional analysis of the data, however, revealed that when two male entrepreneurs who had considerably more employees were removed from the data, the interactions were no longer significant.

Table 12.

*Regression Results Predicting Venture Success (# of Employees) with Innovativeness.*

Predictor Variable	$\Delta R^2$	B	SE B	Beta
<b>Step 1: Controls</b>				
Age		.204	2.27	.01
Length of time the organization has existed		7.12	2.82	.36*
$\Delta R^2$	.20**			
<b>Step 2: Predictor 1</b>				
Innovativeness		561.52	169.97	1.20**
$\Delta R^2$	.12*			
<b>Step 3: Predictor 2</b>				
Gender		1062.06	462.35	2.77*
$\Delta R^2$	.01			
<b>Step 4: Interaction</b>				
InnovativenessXGender		-274.20	113.32	-3.19*
$\Delta R^2$	.08*			
F (5,45)	6.26**			
R2 total	.410			
Adjusted R2	.344			

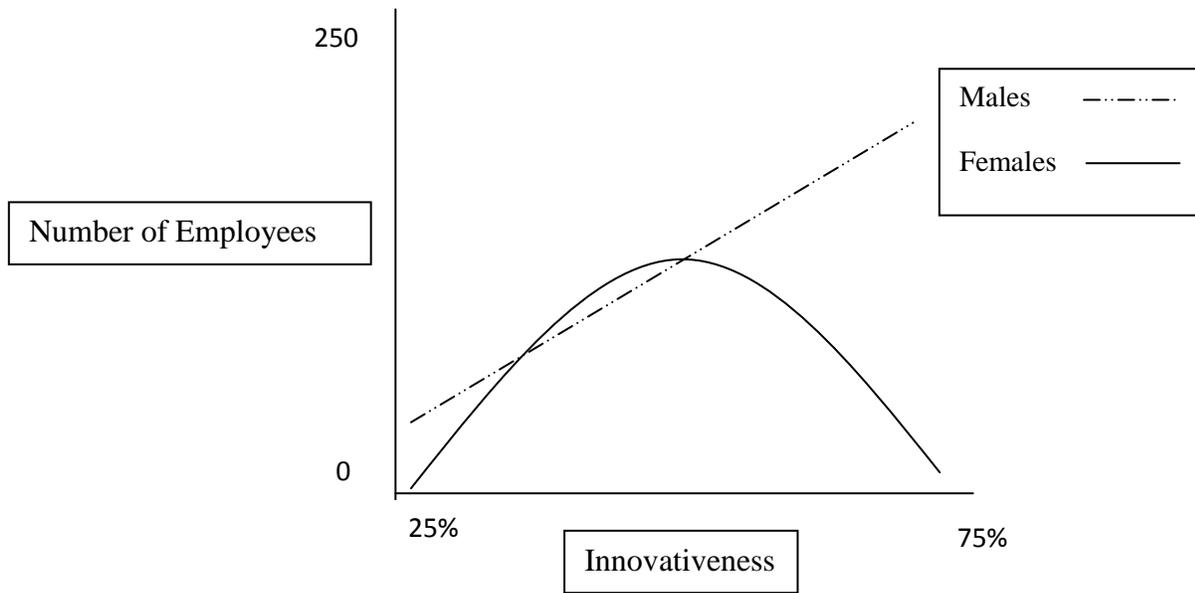
**Note.** N= 51. All beta weights are from the final equation. \*\*p $\leq$  .01, \*p $\leq$  .05, †p $\leq$  .10

Table 13.

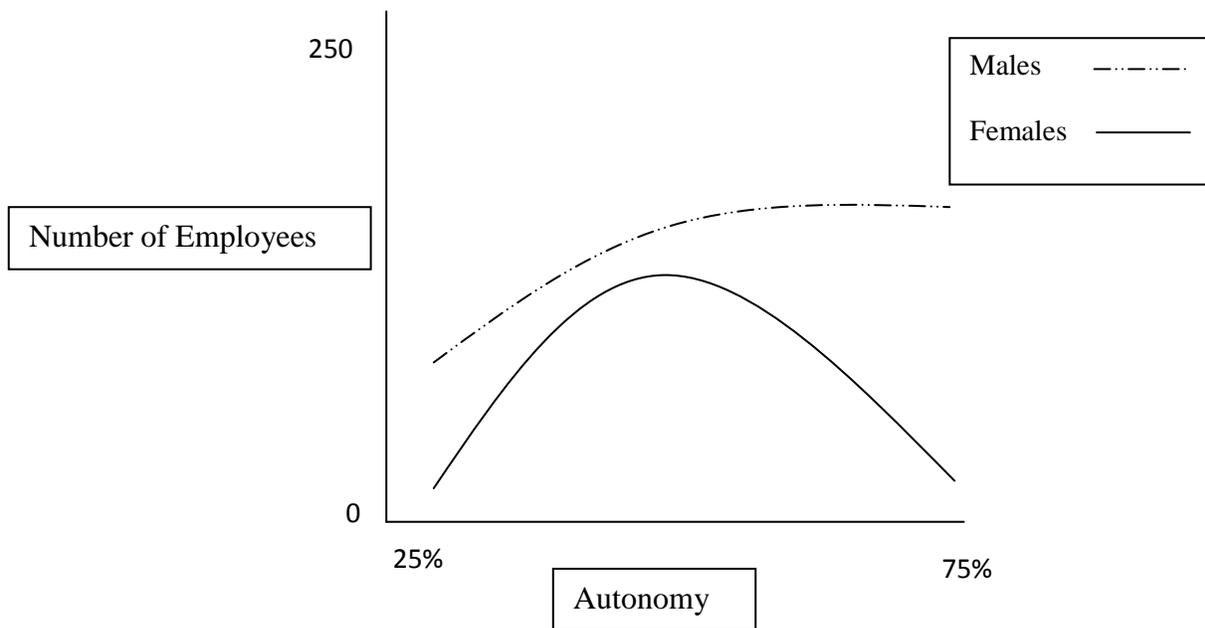
*Regression Results Predicting Venture Success (# of Employees) with Autonomy.*

Predictor Variable	$\Delta R^2$	B	SE B	Beta
<b>Step 1: Controls</b>				
Age		4.03	2.40	.24†
Length of time the organization has existed		6.30	3.04	.32*
$\Delta R^2$	.20*			
<b>Step 2: Predictor 1</b>				
Autonomy		322.50	128.32	1.01*
$\Delta R^2$	.04			
<b>Step 3: Predictor 2</b>				
Gender		424.64	224.16	1.11†
$\Delta R^2$	.00			
<b>Step 4: Interaction</b>				
AutonomyXGender		-166.55	79.83	-1.47*
$\Delta R^2$	.07*			
F (5,45)	4.15**			
R2 total	.32			
Adjusted R2	.24			

**Note.** N= 52. All beta weights are from the final equation. \*\*p≤ .01, \*p≤ .05, †p≤ .10



*Figure 2.* Moderation of Gender on the Relationship Between Innovativeness and Number of Employees.



*Figure 3.* Moderation of Gender on the Relationship Between Autonomy and Number of Employees.

Table 7 above presents the correlation coefficients between entrepreneurs and their followers on elements of EO. Findings do not support Hypothesis 8 which posits that entrepreneurs and followers will be similar on the scales making up EO. Instead, it appears very little relationship exists for the variable as a whole ( $r = .02$ ) or for any of the subcomponents of innovativeness ( $r = .26$ ), proactivity ( $r = .02$ ), autonomy ( $r = .25$ ), or risk taking ( $r = -.05$ ), all of which were non-significant. Responses from the pilot interviews also suggest a lack of support for Hypothesis 8. Examples of these responses include one follower who explained, “He is the gas pedal, I am the brake. Sometimes when you’re moving very quickly with ideas and thoughts, you need someone to say, ok, how are you going to implement these ideas in a way that people will accept it?” Another follower described the entrepreneur’s need to push forward on what seemed like new and exciting ideas, and then her role in reigning him back in to ensure that vision and reality were not mutually exclusive spaces. “He runs with things and I have to reel him back. It’s my job to look at the risks and consequences. He would say” just do it”, and I cringe and have to say ‘Woah!’ Let’s think about what could happen.” From the other side, an entrepreneur reported, “I considered hiring people who think like I do, but then I took a class and realized that it’s important to surround yourself with people who are different than you, who engage you, and make up the components of a team.” Again, there is an emphasis on finding the right people to complement knowledge, skills, and abilities.

Finally, in order to address the Hypothesis 9 regarding definitions of success and the keys to success identified by each leader type, a number of steps were taken. First, entrepreneurs needed to be categorized into leader types based on their responses and the responses of their followers to the leadership scales.

When approaching this hypothesis from the three-factor approach, a number of general tendencies are consistent across leadership types. First, being a younger entrepreneur was strongly correlated with the degree to which entrepreneurs were seen as effective in performing task ( $r = -.30, p < .05$ ), relationship ( $r = -.34, p < .05$ ), and change oriented behaviors ( $r = -.31, p < .05$ ). Second, effectiveness in each of the three behavior categories was related to higher openness to experience ( $r(\text{task}) = .38, p < .05$ ;  $r(\text{relationship}) = .26, p < .10$ ;  $r(\text{change oriented}) = .27, p < .10$ ). Third, effectiveness in all three behavior categories was strongly and significantly positively related to follower willingness to follow ( $r(\text{task}) = .36, p < .05$ ;  $r(\text{relationship}) = .57, p < .01$ ;  $r(\text{change oriented}) = .51, p < .01$ ). Finally, the same was true for the relationship between effectiveness in all three categories and a belief that an important key to success was being well connected ( $r(\text{task}) = .65, p < .01$ ;  $r(\text{relationship}) = .73, p < .01$ ;  $r(\text{change oriented}) = .68, p < .01$ ).

As far as differentiating the three types, those leaders high in effectiveness in task behaviors also tended to be young when starting out as entrepreneurs, they tended to have a greater number of ventures, they tended to have fewer employees and higher self-efficacy and empowerment. Those effective in relationship-focused behaviors tended to be female and rated their business as more successful overall. They also tended to be lower in autonomy. Those entrepreneurs higher in effectiveness of change-oriented behaviors, like those more task-focused leaders, tended to be younger when starting their first business and more likely to start a greater number of business overall. However, they were also more likely to be high in achievement striving and considered knowing the right people and getting them on board as an additional key to success. See Table 14.

Table 14.

*Leadership Categorization and Keys to Success Correlations*

Variable	3-Factor Model			CIP Method 1			CIP Method 2		
	Task	Relation -ship	Change	Char	Ideo	Prag	Char	Ideo	Prag
Gender	0.21	0.30*	0.18	-0.03	-0.07	-0.02	0.09	-0.19	0.13
Age	-0.30*	-0.34*	-0.31*	-0.15	-0.04	-0.02	-0.39*	-0.33*	0.03
Education	-0.17	-0.19	-0.17	0.11	0.21	-0.24	-0.18	-0.04	-0.18
Age at 1st Venture	-0.29*	-0.03	-0.33*	-0.13	-0.24	-0.20	-0.09	-0.29*	0.06
# of Ventures	0.30*	0.13	0.31*	0.26	0.33†	0.06	0.19	-0.15	0.01
# of Successful Ventures	0.17	0.15	0.28†	0.38*	0.27	0.19	0.14	-0.19	0.02
Length of Time in Business	-0.18	-0.21	-0.22	-0.40*	-0.01	-0.07	-0.37*	0.05	0.05
# of Employees	-0.28†	-0.22	-0.06	0.09	0.26	0.32†	-0.11	-0.15	-0.03
E-Overall Performance	0.12	0.35*	0.11	0.17	0.25	0.02	0.09	0.12	-0.14
F-Overall Performance	-0.09	-0.14	-0.22	0.03	0.15	-0.22	0.06	0.18	-0.15
Innovativeness	0.09	0.12	0.23	0.46**	0.08	0.29	0.04	-0.13	0.05
Proactive	0.03	0.05	0.14	0.45**	0.07	0.28	-0.05	-0.06	0.21
Autonomy	-0.08	-0.30*	-0.05	-0.27	-0.15	-0.28	-0.14	0.2	0.04
Risk Taking	0.09	0.22	0.12	0.31†	0.12	0.23	0.35*	0.14	-0.09
Self Efficacy	0.26†	0.22	0.25	0.48**	0.26	0.46**	0.09	0.08	0.09
LOC Internal	0.2	0.22	0.22	0.53**	0.21	0.22	0.12	-0.09	0.06
LOC External	-0.13	-0.01	-0.07	-0.37*	0.17	-0.31†	0.14	0.16	-0.04
Openness	0.38*	0.26†	0.27†	0.39*	0.48**	0.25	0.09	0	-0.06
Empowerment	0.27†	0.07	0.18	0.56**	0.44*	0.32†	0.11	0.05	-0.04
Achievement Striving	0.25	0.16	0.33*	0.36*	0.18	0.32†	0.15	-0.06	-0.1
Willingness to Follow	0.36*	0.57**	0.51**	0.05	-0.17	0.05	0.47**	-0.05	0.31†
EO	0.09	0.16	0.2	0.46**	0.11	0.30†	0.3	0.15	0.01
Persistence	0.2	0.16	0.12	-0.03	0.10	0.34†	0.24	0.41*	0.33†
Well connected	0.65**	0.72**	0.68**	0.05	-0.19	0.29	0.81**	0.06	0.43
Hard work	0.12	0.11	0.26	0.23	0.22	-0.18	0.29†	-0.23	-0.14
Think outside the box	0.07	0.19	0.24	-0.01	0.05	-0.12	-0.02	0.01	-0.2
Knowing /getting the right people involved	0.28	0.27	0.41*	-0.03	-0.25	0.11	0.25	-0.07	0.06
Knowing strengths	0.23	-0.11	-0.04	0.02	0.14	0.04	0.06	0.16	-0.01
Access to capital	0.31	0.27	0.24	-0.23	-0.19	-0.24	0.29	-0.13	0.1

Note. N ranges from 16 – 50. EO is entrepreneurial orientation.. \*\*  $p < .01$ ,  $p < .05$ , †  $p < .10$ . Char = charismatic, Ideo = ideological, and Prag = pragmatic. LOC = locus of control. F = denotes follower. Method 1= scale averages, method 2 = similarity with leadership definitions.

In terms of general definitions of success, those most effective in all three behavior-focused categories also tended to rate work-life balance as a highly important component of success. The focus on work-life balance as an indicator of success was also apparent in the qualitative interview responses. One entrepreneur mentioned, “[Success] is spending time teaching my kids to fish.” Others explained, “I was basically looking for complete control of time and effort,” and “I’ve been an independent person who doesn’t take direction well my entire life. It’s only fitting that I be ‘in charge.’” Those rating themselves highly effective in task-focused behaviors also tended to rate status ( $r = .35, p < .10$ ) and doing interesting work ( $r = .31, p < .10$ ) as very important factors for success. Those higher in relationship and change oriented behaviors also rated doing interesting work as important for success ( $r = .60, p < .01$  and  $r = .44, p < .05$  respectively). See Table 15.

Moving on to the CIP approach, the theory suggests that categorization of leaders as charismatic, ideological, and pragmatic is based on leaders’ self perception and their own world view. Thus, although categorization was also performed by followers, for the purposes of this research, primary categories will be based on leader responses. The two methods of categorization into leadership style included a scale asking about individual facets of each leadership type (method 1), and one item asking participants to rate the degree to which they are like each of three definitions (method 2, as described in Table 3). Correlations between the two methods of categorizing leadership style were positive and significant for both charismatic ( $r = .65, p < .01$ ) and pragmatic ( $r = .55, p < .01$ ) leadership styles, and positive but not significant for ideological leadership ( $r = .26, p = ns$ ). However, despite the fact that the CIP approach contends that leaders fall generally into one category only, based on the responses from participants, categorization into only one category appeared to be inaccurate. As with the

interviewees, most leaders tended to categorize themselves as displaying two or more leadership styles. Thus, in order to answer this question, each leadership style was considered independently

Table 15.

*Leadership Categorization Correlations with Factors of Success*

Factor of Success	3-Factor Model			CIP Method 1			CIP Method 2		
	Task	Relationship	Change	Char	Ideo	Prag	Char	Ideo	Prag
Revenue/Profit	-.02	-.24	.01	-.03	-.05	.00	-.02	.30	-.10
Growth	-.1	.18	.27	.20	.01	-.16	.23	-.23	-.16
Flexibility	-.15	.23	.02	-.02	-.26	-.06	.18	-.29	0
Autonomy	-.08	-.09	.01	-.02	.03	-.13	-.05	.28	-.1
Status	.35 <sup>+</sup>	.26	.16	.20	.17	.06	.33 <sup>+</sup>	-.11	0
Work-Life Balance	.62 <sup>**</sup>	.74 <sup>**</sup>	.56 <sup>**</sup>	.43 <sup>*</sup>	.25	.68 <sup>**</sup>	.36 <sup>*</sup>	.15	.30 <sup>+</sup>
Employee Liking of Work	-.24	.19	.07	.34 <sup>+</sup>	.04	.10	.17	-.38 <sup>*</sup>	.14
Sustainable Organization	-.19	0	.11	-.07	-.15	-.24	-.02	-.26	-.31 <sup>+</sup>
Doing Interesting Work	.31 <sup>+</sup>	.59 <sup>**</sup>	.44 <sup>*</sup>	.48 <sup>**</sup>	.30 <sup>+</sup>	.45 <sup>*</sup>	.28	-.19	-.03

Note. N ranges from 30 – 32. \*\*  $p < .01$ ,  $p < .05$ , <sup>+</sup>  $p < .10$ . Char = charismatic, Ideo = ideological, and Prag = pragmatic.

of the other two, and relationships between a tendency to engage in each leadership style and outcomes such as overall success, number of employees, and some individual differences were examined and are described here.

Due to a lack of convergence between the two methods of categorization for each leadership style, for the purposes of this research results using method 1 will be presented. More attention is given to this decision in the discussion section. When leadership style categorization

was based on method 1, a number of relationships were apparent. Those who appear to be more strongly charismatic tended to rate more of the businesses they started as being successful ( $r = .38$ ,  $p < .05$ ), but were also much more likely to be involved in new business ( $r = -.40$ ,  $p < .05$ ). In terms of individual differences, leaders with higher charismatic tendencies also tended to be very innovative, proactive and greater risk takers, as well as having high self efficacy, greater empowerment, more achievement striving and a strong internal locus of control. A tendency toward charismatic leadership was not significantly related to any of the keys to success measured. Using the same measurement for ideological leadership tendency, ideologues were also more likely to have a greater number of businesses which they considered successful. In terms of individual differences, ideologues were high in openness to experience and empowerment. A tendency toward ideological leadership was not significantly related to any of the keys to success measured. Finally, those with strong tendencies toward pragmatic leadership tended to be in organizations with higher numbers of employees ( $r = .32$ ,  $p < .10$ ). Entrepreneurs who identified as more pragmatic were (like charismatic leaders) higher in self-efficacy, empowerment, achievement striving, and had an internal locus of control. Greater pragmatic tendencies also made entrepreneurs more inclined to focus on greater persistence as a key to success ( $r = .34$ ,  $p < .10$ ). A number of pragmatic entrepreneurs in the qualitative interviews also discussed the importance of persistence. When asked what made him successful, one commented, “[Being] stubborn, I think sometimes you have to be, you have to decide to do something and then just make it happen. It doesn’t always happen the way you think, but if you can’t do that, you can’t be an entrepreneur. Persistence is a good word [for it], if you’re not persistent then you just stop, you won’t get through things.” See Tables 14 and 15 above.

As with the three-factor model, general relationships between CIP leadership styles and definitions of success were also examined. Once again, work-life balance was an important factor for individuals rating themselves high on charismatic ( $r = .43, p < .05$ ) and pragmatic ( $r = .68, p < .01$ ) leadership. The same was true for doing interesting work. Unlike the other two styles, those who rated themselves as more charismatic also rated having employees like their work as a more important factor in defining success ( $r = .34, p < .10$ ). See Table 16.

In addition to leadership style, keys to success were examined as they relate to several other entrepreneur and organizational characteristics. First, women were more likely than men to identify having the right people involved as a significant key to success ( $r = .59, p < .01$ ). Persistence, as a key to success, was seen as much more important when entrepreneurs were younger, organizations were younger/newer, and when there were fewer employees. Finally, knowing ones strengths correlated highly, although not significantly, with followers overall rating of organizational performance ( $r = .44, p < .10$ ). See Table 16 for correlations, and for general summarized results for this research, please see Table 17.

Table 16.

*Correlations of Keys to Success with Entrepreneur/Organizational Characteristics.*

	Gender	Age	# of Employees	Overall Performance	F-Overall Performance
Persistence	0.17	-0.31*	-0.28†	-0.05	-0.25
Well Connected	-0.02	-0.17	-0.24	0.34	-0.22
Hard Work	-0.07	-0.07	0.05	0.12	-0.08
Thinking Outside the Box	-0.20	-0.13	0.09	0.15	0.12
Knowing the Right People	0.59**	-0.24	-0.08	-0.15	-0.31
Knowing Your Strengths	0.17	-0.19	-0.20	0.00	0.44†
Access to Capital	0.07	-0.13	-0.19	0.17	0.25

Note. N ranges from 12 – 48. \*\*  $p < .01$ ,  $p < .05$ , †  $p < .10$ . F = denotes follower.

Table 17.

*Quantitative Study Results Summary.*

Hypothesis	Results
H1	Minimal support, EO at a general level found no support, however, two components (innovativeness and risk taking) were significantly related to measures of venture success (number of employees). Thus, EO does not appear to be, for the most part, a significant predictor of venture success.
H2	Partial support, leaders engaging in relationship-focused behaviors did report greater overall venture success, although significant differences in scale scores between groups reporting effectiveness in each category of behavior were not found (no support for 2).
H3	Partial support, among leadership styles, pragmatic leadership was positively related to number of employees. No other significant relationships were found, although charismatic leadership was strongly and negatively related to organizational time in existence. Length of time in existence was not used as a measure of venture success as many entrepreneurs had started businesses at different times and it could be argued that new business might be very successful, but have not yet had the time to prove it. Although entrepreneurs did tend to categorized themselves as more than one leadership style, counter to the hypothesis, charismatic leadership was most common by a significant margin.

Table 17 Continued.

*Quantitative Study Results Summary.*

H4	Minimal support, men and women did not differ on EO as a whole, nor on any of the subscales except innovativeness.
H5	Mixed support, although women were significantly more likely to rate themselves as effective in relationship-focused behaviors, there were not other significant differences.
H6	Partial support, significant differences were found in degree to which success is defined using revenue/profit and autonomy for women and men. Although means are in the expected direction, differences in work-life balance and status were not significant.
H7	Minimal support, gender did not moderate the relationship between EO and venture success except in two component cases (innovativeness and autonomy) where interaction terms were significant when venture success was measured as number of employees. In both cases, the interaction appears to consist of a strong positive relationship for men and curvilinear relationships for women.
H8	Not supported, entrepreneurs and followers do not appear to be similar on EO. See below for a discussion related to this finding, it appears that instead of similar, entrepreneurs and followers are perhaps more likely to complement each other.

Table 17 Continued.

*Quantitative Study Results Summary.*

H9- Part 1	<p>Results suggest that there do exist some differences between entrepreneurs who effectively engage in each type of leadership behavior, as well as between those who engage in different leadership styles. Thus results to not support the hypothesized null relationship.</p> <p>Three-Factor Model: Effectiveness in all three categories of behaviors was related to being younger, having high levels of openness, having employees with a high degree of willingness to follow, and considering being well-connected an important key to success. In addition, those high on task-related effectiveness tended to be younger when they started their first business, had more ventures, fewer employees, and greater self efficacy and empowerment. Those effective in relationship-focused behaviors tended to be female, older, and more likely to report higher levels of overall success and lower levels of autonomy. Change oriented entrepreneurs were very similar to task-focused but were also high on achievement striving and considered knowing the right people and getting them onboard as an important key to success. By far, the strongest indicator of success across categories was work-life balance.</p> <p>Additional indicators (varying somewhat by category) were status and doing interesting work.</p>
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Table 17 Continued.

*Quantitative Study Results Summary.*

H9- Part 2	<p>CIP Approach: The most striking finding here was how much more commonly entrepreneurs reported using a charismatic leadership style. Pragmatic leadership style was next, and significantly fewer entrepreneurs identified themselves as ideological. Additionally, most entrepreneurs could be categorized as falling into more than one leadership style. On the whole, those who identified strongly with the charismatic style tended to consider more of the businesses they had started as successful. They were significantly more likely to find themselves in newer organizations, and were high on innovativeness, proactivity, risk taking, self efficacy, achievement striving and empowerment, as well as demonstrating a strong internal locus of control. Those who identified as strongly ideological also reported more success in businesses they had started as well as higher levels of openness to experience and empowerment. Neither charismatic nor ideological leaders identified significant keys to success. Pragmatic entrepreneurs tended to be associated with having a greater number of employees, having higher self efficacy, achievement striving, empowerment, and an internal locus of control. More pragmatic entrepreneurs identified persistence as an important key to success. Work-life balance was again a significant indicator of success for both more charismatic and more pragmatic entrepreneurs, as was doing interesting work. More charismatic entrepreneurs were also more likely to identify having employees who like coming to work as part of the definition of success.</p>
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## Combined Qualitative Pilot and General Quantitative Study Summary

In summary, the direct relationships hypothesized between EO, leadership and venture success received minimal support. The findings for the relationship between EO and venture success have been to this point inconsistent, and this research provides support for the conclusion that EO as one large construct may not be appropriate. Relationship-focused behaviors do seem to be strongly related to venture success, however, as there exist high intercorrelations with both task and change oriented behaviors, neither of which demonstrate significant relationships with venture success, only minimal quantitative support for the hypothesis was found. However, the influence of relationship-focused behaviors was also very apparent from comments in the qualitative pilot interviews. Both entrepreneurs and followers regularly expressed their importance. In regards to leadership styles, no style was more strongly related to venture success than the others. This is not entirely unexpected as previous research suggests that the differences are not likely to lie in whether entrepreneurs achieve success, but rather in how they do it. Additionally, higher incidences of pragmatic and ideological leadership styles were not found, in fact, charismatic leadership style was by far the most common leadership style. This was one instance where there were some differences between the results from the qualitative pilot study and the results of the quantitative study. In the qualitative interviews, entrepreneurs were more likely to be categorized as pragmatic over ideological (which is in line with the quantitative results), but *less* likely to be categorized as charismatic. However, entrepreneurs in the pilot interviews as well as those additional entrepreneurs in the quantitative study did have a tendency to report engaging in more than one leadership style.

Overall gender relationships received moderate support. Women tended to rate themselves higher on innovativeness than did men, but no other EO related differences emerged.

Likewise, women rated their effectiveness in relationship-focused behaviors higher than men did, and again, no other differences emerged. Finally, women also reported differing from men in their definitions of success. Men report a greater focus on traditional standards of success (revenue/profit) than do women, while means suggest that with a larger sample a significant difference might also have been found for work-life balance.

Finally, results do not support Hypotheses 8 or 9. Results suggest that entrepreneurs and their followers are not similar in regards to levels of EO, nor on most other personality variables. Failure to support Hypothesis 9 suggests that there are, however, differences in the keys to and definitions of success based on engagement in leadership behaviors and styles. Here too we find similar trends in both the qualitative pilot and quantitative study. In both cases, entrepreneurs with strong pragmatic components identified persistence and a willingness to work hard as an important key to success. Having control over one's time, and maintaining work-life balance was also a strong indicator of success in the quantitative data and commonly represented in interview responses. Finally, entrepreneurs with a strong charismatic component to their leadership style commented on the importance of having employees who like to come to work in the quantitative data, and responses from the interviews similarly mentioned the importance of instilling passion and creating meaningful work for employees.

On the whole, although the methods of data collection did not allow for direct comparisons between interview responses and quantitative data for all relationships (and the inclusion of the interviewees in the final quantitative data set sets some limits), a number of similar trends across the methods provides support for the findings presented here.

## **Chapter 4**

### **Discussion**

Before interpreting the results of this research, there is a point to be addressed, which concerns the definition of entrepreneur itself. During the course of the qualitative interviews, entrepreneurs asked on more than one occasion what was meant by entrepreneur. Although numerous definitions were offered in the literature review, the answer still remains somewhat ambiguous, and opinions abound. In discussions with entrepreneurs who were asked to describe the relationship between entrepreneurship and leadership, responses ranged dramatically from one who creates something completely new or changes an existing product by adding new value, to someone who gathers and manages resources while assuming the risks (primarily financial) of a new business venture. Both of these perspectives have merit and although for the purposes of this research we retain a more broad definition in order to incorporate a larger sample, there is no doubt that the question remains. As mentioned in the introduction, for the purposes of this research an entrepreneur is one who adds new value to a product or service while gathering and managing resources in a business for which they assume financial risk. General consensus among interviewees was that although closely related, and sometimes erroneously lumped together, leadership and entrepreneurship are actually quite different, and it is entirely possible to be one without being the other. More specifically, the general assertion was that one could be a leader without being an entrepreneur, but rarely could one be an entrepreneur without being a leader.

Findings from this research can roughly be separated into four categories: leadership, success, gender, and followers. Within leadership is included entrepreneurial orientation, the three-factor model, and the CIP approach. Within success, both definitions of and keys to

success are discussed. Following these two sections, the role of gender as it pertains to the other sections is discussed, and finally, the role of followers in the larger context of entrepreneurship is discussed.

### **Entrepreneurs, Entrepreneurial Orientation, and Leadership**

*Entrepreneurial orientation.* Entrepreneurial orientation (EO) as a conceptual variable has seen considerable attention in research on entrepreneurship, and, based on findings in this research, it seems one approach going forward would be to focus more closely on the components making up EO rather than on EO as a whole. Results demonstrate that two of these components were significantly related to venture success. Innovativeness was positively related to number of employees in an organization, implying that entrepreneurs with strong innovative components to their personalities are also those more likely to create and maintain larger organizations. In addition, the higher an entrepreneur rated him or herself on risk taking, the higher their employees rated the organization on overall success.

The moderating effect of gender on the relationships of both innovativeness and autonomy with venture success, defined as number of employees, suggests some interesting findings. In both cases, the relationship between the EO component and number of employees appears strong and positive for males, but curvilinear for females. However, due to restriction of range for the outcome variable (males had considerable more employees than females) and inconsistent patterns when outliers were removed, the nature of relationship was ultimately unclear. A larger sample with a wider range of organizational sizes is needed in order to offer more conclusive evidence.

*Leadership: The 3-Factor Model.* Two leadership frameworks were examined here, and, on the whole, there were no one or two paths which really seemed to encompass what was needed for success for a majority of the people. The three-factor model of leadership was broken down into task-focused, relationship-focused, and change oriented behaviors. Those reporting high levels of each type of behavior had several things in common. Those reporting greatest effectiveness tended to be younger entrepreneurs, they tended to have high levels of openness to experience, and effectiveness was strongly related to followers' willingness to follow or in other words, a desire to continue working with the entrepreneur.

The three categorizations did, however, have some differentiating features. Those higher in task-focused and change oriented behaviors were similar in that they tended not only to be younger in general, but also reported being more likely to have been young when starting their first business, and starting more business overall. This might also suggest that those entrepreneurs who decide to start their own business while young are more focused on task and change oriented behaviors in an effort to get business off the ground. More women identified themselves as being very relationship-focused, and to some extent, those higher in relationship-focused behaviors also reported greater overall success- which may, or may not, be a function of how success is defined, as is discussed later.

Additionally, although entrepreneurs engaging in relationship-focused behaviors did report significant positive relationships with overall venture success, significant differences between category (relationship, task, and change oriented) scale scores were not found. This is in line with responses in the qualitative interviews which underscored the importance of relationship-focused leadership behaviors and having leaders who engage sincerely in relationship building themselves as well as encourage it in others. One entrepreneur explained,

“A great leader has to be able to develop people. I’m out there every day with people, the first thing I do when I come in is walk around, say good morning to people...so they know you are personally invested in them.”

*Leadership: The CIP Approach...Not Quite So Simple.* Although convergence across methods was found for charismatic and pragmatic leadership styles, less convergence was found for ideological leadership. The lack of convergence between the two methods of measurement for ideological leadership style was troublesome. Perhaps the most likely reason for this might be that there may be an element of social desirability when reading and responding to leadership definitions as presented in method 2. Charismatic leadership tends to be the most common/popular leadership style (Judge & Piccolo, 2004; Hunter et al., in press), and individuals generally hold positive connotations regarding the word charisma. In an effort to circumvent this issue, the three leadership definitions were not labeled charismatic, ideological and pragmatic, but rather “A,” “B” and “C.” Regardless, being future oriented and very positive may be generally more appealing than “drawing on some degree of negativity.” For this reason, findings discussed here were focus on entrepreneur categorization based on method 1 (scale scores).

This research hypothesized that entrepreneurship would be a contextual situation where, despite being generally most popular, charismatic leadership would not be most common nor show strong links to venture success. Contrary to the hypothesized relationships, charismatic leadership was in fact the most common leadership style reported. Ideological leadership was least commonly reported, and pragmatic leadership was reported at a moderately high level. Pragmatic leadership was also positively related to success as measured by number of employees.

Another potentially impactful finding was the tendency for entrepreneurs to categorize themselves as participating in more than one leadership style. Perhaps one reason for this tendency might be that a number of entrepreneurs in this research were older, and as their organizations matured, or they matured, or both, they adapted leadership styles to match what was needed. Thus, as a function of longitudinal development, these entrepreneurs now considered themselves to be engaged in multiple styles. One entrepreneur specifically described the importance of having a leader that matched the situation. She mentioned a favorite quote from Churchill, “Those who can win a war well can rarely make a good peace and those who could make a good peace would never have won the war.”

In relating the three leadership styles to other relevant variables, a number of variables displayed similar patterns of results across styles. In general, entrepreneurs higher in all three leadership styles tended to be high in self-efficacy and perceived that more of their prior businesses had been successful. Entrepreneurs categorized as high in charismatic leadership tended to be in newer organizations, which may or may not be a function of the sample. It is possible that charismatic entrepreneurs are drawn to new businesses, or it may be that those entrepreneurs in this sample who identified as more charismatic also happened to be in new organizations which have not yet had time to mature. Or, it may reflect a trend toward charismatic leadership; more new entrepreneurs may feel that a focus on charisma is more important to success at this time, in this economy. This approach has worked in the political arena recently, a message of hope for the future appears as a powerful motivator in times of uncertainty. More charismatic entrepreneurs also tended to have higher levels of a number of individual difference variables such as empowerment, achievement striving, and a very strong

internal locus of control, as well as elements of entrepreneurial orientation (innovativeness and proactiveness).

Entrepreneurs who tended to rate themselves highly on facets of leadership relating to ideological leadership were by far the smallest group. These entrepreneurs appear to like to strike early and often. They tended to have been younger when they started their own businesses, as well as being more likely to start multiple businesses, most of which they considered successful. More ideological entrepreneurs also reported higher levels of openness to experience. This may make some sense if one considers that a number of the items on the openness scale are related to values, for example, valuing art and valuing theoretical discussions.

Finally, those entrepreneurs who rated themselves as having greater pragmatic tendencies were in many ways similar to more charismatic entrepreneurs. However, more pragmatic leaders tended not to be as high in empowerment or achievement striving, nor did they have quite as strong an emphasis on internal locus of control, although still more internal than external. The same pattern was true also for entrepreneurial orientation; more pragmatic entrepreneurs also reported higher levels of innovativeness and proactiveness, but again, not as high as entrepreneurs higher on charismatic leadership.

## **Success**

*Definitions of Success.* In discussion of definitions of success the key appears to be acceptance and understanding of how definitions can differ by group (eg., leadership category or gender), as well as how different components can work together. A number of entrepreneurs mentioned a clear delineation between personal and professional success. One entrepreneur explained this idea when asked for his definition of success.

“I think there is business and personal success. As an entrepreneur, you either experience both, or lose both. Business success is looking at your company and knowing that it’s growing and people are getting great raises and it’s a great place to work. The staff and people like the organization, are loyal to the organization, and want to do better and get up in the morning and come to the office. [From a] personal standpoint, obviously, [success] is having the fulfillment of the [business success], and then also the financial success. The financial reward is the reason I work as much as I do and bust my butt, and travel as much. I do what I do so that I have a better lifestyle for myself and my family. I am proud of that, and some people might say, does that mean you’re materialistic? And I say, absolutely, but I also have my ethics and values in check as well.”

This research attempted to achieve a better understanding of what those important aspects of success might be by asking entrepreneurs to rank order indicators of success, including both personal and professional indicators. Entrepreneurs in all three behavior-focused categories (task-focused, relationship-focused, and change-oriented) named work-life balance as an important indicator of success. This particular indicator makes logical sense as a number of entrepreneur interviewees mentioned, as a reason for starting their own businesses, the importance of having control over their lives and how their time is spent. Those entrepreneurs rating themselves as highly effective in task-focused behaviors also considered status and doing interesting work as important indicators of success. This also makes sense considering that these entrepreneurs tended to be younger, and in a position where status had likely not yet been earned, or still needed to be fought for.

As with the three-factor model, although strong positive correlations resulted between the CIP leadership styles and two indicators of success, there was little differentiation based on

leadership style. Higher averages on all three leadership styles were positively related to work-life balance (although this relationship was not significant for ideological entrepreneurs) and doing interesting work as important in definitions of success. The only small difference resulted from those rating themselves high on charismatic leadership; these individuals also considered having employees like their work as important to their definitions of success.

*Keys to Success.* To further the idea that there may not only be differences in how success is defined, but also in how one achieves success, keys to success were also examined. Keys to success most commonly deemed important varied to some degree with the group examined. Within the three-factor model, in all three cases (task, relationship, and change oriented) being well connected as an entrepreneur was an important key to achieving success. Both charismatic and ideological entrepreneurs did not seem to consistently focus on any one key to success, suggesting perhaps that these groups saw the process as adaptable to their strengths and weaknesses, as well as characteristics of the situation. More pragmatic entrepreneurs were the only group to strongly associate with one of the keys to success. More specifically, more pragmatically inclined entrepreneurs were more likely to consider persistence as a key to success.

Also interesting regarding persistence was its importance primarily in the beginning of the entrepreneurs' careers. Persistence was a key to success when entrepreneurs were young, working on young ventures, and doing so with few employees. This may be indicative of the need to be persistent and to fight for your place at the table, a need which might diminish somewhat (but never disappear) as the organization survives, matures, and develops a reputation. Finally, followers' perceptions of overall organizational performance were related to entrepreneurs placing importance on knowing their own strengths. This may be related to the idea mentioned previously related to how both entrepreneurs and followers seem to recognize the

benefits to complementary relationships. Knowing one's strengths (as well as weaknesses) allows one to find the appropriate complement and thus promote organizational effectiveness.

One entrepreneur described an interaction with a family member who was looking to try something new, and wasn't sure how to proceed. "There are many ways to get to Boston," the entrepreneur responded, and indeed there appear to be. This highlights the idea that there are many paths to success, and our understanding of the best ways to get there is far from complete. This research does, however, help to start the process by offering insight into how different entrepreneurs view success, and what might be the keys which help different styles of leaders to achieve that success.

## **Gender**

As far as gender is concerned, and in line with past research, there is an emphasis on the importance of relationship building and engaging in relationship-focused behaviors. A strong positive relationship between gender and perceived effectiveness at relationship-focused behaviors was supported; women rated themselves significantly higher on relationship-focused behaviors than did men (which supports past findings; Daniel, 2004). A strong relationship between gender and venture success, however, was not supported; men were no more likely than women to report greater venture success. An explanation for what is going on here may be that perhaps what is gained by engaging in relationship-focused behaviors may be more in line with how women define success. So although women report that they engage more effectively in relationship-focused behaviors, this may not translate to greater self-rated venture success than men. Men may perceive that they are equally successful, but they just base their assessments on different factors. Or said another way, it may be that women see a more direct link between

effectiveness in relationship-focused behaviors and success than do men. This does not mean that men do not see the importance of these behaviors or that they do not engage in them effectively, they just include additional indicators in their definitions. In fact, the importance of relationship-focused behaviors was very apparent in the interviews with entrepreneurs in the pilot study. As mentioned previously, many entrepreneurs (as well as their followers) discussed both the importance of and effectiveness of their leaders in undertaking relationship-focused actions. There seemed to be a strong feeling that these types of behaviors were among the most important, if not the most important group of behaviors. See the three-factor model of leadership results section above for interview quotes.

Furthering the discussion of definitions of success mentioned above, one cannot help but be struck by what has in the literature been described as “The paradox of the contented female business owner” (Powell, & Eddleston, 2008). The primary point here is that women entrepreneurs and small business owners appear to be as content as their male colleagues who, by traditional standards (profit), are achieving considerably more success. This research asked to what degree various factors are important in determining overall success, and perhaps not surprisingly, the findings are in line with past research when it comes to money. Women rated the importance of revenue/profit significantly lower than did male entrepreneurs. Means showed that men rated not only revenue, but also autonomy and having employees who like to come to work as more important to success than did women. On average, women actually rated doing interesting work and having work-life balance as most important for success, followed then by revenue/profit. These results suggest that there does seem to be some discrepancy between definitions of success for men and women and the focus should perhaps be shifted toward a better understanding of what success means, and even further, whether success (as defined by

traditional masculine values) is seen as achievable. One female commented, “I’m not sure I have defined it yet. I keep waiting for the day when I wake up and just feel successful, [but] I don’t [know] if I will fully feel successful.” Helping to determine whether this mindset is unique, or whether it may actually apply to many women is a question yet to be answered.

In general, although relatively few differences emerged based on leadership categorization, some gender differences were apparent in identification of keys to success. Based on the discussion above regarding the importance of effective relationship-focused behaviors, it follows that among women the primary key to success was knowing and having the right people involved. Based on the interviews conducted with women who consistently hailed the virtues and importance of developing strong interpersonal skills and relationships, and the finding that their relationship-focused behaviors were very effective, this makes sense. When asked about keys to success, one female explained, “[One key is] forming high quality interpersonal relationships with people inside and outside your company because no one gets anywhere without help.”

An additional comment is also necessary here. As responses were all self-report some attention must be paid to potential pitfalls, namely, the likelihood that respondents may be responding in a way which they believe is consistent with social norms. Moreover, Podsakoff, MacKenzie, and Podsakoff (2003) suggests that participants aim to remain consistent across measures (or items) of the same variable, as well as consistent across variables that the participants believe to be related, which can lead to an even wider range of potentially distorted responses. If an individual has been socialized to believe that they might be lower on a given trait, and they believe that trait to be related to some other variable, in order to be consistent, they may also rate themselves lower on that third variable (for example, if women believe they are lower on competitiveness, but also believe competitiveness to be important for entrepreneurial success,

in order to maintain consistency they also rate themselves low on entrepreneurial success). Related is Butler's (1999) idea of "performing gender." She suggests that the idea of womanhood is constructed, and so women assimilate that construction into their own self concepts and perform the role appropriately. Questionnaires which are inherently subjective encourage individuals to respond in a way which they feel demonstrates who they are. However, questionnaires are also an easy place to respond according to how participants feel things should be, and not necessarily how they actually are (or have the potential to be). Questionnaires offer an easy way to "perform gender," and respond in a way that conforms to both their own and what they likely perceive the researchers beliefs (or stereotypes) to be.

Interestingly, as mentioned previously, a number of the hypothesized relationships did not materialize, and a number of proposed differences failed to appear. This suggests several possible interpretations. First, perhaps there simply was not adequate power in the sample to detect smaller effects, or the effects did not exist. Second, it may be that stereotypes or beliefs about women in business or at work no longer accurately reflect the way women see themselves. Perhaps societal norms are changing, and women's self concepts are changing along with them. At the same time, some differences did emerge, for example women's tendency to report greater effectiveness in relationship-focused behaviors or their tendency to rate revenue/profit as a significantly less important indicator of success than did men. These findings suggest that there are likely still some important issues to consider, and so perhaps a third way to interpret these findings might be somewhere in between. Perhaps some stereotypes are changing, and some relationships no longer reflect the ways women entrepreneurs see themselves. Likewise, the small number of women examined likely does influence the findings. However, at the same time, not all of the stereotypes have changed, and there remain effects large enough to be seen in this

small sample. Regardless of the interpretation and whether differences are due to real effects, conformance to socialized norms or some other factor, this research demonstrates the need to continue examining this population in order to better understand how they develop their self-concepts and how they can best be supported.

### **The Role of the Follower**

Moving on from the entrepreneur side of things, we now shift the focus to those who follow. Some research suggests that those who choose to follow an entrepreneur into what is often a somewhat risky venture tend to be very similar to those entrepreneurs in terms of personality and, more specifically, EO (Northouse, 2010). Findings in this research suggest just the opposite. There appears to be little or no relationship between entrepreneur and follower levels of innovativeness, proactivity, autonomy, or risk taking. Although these findings are at first glance counter-intuitive, responses from the qualitative data collected help shed some light on the matter. In a number of cases followers described themselves as the appropriate complement to their bosses. A prime example mentioned previously was the “He is the gas pedal, I am the brake” analogy. Although an individual can be (and usually is) both an entrepreneur and a leader, successful businesses usually require the services of others, and when growth becomes possible, those others often best serve the business from inside. An entrepreneur explained, “You need people who bring expertise to fill in where you lack.”

Followers, although addressed in this research, were not the primary target. However, based on the findings described above, two important contributions should be noted. First, low correlations between some of the constructs measured at the entrepreneur and follower levels suggests the importance of taking into account the different perspectives brought to this type of

situation. For example, ratings for entrepreneurs and followers were strong, positive, and significant for ratings on task, relationship, and change-oriented behaviors (behaviors which can be seen), and ratings were for the most part relatively weak for the CIP styles (styles which are a result of how an individual perceives their world, something a subordinate would not necessarily be able to see). A second contribution is the importance of the initial findings regarding the likelihood for entrepreneurs to seek out complementary relationships with their employees as opposed to using a “similar to me” strategy in hiring. In fact, across all of the personality variables in this research, entrepreneurs and followers were only significantly positively related on one, openness to experience. Although having followers with similar personalities might be beneficial in some situations, it appears that in an entrepreneurial situation, having diversity in human resources is more characteristic of the organizations in this research, many of which have been very successful, and all of which are still in business.

### **Limitations and Implications**

Although the findings of this research help to clarify some of the ways in which the three-factor model of leadership and the CIP approach to leadership can be applied to the study of entrepreneurship, as well as how gender and individual differences can play a role, it is not without limitations. The first of these limitations concerns sample size. This research was able to obtain data from 61 entrepreneurs and 41 complete pairs of entrepreneurs and followers. However, larger samples are needed in order to give more substantial weight to the current findings. Additionally, twelve of the entrepreneurs were individuals who currently have no employees. These entrepreneurs were very useful in examining issues around the influence of gender and personality, as well as definitions of success, but employees are necessary for a more in-depth look at leadership and the role of and drivers for followers in entrepreneurial ventures.

In that same vein, another important consideration for future researchers is to more closely examine those who follow individuals into entrepreneurial ventures (Vecchio, 2003). Although this research allows us to get a general look at followers, much more is needed before we can really fully understand the role followers play in entrepreneurial ventures.

Another important limitation is the cross-sectional nature of this research. Longitudinal research is needed in order to really understand how entrepreneurs and the organizations they run change over time. The same is true for venture success or failure. Cross sectional research only allows for a snapshot, and at any one point in time a venture may be doing well, but the snapshot does not allow for examination of survival over time.

The initial sample of entrepreneurs in the pilot study was recruited through personal contacts, and although the number of women included is similar to the proportion of women entrepreneurs in the general population, a larger sample is needed to be sure we are accurately reporting the state of women entrepreneurs. Additionally, future research would benefit from a concerted effort to find both entrepreneurs at various venture life stages (ventures not yet in business and very new ventures as compared to those in business a few years or many years), as well as those who consider themselves entrepreneurial, but whose business ventures have failed. It is likely that we have much to learn from those whose businesses have failed, although procurement of such a sample is likely to be difficult as the businesses no longer exist.

A number of implications and future directions for research should also be addressed, both theoretical and practical. On the theoretical side this research has implications for the CIP approach to leadership in two primary ways. First, these results suggest that in an entrepreneurial setting, the charismatic, ideological, and pragmatic leadership styles are not mutually exclusive;

in fact, the opposite seems true. Most entrepreneurs fell into at least two categories, and in some cases, classified themselves as all three. Research must continue to examine boundary conditions of the approach in order get a better idea of when one might expect to see a more clear categorization of a leader to only one category. It may be a function of level or industry or environmental conditions. Depending on contextual situations, different leadership styles may be necessary as is the case with a number of other leadership theories such as transformational leadership theory. The finding that one category does not seem to accurately describe most leaders was consistent also for the three-factor approach to leadership, in that averages for engagement in each category of behavior were all relatively high, as well as highly interrelated, suggesting reliance on all three types (or an inability to adequately distinguish between the three) for different purposes or in different situations.

A second interesting contribution is related to the negative correlation between charismatic leadership and length of time the organization has been in business. As discussed above, the issue is two-fold. Not only does this negative relationship appear using both methods of categorization, but charismatic leadership is also reported to be the most common type of leadership style engaged in, making the likelihood that it is actually bad for business very low. One possible explanation is that leadership styles may change, and new styles might be developed. Future research might consider the idea that leadership style is an ever changing and developing process, and as world perspectives change and organizations mature, assessments of how to address those changes are also adapted. It may be that this ability to adapt is among the characteristics of those we consider great leaders, and less true of unsuccessful leaders, or in this case, entrepreneurs whose organizations do not thrive or survive. An alternative explanation

might be that newer organizations tend to be smaller, and in this situation charisma might be easier to identify as entrepreneurs have easy and direct access to all employees.

Another theoretical contribution is that which was discussed in regards to defining success. This research has described some of the many aspects related to success, and with the qualitative data was able to describe how definitions of success might be very much tied to what type of leader one sees oneself as, as well as membership in one or another demographic or social groups. These findings add to our knowledge of how success may vary by gender, and the importance of better understanding how and when different indicators (revenue/profit and work-life balance in particular) are relevant. Additionally, what is the importance of these distinctions and their impact of individuals, employees, and potentially the economic situation. Success appears to have both personal and professional distinctions as well, and the target or referent may also vary from the individual leader or entrepreneur him or herself, to the employees and clients associated with the organization, to the organization itself, or at the broadest level, to a community or society as a whole. Additional research is needed to more clearly delineate what the structure of success might look like. Does the personal or professional have a greater influence on what types of leadership styles are engaged or on decision making in how the organization is run? Furthermore, just as leadership styles may change and evolve as organizations mature, so too can definitions of success. One entrepreneur commented, “Initially, success was doing interesting work and making a little extra money. [Now] I like making more money, I like doing the work we do, but I really like impacting people’s lives [and the fact that] people who work here like their jobs.”

From a more practical perspective, the following contributions are discussed: the importance of relationship-focused behaviors, importance of finding complementary followers,

and measurement issues around the CIP approach. First, although respondents generally rated themselves as actively engaging in all three categories of behavior, relationship-focused behaviors had the strongest link to perceptions of overall success. Awareness of the social setting around a leader and knowledge of when and where relationship building tools will be most beneficial is crucial. Behaviors such as socializing with individuals at work, recognizing contributions, and recruiting the best new people for the team can, perhaps not surprisingly, be particularly effective.

The second practical implication is the importance of assessing similarities between leaders and followers when bringing new human capital into the organization. Although not always the case, this research provides some evidence that having followers who can offer something different, something which might be necessary and is perhaps not a strength of the entrepreneur can be very beneficial to the organization. This implication is relatively straightforward when it comes to knowledge and skills; a new finance organization is likely to need someone with legal expertise, a small retail business is likely to need someone with financial planning expertise. What may be somewhat less apparent is the importance of incorporating individuals with different perspectives and values to help bring new ideas into organizations. This parallels some of the research on diversity in teams which suggests that team member diversity is most useful when that diversity is related to differences in underlying values and experiences rather than surface level diversity (age, gender, ethnicity; Harrison, Price, & Bell, 1998). Although there may be differences and some level of conflict initially, the diversity is generally beneficial in the long run. Future research might take a closer look at complementary pairings in entrepreneurial ventures, particularly as this research provides only preliminary evidence for its importance.

Finally, there is significant need for better, more consistent and valid measures of CIP leadership styles if we aim to categorize leaders and entrepreneurs in this way. Standardized and more comprehensive definitions might be one place to begin. Through the course of this research, three methods were utilized to categorize leaders. Initially, a short narrative was developed. Entrepreneurs and their followers were asked to consider an ambiguous crisis situation in which the entrepreneur would be forced to act. During interview data collection, these narratives could be tweaked slightly if the interviewee did not seem to clearly understand what was being asked, or in the case that the situation did not make sense. Additional probing questions could be asked to gather information on where each entrepreneur might fall within each facet of the approach. This yielded narratives from most entrepreneurs which could be coded for at least some of the facets of each category. However, coders ultimately ended up using entire interviews to determine categorization, and even then, agreement was not complete. As this method did not seem appropriate for data collection through an online questionnaire, two additional methods were utilized. These two methods both allowed for some overlap between leadership categories. The first asked respondents to rate the extent to which they engaged in the different levels of each leadership facet. Theoretically, a respondent could engage in multiple levels of, for example, time orientation; a leader might use a future-oriented time frame to a great extent, and both a present and past-oriented time frame to a moderate extent. Ultimately, this resulted in means for each participant in each leadership category, and in no case was any category mean a “1” (never). The final method also allowed leaders to rate themselves as using one, two, or all three leader styles, based on findings from the interviews where entrepreneurs tended to consider themselves more than one style. Once collected, categorizations were not consistent across measures, nor were they consistent between entrepreneurs and followers. This inconsistency introduces error

as the researcher must then decide which measure is most appropriate. For this research, the CIP scale (method 1 in the quantitative study) was the method of choice, but issues with reliability and also with high intercorrelations suggest that we are still not doing a good job of differentiating between the leadership styles, and this inability to differentiate well has an impact on our ability to find other important relationships. As a short aside, this was true also for the three-factor model, except in this case the intercorrelations among the three categories of behaviors were even higher, leading the scales to be less useful. In order to more clearly understand how the entrepreneurs displaying each leadership style or category of behaviors might behave in any given situation, or what might be important keys to success to encourage, better measures for categorization are essential.

### **Conclusion**

As mentioned initially, entrepreneurship has become highly important in the political world, in the economic world, in developed and developing countries, as well as in the academic/research world. Everyone has something to say about entrepreneurship, and everyone is looking for answers. The goal of this research was to try to help provide some preliminary answers to some of them. The aim was to better understand how leadership relates to entrepreneurship. This research also aimed to learn more about gender and other individual differences in entrepreneurship, and about factors which impact venture failure and success, as well as what exactly is meant when we say success. This research took a closer look at those followers who have made the decision to work for an entrepreneur, to better understand their reasoning and the behavior they believe leads to success or failure of a venture.

Entrepreneurs and their small businesses have become a symbol of progress as of late. They make something of nothing. They allow individuals the freedom to experiment and find meaning in work. They provide millions of people with work, and direct millions of dollars of revenue into struggling economies. This research aimed to help describe those who are most likely to become successful entrepreneurs, to teach others how to best encourage and create positive environments for them and to help prepare them for the challenges they are likely to face. This research aimed to take steps toward moving the study of entrepreneurship forward by linking it with other more mature fields such as leadership and understanding not just the entrepreneur him or herself, but also those around him or her and the relationships between them. Accordingly, findings suggest that entrepreneurs who demonstrated higher levels of effectiveness in leadership behaviors, specifically behaviors which are relationship-focused, also reported greater venture success and had followers who expressed a strong desire to continue working for them. Findings demonstrated some important differences in how male and female entrepreneurs define success (males are more likely to include the traditional standards of profit and revenue in their definitions than females), however, on the whole work-life balance was rated as most indicative of success across entrepreneurs. Finally, entrepreneur and follower personalities were not as similar as predicted, in fact, findings suggest just the opposite; followers were more likely to consider themselves complementary to entrepreneurs. In the end, although we have moved further upstream, the water remains murky and considerably more attention is needed in the area of research around entrepreneurship before we can really answer many of the questions posed here.

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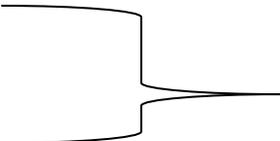
## Appendix A: Entrepreneur Interview

Thank you for agreeing to participate in this interview, your time and responses are very much appreciated. This interview should last about 1 hour, but please feel free to cut it short, or continue as long as you like. We would also like to know if it would be alright with you if we were to follow up with you if we have a few specific questions or clarifications at a later time, likely via email.

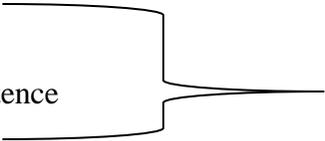
The first questions ask you a little about yourself and your organization, the second group of questions ask you generally your philosophies related to entrepreneurship, and the last questions will refer to your actual practices and experiences with your current, most recent, or favorite organization. Your responses to these questions will be used (in aggregate with others' responses) to create a questionnaire for other entrepreneurs, so if something is unclear, or you would change anything, please feel free to let me know.

### Interview Questions

#### Part 1. About You

1. Name
  2. Age range
  3. Gender
  4. Educational background
  5. Why did you decide to start your own business?
  6. Five key things that made you successful?
  7. How many times have you tried to start a new organization
    - a. How many have been successful?
    - b. What industries?
- Available from CV
- 

#### Part 2. About Your Organization

8. Organization name
  9. Organization industry
  10. Length of time in existence
  11. Number of employees
  12. Where did the idea for this business come from?
  13. Primary functions of the business?
- Available from CV or public record?
- 

#### Part 3. General Questions – Your Philosophy

14. Should entrepreneurs also be leaders?
15. What is the role of experience in leading an entrepreneurial venture?
16. What experiences have best prepared you for being a leader/entrepreneur?

17. When are new ideas most beneficial for an existing organization, when do they receive the most attention?
18. When can new ideas lead to a new product, service, or organization?
19. Why do entrepreneurial ventures fail?

Part 4. Practices: Think of Your Current, Most Recent, or Favorite Organization

20. Do you consider yourself a leader?
21. Discussion of leadership behaviors
  - a. 3-factor/transformational leadership
  - b. CIP Model:
    - i. Charismatic Leader: very positive, appeals to the masses and offers hope via a future-oriented vision.
    - ii. Ideological Leader: focused on a few key outcomes, places a greater emphasis on the past and draws on some degree of negativity when sharing a vision based largely on strongly held personal beliefs.
    - iii. Pragmatic Leader: efforts are focused on the solution of immediate problems, they are very malleable; changing and altering their behavior when necessary
    - iv. Please consider the following scenario: one of your employees approaches you on Friday morning with news that a major funding source you were counting on to cover development of a new product has indicated that they are considering pulling out. You have already put a lot of time and effort into the new product, and losing this funding would mean having to delay product launch considerably. This would mean you will have trouble covering operating costs in the next months. What specific actions would you take? Who would your actions be directed toward? Where does responsibility lie? What types of outcomes would you seek? Please provide a narrative response.
22. Think of other entrepreneurs you know, would you consider them leaders? In what ways?
  - a. How are you similar to or different than them?
23. Do you consider yourself creative? Innovative?
  - a. Examples?
24. When are new ideas most beneficial for an existing organization, when do they receive the most attention?
25. When can new ideas lead to a new product, service, or organization?
26. Where do new ideas come from in your organization?
  - a. Copy an existing idea
  - b. Modification of existing idea
  - c. Completely new idea
27. What is required by you to move an idea forward, what actions must you take?

28. What have been some of your biggest challenges in getting things up and running, and then keeping things going?
  - a. How did you address these challenges?
29. Would you consider yourself to be a risk taker?
30. How do you define success?
31. What elements of your social identity have been most salient over the course of your career (ex: gender, race, class, parenthood status, etc.)?
  - a. Has there been an impact? If yes, was it positive or negative?
  - b. Examples
32. Any parting thoughts?
33. Are there any other entrepreneurs you know who might also be willing to participate in this research?

Thanks very much for your time, as mentioned before, your responses will be very helpful!

## Appendix B: Employee/Follower Interview

I received your name from \_\_\_\_\_ who thought you would be a good additional person to talk with about this organization. Thank you for agreeing to participate in this interview, your time and responses are very much appreciated. This interview should last about 30 minutes to 1 hour, but please feel free to cut it short, or continue as long as you like. The first questions ask you a little about yourself and the organization, and in the second group of questions, I will ask you to refer to experiences you have had with your current or most recent organization and your boss. Your responses to these questions will be used (in aggregate with others' responses) to create a questionnaire for others working in entrepreneurial ventures, so if something is unclear, or you would change anything, please feel free to let me know. Your answers will be kept confidential, your boss will have no knowledge of your responses.

### Interview Questions

#### Part 1. About You

1. Position at the organization
2. Time with the organization
3. Time you have known your boss/the founder

#### Part 2. Experiences with Your Organization and Your Boss

4. Would you consider the founder of your organization a leader?
5. Discussion of leadership behaviors
  - a. Transformational Leadership- research has demonstrated that leadership behaviors tend to fall into three general categories, task-focused behaviors, relationship-focused behaviors, and change-oriented behaviors.

Please rate the following behaviors in terms of how good you consider your leader to be on a scale from 1 to 5, 1 being "very poor- this is an area which needs significant improvement" to 5 being "excellent- this is one of my strengths"

- b. CIP Model: please read the scenario described in point i...feel free to alter it to make it fit more consistently with your experience. Once you've completed your response, consider the types of leaders listed below...do any of them jump out at you as describing your leader? Maybe more than one seems appropriate? There are no wrong answers, and no "right" method or type of leader, so no pressure.
  - i. Please consider the following scenario: one of your employees approaches you on Friday morning with news that a major funding source you were counting on to cover development of a new product has indicated that they are considering pulling out. You have already put a lot of time and effort

into the new product, and losing this funding would mean having to delay product launch considerably. This would mean you will have trouble covering operating costs in the next months. What specific actions would you take? Who would your actions be directed toward? Where does responsibility lie? What types of outcomes would you seek? Please provide a narrative response.

- ii. Charismatic Leader: very positive, appeals to the masses and offers hope via a future-oriented vision.
  - iii. Ideological Leader: focused on a few key outcomes, places a greater emphasis on the past and draws on some degree of negativity when sharing a vision based largely on strongly held personal beliefs.
  - iv. Pragmatic Leader: efforts are focused on the solution of immediate problems, they are very malleable; changing and altering their behavior when necessary
    - 1. Does one or more of these leaders types sound like your leader?
6. Would you consider your founder/leader creative?
    - a. In what ways do they demonstrate creativity?
    - b. Do they encourage it in others? How?
  7. Does your leader/founder encourage others to be creative? How?
  8. Would you consider your founder/leader Innovative?
  9. Would you consider your leader a risk-taker?
    - a. Would you consider yourself a risk-taker? Was it a risk to join this organization?
  10. Why did you decide to join the new organization, follow the founder?
  11. Would you do it again?
  12. In ways would you consider yourself to be similar to or different from your leader?
  13. Have you considered starting your own business? Why or why not?

### Appendix C: Study 1 Questionnaire

Please indicate your level of agreement on a 1 – 5 scale from “strongly disagree” to “strongly agree.”

#### *Leader competence – task (Adapted from Yukl, 2006)*

*I believe this leader would do well at:*

- Organizing work activities to improve efficiency
- Planning short-term operations
- Assigning work to groups or individuals
- Clarifying what results are expected for a task
- Set specific goals and standards for task performance
- Explain rules, policies and standard operating procedures
- Direct and coordinate work activities
- Monitor operations and performance
- Resolve immediate problems that would disrupt work

#### *Leader competence – relational (Adapted from Yukl, 2006)*

*I believe this leader would do well at:*

- Providing support and encouragement to someone with a difficult task
- Expressing confidence that a person or group can perform a difficult task
- Socializing with people to build relationships
- Recognizing contributions and accomplishments
- Providing coaching and mentoring when appropriate
- Consulting with people on decisions affecting them
- Allowing people to determine the best way to do a task
- Keeping people informed about actions affecting them
- Helping resolve conflicts in a constructive way
- Using symbols, ceremonies, rituals, and stories to build team identity
- Recruiting competent new members for the team or organization

#### *Leader competence – change-oriented (Adapted from Yukl, 2006)*

*I believe this leader would do well at:*

- Monitoring the external environment to detect threats and opportunities
- Interpreting events to explain the urgent need for change
- Studying competitors and outsiders to get ideas for improvements
- Envisioning exciting new possibilities for the organization
- Encouraging people to view problems or opportunities in a different way
- Encouraging and facilitating innovation and entrepreneurship in the organization
- Encouraging and facilitating collective learning in a team or organization
- Experimenting with new approaches for achieving objectives
- Making symbolic changes that are consistent with a new vision or strategy
- Encouraging and facilitating efforts to implement major changes
- Announcing and celebrating progress in implementing changes

Influencing outsiders to support change and negotiating agreements with them

*CIP Leadership Facets (1-23; 1-5 scale, “Never” to “Nearly Always”)*

To what extent do you as a leader:

1. Use a future-oriented time-frame?
2. Use a present-oriented time-frame?
3. Use a past-oriented time-frame?
4. Discuss positive prior experiences when interacting with (e.g., motivating) subordinates?
5. Discuss negative prior experiences when interacting with (e.g., motivating) subordinates?
6. Blend both positive and negative prior experiences when interacting with (e.g., motivating) subordinates?
7. Seek positive outcomes?
8. Seek transcendent (e.g., going beyond normal bounds or expectations) outcomes?
9. Change or alter his discussion of outcomes sought, depending on the situation?
10. Discuss seeking multiple outcomes?
11. Discuss seeking only a few outcomes?
12. Change or alter the number of outcomes sought depending on the situation?
13. View people as the cause of outcomes?
14. View situations as the cause of outcomes?
15. View the interaction of people and situations as the cause of outcomes?
16. Discuss how he and his subordinates have a high degree of control over their destiny?
17. Discuss how he and his subordinates have a low degree of control over their destiny?
18. Change his discussion of controllability depending on the situation?
19. Spend his time trying to convince/motivate the entire team and coaching staff?
20. Spend his time trying to convince/motivate only the key members of the team?
21. Spend his time trying to convince/motivate the star players on the team?
22. Use emotional appeals to motivate and engage followers?
23. Use rational persuasion to motivate and engage followers?

*CIP Leadership- Definitions*

The purpose of the previous responses is to try to gain a better idea of what type of leader you might be (or if you fall into multiple categories). Consider the following definitions:

A: Very positive, appeals to the masses and offers hope via a future-oriented vision.

B: Focused on a few key outcomes, places a greater emphasis on the past and draws on some degree of negativity when sharing a vision based largely on strongly held personal beliefs.

C: Efforts are focused on the solution of immediate problems, they are very malleable; changing and altering their behavior when necessary.

Please describe how much each leader type is like you on a scale from 1-100 (not at all like me to just like me). Scores do not need to add to 100.

*Innovation(1-10)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

I get excited when I am able to approach tasks in unusual ways

I enjoy being able to use old concepts in new ways

To become successful in you must spend some time every day developing new ideas

It is important to continually look for new ways to do things in business

I often approach tasks in novel ways

I enjoy finding good solutions for problems that nobody has looked at yet

I get real excited when I get new ideas to stimulate my work

It is important to approach opportunities in unique ways

I usually seek out colleagues who are excited about exploring new ways of doing things

I get a thrill out of doing new, unusual things

*Personal Initiative (1-5)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Whenever something goes wrong, I search for a solution immediately

Whenever there is a chance to get actively involved, I take it

I take initiative immediately even when others do not

I use opportunities quickly in order to attain my goals

I am particularly good at realizing ideas

*Competitive Aggressiveness (1-5)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

If I ran a business I would want to beat my competitors.

If I ran a business I would cut prices to undo my competitors.

If I was tendering for a contract I would try to outdo my competitors by any means.

If I ran a business I would think of my competitors in terms of "live and let live". (R)

If I ran a business I would help my competitors rather than competing with them. (R)

*Risk Taking (0-1)*

Please read the following items and decide whether you would be most likely to choose option (a) or option (b).

Consider two types of new businesses. Assuming you are the sole owner, which situation would you prefer?

- (a) A business that would provide a good living, but with little risk of failure, and little likelihood of making you a millionaire.
- (b) A business that was much more likely to make you a millionaire but had a much higher chance of going bankrupt.

- (a) receiving \$180 for sure
- (b) a 90% chance of winning \$200

- (a) receiving \$320 for sure
- (b) an 80% chance of winning \$400

- (a) receiving \$250 for sure
- (b) a 50% chance of winning \$500

- (a) receiving \$300 for sure
- (b) a 20% chance of winning \$1.500

- (a) receiving \$160 for sure
- (b) a 10% chance of winning \$1.600

*Autonomy (1-5)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

In my work assignments, I try to be my own boss.  
 I go my own way at work, regardless of the opinions of others.  
 I disregard rules and regulations that hamper my personal freedom.  
 I consider myself a "team player" at work. (R)  
 I try my best to work alone on a project.

*Self-Efficacy (1-5)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

I...

Complete tasks successfully.  
 Excel in what I do.  
 Handle tasks smoothly.  
 Am sure of my ground.  
 Come up with good solutions.  
 Know how to get things done.  
 Misjudge situations. (R )  
 Don't understand things. (R )  
 Have little to contribute. (R )  
 Don't see the consequences of things. (R )

*Achievement-Striving (1-10)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

I...

Do more than what's expected of me.  
 Accomplish a lot of work.

Excel in what I do.  
 Plunge into tasks with all my heart.  
 Do a lot in my spare time.  
 Do just enough work to get by. (R)  
 Hang around doing nothing. (R)  
 Shirk my duties. (R)  
 Find it difficult to get down to work. (R)  
 Need a push to get started. (R)

*Locus of Control (Spector, 1988)*

Please indicate your level of agreement on a 1 – 5 scale

1. A job is what you make of it. (I)
2. On most jobs, people can pretty much accomplish whatever they set out to accomplish (I)
3. If you know what you want out of a job, you can find a job that gives it to you (I)
4. If employees are unhappy with a decision made by their boss, they should do something about it (I)
5. Getting the job you want is mostly a matter of luck (E)
6. Making money is primarily a matter of good fortune (E)
7. Most people are capable of doing their jobs well if they make the effort (I)
8. In order to get a really good job, you need to have family members or friends in high places (E)
9. Promotions are usually a matter of good fortune (E)
10. When it comes to landing a really good job, who you know is more important than what you know (E)
11. Promotions are given to employees who perform well on the job (I)
12. To make a lot of money you have to know the right people (E)
13. It takes a lot of luck to be an outstanding employee on most jobs (E)
14. People who perform their jobs well generally get rewarded (I)
15. Most employees have more influence on their supervisors than they think they do (I)
16. The main difference between people who make a lot of money and people who make a little money is luck (E)

*Openness to Experience (alpha = .82, IPIP:NEO)*

Please read the following items and decide to what extent you either disagree or agree with each statement. Please use the following scale.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

Believe in the importance of art.  
 Have a vivid imagination.  
 Tend to vote for liberal political candidates.  
 Carry the conversation to a higher level.  
 Enjoy hearing new ideas.

Am not interested in abstract ideas. (R)  
 Do not like art. (R)  
 Avoid philosophical discussions. (R)

Do not enjoy going to art museums. (R)  
Tend to vote for conservative political candidates. (R)

*Empowerment (Spreitzer, 1995; 1-5, strongly disagree to strongly agree)*

*Meaning*

The work I do is very important to me (meaning 1)  
My job activities are personally meaningful to me (meaning 2).  
The work I do is meaningful to me (meaning 3).

*Competence*

I am confident about my ability to do my job (competence 1).  
I am self-assured about my capabilities to perform my work activities (competence 2).  
I have mastered the skills necessary for my job (competence 3).

*Self-Determination*

I have significant autonomy in determining how I do my job (self-determination 1).  
I can decide on my own how to go about doing my work (self-determination 2).  
I have considerable opportunity for independence and freedom in how I do my job (self-determination 3).

*Impact*

My impact on what happens in my department is large (impact 1).  
I have a great deal of control over what happens in my department (impact 2).  
I have significant influence over what happens in my department (impact 3).

*Willingness to work with leader (Hunter et al., 2008 )*

*Please indicate your level of agreement on a 1 – 5 scale*

I would like to work with this leader on future projects  
I would be willing to serve under this leader  
I would enjoy working with this leader  
If given the choice, I would rather not work with this leader (R)  
I would be unhappy if I was required to work with this leader (R)  
I would request to work with this leader

*Additional Indicators*

On the whole, would you consider yourself to be a risk-taker?

**Please indicate your level of agreement on a 1 – 5 scale (6 = None of these).**

Are there aspects of your social identity which have been made salient to you during your career as an entrepreneur? Please check all that apply.

- Race
- Gender
- Class
- Sexual orientation
- Parenthood
- Other

In what ways have these aspects impacted your career or been made salient to you? (Text)

How would you define success? Please rank the following items in order of relevance for success, with 1 being the most relevant indicator of success. Then, please rate the degree to which each aspect of success is important using the following scale (1-5, “not at all important” to “very important”).

- Revenue/Profit
- Growth
- Flexibility
- Autonomy
- Personal Social Status
- Work-Life Balance
- Employees Like Coming to Work
- Creating a Sustainable Organization
- Doing Interesting Work
- Other

On the following scale, how would you rate the performance of your current venture? (1-5, “very unsuccessful” to “very successful”)

How would you describe the performance of your current venture? What indicators did you use to make this decision? (Text)

If you had to choose 3, 4, or 5 keys to success as an entrepreneur, what would those be? Please rank up to five of the following responses.

- Persistence
- Being well connected
- Hard work
- Ability to think outside the box
- Brining the right people on board
- Knowing your strengths and weaknesses
- Access to start-up funds
- Other

### *Demographics*

Gender                      Male \_\_\_\_      Female \_\_\_\_  
 Age (in years)            \_\_\_\_\_

Ethnicity

- White/Caucasian
- Black
- Latino/a
- Asian
- American Indian
- Other

Highest level of educational background?

- High school
- Some college
- Associates degree
- Bachelors degree
- Some graduate school
- Masters degree/MBA
- PhD

What was your age when you started your first entrepreneurial venture (in years)?

How many entrepreneurial ventures have you started?

How many of those ventures would you classify as successful?

How long has your current venture been in business?

How long has your current venture been in business?

Number of employees in your current venture?

Industry of your current venture?

Is/was anyone in your family an entrepreneur?

- Parent
- Sibling
- Grandparent
- Cousin
- Other

- Ph.D.** Industrial and Organizational Psychology (proposed March 2010, anticipated completion May 2011)  
The Pennsylvania State University  
Dissertation title: Why Some Leaders Can Build New Organizations: Leadership, Creativity, and Gender in Entrepreneurship
- M.S.** Industrial and Organizational Psychology (September 2007)  
The Pennsylvania State University  
Thesis title: Barriers and Support for Expatriates: Facilitating Success
- B.S.** Psychology (May 2004)  
Michigan State University  
Thesis title: "Interactions between reward systems and perceptions of fairness on individual and team outcomes"

### **APPLIED RESEARCH AND CONSULTING EXPERIENCE**

**Assessor:** Schreyer's Leadership Assessment Center, State College, PA (2009-1010)

**Intern:** Development Dimensions International (DDI), Pittsburgh, PA (July 2008- January 2009), supervisor: Ann Howard. TraQs Consulting, London, England (June-July 2007), supervisor: Michael Elia.

#### **Practicum Experience at Penn State University: PSU (2005-2008)**

Tasks: Development of a performance appraisal system used in validating an existing selection process, helping develop Global Leaders Survey, competency mapping project to develop a library of experiences and actions related to specific competencies and then developing BARS to enable measurement of competencies across occupations

### **SELECTED TEACHING, RESEARCH, AND PULICATIONS**

**Instructor** – Selection and Assessment (Fall 2010), Research Methods lab (2007-2008, 2011)

**Research Assistant**- VW Foundation grant to study workplace innovation (2009-2010)

Hunter, S. T., Cushenbery, L., Thoroughgood, C., Johnson, J. E., & Ligon, G. S. (In press). First and Ten Leadership: A Historiometric Investigation of the CIP Leadership Model. *The Leadership Quarterly*.

Farr, J.L., Baytalskaya, N., & Johnson, J.E. (in press). Not everyone is above average: Providing feedback in formal job performance evaluations. In R. Sutton, M. Hornsey, & K. Douglas (Eds.), *Feedback: The Handbook of Criticism, Praise, and Advice*. New York: Peter Lang.

Johnson, J. E., Caligiuri, P., & Jacobs, R. R. (Under review).Facilitating International Assignee Succes through Organizational Support: The Moderating Role of Gender and Marital Status. *Journal of World Business*.