

Entrepreneurship and Leadership Effectiveness:
A Study of the Impact of Leadership Power Bases on Success
in Heavy Truck Dealerships

By
Thomas M. Tworoger

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H. Wayne Huizenga School of Business and Entrepreneurship
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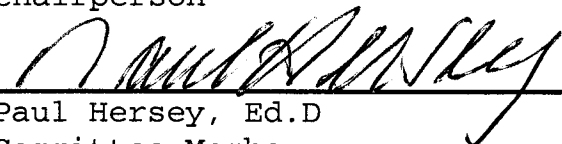


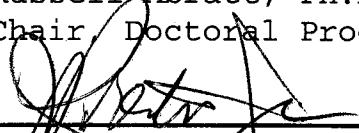
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By

Thomas M. Tworoger

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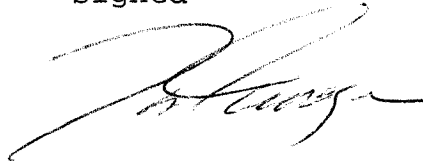
 Robert Preziosi, D.P.A. Chairperson	<u>3/24/04</u> Date
 Paul Hersey, Ed.D Committee Member	<u>3/30/04</u> Date
 Charles Blackwell, D.P.A. Committee Member	<u>3/24/04</u> Date
 Russell Abratt, Ph.D. Chair, Doctoral Programs	<u>4/7/04</u> Date
 J. Preston Jones, D.B.A. Associate Dean, H. Wayne Huizenga School of Business and Entrepreneurship	<u>13 Apr 2004</u> Date

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CERTIFICATION STATEMENT

I hereby certify that this paper constitutes my own product, that where the language of others is set forth, quotation marks so indicate, and that appropriate credit is given where I have used the language, ideas, expressions or writings of another.

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A handwritten signature in cursive script, appearing to read "R. H. King", written in black ink.

ABSTRACT

Entrepreneurship And Leadership Effectiveness: A Study of the Impact Of Leadership Power Bases On Success In Heavy Truck Dealerships

By

Thomas M. Tworoger

This research investigated the relationship between the leader's perception of his/her power base, the follower's perception of the leader's power base and the success of entrepreneurial organizations as a measure of leadership effectiveness. Leaders attempt to influence follower behavior (Weber, 1947; Lewin, 1951; Dahl, 1957). Hersey (1969) suggests that leadership equals influence. Furthermore, leadership is closely related to the concept of power (Stodgill, 1974). Yukl (1989) concluded that French and Raven's work (1959) enjoyed wide acceptance in trying to define the types of leadership. The Power Perception Profile developed by Hersey and Natemeyer (1979) includes French and Raven's (1959) five power bases, French and Kruglanski's (1970) information power and Hersey and Goldsmith's (1980) connection power. The instrument will be used to measure the leadership effectiveness of entrepreneurs.

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CHAPTER 1

INTRODUCTION

Background of the Problem

This research investigated the relationship between the leader's perception of his/her power base, the follower's perception of the leader's power base and the success of the organization as a measure of leadership effectiveness.

Leaders attempts to influence follower behavior (Weber, 1947; Lewin, 1951; Dahl, 1957). Hersey (1969) suggests that leadership equals influence. Furthermore, leadership is closely related to the concept of power (Stodgill, 1974). Yukl (1989) concluded that French and Raven's 1959 work enjoyed wide acceptance in trying to define different types of leadership.

French and Raven (1959) "define power in terms of influence" (p.150). The follower's behavior is changed or influenced by the leader's use of one of the bases of power. They introduced five distinct power bases: coercive power, expert power,

legitimate power, referent power, and reward power. Raven and Kruglanski (1970) added a sixth power base, information power and Hersey and Goldsmith (1980) introduced the seventh power base, connection power.

Extensive research has been conducted testing the power bases for leadership effectiveness. Natemeyer (1975) developed a table summarizing the findings of Student (1956), Bachman, Smith, and Slesinger (1966), Bachman, Bowers and Marcus (1968), Ivancevich and Donnely (1970) and Burke and Wilcox (1971). Most studies concluded that expert power and legitimate power were the most effective or successful sources of power.

French and Snyder (1959) examined leadership from a group influence perspective with all members having some level of influence over other members. Raven and Kruglanski (1970) studied the interrelationship between social power and social conflict. Their interest included the type of power base used by the leader and the extent to which power was utilized. Hersey and Natemeyer (1979) developed the Power Perception Profile, the measurement instrument that was incorporated in this dissertation. The survey's two versions measure the perception of the leader's power base by both the leader and

the follower. Rahim (1988) introduced a multi-item scale (Rahim Leader Power Inventory) to measure the follower's perception of the leader's power base. He suggested that single item measurements used in previous research were not as reliable as multi-item instruments.

Yukl and Falbe (1991) suggested the importance of persuasion and charisma and further discussed the possibility of a two-tier taxonomy instead of the five proposed by French and Raven (1959). Their concerns included respondent bias as well as a focus on the importance of information power.

Statement of the Problem

There is extensive literature in reference to leadership and leadership effectiveness. Leadership is an attempt to influence the behavior of a subordinate. In fact, leadership could be defined as any attempt to influence, whereas "power is a leader's influence potential" (Hersey, et al., 1996, p.230).

In this study, the power or power bases used by the leaders has been investigated to determine leadership effectiveness as measured by the success of the organization. The research is based on the leader's perception of his/her power base as well

as the follower's perception of the power base used by the leader.

This study seeks to discover which power base or power bases used by entrepreneurial leaders led to success in their organizations. Most previous studies have investigated formal organizations. This study examined leadership effectiveness in entrepreneurial organizations (informal organizations), in particular heavy truck dealerships. The dealer principals (leaders) in this research are the entrepreneurs.

Objectives of the Research

1. To determine the power base used by the leader as determined by his/her perception.
2. To determine the power base used by the leader as determined by the follower's perceptions.
3. To determine the different power base or bases used by leaders and distinguish which power base(s) is the most effective toward organizational success.
4. To determine if any particular demographic characteristic(s) of the leaders affect organizational success.
5. To measure the organization's success.

Conceptual Framework

This study identified leader power bases as independent variables with leadership effectiveness resulting in organizational success as the dependent variables.

Research utilizing French and Raven's (1959), Raven and Kruglanski's (1970), and Hersey and Goldsmith's (1988) power base descriptors have wide acceptance in the academic literature.

Using French and Raven's five-power base typology, Student's (1969) research indicated that expert and legitimate power were the most effective. Bachman, et al. (1966) studied 36 branch offices of sales organizations. Their findings revealed that expert and legitimate power were the most effective. Bachman, et al. (1968) arrived at the same conclusions with one study involving 12 liberal arts colleges and another study with 21 public utilities. Both studies reaffirmed earlier results: expert power and legitimate power were determined to be the most effective means for eliciting compliance from subordinates.

Ivancevich and Donnelly's (1970) research included 31 branches of a food products organization. The salesperson's perceptions for compliance were ranked on a one to five scale. Again,

expert and legitimate power were ranked one and two. However, expert power and referent power were ranked one and two for performance.

Burke and Wilcox (1971) had similar results in their study of six large public utilities. Expert power and legitimate power were ranked one and two on a one to five ranking methodology, but expert power and referent power were ranked one and two based on subordinate satisfaction.

The majority of the previous research was conducted with large formal organizations and was based on follower or subordinate perceptions of the power bases used by their leaders. In this study 12 heavy truck dealerships or small informal organizations were surveyed using the Power Perception Profile developed by Hersey and Natemeyer (1979). The Power Perception Profile measures the perception of the power base used by the leader from the perception of both the leader and the follower.

Research Questions and Hypotheses

General Research Question

Is there a relationship between the power base of the leaders and the success of the entrepreneurial organizations?

Research Question 1: Is there a relationship between the perceptions that leaders have of their power base and the success of a heavy truck dealership?

The following is the hypothesis derived from research question 1:

Hypothesis 1.

H0: There is no significant relationship between the perception of the leaders of their power base and the success of heavy truck dealerships.

H1: There is a significant relationship between the perception of the leaders' of their power base and the success of heavy truck dealerships.

Research Question 2: Is there a relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships?

The following is the hypothesis derived from research question 2:

HO¹: There is no significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

H1¹: There is a significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

Research Question 3: Is there a relationship between demographic data of the leaders including gender, age, education, work experience, dealer/principal experience, ethnicity, and success in a heavy truck dealership?

The following are the hypotheses derived from research question 3:

HO³: There is no significant relationship between gender and success in a heavy truck dealership.

H1³: There is a significant relationship between gender and success in a heavy truck dealership.

HO⁴: There is no significant relationship between age and success in a heavy truck dealership.

H1⁴: There is a significant relationship between age and success in a heavy truck dealership.

HO⁵: There is no significant relationship between education and success in a heavy truck dealership.

H1⁵: There is a significant relationship between education and success in a heavy truck dealership.

HO⁶: There is no significant relationship between work experience and success in a heavy truck dealership.

H1⁶: There is a significant relationship between work experience and success in a heavy truck dealership.

HO⁷: There is no significant relationship between dealer/principal experience and success in a heavy truck dealership.

H1⁷: There is a significant relationship between dealer/principal experience and success in a heavy truck dealership.

H0⁸: There is no significant relationship between ethnicity and success in a heavy truck dealership.

H1⁸: There is a significant relationship between ethnicity and success in a heavy truck dealership.

Definition of Terms

The Independent Variables

This dissertation evaluated the significance of seven independent metric variables. Five of the independent variables were derived from French and Ravens (1959) five part power base typology (coercive power, expert power, legitimate power, referent power, and reward power). The sixth independent variable (information power) was derived from Raven and Kluganski (1975) and the seventh independent variable (connection power) was derived from Hersey and Goldsmith (1980). In the following seven independent variables "O" represents the leader and "P" represents the follower:

1. Coercive power base: P perceives that O can punish P for non-compliance.
2. Expert power base: P perceives that O possesses extraordinary and applicable skills and knowledge for compliance.
3. Legitimate power base: P perceives that O has the title or right to demand compliance.
4. Referent power base: P desires to identify with O and thus feels the need or obligation for compliance.
5. Reward power base: P perceives that O can reward or promote P for compliance.
6. Information power base: P perceives that O has access to useful information or knowledge concerning the organization that could benefit P.
7. Connection power base: P perceives that O has relationships within the organization that could be beneficial or detrimental to P.

Additional independent variables include gender, age, education, work experience, dealer/principal experience, and ethnicity.

The Dependent Variables

Heavy truck dealership success was evaluated by measuring the dealerships' market share in the county that they are based as compared to the national (US) market share of the manufacturers represented by the heavy truck dealerships:

1. The perceived power base of the leader (dealer) of his/her power base and the compared market share of the heavy truck dealership.
2. The perceived power base of the leader as perceived by the followers and the compared market share of the heavy truck dealership.
3. The degree that the demographics of the leader influence the compared market share of the heavy truck dealership.

Assumptions and Limitations

Assumptions

Bias

Followers were asked to evaluate the power base of the leaders. Although the leaders were shown the overall

results, no individual follower perceptions were known by the leaders. Hopefully, fear of reprisal was minimized. Thus, it was assumed that the responses were free of bias.

Limitations

1. The surveys were administered to 12 established heavy truck dealerships. Results from the survey of related industries like automobile dealerships or unrelated entrepreneurial firms like restaurants could be different.
2. Location could have an impact on the results if the surveys were derived from different geographic areas.
3. The surveys were taken from an average of six employees and one dealer principal from each heavy truck dealerships. Surveys of all of the employees in the respective dealerships could have different results. However, the authors of the Power Perception Profile suggest a sample of one leader and six employees per organization.

Dissertation Organization

The remaining four chapters of this dissertation are as follows:

Chapter 2 - The Literature Review chapter discusses in greater detail the academic research as outlined in the Background section of this chapter, Chapter One.

Chapter 3 - The Methodology Chapter explains and more fully describes the methodology used in this research. It discusses the statistical techniques used and data collection.

Chapter 4 - The Analysis of the Data Chapter includes data analysis utilizing the statistical methodologies used in this dissertation from the data collected in the surveys.

Chapter 5 - The Summary, Discussion and Concluding Chapter consists of a review of the dissertation and a discussion of the conclusions ascertained from the research questions.

Summary

This Chapter, Chapter 1, presented an introduction, overview, background of the problem, statement of the problem, objective of the research, conceptual framework, research questions and hypothesis, definition of terms, assumptions and limitations, and organization for chapters two through five for this dissertation.

CHAPTER II

LITERATURE REVIEW

There appears to be no shortage of literature attempting to explain leadership effectiveness. Yukl, Gordon, & Taber (2002) reviewed literature in excess of a half century and state that hundreds of survey studies "have examined the correlation between leadership behavior and various indicators of leadership effectiveness" (p.15). Yukl (1989) further refers to a quote from Stogdill (1974,) who concluded after an exhaustive search of the literature that "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (p.259). Stodgill (1974) further suggested that leadership is closely related to the concept of power. He also suggests that one of the ways a leader influences a follower is through power. Yukl (1989) concluded that the work done by French and Raven (1959) enjoyed wide acceptance in trying to define the different types of leadership.

Raven (1993) refers to the impact that Kurt Lewin had on the works of French and Raven (1959). He suggests that those familiar with the literature would "not be aware of the extent to which our work was stimulated by the many insights of Kurt Lewin" (p.228). According to Raven (1993) Lewin's insights into power and power fields would be an important concept in the aforementioned influence on French and Raven (1959). In 1992, John R. P. French, Jr. would be awarded "The Kurt Lewin Memorial Award and would be described by the Journal of Social Issues (1993) as "A Lewinian's Lewinian" (p.221). Two of the more important theories of Lewin are Force Field Analysis and Change Process (Hersey, Blanchard & Johnson, 1996, p.463,481).

Kurt Lewin - Behavior and Development

Lewin (1946), a behavioral psychologist, developed the equation of human behavior: $B = f(P,E)$. B indicates individual behavior, f is for function of, P stands for person and E is the environment (p.239). Later, Hersey, et al., (1996) would substitute the "E" for an "S". The "S" stands for situation in keeping with their Situational Leadership model (p.24).

Lewin (1946) further developed a technique theorizing that in any given situation there are two opposing forces that influence change: driving forces and restraining forces. Driving forces are the initiators of change whereas restraining forces work against or resist the driving forces. Equilibrium is brought about when the sums of the respective forces are equal to one another. Hersey, et al., (1996) demonstrates the aforementioned with the example of a new software system being purchased by an organization to improve productivity. The new software system would be a driving force that would create change. However, if the users of the software resisted training on the new software out of concern for job security, then they would be initiating a restraining force to counteract the change.

Kurt Lewin (1946) described the change process in three phases: unfreezing, changing and refreezing. In the unfreezing phase the individual or group is being prepared to change their existing way of accomplishing objectives or doing things as they have always been done. This is accomplished by either increasing driving forces or decreasing restraining forces.

Hersey, et al., (1996) suggest that change occurs in most instances through the following processes: identification and internalization. In identification, the individual or group identifies with new patterns of behavior and attempts to emulate the new pattern. When new behaviors are demanded of the individual or group affected by the change, internalization takes place. It should be noted that the above processes are not mutually exclusive, but rather change can occur by the combination of the two.

A further process of change is compliance. According to Hersey, et al., (1996), in compliance, change is accomplished through rewards or punishment delivered by an agent in a position of power. However, when the aforementioned agent is not present or when the supervision is no longer enforced, change can regress to a previous behavior.

Refreezing occurs when the changed pattern of behavior becomes integrated into the personalities of the individuals or group that has been influenced by the agent of power. According to Hersey, et al. (1996), in order for the change to have permanency, reinforcement of the processes like identification must persist over time.

Although Raven's (1993) previously mentioned assertion that Kurt Lewin was a major influence on French and Raven's "Studies in Social Power" (1959), other influential scholars in the literature include Weber (1922) and Dahl (1957).

Additional Influential Scholars

Max Weber - *Wirtschaft und Gesellschaft*

Max Weber (1864-1920) writings, Wirtschaft und Gesellschaft, were not fully translated until after World War II. Although the translation of chapters one and two were initiated by A.M. Henderson prior to the War, the first two chapters were further revised and edited by T. Parsons (1947). Parsons then translated the remaining chapters and published the translation in 1947.

According to Parsons (1947), although Weber began his academic career in law, he soon turned to economics. His final appointment prior to his death was Chair of Economics at Munich. Weber's interest in the theoretical analysis in the social field was apparently derived from his study of historical jurisprudence. Historical jurisprudence evolved to the study of German historical economics and Marxism.

According to Parsons (1947), had he lived longer, he would probably have had an influence in post World War I German politics. His father had been a prominent member of the Reichstag representing the National Liberal Party.

Weber (1947) emphasizes power and imperative control (authority). The following are Weber's definitions of power and imperative control (authority):

Power (Macht) is the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests. Imperative control (Herrschaft or authority as translated) is the probability that a command with a given specific content will be obeyed by a given group of persons (p.152).

Weber (1947) further defines the concept of power by noting that

the concept of power is highly comprehensive from the point of view of sociology. All conceivable qualities of a person and all conceivable

combinations of circumstances may put him in a position to impose his will in a given situation. The sociological concept can only mean the probability that a command will be obeyed (p.153).

The above definitions not only influence the writings of French and Raven's (1959) power bases, but the key word "situation" may be one of the earliest writings suggesting a situational approach to leadership and power prior to Hersey and Blanchard's Situational Leadership model.

Matias (1997) suggests that Weber (1947) "identified three types of domination that characterize authority relationships: charismatic, traditional, and legal" (p.17). The extraordinary qualities of the leader demonstrate charismatic authority (power). The arbitrary exercise of power or immemorial custom is a result of traditional authority (power). Finally, a system of generalized rules forms legal authority (power). Matias (1997) further suggested that Weber (1947) intended that the above definitions should not be treated as labels but rather as concepts.

Robert Dahl - The Concept of Power

Robert Dahl (1957), as a member of the faculty of Yale University, wrote an essay from the perspective of a political scientist entitled the concept of power. "I propose to essay a formal definition of power . . ." (p.202). He credits French (1956) for his development of the model that assumes a unidimensional continuum of opinion which can be measured with a ratio scale" French defines this as 'the power of A over B (with respect to a given opinion) to be equal to the maximum force which A can induce on B minus the maximum resisting force which B can mobilize in the opposite direction' (p.182).

Although Dahl (1957) gives credit to the distinctions of Weber's (1947) treatment of authority and legitimate authority as well as other "readers" opinions or definitions, he suggests that for the purposes of his essay that the words power, authority, influence and control will be used "interchangeably". He even suggests that power in the English language is an "awkward" word (p. 202).

Dahl's (1957) begins with his "intuitive idea of power" where "A has power over B to the extent that he can get B to do something that B would not otherwise do" (p.203). He avoids

power with cause and further suggests that power is a "relation among people". The "objects" in the relationship are referred to as actors and actors may include "individuals, groups, roles, offices, governments, nation-states, or other human aggregates" (p.203).

Dahl (1957) suggests that in order for the behavior of others to change, the initial base of power which was inert or passive must be "exploited" in some way. This can be accomplished through threats and/or promises to "employ" the base in some manner or to use the base (authority). The next step is a "mediating activity by A between A's base and B's response" (p. 203). Finally scope is a measurement of B's response to A. (p.203).

Dahl (1957) lists three properties of the power relation:

1. Time lag - There is some amount of time from when "A" (the leader) "exerts power" over "a" (the follower) and "a" responds to "A".
2. Connection - Some type of relationship must exist between "A" and "a".
3. Intuitive view - "A" must want "a" to do something that "a" otherwise would not do. (p. 204)

In power comparability, Dahl is concerned with five factors:

1. Basis of power
2. Means of employing the basis
3. Scope of power
4. Number of comparable respondents
5. Change in probabilities

Numbers one and two are concerned with the "actors exercising power" while three through five more importantly are concerned with "responses of the respondents" (p. 206).

French and Raven - Studies in Social Power

French and Raven (1959) "define power in terms of influence" (p. 150). In their seminal study of power bases they introduced five distinct power bases: reward, coercive, legitimate, referent, and expert.

French and Raven (1959) begin with a discussion of change that a social agent, (O), can induce on another person, group, or part of a group, (P). They further explained that the measurement of O's power is based on the "maximum possible influence" (p.152). However, O may not always exert the maximum to get his/her desired effect or influence. Further, French and Raven (1959) are interested in the degrees of dependence on the presence of O in order for P to change

permanently or "observability as a basis for dependence" (p.154-155). If O is no longer present will the previous change remain or will P revert to his/her original behavior?

The influence of Kurt Lewin (1946) is evident in French and Raven's explanation of change in an opinion. "Change in an opinion, for example, may be determined jointly by a driving force induced by another person, a restraining force corresponding to anchorage in a group opinion, and an own force stemming from the person's needs" (p.151).

Power Bases

Reward Power

French and Raven (1959) define reward power as "power whose bases is the ability to reward". "Reward power depends on O's ability to administer positive valences and to remove or decrease negative valences". They further state that the "strength of the reward power also depends upon the probability that O can mediate the reward as perceived by P" (p.156). The reward power's strength increases with the "magnitude" of rewards that P perceives O can grant. The perception of P by O seems to be the key to P's power. Of

course, if P does not deliver the rewards promised to O then P's power diminishes accordingly.

The example used by French and Raven (1959) is piece-work rate in a factory. If P promises to reward O for increased production and if O increases his/her production rate, P will be perceived to have reward power if the rewards are in fact mediated. Observability can become a factor with reward power. French and Raven (1959) suggest that "the range of reward power is specific to those regions within which O can reward P for conforming" (p. 156).

Hersey, et al., (1996) state that "managers get what they reward". They are concerned that a "significant amount of reward power has been legislated, negotiated, and administered away". Furthermore that rewards eventually "run their course" with employees. Not only can companies no longer afford rewards in order to remain competitive, but that over the long run rewards simply lose their motivation (p.237).

Coercive Power

Although having opposite outcomes, coercive power is similar to reward power (French and Raven, 1959). If P fails to

conform to the influence of O, then P perceives that O has the power to punish P for the failure. "Thus negative valences will exist in given regions of P's life space, corresponding to the threatened punishment by O" (p. 157). Coercive power's strength can be measured by the magnitude of the punishment as perceived by P and P's ability to ward off the perceived punishment or negative valences through conformity. French and Raven (1959) also note that coercive power leads to dependent change. "The degree of dependence varies with the level of observability of P's conformity" (p.157).

Although it sometimes is difficult to distinguish between reward and coercive power, the obvious difference lies in the negative aspects of coercive power and the positive aspects of reward power. Yet, the similarities are based in conformity of P. French and Raven (1959) ask the question "Is the withdrawal of punishment equivalent to a reward" (p.157). They answer in the affirmative even though the dynamics are different. One difference is that reward power will increase P's attraction of O while coercive power will have the opposite effect. The decrease in attraction of P toward O could result in P's total withdrawing or leaving entirely from O's influence. Thus, O must not only threaten through punishment, but must also "introduce restraining forces, or

other strong valences" to prevent P from "withdrawing completely from O's range of coercive power" (p.158).

Hersey, et al. (1996) warn that managers often "erode their coercive powers by not following through" (p.236).

Even though the managers may be able to punish the employee (P) for whatever reason, they do not. Then the next time they threaten P, the perception is that the threat will not be initiated and thus will have little effect on P. Hersey et al. (1996) also note that if coercive power is not based on performance then it has little effect. Their example is that if people are punished "regardless of performance", then coercive power will have negligible impact (p. 236). If no matter how hard you work, O will still lay off ten percent of the workforce and cut everyone's pay by ten percent, then coercive power will have little impact.

Legitimate Power

According to French and Raven (1959) legitimate power is the most complex of the power bases and is derived from structure as defined by sociologists, group-norms and role oriented psychologists as well as notions from clinical psychologists. They discuss the feeling of "oughtness" from an ethics

perspective or from guidance by parents, teachers, or a religious orientation (p.158). Once again Lewin's influence surfaces in his further definition of legitimacy:

"Conceptually, we may think of legitimacy as a valence in a region which is induced by some internalized norm or value. This value has the same conceptual property as power, namely an ability to induce force fields. When a value induces a valence, on the other hand, it not only sets up forces on P to engage in the activity, but P may feel that all others ought to behave in the same way. Legitimate power of O/P is here defined as that power which stems from internalized values in P which dictate that O has a legitimate right to influence P and P has an obligation to accept this influence" (p.159).

According to French and Raven (1959) there are three bases of legitimate power. The first basis of power is cultural. This basis of power may include age, intelligence, caste and physical characteristics. In some cultures one sex may have legitimate power over the other.

The second basis of power is acceptance of the social structure. If P accepts the hierarchy of authority in the social structure in his organization or society, then P will accept the legitimate power of O, the occupier of that authoritative position.

The third basis of power is designation. If a legitimizing agent, previously accepted by P, appoints O to a position of power, O may be perceived by P as legitimate to prescribe behavior for P. French and Raven (1959) use an election as an example of a legitimizing agent.

In reference to range, legitimate power in the workplace is in a relatively narrow range whereas in a cultural setting the legitimate power can be broad. The author's example of a narrow range is that of an army sergeant who in this instance would be responsible for a set number of people with a relatively narrow range of authority. Since legitimate power is primarily based on P's values, then observability should not be a significant issue.

Hersey, et al. (1996) refer to legitimate power as the "perception that it is appropriate for the leader to make

decision because of title, role or position in the organization" (p.207).

Referent Power

The identification of P with O is the key to referent power. French and Raven (1959) suggest "a feeling of oneness" that P has with O or the desire to achieve the oneness (p.161). The more P is attracted to O or the more P behaves, perceives and believes as O does, the stronger the referent power.

To differentiate the other power bases from referent power, French and Raven (1959) state the following:

The basic criterion for distinguishing referent power from both coercive and reward power is the mediation of the punishment and the reward by O: to the extent that O mediates the sanctions (i.e., has means control over P) we are dealing with coercive and reward power; but to the extent that P avoids discomfort or gains satisfaction by conformity based on identification, regardless of O's responses, we are dealing with referent power. Conformity with majority opinion is sometimes based on a respect for

the collective wisdom of the group, in which case it is expert power (p.162).

It was previously stated, that the greater the attraction or identification that P has for O the stronger the referent power. Furthermore, the greater the attraction P has for O also increases or broadens the range of referent power.

However, the level of observability does not appear to be an issue relative to dependence. According to French and Raven (1959), P may not even be aware of the referent power that O exerts over P.

Hersey, et al. (1996) suggest that "It is this liking for, admiration for, and identification with the manager that influences others" (p.238). They further suggest that it is the personal traits of the manager that influences the follower.

Expert Power

The perception of O's knowledge by P is directly related to the strength of expert power (French and Raven, 1959). The perception can be based on absolute knowledge or in relation to P's actual knowledge. "Expert power results in primary

social influence on P's cognitive structure and probably not on other types of systems" (p.163). The example used by French and Raven (1959) is P's accepting the advice of an attorney in matters of legal consequence.

In situations where P is not a member of O's group, expert power is called informational power by Deutsch and Gerard (1955). French and Raven (1959) distinguish informational power from expert power: "Expert power will produce a new cognitive structure which is initially relatively dependent on O, but informational influence will produce a more independent structure. The former is likely to become more independent with the passage of time." (p.164)

Raven and W. Kruglanski (1970) introduced a sixth power base which they referred to as information power. Information power will be defined and discussed subsequently.

In reference to observability of expert power, there appears to be no effect on the degree of P's dependence of O. Since expert power is "restricted to cognitive systems" and to the specific areas of expertise of O, its range is thus more limited than referent power (p.164). However, there may be

evidence of the halo effect which would in effect extend the range of expert power.

Hersey et al. (1996) define expert power as "the perception that the leader has relevant education, experience and expertise" (p.239). As in the example set forth by French and Raven (1959), attorneys supposedly have the attributes mentioned above to "offer legal or expert advice in their area of expertise" (p.163).

The following are the six hypotheses that French and Raven (1959) derived from their five power bases:

1. For all five types, the stronger the basis of power the greater the power.
2. For any type of power the size of the range may vary greatly, but in general referent power will have the broadest range.
3. Any attempt to utilize power outside the range of power will tend to reduce the power.
4. A new state of a system produced by reward power or coercive power will be highly dependent on O, and the

more observable P's conformity the more dependent the state. For the other types of power, the new state is usually dependent, at least in the beginning, but in any case the level of observability has no effect on the degree of dependence.

5. Coercion results in decreased attraction of P toward O and high resistance; reward power results in increased attraction and low resistance.
6. The more legitimate the coercion the less it will produce resistance and decreased attraction (p. 165).

Information power

Raven and Kruglanski (1970) added a sixth power base, information power. Hersey, et al. (1996) state that information power is "the perceived access to, or possession of, useful information" (p. 238). Through information power "the leader uses information to maintain or improve the performance of others" (Center for Leadership Studies, 2000).

Information power has grown in stature in the internet and high-technology explosions of the 1990s. Hersey, et al.

(1996) use the example of a secretary who may not have expert power, but access to information valuable to the organization.

Connection Power

The seventh and final power base is connection power. It was developed by Hersey and Goldsmith (1980). Hersey, et al. (1996) define connection power as "the perceived association of the leader with influential persons or organizations" (p. 236). Connection power can be from inside or outside the organization (Center for Leadership Studies, 2000).

Hersey, et al. (1996) used the example of a lower level manager who might be married to a relative of the company's president. The lower level manager may not have the authority to make a decision, but his connection power might give the perception of influence on the decision.

According to Hersey et al. (1996), there have been many studies to determine which of the power bases described by French and Raven (1959) is the most effective. In studies by K. B. Student (1968) with 40 production groups and further studies by Bachman, Smith, & Slesinger (1966) with 36 branch offices of a sales organization, expert and legitimate power

were the most effective style of leadership. Bachman, Bowers & Marcus (1968) arrived at the same conclusions with one study involving 12 liberal arts colleges and another study with 21 public utilities.

Studies by Ivancevich and Donnelly (1970) with salespersons determined that expert power and legitimate power were ranked number one and two as the most effective as well as studies by Burke and Wilcox (1971) at large utilities which revealed the same outcomes.

Although the conclusions reached by the previously mentioned studies are empirical in nature, there has been criticism that most of the studies have "primarily used single-item ranking scales as opposed to rating or Likert-type measures" (Hinkin and Schriesheim, 1998, Hersey, et al., 1996).

Natemeyer's (1975) dissertation, "An Empirical Investigation of the Relationships Between Leader Behavior, Leader Power Bases, Subordinate Performance and Satisfaction" was a precursor to Hersey and Natemeyer's Power Perception Profile (1979). In the dissertation, Natemeyer (1975) developed a summary of findings of the previously mentioned studies. The table illustrates that Expert and Legitimate Power rank number

one or number two in importance for reasons for compliance in all of the studies. The following is the table developed by Natemeyer (1975). It is a summary of findings of power base studies and their importance ranking (1 = most important reason for compliance; 5 = least important):

TABLE 2.1: POWER BASE STUDIES BY NATEMEYER (1975)

	Expert	Referent	Legitimate	Reward	Coercive
Student (1968)	2	4	1	3	5
Bachman Smith Slesinger (1966)	2	3	1	4	5
Colleges Bachman	1	3	2	4	5
Ins. Agn. Bowers	1	4	2	3	5
Utility Marcus (1968)	2	5	1	3	4
Ivancevich Donnelly (1970)	1	4	2	3	5
Burke Wilcox (1971)	1	4	2	3	5

Additional Studies of Power

French and Snyder - Leadership and Interpersonal Power

French and Snyder (1959) suggest that that study of leadership is popular "because of its practical importance" (p.118). The following is their definition of leadership: "Leadership is the potential social influence of one part of the group over another". They see leadership "widely distributed" over a group. When a particular member has power over another member then that member has a certain "degree" of leadership.

Although all members seem to display or exercise some level of influence over the other members, the followers have less leadership due to either their personal qualities or their "subordinate role" (p.118).

According to French and Snyder (1959), role relationships and interpersonal relations are the key to the study of leadership: ". . . the influence of the followers and of the leaders is partly determined by the legitimate authority of the positions they occupy". Both sides of the relationship are important which leads to the question of what type and amount of influence will the leader try to exert. "And, what

determines the extent to which the followers will accept these influence attempts?" (p.118)

French and Snyder's (1959) research was conducted in a formal organization, The United States Air Force. The effectiveness of the type of power bases used by non-commissioned officers on their subordinates was evaluated. The following are the hypotheses and results of the research:

Hypothesis II-1: The effectiveness of an attempt by a leader (or member) to influence another member of the group increases with increasing acceptance of the leader by the recipient. Confirmed

Hypotheses II-2: The effectiveness of an influence attempt by the leader increases with increasing readiness of the follower to accept the authority conferred by the leader's role. Not confirmed.

Hypothesis II-3: The effectiveness of an influence attempt by the (or member) increases with increasing perception that he is an expert in the area of the influence attempt. Confirmed.

Hypothesis II 4: The total amount of influence effected by a leader over a member increases with increases in the amount of influence attempted. Not confirmed (pp.148-149).

The results of the research suggest that the influence of the leader is more readily accepted or successful if the leader is perceived to use referent power, legitimate power or expert power in that order.

Raven and Kruglanski - Conflict and Power

Raven and Kruglanski (1970) studied the interrelationship between social power and social conflict. They were particularly interested in the type of power base used and to the degree the power base was utilized. Raven and Kruglanski (1970) adding a sixth power: information power.

Raven and Kruglanski (1970) define social conflict "as tension between two or more entities (individuals, groups, or larger organizations) which arise from incompatibility of actual or desired responses" (p.69). Therefore, the incompatibility of the goals results in social conflict. They use the example of competition as a form of conflict.

Raven and Kruglanski's (1970) study focused on A's use of information to influence B's behavior. The further discussed the use of two or more power bases to possibly enhance or cancel influence. "If expert power reduces identification and referent power reduces perception of difference, then the two power bases used together might cancel each other" (p. 81).

Raven and Kruglanski (1970) looked at the interrelationships between social power of A, the influencing agent, and B, the subject of the influence or the reactor to the influence. B's reactions include the following four dimensions:

identification with the agent, interaction with the agent, private beliefs, and overt behavior. The scales used were "moving toward (+), moving away (-), and moving against (0)". In their conclusions reference the interrelationship between social power and social conflict, they determined that referent power was the only power rated "moving toward" in all four dimensions (p.81).

Hersey, and Netemeyer - Power Perception Profile

Hersey and Natemayer (1979) developed the Power Perception Profile, the measurement instrument that will be used in this

dissertation and will be discussed extensively in the methodology section, Chapter Three. The Power Perception Profile uses a seven power base typology. Expert, referent, legitimate, reward, and coercive power as developed by French and Raven (1959), information power as developed by Raven and Kruglanski (1970) and connection power as developed by Hersey and Goldsmith (1980).

Hersey, et al. (1996) suggest that Hersey and Natemeyer (1979) developed the instrument in order for leaders to know which power bases they already possess and which power bases need development. The results of the Power Perception Profile offer "a score of the relative strength of each of the seven bases of power" (252). According to Hersey, et al. (1996), the survey has two versions: "one measures self-perception of power and the other determines an individual's perception of another's power" (p.252).

Rahim - The Development of a Leader Power Inventory

Rahim (1988) questions the psychometric adequacies of previous measurements of the five French and Raven power bases (1959) as designed by Bachman, Smith, and Slesinger (1966) and Student (1968). He suggests that single item measurements are

"generally less reliable than multi-item instruments"
(Nunnally, 1978, Rahim 1988, p.492).

Rahim's (1988) objectives were to correct the aforementioned deficiencies. He suggests the following:

. . . by designing a multi-item instrument containing factorially independent subscales for measuring the five bases of supervisory power, to provide substantial evidence of their reliabilities and validities, and to show that the subscales were free from social desirability response bias (pp. 492-493).

Rahim (1988) used a multi-item scale, a 5-point Likert scale, to measure the follower's perceptions of the leader's or superior's power base. He used factorially independent subscales where the higher the score, the greater the power base of the leader or superior. The final instrument included seven items for measuring each power base containing a total of 35 items. The use of behavioral factors rather than attributes were significant in this approach to measurement. Rahim called the instrument the "Rahim Leader Power Inventory (RLPI)" (p.494).

Yukl and Falbe - Importance of Different Power Sources in Downward and Lateral Relations.

Yukl and Falbe (1991) were interested in the types of power individuals used to influence their peers and subordinates. In their study, one of the conclusions they reached was that French and Raven's (1959) five power bases were in fact "components of a broader category of position and personal power" (p.416) - a two-tier taxonomy instead of the five proposed by French and Raven (1959). Yukl and Falbe (1991) further suggested the importance of information power (Raven, 1965, Raven and Kruglanski, 1975) and questioned whether persuasion and charisma should not be added to the power bases? Yukl and Falbe (1991) were also concerned about respondent bias. "Respondents may be reluctant to admit that they are motivated by fear of punishment or desire for rewards . . ." (p. 416). Their solution was to design a different type of measurement, one that incorporated measures of position and personal characteristics.

As suggested in the title of the article, Yukl and Falbe (1991) were interested in downward as well as lateral or peer relations. In lateral relationships legitimate power had the greatest influence. In downward relationships legitimate

power had the greatest influence followed by expert power and persuasiveness.

Table 2 is a summary of the previously discussed theorists from the literature.

TABLE 2.2: MAJOR WORKS ON POWER BASES

<u>Author(s)</u>	<u>Theme</u>	<u>Contribution</u>
Lewin, Kurt (1946)	Conceptual	Change
Weber, Max (1947-translated)	Conceptual	Power & Authority
Dahl, Robert (1957)	Conceptual	Power, Authority, Influence and Control Interchangeable
French and Raven (1959)	Theory	Five Power Bases
French & Snyder (1959)	Empirical	Role Relationships and Interpersonal Relations
Bachman, et al. (1966)	Empirical	Expert Power - #2 Legitimate Power - #1
Student (1968)	Empirical	Expert Power -#2 Legitimate Power -#1
Bach, et al. (1968)	Empirical	3 tests - Expert & Legitimate Power - 1 or 2
French & Kruglasnski (1970)	Theory	Information Power

TABLE 2 Continued

<u>Author(s)</u>	<u>Theme</u>	<u>Contribution</u>
Ivancevich & Donnelly (1970)	Empirical	Expert Power -#1 Legitimate Power - #2
Burke & Wilcox (1971)	Empirical	Expert Power - #1 Legitimate Power - #2
Hersey & Natemeyer (1979)	Theory - Survey	Power Perception Profile
Hersey & Goldsmith (1980)	Theory	Connection Power
Rahim (1988)	Theory - Survey	Rahim Leader Power Inventory
Yukl & Falbe (1991)	Theory - Survey	Position & Personal Power

Entrepreneurship

Kuratko and Hodgetts - Entrepreneurship: Theory, Process
and Practice

Kuratko and Hodgetts (2004) define entrepreneurship as more than business creation. It includes seeking opportunities, risk taking, and "having the tenacity to push an idea through to reality" (p.3). Entrepreneurship is a process of idea

creation and "an integrated concept that permeates an individual's business in an innovative manner" (p.3). According to Kuratko and Hodgetts (2004) entrepreneurship suggests business tenacity and achievement. Free enterprise is measured by the entrepreneur's sense of opportunity, their drive to innovate, and their capacity for accomplishment. Entrepreneurs will continue to be critical contributors to economic growth through their leadership, management, innovation, research and development effectiveness, job creation, competitiveness, productivity, and formation of new industry.

Kuratko and Hodgetts (2004) suggest that small businesses (less than 500 employees) in the United States accounts for 53 per cent of the private workforce, 47 per cent of sales and 51 per cent of Gross Domestic Product (GDP). According to Reynolds, Hay & Camp (1999), small firms create in excess of two-thirds of all new inventions. Kuratko and Hodgetts (2004) approximate that 600,000 new firms with employees are initiated each year with an estimated total of six million small firms in existence in the United States.

Timmons - New Venture Creation

Timmons (1999) credits the definition of entrepreneurship to be one that has evolved through the 1980s and 1990s through research from Babson College and the Harvard Business School. "Entrepreneurship is a way of thinking, reasoning, and acting that is opportunity obsessed, holistic in approach, and leadership balanced" (p.27). Timmons further suggests the significance of opportunity creation or recognition and more important the "initiative to seize these opportunities" (p.27).

Risk repeatedly surfaces in the academic literature as a characteristic of entrepreneurs. Timmons emphasizes the significance of calculated risk with the emphasis on the word "calculated" for both personal and financial risk. The ability of entrepreneurs to shift the odds in their favor and to be able to balance risk with reward potential are additional traits. He further recognizes the ability of entrepreneurs to "devise ingenious strategies to marshal their limited resources" (p.27).

Timmons also suggests that success comes to an entrepreneur after much hard work that requires facing dilemmas and tough

decisions. Attention to cash flow and value creation and renewing are also important aspects to the process of success. Timmons includes the following additional characteristics of an entrepreneur: "Entrepreneurial leaders inject imagination, motivation, commitment, passion, tenacity, integrity, teamwork, and vision" (p.27-28).

Shaw (1999) finds that entrepreneurship is not defined "satisfactorily" in the academic literature. His definition is the following: "An entrepreneur implements ideas, concepts or processes in operating ventures and promotes them to achieve their growth potential" (p.24).

According to Shaw (1999) The Institute for Entrepreneurship, Innovation and Growth (IEIG) at the Richard Ivey School of Business, University of Western Ontario, conducted a survey among entrepreneurial firms that were Entrepreneur of the Year finalists for the business school. The two most important tasks for successful entrepreneurs were as follows:

1. Finding and keeping the people who will make the business run effectively and efficiently.

2. Keeping customers satisfied during periods of rapid growth in spite of the strains on production capacity and quality control (p.25).

Many entrepreneurial firms are also family owned businesses. The fact that family is involved in the business only adds to the complexity of leadership and the various types of power exercised by the different family members (Hunt & Handler, 1999). The family firms can vary in size from the neighborhood bakery to Ford Motor Company, a public company still controlled by the Ford Family.

Along with the addition of the family dynamics to entrepreneurship, another area worth consideration is intrapreneurship or entrepreneurship within a large corporation. Stonecipher (2000), the Vice Chairman of the Boeing Company notes that The Boeing Company has organized an in-house \$200 million venture capital firm to "encourage people to come forward with new ideas for starting businesses". Stonecipher (2000) states that "big companies are keenly aware of the need to stimulate risk-taking, entrepreneurship, and unconventional thinking within their own organizations". He quotes his former boss, Jack Welch, as saying "What we are trying relentlessly to do is to get the

small-company soul - and that small-company speed - inside our big-company" (p.20).

A consortium including Babson College, the London Business School, and the Kaufman Center for Entrepreneurship Leadership co-sponsored the Global Entrepreneurship Monitor (GEM) study (Higdon, 2000). The GEM study concluded that "as much as a third of the difference in national economic growth, and a great deal of new-job creation, is due to the differences in entrepreneurial activity" (p.15).

The GEM study listed "ten key lessons about developing corporate entrepreneurship [intrapreneurship] and innovative programs". The final lesson: "the entrepreneurial message must flow from the top" (p.16).

Market Share: A Measurement of Success

Kotler - Marketing Management

Kotler (2000) states that "a company needs to know the actual industry sales taking place in its market". He suggests that the information can be ascertained by purchasing reports "from a marketing research firm that audits total sales and brand

sales" (p. 125). In this dissertation automotive market share data from R.L. Polk and Co. was obtained to measure the dealerships' market share of the various dealerships used in the study. Dealership success or leadership effectiveness was measured by comparing the national market share of the manufacturers the dealerships represent to the dealerships' market share in the county that they are based.

Market share measurement is important since a company's sales do not reflect how well a company is doing relative to its competition (Kotler, 2000). Kotler states "management needs to track its market share" (p.697). Kotler (2000) further suggests that market share improvement can improve profitability (p.236). He references a study conducted by the Strategic Planning Institute, Profit Impact of Market Share (PIMS).

Buzzell and Gale - Profit Impact of Market Share (PIMS)

Buzzell and Gale (1987) developed a data base with financial and strategic information derived from approximately 3000 large and small business units (SBUs). They collected three kinds of information:

1. A description of the market conditions in which the business operates. These include such things as the distribution channels used by the SBU, the number of its customers, and their size, and rates of market growth and inflation.
2. The business unit's competitive position in its marketplace. Measures of competitive position include market share, relative quality, prices and costs relative to competition, and degree of vertical integration relative to competition.
3. Measures of the SBU's financial and operating performance on an annual basis, over periods ranging from 2 to 12 years (p.2).

One of the conclusions ascertained by Bradley and Gale from their PIMS study was that "market share and profitability are strongly related" (p. 8). In fact, SBU's with very large market shares exceeding 50 per cent had three times the rates of return of their competitors that had less than 10 per cent market share. Thus, market share should be considered a valid measure of success for organizations.

CHAPTER III

METHODOLOGY

A. Introduction

The following are the components of the methodology that was used in this research:

A. Introduction

B. Description of Selected Methodology

C. Design of the Research

D. Sample and Population

E. Instrumentation

F. Data collection and Other Procedures

G. Data Analysis

The relationship between the leader's power base from the perceptions of the leaders and followers and the respective organizations' success has been investigated in this dissertation. The proxy variable that was used for both leader perception and follower perception was organizational success as measured by market share. The proxy variable that was used for demographic relationships was also success as measured by

market share. The study measured leader and follower perception by using the Power Perception Profile.

B. Description of Methodology Selected

An empirical study was conducted using a validated survey for the data collection. The sample was chosen from an identified population. The survey addresses specific behavioral variables which were assessed based on the responses to the questionnaires. After statistical techniques were applied to the results of the sample, conclusions about the relationships were ascertained.

The following is a list of assumptions and limitations to the research:

Assumptions:

1. The leader's perception of his/her power base(s) may have resulted in an inherent bias of self-perception. However, since this portion of the research was self-assessment, it is an assumption that the respondents were honest in their answers.
2. The followers were informed that their answers to the survey were confidential. Since they

evaluated their leaders, it is assumed that their responses were without bias.

Limitations:

1. The surveys were administered to 12 established heavy truck dealerships. Results from the survey of related industries like automobile dealerships or unrelated entrepreneurial firms like restaurants could be different.
2. Location could have an impact on the results if the surveys were derived from different geographic areas.
3. The surveys were taken from an average of six employees and one dealer principal from each of the heavy truck dealerships. Surveys of all of the employees of the dealerships could have different results. The authors of the Power Perception Survey suggest a sample size of six employees and one leader per organization.

C. Design of the Study

This dissertation studied the relationship between leader power bases as the independent variables and organizational

success as measured by market share as the dependent variables. It measured both the perception of the leaders' power base by the leaders and the followers' perception of the leaders' power base. It further investigated the relationship between demographic characteristics of the leader as independent variables and success of the organization as measured by market share as a dependent variable.

The leaders' power bases were measured by the Power Perception Profile both from the self-perception of the leader and the followers' perceptions of the power base(s) used by the leaders. The questionnaire had 21 pairs of questions for both the leaders and followers. A total of 3 points were allocated among each pair of questions. The leaders (self) were asked to allocate points based on the perception of their leadership style. The followers (others) were asked to allocate points based on their perceptions of their leaders' style.

Demographic data was provided by the research subjects at the time of the survey. Success was measured by market share for a 12 month period as reported by R.L. Polk & Company for the county that the Dealerships are located. The Dealerships' market share was then compared to the respective manufacturers' United States market share. Support for the importance of market share and, thus, for use in measuring

success can be found in Buzzell and Gale (1987) and Kotler (2000).

Table 3.1

National Versus Local Market Share

DEALER	NATIONAL %	LOCAL %	S or U
1	6.62	11.6	S
2	32.71	11.6	U
3	13.67	34.8	S
4	6.62	16.3	S
5	15.89	9.3	U
6	13.67	7.9	U
7	32.71	36.6	S
8	15.89	11.9	U
9	6.62	22.4	S
10	10.62	49.1	S
11	11.2	8.1	U
12	32.71	5.2	U

Dealership * Status: Successful vs. Unsuccessful Cross Tabulation

		Status: Successful vs. Unsuccessful		Total
		Successful	Unsuccessful	
Dealership	Dealer 1	1	0	1
	Dealer 2	0	1	1
	Dealer 3	1	0	1
	Dealer 4	1	0	1
	Dealer 5	0	1	1
	Dealer 6	0	1	1
	Dealer 7	1	0	1
	Dealer 8	0	1	1
	Dealer 9	1	0	1
	Dealer 10	1	0	1
	Dealer 11	0	1	1
	Dealer 12	0	1	1
Total		6	6	12

D. Research Questions and Hypotheses

Research Question 1: Is there a relationship between the perceptions that leaders have of their power base and the success of a heavy truck dealership?

The following are the hypotheses derived from research question 1:

Hypothesis 1.

H0: There is no significant relationship between the perception of the leaders of their power base and the success of heavy truck dealerships.

H1: There is a significant relationship between the perception of the leaders of their power base and the success of heavy truck dealerships.

Research Question 2: Is there a relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships?

The following is the hypothesis derived from research question 2:

H0²: There is no significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

H1²: There is a significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

Research Question 3: Is there a relationship between demographic data of the leaders including gender, age, education, work experience, dealer principle experience, income, ethnicity, sibling positioning and success in a heavy truck dealership?

The following are the hypotheses derived from research question 3:

H0³: There is no significant relationship between gender and success in a heavy truck dealership.

H1³: There is a significant relationship gender and success in a heavy truck dealership.

HO⁴: There is no significant relationship between age and success in a heavy truck dealership.

H1⁴: There is a significant relationship between age and success in a heavy truck dealership.

HO⁵: There is no significant relationship between education and success in a heavy truck dealership.

H1⁵: There is a significant relationship between education and success in a heavy truck dealership.

HO⁶: There is no significant relationship between work experience and success in a heavy truck dealership.

H1⁶: There is a significant relationship between work experience and success in a heavy truck dealership.

HO⁷: There is no significant relationship between dealer/principal experience and success in a heavy truck dealership.

H1⁷: There is a significant relationship between dealer/principal experience and success in a heavy truck dealership.

HO⁸: There is no significant relationship between ethnicity and success in a heavy truck dealership.

H1⁸: There is a significant relationship between ethnicity and success in a heavy truck dealership.

The Independent Variables

This dissertation evaluated the significance of seven independent metric variables. Five of the independent variables were derived from French and Ravens (1959) five part power base typology (coercive power, expert power, legitimate power, referent power, and reward power) the sixth independent variable (information power) is derived from Raven and Kruganski (1970) and the seventh independent variable (connection power) is derived from Hersey and Goldsmith (1980). In the following seven independent variables "O" represents the leader and "P" represents the follower:

1. Coercive power base: P perceives that O can punish P for non-compliance.
2. Expert power base: P perceives that O possesses extraordinary and applicable skills and knowledge for compliance.

3. Legitimate power base: P perceives that O has the title or right to demand compliance.
4. Referent power base: P desires to identify with O and thus feels the need or obligation for compliance.
5. Reward power base: P perceives that O can reward or promote P for compliance.
6. Information power base: P perceives that O has access to useful information or knowledge concerning the organization that could benefit P.
7. Connection power base: P perceives that O has relationships within the organization that could be beneficial or detrimental to P.

Additional independent variables include gender, age, education, work experience, dealer/principal experience, income, ethnicity, and sibling positioning.

The Dependent Variables

Heavy truck dealership success was evaluated by measuring the dealerships' market share in the county that they are based as compared to the national (US) market share of the manufacturers represented by the heavy truck dealerships:

1. The perceived power base of the leader (dealer) of his/her power base and the compared (national versus local) market share of the heavy truck dealership.
2. The perceived power base of the leader as perceived by the followers and the compared (national versus local) market share of the heavy truck dealership.
3. The degree that the demographics of the leader influence the compared (national versus local) market share of the heavy truck dealership.

E. Sample and Population

Population

The population was composed of dealership personnel from 12 heavy truck dealerships located in the United States. This represents approximately one per cent of the total United States' population of heavy truck dealers.

Sample

The research sample was composed of one dealer principal (leader) and an average of six employees (followers) per dealership. Hersey and Natemeyer (1979), the authors of the Power Perception Profile, recommend one leader and six employee respondents per organization for optimal results. All of the members of the sample are currently employed at the 12 dealerships. The dealerships are located in the United States and have been in existence a minimum of three years with an average exceeding 15 years. The surveys were administered by the author of this dissertation on location at the dealerships. The response rate was 100% with 12 dealers and 72 respondents participating.

F. Instrumentation

The Power Perception Profile

The Power Perception Profile was developed by Hersey and Natemeyer in 1979. Hersey, et al. (1996) state the following: "The Power Perception Profile contains seven power bases with twenty-one forced-choice pairs of reasons often given by people when asked why they do things that a leader suggests or wants them to do" (p. 252). There are two Power Perception Profiles. Three points are allocated between the two choices in each pair of questions.

For the profile examining the perception of others, point allocations are based on the alternatives the followers judge to be more important as a reason to follow their respective leader. For the profile examining the perception of self, point allocations are based on the alternatives the leaders judge to be more important for followers to follow them. Each pair of questions have a total of three points.

Rahim's instrument the Rahim Leader Power Inventory (Rahim, 1988) only measures French and Raven's (1959) five power base

typology. Thus, the instrument was not considered appropriate for this study.

Validation of the Power Perception Survey

Delaney (1980) determined in his dissertation titled "A Validity and Reliability Study of the Power Perception Profile Instrument" that "The overall reliability coefficient of .52 and the trends suggested by five of the seven power base descriptors indicate the instrument is of value" (p.73). He utilized the Spearman Brown Formula and a test-retest procedure. His findings were as follows:

1. Overall reliability coefficient of .52 at the .001 significance level.
2. Individual reliability measures: Coercive: $\underline{r} = .53$, Connection $\underline{r} = .56$, Expert: $\underline{r} = .71$, Information: $\underline{r} = .34$, Legitimate: $\underline{r} = -.04$, Referent: $\underline{r} = -.28$, Reward: $\underline{r} = .28$.

Delaney (1980) further stated:

The Power Perception Profile appears to be a useful training tool for stimulating discussion between managers and subordinates regarding manager influence attempts. Moderate evidence of validity was generated . . . to the definitions

and descriptions used to represent the seven power bases (p.76).

Yoho (1974) used the Power Perception Profile in his dissertation titled "Follower-Centered Leadership: An Investigation of Leader Behavior, Leader Power, Follower Competency, and Follower Job Performance in Leader-Follower Relationships". Yoho (1974) conducted his survey using a hospital staff numbering 750 in a small Midwestern town. The response rate was approximately 74 percent.

Yoho (1974) noted that the Power Perception Profile was the only instrument that incorporated all seven power bases. He was interested in "which leader power bases are perceived differently by leaders and followers?" (p. 34). He suggested "that there are three leader power bases that are perceived significantly differently by leaders and followers: connection power, referent power, and reward power" (p. 69). He further concluded that "leaders and followers had a very similar view of coercive power ($r = .83$) (p. 70). In informal bases of power, expert and referent power had the highest degree of correlation ($r = .90$). In formal bases of power, legitimate power had the highest correlation with reward power ($r = .92$).

Using the Power Perception Profile, Yoho's (1974) research concluded that overall, expert power was ranked number one and legitimate power was ranked number two by followers in order of importance. In the literature the majority of the research has ranked expert power and legitimate power either number one or two in importance to followers (Natemeyer, 1975).

Based on the Delaney's (1980) validation of the Power Perception Profile, the instrument has also been utilized by Hardiman (1997) in his dissertation "Teachers Perceived Sense of Efficacy: Connections to Teacher Perceptions of Principal's Power Bases" and by Evans (1997) in his dissertation "Power Use Behaviors of Library Administrators: Relationships Among Administrators Preferred Social Power Use, Readiness to Empower and Administrators' Characteristics".

G. Data Collection Procedures

The survey data for this research study was gathered from heavy truck dealerships. The Power Perception Profile was administered at each of the dealerships by the author of this dissertation. In addition, the demographic data was collected on a separate form from the appropriate individuals (i.e. dealer principals, employees and/or family members). The

surveys were completed in one sitting and hand carried by this researcher.

The following variables were examined:

1. Power base(s) used by the leader as perceived by the leader as the independent variable with success as the dependent variable:

- o Expert power
- o Information power
- o Referent power
- o Legitimate power
- o Reward power
- o Connection power
- o Coercive power

2. Power base(s) used by the leader as perceived by the follower as the independent variable with success as the dependent variable.

- o Expert power
- o Information power
- o Referent power
- o Legitimate power
- o Reward power
- o Connection power
- o Coercive power

H. Data Analysis

Statistical Analytical Techniques

The following analysis was conducted utilizing Statistical Package for Social Scientists (SPSS) 11.5 software.

1. Descriptive Statistics was conducted to describe the sample population
2. Multiple regression analysis was conducted on the following demographic data:
 - o Gender
 - o Age
 - o Education
 - o Work experience
 - o Position
 - o Ethnicity
3. Correlational Analysis was conducted to identify the relationship between the variables.
4. Cronbach Alpha was conducted to determine the internal reliability of the instrument.
5. Factor Analysis was conducted to identify the clustering of the variables.

Summery

Chapter III presented the methodology that was employed in conducting the research. Research design, variables that were examined, statistical treatments that were used and discussion of the sample population were discussed. In Chapter IV, the results of the research will be presented.

CHAPTER IV
THE RESULTS

The Survey

The Power Perception Profile surveys discussed in chapter III were distributed to 12 heavy truck dealerships. The dealerships are located in the four most populous areas in the State of Florida: Southeast Florida (Miami and Fort Lauderdale), South and Central West Florida (Fort Myers and Tampa), Central Florida (Orlando) and Northeast Florida (Jacksonville). Over a seven-week time frame, 84 surveys were completed for a 100 per cent completion rate. The 12 dealerships represent approximately one per cent of the total population of heavy truck dealers in the United States (See Appendix E for results from The Center for Leadership Studies).

Demographic Data

The demographic data is divided into two areas: demographics of the leader and the demographics of the followers. The demographic data of the leaders (self) included gender, age, education, work experience, dealer principal experience, and ethnicity. The demographic data of the followers (others) included gender, age, education, work experience, supervisory or non-supervisory position, affiliation to dealer, and ethnicity.

1. Leader (Self) results

Gender - All of the respondents were male.

Table 4.1

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	12	100.0	100.0	100.0

In respect to age, 16.7% of the respondents were between the ages of 40 -49, 33.3% of the respondents were between the ages of 50-59 and 50% were over 60 years old. One-half of each age group were successful dealers with the other half being unsuccessful dealers. Results are presented in table 4.2.

Table 4.2

Status: Successful vs. Unsuccessful

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Successful	6	50.0	50.0	50.0
	Unsuccessful	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Status: Successful vs. Unsuccessful * Age Crosstabulation

			Age			Total
			40-49	50-59	60 & Over	
Status: Successful vs. Unsuccessful	Successful	Count	1	2	3	6
		% within Status: Successful vs. Unsuccessful	16.7%	33.3%	50.0%	100.0%
	Unsuccessful	Count	1	2	3	6
		% within Status: Successful vs. Unsuccessful	16.7%	33.3%	50.0%	100.0%
Total		Count	2	4	6	12
		% within Status: Successful vs. Unsuccessful	16.7%	33.3%	50.0%	100.0%

Table 4.3 presents information on education with 16.7% of the respondents having high school degrees, 41.7% having undergraduate degrees, 33.3% having graduate degrees and 8.3% having post graduate degrees. The results indicate that dealers with undergraduate degrees were successful. However, the dealers with graduate degrees were unsuccessful.

Table 4.3

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School Diploma	2	16.7	16.7	16.7
	Undergraduate Degree	5	41.7	41.7	58.3
	Graduate Degree	4	33.3	33.3	91.7
	Post Graduate	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Status: Successful vs. Unsuccessful * Education Crosstabulation

		Education				Total
		High School Diploma	Undergraduate Degree	Graduate Degree	Post Graduate	
Successful	Count	1	5	0	0	6
	% within Status: Successful vs. Unsuccessful	16.7%	83.3%	.0%	.0%	100.0%
Unsuccessful	Count	1	0	4	1	6
	% within Status: Successful vs. Unsuccessful	16.7%	.0%	66.7%	16.7%	100.0%
Total	Count	2	5	4	1	12
	% within Status: Successful vs. Unsuccessful	16.7%	41.7%	33.3%	8.3%	100.0%

Table 4.4 identifies all 12 entrepreneurs as having over 11 years work experience.

Table 4.4

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	11 or more years	12	100.0	100.0	100.0

The experience as a dealer/principal in the role of chief executive officer as well as having an equity position in the dealership was examined. The dealers with 3-5 years experience represented 16.7% of the sample population, 8.3% have 6-10 years experience, 66.7% or two-thirds have 11-15 years experience, and 33.3% have 21 years or more experience. The results are represented in Table 4.5.

Table 4.5

Dealer/Principal

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3-5 years	2	16.7	16.7	16.7
	6-10 years	1	8.3	8.3	25.0
	11-15 years	5	41.7	41.7	66.7
	21 or more years	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Status: Successful vs. Unsuccessful * Dealer/Principal Crosstabulation

		Dealer/Principal				Total
		3-5 years	6-10 years	11-15 years	21 or more years	
Successful	Count	1	0	3	2	6
	% within Status: Successful vs. Unsuccessful	16.7%	.0%	50.0%	33.3%	100.0%
Unsuccessful	Count	1	1	2	2	6
	% within Status: Successful vs. Unsuccessful	16.7%	16.7%	33.3%	33.3%	100.0%
Total	Count	2	1	5	4	12
	% within Status: Successful vs. Unsuccessful	16.7%	8.3%	41.7%	33.3%	100.0%

Table 4.6 presents results for ethnicity - 83.3% of the dealers are Caucasian with 8.3% African American and 8.3% Hispanic. The vast majority of the dealers are Caucasian with half being successful and the other half unsuccessful.

Table 4.6

Ethnicity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African American	1	8.3	8.3	8.3
	Caucasian	10	83.3	83.3	91.7
	Hispanic	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Status: Successful vs. Unsuccessful * Ethnicity Crosstabulation

		Ethnicity			Total
		African American	Caucasian	Hispanic	
Successful	Count	0	5	1	6
	% within Status: Successful vs. Unsuccessful	.0%	83.3%	16.7%	100.0%
Unsuccessful	Count	1	5	0	6
	% within Status: Successful vs. Unsuccessful	16.7%	83.3%	.0%	100.0%
Total	Count	1	10	1	12
	% within Status: Successful vs. Unsuccessful	8.3%	83.3%	8.3%	100.0%

2. Followers (Others) Results

Table 4.7 presents the results for gender. Males accounted for 69.4% and females accounted for 30.6% of the followers.

Table 4.7

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	50	69.4	69.4	69.4
	Female	22	30.6	30.6	100.0
	Total	72	100.0	100.0	

Dealership * Gender Crosstabulation

Count		Gender		Total
		Male	Female	
Dealership	Dealer 1	5	2	7
	Dealer 2	4	2	6
	Dealer 3	4	2	6
	Dealer 4	3	3	6
	Dealer 5	4	2	6
	Dealer 6	2	2	4
	Dealer 7	5	1	6
	Dealer 8	5	3	8
	Dealer 9	5	1	6
	Dealer 10	3	3	6
	Dealer 11	5	1	6
	Dealer 12	5	0	5
Total		50	22	72

Approximately one-third of the follower respondents were between the ages of 40 to 49. The second largest category, between the ages of 50 to 59, accounted for almost 30% of the follower respondents. This is presented in Table 4.8 below.

Table 4.8

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26- 30	1	1.4	1.4	1.4
	31-39	14	19.4	19.4	20.8
	40-49	24	33.3	33.3	54.2
	50-59	21	29.2	29.2	83.3
	60 & Over	12	16.7	16.7	100.0
Total		72	100.0	100.0	

Dealership * Age Cross Tabulation

		Age					Total
		26- 30	31-39	40-49	50-59	60 & Over	
Dealership	Dealer 1	0	1	1	0	4	6
	Dealer 2	0	1	1	4	0	6
	Dealer 3	0	0	5	1	0	6
	Dealer 4	0	1	3	1	1	6
	Dealer 5	0	1	2	1	2	6
	Dealer 6	0	2	1	0	1	4
	Dealer 7	0	0	2	3	1	6
	Dealer 8	1	1	3	3	0	8
	Dealer 9	0	2	1	2	1	6
	Dealer 10	0	0	4	1	1	6
	Dealer 11	0	2	1	3	0	6
	Dealer 12	0	3	0	2	1	6
Total		1	14	24	21	12	72

All of the followers had at a minimum, a high school education. The results in Table 4.9 indicate that 52.8% had a high school education with 32.6% having an undergraduate degree. In addition, 15.3% had graduate degrees with 1.45% post-graduate degrees.

Table 4.9

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School Diploma	38	52.8	52.8	52.8
	Undergraduate Degree	22	30.6	30.6	83.3
	Graduate Degree	11	15.3	15.3	98.6
	Post Graduate	1	1.4	1.4	100.0
	Total	72	100.0	100.0	

Dealership * Education Cross Tabulation

		Education				Total
		High School Diploma	Undergraduate Degree	Graduate Degree	Post Graduate	
Dealership	Dealer 1	2	2	2	0	6
	Dealer 2	2	3	1	0	6
	Dealer 3	4	2	0	0	6
	Dealer 4	2	3	0	1	6
	Dealer 5	1	2	3	0	6
	Dealer 6	4	0	0	0	4
	Dealer 7	3	3	0	0	6
	Dealer 8	4	2	2	0	8
	Dealer 9	4	1	1	0	6
	Dealer 10	5	1	0	0	6
	Dealer 11	5	0	1	0	6
	Dealer 12	2	3	1	0	6
Total		38	22	11	1	72

Ninety three per cent of the followers had at least 11 years work experience. See table 4.10 for the results.

Table 4.10

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3 years	2	2.8	2.8	2.8
	5-10 yrs	3	4.2	4.2	6.9
	11 or more years	67	93.1	93.1	100.0
	Total	72	100.0	100.0	

Dealership * Work Experience Cross Tabulation

		Work Experience			Total
		1-3 years	5-10 yrs	11 or more years	
Dealership	Dealer 1	0	1	5	6
	Dealer 2	0	0	6	6
	Dealer 3	0	0	6	6
	Dealer 4	0	1	5	6
	Dealer 5	1	0	5	6
	Dealer 6	0	0	4	4
	Dealer 7	0	0	6	6
	Dealer 8	0	1	7	8
	Dealer 9	0	0	6	6
	Dealer 10	0	0	6	6
	Dealer 11	1	0	5	6
	Dealer 12	0	0	6	6
Total		2	3	67	72

Table 4.11 presents almost 82% of the followers as having supervisory positions in the dealerships with approximately 18 having non-supervisory positions.

Table 4.11

		Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Supervisory	13	18.1	18.1	18.1
	Supervisory	59	81.9	81.9	100.0
	Total	72	100.0	100.0	

Dealership * Position Crosstabulation

Count		Position		Total
		Non-Supervisory	Supervisory	
Dealership	Dealer 1	4	3	7
	Dealer 2	1	5	6
	Dealer 3	3	3	6
	Dealer 4	0	6	6
	Dealer 5	1	5	6
	Dealer 6	0	4	4
	Dealer 7	0	6	6
	Dealer 8	1	7	8
	Dealer 9	0	6	6
	Dealer 10	1	5	6
	Dealer 11	1	5	6
	Dealer 12	1	4	5
Total		13	59	72

In relation to ethnicity, almost 90% of the followers were Caucasian, Hispanics accounted for 5.6%, African American and others accounted for 2.8% respectively. The results are presented in Table 4.12.

Table 4.12

		Ethnicity			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African American	2	2.8	2.8	2.8
	Caucasian	64	88.9	88.9	91.7
	Hispanic	4	5.6	5.6	97.2
	Other	2	2.8	2.8	100.0
	Total	72	100.0	100.0	

Dealership * Ethnicity Crosstabulation

Count		Ethnicity				Total
		African American	Caucasian	Hispanic	Other	
Dealership	Dealer 1	0	6	1	0	7
	Dealer 2	0	6	0	0	6
	Dealer 3	0	6	0	0	6
	Dealer 4	0	2	3	1	6
	Dealer 5	1	5	0	0	6
	Dealer 6	0	4	0	0	4
	Dealer 7	0	6	0	0	6
	Dealer 8	0	8	0	0	8
	Dealer 9	1	5	0	0	6
	Dealer 10	0	6	0	0	6
	Dealer 11	0	5	0	1	6
	Dealer 12	0	5	0	0	5
Total		2	64	4	2	72

Approximately 11% of the followers were immediate family members of the Dealer/Principal with 4.2% listed as other family members. Non-family members accounted for 84.7% of the followers as presented in table 4.13.

Table 4.13

Affiliation to Dealer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-Family Member	61	84.7	84.7	84.7
	Immediate Family Member (son or daughter)	8	11.1	11.1	95.8
	Other Family Member	3	4.2	4.2	100.0
	Total	72	100.0	100.0	

Dealership * Affiliation to Dealer Cross Tabulation

		Affiliation to Dealer			Total
		Non-Family Member	Immediate Family Member (son or daughter)	Other Family Member	
Dealership	Dealer 1	6	0	0	6
	Dealer 2	6	0	0	6
	Dealer 3	4	2	0	6
	Dealer 4	3	3	0	6
	Dealer 5	5	1	0	6
	Dealer 6	2	1	1	4
	Dealer 7	5	0	1	6
	Dealer 8	8	0	0	8
	Dealer 9	6	0	0	6
	Dealer 10	4	1	1	6
	Dealer 11	6	0	0	6
	Dealer 12	6	0	0	6
Total		61	8	3	72

Factor Analysis (Others or followers)

Factor Analysis was performed to determine the grouping of factors. Using Extraction and Varimax Rotation method, 7 factors were entered. The items relating to the same variables were expected to cluster together. However, in this case they did not. See appendix A for results of the analysis.

Factor Analysis (Self or leader)

The same factor analysis for the self or leader survey was performed. Once again, the results did not identify clustering of the questions. See appendix B for the results of the analysis.

Reliability Analysis

The Cronbach Alpha was performed to determine the reliability of the instrument for each of the variables. According to Cronbach (1951), the standard cut-offs for internal consistencies is .70. The results are the following:

Table 4.14

Power Bases	Alpha Others	Alpha Self
Expert	.6455	.7092
Information	.4982	.5888
Referent	.7905	.2376
Legitimate	.5428	-1.6568
Reward	.2053	.4994
Connection	.7645	.5294
Coercive	.7256	.6071

Prior research conducted by Delaney (1980) had similar results. In his test - retest analysis, Delaney found that

Expert power was the only power base which achieved a correlation greater than .70. In this study, the Alpha results for Self reached the same conclusion. However, in the Alpha results for Others - Referent, Connection and Coercive power bases had correlations greater than .7. Expert power approached .7 with a .6455 result.

Power Bases

Leaders (Self)

Table 4.15 presents the mean scores and standard deviations for each of the power bases. Referent power had the highest mean score of 1.6944 with a standard deviation of .29158. Coercive power had the lowest mean score of 1.2222 with a standard deviation of .37828.

Table 4.15

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Self - Expert	12	1.20	2.40	1.6500	.41887
Self - Informational	12	1.00	2.20	1.6667	.37497
Self - Referent	12	1.17	2.00	1.6944	.29158
Self - Legitimate	12	1.17	1.83	1.5139	.18060
Self - Reward	12	.67	1.83	1.3611	.36121
Self - Connection	12	.80	1.80	1.3833	.32427
Self - Coercive	12	.67	2.00	1.2222	.37828
Valid N (listwise)	12				

Followers (Others)

Table 4.16 is a presentation of the mean scores of the followers' perception of the power bases of their leaders at each dealership. Expert power had the highest mean score of 2.1622 with a standard deviation of .19730. The lowest mean score was Coercive power with a mean score of .9921 with a standard deviation of .26220.

Table 4.16

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Others - Expert	12	1.75	2.47	2.1622	.19730
Others - Informational	12	1.42	1.86	1.5926	.12866
Others - Referent	12	1.20	2.00	1.6758	.24654
Others - Legitimate	12	1.30	1.81	1.5521	.16261
Others - Reward	12	1.13	1.83	1.4593	.20799
Others - Connection	12	.72	1.50	1.0717	.24813
Others - Coercive	12	.25	1.29	.9921	.26220
Valid N (listwise)	12				

A paired sample T-test was done to determine whether there were any differences between the mean scores of the leaders' perceptions of their leadership style and the followers' perception of their leader's style. Table 4.17 demonstrates that there were differences between Expert power and Connection power. Expert power had a t value of -4.550 and a

p value of .001. Connection power had a t value of 2.558 and a p value of .027.

Table 4.17

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Self - Expert - Others - Expert	-.5122	.38997	.11258	-.7600	-.26	-4.550	11	.001
Pair 2	Self - Informational - Others - Informational	.0740	.41080	.11859	-.1870	.3350	.624	11	.545
Pair 3	Self - Referent - Others - Referent	.0186	.34764	.10035	-.2023	.2395	.185	11	.856
Pair 4	Self - Legitimate - Others - Legitimate	-.0382	.20396	.05888	-.1678	.0914	-.649	11	.530
Pair 5	Self - Reward - Others - Reward	-.0982	.30194	.08716	-.2900	.0936	-1.127	11	.284
Pair 6	Self - Connection - Others - Connection	.3117	.42211	.12185	.0435	.5799	2.558	11	.027
Pair 7	Self - Coercive - Others - Coercive	.2301	.44128	.12739	-.0502	.5105	1.807	11	.098

Correlations of Power Bases

A Pearson correlation analysis was conducted to examine the relationship between the leaders' perception of their power bases. Table 4.18 demonstrates the following relationships:

1. Expert power and Legitimate power where $r = .631$;

$p = .028$.

2. Information power and Reward power where $r = .589$

$p = .044$

3. Referent power and Connection power where $r = .742$

$p = .006.$

Table 4.18

Correlations

		Self - Expert	Self - Informa- tion	Self - Referent	Self - Legitimate	Self - Reward	Self - Connection	Self - Coercive
Self - Expert	Pearson Correlation	1	-.278	-.434	.631*	-.511	-.395	.019
	Sig. (2-tailed)	.	.382	.158	.028	.090	.204	.953
	N	12	12	12	12	12	12	12
Self - Informational	Pearson Correlation	-.278	1	-.296	-.418	.589*	-.469	-.370
	Sig. (2-tailed)	.382	.	.351	.177	.044	.124	.236
	N	12	12	12	12	12	12	12
Self - Referent	Pearson Correlation	-.434	-.296	1	-.344	-.320	.742**	-.382
	Sig. (2-tailed)	.158	.351	.	.274	.311	.006	.221
	N	12	12	12	12	12	12	12
Self - Legitimate	Pearson Correlation	.631*	-.418	-.344	1	-.432	-.410	.283
	Sig. (2-tailed)	.028	.177	.274	.	.161	.186	.372
	N	12	12	12	12	12	12	12
Self - Reward	Pearson Correlation	-.511	.589*	-.320	-.432	1	-.306	-.142
	Sig. (2-tailed)	.090	.044	.311	.161	.	.333	.660
	N	12	12	12	12	12	12	12
Self - Connection	Pearson Correlation	-.395	-.469	.742**	-.410	-.306	1	-.140
	Sig. (2-tailed)	.204	.124	.006	.186	.333	.	.664
	N	12	12	12	12	12	12	12
Self - Coercive	Pearson Correlation	.019	-.370	-.382	.283	-.142	-.140	1
	Sig. (2-tailed)	.953	.236	.221	.372	.660	.664	.
	N	12	12	12	12	12	12	12

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

A Pearson correlation analysis was conducted to examine the relationship between the followers' perception of their leader's power bases. There was an inverse relationship between Referent power and Expert power where $r = -.596$; $p = .041$. Results are presented in Table 4.19.

Table 4.19

Correlations

		Others - Expert	Others - Informa- tional	Others - Referent	Others - Legitimate	Others - Reward	Others - Conne- ction	Others - Coercive
Others - Expert	Pearson Correlation	1	.427	-.596*	.158	-.256	.198	-.482
	Sig. (2-tailed)	.	.167	.041	.623	.422	.537	.113
	N	12	12	12	12	12	12	12
Others - Information	Pearson Correlation	.427	1	-.568	.161	.008	-.201	-.209
	Sig. (2-tailed)	.167	.	.054	.617	.981	.532	.514
	N	12	12	12	12	12	12	12
Others - Referent	Pearson Correlation	-.596*	-.568	1	-.039	.052	-.375	.121
	Sig. (2-tailed)	.041	.054	.	.903	.873	.230	.708
	N	12	12	12	12	12	12	12
Others - Legitimate	Pearson Correlation	.158	.161	-.039	1	-.191	-.131	-.523
	Sig. (2-tailed)	.623	.617	.903	.	.551	.686	.081
	N	12	12	12	12	12	12	12
Others - Reward	Pearson Correlation	-.256	.008	.052	-.191	1	-.407	-.129
	Sig. (2-tailed)	.422	.981	.873	.551	.	.189	.690
	N	12	12	12	12	12	12	12
Others - Connection	Pearson Correlation	.198	-.201	-.375	-.131	-.407	1	-.233
	Sig. (2-tailed)	.537	.532	.230	.686	.189	.	.466
	N	12	12	12	12	12	12	12
Others - Coercive	Pearson Correlation	-.482	-.209	.121	-.523	-.129	-.233	1
	Sig. (2-tailed)	.113	.514	.708	.081	.690	.466	.
	N	12	12	12	12	12	12	12

*. Correlation is significant at the 0.05 level (2-tailed).

To examine hypothesis 1:

H0: There is no significant relationship between the perception of the leaders of their power base and the success of heavy truck dealerships.

H1: There is a significant relationship between the perception of the leaders of their power base and the success of heavy truck dealerships.

A regression analysis was conducted. The results presented in Table 4.20 indicate that the leaders' perception of their power bases were not predictors for dealership success. Therefore the null hypothesis is accepted.

Table 4.20

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.374	23.541		.186	.862
	Self - Expert	-.817	2.349	-.655	-.348	.746
	Self - Informational	-.131	2.228	-.094	-.059	.956
	Self - Referent	-.463	3.026	-.258	-.153	.886
	Self - Legitimate	.891	2.849	.308	.313	.770
	Self - Reward	-1.161	2.229	-.803	-.521	.630
	Self - Connection	.164	2.237	.102	.073	.945
	Self - Coercive	-.425	1.867	-.308	-.228	.831

a. Dependent Variable: Status: Successful vs. Unsuccessful

To examine hypothesis 2:

HO²: There is no significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

H1²: There is a significant relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships.

A regression analysis was conducted. The results presented in Table 4.21 demonstrate that the followers' perceptions of the leaders' power bases were not predictors for dealership success. Therefore, the null hypothesis is accepted.

Table 4.21

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	39.118	161.580		.242	.821
	Others - Expert	-2.370	15.057	-.895	-.157	.883
	Others - Informational	-5.222	16.306	-1.286	-.320	.765
	Others - Referent	-3.825	15.545	-1.806	-.246	.818
	Others - Legitimate	-3.753	15.629	-1.169	-.240	.822
	Others - Reward	-3.385	14.873	-1.348	-.228	.831
	Others - Connection	-3.099	15.288	-1.472	-.203	.849
	Others - Coercive	-3.711	15.300	-1.863	-.243	.820

a. Dependent Variable: Status: Successful vs. Unsuccessful

Hypothesis 3 examines gender:

HO³: There is no significant relationship between gender and success in a heavy truck dealership.

H1³: There is a significant relationship gender and success in a heavy truck dealership.

For this study there were only males in the sample. Therefore, there were no statistical results.

Hypothesis 4 examines:

HO⁴: There is no significant relationship between age and success in a heavy truck dealership.

H1⁴: There is a significant relationship between age and success in a heavy truck dealership.

Since the Table 4.22 shows an exact split between the identified age groups and successful versus unsuccessful dealerships, then the predicted results are implied.

Table 4.22

Status: Successful vs. Unsuccessful * Age Crosstabulation

Count		Age			Total
		40-49	50-59	60 & Over	
Status: Successful	Successful	1	2	3	6
vs. Unsuccessful	Unsuccessful	1	2	3	6
Total		2	4	6	12

Hypothesis 5 examines:

HO⁵: There is no significant relationship between education and success in a heavy truck dealership.

H1⁵: There is a significant relationship between education and success in a heavy truck dealership.

Education was a predictor for success. $\beta = .588$ $t = 2.301$, $p = .044$. The R^2 was .346 suggesting that thirty four percent of the variability of success was due to the education level of dealers. Therefore, the null hypothesis is rejected. The results are presented in Table 4.23.

Table 4.23

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.692	.374		1.853	.094
	Education	.346	.150	.588	2.301	.044

a. Dependent Variable: Status: Successful vs. Unsuccessful

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 ^a	.346	.281	.44289

a. Predictors: (Constant), Education

To examine work experience:

HO⁶: There is no significant relationship between work experience and success in a heavy truck dealership.

H1⁶: There is a significant relationship between work experience and success in a heavy truck dealership.

For this study all of the dealers in the sample were included in the category "11 or more years". Therefore, there were no statistical results.

To examine experience as a dealer/principal:

HO⁷: There is no significant relationship between dealer/principal experience and success in a heavy truck dealership.

H1⁷: There is a significant relationship between dealer/principal experience and success in a heavy truck dealership.

The results in Table 4.24 demonstrate that dealer/principal experience was not a predictor for success. Therefore, the null hypothesis is accepted.

Table 4.24

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.567	.394		3.978	.003
	Dealer/Principal	-.021	.111	-.059	-.186	.856

a. Dependent Variable: Status: Successful vs. Unsuccessful

To examine hypothesis 8:

HO⁸: There is no significant relationship between ethnicity and success in a heavy truck dealership.

H1⁸: There is a significant relationship between ethnicity and success in a heavy truck dealership.

The results in Table 4.25 demonstrate that ethnicity was not a predictor for success. Therefore, the null hypothesis is accepted.

Table 4.25

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.390	.679		3.520	.006
	Ethnicity	-.305	.227	-.391	-1.342	.209

a. Dependent Variable: Status: Successful vs. Unsuccessful

Summary

Chapter IV presented the statistical analysis for this study.

The results will be further discussed and analyzed in

Chapter V.

CHAPTER V

SUMMARY AND CONCLUSIONS

This chapter will discuss the summary of the study, discussion of the results, assumptions and limitations of the study, conclusions, and recommendations for future research.

Summary of the study

This research investigated the relationship between the leader's perception of his/her power base, the follower's perception of the leader's power base and the success of the organization as a measurement of leadership effectiveness. In this study, the power or power bases used by the leaders has been investigated to determine leadership effectiveness as measured by the success of the organization.

Heavy truck dealership success was evaluated by measuring the dealerships' market share in the county that they are based as compared to the national (US) market share of the manufacturers represented by the heavy truck dealerships as determined by R.L. Polk & Co.

The majority of the previous research was conducted with large formal organizations and was based on follower or subordinate perceptions of the power bases used by their leaders. In this study 12 heavy truck dealerships (approximately 1% of the total population) or small informal organizations were surveyed using the Power Perception Profile developed by Hersey and Natemeyer (1979). The Power Perception Profile measures the perception of the power base used by the leader from the perception of both the leader and the follower.

This dissertation evaluated the significance of seven independent metric variables. Five of the independent variables were derived from French and Ravens (1959) five-part power base typology (coercive power, expert power, legitimate power, referent power, and reward power). The sixth independent variable (information power) was derived from Raven and Kluganski (1975) and the seventh independent variable (connection power) was derived from Hersey and Goldsmith (1980). Additional independent variables include gender, age, education, work experience, dealer/principal experience, and ethnicity.

The dependent variables were derived from the dealers' market share versus the national market share of the manufacturers that they represent.

The objectives of the research were the following:

1. To determine the power base used by the leader as determined by his/her perception.
2. To determine the power base used by the leader as determined by the follower's perceptions.
3. To determine the different power base or bases used by leaders and distinguish which power base(s) is the most effective toward organizational success.
4. To determine if any particular demographic characteristic(s) of the leaders effect organizational success.
5. To measure the organization's success.

Choosing power bases used by leaders as the independent variables and leader effectiveness as dependent variables was derived from the leader power typology developed by French and Raven (1959) as well as the additional leader power typologies developed by Raven and Kruglanski (1970) and Hersey and Naatemeyer (1979). The original French and Raven five power

base typology has been accepted in the literature through many studies including Student (1956), Bachman, Smith and Slesinger (1966), Bachman, Bowers and Marcus (1968), Ivancevich and Donnely (1970), Burke and Wilcox (1971), and Rahim (1988). Further studies including the additional leader power base typologies of Raven and Kruglanski (1970) and Hersey and Natemeyer (1979) using the Power Perception Profile instrument were conducted by Yoho (1974), Delaney (1980), Hardiman (1997) and Evans (1997).

The following are the three research questions used in this study:

1. Is there a relationship between the perceptions that leaders have of their power base and the success of a heavy truck dealership?
2. Is there a relationship between the perceptions that the followers have of the leaders' power base and the success of heavy truck dealerships?
3. Is there a relationship between demographic data of the leaders including gender, age, education, work experience, dealer/principal experience, ethnicity, and success in a heavy truck dealership?

The variables were measured by two instruments: the Power Perceptions Profile (Hersey and Natemeyer, 1979) and a

demographic survey. Twelve heavy truck dealerships were surveyed with a total of 84 participant's surveys completed. All participants were currently employed by the dealerships. SPSS 11.5 (statistical software) was used to analyze the data from the surveys. The results of the analysis were presented in Chapter IV.

Success was measured by market share for a 12 - month period as reported by R.L. Polk & Company for the county that the Dealerships are located. The Dealerships' market share was then compared to the respective manufacturers' United States market share.

Discussion of the results.

1. Cronbach and Factor Analysis

"The Power Perception Profile contains seven power bases with twenty-one forced-choice pairs of reasons often given by people when asked why they do things that a leader suggests or wants them to do" (Hersey et al. p. 252). There are two Power Perception Profiles. Three points are allocated between the two choices in each pair of questions.

The questions are paired and must have a total score of three. Thus, the choice of response was forced. This could account for the low reliability of the instrument. However, if a different scale other than the three-point matched pair scale was used, the results could have produced different results.

2. Correlations

For the leaders, there were three statistically significant power base relationships. There was a positive correlation between expert power and legitimate power ($r=.631$; $p=.028$). In the literature expert power and legitimate power received the highest rankings of either number one or number two in leadership effectiveness. The results suggest that in order for the dealer (leader) to legitimize their leadership position they must possess a high degree of expertise in their field.

The second correlation was between information power and reward power ($r=.589$; $p=.044$). In this relationship the leader believes that the information he possesses can result in rewards for his followers. In the heavy truck industry the dealer due to his relationship with the manufacturer may have advanced information on lead times that could affect the inventory available to the sales department. This could affect

the profitability of the dealership as well as the individuals who have the responsibility to sell the equipment.

The third correlation was between referent power and connection power ($r=.742$; $p=.006$). In this relationship the dealer (leader) could believe that the example he sets will be copied or emulated by the followers. This could lead to the followers' perception that they could have access to influential people or organizations if they act like the dealer (leader).

For the followers there was an inverse relationship between referent power and expert power ($r=-.596$; $p=.041$). In this relationship if the follower perceives that the dealer (leader) has referent power than the follower could believe that the expert power is of little importance. The converse could also be true.

3. Hypotheses results.

Hypothesis 1 indicated that the leaders' perceptions of their power bases were not indicators of leadership effectiveness (success). In this study success or effectiveness was measured by market share. Although there could be other variables which could influence leader effectiveness or success,

availability of alternative measures are difficult to obtain from small private organizations (e.g. financial statements).

Hypothesis 2 indicated that the followers' perceptions of their leader's power bases were not indicators of leadership effectiveness (success).

Hypothesis 3 could not be computed statistically as all respondents were male and thus no statistical results could be achieved.

Hypothesis 4, as discussed in Chapter III, each age group was evenly split between successful and unsuccessful dealerships.

Hypothesis 5 indicated that education was a predictor for dealership success ($\beta=.588$; $t=2.301$; $p=.044$). Education was a predictor for the six dealers with five dealers having undergraduate degrees and one with a high school diploma. It is interesting to note that of the six unsuccessful dealers, one had a high school diploma, and the remaining five had graduate degrees. It should be noted that the graduate degrees were not necessarily related to business.

Hypothesis 6 could not be computed statistically as all the dealers in the sample were included in the category "11 or more years work experience".

Hypothesis 7 did not demonstrate that dealer/principal experience was a predictor for success.

Hypothesis 8 proved that ethnicity is not predictor for success.

Assumptions and limitations of the study

Assumptions

Bias

Followers were asked to evaluate the power base of the leaders. Although the leaders were shown the overall results, no individual follower perceptions were known by the leaders. Hopefully, fear of reprisal was minimized. Thus, it was assumed that the responses were free of bias.

Limitations

4. The surveys were administered to 12 established heavy truck dealerships. Results from the survey of related industries like automobile dealerships or unrelated entrepreneurial firms like restaurants could be different.
5. Location could have an impact on the results if the surveys were derived from different geographic areas.
6. The surveys were taken from an average of six employees and one dealer principal from each heavy truck dealerships. Surveys of all of the employees in the respective dealerships could have different results. However, the authors of the Power Perception Profile suggest a sample of one leader and six employees per organization.

Recommendations for future research.

Future research may attempt to examine other measures of success. Measurements may include job satisfaction, customer service indexes (CSI), employee turnover rates, and market orientation. Accessibility to information from small informal organizations is difficult. Variables such as financial

statements from public companies are readily available. The author of this paper chose market share for not only its availability, but also its objectivity.

Future research could look more closely at family dynamics in small informal organizations. Such things as power base perceptions from a sibling positioning perspective and power base perception differences in non-family members versus family members could be of interest. In addition, in a family or non-family setting, could differences in self-perceptions be predictors of success?

Conclusions

The measurement instrument used in this study was not reliable for entrepreneurs. However, future use of the Power Perception Profile for entrepreneurs is feasible if a different scale other than the three-point matched pair scale is incorporated. In addition, a higher reliability might be obtained by eliminating certain questions as evidenced in the reliability analysis.

In this study, success was measured by market share. However, since all of the dealerships surveyed were on-going

businesses, then perhaps the fact that they are in business could be considered a minimal measure or form of success. Using the Center for Leadership Studies' 18-point scale (See Appendix E) it should be noted that 10 of the 12 dealerships' followers (others) perceived that their leaders used expert power. Only two dealerships did not rank expert power as number one. Dealer 7 reported referent power as number one (12 points) with expert power number two (11 points). Dealer 9 reported the followers perceived that their leader used a tie between expert power and referent power (12 points each).

It could be stated that the followers' perception of the power base used by the leaders is more significant than the leaders' perception of their own power bases. Using the Center for Leadership Studies' scoring system, with expert power accounting for over 80 per cent of the followers' perception of their leaders' power base, then future research should further investigate this phenomenon. It appears that objective measurements of success for small privately owned informal organizations could continue to be a challenge.

Previous power base studies have primarily investigated large formal organizations. These studies typically conclude that effective or successful leaders use expert power or legitimate

power leadership styles or power bases. In this study, although the entrepreneurs were in very similar businesses, apparently their organizations and perceptions of their own leadership styles were very different. One simply cannot put entrepreneurs in a box and expect them all to use similar power bases for their leadership style.

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Appendices

Appendix A

Factor Analysis (Others)

Rotated Component Matrix (a)

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 13 iterations (see following page).

	Component						
	1	2	3	4	5	6	7
PPI12_G	.771	-.263	.086	-.006	-.132	-.093	-.251
PPI12_B	-.771	.263	-.086	.006	.132	.093	.251
PPI15_G	.755	-.008	.089	.249	-.039	.011	-.020
PPI15_D	-.755	.008	-.089	-.249	.039	-.011	.020
PPI9_G	.711	.082	.099	-.019	-.114	.458	-.052
PPI5_G	.705	.056	-.107	-.108	.414	.073	.042
PPI5_E	-.705	-.056	.107	.108	-.414	-.073	-.042
PPI9_A	-.701	-.070	-.099	.022	.125	-.455	.056
PPI20_G	.626	.492	-.138	-.090	-.098	.007	.114
PPI20_C	-.604	-.504	.140	.087	.110	.018	-.104
PPI8_E	-.001	.842	.032	-.081	-.085	.138	-.060
PPI8_C	.002	-.833	-.032	.104	.072	-.105	.097
PPI18_B	-.066	.732	-.209	-.155	.057	.235	.365
PPI18_C	.066	-.732	.209	.155	-.057	-.235	-.365
PPI16_F	.098	.656	-.489	.196	.155	.137	-.085
PPI16_C	-.098	-.656	.489	-.196	-.155	-.137	.085
PPI2_D	.117	.546	-.203	-.370	.394	.119	-.398
PPI2_C	-.117	-.546	.203	.370	-.394	-.119	.398
PPI14_A	-.237	.536	.002	-.010	.526	-.339	-.122
PPI4_F	-.275	.006	-.852	.192	.099	-.033	-.092
PPI4_G	.275	-.006	.852	-.192	-.099	.033	.092
PPI3_E	-.042	-.250	.823	.012	.005	-.095	-.081
PPI3_F	.042	.250	-.823	-.012	-.005	.095	.081
PPI11_D	.255	-.002	-.491	-.355	-.319	.280	.024
PPI11_A	-.233	-.005	.483	.377	.328	-.280	-.036
PPI19_E	-.013	-.145	.175	.752	-.165	.140	.174
PPI19_D	.013	.145	-.175	-.752	.165	-.140	-.174
PPI13_F	-.010	-.083	-.315	.746	.299	.042	.064
PPI13_D	-.011	.094	.327	-.740	-.294	-.043	-.039
PPI10_F	.450	.060	-.315	.634	-.091	.054	-.098
PPI10_B	-.450	-.060	.315	-.634	.091	-.054	.098
PPI21_B	.007	.063	.015	.074	.804	.254	.042
PPI21_E	-.007	-.063	-.015	-.074	-.804	-.254	-.042
PPI17_E	.087	.239	.087	.195	-.537	.358	-.460
PPI17_A	-.087	-.239	-.087	-.195	.537	-.358	.460
PPI14_C	.213	-.536	.017	-.004	-.536	.338	.135
PPI1_A	.046	-.171	.012	-.043	-.158	-.855	.082
PPI1_B	-.046	.171	-.012	.043	.158	.855	-.082
PPI6_A	-.235	-.111	.388	-.180	-.003	-.622	-.042
PPI6_F	.235	.111	-.388	.180	.003	.622	.042
PPI7_D	.085	-.041	-.017	-.155	-.037	.027	-.914
PPI7_B	-.085	.041	.017	.155	.037	-.027	.914

Appendix B - Factor Analysis (Self)

	Component						
	1	2	3	4	5	6	7
PPI_1A	-.947	-.005	.004	-.007	.125	.078	-.005
PPI1_B	.947	.005	-.004	.007	-.125	-.078	.005
PPI19_E	.849	-.080	.177	-.010	.104	-.326	.135
PPI19_D	-.809	.079	-.081	.056	-.053	.523	-.043
PPI14_C	.738	.312	-.266	.228	.399	.179	-.008
PPI14_A	-.738	-.312	.266	-.228	-.399	-.179	.008
PPI3_F	.284	.892	.073	.135	-.130	.212	-.015
PPI3_E	-.284	-.892	-.073	-.135	.130	-.212	.015
PPI13_F	-.031	.810	-.456	.128	.239	-.031	.064
PPI13_D	.031	-.810	.456	-.128	-.239	.031	-.064
PPI4_G	.189	-.704	-.153	-.236	-.478	-.234	.238
PPI4_F	-.189	.704	.153	.236	.478	.234	-.238
PPI7_B	.522	-.608	.467	.181	.199	-.158	.022
PPI7_D	-.522	.608	-.467	-.181	-.199	.158	-.022
PPI21_B	.065	-.144	.830	.156	.068	-.445	-.002
PPI21_E	-.065	.144	-.830	-.156	-.068	.445	.002
PPI20_C	.233	.132	.714	-.271	.479	-.159	-.051
PPI20_G	-.233	-.132	-.714	.271	-.479	.159	.051
PPI12_B	-.345	-.111	.666	.373	-.188	.210	-.426
PPI10_F	.105	.071	-.666	.160	-.176	-.162	-.519
PPI10_B	-.105	-.071	.666	-.160	.176	.162	.519
PPI12_G	.327	.379	-.590	-.481	.108	-.163	.305
PPI17_A	-.238	-.210	.535	-.506	-.157	.358	-.041
PPI2_C	-.150	.299	-.057	.895	-.006	.145	-.028
PPI2_D	.150	-.299	.057	-.895	.006	-.145	.028
PPI11_D	.230	-.034	.044	.822	-.247	-.032	-.141
PPI11_A	-.230	.034	-.044	-.822	.247	.032	.141
PPI17_E	.525	.190	-.372	.569	.253	-.204	.195
PPI15_D	.153	.350	-.087	-.145	.870	-.072	-.122
PPI15_G	-.153	-.350	.087	.145	-.870	.072	.122
PPI9_G	.058	.198	-.353	.189	-.850	.113	.005
PPI9_A	-.058	-.198	.353	-.189	.850	-.113	-.005
PPI5_G	-.489	.221	-.110	-.344	-.496	.471	.197
PPI5_E	.489	-.221	.110	.344	.496	-.471	-.197
PPI18_C	-.121	.138	-.095	.185	-.122	.938	.147
PPI18_B	.121	-.138	.095	-.185	.122	-.938	-.147
PPI8_C	-.259	.473	-.107	-.195	.031	.623	.421
PPI8_E	.259	-.473	.107	.195	-.031	-.623	-.421
PPI16_C	.025	.014	.007	.186	.117	-.207	-.907
PPI16_F	-.025	-.014	-.007	-.186	-.117	.207	.907
PPI6_F	.306	-.079	.022	.549	-.184	-.005	.709
PPI6_A	-.306	.079	-.022	-.549	.184	.005	-.709

Appendix C
Reliability Analysis (others)

R E L I A B I L I T Y A N A L Y S I S - S C A L E (A L P H A)

		Mean	Std Dev	Cases
1.	PPI_1A	2.2222	.4187	72.0
2.	PPI6_A	2.3333	.6713	72.0
3.	PPI9_A	2.2500	.6446	72.0
4.	PPI11_A	2.1667	.6500	72.0
5.	PPI14_A	1.8889	.6403	72.0
6.	PPI17_A	2.0972	.6088	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI_1A	10.7361	4.0280	.3893	.6078
PPI6_A	10.6250	3.3081	.4499	.5721
PPI9_A	10.7083	3.3363	.4695	.5646
PPI11_A	10.7917	3.6320	.3240	.6229
PPI14_A	11.0694	3.6712	.3163	.6253
PPI17_A	10.8611	3.6987	.3365	.6167

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .6455

R E L I A B I L I T Y A N A L Y S I S - S C A L E (A L P H A)

		Mean	Std Dev	Cases
1.	PPI1_B	.7778	.4187	72.0
2.	PPI7_B	1.5556	.7485	72.0
3.	PPI10_B	1.9583	.7009	72.0
4.	PPI12_B	2.1389	.6566	72.0
5.	PPI18_B	1.4722	.8218	72.0
6.	PPI21_B	1.6944	.6422	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI1_B	8.8194	4.1782	.1993	.4811
PPI7_B	8.0417	3.4771	.2355	.4644
PPI10_B	7.6389	3.8678	.1218	.5214
PPI12_B	7.4583	3.2377	.4341	.3565
PPI18_B	8.1250	2.8996	.4001	.3576
PPI21_B	7.9028	3.8637	.1658	.4952

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .4982

RELIABILITY ANALYSIS - SCALE (ALPHA)

	Mean	Std Dev	Cases
1. PPI2_C	1.6944	.8663	72.0
2. PPI8_C	1.7500	.7459	72.0
3. PPI14_C	1.0972	.6316	72.0
4. PPI16_C	1.8333	.8392	72.0
5. PPI18_C	1.5278	.8218	72.0
6. PPI20_C	2.1528	.6426	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI2_C	8.3611	6.8255	.5909	.7468
PPI8_C	8.3056	7.2574	.6063	.7433
PPI14_C	8.9583	8.3504	.4113	.7861
PPI16_C	8.2222	6.7950	.6288	.7361
PPI18_C	8.5278	6.9288	.6117	.7408
PPI20_C	7.9028	8.3425	.4027	.7877

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .7905

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI2_D	1.3056	.8663	72.0
2.	PPI7_D	1.4444	.7485	72.0
3.	PPI11_D	.8472	.6642	72.0
4.	PPI13_D	1.9306	.7930	72.0
5.	PPI15_D	2.0556	.6026	72.0
6.	PPI19_D	1.7222	.6548	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI2_D	8.0000	3.7183	.3963	.4357
PPI7_D	7.8611	4.3466	.2838	.4988
PPI11_D	8.4583	4.8996	.1537	.5532
PPI13_D	7.3750	4.0687	.3423	.4685
PPI15_D	7.2500	5.3169	.0405	.5895
PPI19_D	7.5833	3.9930	.5238	.3911

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .5428

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI3_E	1.9028	.8747	72.0
2.	PPI5_E	2.1528	.5731	72.0
3.	PPI8_E	1.2639	.7314	72.0
4.	PPI17_E	.9028	.6088	72.0
5.	PPI19_E	1.2778	.6548	72.0
6.	PPI21_E	1.3056	.6422	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI3_E	6.9028	2.6806	-.0067	.2822
PPI5_E	6.6528	2.6242	.2552	.0535
PPI8_E	7.5417	3.2095	-.1214	.3521
PPI17_E	7.9028	2.5115	.2820	.0208
PPI19_E	7.5278	2.8161	.0826	.1796
PPI21_E	7.5000	2.7042	.1467	.1277

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .2053

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI3_F	1.0972	.8747	72.0
2.	PPI4_F	1.3472	.9063	72.0
3.	PPI6_F	.6667	.6713	72.0
4.	PPI10_F	1.0417	.7009	72.0
5.	PPI13_F	1.0833	.8179	72.0
6.	PPI16_F	1.1667	.8392	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI3_F	5.3056	7.2574	.5790	.7098
PPI4_F	5.0556	7.0673	.5940	.7052
PPI6_F	5.7361	8.5632	.4421	.7463
PPI10_F	5.3611	8.3748	.4647	.7410
PPI13_F	5.3194	8.1641	.4103	.7551
PPI16_F	5.2361	7.4787	.5595	.7156

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .7645

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI4_G	1.6528	.9063	72.0
2.	PPI5_G	.8472	.5731	72.0
3.	PPI9_G	.7361	.6278	72.0
4.	PPI12_G	.8611	.6566	72.0
5.	PPI15_G	.9444	.6026	72.0
6.	PPI20_G	.8611	.6348	72.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI4_G	4.2500	5.1479	.2346	.7838
PPI5_G	5.0556	5.3208	.4860	.6832
PPI9_G	5.1667	4.8451	.6132	.6445
PPI12_G	5.0417	4.8011	.5915	.6486
PPI15_G	4.9583	5.0546	.5597	.6619
PPI20_G	5.0417	5.3081	.4181	.6994

Reliability Coefficients

N of Cases = 72.0

N of Items = 6

Alpha = .7256

Appendix D

Reliability Analysis (self)

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI_1A	1.8333	.5774	12.0
2.	PPI6_A	1.5000	.5222	12.0
3.	PPI9_A	1.3333	.6513	12.0
4.	PPI11_A	1.5833	.6686	12.0
5.	PPI14_A	1.8333	.7177	12.0
6.	PPI17_A	1.5000	.5222	12.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI_1A	7.7500	4.0227	.5103	.6497
PPI6_A	8.0833	4.2652	.4636	.6661
PPI9_A	8.2500	4.3864	.2666	.7254
PPI11_A	8.0000	3.8182	.4871	.6548
PPI14_A	7.7500	3.8409	.4201	.6805
PPI17_A	8.0833	4.0833	.5599	.6401

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

Alpha = .7092

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI2_C	1.8333	.8348	12.0
2.	PPI8_C	2.2500	.7538	12.0
3.	PPI14_C	1.1667	.7177	12.0
4.	PPI16_C	1.4167	.5149	12.0
5.	PPI18_C	1.7500	.4523	12.0
6.	PPI20_C	1.7500	.4523	12.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI2_C	8.3333	1.8788	.2119	.0806
PPI8_C	7.9167	2.2652	.1002	.2090
PPI14_C	9.0000	2.0000	.2687	.0379
PPI16_C	8.7500	3.1136	-.1751	.3710
PPI18_C	8.4167	2.2652	.4341	.0084
PPI20_C	8.4167	3.1742	-.1974	.3640

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

Alpha = .2376

RELIABILITY ANALYSIS - SCALE (ALPHA)

	Mean	Std Dev	Cases
1. PPI2_D	1.1667	.8348	12.0
2. PPI7_D	1.0833	.7930	12.0
3. PPI11_D	1.4167	.6686	12.0
4. PPI13_D	1.8333	.7177	12.0
5. PPI15_D	1.9167	.2887	12.0
6. PPI19_D	1.6667	.6513	12.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI2_D	7.9167	1.1742	-.3852	-.9839
PPI7_D	8.0000	1.0909	-.3293	-1.2326
PPI11_D	7.6667	1.8788	-.6283	-.3125
PPI13_D	7.2500	1.2955	-.3895	-.9503
PPI15_D	7.1667	1.4242	-.4838	-1.1303
PPI19_D	7.4167	.6288	.1173	-3.4639

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

Alpha = -1.6568

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI3_E	1.5833	.7930	12.0
2.	PPI5_E	1.7500	.6216	12.0
3.	PPI8_E	.7500	.7538	12.0
4.	PPI17_E	1.5833	.5149	12.0
5.	PPI19_E	1.4167	.7930	12.0
6.	PPI21_E	1.0833	.5149	12.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI3_E	6.5833	3.9015	.0532	.5728
PPI5_E	6.4167	2.9924	.6130	.2658
PPI8_E	7.4167	2.6288	.6137	.2161
PPI17_E	6.5833	3.7197	.3585	.4175
PPI19_E	6.7500	2.9318	.4185	.3488
PPI21_E	7.0833	5.3561	-.3878	.6719

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

Alpha = .4994

RELIABILITY ANALYSIS - SCALE (ALPHA)

		Mean	Std Dev	Cases
1.	PPI3_F	1.4167	.7930	12.0
2.	PPI4_F	1.7500	.9653	12.0
3.	PPI6_F	1.5000	.5222	12.0
4.	PPI10_F	.9167	.5149	12.0
5.	PPI13_F	1.1667	.7177	12.0
6.	PPI16_F	1.5833	.5149	12.0

Item-total Statistics

Scale	Scale	Corrected
-------	-------	-----------

	Mean if Item Deleted	Variance if Item Deleted	Item- Total Correlation	Alpha if Item Deleted
PPI3_F	6.9167	2.6288	.7366	.1801
PPI4_F	6.5833	2.9924	.3675	.4367
PPI6_F	6.8333	4.8788	.0000	.5823
PPI10_F	7.4167	4.9924	-.0461	.5956
PPI13_F	7.1667	2.8788	.7216	.2237
PPI16_F	6.7500	5.1136	-.0976	.6111

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

Alpha = .5294

RELIABILITY ANALYSIS - SCALE (ALPHA)

	Mean	Std Dev	Cases
1. PPI4_G	1.2500	.9653	12.0
2. PPI5_G	1.2500	.6216	12.0
3. PPI9_G	1.6667	.6513	12.0
4. PPI12_G	.8333	.7177	12.0
5. PPI15_G	1.0833	.2887	12.0
6. PPI20_G	1.2500	.4523	12.0

Item-total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Alpha if Item Deleted
PPI4_G	6.0833	3.1742	.3039	.6146
PPI5_G	6.0833	3.9015	.3517	.5583
PPI9_G	5.6667	3.3333	.5861	.4545
PPI12_G	6.5000	4.4545	.0600	.6803
PPI15_G	6.2500	4.3864	.5639	.5484
PPI20_G	6.0833	3.9015	.5851	.5000

Reliability Coefficients

N of Cases = 12.0

N of Items = 6

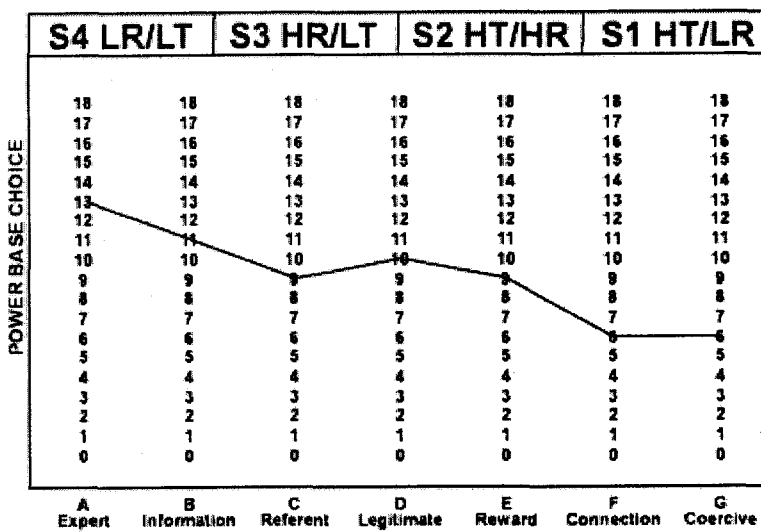
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Appendix E

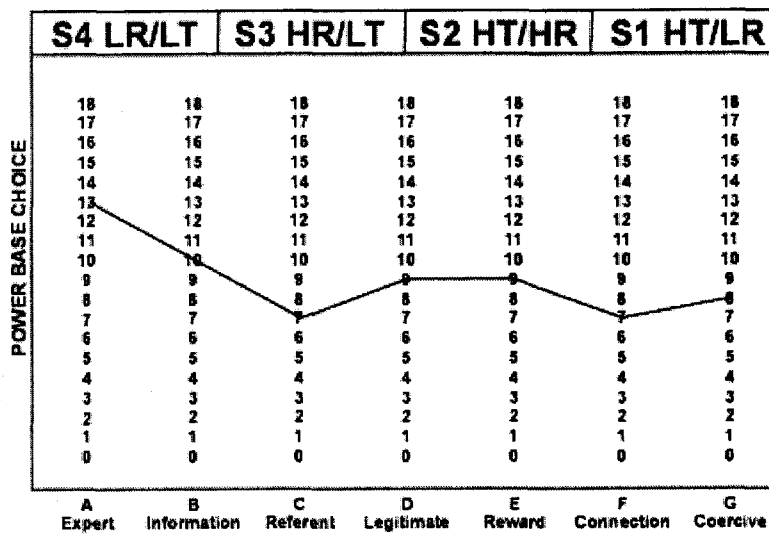
Results from The Center for Leadership Studies

Dealer 1

Others

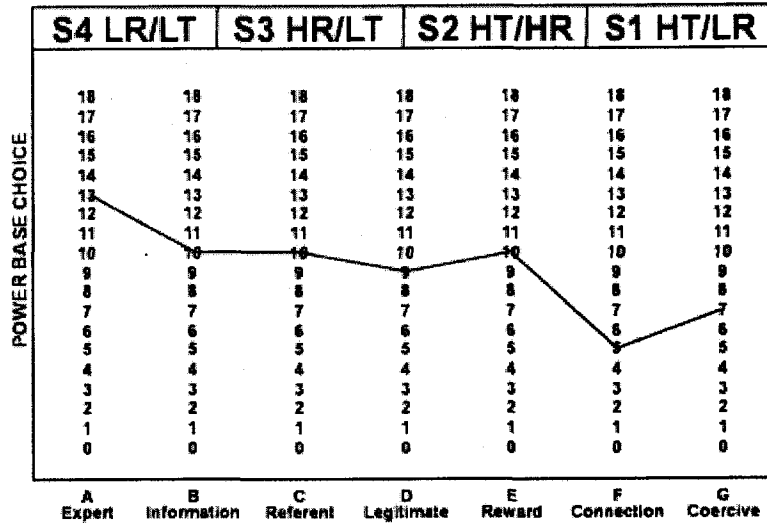


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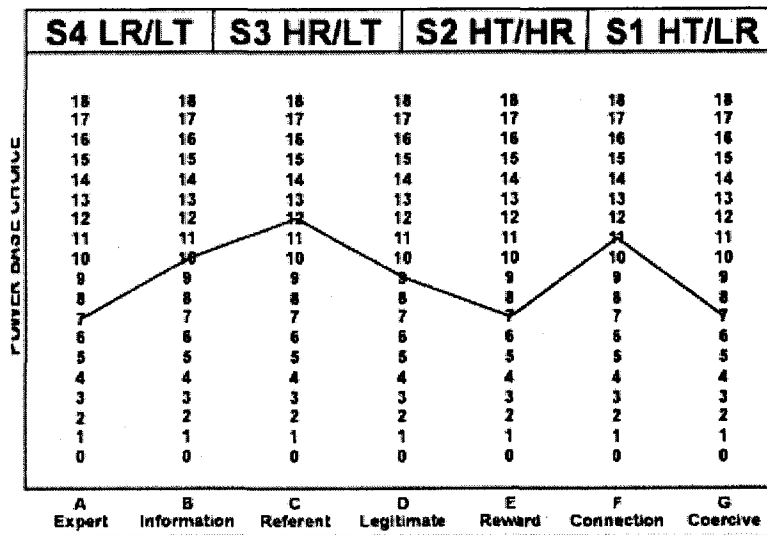


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Others

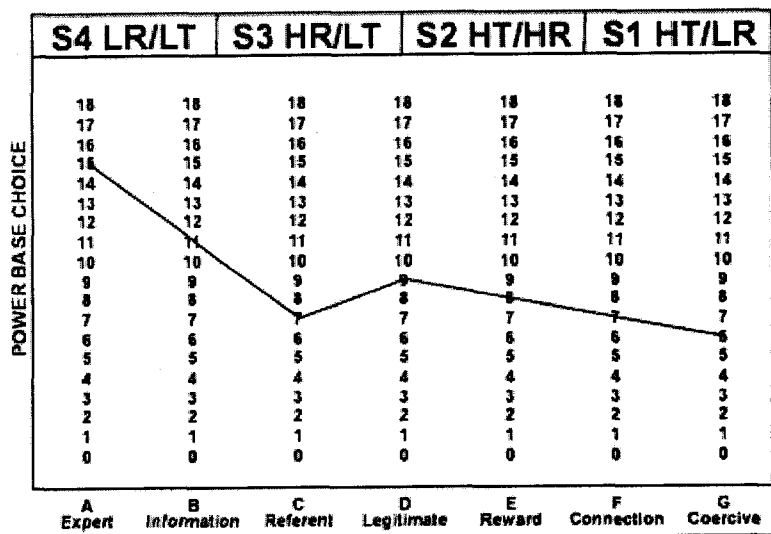


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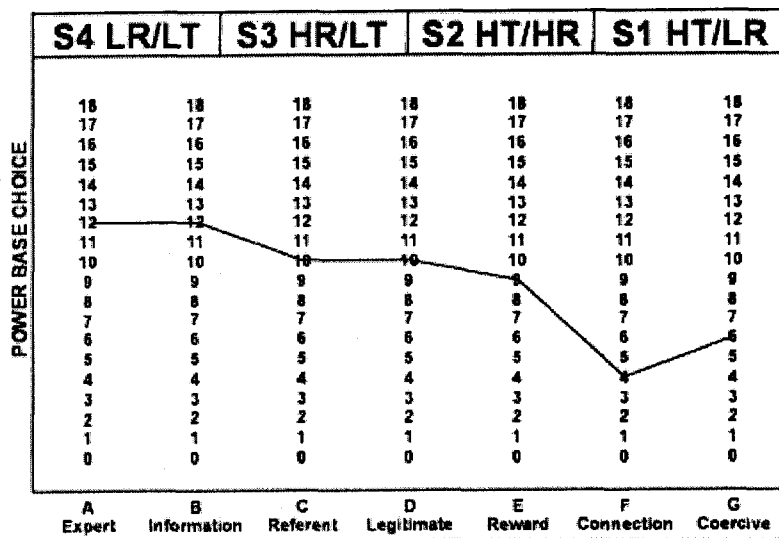


Dealer 3

Others

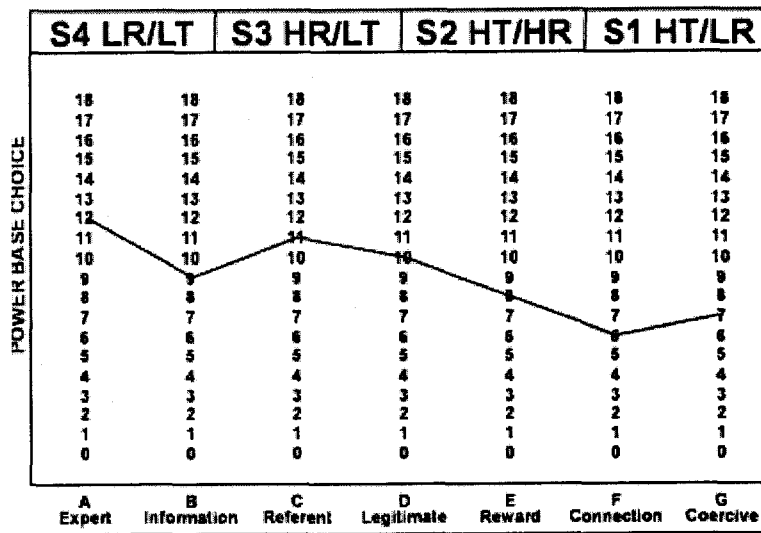


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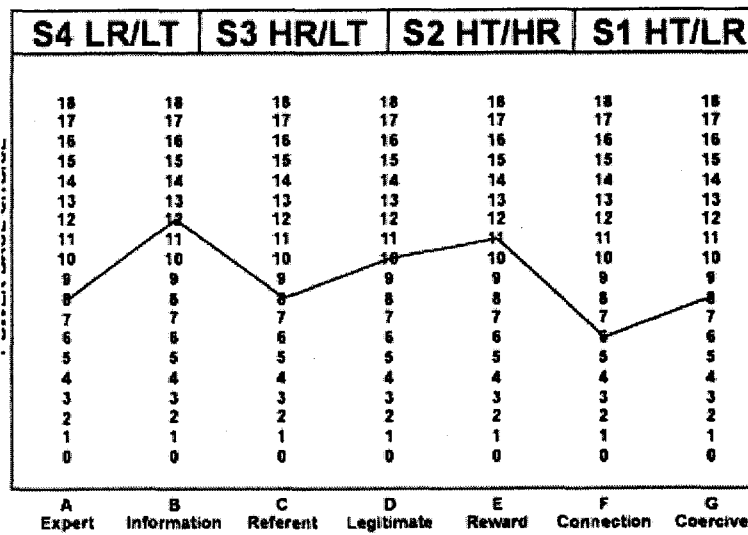


Dealer 4

Others

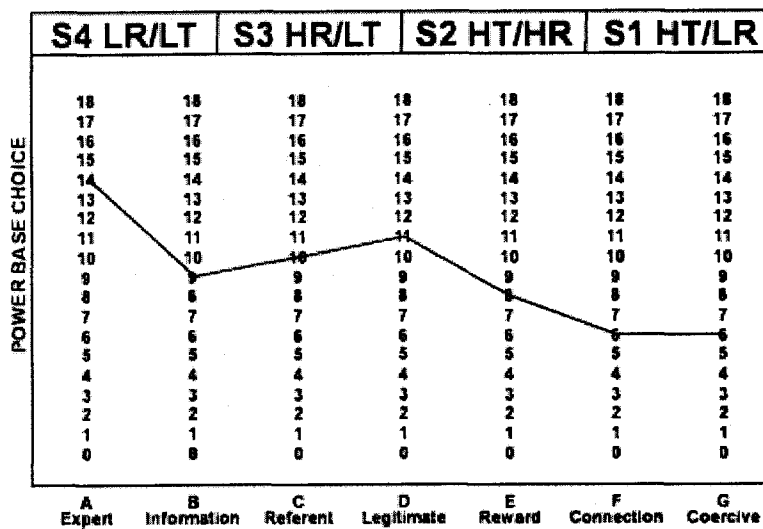


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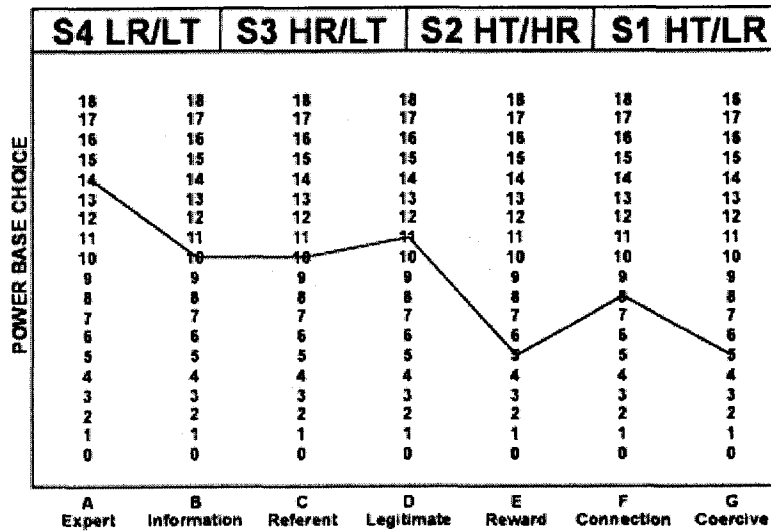


Dealer 5

Others

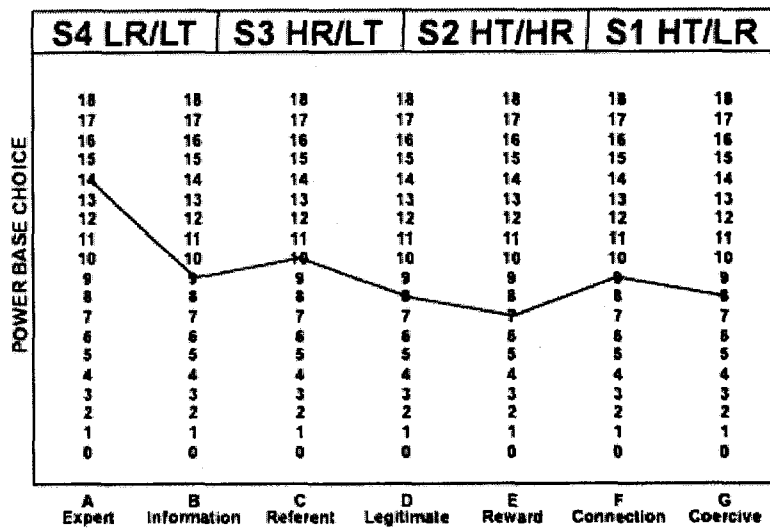


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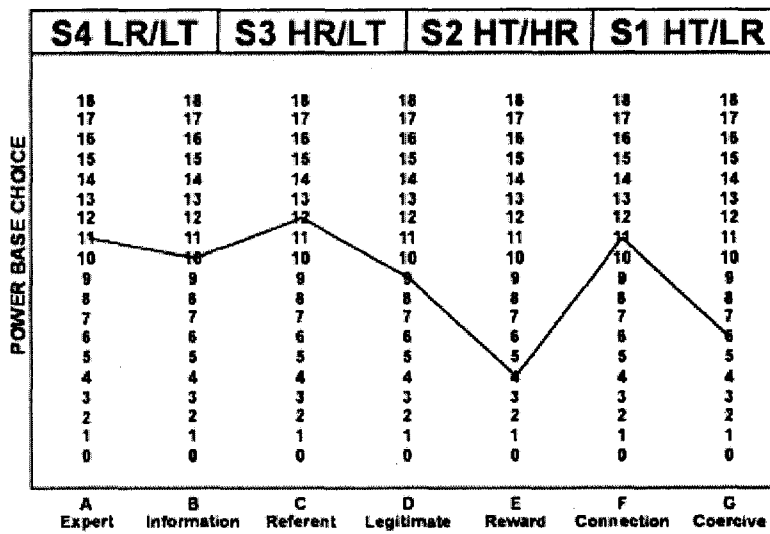


Dealer 6

Others

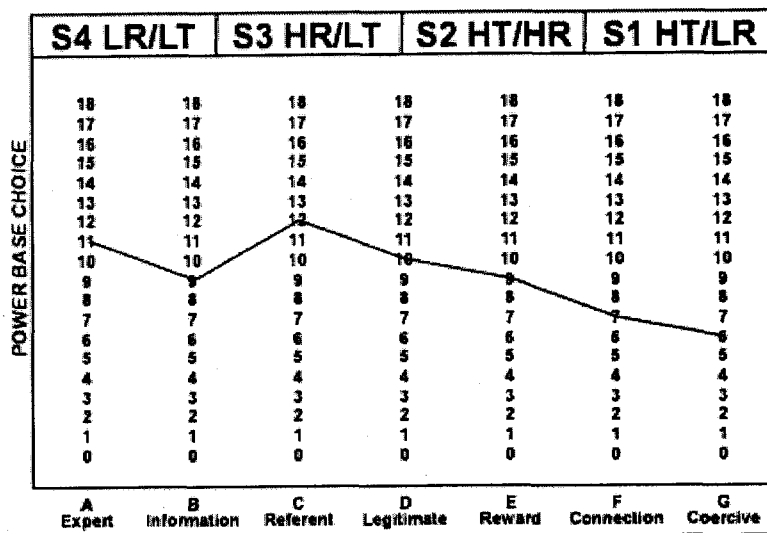


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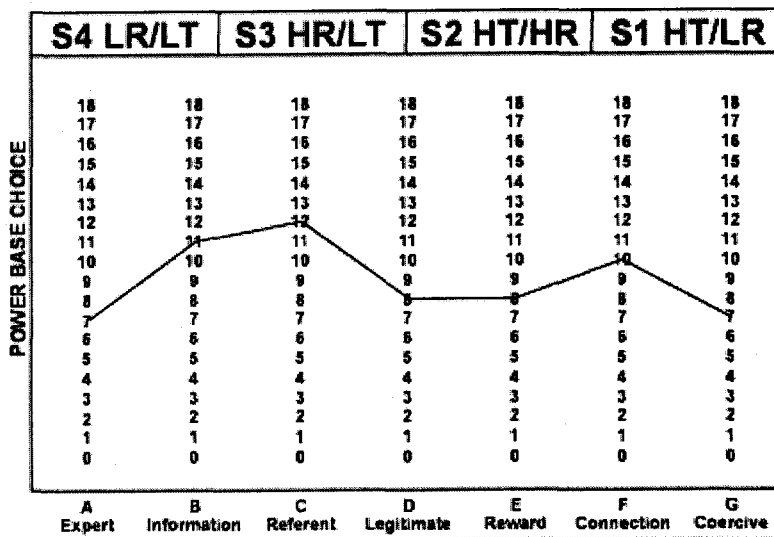


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Others

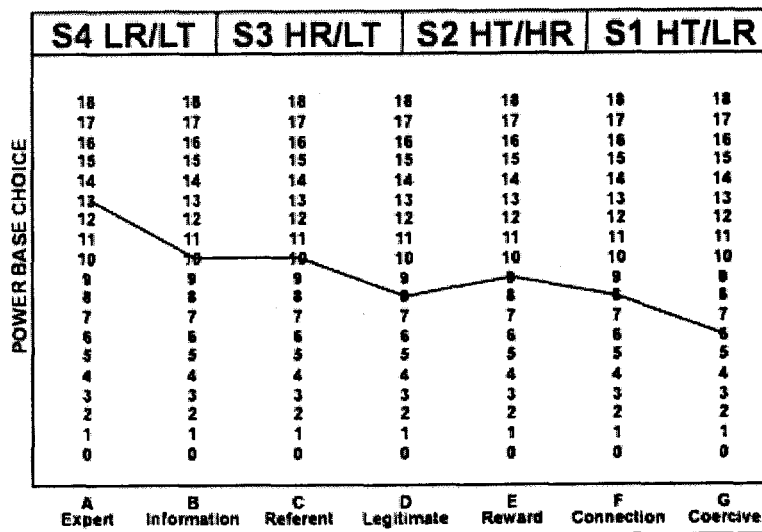


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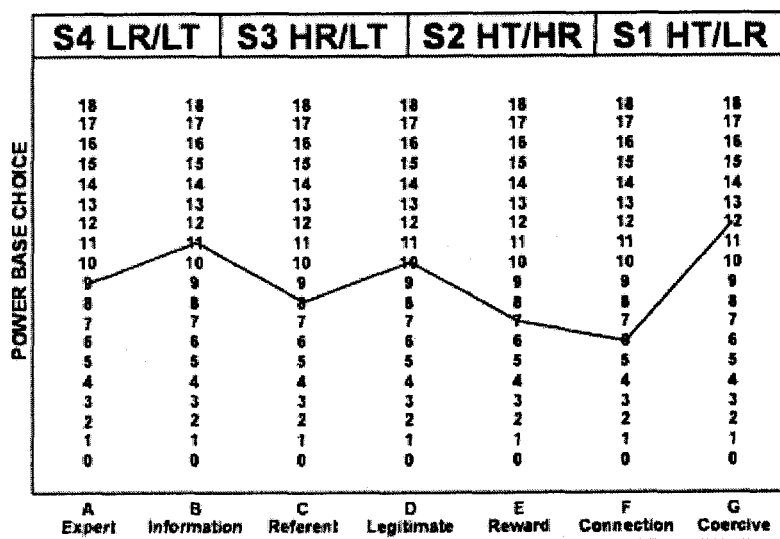


Dealer 8

Others

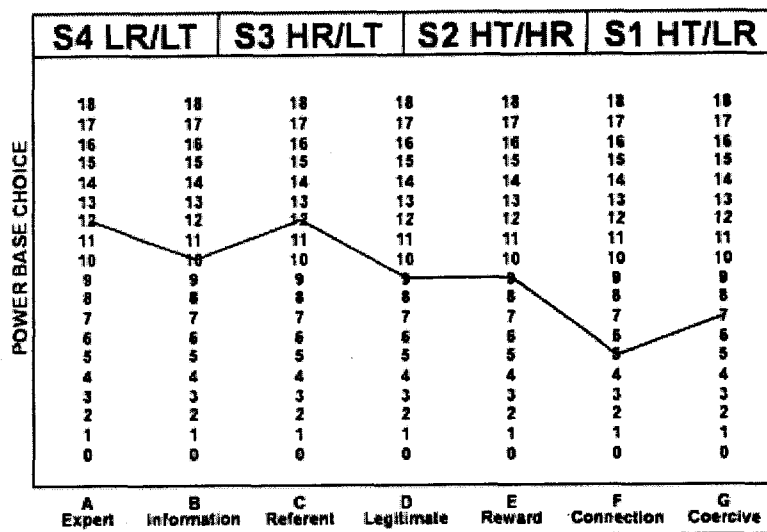


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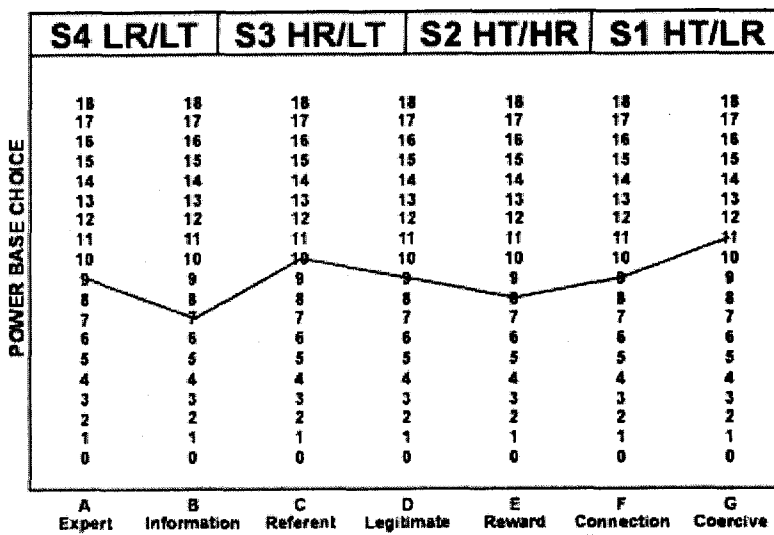


Dealer 9

Others

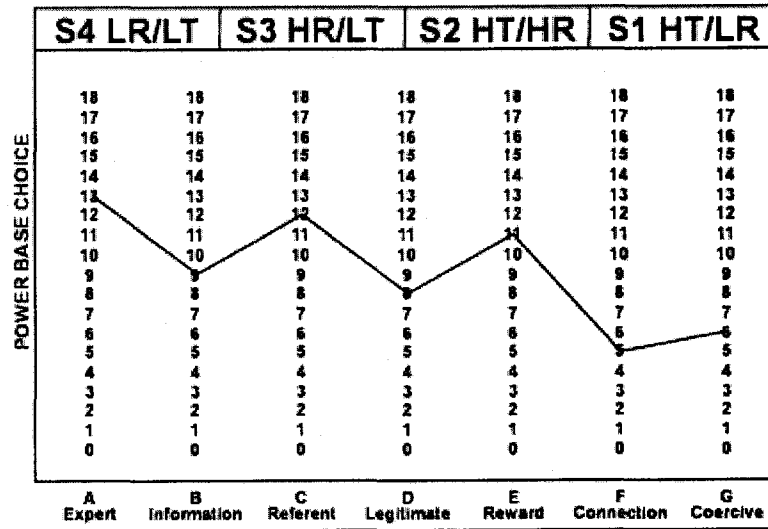


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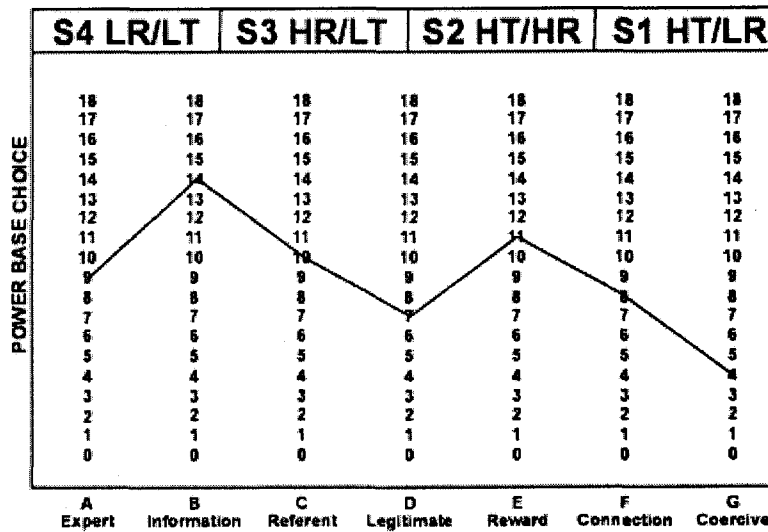


Dealer 10

Others

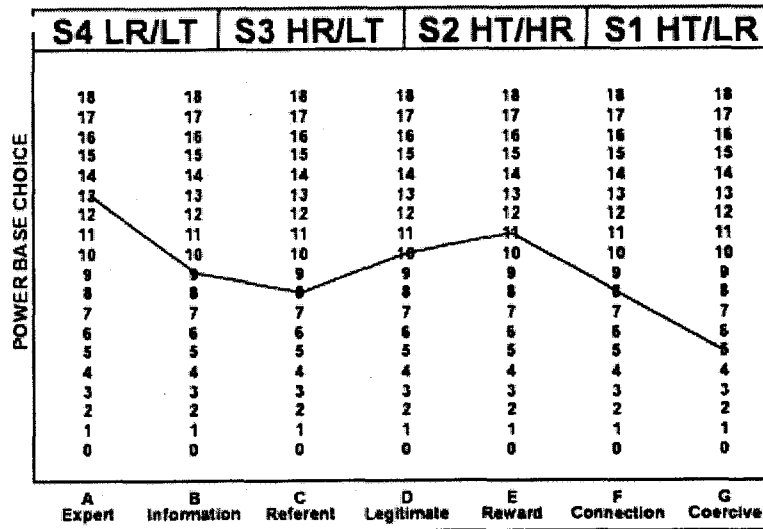


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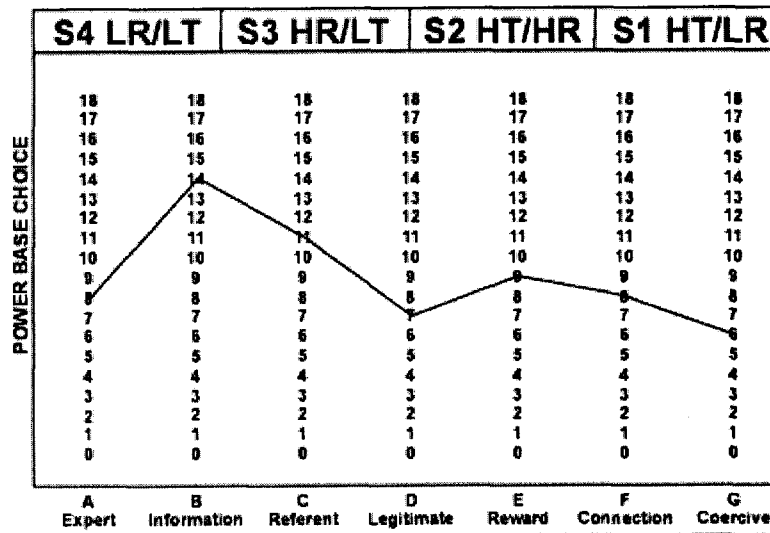


Dealer 11

Others

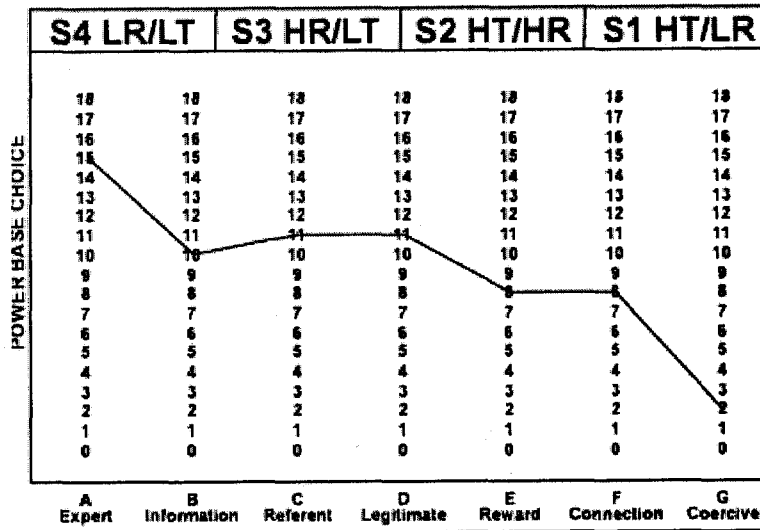


Self

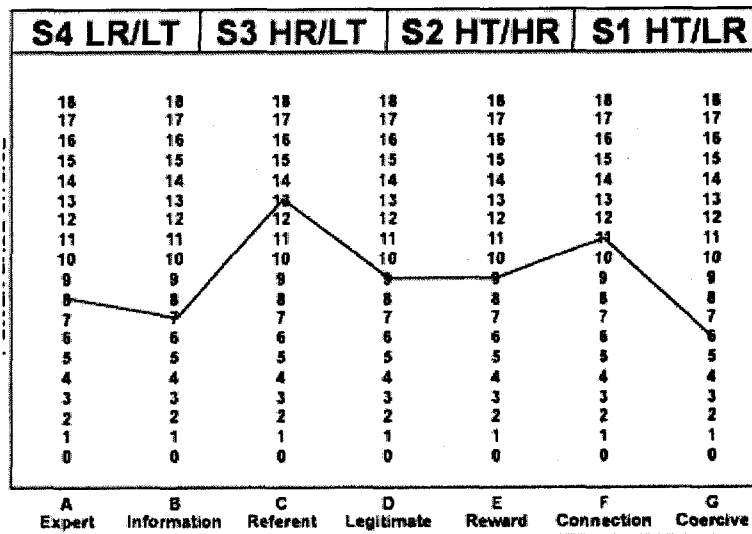


Dealer 12

Others



SELF



Appendix F

Surveys

Power Perception Profile**Perception of Others**

by Dr. Paul Hersey and Dr. Walter E. Natemeyer

Developed by Center for Leadership Studies, Inc.

Name of Leader _____

Purpose

This instrument is designed to collect important information about the above named person. There are no right or wrong responses. We are collecting your perception of how you experience this person in their attempts to influence.

Instructions for completing the profile

- Listed below are 21 pairs of reasons people give for following leaders' directions and decisions.
- Allocate 3 points between the two choices in each pair. Base your point allocations on which alternative you judge to be more important as a reason that you respond to this leader.
- Allocate the points between the first item and the second item as shown in the examples below, making sure that the numbers assigned to each pair add up to 3:

3 A	OR	2 A	OR	1 A	OR	0 A
0 B		1 B		2 B		3 B

I respond to this leader's influence attempts because:

1.	A	I respect this person's understanding, knowledge and judgment.
	B	I view this leader as a valuable source of information.
2.	C	This person is desirable to work with.
	D	Their position in the organization has the authority to direct my work activities.
3.	E	This person can provide rewards to those who cooperate.
	F	I realize this person has support from influential individuals in the organization.
4.	G	This person can administer negative consequences to those who do not cooperate.
	F	This person's goals are aligned with those of their boss.
5.	E	This person can make resources available that are desirable.
	G	This person will hold non-performers accountable.
6.	F	I realize this person has strong associations with other key members in the organization.
	A	This person's experience is valued and respected.
7.	B	If this person doesn't have the information they know how to find it.
	D	This person's role is well established and recognized.

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8.	C	This person's conduct has earned my respect.
	E	This person can provide certain opportunities that I find rewarding.
9.	G	This person can and will impose sanctions when necessary.
	A	This person has established a high level of expertise in their job.
10.	F	I realize this person has support from influential individuals in the organization.
	B	This person willingly shares information.
11.	A	I respect this person's understanding, knowledge and judgment.
	D	I realize this person's requests are reasonable and expected from someone in their position.
12.	B	I view this person as a valuable source of information.
	G	This person can administer negative consequences to those who do not cooperate.
13.	D	Their position in the organization has the authority to direct my work activities.
	F	This person's goals are aligned with those of their boss.
14.	C	This person makes sure that others view them as fair and likable.
	A	This person's experience is valued and respected.
15.	G	This person will hold non-performers accountable.
	D	This person's role is well established and recognized.
16.	F	I realize this person has strong associations with other key members in the organization.
	C	This person is desirable to work with.
17.	A	This person has established a high level of expertise in their job.
	E	This person can provide rewards to those who cooperate.
18.	B	If this person doesn't have the information they know how to find it.
	C	This person's conduct has earned my respect.
19.	D	I realize this person's requests are reasonable and expected from someone in their position.
	E	This person can make resources available that are desirable.
20.	C	This person makes sure that others view them as fair and likable.
	G	This person can and will impose sanctions when necessary.
21.	B	This person willingly shares information.
	E	This person can provide certain opportunities that I find rewarding.

POWER PERCEPTION PROFILE

Perception of Self

by Dr. Paul Hersey and Dr. Walter E. Natemeyer
Developed by Center for Leadership Studies, Inc.

Your Name _____

PURPOSE

This instrument is designed to provide information about your use of various types of power as the basis of your attempts to influence others.

The *Power Perception Profile of Self* includes five parts: completing the instrument, power choice scoring, your power choice profile, power comparison scoring, and power comparison profile.

Instructions for completing the instrument

- Listed below are 21 pairs of reasons people give for following leaders' directions and decisions.
- Allocate 3 points between the two choices in each pair. Base your point allocations on which alternative you judge to be more important as a reason that others follow you.
- Allocate the points between the first item and the second item as shown in the examples below, making sure that the numbers assigned to each pair add up to 3:

3 A	OR	2 A	OR	1 A	OR	0 A
0 B		1 B		2 B		3 B

Others respond to my leadership attempts because:

1.	A	They respect my understanding, knowledge and judgment.
	B	I am viewed as a valuable source of information to others.
2.	C	I have made working with me desirable to others.
	D	My position in the organization provides me with the authority to direct other's work activities.
3.	E	I can provide rewards to those who cooperate with me.
	F	They realize other influential individuals in the organization support me.
4.	G	I can administer negative consequences to those who do not cooperate.
	F	It is clear that my goals are aligned with those of my boss.
5.	E	They know I can make resources available that are desirable.
	G	I will hold non-performers accountable.
6.	F	I have strong associations with other key members in the organization.
	A	My experience is valued and respected.
7.	B	If I don't have the information I know how to find it.
	D	My role is well established and recognized.

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8.	C	My conduct has earned the respect of others.
	E	I can provide certain opportunities that others will find rewarding.
9.	G	They know I can and will impose sanctions when necessary.
	A	I have established a high level of expertise in my job.
10.	F	They realize other influential individuals in the organization support me.
	B	Others know I willingly share information.
11.	A	They respect my understanding, knowledge and judgment.
	D	My requests are reasonable and expected from someone in my position.
12.	B	<i>I am viewed as a valuable source of information to others.</i>
	G	I can administer negative consequences to those who do not cooperate.
13.	D	My position in the organization provides me with the authority to direct other's work activities.
	F	It is clear that my goals are aligned with those of my boss.
14.	C	I make sure that others view me as fair and likable.
	A	My experience is valued and respected.
15.	G	I will hold non-performers accountable.
	D	My role is well established and recognized.
16.	F	I have strong associations with other key members in the organization.
	C	I have made working with me desirable to others.
17.	A	I have established a high level of expertise in my job.
	E	I can provide rewards to those who cooperate with me.
18.	B	If I don't have the information I know how to find it.
	C	My conduct has earned the respect of others.
19.	D	My requests are reasonable and expected from someone in my position.
	E	They know I can make resources available that are desirable.
20.	C	I make sure that others view me as fair and likable.
	G	They know I can and will impose sanctions when necessary.
21.	B	Others know I willingly share information.
	E	I can provide certain opportunities that others will find rewarding.

**ENTREPRENEURSHIP/LEADERSHIP EFFECTIVENESS
DEMOGRAPHICS - OTHERS**

1. Gender:

- Female
 Male

2. Age:

- 25 or Under 26-30 31-39
 40-49 50-59 60-and Over

3. Education:

- High School degree
 Undergraduate degree _____ Major
 Graduate degree _____ Major
 Post Graduate _____ Major

4. Work Experience:

- 0-1 year 1-3 years 3-5 years 5-10 years
 11 - or more years

5. Position:

- Non-Supervisory Supervisory

6. Income:

- Less than \$29,999
 \$ 30,000 - \$ 49,999
 \$ 50,000 - \$ 74,999
 \$ 75,000 - \$100,000
 \$100,000 - or More

7. Ethnicity:

- African/American
 Asian
 Caucasian
 Hispanic
 Other (Write In) _____

8. Affiliation to Dealer/Principal:

- Non-Family Member
 Immediate Family Member (Son or daughter)
 Other Family Member (Write In Relationship)

9. Sibling Positioning (if You are an immediate Family Member)

- 1st Child 2nd Child 3rd Child 4th Child
_____ Other

**ENTREPRENEURSHIP / LEADERSHIP EFFECTIVENESS
DEMOGRAPHICS - SELF**

1. Gender:

Female
 Male

2. Age:

25 or Under 26-30 31-39
 40-49 50-59 60-and Over

3. Education:

High School degree
 Undergraduate degree Major
 Graduate degree Major
 Post Graduate Major

4. Work Experience:

0-1 year 1-3 years 3-5 years
 5-10 years 11 - or more years

5. Dealer/Principal:

3-5 years 6-10 years 11-15 years
 16-20 years 21 - or more years

6. Income:

Less than \$ 99,999
 \$ 100,000 - \$ 199,999
 \$ 200,000 - \$ 499,999
 \$ 500,000 - \$ 750,000
 \$ 750,000 - or More

7. Ethnicity:

African/American
 Asian
 Caucasian
 Hispanic
 Other (Write In) _____

8. Sibling Positioning (If You are an Immediate Family Member)

1st Child 2nd Child 3rd Child 4th Child
_____ Other

Appendix G

R.L. Polk Reports



26955 Northwestern High
Southfield, MI 48034-8451

January 16, 2004

Thomas M. Tworoger
H. Wayne Huizenga School of Business and Entrepreneurship
Nova Southeastern University
1600 College Ave
Fort Lauderdale, FL 33314

Dear Tom,

Thank you for the opportunity to assist you with a cost quote for a New Vehicle Registration Statistical Report. Per your request, this letter will provide you with the estimated cost and timing involved, and the licensing for this report.

SPECIFICATIONS:

New Vehicle Registration Statistical Report
Geography: US and Broward, Miami-Dade, Duval, Hillsborough, Lee, Orange and Palm Beach Counties, FL.
Makes:
GVW: 8
Exclude: Bus and Motor Home

Display Output: **Excel file** of County, State and National statistics by Make including Percentages.

COST:

Statistical Report with Pivot Table \$ 1,250.00*

* (plus sales tax, if applicable)

Send by email to: tworoger@huizenga.nova.edu

DELIVERY/TIMING – We would require 3 business days to process the order after receipt of your complete instructions.

Please note that should there be any changes in the specifications, both the pricing and the timing of delivery or processing is subject to change.

January 20, 2004

USE RESTRICTIONS: The data to be provided to you hereunder can only be used as follows: Use for doctoral research. The data is expressly subject to the following use restrictions: State Restrictions, i.e. creation of a substitute or parallel database is prohibited, no copying, no resell or assignment of data, no reference to source of name and address, etc. If this information is to be republished, please contact R.L. Polk & Co. for prior written consent.

GENERAL TERMS - All Polk data is provided to you on a licensed basis. Polk data is not warranted to be error free. In the event there is an error in the Polk data provided to you, Polk's only obligation is to correct any errors in the data, subject to the availability of the corrected data from Polk's data source. Polk reserves the right to satisfy its obligations by refunding a portion of the license fees paid by you for the data in error, up to the total amount of license fees paid by you. In the event you issue a P.O., this quote letter, or alternatively, any license agreement entered into by the parties, shall govern in the event there is a conflict with the terms and conditions stated in the P.O.

Thank you for the opportunity to provide you with this quote. Please let me know that you would like to proceed with this project by signing the bottom of this letter and including a PO number (if applicable). The signed document may be faxed to me at (248) 728-6896. If you have any questions, please contact me at (248) 728-7506.

Sincerely,

Robin Cole

Account Executive

Acknowledgement and Acceptance

Thomas M. Tworoger

Signature: _____

Title: _____

PO Number: _____

ESTIMATED COST & TIMING – ALL ITEMS SUBJECT TO CHANGE PENDING RECEIPT OF INSTRUCTIONS. QUOTE EXPIRES 30 DAYS FROM THE DATE OF THIS LETTER

Std Geo.	County	FL, BROWARD
Std Geo.	County	FL, DUVAL
Std Geo.	County	FL, HILLSBOROUGH
Std Geo.	County	FL, LEE
Std Geo.	County	FL, MIAMI-DADE
Std Geo.	County	FL, ORANGE
Std Geo.	County	FL, PALM BEACH
Std Geo.	County	Include
MSM	Make	FREIGHTLINER
MSM	Make	INTERNATIONAL
MSM	Make	KENWORTH
MSM	Make	MACK
MSM	Make	PETERBILT
MSM	Make	STERLING
MSM	Make	VOLVO
MSM	Make	WESTERN STAR
MSM	Make	Include
Percents	Options	Calculate: Down
Percents	Options	Basis: Grand Total Based
Percents	Options	Show Counts and Percents
Detail	Vehicle Type	BUS-NON SCHOOL
Detail	Vehicle Type	MTR HOME CHAS.
Detail	Vehicle Type	SCHOOL BUS
Detail	Vehicle Type	Exclude
Detail	VIN GVW	
Detail	VIN GVW	Include
Time	Time Periods	NOV. 2003
Time	Time Periods	OCT. 2003
Time	Time Periods	SEP. 2003
Time	Time Periods	AUG. 2003
Time	Time Periods	JUL. 2003
Time	Time Periods	JUN. 2003
Time	Time Periods	MAY. 2003
Time	Time Periods	APR. 2003
Time	Time Periods	MAR. 2003
Time	Time Periods	FEB. 2003
Time	Time Periods	JAN. 2003
Time	Time Periods	DEC. 2002
Time	Time Periods	Static