ASSESSING THE INFLUENCE OF CHIEF EXECUTIVE OFFICER SUPPORTIVENESS BEHAVIOR ON MARKET ORIENTATION AND BUSINESS PERFORMANCE

By
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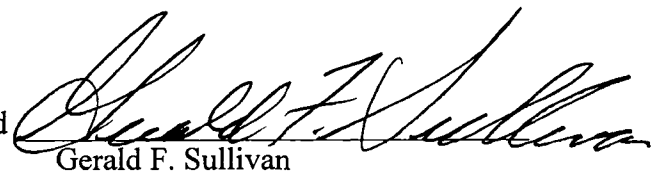
Signed 
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ABSTRACT

ASSESSING THE INFLUENCE OF CHIEF EXECUTIVE OFFICER SUPPORTIVENESS BEHAVIOR ON MARKET ORIENTATION AND BUSINESS PERFORMANCE

By

Gerald F. Sullivan

Research has shown that there is a positive relationship between market orientation and enhanced business performance. The support of top management is acknowledged by most as an antecedent to market orientation. It is also concluded by some that the leadership style of top management has a direct influence upon the level of market orientation. A study was conducted to assess the influence of the leadership style incorporated in the supportive behavior dimension of situational leadership theory on market orientation and business performance. Study results indicate a significant positive relationship between the supportiveness behavior dimension and market orientation. A significant positive relationship between the supportiveness behavior dimension and business performance was not found. Mixed results were indicated when testing the historically significant positive relationship between market orientation and business performance.

ACKNOWLEDGEMENTS

I wish to thank the many scholars whose works provided the basis for this study and resulting doctoral dissertation. I want to express my gratitude to the faculty and staff of Nova Southeastern University who have provided encouragement, support and guidance. I especially wish to thank my committee members for all that they have done for me during this process. I also thank my friends and colleagues at Piedmont College, especially Dr. Edward Taylor, for their encouragement and assistance. Finally, I would like to thank my wife, Margaret, for her understanding, patience, love and support as I pursued this goal.

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CHAPTER 1

INTRODUCTION

Background of the Problem

Research has shown a positive relationship between the level of market orientation within a firm and enhanced business performance. (Kohli & Jaworski, 1990, 1993; Narver & Slater, 1990, 1994; Desphande et al., 1993; Avlonitis & Gounaris, 1999, Chang & Chen, 1998; McNaughton et al., 2002) The research, depending upon the author, has identified a number of antecedents to market orientation. These antecedents include, but are not limited to, top management support (Ashley & Patel, 2003; Avlonitis & Gounaris, 1999; Desphande et al., 1993; Fritz, 1996; Greenley, 1995; Kohli & Jaworski, 1990, 1993; Narver & Slater, 1990, 1994; Waldman et al., 2001); decentralization (Avlonitis & Gounaris, 1999; Harris, 2002); and marketing planning quality (Levitt, 1960; Pulendran et al., 2003). This study will examine the relationship, in a service industry, between market orientation and business performance. It will also examine the antecedents to market orientation, i.e., top management support and market planning quality, and their relationship to market orientation in this environment.

Harris and Ogbonna's (2001) study "suggests that over 27 percent of the variation of the measure of overall market orientation can be attributed to varying leadership styles" of top management (Harris & Ogbonna, 2001, p. 7). Their study also found "a leadership style characterized by non-directive role clarification (leadership participation) or consideration (supportive leadership style) fosters all facets of market orientation" (Harris

& Ogbonna, 2001, p.7). Harris and Ogbonna studied a multi-industry sample of corporations in the United Kingdom having over 5000 employees (Harris & Ogbonna, 2001).

This paper will examine one particular supportive leadership style to determine the relationship between it and market orientation as well as business performance of the firm. The particular leadership style in question is the supportiveness behavior dimension of situational leadership theory, as developed by Hersey and Blanchard and subsequently modified by Zigarmi and Blanchard. (Zigarmi et al., 1997) Unlike Harris and Ogbonna, this study will address a service industry, specifically the community banking segment of commercial banking. These banks are much smaller in employee count, generally having approximately one employee for each four million dollars in assets (FDIC, 2005). Given that community banks range in size from approximately one hundred million dollars to one billion dollars in asset size, the employee count generally ranges from approximately 20 to 500 as compared to the 5000 employee minimum in the Harris and Ogbonna study.

Approximately 400 of The Fortune 500 corporations use situational leadership theory in their management training processes. Despite the intuitive appeal of situational leadership theory, there is a paucity of empirical data to support this high utilization rate within business and industry. (Northouse, 2001) Given the aforementioned, it would therefore seem to be of value to determine if the supportiveness behavior dimension of situational leadership theory has a positive influence upon market orientation and business performance of the firm within a service industry such as commercial banking.

Justification of the Study

The study is justified from three perspectives. First, from the scholarly perspective, it partially fills a void, as noted in the literature, in the empirical data regarding situational leadership theory. Second, from an investor's perspective, assuming market orientation does, in fact, lead to enhanced business performance; it provides insight into the influence of top managers' leadership style upon the success of the firm as measured by enhanced business performance. And, third, from the perspective of someone with a fiduciary responsibility to the firm, such as a member of the Board of Directors, it provides insight into a type of leadership style that may increase the probability of success of the firm. This is valuable when selecting a new individual to lead the firm. It may also be of value when analyzing the strengths and weaknesses of a current leader who may not be generating the desired business performance results.

It would be of value, therefore, to address empirically the question of whether or not leadership style, specifically the supportiveness behavior of the CEO within the context of situational leadership theory, influences the level of market orientation within the firm given market orientation's documented influence upon the business performance of firms. Also of value would be empirical evidence addressing the question of whether or not this same supportiveness behavior influences business performance directly.

Market Orientation

"When Drucker first articulated the marketing concept, he noted that marketing was not really a separate management function but rather the whole business seen from the customer's point of view. In other words the marketing concept defines a distinct organizational culture, a fundamental shared set of beliefs and values that puts the customer at the center of the firm's thinking about strategy and operations" (Deshpande & Webster, 1989, p. 3).

Kohli and Jaworski (1990) noted that, although the marketing concept was considered the cornerstone of the marketing discipline, there was little attention given to its implementation. They considered market orientation to be the implementation of the marketing concept. In their review of the literature, they noted no clear definition of market orientation.

Despite this fact, three core outcomes appeared to be present. These outcomes were customer focus, coordinated marketing, and profitability. Given these three core outcomes, Kohli and Jaworski deemed it reasonable to conclude that a market-oriented organization was able to operationally manifest these themes. A more exact and operational definition resulted. Kohli and Jaworski defined market orientation as the "organization wide generation, dissemination, and responsiveness to market intelligence" (Kohli & Jaworski, 1990, p. 3).

Narver and Slater (1990), from their review of the literature, inferred that there are three behavioral components and two decision criteria that comprise market orientation. The three behavioral components are customer orientation, competitor orientation, and

interfunctional discipline. The two decision criteria are long-term focus and profitability. The first two behavioral components encompass the activities related to garnering information about buyers and competitors and disseminating this information throughout the organization. The last of the behavioral components, interfunctional discipline, encompasses the coordination of the organization's efforts. The authors defined customer orientation as "the sufficient understanding of one's target buyers to be able to create superior value for them continuously" (Narver & Slater, 1990, p. 21). Competitor orientation is defined as the "seller's understanding of the short-term strength and weaknesses and long-term capabilities and strategies of both the key current and key potential competitors" (Narver & Slater, 1990, p. 21). And, interfunctional coordination is defined as "the coordinated utilization of company resources in creating superior value for target customers" (Narver & Slater, 1990, p. 22).

Market Orientation and Business Performance

Kohli and Jaworski (1990) set forth the proposition: "The greater the market orientation of an organization, the higher its business performance" (Kohli & Jaworski, 1990, p. 13). They noted that the literature, in 1990, consisted of only a few empirical studies on the consequences of a market orientation; most of these studies focused on the extent to which organizations adopted a market orientation. Their results suggest that a market orientation is likely to positively relate to business performance.

Publishing six months after Kohli and Jaworski, Narver and Slater (1990) set forth an exploratory study designed to develop a valid measure of market orientation. They cited authors, such as Levitt (1960), Kotler (1984) and Webster (1988), to support the

statement that "a business that increases its market orientation will improve its financial performance" (Narver & Slater, 1990, p. 20). The authors, citing the works of others, made the statement that, for an organization to achieve above normal performance on a sustained basis, it must create a sustainable competitive advantage. The desire to provide value to customers requires a culture within the organization that will produce the behaviors necessary to maintain a sustainable competitive advantage. The culture that most effectively creates these necessary behaviors is market orientation. (Narver & Slater, 1990)

The findings of these studies support this researcher's hypothesis that market orientation is an important determinant of profitability. Researchers have emphasized that market orientation comprises a continuum of levels. The higher the degree of market orientation, the higher will be the level of profitability. (Kohli & Jaworski, 1990)

Antecedents to Market Orientation

Top management support and marketing planning, both important antecedents to market orientation, have been the basis for research studies. (Jaworski & Kohli, 1993; Pulendran, 2003) Marketing planning is a "widely used technology in marketing. It is the principle mechanism firms possess for aligning their efforts with the expectations of their customers" (Pulendran et al., 2003, p. 2). The aligning of efforts is similar to resource allocation in that top management has involvement in the process.

Felton (1959) and Webster (1988) stated that market orientation is the responsibility of top management. Kohli and Jaworski (1990) noted that one of the most important

antecedents to a market orientation is senior management support. Their findings suggest that senior managers must be convinced of the worth of a market orientation and, in turn, communicate to the organization their commitment to such an orientation. Senior management must be willing to adapt to change and take any reasonable risk associated with the implementation of the orientation. The implementation of a market orientation is the result of the recognition of a gap between the current level of orientation and the organization's preferred level of orientation. (Kohli & Jaworski, 1990)

Narver and Slater (1990) added support to this premise by inferring from their research that the most successful top management teams are willing to adapt to the changes necessary to raise the level of the firm's market orientation. These authors concluded that the support of senior management is an antecedent of market orientation.

Harris and Ogbonna's literature review noted that, while there are ample anecdotal claims of a linkage between leadership style and culture, such as a market orientation, there are no studies which empirically address the issue. The purpose of their study was "to explore and describe the impact of top management leadership style in influencing the process of market development (Harris & Ogbonna, 2001, p. 1)." Their study found that management support is an antecedent to market orientation within the firm. Their research also concluded that the leadership style of senior managers has a direct influence upon the level of a market orientation within the firm. (Harris & Ogbonna, 2001) Thus, such theories examining effective leadership behavior, market orientation, marketing planning and senior management behavior provide the theoretical basis of this study.

Situational Leadership Theory

Situational leadership theory (SLT), as developed by Hersey and Blanchard, is similar to other contingency leadership theories. It holds that "effective leadership depends upon the ability of the leader to accurately diagnose situational conditions and to respond with appropriate combinations of behavior" (Goodson, McGee & Cashman, 1989, p. 446). The two dimensions of situational leadership are directiveness behavior and supportiveness behavior. These dimensions are spread over a continuum of four leadership styles. These styles are directing, coaching, supporting, and delegating. (Blanchard, 1997)

Directiveness behavior on the part of the leader is "the extent to which the leader engages in one-way communication; spells out the follower's role and tells the follower what to do, where to do it, when to do it, how to do it, and then closely supervises performance" (Blanchard, 1997, p. 6). In direct opposition to directiveness behavior is supportiveness behavior. Supportiveness behavior on the part of the leader is "the extent to which the leader engages in two-way communications; listens, provides support and encouragement, facilitates interaction, and involves the follower in decision making" (Blanchard, 1997, p. 6).

Situational leadership theory, as applied to market orientation, would suggest that the CEO supports his subordinates as the firm aligns its efforts to the expectation of the customer.

Research Question

This study proposes the following theoretical model to address the influence of the supportiveness behavior dimension of situational leadership theory upon a firm's market orientation and business performance. According to the research studies reviewed this appears to be a new variable relative to market orientation. The influence of top management support and marketing planning quality, known antecedents to market orientation, will be used as control variables. Also addressed is the influence of market orientation upon business performance.

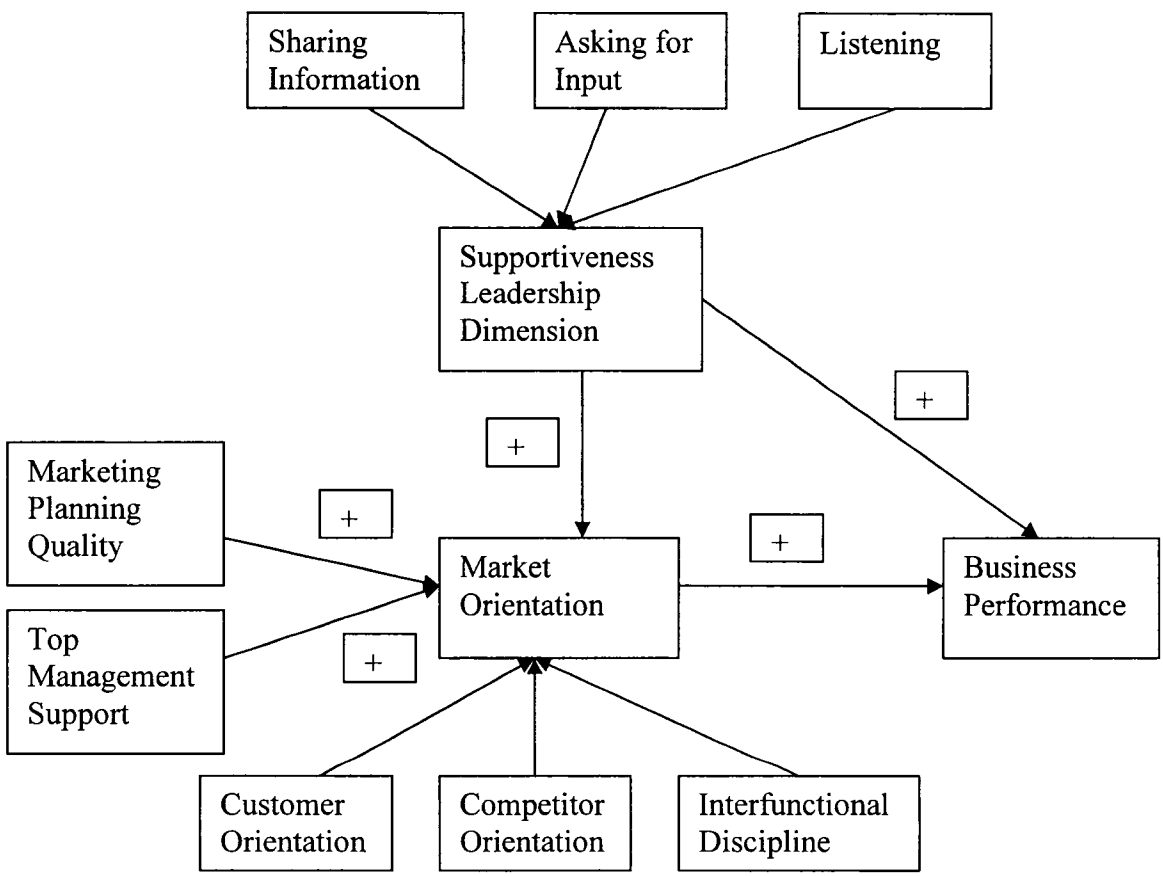

Figure 1. Theoretical Model

Chapter 2 of this study provides a literature review of the key concepts in this study. It centers on market orientation and the supportiveness behavior dimension of situational leadership theory and their influence upon business performance. The antecedents to market orientation will also be reviewed. The hypotheses related to these relationships are set forth.

Chapter 3 addresses the study methodology. This chapter includes the research question, research design, including the independent and dependent variables, survey instruments, data collection procedures, as well as the assumptions of the study.

Chapter 4 presents the results of data analysis and sets forth a presentation of the findings. It notes descriptive statistics, results of hypotheses testing, and an analysis of any influences.

Chapter 5 provides an overview of significant findings and presents the implications of this study to the existing body of knowledge and to scholars and practitioners. Recommendations for future research and limitations of this study are addressed.

Conclusion

This chapter provided a background of the problem and a brief overview of the main components of the issues and the resulting theoretical model. The chapter also set forth the purpose, justification and scope of the study. The research problem and question were stated. Additionally, the reader was provided with an outline of the remaining sections of this study. The next chapter will provide a review of the literature associated with components of the theoretical model.

CHAPTER 2

LITERATURE REVIEW

Introduction

This chapter examines the literature to provide a background and definition of market orientation and the antecedents to be utilized in the study. These antecedents are top management support and marketing planning. The body of literature is also examined to determine whether there is evidence of a positive relationship between market orientation and enhanced business performance. Also reviewed is the role of leadership as it relates to a market orientation within the firm. Finally, situational leadership theory is reviewed to determine whether there is evidence that suggests the supportiveness behavior dimension of this theory has influence on market orientation and enhanced business performance within the firm.

Defining Market Orientation

Drucker noted that marketing was not really a separate management function but rather the whole business seen from the customer's point of view. It is a paradigm that incorporates beliefs and values, and puts the customer at the center of the firm's thinking about strategy and operations. (Deshpande & Webster, 1989)

Market Orientation as defined by Kohli and Jaworski

Kohli and Jaworski (1990) noted that, although the marketing concept was considered the cornerstone of the marketing discipline, there was little attention given to its

implementation. In their review of the literature, they found no clear definition of market orientation, the absence of measurement issues, and an absence of empirically based theory. The authors' research purpose was "to delineate the domain of the market orientation construct, provide an operational definition, develop a propositional inventory, and construct a comprehensive framework for directing future research" (Kohli & Jaworski, 1990, p. 1). The objective of the work was "theory construction rather than theory testing" (Kohli & Jaworski, 1990, p. 16). The literature revealed numerous definitions of the marketing concept. Despite this fact, three core outcomes appeared to be present. These outcomes were customer focus, coordinated marketing, and profitability. Given the three core outcomes, Kohli and Jaworski (1990) deemed it reasonable to conclude that a market-oriented organization was able to operationally manifest these outcomes. Their field interviews took exception to the inclusion of profitability as a component of a market orientation. They found managers to be of the opinion that profitability was a consequence of market orientation and not a part of it. Therefore, they devised a more exact and operational definition of market orientation as the "organization wide generation, dissemination, and responsiveness to market intelligence" (Kohli & Jaworski, 1990, p. 3). Intelligence was defined as the customer's present and future needs and preferences and the analysis of how these needs may be affected by exogenous factors. Dissemination was said to occur via a formal information dissemination system or by way of such informal processes as hall talk. Responsiveness was defined as the action taken as a result of the intelligence generated and disseminated.

Failure to respond was thought to negate the efforts expended to collect and disseminate intelligence. (Kohli & Jaworski, 1990)

The following figure sets forth the model representing Kohli and Jaworski's (1990) definition of market orientation.

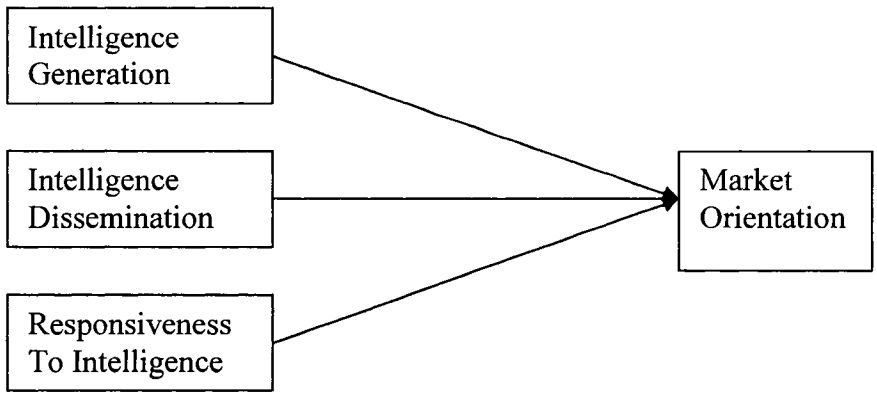

Figure 2. Kohli and Jaworski's Model of Market Orientation (1990)

Market Orientation as defined by Narver and Slater

Publishing six months after Kohli and Jaworski, Narver and Slater set forth an exploratory study designed to develop a valid measure of market orientation. They cited authors such as Levitt (1960), Kotler (1984) and Webster (1988) to support the statement: "A business that increases its market orientation will improve it market performance" (Narver & Slater, 1990, p. 20). The authors explained that, for an organization to achieve above normal performance on a sustained basis, it must create a sustainable competitive advantage. They noted that the value of a product or service to a buyer was the difference between the perceived benefits and the perceived costs. According to them, the seller would have opportunities to either increase the benefits or lower the costs thereby

creating superior value and a competitive advantage. The desire to provide this value to the customer would require a culture within the organization that produces the behaviors necessary to maintain the culture and a long-term sustainable competitive advantage. The culture that would most effectively create these necessary behaviors was market orientation. (Narver & Slater, 1990)

Narver and Slater "infer from the review of the literature that market orientation consists of three behavioral components – customer orientation, competitor orientation, and interfunctional discipline – and two decision criteria - long term focus and profitability" (Narver & Slater, 1990, p. 21). They noted that their findings regarding the behavioral content of market orientation were consistent with Kohli and Jaworski.

Figure 3 graphically depicts Narver and Slater's model of market orientation.

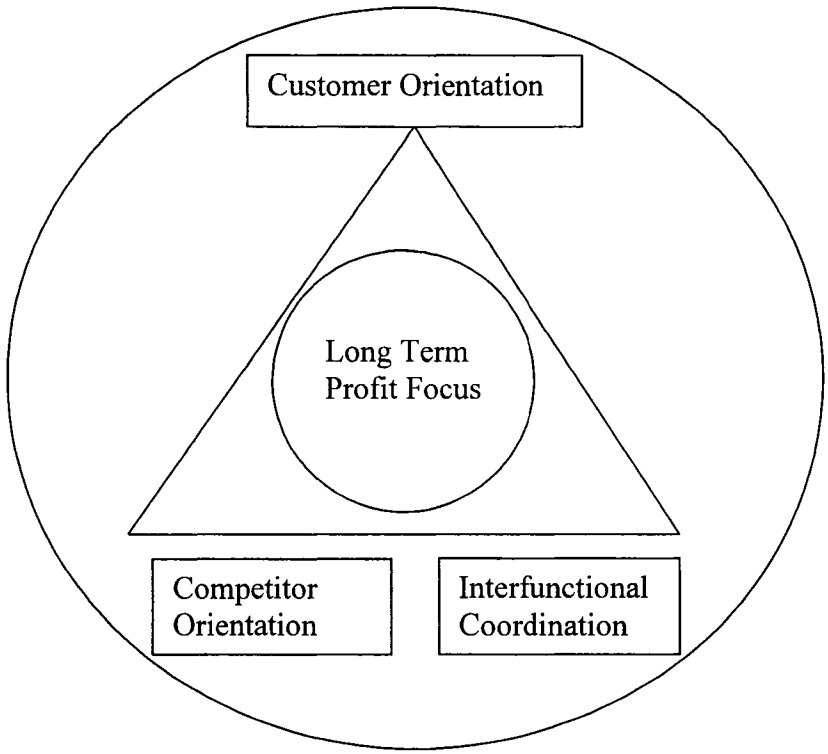

Figure 3. Narver and Slater's Model of Market Orientation (1990, p. 23)

Other Authors

The following table sets forth other authors and their works related to market orientation. They have approached the paradigm from various directions. The dimensions of market orientation, its antecedents, if any were noted in the study and the study outcomes are noted.

Table 1: *Works of Other Authors*

Author	Antecedents	Dimension of Market Orientation	Outcomes
Jaworski & Kohli (1993)	Top management support, Interdepartmental connectiveness, Structural variables, Reward system.	Benefits of Market Orientation versus its costs.	Enhanced Business Performance.
Avlonitis & Gournaris (1999)	Company specific factors: Internal environment, Top management risk aversion, Top management support. Market specific factors: Porter's five forces, Growth rate, Degree of technological change.	Market orientation is a synthesis of attitudes and behaviors influenced by the internal and external environment.	Level of Market Orientation.
Helfert, Ritter & Walker (2002)	Informational, physical, human, and financial resources.	Inter-organizational relationships.	Positive impact of relationship task performance on relationship effectiveness.

			Market orientation matters on the relationship level.
Harris (2002)		Measurement of market orientation (single, intra-firm respondent does not give accurate measurement).	Level of a firm's market orientation is on a continuum and relative to competition.
Desphande et al., (1993)		Cultural flexibility and market responsiveness.	Flexible culture outperformed consensus and bureaucratic culture.
Greenley (1995)		National culture	In UK relative size, not market orientation influences business performance. Market orientation may be uneconomic in some environments.
Chang & Chen (1998)		Service quality is an intermediary variable in the market orientation – business performance relationship.	Positive associations among market orientation, service quality and business performance.
Chang et al., (1999)		Operating effectiveness and cost efficiency.	Positive relationship between market orientation and operating effectiveness; positive relationship between market orientation and cost effectiveness.

Graves and Matsuno's Perspective

Graves and Matsuno (1995) injected another perspective into the discussion of market orientation. They described the perspective of such authors as Kohli and Jaworski (1990, 1993) as objective/mechanistic. "From the objective/mechanistic view, organizations exist in an objective world and function in a deterministic way within that world. The relationship between causes and effects can be discovered and laws regarding organizational functions and performance can be developed. Formal analysis is used to structure explicit integrated strategies about the future" (Graves & Matsuno, 1995, p. 1). The operationalization of this perspective involved intelligence gathering and dissemination activities. Subordinates are directed on how they are to behave. The objective/mechanistic perspective relies on structure rather than a belief system and thus guides and controls daily operations.

"While the objective/mechanistic approach calls for breaking down a phenomenon into components, the subjective/organic perspective assumes that particular elements of a phenomenon are meaningful only in the context of the other elements" (Graves & Matsuno, 1995, p 3.) In this perspective, marketing orientation is viewed as a philosophy or a culture. Deshpande, Farley and Webster (1993), as well as Narver and Slater (1990, 1994), were considered by Graves and Matsuno as having a subjective/organic perspective. The operationalization of this perspective entailed organizational values and beliefs.

The authors contended that "the subjective/mechanistic perspective lacks specific organizational content in its construct while the subjective/organic perspective lacks

specific behavioral content in its construct. An integrative perspective should capture both the contextual and behavioral features of market orientation" (Graves & Matsuno, 1995, p. 5). The authors proposed a third perspective, which they called an organizational systems perspective. This was brought about by congruence between the activities orientation of the objective/mechanistic and the subjective/organic perspectives. The authors did not empirically test their proposed third perspective.

Table 2 sets forth a comparison of the perspectives as determined by Graves and Matsuno.

Table 2

Rational/Mechanistic Perspective and Subjective/Organic Perspective

	Objective/Mechanistic Perspective	**Subjective/Organic Perspective**	**Organizational Systems Perspective**
Authors	Barksdale and Jordan (1971) Kohli and Jaworski (1990) Jaworski and Kohli (1993)	Webster (1988) Narver and Slater (1990) Desphande et al (1993) Narver and Slater (1994)	
Definition of Market Orientation	Market Orientation as Implementation of Activities	Market Orientation as Values and Beliefs	Market Orientation as Values/Beliefs and Activities
Operationalization of Market Orientation	Intelligence/Information-Related Activities	Organizational Values and Beliefs	Congruence Between Activities and Values/Beliefs
Measure of Market Orientation	Behavioral Measures	Cultural/Attitudinal Measures	Composite Measures
Relevance Academic	Existing Structural Relationships between Market Orientation, Antecedents and Business	Investigating Organization's Cultural Environment and Its Relation to Business	More Comprehensive View of the Phenomenon.

	Performance	Performance	Highlights Inconsistencies Between Behavioral and Cognitive Acceptance of Market Orientation
Relevance Managerial	Guideline of a Set of Specific Behaviors	Management of Cultural Change	Balanced View of Adoption Process
Disciplinary Research Traditions	Behavioral School of Psychology; Industrial Organization Economics	Anthropology; Sociology	Organizational Cognition

(Source: Graves & Matsuno, 1995, p. 8)

Congruence, according to Graves and Matsuno, was operationalized by activities related to information gathering and dissemination, as well as the espousal of values and beliefs. (Graves & Matsuno, 1995)

Figure 4 sets forth a graphical description of market orientation as perceived by Graves and Matsuno.

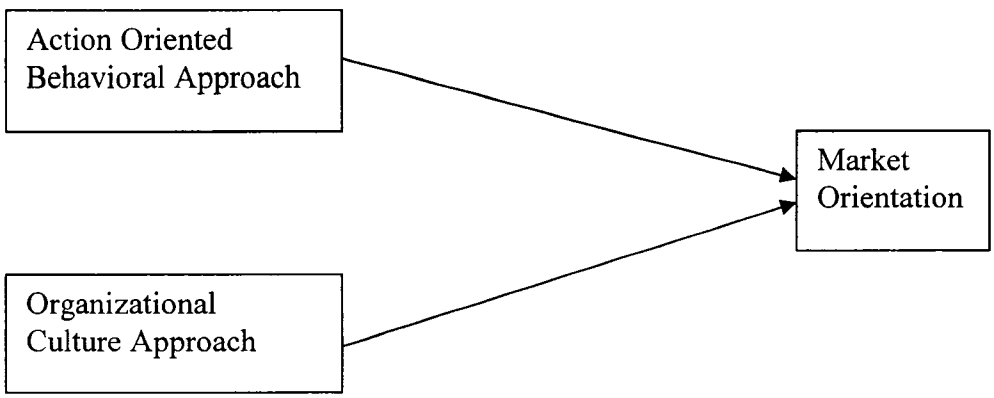

Figure 4. Organizational Systems Perspective Model of Market Orientation, (1995, p.4)

Customer Orientation versus Market Orientation

Christensen and Bower concluded that "firms lose their position of industry leadership because they listen too carefully to their customers and customers place stringent limits on the strategies firms can and cannot pursue" (Christensen & Bower, 1996, p. 198). Responding to the article by Christensen and Bower, Slater and Narver (1998) address two forms of customer orientation which they explained as being frequently confused with one another. Slater and Narver (1998) noted that much of the confusion resulted from the timeframe in question. Customer orientation was a short-term philosophy, while market orientation was a long-term philosophy. Other differences included the fact that market orientation had a proactive style, while customer orientation was more of a responsive style. The objective of customer orientation was customer satisfaction; whereas, market orientation was concerned with customer value. The continuous market learning required by market orientation and the organization-wide mobilization of resources enabled a company with market orientation to achieve innovation and sustain a long-term competitive advantage. (Slater & Narver, 1998) Thus, a positive long-term customer orientation did not impede market orientation but rather was a component thereof.

Intelligence Generation

Slater and Narver cited the "conventional wisdom that an organization's ability to continuously generate intelligence about customer's expressed and latent needs, and about how to satisfy those needs, is essential for it to continuously create superior

customer value" (Slater & Narver, 2000, p. 1). They described four intelligence generating strategies: market-focused intelligence generation, collaborative intelligence generation, intelligence generation through experimentation, and intelligence generation from repetitive experience. Market-focused intelligence generation was acquiring information regarding customers expressed and latent needs, as well as garnering information about competitors' strategies and capabilities. Collaborative intelligence generation was the gathering of information within and from other organizations. Intelligence generation through experimentation was trying ideas outside the realm of normal routines and evaluating the results in order to add to the base of intelligence. Finally, intelligence generated from repetitive experience was the phenomenon known as the learning curve. To "benefit from this curve there must be a conscious effort to understand the process and identify opportunities" (Slater & Narver, 2000, p. 4).

In a study of the electronics industry, Slater and Narver (2000) set forth various hypotheses related to product quality, new product success, customer satisfaction, and sales growth. The results indicated that market-focused intelligence generation was positively related to superior sales growth. Intelligence generation from repetitive experience was positively related to superior customer satisfaction. Collaboratively generated intelligence was most strongly related to superior quality. Experimentation-focused intelligence generation was positively related to new product development success. The authors commented that, irrespective of which intelligence generation

perspective used, the challenge was to continuously generate new intelligence as the stock of existing intelligence depreciated over time. (Slater & Narver, 2000)

Heiens Market Orientation Matrix

Narver and Slater (1994) noted that a firm may be forced to allocate limited resources between the collection of information regarding customers and information regarding competitors, with the result that one of these efforts may not be fully funded. Heiens, citing this statement, and surmising that "market orientation may actually encompass several different approaches to the strategic alignment of the organization with the external environment developed a topology matrix as a pedagogical and heuristic tool to summarize these distinct approaches" (Heiens, 2000, p. 1). This matrix included four approaches to market orientation. The first was customer preoccupied; this involved customer focused intelligence gathering at the expense of competitor information. The second was marketing warriors; this emphasized external market analysis. The third was strategically integrated; which was an equal emphasis on both the collection and dissemination of customer and competitor information. The fourth was strategically inept, which was defined as the failure to develop a market orientation. The following figure sets forth Heiens' market orientation matrix.

	CUSTOMER FOCUS		
COMPETITOR FOCUS		High	Low
	High	Strategically Integrated	Marketing Warriors
	Low	Customer Preoccupied	Strategically Inept

Figure 5. Heiens' Market Orientation Matrix, (2000, p. 4)

The Continuing Discussion

Lafferty and Hult reviewed the existing literature regarding market orientation and synthesized the various perspectives. They found " four general areas of agreement: (1) an emphasis on customers; (2) the importance of shared information; (3) interfunctional coordination of marketing activities and relationships; and, (4) being responsive to market activities by taking appropriate action" (Lafferty & Hult, 2001, p. 6).

The robust debate continues as to whether market orientation is a behavioral pattern within an organization or a set of beliefs practiced by an organization. Irrespective of the debate, most parties agree that the major components of market orientation are a customer and competitor focus, information dissemination, and interfunctional coordination.

Market Orientation and Business Performance

Perhaps the key proposition set forth by the Kohli and Jaworski study of 1990 was Proposition 13 which stated: "The greater the market orientation of an organization, the higher its business performance" (Kohli & Jaworski, 1990, p. 13). They noted, in 1990, that existing literature indicated few empirical studies on the consequences of a market orientation; most studies focused on the extent to which a market orientation had been adopted by organizations.

Other Strategic Orientations

Noble et al. (2002) studied the relative performance effects of various dimensions of market orientation using a longitudinal approach based on the framework of Narver and

Slater. They also examined the relative effects of alternative strategic orientations that reflected managerial priorities. The longitudinal approach supported the premise that market orientation should have consequential inertia, and its development and benefits should take time to emerge. (Noble et al., 2002)

They suggested that a market orientation was not the only viable strategic orientation. Successful firms have been built around either a production orientation or a selling orientation. "The concepts of market orientation, strategic orientation, and culture are intertwined. Differences between "culture," "strategic orientation," and "market orientation" have not been well established due to different definitions and treatments of the constructs in the literature" (Noble et al., 2002, p. 2). It was noted that the question of whether market orientation was an immutable element of organizational culture or an organizational choice arising from strategies pursued by the firm had not been answered definitively in the literature. (Noble et al., 2002)

Based on the premise that a market-oriented firm will create superior long-term value for its clients as compared to a competitor with a lesser market orientation, the authors set forth several hypotheses. The hypotheses related to firm performance, short-run impact, production orientation, selling orientation, organizational learning, and innovativeness. The study concluded as follows.

> There are competitive cultures beyond the traditional view of market orientation that may lead to strong firm performance. A selling orientation was associated with higher levels of performance, as was the competitor orientation and national brand focus elements of our market orientation framework. The results

> showed only limited support for the mediating effects of learning and innovativeness on the relationships between strategic orientation, including market orientation, and performance. (Noble et al., 2002, p. 12-13)

Market Orientation and Cash Flow

McNaughton et al. (2002) posited that a market orientation guided investment into market-based assets, which bore heavily on performance. The authors cited the definition of market orientation used by Narver and Slater that "market orientation is a business culture focused on the continuous creation of customer value" (McNaughton, Osborne & Imrie, 2002, p. 990). They also noted that most empirical studies, to date, which have been conducted in manufacturing or industrial settings, showed a positive relationship between market orientation and performance. Little work had been done in less capital intensive industries where competitive advantage was more likely to come from intangible assets; hence, a service industry, such as commercial banking gives such a perspective. Without conducting empirical research, the authors proposed a model to explain the relationship between market orientation and performance. The model emphasized cash flow.

The McNaughton et al. (2002) model "postulates that a market orientation helps a firm to create market-based assets and guide investments in other types of assets. This became the basis of a competitive advantage that can be deployed to create customer value" (McNaughton, Osborne & Irmie, 2002, p. 1002). This customer value created revenue,

which, in turn, created cash flow that accelerates with increased revenue arising from ever increasing customer value and satisfaction. The result was enhanced business performance. (McNaughton, Osborne & Irmie, 2002)

The cash flow emphasis of the model had three benefits. First, since the language of cash flow is understood across business functions, it is easy to communicate the benefits of a market orientation throughout the firm. Second, it showed that market-based assets were important, and cash flow could be used as a method of evaluating the return on these assets. Third, the use of cash flow, as a measure, clarified the benefits of a market orientation not realized in the same period as the investment. The authors qualified their model by noting that its implementation required an accounting system that was able to track the relative changes in cash position and cash flow to specific marketing activities. (McNaughton, Osborne & Irmie, 2002)

Figure 6 graphically depicts the model of McNaughton et al.'s cash flow creation via a market orientation.

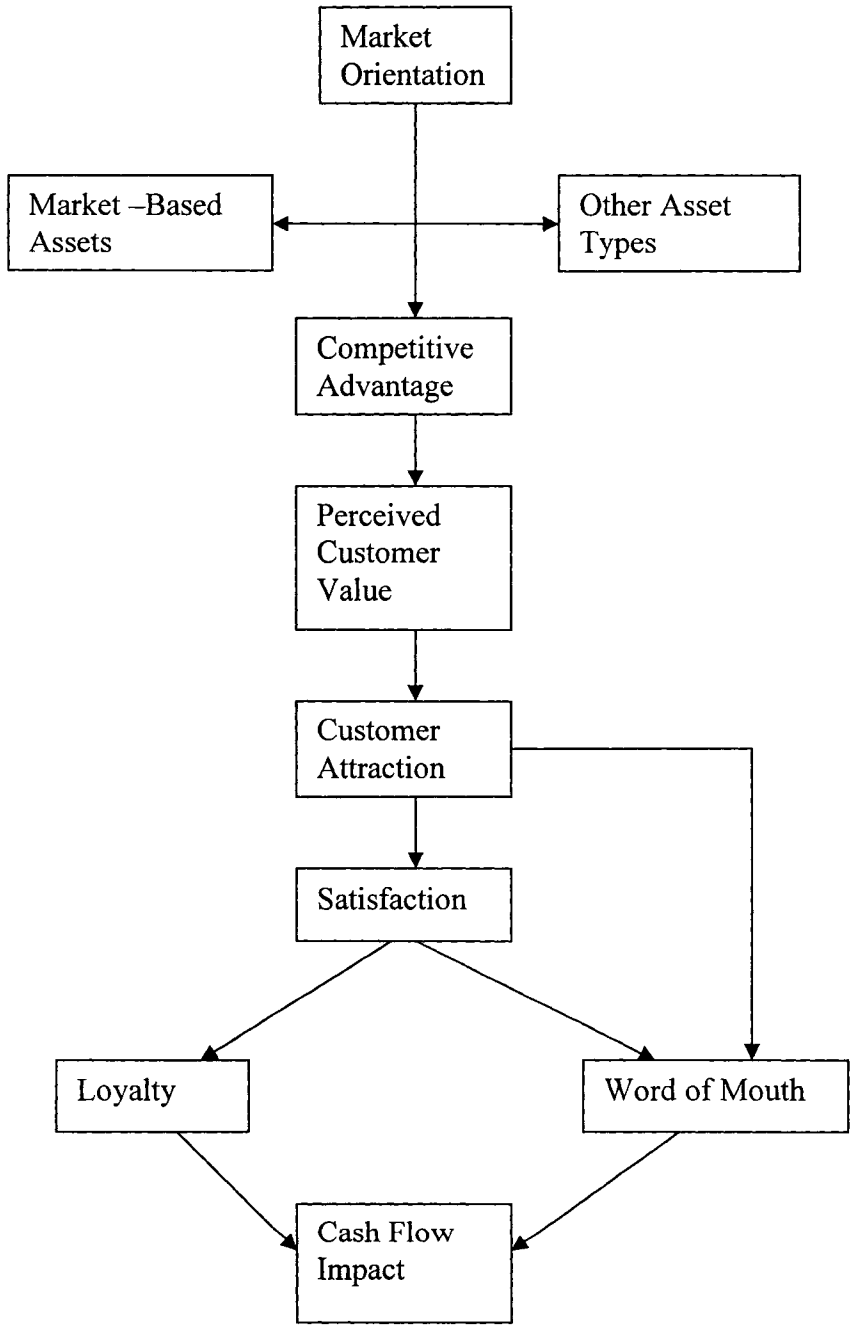

Figure 6. Cash Flow Market-Orientation Model of Value Creation (McNaughton, Osborne & Irmie, 2002, p. 996)

Given the aforementioned research, this study will investigate the relationship between market orientation and business performance in a service industry. (Narver & Slater, 1990, 1994; Kohli & Jaworski, 1990, 1993; Desphande et al., 1993; Chang & Chen, 1998; Noble, 2002; McNaughton, 2002) This study proposes the following hypothesis.

H1: There is a positive relationship between the firm's market orientation and its business performance.

Marketing Planning as a Variable

Marketing planning is defined as guiding a firm's marketing to its future through the use of rational, incremental, and intuitive processes. The literature has traditionally "prescribed marketing planning as a model of logical-sequential decision making, incorporating objectives, strategies, tactics, implementation and control" (Greenley et. al, 2004).

The literature has noted several impediments to the marketing planning process and the implementation of its plans. These impediments include, but are not limited to, lack of chief executive support; no plan for the planning activity; lack of support and hostility from line management; failure to relate marketing planning to corporate planning; and emphasis on a detailed and very rigid short-term planning cycle. (Simkin, 2002) Simkin (2002) noted newly emerging barriers to the marketing planning process. Major among these newly emerging barriers were managers' failure to see the complete picture when it

came to corporate functions and markets, and managers' problems harmonizing initiatives across the firm.

The impediment of a short term and rigid plan, in turn, has led to a paradox. Some scholars have argued that empirical data show the marketing planning process as valuable in high-risk decision making. Other scholars argue that marketing planning produces too much rigidity and thus fails to allow for post-plan improvisation or adjustment to dynamic situations thereby allowing opportunities to be missed. (Slotegraaf & Dickson, 2004) Slotegraaf and Dickson (2004) found that marketing planning capability can lessen firm performance under two conditions. First, firms with a strong marketing planning capability were less likely to improvise from their marketing plans. Second, the "direct effect of marketing planning capability on firm performance is curvilinear. While marketing planning capability can enhance firm performance, decreasing returns exist so that firms with very strong marketing planning capabilities experience a negative effect on their performance" (Slotegraaf & Dickson, 2004, p 10). The authors offered a suggestion for how to manage this paradox. They stated that managers should be discouraged from remaining on a specific path because it was planned and make adjustments as the internal and external environments change, yet remain within the firm's strategic direction. (Slotegraaf & Dickson, 2004) Simply put, management should exercise a situational based leadership style so long as it adheres to the firm's strategic direction.

Pulendran et al. (2003) suggested that the process of planning could be used to assist in the development of market-oriented behaviors. To this end, they set out to study the

relationships between marketing planning, market orientation, and business performance in Australian organizations. Specifically, they sought to identify whether marketing planning could be used to distinguish between firms with either a high or average level of market orientation. Empirical evidence suggested a relationship between marketing planning and business performance had produced mixed findings. The authors stated that "the technology of marketing planning, since it consists of activities and techniques that are intended to assist firms in achieving a desired outcome, has the potential to assist firms in achieving the objective of increased market orientation" (Pulendran et al., 2003, p. 4). The reasoning behind this premise was that achieving a market orientation required a firm to engage in activities that were directed towards understanding its customers and competitors, and in developing responses to these findings. These activities were similar to those necessary for market planning. (Pulendran et al., 2003) The conceptual framework of the study, according to the authors, suggested that market planning has its influence on business performance through its influence on market orientation. A number of hypotheses were set forth dealing with quality of market planning, the level of market orientation, business performance, competitive intensity, market turbulence, and technological turbulence. The study found significant positive relationships between marketing planning quality and market orientation, market orientation and business performance, and marketing planning quality and business performance. After controlling for the impact of market orientation on business performance, the quality of marketing planning had no impact on business performance.

Once the quality of marketing planning on business performance was controlled, market orientation had a positive impact on business performance. Based upon these findings, it would appear that marketing planning quality may be an antecedent of market orientation. (Pulendran et al., 2003)

Pulendran et al. (2003) also found a significant positive interaction between marketing planning quality and market turbulence. They suggested that, in periods of high market turbulence, an additional positive impact upon market orientation could be expected. They said the same conclusions would hold true for technological turbulence. Based on their research, the authors concluded that marketing planning quality was distinct from previously identified antecedents of market orientation, such as interdepartmental conflict, interdepartmental connectedness, reward systems, and top management emphasis. (Pulendran, 2003)

Pulendran et al. (2003) found, in their research within Australian firms, that marketing planning quality had a positive impact upon market orientation. Pulendran et al. surveyed industrial and agricultural firms. However, the authors noted that they were drawing "on evidence that suggests that there is a distinct Australian business culture, different from that found in the USA, particularly in the area of service delivery and interaction with customers" Pulendran et al., 2000, p 120). This study will test the positive relationship of this antecedent to market orientation in a USA service environment have a low number of employees.

Market Orientation and Strategy Implementation

It was conceded by many researchers that the relationship between market orientation, strategy implementation, and business performance was robust across various environments. Dobni and Luffman (2003) sought to determine the existence of ideal behavioral profiles for organizations attempting to maximize business performance by considering the scope and impact of market orientation on strategy implementation. The authors noted that their "research and consultancy work tells them that the current key challenge for management lies in the implementation of strategy, as opposed to the formulation of it" (Dobni & Luffman, 2003, p. 2). Additionally, they concluded that a market orientation facilitated strategy implementation. More specifically, they proposed that "the degree of adherence to the specific requirements of the environment in market orientation and strategy profiles will be significantly related to performance" (Dobni & Luffman, 2003, p. 7).

To test this proposition, Dobni and Luffman (2003) surveyed executives in the Regional Bell Operating Companies. The result of their study supported the premise that there were ideal market orientation and strategy profiles that corresponded to distinct competitive contexts. Response design and implementation, and formal intelligence generation were significant behaviors across all contexts, but to varying degrees. In the context of environmental uncertainty, an innovation profile was found to be the key to high performance. In an environment having a high level of competitive pressure, differentiation and innovation appeared to be the profiles most closely related to business performance. The authors stated: "Empirical evidence supports a profile/performance

relationship and that deviations from ideal profiles will have negative performance implication" (Dobni & Luffman, 2003, p. 13). The managerial implication was that managers should give more attention to profile considerations as an implementation parameter. Operational level behaviors necessary to insure effective strategic deployments could be influenced by profile selection and its impact upon resource allocation.

Summary

Many studies have shown an overall positive relationship between market orientation within a firm and the firm's financial performance. There are a few exceptions to this generality such as in times of technological turbulence or in those specific conditions where the costs of a market orientation exceed the benefits.

Market Orientation and Leadership

In 1960 Levitt noted that "marketing is the stepchild of most modern corporations" (Levitt, 1960, p. 1). He lamented that only rarely did a corporation have top management support for marketing innovation. He noted that, in the time period in which he was writing, most managers seemed unaware of the profit associated with creating new value satisfaction for the corporation's customers. Levitt was of the opinion that, for managers to seize upon these profits they had to assume responsibility for the imbuing of a guiding philosophy of creativity and value satisfaction throughout the corporation. The corporation had to be a leader. It had to force competitors to react to its actions rather than responding to the actions of others (Levitt, 1960). It was top management that forced such actions.

Leader Characteristics and Support

"Organizational outcomes, both strategies and effectiveness, are viewed as reflections of the values and cognitive bases of powerful actors in the organization. "It is expected that such linkage can be detected empirically" (Hambrick & Mason, 1984, p.193). Hambrick and Mason (1984) sought to set forth research questions and challenges with the objective of having other researchers find observable characteristics that were indicators of the skills that managers bring to a firm given the continuous demand for decision making. The characteristics included age, tenure in the organization, functional background, education, and financial position. The authors noted that the psychological dimensions of upper-level managers were not convenient, or in some cases not amenable, to direct measurement. In some cases, managers were reluctant to participate. The authors observed that some background characteristics did not have close psychological analogs. They admitted that demographic indicators may have statistical noise. The authors stated that, based on the few studies that do exist, there appeared to be a positive correlation between managerial youth and corporate growth. A related finding was that volatility of sales and earnings was also positively correlated to managerial youth. Three explanations were cited. Older executives had less physical and mental stamina. Older executives had a greater psychological commitment to the status quo. Older executives were at a point in their lives where financial and career security was important. The authors also speculated, but did not study, the question of whether or not the functional background of the CEO had an influence on the strategic choices made by the CEO. They discussed three functional areas within a firm: (1) output, (2) throughput, and (3)

peripheral. Output functions are (1) marketing, (2) sales and research, (3) and development. Throughput functions are (1) production, (2) process engineering, and (3) accounting. The peripheral functions are (1) law and (2) finance. Depending on the environment, including sales growth, profitability, diversification, and administrative complexity, the functional background would have an impact on the strategies chosen to address various environments. (Hambrick & Mason, 1984)

Based upon their literature review, Kohli and Jaworski cited three antecedents to a market orientation. The antecedents were senior management factors, interdepartmental dynamics, and organizational systems. They cited numerous authors, including Webster, in support of the premise that senior management was an important antecedent to a market orientation. Webster (1988) asserted that a market orientation originated with top management and that "customer-oriented values and beliefs are uniquely the responsibility of top management" (Kohli & Jaworski, 1990, p. 7).

Kohli and Jaworski concluded that age was not an antecedent to managerial support of market orientation. One of the propositions set forth by Kohli and Jaworski was that the greater senior management's educational attainment and upward mobility, the greater the market orientation of the organization. The authors again cited Webster (1988) who argued that "the key to developing a market driven, customer oriented business lies in how managers are valuated and rewarded" (Webster, 1988, p. 38).

Evaluation based on short-term profitability, at the expense of long-term business interests, would result in a lessening of a market orientation. (Kohli & Jaworski, 1990)

The findings suggested that senior managers had to be convinced of the worth of a market orientation and, in turn, communicate their commitment to such an orientation to the organization. Senior managers had to be willing to adapt to change and take any reasonable risk associated with the implementation of the orientation. The implementation of a market orientation resulted from the recognition of a gap between the current level of orientation and the organization's preferred orientation. (Kohli & Jaworski, 1990)

Figure 7 sets forth Kohli and Jaworski's senior management factors as they related to market orientation.

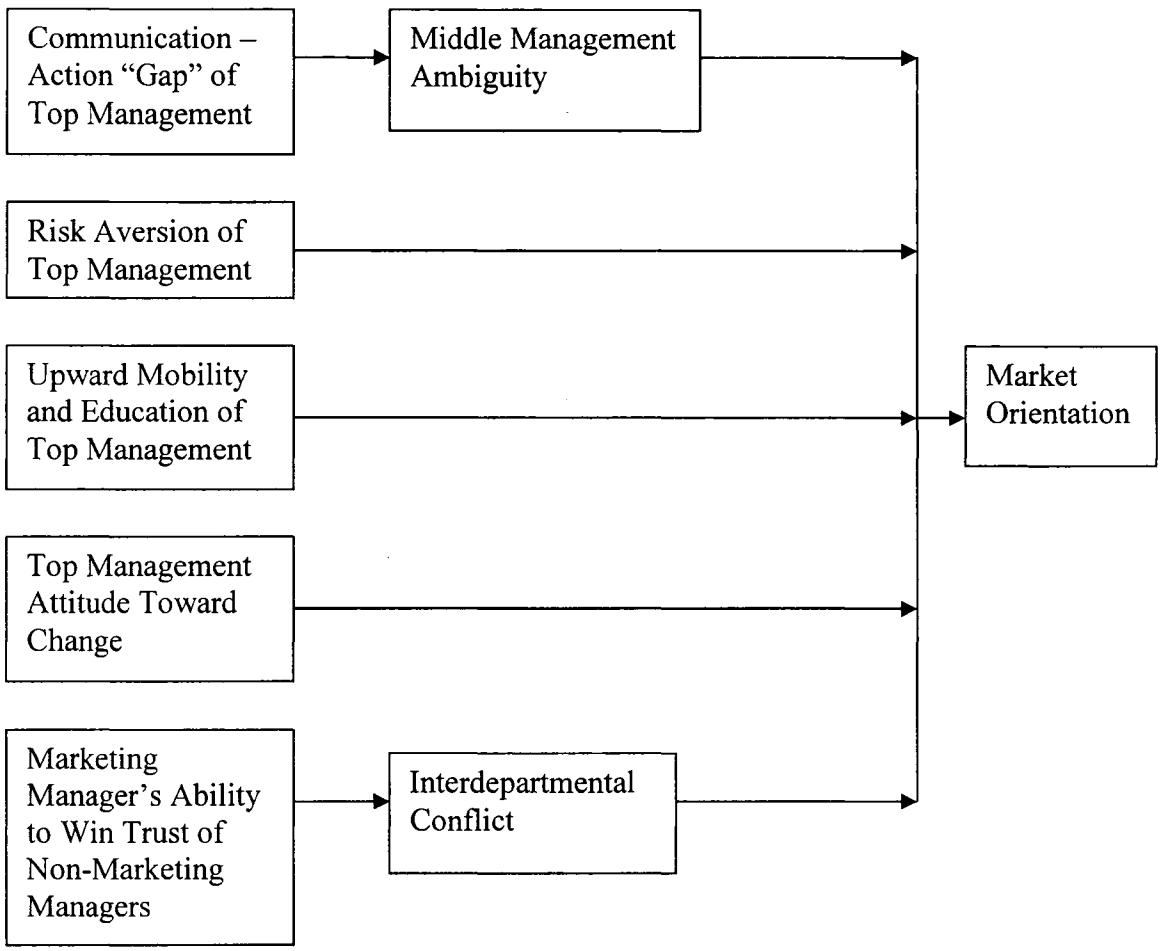

Figure 7. Senior Management Factors and Market Orientation (Kohli and Jaworski, 1990, p. 8)

In another study published in 1993, Jaworski and Kohli again found that market orientation was facilitated by the emphasis that was placed on it by management. They

also found that "a market orientation appears to require a certain level of risk-taking on the part of senior managers" (Jaworski & Kohli, 1993, p. 12).

Leadership as a Key Component

Adding support for the position of leadership in the market orientation/business performance relationship is a study by Deshpande et al. (1993). This study found that management leadership was a key component of organizational culture. Intuitively, management leadership may have important implications for a firm's commitment to its customers. (Deshpande, Farley & Webster, 1993) Pulendran et al. (2003) studied the antecedents and consequences of market orientation in Australia. The purpose of their study was to determine if cultural differences, processes and activities associated with market orientation had significant influences on resulting business performance. The antecedents, including leadership, were found to have some degree of significance. This added further support for the impact of leadership upon the market orientation-business performance relationship. (Pulendran, Speed & Widing, 2003)

Waldman et al. (2001) conducted a study to examine systematically the effects of CEO leadership on firm profitability in both certain and uncertain environments. They hypothesized that both transactional and charismatic leadership by the CEO would be positively associated with organizational performance. The results of the study were that transactional leadership was not significantly correlated with firm performance. The correlation between charisma and performance was only marginally significant.

In an extensive study of the 2001 Fortune magazine survey of America's most admired corporations, based upon data collected by the Hay Group, Ashley and Patel "propose a methodology that offers insight into leadership characteristics that positively impact the firm and subsequently high stock return performance" (Ashley & Patel, 2003, p. 1). The Hay Group queried 10,000 executives, directors, and security analysts in 58 industries. The respondents were asked to rate companies within the industries according to eight attributes. The eight attributes were innovativeness, employee talent, usage of corporate assets, social responsibility, quality of management, financial soundness, long-term investment value, and quality of products/service. The companies were then placed into two groups based on their total return to shareholders: the highest performers and the lowest performers. Of the eight attributes, only three were significantly different when comparing the highest and lowest performing groups. These were quality of management, financial soundness, and products/services. The authors stated that the management characteristics that could support and enable these attributes should be sought when employing a leader. They did not, however, disclose the characteristics that allow for the support and enabling of these attributes. (Ashley & Patel, 2003)

Kohli and Jaworski (1990) stated that senior management support was an antecedent to a market orientation. Webster added support to Kohli and Jaworski's position by saying that "customer oriented values and beliefs are uniquely the responsibility of top management" (Webster, 1988, p. 7).

"Organizational outcomes, both strategies and effectiveness, are viewed as reflections of the values and cognitive bases of the powerful actors in the organization. It is

expected that such linkages can be detected empirically" (Hambrick & Mason, 1984, p. 193). This study will test the top management support antecedent and its relationship to market orientation, in a service industry, as set forth in the model.

Summary

Levitt intuitively lamented that a corporation must have the support of its top management if it was to fully support the marketing concept. (Levitt, 1960) Hambrick and Mason (1984) stated that organizational outcomes were reflections of powerful actors in organizations. They believed that this relationship could be empirically proven. The aforementioned studies have proven empirically that Levitt's lament and the expectation of Hambrick and Mason were correct. Top management, i.e., leadership support, was an antecedent to market orientation.

Leadership

Empirical data from numerous studies support the premise that leadership is an antecedent to market orientation and subsequent enhanced business performance. Despite this fact, there has been little work completed to date to indicate the type of leadership style most effective relative to market orientation. (Harris & Ogbonna, 2001)

Northouse defined leadership as "a process whereby an individual influences a group of individuals to achieve a common goal" (Northouse, 2001, p. 3). "One of the more widely recognized approaches to leadership is the situational approach developed by Hersey and Blanchard"(Northouse, 2001, p. 55). Hersey and Blanchard named their approach situational leadership theory.

Components of Situational Leadership Theory

Situational leadership theory is a contingency-based theory that assumes effective leadership results from the correct diagnosis of problems and responses that involves a combination of appropriate behaviors. Hersey and Blanchard explain: "Situational leadership is based on the interplay among (1) the amount of guidance and direction a leader gives, (2) the amount of socio-emotional support a leader provides, and (3) the readiness level that followers exhibit in performing a specific task" (Goodson et al., 1989, p. 447).

Blanchard and Zigarmi have refined situational leadership theory several times since its inception. Their interpretation of situational leadership theory holds that leadership is composed of both a directive (task) and supportive (relationship) dimension. The degree to which a particular dimension is utilized in the leadership role in a particular situation is conditioned upon competence and commitment of the subordinates being managed. The directiveness behavior dimension involves giving directions, setting goals and timelines, as well as defining roles. (Zigarmi et al., 1997)

The supportiveness behavior dimension involves making the subordinates comfortable about the decision-making process. This involves listening to the subordinate, praising when applicable, seeking input, sharing information about work and self, team building, and mutual problem solving. This study will utilize this component of situational leadership theory in determining its influence on market orientation and enhanced business performance. Situational leadership style can be further classified into four categories of behavior. The usage of a particular category is dependent upon the

development level of the subordinates. (Zigarmi et al., 1997) Development level consists of two components. The first is the ability and technical skills necessary to do the task at hand. The second is the self-confidence the subordinate has in his/her abilities. (Zigarmi et al., 1997)

A study by Goodson et al. (1989) found no support for the relationship between leader behavior and follower readiness. However, it did make a "strong case for the leader's use of supportive behaviors at all levels of subordinate readiness" (Goodson, et al., 1989, p. 459).

The following figure sets forth the model of situational leadership theory as described by Blanchard, Zirgarmi, and Zirgarmi.

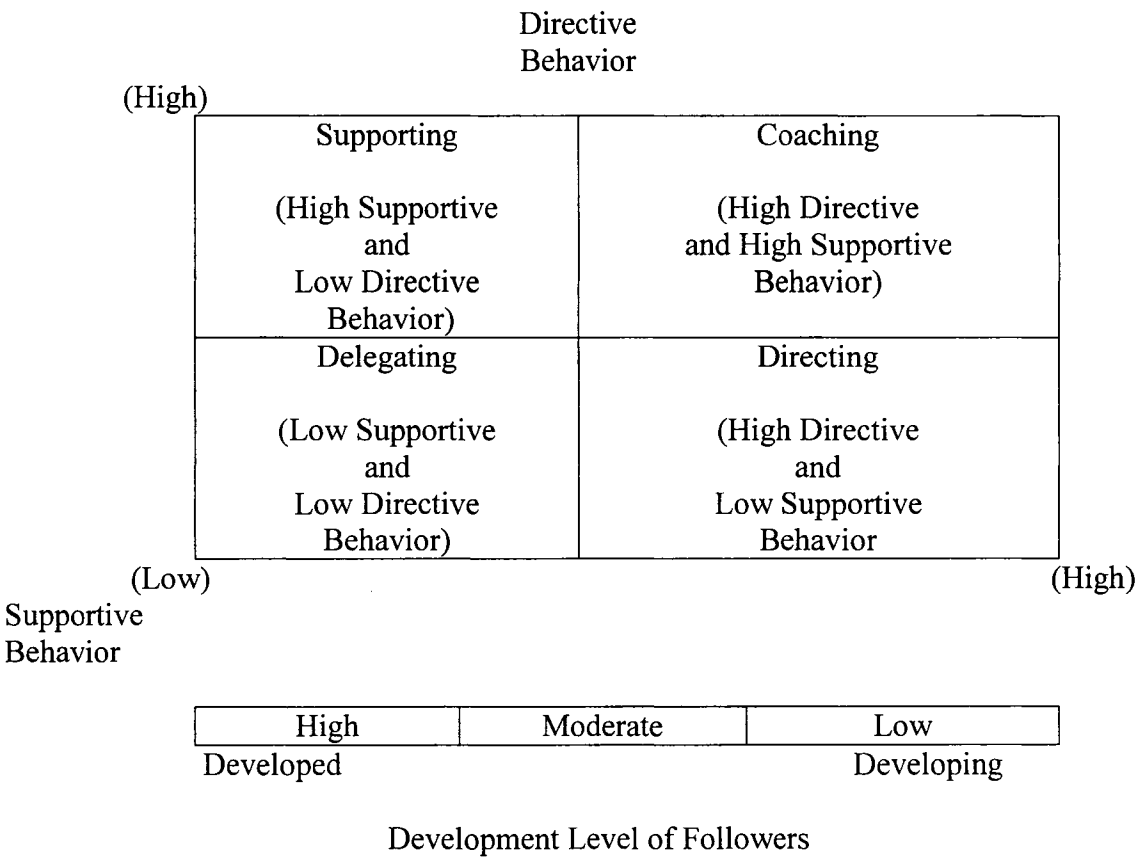

Figure 8. The Four Leadership Styles of Situational Leadership Theory
(Northouse, 2001, p. 56)

Other Theories Integrated

Hersey and Blanchard contend "motives directed toward goals result in behavior" (Hersey & Blanchard, 1993, p. 473). They cite Maslow's Hierarchy of Needs and Herzberg's hygiene factors and motivators as frameworks that can be integrated into situational leadership theory in terms of their relationship to readiness levels and

leadership styles. They also contend "McGregor's X/Y Theory; Likert's management systems and Argyris's immaturity-maturity continuum blend into situational leadership theory" (Hersey & Blanchard, 1993, p. 475). They go on to state that other theories, such as Schein's four assumptions, McClelland's achievement motives, and the work of Berne and Harris, can also be integrated into situational leadership theory. (Hersey & Blanchard, 1993)

Empirical Support for Situational Leadership Theory

Situational leadership theory focuses on subordinate development, sometimes referred to as maturity, as the moderator of leader behavior and effectiveness. While intuitively appealing, there is mixed empirical support for the theory. Blank et al. (1990) conducted a study to examine the assumptions underlying situational leadership theory's prescriptions that the development level of subordinates moderates the relationship between directiveness behavior and supportiveness behavior dimensions with its subsequent influence upon effectiveness. The results of the study offered no support for the assumptions underlying the theory. The authors noted, "This is disappointing because of the intuitive appeal of the theory" (Blank et al., 1990, p. 593).

The results brought forth from a study conducted by Cairns et al. (1998) also showed no support for the theory. Situational leadership theory says the appropriate levels of directiveness behavior dimension, and supportiveness behavior dimension, are set by the level of subordinate development. Cairns et al. (1998) tested for the relationship. They found only 18 matches while finding 126 mismatches. However, the authors stated that

the results for followers in the moderate readiness (development) level of the study approached statistical significance. Leaders, at this level of follower readiness, displayed a higher amount of supportiveness behavior, thus adding partial support to the theory. (Cairns et al., 1998)

Intuitive Appeal of Situational Leadership Theory

Avery stated, "The appealingly simple situational leadership model is remarkable for its subsequent adoption by over three million people in spite of having few theoretical bases and little research support" (Avery, 2001, p. 11). Noting that academic indifference, controversy and criticism have not negatively influenced situational leadership theory's popularity, Avery set out to investigate its validity. He did so by investigating the situational leadership styles of various levels of managers in Australian companies. The purpose of the study was to "identify the style preferences, similarities between self/other perceptions, perceived flexibility, and perceived effectiveness" (Avery, 2001, p. 12). The results of the study showed that senior managers, as well as lower-level supervisors, self rated themselves highest in the components of the supportiveness dimension. Avery (2001) found that subordinates tended to agree with the self-rating of their lower-level supervisors. Despite the fact that raters agreed with the manager's preference for the components of the supportiveness behavior dimension, the study showed that managers perceived themselves to be more supportive and less directive than others did. Avery (2001) emphasized that it was noteworthy that

supervisors at lower levels appeared to avoid directing and delegating styles. Senior managers, on the other hand, preferred delegating and directing. (Avery, 2001)

From the standpoint of managerial style flexibility, all levels of management were perceived to be able to use more than one of the styles set forth in the theory. With regard to effectiveness, managers, especially senior managers, tended to rate themselves more effective than did their subordinates. (Avery, 2001)

The conclusion of the study was that Australian managers had a definite preference for using the supportiveness behavior dimension styles of situational leadership theory. This was contrary to the prescriptions of the theory that called for the use of a range of styles depending upon the situation and the development level of the subordinates. This tendency, on the part of managers, to use supportiveness behavior did not arise from their inability to use other behaviors when necessary but rather was from their perceived benefits of this behavior to the workplace. This was supported by prior research. (Avery, 2001) Top management support has been shown to be an antecedent of market orientation.

Interfunctional discipline is a component of market orientation. Interfunctional discipline places demands, from top management, upon subordinates within the firm. It seems logical to conclude that the supportiveness behavior dimension of situational leadership theory, as a type of top management support, with its relationship to both subordinates and the market orientation paradigm would have influence upon the paradigm and subsequent business performance. Along this line Harris and Ogbonna (2001) found that "over 27 percent of the variation in the measurement of

market orientation can be attributed to varying leadership styles" of top management (Harris & Ogbonna, 2001, p. 7).

Strengths and Weaknesses of Situational Leadership Theory

Northouse summarized the strengths and weaknesses of situational leadership theory. He noted five strengths. First, the theory had enjoyed marketplace acceptance over time. He cited the fact that 400 Fortune 500 companies have used the theory in their management training processes. Second, the theory was intuitive and easily understood. Third, it was prescriptive in that it tells the manager what he/she should and should not do in various situations. Fourth, it emphasized leader flexibility. Fifth, it stressed that each subordinate is different depending upon the circumstances and should be treated accordingly. (Northouse, 2001)

Northouse noted the following weaknesses of situational leadership theory. First, there were few empirical studies that supported the theory. Second, the conceptualization of both subordinate development and commitment were ambiguous in the model. Third, the theory did " not fully address the issue of one-on-one versus group leadership in an organizational setting" (Northouse, 2001, p. 63).

This study investigates the importance of the supportiveness behavior dimension's influence on market orientation and business performance of the firm. The following hypotheses were developed and tested in this pilot study.

H2: There is a positive relationship between the supportiveness behavior dimension of the chief executive officer and the firm's market orientation.

H3: There is a positive relationship between the supportiveness behavior dimension of the chief executive officer and the firm's business performance.

Conclusion

This chapter has addressed the varying definitions of market orientation. It has noted the common components of customer and competitor orientation, information dissemination, and interfunctional coordination. It has shown the positive relationship between market orientation and business performance. The necessity of top management (i.e. leadership) support was addressed. The limited empirical support for situational leadership theory was noted. The hypotheses related to situational leadership theory's supportiveness behavior dimension were set forth.

CHAPTER 3

METHODOLOGY

Introduction

This chapter describes the research question and the theoretical model arising from the research question. The theoretical model is operationalized through the use of components of established scales. The scope of the study and the instrument rationale are explained. The survey population of community banks is identified. The data collection and tabulation procedures are explained. Study assumptions and limitations are identified.

Research Question

The research question posed by this study is "Does the supportiveness behavior dimension of situational leadership theory, as perceived by the firm's CEO, influence the firm's market orientation and business performance?" Given the characteristics of leaders who exhibit supportiveness behavior, the intuitive answer to the research question would appear to be "yes". The body of research, as set forth in the preceding chapter, does not appear to adequately support this intuitive conclusion. This study uses an integrated model to address the issue of the positive influence of the supportiveness behavior dimension of situational leadership theory, as perceived by the CEO, upon a firm's market orientation as well as its business performance.

Theoretical Model and Study Variables

Prior studies, as described in the literature review of chapter 2, have given insight into the major components of the theoretical model used in this research. These components include market orientation (Kohli & Jaworski, 1990, 1993; Narver & Slater, 1990, 1994;

Desphande et al., 1993) and two of its antecedents, those being top management support and market planning quality; business performance (Kohli & Jaworski, 1990, 1994; Narver & Slater, 1990, 1994; Avlonitis & Gournaris, 1995; Chang et al., 1999; McNaughton et al., 2002) and situational leadership theory's supportiveness behavior dimension (Hersey & Blanchard, 1993; Goodson et al., 1989).

The research model consists of one dependent variable, two independent variables, and two antecedents to one of the independent variables. These two antecedents are used as control variables. The dependent variable is business performance. The chosen measures used to analyze business performance are growth in assets and growth in after tax profit, for the fiscal years 2003/2004 and 2004/2005. The data to compute the financial measures were submitted by the respondents from the annual audited financial statements of their respective banking institutions. These data are from the same annual audited financial statements that the financial institutions submitted to their governmental regulators. Therefore, the investigator is confident in the accuracy of the responses relative to financial information provided by the respondents.

One of the independent variables studied is the supportiveness behavioral dimension of situational leadership theory. Supportive behavior is "the extent to which the leader engages in two-way communication, listens, provides support and encouragement, facilitates interaction, and involves the follower(s) in decision making" (Zigarmi et al., 1997, p. 6). This variable is measured using the Section 2 (Supportive Behavior) component of the Leadership Action Profile II –Self Survey instrument. Questions are

included within the survey instrument that address the supportiveness behavior dimension and are responded to using a seven-point Likert scale where 1 = Not at all and 7 = To an extreme extent. Representative survey items included: a) I encourage the free flow of ideas; and b) I make time to listen to employee questions and problems. The Cronbach's Alpha was .86, which meets the required threshold. (Hair et al., 1998)

The other independent variable studied is the level of market orientation within the financial institution of each of the respective respondents. The definition of market orientation is that used by Narver and Slater (1990). Their definition of the term contains three behavioral components and two decision criteria. The three behavioral components are customer orientation, competitor orientation, and interfunctional discipline. The two decision criteria are profitability and long-term focus (Narver & Slater, 1990). Their instrument contains questions that are responded to using a seven-point Likert scale. Items in the survey instrument used in this study were taken for the Narver and Slater instrument and used a 7 point Likert scale where 1 = Not at all and 7 = To an extreme extent. Representative survey items included: a) We measure customer satisfaction systematically and frequently; and b) Our strategy for competitive advantage is based on our understanding of customer needs. The Cronbach's Alpha was .70 which meets the required threshold.

Narver and Slater more specifically define each of the three behavioral components of market orientation as follows. Customer orientation is the "sufficient understanding of

one's target buyers to be able to create superior value for them continuously" (Narver & Slater, 1990, p. 21). Competitor orientation is the understanding of existing and potential competitors strengths, weaknesses, capabilities, and strategies in both the short and long term. And, interfunctional discipline is the coordination of activities and resources within the firm with the objective of creating superior customer value. The scale items used to compute marketing planning and top management support were drawn from the instrument written by Pulendran, Speed and Widing (2003). The Cronbach's Alphas for these two antecedents were .81 and .69, respectively. According to Hair et al. "The generally agreed upon lower limit for Cronbach's alpha is .70, although it may decrease to .60 in exploratory research" (p.118).

Figure 9 illustrates the theoretical model and the factors associated with each variable.

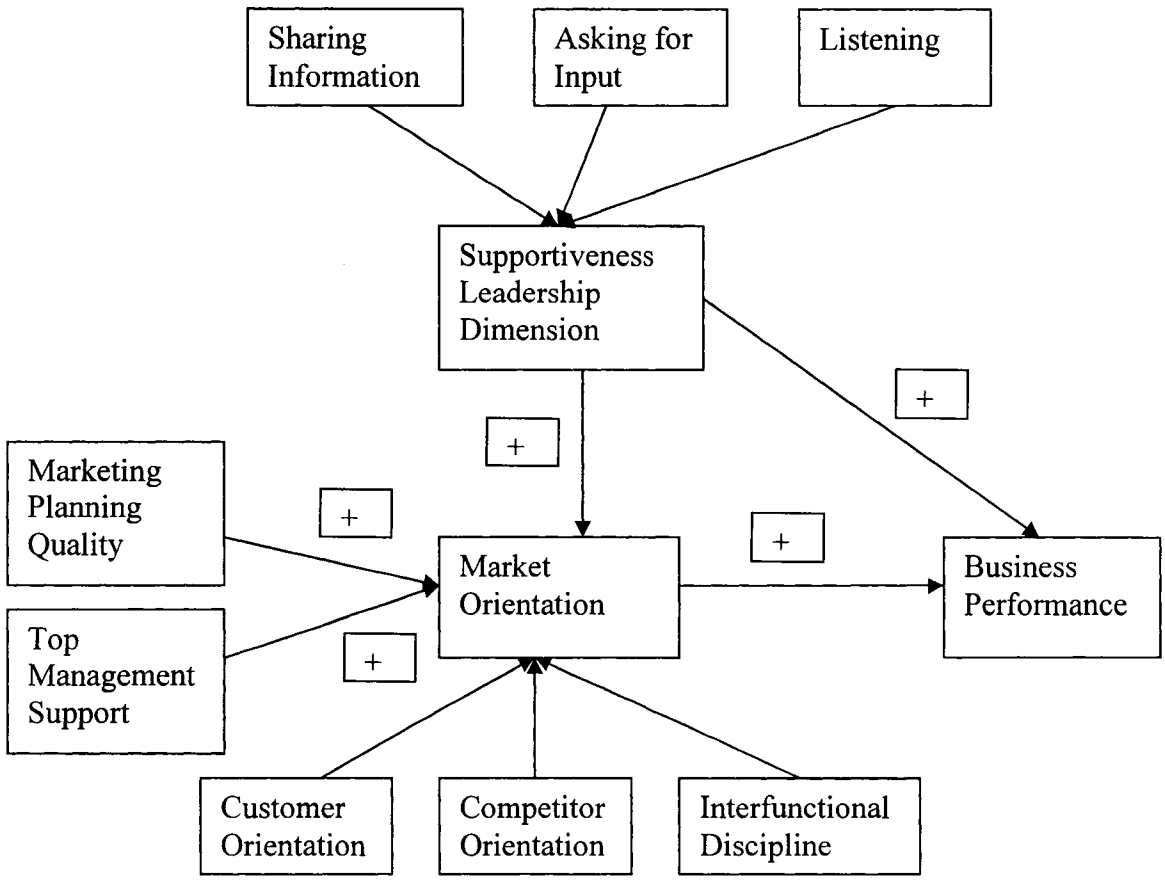

Figure 9. Theoretical Model

Scope of the Study

The study was conducted within a service industry. The population surveyed consisted of CEOs of community banks in several southeastern states. Community banks are banks which have a local orientation rather than a regional, national or international orientation. They generally have assets of more than $100 million but less than $1 billion

dollars. The homogeneity of the sample was a plus in reducing the impact of extraneous factors.

Instrument Rationale

The instruments that were utilized, in this study, were selected because of their use in previous studies. The scale items utilized, in this study, were also selected because of their use in previous studies that determined them to be both valid and reliable.

Narver and Slater "examined, using correlation and factor analysis, the relationship between the three behavioral components of market orientation and their relationships with three other management policy variables that are conceptually linked to market orientation" (Narver & Slater, 1990, p. 25). The results provide support for the convergent, discriminate and construct validity of the instrument. (Narver & Slater, 1990) "Construct validity was also confirmed by Siguaw et al. (1994)" (Jones, 1995, p. 54). Alphas for these three scales exceed the recommended .70 levels.

The Leadership Behavior Analysis II Survey instrument's validity was proven via an examination of the relationships between responses to it and another leadership style instrument, which had already been validated. The other instrument was the Multilevel Management Survey. This instrument was chosen because it measures the same constructs as the LBA-II. Fifteen subscales dealing with manager-specific behavior constructs were compared. A significant relationship ($p < .0001$) was evidenced in 14 of the 15 subscales. (Zigarmi, et al., 1997)

The reliability of the LBA-II has been proven in various studies by Edeburn and Zigarmi (1989, 1992), Price (1993) and Abouel-Enin (1994). Punch (1987), using a mathematical model, performed an examination of the reliability of the LBA-II. Of the 20 items analyzed, only three items dropped below the prescribed discriminating threshold. (Zigarmi et al., 1995)

Pulendran et al. (2003) proved the reliability of the various components of their survey instrument. Portions of the marketing planning and top management support components were utilized in the survey instrument used in this study. Pulendran et al. (2003) noted alphas of .83 and .80 for marketing planning quality and top management support respectively.

Demographics of the Involved Population

Community banks were chosen as the study population. There are approximately 8,601 such banks and savings associations in the United States. (Federal Deposit Insurance Corporation, 2003) Community banks and savings associations in the states of Florida, Georgia, Tennessee, North Carolina and Virginia comprised the study population. A total of 926 institutions was selected from the directories published by the various state bankers' associations. There were two selection criteria: 1) that the bank not be part of a super-regional or nation-wide bank holding company, and 2) that the bank be at least three years old.

The same survey instrument used to pilot the study was used in the final study. A total of 926 survey questionnaires, including the 263 contained in the pilot study, was sent via US Postal Service first class mail with a cover letter and a stamped self-

addressed return envelope. No compensation or inducement was offered. An executive summary of the study was offered to those bankers who wished to review the results. A total of 221 survey questionnaires were returned. Of the 221 questionnaires returned, 40 were deemed to be unusable, primarily because of incomplete data. The remaining 181questionnaires provided a usable response rate of 19.93%. This corresponded with the 19.61% usable response rate in the pilot study. As in the pilot study, descriptive statistics and other statistics were computed using SPSS software.

Table 3 sets forth certain descriptive statistics of the final study population.

Table 3

Final Study: Descriptive Statistics of the Study Population

Category (181 Respondents)	Year End		
	2003	2004	2005
Asset Size ($ millions)			
Mean	210	243	286
Standard Deviation	202	228	273
Range	16 - 1476	22 - 1639	23 - 1801
Profit After Tax ($ millions)			
Mean	1.9	2.5	3.1
Standard Deviation	2.5	2.7	3.0
Range	(-1.5) – 19.4	(1.5) – 20.1	(1.7) – 16

Assumption and Limitations

The primary assumption is that the chief executive officer served as a proxy for the senior management team in each of the firms surveyed. It is also assumed that the computation of growth in total assets and growth in profit after tax, which are the proxies for business performance, are computed from the bank's audited fiscal year-end financial information submitted by the CEO respondents.

Conclusion

This chapter has described the research question, the theoretical model and its variables. It has discussed the validity and reliability of the survey instruments used. The survey population was identified and the data collection and tabulation procedures were noted. The assumptions and limitations of the study were discussed.

CHAPTER IV

ANALYSIS AND PRESENTATION OF FINDINGS

Introduction

This chapter will set forth the statistical results of the study, and discuss the acceptance or rejection of the hypotheses.

Results of the Study

Table 6 sets forth the statistical significance levels of the independent and dependent variables as they relate to one another. The independent variables are market orientation, supportiveness behavior, top management support and marketing planning quality. The latter two independent variables are generally accepted as antecedents of market orientation. The dependent variable is business performance expressed as the growth in total assets and growth in profit after taxes for the years 2003/2004 and 2004/2005. The alphas of the independent variables are noted on the diagonal. The alphas' all meet or exceed the recommended levels. As noted in chapters 2 and 3, other studies have shown acceptable alphas for this variable.

Statistically significant relationships, at the 0.000 level, were found between market orientation and the supportiveness behavior dimension, top management support, and marketing planning quality. The relationship between market orientation and the measures of business performance was mixed. There were statistically significant relationships between market orientation and growth in total assets for the time period 2003/2004 and growth in profit after taxes for the time period 2004/2005. The

significance levels were 0.019 and 0.023 respectively. This was not the case for the relationship between market orientation and growth in total assets 2004/2005 and growth in profit after tax 2003/2004. These levels were statistically non-significant at .433 and .868 respectively. No levels of statistically significant relationships were found between supportiveness behavior and top management support as they related to the measures of business performance. However, marketing planning quality was found to have a statistically significant relationship to growth in total assets for the time period 2003/2004, as well as for the time period 2004/2005. These levels were 0.000 and 0.015 respectively.

Table 4 sets forth the mean, standard deviation, alphas and bi variate correlations of the variables.

Table 4.

Relational Significance Levels and Alphas of the Study Variables

Variable	N	Mean	Std Dev	Mkt Ort	Sup Beh Dim	Top Mgt Sprt	Mkt Plng Qlty	GTA 3/4	GTA 4/5	GPAT 3/4	GPAT 4/5
Mkt Ort	181	4.8664	0.8069	0.70							
Sup Beh Dim	181	5.6980	0.6833	0.000**	0.86						
Top Mgt Spt	181	5.2196	0.8257	0.000**	0.000**	0.69					
Mkt Plng Qlty	181	4.3550	1.1589	0.000**	0.000**	0.000**	0.81				
GTA 3/4	181	32.7107	41.9512	0.019*	0.581	0.701	0.000*	-			
GTA 4/5	181	42.9783	78.0715	0.433	0.711	0.714	0.015*	0.000**	-		
GPAT 3/4	181	0.5085	1.0941	0.868	0.050	0.381	0.874	0.000*	0.003	-	
GPAT 4/5	181	0.6346	1.2893	0.023	0.889	0.449	0.593	0.000**	0.000**	0.11	-

Alphas run on the diagonal.

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

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

Table 7 sets the standardized beta coefficients, equation R^2, hypotheses and test results arising from the statistical analysis.

Table 7: *Results of Hypothesis Testing.*

Test	Hypotheses	Standardized Beta	Equation R^2
Rejects H1	H1: There is a positive relationship between the firm's market orientation and its business performance		
	Dependent Variable: GROTA54 Independent Variable: Market Orientation	.059#	.06#
	Dependent Variable: GROTA43 Independent Variable: Market Orientation	.175**	.03**
	Dependent Variable: GROPAT54 Independent Variable: Market Orientation	.169**	.03**
	Dependent Variable: GROPAT43 Independent Variable: Market Orientation	-.012#	.00#
Supports H2	H2: There is a positive relationship between the supportiveness behavior dimension of the chief executive officer and the firm's market orientation		
	Dependent Variable: Market Orientation Control Variable: Market Planning Quality Control Variable: Top Management Support Independent Variable: Supportiveness Behavior	.170* .242* .289*	.30*
Rejects H3	H3: There is a positive relationship between the supportiveness behavior dimension of the chief executive officer and the firm's business performance		
	Dependent Variable: GROTA54 Independent Variable: Supportiveness Behavior	-.028#	.00#
	Dependent Variable: GROTA43 Independent Variable: Supportiveness Behavior	.041#	.00#
	Dependent Variable: GROPAT54 Independent Variable: Supportiveness Behavior	.010#	.00#
	Dependent Variable: GROPAT43 Independent Variable: Supportiveness Behavior	-.146**	.02**
	*p= or <.01; **p= or<.05; #p=not significant		

Discussion of Hypotheses

In the regression equations related to H1, market orientation was regressed onto four individual measures of business performance. The four measures of business performance were growth in total assets for the periods 2003/2004 and 2004/2005 and growth in profit after tax for the same two time periods. The results were mixed.

The regression equation related to growth in total assets 2003/2004 was significant: F (1,179) = 5.62, R^2 = 0.03, p = .02 and β = .175. The sign of the beta was positive, therefore, the results support Hypothesis 1.

The regression equation related to growth in profits after tax 2004/2005 was also significant: F (1,179) = 5.25, R^2 = .03, p = .02 and β = .169. The sign of the beta was positive, therefore the results support Hypothesis 1.

The regression equation related to growth in total assets 2004/2005 was not significant: F (1,179) = 0.62, R^2 = .00, p = .43 and β = .06. And, the regression equation for growth in profits after tax 2003/2004 also was not significant: F (1,179) = 0.03, R^2 = .00, p = .87 and β = -.012. They do not support Hypothesis 1

Two of the four regression equations related to the relationship between market orientation and the measures of business performance were positively significant and two were not positively significant. Therefore, Hypothesis 1 is rejected.

These results are contrary to the findings of Narver and Slater (1990), Kohli and Jaworski (1990, 1993), Desphande et al. (1993), Chang and Chen (1998), Noble (2002) and McNaughton (2003). They do however perhaps compliment the findings of Greenley (1995) who found that market orientation might be uneconomical in some environments.

The regression equation related to H2, where market orientation was regressed on market planning quality, top management support and supportiveness behavior, was significant: F (3,177) = 24.9, R^2 =.30, and p= .000. All three variables were responsible for the effect: marketing planning quality (β = .17, p = .014), top management support (β = .242, p = .001) and supportiveness behavior dimension (β = .29, p = .000). The signs of all the betas were positive; therefore, the results support Hypothesis 2 and it is accepted.

The researcher has found no other research that specifically addresses this particular management behavioral aspect, that is, the supportiveness behavioral dimension of situational leadership theory, and its relationship to market orientation. The necessity for market orientation to have the support of top management has been noted by numerous authors, such as Levitt (1960), Hambrick and Mason (1984) and Kohli and Jaworski (1990). The finding of a positive and significant relationship between market planning quality and market orientation are supported by the findings of Simkin (2002) and Pulendran et al. (2003).

Of particular note is the fact that, when these two generally accepted antecedents to market orientation were combined with the supportiveness behavior dimension of situation leadership theory, an equation R^2 of .30 with a p = .000 was generated. This raises a question as to whether the supportiveness behavior dimension, as defined by situational leadership theory, is an antecedent to market orientation.

In the regression equations related to H3, the supportiveness behavior of the firm's chief executive officer was regressed onto the four measures of business performance

previously noted. The regression equation related to growth in total assets for 2003/2004 was not significant: F (1, 179) =0.306, R_2 = .00, p = .581 and β = .041. The regression equation related to growth in total assets for 2004/2005 was also not significant: F (1,179) = 138, R_2 = .00, p = .711 and β = .028. Growth in profit after tax for 2003/2004 showed different results. This regression equation was significant: F (1,179) = 3.884, R^2 = .02, p = .05 and β = -.146. However, the sign of the beta was negative and therefore did not support Hypothesis 3. The regression equation related to growth in profit after tax for 2004/2005, also was not significant: F (1,179) = .020, R^2 = .00, p = .889 and β = .010. None of the four regression equations related to the relationship between the supportiveness behavior dimension and the measures of business performance was significant. Therefore, Hypothesis 3is rejected.

Summary

This chapter discussed the statistical results of the study. It also set forth the test results related to each of the hypotheses.

CHAPTER 5

SUMMARY AND CONCLUSIONS

Introduction

This chapter describes the significant findings of the study that examined the research question: "Does the supportiveness behavior dimension of situational leadership theory, as perceived by the firm's CEO, influence the firm's market orientation and business performance?" Implications of these investigations of situational leadership theory's supportive behavior dimension are discussed. Limitations of the study are described. Implications of the findings and their impact on future research are discussed.

Implications of the Study to Current Theory in the Discipline

Two implications of consequence to current theory are noted as a result of this study. The first implication is that the supportiveness behavior dimension of situational leadership theory has a positive and significant influence relative to market orientation. While there has been ample research on market orientation, there is limited empirical research, as previously noted, to support the intuitive appeal of situational leadership theory. These findings add to the base of knowledge regarding situational leadership theory in general and its supportiveness behavior dimension in particular. The author did not find any other studies that specifically addressed this relationship.

The second implication, relative to current theory, is the finding that, in this particular study, there was not a consistent positive significant relationship between market orientation and business performance. This finding is contrary to findings of numerous authors, as previously noted, who have found significant positive relationships

between market orientation and business performance.

The finding that market orientation does not have a statistically positive relationship to business performance, and therefore may be uneconomic in the community banking industry, is counter-intuitive. Banking is one of the few industries where the customer, a key factor in market orientation, is also the major provider/vendor of the firm's basic raw materials inventory; that is funds. The typical customer is one who purchases a firm's revenue generating products. In the case of banking, the principal products are loans of various sorts, such as auto loans, home mortgages, and commercial and industrial loans. The customer also purchases products from the bank which generate expense to the bank. These expense generating products are deposit liabilities, such as checking and savings accounts and certificates of deposit. Without the funds produced by the expense generating products, the bank would have fewer funds to lend thus reducing its supply of revenue generating products to sell. Given the importance of the customer in this scenario, it would seem that the orientation to the customer would not only be significant but necessary almost irrespective of the cost.

These findings regarding market orientation and business performance might be impacted by the geographic area surveyed the nature of the service industry surveyed, or, the fact that these firms have a relatively small number of employees as compared to other studies which garnered different results.

Figure 10 shows the theoretical model adjusted to reflect the significant findings of this research study.

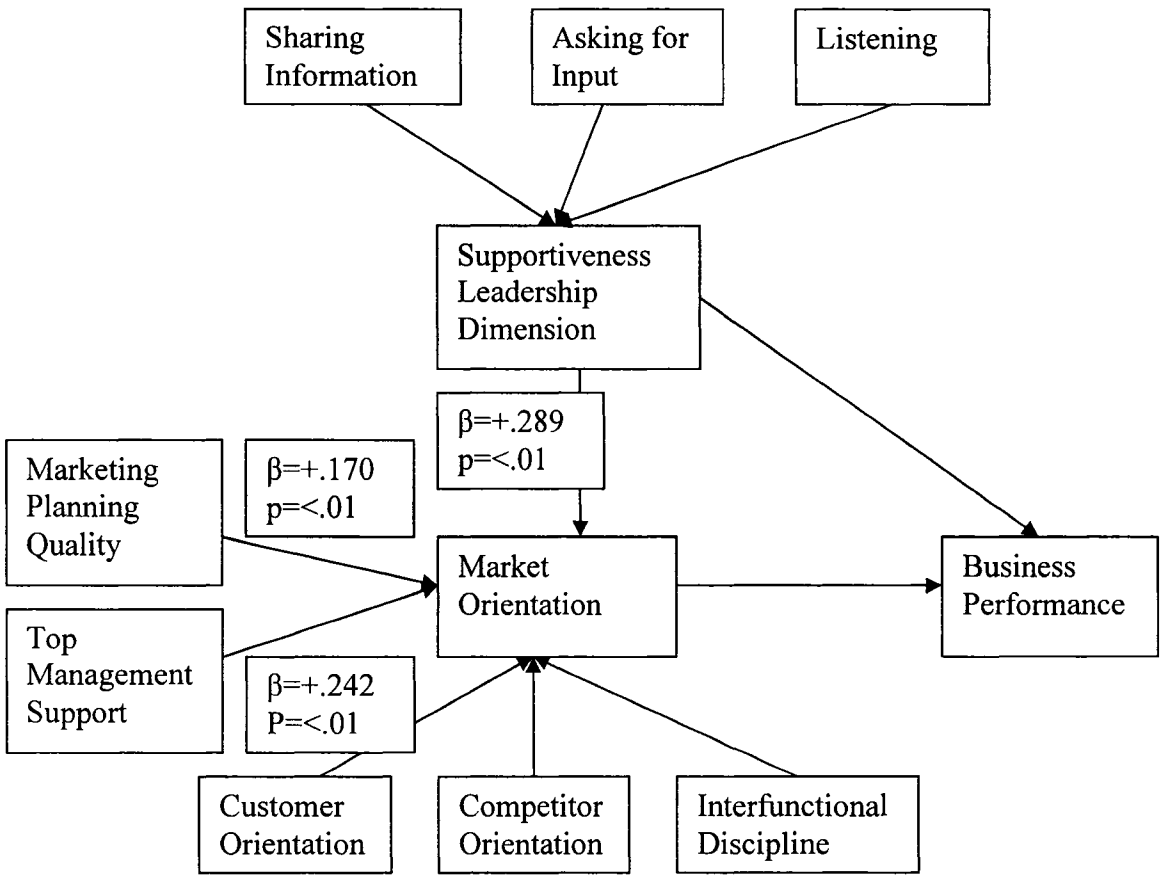

Figure 10: Adjusted Theoretical Model.

Limitations of the Study

The researcher acknowledges that the two period timeframe measurement of business performance may have been insufficient. A longitudinal study may have yielded different results regarding the relationship between market orientation and measures of

business performance in the community banking industry. Also, a study that was more geographically expanded may have yielded different results as to this relationship.

The decision was made to make the CEO the proxy for all of top management when measuring market orientation and supportiveness behavior. This may have had some impact upon the results of the study.

Implications of the Findings

The findings of the study have value to both scholars and practitioners because they build upon previous research on market orientation and situational leadership theory.

The study showed that supportive behavior on the part of the CEO accounts for a portion of the level of market orientation in a positive and significant way. This managerial characteristic may be found to be of value when evaluating a CEO.

Recommendations for Future Research

Harris and Ogbonna (2001) conclude that the leadership style of senior managers has a direct influence upon the level of market orientation within the firm. This study would support their conclusion. It would be of interest, however, to test for both the supportiveness behavior dimension and the directiveness behavior dimension of situational leadership theory by using the same instrument and the same study population. Studies of other service industries with a small number of employees would also expand the knowledge base related to this matter.

Additionally, it could be that community bank CEOs, the focus of this study, behave differently than CEOs of large bank holding companies or super-regional, nationwide or

international banks. The impact of the CEO in a large environment may be quite different than the impact or influence of a CEO in a small environment, such as a community bank.

Conclusions

The research problem addressed by this study related to the influence of the CEO's supportiveness behavior on the market orientation paradigm of the firm, and the business performance as measured by select financial data. One can conclude from this investigation that market orientation and supportiveness behavior are positively related at a level of statistical significance.

The positive relationship between market orientation and two of its known antecedents, top management support and marketing planning quality, was also confirmed. Additionally, it was shown that there is a positive relationship between the supportiveness behavior dimension and market orientation. This relationship, when combined with the two generally accepted antecedents previously mentioned, generated an R^2 of .30 with a $p<.01$. Perhaps the supportiveness behavior dimension of situational leadership theory is the management style that increases market orientation to its highest level; or, is even an antecedent of market orientation. The questions are raised, but not answered, by this research.

APPENDIX A

SURVEY INSTRUMENT

APPENDIX A

SURVEY INSTRUMENT

Survey #:_____

CONFIDENTIAL COMMUNITY BANKING PRACTICES SURVEY

When answering, please use the response scale and place the most appropriate number in the blank space to the left of each statement. Please respond to each statement.

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
1	**2**	**3**	**4**	**5**	**6**	**7**

In our bank - - -

1. _____ We regularly share information concerning competitor's strategies.
2. _____ We rapidly respond to competitive actions that threaten us.
3. _____ Our top managers from every function visit our current and prospective Customers.
4. _____ Our strategy for competitive advantage is based on our understanding of customer needs.
5. _____ We measure customer satisfaction systematically and frequently.
6. _____ All of our managers understand how everyone in our bank can contribute to creating customer value.
7. _____ I check with the bank's employees to see if they have any concerns we need to discuss.
8. _____ I pay attention to the concerns that the bank's employees try to express.
9. _____ I explain to the bank's employees why I have taken various courses of action.
10. _____ I keep the bank's employees informed about what is happening in the organization.

Please continue to the next page

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
1	**2**	**3**	**4**	**5**	**6**	**7**

In our bank - - -

11. _____ I encourage the free flow of ideas.

12. _____ I make time to listen to the bank's employee's questions and problems.

13. _____ I repeatedly tell the bank's employees that this bank's survival depends on the bank adapting to market trends.

14. _____ I often tell the bank's employees to be sensitive to the activities of our competitors.

15. _____ I keep telling the bank's employees that they must gear up now to meet customer's future needs.

16. _____ I tell the bank's employees that serving customers is the most important thing our bank does.

17. _____ To what extent does your bank use a formalized marketing planning process?

18. _____ To what extent were the objectives of the marketing planning cycle explicitly addressed?

19. _____ To what extent did people in different functions, which have to work together, do their job efficiently without getting in each others way?

20. _____ To what extent was the input of all employees in the marketing planning encouraged?

Please continue to the next page

Additional Information:

A. Please provide the following from your bank's publicly disclosed financial information for the year endings indicated (or send copies of annual reports):

Year ended:	2003	2004	2005
Total Assets	_____	_____	_____
Total Capital	_____	_____	_____
Profit After Taxes	_____	_____	_____

B. Your career path, prior to assuming executive responsibilities, was concentrated in (please circle the appropriate number):

1. Commercial Lending.
2. Retail Lending.
3. Operations.
4. Finance/Administration.
5. Investments.
6. Trust Department.
7. Other (please explain): _____

Thank you very much for your assistance in this study. Please indicate if you wish to personally and confidentially receive an executive summary of the findings of this study. Yes____ No____

Return this Confidential Community Banking Practices Survey Questionnaire to:

Gerald F. Sullivan
Senior Fellow in Business
Walker School of Business
Piedmont College
P.O. Box 10
Demorest, Georgia 30535

Phone: 706-778-8500 ext 1507
770-519-3627
Email: gsullivan@piedmont.edu

APPENDIX B

COMPONENTS OF OTHER SURVEY INSTRUMENTS UTILIZED

APPENDIX B

COMPONENTS OF OTHER SURVEY INSTRUMENTS UTILIZED
(Components used are in bold font)

Narver and Slater's Survey Instrument
Market Orientation Questionnaire Items

In answering, use the following response scale and place the most appropriate number in the blank space to the left of each statement. Please respond to each statement.

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
1	2	3	4	5	6	7

In our business—

	Compo		
1.	_____	**Our sales people regularly share information with our business concerning competitors' strategies.**
	Custo		
2.	_____	Our business objectives are driven primarily by customer satisfaction.
	Compo		
3.	_____	**We respond rapidly to competitive actions that threaten us.**
	Custo		
4.	_____	We constantly monitor our level of commitment and orientation to serving customers' needs.
	Coord		
5.	_____	**Our top managers, from every function, regularly visit our current and prospective customers.**
	Coord		
6.	_____	We freely communicate information about our successful and unsuccessful customer experiences across all business functions.
	Custo		
7.	_____	**Our strategy for competitive advantage is based on our understanding of customer needs.**
	Coord		
8.	_____	All of our business functions (e.g. marketing/sales, manufacturing, R & D, finance/accounting etc.) are integrated in serving the needs of our target customers.

Custo
9. _____ Our business strategies are driven by our beliefs about how we can create greater value for customers.

Custo
10. _____ **We measure customer satisfaction systematically and frequently.**

Custo
11. _____ We respond quickly and courteously to customer complaints.

Compo
12. _____ Top management regularly discusses competitors' strengths and strategies.

Coord
13. _____ **All of our managers understand how everyone in our business can contribute to creating customer value.**

Compo
14. _____ We target customers where we have an opportunity for competitive advantage.

Custo	Item from customer orientation subscale.
Compo	Item from competitor orientation subscale.
Coord	Item from interfunctional coordination subscale.

Sales Growth and Customer Retention

Rate how well your business has performed relative to all other competitors in your principal served market segment (PSMS) over the past year.

1	2	3	4	5	6	7
<10%	11-25%	26-40%	41-55%	56-70%	71-85%	86-100%

Example: If you believe that your sales growth is greater than that of approximately 60% of all competitors in your PMS, rate yourself a 5 for Sales Growth.

	Rating
Customer Retention	_____
Sales Growth	_____
Return on Investment*	_____

*For this study, we consider CROI, ROI, ROA, and RONA to be equivalent.

APPENDIX B (continued)

SITUATIONAL LEADERSHIP BEHAVIOR
SUPPORTIVENESS BEHAVIOR DIMENSION
LBAII – SELF
(Components used are in bold font)

Survey Questions responded to on a 7 point Likert scale.

WHEN WORKING WITH THE PEOPLE I LEAD: .....

MSP _____ I help them explore the consequences to alternatives they may propose to solve a problem.

ASK _____ **I check with them to see if they have any concerns they need to discuss.**

ASK _____ I encourage them to speak up when they disagree with a decision.

SHO _____ I keep them informed about the things that are relevant to their jobs.

ASK _____ I ask them for input on various work issues.

LSN _____ **I do not pay attention to concerns they try to express**. (reverse score)

MPS _____ I leave them to solve problems on their own. (reverse score)

SHO _____ I provide rationale for decisions that affect their work.

MPS ____ I include them in decisions that affect their work.

PRS _____ I focus on their mistakes. (reverse score)

PRS _____ I tell them when I think they have done a good job.

MPS _____ I help them explore alternative solutions to work problems.

SHS _____ **I explain to them why I have taken various courses of action.**

SHO _____ **I keep them informed about what is happening in the organization.**

SHS _____ I share information about myself.

SHO _____ I tell them why I feel a particular work issue must be handled in a certain way.

MPS _____ **I encourage the free flow of ideas and opinions.**

SHS _____ I share information about personal experiences that broaden their perspectives about their work.

LSN _____ **I make time to listen to their questions or problems.**

PRS _____ I praise them for good performance.

SHO _____ I tell them what I am feeling about various work issues.

ASK	Asking for input.
LSN	Listening to the subordinate.
MPS	Mutual problem solving.
PRS	Praising.
SHS	Sharing information about self.
SHO	Sharing info re organizational operations.

APPENDIX B (continued)

PULENDRAN, SPEED AND WIDING'S SURVEY INSTRUMENT
RELATED TO TOP MANAGEMENT EMPHASIS AND
QUALITY MARKETING PLANNING
(Components used are in bold font)

Survey questions responded to on a 7 point Likert scale.

Top Management Emphasis:

1. **Top managers repeatedly tell employees that this business unit's survival depends on its adapting to market trends.**
2. **Top managers often tell employees to be sensitive to the activities of its competitors.**
3. **Top managers keep telling people around here that they must gear up now to meet customer's future needs.**
4. **According to top managers here, serving customers is the most important thing our business unit does.**

Marketing Planning Quality

1. A person involved in planning can make a decision without checking with anyone else. (reversed scored)

2. In the previous planning cycle, we had a formal procedure that we had to follow.

3. **To what extent was a formalized method of planning used?**

4. To what extend did the planners have to change their approach during the planning process? (reversed scored)

5. **To what extent were objectives of the planning cycle explicitly addressed?**

6. In general, how effective was the planning team or individual at focusing attention on relevant information and ignoring irrelevant information?

7. How important were quantitative analytical techniques in making the final decision in the previous planning cycle?

8. At the time the decision was made, how confident was the planning team that the correct choice was made?

9. How confident was the planning team that the decision made was the best possible outcome given all possible alternatives?

10. To what extent did the interests at stake split the planning group?

11. Were group members primarily concerned with their own goals or with the overall goals of the business unit?

12. To what extent was the decision affected by the use of power and influence among group members on the planning team?

13. **To what extent did people in the different functions, who have to work together, do their job efficiently without getting in each other's way?**

14. To what extent were individuals open with each other about their interests and preferences in the decisions?

15. To what extent were employees from different functions encouraged to discuss their opinions with each other?

16. **To what extent was the input of all employees in planning encouraged?**

APPENDIX C

PILOT STUDY STATISTICAL RESULTS

APPENDIX C

PILOT STUDY STATISTICAL RESULTS

Market Orientation Scale

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.	C1	4.3529	1.5726	51.0
2.	C2	5.0000	1.2806	51.0
3.	CO1	4.6275	1.5995	51.0
4.	CU1	5.7647	1.1762	51.0
5.	CU2	4.3922	1.5110	51.0
6.	CO2	5.4510	1.2380	51.0

N of Cases = 51.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	29.5882	31.3271	5.5971	6

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	4.9314	4.3529	5.7647	1.4118	1.3243	.3374

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.9784	1.3835	2.5584	1.1749	1.8492	.2682

Reliability Coefficients 6 items

Alpha = .7453 Standardized item alpha = .7569

APPENDIX C

PILOT STUDY STATISTICAL RESULTS

Top Management Support Scale

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.	TM1	4.9804	1.2883	51.0
2.	TM2	4.4510	1.1716	51.0
3.	TM3	5.0000	1.2961	51.0
4.	TM4	6.4314	.8063	51.0

N of Cases = 51.0

Statistics for Scale	Mean	Variance	Std Dev	Variables
	20.8627	10.9208	3.3047	4

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	5.2157	4.4510	6.4314	1.9804	1.4449	.7215

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.3406	.6502	1.6800	1.0298	2.5838	.2315

Reliability Coefficients 4 items

Alpha = .6786 Standardized item alpha = .6836

APPENDIX C

PILOT STUDY STATISTICAL RESULTS

Marketing Planning Quality Scale

		Mean	Std Dev	Cases
1.	MP1	4.2157	1.3611	51.0
2.	MP2	4.2745	1.4708	51.0
3.	MP3	5.0000	1.1489	51.0
4.	MP4	4.3529	1.3831	51.0

N of Cases = 51.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	17.8431	19.1349	4.3743	4

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	4.4608	4.2157	5.0000	.7843	1.1860	.1324

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.8122	1.3200	2.1631	.8431	1.6387	.1257

Reliability Coefficients 4 items

Alpha = .8282 Standardized item alpha = .8204

APPENDIX C

PILOT STUDY STATISTICAL RESULTS

Supportiveness Behavior Dimension Scale

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.	AS1	5.4706	1.2705	51.0
2.	LN1	5.8824	.9929	51.0
3.	SH1	5.4510	1.1012	51.0
4.	SH2	5.7451	.9131	51.0
5.	AS2	6.0000	.9798	51.0
6.	LN2	5.7255	1.0016	51.0

N of Cases = 51.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	34.2745	26.6831	5.1656	6

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	5.7124	5.4510	6.0000	.5490	1.1007	.0479

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.1016	.8337	1.6141	.7804	1.9360	.0780

Reliability Coefficients 6 items

Alpha = .9028 Standardized item alpha = .9070

APPENDIX D

FINAL STUDY STATISTICAL RESULTS

APPENDIX D

FINAL STUDY STATISTICAL RESULTS

Market Orientation Scale

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.	C1	4.4420	1.4844	181.0
2.	C2	5.2729	1.2112	181.0
3.	CO1	4.3287	1.4600	181.0
4.	CU1	5.7017	.9425	181.0
5.	CU2	4.0939	1.5118	181.0
6.	CO2	5.3591	1.1587	181.0

N of Cases = 181.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	29.1983	23.4372	4.8412	6

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	4.8664	4.0939	5.7017	1.6077	1.3927	.4343

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.7198	.8883	2.2856	1.3973	2.5730	.3243

Reliability Coefficients 6 items

Alpha = .6717 Standardized item alpha = .6970

APPENDIX D

FINAL STUDY STATISTICAL RESULTS

Top Management Support Scale

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.	TM1	5.0387	1.2127	181.0
2.	TM2	4.5359	1.2671	181.0
3.	TM3	4.8840	1.2573	181.0
4.	TM4	6.4199	.8031	181.0

N of Cases = 181.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	20.8785	10.9074	3.3026	4

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	5.2196	4.5359	6.4199	1.8840	1.4153	.6845

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	1.3256	.6449	1.6056	.9607	2.4896	.2093

Reliability Coefficients 4 items

Alpha = .6852 Standardized item alpha = .6882

APPENDIX D

FINAL STUDY STATISTICAL RESULTS

Marketing Planning Quality Scale

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.	MP1	4.1381	1.5047	181.0
2.	MP2	4.1050	1.5294	181.0
3.	MP3	4.9558	1.1442	181.0
4.	MP4	4.2210	1.5296	181.0

N of Cases = 181.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	17.4199	21.4894	4.6357	4

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	4.3550	4.1050	4.9558	.8508	1.2073	.1628

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	2.0630	1.3091	2.3398	1.0306	1.7873	.2538

Reliability Coefficients 4 items

Alpha = .8213 Standardized item alpha = .8121

APPENDIX D

FINAL STUDY STATISTICAL RESULTS

Supportiveness Behavior Dimension Scale

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.	AS1	5.4254	1.0281	181.0
2.	LN1	5.9116	.7979	181.0
3.	SH1	5.4254	.9725	181.0
4.	SH2	5.6354	.9485	181.0
5.	AS2	5.9669	.7951	181.0
6.	LN2	5.8232	.8510	181.0

N of Cases = 181.0

Statistics for Scale	Mean	Variance	Std Dev	N of Variables
	34.1878	16.8090	4.0999	6

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	5.6980	5.4254	5.9669	.5414	1.0998	.0572

Item Variances	Mean	Minimum	Maximum	Range	Max/Min	Variance
	.8159	.6322	1.0569	.4247	1.6717	.0313

Reliability Coefficients 6 items

Alpha = .8505 Standardized item alpha = .8557

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Market Orientation/GROTA 54

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	MO(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROTA54

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.059(a)	.003	-.002	78.15467	.003	.617	1	179	.43

a Predictors: (Constant), MO

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3769.946	1	3769.946	.617	.433(a)
	Residual	1093359.387	179	6108.153		
	Total	1097129.333	180			

a Predictors: (Constant), MO
b Dependent Variable: GROTA54

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tole
1	(Constant)	15.377	35.611		.432	.666				
	MO	5.672	7.220	.059	.786	.433	.059	.059	.059	

a Dependent Variable: GROTA54

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Market Orientation/GROTA43

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	MO(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROTA43

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.175(a)	.030	.025	41.42273	.030	5.622	1	179	.01

a Predictors: (Constant), MO

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9647.236	1	9647.236	5.622	.019(a)
	Residual	307135.761	179	1715.842		
	Total	316782.997	180			

a Predictors: (Constant), MO
b Dependent Variable: GROTA43

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tol
1	(Constant)	-11.443	18.874		-.606	.545				
	MO	9.073	3.826	.175	2.371	.019	.175	.175	.175	

a Dependent Variable: GROTA43

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Market Orientation/GROPAT54

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	MO(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROPAT54

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.169(a)	.028	.023	1.26806	.028	5.245	1	179	.02

a Predictors: (Constant), MO

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.434	1	8.434	5.245	.023(a)
	Residual	287.826	179	1.608		
	Total	296.260	180			

a Predictors: (Constant), MO
b Dependent Variable: GROPAT54

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tole
1	(Constant)	-.671	.578		-1.161	.247				
	MO	.268	.117	.169	2.290	.023	.169	.169	.169	

a Dependent Variable: GROPAT54

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Market Orientation/GROPAT43

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	MO(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROPAT43

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.012(a)	.000	-.005	1.09709	.000	.028	1	179	.86

a Predictors: (Constant), MO

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.033	1	.033	.028	.868(a)
	Residual	215.447	179	1.204		
	Total	215.480	180			

a Predictors: (Constant), MO
b Dependent Variable: GROPAT43

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			C
		B	Std. Error	Beta			Zero-order	Partial	Part	Toler
1	(Constant)	.590	.500		1.181	.239				
	MO	-.017	.101	-.012	-.166	.868	-.012	-.012	-.012	

a Dependent Variable: GROPAT43

APPENDIX E

FINAL STUDY REGRESSION RESULTS

Market Orientation/Supportiveness Behavior, Marketing Planning Quality and Top Management Support

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	SLT, MP, TM(a)	.	Enter

a All requested variables entered.
b Dependent Variable: MO

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.545(a)	.297	.285	.68229	.297	24.910	3	177	.00

a Predictors: (Constant), SLT, MP, TM

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.789	3	11.596	24.910	.000(a)
	Residual	82.397	177	.466		
	Total	117.186	180			

a Predictors: (Constant), SLT, MP, TM
b Dependent Variable: MO

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			C
		B	Std. Error	Beta			Zero-order	Partial	Part	Toler
1	(Constant)	1.154	.452		2.555	.011				
	MP	.119	.048	.170	2.490	.014	.348	.184	.157	
	TM	.230	.069	.242	3.331	.001	.432	.243	.210	
	SLT	.341	.086	.289	3.958	.000	.459	.285	.249	

a Dependent Variable: MO

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Supportiveness Behavior Dimension/GROTA54

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	SLT(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROTA54

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.028(a)	.001	-.005	78.25924	.001	.138	1	179	.71

a Predictors: (Constant), SLT

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	842.401	1	842.401	.138	.711(a)
	Residual	1096286.933	179	6124.508		
	Total	1097129.333	180			

a Predictors: (Constant), SLT
b Dependent Variable: GROTA54

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tole
1	(Constant)	61.018	48.987		1.246	.215				
	SLT	-3.166	8.537	-.028	-.371	.711	-.028	-.028	-.028	

a Dependent Variable: GROTA54

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Supportiveness Behavior Dimension/GROTA43

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	SLT(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROTA43

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.041(a)	.002	-.004	42.03231	.002	.306	1	179	.58

a Predictors: (Constant), SLT

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	541.068	1	541.068	.306	.581(a)
	Residual	316241.929	179	1766.715		
	Total	316782.997	180			

a Predictors: (Constant), SLT
b Dependent Variable: GROTA43

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tole
1	(Constant)	18.253	26.311		.694	.489				
	SLT	2.537	4.585	.041	.553	.581	.041	.041	.041	

a Dependent Variable: GROTA43

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Supportiveness Behavior Dimension/GROPAT54

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	SLT(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROPAT54

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.010(a)	.000	-.005	1.28643	.000	.020	1	179	.88

a Predictors: (Constant), SLT

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.032	1	.032	.020	.889(a)
	Residual	296.228	179	1.655		
	Total	296.260	180			

a Predictors: (Constant), SLT
b Dependent Variable: GROPAT54

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			C
		B	Std. Error	Beta			Zero-order	Partial	Part	Toler
1	(Constant)	.523	.805		.649	.517				
	SLT	.020	.140	.010	.140	.889	.010	.010	.010	

a Dependent Variable: GROPAT54

APPENDIX E

FINAL STUDY REGRESSION STATISTICS

Supportiveness Behavior Dimension/GROPAT43

Regression

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	SLT(a)	.	Enter

a All requested variables entered.
b Dependent Variable: GROPAT43

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.146(a)	.021	.016	1.08547	.021	3.884	1	179	.05

a Predictors: (Constant), SLT

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.576	1	4.576	3.884	.050(a)
	Residual	210.904	179	1.178		
	Total	215.480	180			

a Predictors: (Constant), SLT
b Dependent Variable: GROPAT43

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
		B	Std. Error	Beta			Zero-order	Partial	Part	Tole
1	(Constant)	1.838	.679		2.705	.007				
	SLT	-.233	.118	-.146	-1.971	.050	-.146	-.146	-.146	

a Dependent Variable: GROPAT43

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