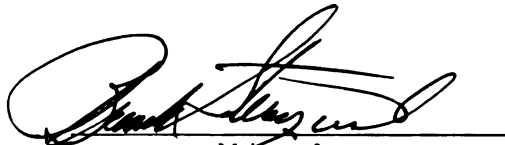This is to certify that the

dissertation entitled

RETAIL SUPERPRENEURS AND
THEIR INFLUENCE ON SMALL COMMUNITIES

presented by

Linda Swihart Niehm

has been accepted towards fulfillment
of the requirements for

___Ph.D.___ degree in _Design and Management_

_____
Major professor

Date___July 12, 2002___

O-12771

PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.
MAY BE RECALLED with earlier due date if requested.

DATE DUE	DATE DUE	DATE DUE

6/01 c:/CIRC/DateDue.p65-p.15

**RETAIL SUPERPRENEURS AND
THEIR INFLUENCE ON SMALL COMMUNITIES**

By

Linda Swihart Niehm

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Human Environment and Design

2002

ABSTRACT

RETAIL SUPERPRENEURS AND
THEIR INFLUENCE ON SMALL COMMUNITIES

By

Linda Swihart Niehm

Some independent retailers are highly successful under changing market conditions. What makes these individuals successful is not known. Qualitative research by Niehm and Frazier (2000) suggests a unique combination of traits, business practices, and personal perspectives may influence retailer success. I call these highly successful independent retailers "superpreneurs".

This research identifies leadership, entrepreneurial, and personal characteristics which comprise the superpreneur archetype. I also develop and test a theory of superpreneurs' leadership role in community-based business networks and the relationship between business network involvement, development of community social capital, superpreneurs' community opinion leadership, and community and firm success. An interpretive framework derived from social network theory (Burt & Janicik, 1996) and the diffusion of innovations perspective (Rogers, 1995, 1976) is employed.

Data collection involved a two-step process. First, a peer nomination procedure was conducted to identify superpreneurs in small and non-urban communities. Superpreneurs were identified by community and industry sources from a multi-state area (Michigan, Ohio, Indiana, Illinois, Wisconsin, Iowa). Phase two involved mailing a pre-tested survey instrument to nominated superpreneurs. The survey was comprised of five parts: superpreneur profile, network associations, community opinion leadership, community and firm success, and demographics. A structural equation procedure

(Lisrel 8.50) was used to test a model of the superpreneur profile and causal relationships linking superpreneur presence to firm and community success.

Results of model testing support a two-dimensional superpreneur profile comprised of transformational leadership and entrepreneurial orientation. Superpreneurs were found to be central leaders in local business networks. Involvement in business networks enhances development of social capital and supports superpreneurs' role as community opinion leaders. Social capital was inversely related to superpreneurs' community opinion leadership role in this study. Further, community opinion leadership was not found to significantly influence community success, but did significantly influence the success of superpreneurs' individual firms.

Examination of initial results revealed measurement issues concerning the community opinion leadership construct. A more parsimonious model of superpreneurs' business leadership and community influence was subsequently developed and tested. The final model indicates positive and significant relationships between superpreneur business network involvement, social capital, and community success.

To Bruce, Lindsey, and Lauren. Your endless support and encouragement made this dissertation and doctoral degree possible.

ACKNOWLEDGMENTS

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

Chapter 1

Introduction

Significance of Study

Retailers in non-urban communities operate under highly volatile market conditions. The prevalence of large discount chains has forced independent retailers to address niches under-served or ignored by larger firms. Sustainability of local retail markets is an ongoing challenge in smaller communities.

Some visionary entrepreneurs have emerged as dominant players in turbulent retail environments. They have found novel paths to success in the midst of change and championed growth and development in many non-urban communities (Drabenstott & Smith, 1996; Jossi, 1997; Koretz, 1996). These entrepreneurs have successfully developed innovative strategies, enabling them to coexist with discount chains and other retail formats. Their vision and leadership allow them to see opportunity where others see threat. They thrive on disequilibrium and change, and motivate their communities to achieve success. These highly successful retail entrepreneurs, I call "superpreneurs", demonstrate transforming leadership behavior and higher levels of entrepreneurial thinking than traditional small business owner-managers. They are "retail champions" (O'Neal, 1993; Shaw, 1996).

Championing has been used to describe the efforts of tireless, committed, and visionary individuals in new product development and technology adoption (Howell & Higgins, 1990; Landers, 1999; Shane, 1994). The notion of a retail champion is new to the literature and provides significant insight into the *superpreneur* as a transforming community business leader. Champions are generally regarded as individuals who

1

informally emerge in organizations and make significant contributions to idea generation and the implementation of innovations. This is accomplished by actively and enthusiastically promoting innovations through critical stages of organizational growth (Schon, 1963; Tuschman & Nadler, 1986). Superpreneurs emerge as informal leaders in local business and community networks. They function as idea champions in the small community context, promoting innovative business practices and novel network linkages which foster success for their firm and community.

Schon (1963) notes that champions initially encounter sharp resistance to new ideas. They overcome resistance by belief in the innovation and vigorous promotional effort. Once accepted, supporters of the idea work together through informal networks to diffuse the concept through the broader population. Bobrow (1991) adds several levels of champions may be necessary to overcome barriers of resistance in organizations.

Problem Definition

Retailers learn from each other. Superpreneurs may serve as behavioral benchmarks for retailers in small communities. Understanding them, their behaviors, and how their knowledge and ideas transfer in the local context can help develop and sustain local business and community leadership. These individuals act as role models and disseminators of relevant ideas, information and business practices to other community members. Because of their leadership, visibility, and social position in the community, they shape local agendas and mold public opinions.

Can superpreneurs be identified by unique leadership and personal characteristics? Does the presence of a superpreneur change community dynamics and affect overall success? The purpose of this study is to profile the characteristics, transforming

leadership, and innovative behaviors of small retail superpreneurs. How these individuals foster community success and vitality through social networks and personal influence is also be explored. My specific aim is to identify leadership, entrepreneurial, and personal characteristics which define the superpreneur archetype. I also identify superpreneurs' roles in local networks and examine how they are used for diffusion of innovative ideas, processes, and practices. Research outcomes address the relationship between superpreneurs and community and firm success.

Differentiating the Superpreneur Archetype

To better understand the proposed retail superpreneur and their role as community leaders, it is important to first distinguish them by their unique and transforming leadership ability.

Leadership and Influence

Superpreneurs are transformational leaders; they lead by example. Transformational leadership is an empowering relationship between superpreneurs and community groups or networks. It fosters collective innovation and community support. Superpreneurs possess an intangible means of motivating others to achieve collective goals (Tichy & Devanna, 1986). Superpreneurs may affect successful communities by promoting adoption of self renewing processes and appropriate responses to change through social networks.

Transformational leaders generate support through traits of charisma, intellectual stimulation, and individual consideration (Bass, 1985, 1990b). This study uses charisma, intellectual stimulation, and individual consideration to examine and explicate the leadership traits of superpreneurs. Charismatic leaders are emotionally stimulating.

3

Charisma is demonstrated by the ability of leaders to transform accepted thoughts and behaviors through the power of their person. They inspire followers to work toward a cause with greater emphasis on group than self. In a social context, charisma is viewed as an extremely high level of esteem, value, or influence attributed by others. Charismatic leaders arouse achievement, affiliation, and power motives associated with the mission of the group. Superpreneurs function in a charismatic, inspirational manner as focal leaders and members of community networks. Through network associations, collective community innovation occurs.

The impact of superpreneurs' on the adoption of novel business practices and network interactions is exhibited through *intellectual stimulation*. This aspect of transformational leadership creates arousal and change in follower's problem awareness and problem solving. Instead of short term thinking, followers are encouraged to be visionary and see problems as opportunities. *Individual consideration* focuses on developing group resources through individual empowerment and collective involvement of others. Network interactions permit superpreneurs to positively affect other retailers, community groups, and general community well being through their leadership. Superpreneurs stimulate retailers and community others to see issues and practices in new ways, creating resources and opportunities for growth and success.

Superpreneurs can implement novel ideas and innovations by changing their community's approach to problem solving. This notion is supported by a process outlined by Yukl (1989). He suggests transformational leaders utilize aggregate traits of charisma, individual consideration, and intellectual stimulation to influence major changes in attitudes and assumptions of organization members. Through this process,

4

commitment is developed toward organizational objectives. Superpreneurs' transformational leadership produces major changes in community thinking and the strategic behavior of firms and social groups embedded in the local environment.

Differentiating superpreneurs as transformational leaders concurs with views of Kirzner (1985). He suggests that any economically successful society or group is one guided by the "right set" of coordinated actions. Part of this coordinated action is having the right leader who, through entrepreneurial alertness, can see opportunity and create a means by which to capitalize on it in an environment of uncertainty and change. Nonanka (1994) adds the entrepreneurial process begins with identification of opportunity by a key individual or leader. Superpreneurs function in this manner in non-urban communities, seeing opportunity in what others consider unfavorable market conditions.

Entrepreneurial Behaviors and Activities

Superpreneurs demonstrate higher levels of entrepreneurial behavior than other entrepreneurs. What constitutes an entrepreneur? The literature focuses on definitive characteristics such as risk proneness, boundary spanning behavior, innovativeness, and information seeking (Schumpeter, 1934; Gartner 1988, Carland, Hoy, & Carland, 1988; Baumol, 1993). Entrepreneurs provide creative response to environmental change and discontinuity (Schumpeter, 1947). Creative response depends on the quality of individuals present in a society or particular field of ability, situational influences and individual decisions, actions and patterns of behavior (Schumpeter, 1947). Retail entrepreneur's creative responses include creating new retail formats, new processes, new markets, new products or services, or new modes of delivery (Pellegrini, 1994).

Superpreneurs provide new conceptualizations of their community and strategic options for local firms.

Superpreneurs have a keenly developed sense of vision. They are astute pattern recognizers, able to take advantage of discontinuities present in the market and broader environment. They see things differently and earlier than others embedded in the same environment and possess higher levels of entrepreneurial orientation than traditional entrepreneurs. This allows them to formulate innovative and competitive agendas which better position them for success. Realizing it may not be feasible to fulfill agendas on their own, superpreneurs harness collective energies and lead community networks and constituencies toward common goals. Their ability may be attributed to an aggregation of traits, such as entrepreneurial orientation, level of transforming leadership ability, and the ability to transform life experiences into a distinct cognitive model. Together these traits provide a unique perspective for business and related decisions (Niehm & Frazier, 2000).

This study employs the entrepreneurial orientation construct (Covin & Slevin, 1989) to develop a profile of the superpreneur. Entrepreneurial orientation is comprised of four dimensions: innovativeness, proactiveness, competitive aggressiveness, and risk taking. Each is relevant to the superpreneur, their network interactions, and business practices at the community level.

Innovation is key to the entrepreneurial process. It provides new ideas and ways of doing things. Innovation ultimately causes organizational evolution or change. Superpreneurs are leaders of community change. Their innovation and vision can serve as exemplar behaviors for retailers and community others, enhancing community growth and success. Superpreneurs are highly proactive and able to quickly detect sources of

opportunity. *Proactiveness* cultivates appropriate strategic responses to environmental change, a force present in all small communities. Head -to- head competitive aggressiveness is not strategically feasible for most small firms. Alternatively, *competitive aggressiveness* supports the superpreneur profile, as it implies a willingness to try non-traditional, innovative forms of competitive behavior. *Risk taking* is a critical component of entrepreneurial behavior. It suggests the ability to make decisions under conditions of change or uncertainty. Superpreneurs in non-urban communities operate under conditions of constant environmental change, continually employing risk taking in business decisions.

Critical Life Experiences:

Negative life events (ie. loss of job, health issues) tend to threaten one's self worth and psychological well being (Dohrenwed & Dohrenwed, 1981). Interviews with successful rural retailers revealed significant attribution of business accomplishment to motivation produced by critical life experiences (Frazier & Niehm, 1999; Niehm & Frazier, 2000). A possible explanation for this inverse effect is social support experienced through community network involvement. Pretorious (1994) found that network interaction and social support moderates levels of depression for subjects who experience negative life events.

Social support generated from one's community following critical life experiences creates positive community feelings and greater commitment. Avolio (1994) links major life experiences in a study regarding effective leader behavior. Leaders were found to be more adept at creating and applying mental models or unique perspectives to administrative decisions, varying with the nature and outcome of critical life experiences.

Critical life experiences may function as triggers for transforming leadership and entrepreneurial activity by superpreneurs.

Network Associations of Superpreneurs

Community leadership creates multiple social network associations for the superpreneur. Networks enable superpreneurs to operationalize individual and collective agendas, leading to community and firm success. Retailers, local businesses, public policy makers, political groups, school and parent groups, and other social groups comprise the diverse collection of social contacts providing information and resource exchange for the superpreneur. Networks are defined as a specific type of relation linking a defined set of persons, objects, or events. Referred to as actors, these elements are tied in a strong or weak manner to numerous other actors, forming webs of network relations.

The structure of relations and location of actors in networks have important behavioral, perceptual, and attitudinal implications for individuals and the system as a whole (Knoke & Kuklinski, 1991). Cultivation of network relationships is critical to knowledge development and transfer of innovative ideas and practices. Network involvement provides a vehicle for superpreneurs to impact firm and community success.

Community Leadership and Development of Social Capital

Social capital is the by-product of network involvement. It is the outcome of reciprocal relationships that develop over time from social interaction between community groups. Social interactions result in expectations and obligations in relationships between various community networks (Coleman, 1988). Examples of social capital in the community setting include trust, information sharing, shared norms, effective sanctions, authority relations (leadership), and group obligations (reciprocity).

Bourdieu (1986) notes that social capital is more than just network ties. It must also involve reciprocal, transforming, and contingent relationships. Transformational qualities of superpreneurs and diverse network associations serve as mechanisms for development of social capital in small communities.

Community Opinion Leadership

Superpreneurs' transformational leadership implies a high degree of centrality in community network relations. Network leader status casts them "influentials" or opinion leaders in the community. Transformational leadership, community influence, and serving as a referent for others enables superpreneurs to gather and disseminate information, harness community energies, and promote their own agendas through collective innovation. In this way, they serve as management exemplars for other retailers and community sectors and promote community success.

Superpreneurs also function as change agents for the broader community by promoting and diffusing innovative ideas within business networks. Wireman (1998) identifies five characteristics of change agents consistent with the entrepreneurial and transforming leadership qualities of retail superpreneurs: creativity, courage, visibility, perseverance, and driving motivation. Weick and Quinn (1999) explain that change agents are important in organizations (communities) not only to institute change, but to identify emergent changes, reframe them, and help others in the organization to understand and support change activities. I posit superpreneurs function as opinion leaders within business networks, fostering economic change and social well being in the broader community.

Impact on Community and Firm Success

A major thrust of this study is to examine the impact of superpreneur business leadership on community success and vitality. The likelihood of sustained community growth and change is more likely in the presence of superpreneurs' transformational leadership. They serve as exemplars for other retailers and help to sustain the viability of local business sectors. Reciprocal network relationships and social capital developed by superpreneurs engender success and vitality in non-urban communities. The vitality of local retail firms is important not only to economic well being, but as a gauge of life quality in the broader community. Irwin, Tolbert, and Lyson (1997) suggest small retailers serve as the "glue" that bonds communities together. They provide not just goods and services, but a place for informal public life and social exchange.

This research also addresses the relationship of superpreneur business network involvement and community opinion leadership to firm success. The literature contains no conclusive path to firm success for small retailers or for community success. Findings by Leaman, Cook, and Stewart (1992) support superpreneurs' impact on community success. Their work identifies leadership, cooperation, and commitment of key economic development staff and resources as predictors of community success. Greiner (1998) adds that strategic evolutions or revolutions occur as a natural part of any organization's or community's growth. He proposes five stages of organizational growth and change beginning with entrepreneurial start-up and progressing to the highest level of problem solving and innovation. Superpreneurs may be catalysts for positive community change at each of these phases.

Theoretical Framework

Social network theory is employed to examine network relationships and influence of superpreneurs in non-urban communities. This framework focuses on relationships between actors, their interdependence, and emergent effects (Borgatti, 1999). Social network theory explains variation in opportunities and resource access for groups based on the structure and quality of network ties. Social ties among networks shape economic action and outcomes. The types of networks in which an organization is embedded defines potential opportunities (Romo & Schwartz, 1995). As leaders of networks embedded in non-urban environments, superpreneurs help to guide and shape opportunities and outcomes for their firm and the broader community.

I use a particular perspective from social networks theory, *ego networks* (Burt & Janicik, 1996), as it addresses people's tendency to identify with behavioral network models. Ego networks perspective allows for the identification and explanation of centrality effects, or actor's structural position within networks using survey techniques (Freeman, 1979). It does not imply true network analysis, but rather a perspective for interpreting and understanding network relationships.

I also use a *diffusion of innovations framework* to explain how new ideas and practices spread within and between community networks. Innovations tend to spread through vehicles of interpersonal communication and social interaction (Valente & Davis, 1999, Valente & Rogers, 1995). Extensive research by Rogers (1995, 1976) focuses on new product adoption and diffusion. His findings support the idea that interpersonal contacts are highly important influencers of adoption behavior.

11

A related stream of research stresses the importance of interpersonal networks in the diffusion process (Rogers & Kincaid, 1981; Scott, 1991; Wasserman & Faust, 1994). The " *network diffusion model* " uses individuals or opinion leaders to initiate the diffusion of a new idea or practice. They function as "champions" for the new idea or practice and actually accelerate the diffusion process (Valente, 1996). A variant of the network diffusion model, the *peer promotion model*, is used for the present study. This model assumes that some individuals will act as role models for others. These role models act as *opinion leaders* and can be important determinants of sustained behavioral change (Valente & Davis, 1999). The diffusion of innovations perspective is particularly useful for explanation of superpreneurs' impact as opinion leaders at the community level.

Summary

Superpreneurs function as opinion leaders in local business networks, promoting change in small communities. Through transforming leadership and championing ability, superpreneurs impact economic and social well being and serve as exemplars for retailers and community others. Non-urban communities with a retail superpreneur present may be more innovative, growth oriented, and sustain greater competitive advantage than communities without such leadership.

Chapter 2

Literature Review

Introduction

Entrepreneurs are risk prone, innovative individuals, who demonstrate responsiveness to environmental change. Boundary spanning and information seeking behavior enables them to capitalize on environmental opportunities for the purpose of economic gain (Schumpeter, 1947; Gartner, 1988; Baumol, 1993). I present an enhanced definition of successful retail entrepreneurs, called superpreneurs. Superpreneurs are highly innovative and visionary. They demonstrate business leadership and influence in small communities. Their proactive posture allows them to overcome barriers of environmental resistance. Superpreneurs function as retail champions. They serve as exemplars, fostering innovation and success for their firms and communities.

Superpreneur Profile

Superpreneurs are analogous to *idea champions*. They vigorously promote new issues or practices through informal community networks and provide effort necessary to ensure success. (Cook, 1995; Schon, 1963; Tuschman & Nadler, 1986). Vandersluis' (1998) findings indicate champions are accountable for successful system implementation and holding to project goals against environmental resistance. I posit superpreneurs function as champions in small communities, as demonstrated through innovative and transforming business leadership.

Pinto and Slevin (1989) identify four characteristics of champions consistent with my definition of superpreneurs: they possess personal or positional power in an organization or community, they are willing to use that power to benefit the project or

overall goal, they use their power non-traditionally or entrepreneurially, and they go beyond expected responsibilities for their given job. Retail superpreneurs in small communities demonstrate similar characteristics.

Shane (1994) compared champions with non-champions in a multi-country, cross-cultural study of 43 firms from diverse industries. Champions were found to be significantly different in how they developed cross-functional ties and established organizational autonomy. Their unique approach enabled them to circumvent hierarchy, use informal means to persuade others to support innovation efforts, and building group decision making mechanisms. Howell and Higgins (1990) found technology champions to exhibit significantly higher risk taking and innovativeness tactics than traditional business managers. They demonstrated more influence attempts within their business networks, and used a greater variety of competitive strategies and tactics. Research by Markham and Griffin (1998) indicates champions may not directly affect new product development at the firm level, but rather indirectly impact overall program performance, ultimately influencing firm level performance. Superpreneurs may similarly improve performance of their overall community, realizing broad, collective efforts will positively impact their own firm.

Literature from three domains provides support for a superpreneur composite profile. Constructs forming the composite are: transformational leadership, entrepreneurial orientation, and critical life experiences. Relevant literature is presented in support of hypothesized relationships of superpreneur influence on community and firm success.

14

Transformational Leadership

Superpreneurs possess a unique quality of leadership that allows them to be highly influential and effective in their firms and communities. Transformational leadership (Bass, 1990 a) describes superpreneurs' leader style. Transformational leadership is accomplished when a key individual emerges informally from a group and leads by example. The goal is to maximize potential and outcomes for the well-being of the group. Transformational leaders put group or community needs before their own. Followers are encouraged to adopt the same perspective. The leader focuses on developing people with goals for high performance. Transformational leaders use of visionary planning guides group decision making. Followers are empowered to individually and collectively lead the organization. Transformational leadership captures the meaning most people attach to an ideal leader (Bass, 1990a).

Transformational leadership is explicated through Bass' (1985, 1990b) *transformational leadership theory*. This theory presents a dynamic management process where needs of the organization, leader, and follower become one (Gaspar, 1992). Traits of transformational leaders consistent with the superpreneur profile are: charisma, intellectual stimulation, and individual consideration. Discussion of transformational leader traits follow with relevant findings from the literature.

Charisma: Charismatic leaders inspire followers to develop a sense of pride and ownership in the organization. This is accomplished when the focal leader garners follower respect and trust. Charisma is a necessary ingredient in the transformational leadership process. Followers who trust, admire, and respect their leader are motivated to do more or perform beyond original expectations. Bass (1985) feels charisma is the most

15

important component of all transformational leadership qualities, but also the most nebulous.

Charisma alone does not make a transforming leader. Charismatic leaders exhibit a need for power and the opportunity to exert self confidence (Bass, 1990a; Yukl, 1989). Ross and Offerman (1997) examined factors which would allow human resources personnel to identify attributes of transformational leadership which positively influence group work performance. The attribute found to be of greatest predictive power was an enabling personality. Groups perceived no limits to what they could achieve under confident and inspiring leadership. In this study group leadership was defined by characteristics of high influence and inspiration among coworkers, an ongoing need for change, self confidence, and group dominance. Similar characteristics may frame superpreneurs as leaders in key community networks and facilitate their role as opinion leaders.

Being charismatic also includes the ability to inspire, exhibit energy, to be a dynamic communicator, and to orchestrate organizational change. Miles (1998) findings suggest this is accomplished through articulation of compelling and credible vision to those in the organization. They express important objectives and purposes in simple ways. The goal is to motivate and stimulate followers to strive beyond the routine and expected. Research by Sosik and Mergerian (1999) found positive correlations between focal leaders who possessed high self awareness (personal efficacy, interpersonal control, and social self confidence) and transformational leadership traits. Superpreneurs may similarly possess greater self awareness and confidence, enabling them to inspire followers in small communities.

Intellectual Stimulation: This trait raises follower awareness, perception, and value of organizational outcomes. Ackoff (1999) concludes today's leaders must foster transformation, including continuous knowledge development, the management of interactions, and designing a structure that facilitates continuous change. Transformational behavior occurs when the leader inspires followers to share group values, meaning, and vision. Followers by-pass their own self interest and short term goals for those of the organization. Congruency between extrinsic organizational needs and intrinsic values of followers reflects successful intellectual stimulation and transforming behavior (Bass, 1990b, Gaspar, 1992).

Tracey and Hinkin (1994) examined transformational leaders in the hospitality industry. They found transformational leadership to have strong, positive correlations with followers ability to help realize organizational goals and outcomes (mission clarity, role clarity, openness of communication, and satisfaction with the leader). Exploratory work by these authors (1998), found transformational leaders to be more effective if they encouraged followers to question assumptions and use non-traditional thinking. This indicates leaders who use a more stimulating, transforming style may be more effective in achieving organizational change. Greater community growth and change may occur when a superpreneur provides the necessary stimulation within community networks.

Individual Consideration: Individual consideration involves building the confidence of followers to realize goals and think creatively. Positive reinforcement takes many forms. Transformational leaders focus on the individual through personal attention, actively appreciating them and recognizing their importance, coaching, advising, presenting new learning opportunities, and recognizing employee abilities and

17

interests (Bass, 1990a). Relational resources, such as social capital and community support, are important outcomes of superpreneurs' individual consideration in community leadership roles.

In small communities, functions of transformational leaders may also extend to network associations. Grundstein-Amado (1999) supports a new application of transformational leadership, bi-lateral leadership, which links individual consideration to network and community relationships. Findings yield two additional transformational dimensions, self-discovery and reflection. These leadership aspects encourage empowerment and joint development of organizational goals by leaders and followers. Psychological empowerment was also found to significantly enhance job satisfaction for workers supervised by transformational leaders in work by Fuller, Morrison, James, Bridger, & Brown (1999). Social structural variables (job design, work unit climate, and unit structure) were positively related to workers' sense of psychological empowerment. This suggests structural elements present in small communities (social networks) may have a similar enabling effects on superpreneurs' transforming community leadership.

Bass (1997) found positive associations between transformational leadership and effective selling by salespersons. This effect may extend to the ability of superpreneurs to be community influentials. Superpreneurs diffuse their ideas to retailers and others in the small community setting, attempting to foster collective innovation. Innovation may be more likely to occur in the presence of a transforming leader. These findings support inclusion of transformational leadership in the superpreneur profile and lead to the following hypothesis:

H1 a: Transformational leadership is positively related to the superpreneur profile.

Entrepreneurial Orientation

Entrepreneurial orientation (EO) refers to processes, practices, and decision activities leading to new entry or opportunity for an individual or firm (Covin & Slevin, 1989). New opportunities are successfully undertaken by "purposeful enactment" of a key individual in an organization. Entrepreneurial orientation involves the traits, intentions, and actions involved in the dynamic generation of and acting upon new ideas (Van de Ven & Poole, 1995).

Previous applications of the EO construct have primarily focused on firm level innovation (Slevin & Covin, 1990; Miller, 1983,1988). Lumpkin and Dess (1996) examined various configurations of the EO construct. Their findings suggest construct composition may vary by organizational or business context. In other words, entrepreneurs in small communities may demonstrate a different configuration of the EO construct than individuals within large firms (intrapreneurs). Lumpkin and Dess further suggest that EO dimensions may combine to form unique entrepreneurial types, such as the superpreneur. The EO construct is comprised of four dimensions: innovativeness, proactiveness, competitive aggressiveness, and risk taking. Each is discussed relevant to the superpreneur and their innovation activities.

Innovation: An innovation is a radically different way of doing something. It is broadly defined as the adoption or use of an internally generated system, policy, program, process, product, or service new to an organization (Lumpkin & Dess, 1996; Damanpour & Evan, 1984; Zaltman, Duncan & Holbeck, 1973). Innovation is defined as an

individual's tendency for involvement in new ideas, and creative processes resulting in new products, services, or managerial processes. Schumpeter (1934) first identified innovation as an important characteristic of entrepreneurship. He conceptualized innovation as a key component of the entrepreneurial process. It creates new competitive entry or a novel approach to business activity, ultimately causing evolution or change in the economy. Superpreneurs are a key source of new ideas, innovation, and change. Their presence provides novel approaches and practices which potentially differentiate successful and unsuccessful firms and communities.

Proactiveness: Proactiveness is a forward-looking perspective accompanied by a propensity for involvement in new venture activities (Lumpkin & Dess, 1996). Although closely related to innovation, proactiveness focuses more on the pursuit of opportunities and initiation of activities (Covin & Slevin, 1989).

Individuals vary along a continuum of proactiveness according to their level of EO. Merz and Sauber (1995) found small firms can be classified by perceived differences in strategy, structure, and responses to environmental context. Crant (1996) examined the relationship between a proactive personality and the intensity of entrepreneurial intentions. Findings show proactiveness is positively associated with the degree of entrepreneurial intentions. A proactive personality also explained a significant amount of variation in entrepreneurship. Khan and Manopichetwattana (1989) found highly innovative entrepreneurial firms to demonstrate greater proactiveness in management strategies and practices than non-innovative firms. A study by Smart and Conant (1994) found independent business owners with higher levels of EO to use a wider variety of distinctive marketing competencies and demonstrate better overall

performance. Respondents indicated drawing from a wider resource base for decision making and they possessed a wider range of managerial attributes. Superpreneurs' presence in small communities may provide both proactive strategies and responses to enhance small retailer and community effectiveness.

Competitive Aggressiveness: Competitive aggressiveness describes how firms strategically react to competition and market changes. Competitive aggressiveness may mean head-to-head competition, but this is not a generally prudent approach for small retail firms (Lumpkin & Dess, 1996). Covin and Covin (1990) and Stone (1995) suggest small firms should compete not only on price, but also on complementary merchandise, customization, and customer service. McGee and Rubach (1996) found successful small stores in hostile environments exhibited multiple competitive behaviors of which price was only one dimension.

Competitive aggressiveness also implies a willingness to use unconventional modes of competition (Cooper & Dunkelberg, 1986). Unconventional forms of competition may include collective innovation through community networks. Ramachandran and Ramnarayan (1993) found entrepreneurs with high pioneering and innovation scores to have more extensive network involvement. Those high in EO gathered information and ideas from network associations and synthesized it to promote learning and resource development. Dean's (1993) research indicates competitive aggressiveness explains a significant amount of variation in corporate entrepreneurship in comparison to variables of strategy and structure. Competitive aggressiveness through network associations may partially explain variations in superpreneur innovation behavior and their impact in small communities.

21

Risk Taking: Central to entrepreneurial behavior is the involvement in creating new business. This inherently requires a level of uncertainty or risk, a situation that would be unacceptable to a non-innovative individual or business (Clark & Aram, 1997). Adopting new ways of doing business also presents risks to small retailers. Risk contains various meanings to the entrepreneur. Baird and Thomas (1985) identify components of venturing into the unknown, asset commitment, and need to borrow as situations which present uncertainty. Gasse (1982) mentions personal, social, and psychological risk inherent in the resource outlay and decision making of entrepreneurs. Miller (1983) and Covin and Slevin (1991) have used EO to measure risk taking as defined by the managers of firms likely to engage in bold versus cautious acts. Firms with high EO may necessarily be more be risk prone (higher debt, larger resource commitment) in order to take advantage of marketplace opportunities and implement technological changes. It is plausible to suggest that risk proneness may also influence superpreneur success and involvement at the community level.

Superpreneur risk proneness is demonstrated in their modeling of business practices under changing environmental situations with confidence and action. This behavior may influence the adoption of innovative ideas and approaches by retailers and other community sectors (O'Shaughnessy, 1994). Becherer and Maurer (1997) suggest individuals high in entrepreneurial tendency (EO) may perceive environmental hostility and turbulence differently and use this unique perception of risk to shape their firm's marketing strategies. Combined effects of the EO construct provide support for the following hypothesized relationship:

H1 b: Entrepreneurial orientation is positively related to the superpreneur profile.

Critical Life Experiences

Stressful life events are linked to negative outcomes such as psychiatric and physical dysfunction (Dohrenwend & Dohrenwend , 1981). Stress can be defined as physical exertion, the emphasis or significance attached to a thing or event, an internal response to external forces, or physical disequilibrium of an organism (Lin, Dean, & Ensel, 1986). Negative life events tend to threaten one's self concept and have generalized negative effects on self worth and levels of self esteem (Epstein, 1976).

Stressful effects may negatively impact personal and professional endeavors for many individuals. Qualitative interviews with highly successful retail entrepreneurs (Frazier & Niehm, 1999; Niehm & Frazier, 2000) found an inverse effect. A significant number of interviewees reported greater levels of drive, ambition, and resourcefulness in personal and business decisions attributed to critical life experiences. Zautra and Reich (1983) investigated this type of inverse stress effect, referred to as cross-domain influence. They suggest such experiences may be commonly be referred to as "blessings in disguise", because the negative experience actually raises ones level and ability of positive response. It is possible for some people to set the stage for or trigger positive performance through a type of cognitive contrast effect. The explanation for this effect is found in crisis theory, which state successful adaptation to a crisis situation produces an increase in adaptability and growth. Successful resolution can occur through a number of avenues, such as reappraisal of the situation, self introspection, or development of coping mechanisms.

Another aspect of cross domain effects is the perceived controllability of life events. Research by Higgins, St. Amand, and Poole (1997) examined the impact of negative life experiences on relative risk judgements. Controllable negative experiences increased recurrent optimism for subjects, but uncontrollable negative experiences did not. Pretorious (1994) found network interaction and social support moderates the effects of depression for subjects experiencing negative life events. Positive network associations ameliorated negative effects for subjects in this study. Superpreneurs' perceived control over negative, risky, or stressful events may be attributed to unique life and business experiences and the social support they receive from associations with social networks in the small community.

Cohen and Hoberman (1983) found the availability of social support (social networks) and the number of positive events also experienced by an individual moderated the relationship between negative life experiences and physical distress. Social support provides a buffering effect to the negativity of critical experiences. Similarly, Pretorious (1994), found negative life events to effect individuals differentially varying with perceived level of social support. Superpreneurs mobilize positive forces from negative life events. Their involvement in social networks may create significant community support systems. Enabling personality attributes derived from critical life and business experiences allow them to be successful under changing environmental conditions. Life and business experiences provide a unique resource base for superpreneurs, supporting the following hypothesis:

> **H1 c:** Critical life and business experiences are positively related to the superpreneur profile.

Theoretical Framework

Jelinek and Litterer (1995) reviewed extensive literature regarding successful entrepreneurial activity in organizations. They observed entrepreneurial firms are filled with a variety of "self starters" who find their own way to accomplish goals, make judgements, and decide on actions to improve performance. Badawy (1988) states that any organization which achieves success does so through effective identification of key individuals. This includes entrepreneurs, intrapreneurs (entrepreneurs within large organizations), gatekeepers, and product champions. Bobrow (1991) similarly found several levels of champions are needed to successfully overcome barriers of resistance to internal and external organizational change and innovation. Superpreneurs may function in this capacity in small communities.

Interviews of superpreneurs preceding this study (Frazier & Niehm, 1999; Niehm & Frazier, 2000) support variation in entrepreneurial and innovation activities among highly successful independent retailers, suggesting a multidimensional approach to superpreneurs' innovation behavior and community influence. I use a framework derived from *social network theory* and the *diffusion of innovations* literature. This framework builds on qualitative findings and provides explanation for proposed construct relationships in the present study.

Social Network Theory

Social network theory focuses on the social relations of social structures. It is broadly applicable as it is not bounded by time, place, groups, or areas. The theory begins with a set of network members (referred to as nodes in the literature) and a set of ties that connect the nodes (Wasserman & Faust, 1994). Social structures are conceived as the

patterned organization and interaction of network members and their relational ties (Wellman, 1999). This approach allows the researcher to study a diverse set of structural phenomena such as network density and clustering, tightness or looseness of network connections, whether the group under study is homogeneous or varied, the complexity or layering of group (network) ties, and how indirect (weaker) ties and network structural position affects individual and network behavior (Wellman, 1999). For these reasons, it is an ideal framework for the examination of superpreneur characteristics, innovation behavior, and network relationships in the small community context.

Network membership and interaction is a primary means of building resources, opportunities, and implementing innovative ideas for the retail superpreneur. This is supported by the presence of embedded ties forming a pattern of non-economic network exchange in small communities (Granovetter, 1985). Johannison and Monsted (1997) provide support for application of network analysis in the study of entrepreneurship. They contend that entrepreneurship is an act of creation and a "way of life" ; a phenomena beyond explanation by rational economic behavior. Mick's (1998) research concerning trust in network effectiveness supports the use of a sociological explanation, such as social network theory, for network outcomes. Mick also identifies two types of social networks; those which rely on individualistic and autonomous entrepreneurship and those who use more of a group think approach. When networks use multiple strategies to achieve their goals, networks and hierarchies can co-exist. This notion of hierarchy supports the role of superpreneurs as leaders in community networks.

Superpreneurs may transform networks into groups of "collective actors" which facilitate the flow of innovations leading to small community success (Kontopoulos, 1993).

Ego Network Perspective

A particular dimension of social network theory is used to explain and interpret findings in the present study. The ego networks perspective (Burt & Janicik, 1996) focuses on dynamics inherent in informal leadership structures of social networks. Actions described by this perspective include degree of social support in networks, how networks go about "sense making" activities, social control mechanisms, access to resources in the environment, and behavioral modeling of key people and processes in the network environment.

A main assumption of this perspective is that people benefit from heterogeneous network associations. Superpreneurs are more likely to obtain information and other resources to accomplish desired goals if they have a diverse network structure. These features are unique to the ego perspective of social networks and relate well to superpreneurs' network interactions in small communities. An ego networks perspective provides for research interpretation from a social networks perspective. This approach is particularly useful in survey research where traditional sociometric network analysis would be prohibitive.

Diffusion of Innovations Framework

Collective innovation may occur through a diffusion process lead by superpreneurs. Diffusion occurs within and between community networks and is encouraged by opinion leaders. Opinion leaders are influential members found within one's reference group. Opinion leaders are necessary to introduce and promote new ideas

and concepts among group members (Rogers, 1983). As central network members, superpreneurs may function as opinion leaders, promoting new ideas and concepts beneficial to the community and local business. Related research by Rogers (1976) focuses on new product adoption and diffusion. The diffusion of innovations perspective also has application to superpreneur's adoption of new technologies and processes, to activities conducted in their organizations, and to the way in which they shape community agendas.

Rogers (1976) defines innovation diffusion as the spread of a new idea from its source of innovation to its ultimate users or adopters. Superpreneurs may develop the new idea or process, serve as an idea generator and diffuser, or be the lead consumer in new product or process adoption. Innovation and adoption are affected by a variety of environmental characteristics. Structural influences are exhibited at the organizational or community level (culture, communication, income level), through organizational character (size, profitability, pressure to change), and by administration traits (education, age, and sophistication) (Kotler, 1997; Zaltman, Duncan, Holbek, 1973). Community environment, size, and network characteristics may impact diffusion efforts of superpreneurs. I suggest superpreneurs function as vehicles for the diffusion of innovations. In this capacity they may influence network activity in a direction deemed desirable by the broader group or community.

Network Leadership and Development of Social Capital

A network is a specific type of relation linking a set of persons, objects, or events, referred to as actors (Knoke & Kuklinski, 1991). Networks are a key means of information transfer and social influence in small communities. Superpreneurs may

garner social influence through their central role in multiple community networks. Network position also provides early access to unique and innovative information. Networks most effectively produce community benefits when they are diverse, inclusive, and flexible in composition. Effective networks generate social support, reciprocity, and trust at the community level. Effective networks engender the development of social capital which may lead to more successful communities. To maximize community success and development, it is important for superpreneurs to achieve balanced involvement in horizontal networks (those linking individuals of similar status) and vertically linked networks (those linking community members with external organizations and resources) (Flora, 1998; Ibarra & Andrews, 1993).

Network Involvement

Social network theory offers two types of network structures relevant to superpreneurs. The first structure, *instrumental networks,* describes relationship linkages produced through work-role performance. Instrumental networks tend to be weaker associations because they link people of different professional, business, or personal characteristics. Composition of linked individuals may differ by job or social status, or degree of access to community resources. Because of their asymmetric nature, instrumental networks are critical for access to resources and mobilizing collective community action (Lin, 1982). A second type of social structure is *expressive networks.* They are derived from associations of friendship, casual acquaintance, or generalized social support. Network ties in this structure tend to be stronger and more intimate, linking people of highly similar characteristics. Associations tend to be more frequent,

enduring, and capable of being highly persuasive and influential (Tichy, Tuschman, & Fombrun, 1974; Krackhardt, 1992; Granovetter, 1973, 1985).

The literature presents two approaches which explain relationship patterns and transfer of information and resources in social networks: weak ties (Granovetter, 1973) and structural holes (Burt, 1992). I use a combination of these approaches to discuss network associations of superpreneurs, with greatest emphasis placed on the structural holes framework. Both perspectives illuminate structural differences in superpreneur networks. Structural differences impact degree of superpreneurs' social influence and the efficiency of obtaining and implement resources.

Weak versus strong ties (Granovetter, 1973) provides an egocentric explanation of network associations. This perspective maintains weak ties are of greater value because they lie outside of one's typical social circle. Their diverse nature makes them benefit rich and sources of new information. Individuals to whom one is strongly tied know the same pool of information and are less capable of providing access to resources. Value in the form of social capital is best derived from associations of direct contact and indirect or weak network associations. This approach is supported by Krackhardt (1992) and Wellman (1999) who view the individual as the center of their own networks. An individual perspective allows for examination of network effects embedded in the community context. It more accurately portrays the informal system of resource exchange which occurs in small communities.

A second, more sociocentric approach, examines "structural holes" or gaps between community network associations (Burt, 1992, 1999). Valuable social capital is produced from multiple relationships with multiple actors in instrumental and expressive

30

networks. The focus of this perspective is the non-redundant nature of network contacts. Contacts are viewed as redundant and less valuable if they lead to the same people holding the same information or resources. A structural hole is a buffer between two network contacts, indicating additive, non-overlapping network benefits. Relationship ties can be strong or weak, but they must provide a non-redundant network benefit. The presence of structural holes offers a competitive advantage and access to greater information and resources for individuals whose relationships bridge the gap. Floyd and Woolridge (1999) suggest that idea champions function in a bridging capacity. Champions facilitate novel patterns of interaction and transform non-existent social ties into recurrent relationships. I posit that superpreneurs also function in this manner in small communities.

Two indicators of structural holes which explicate superpreneurs' network involvement are cohesion and structural equivalency. *Cohesion* refers to the strength of network associations. It is typically measured by indicators such as homophily, intimacy, frequency, and emotional intensity. It focuses on the degree or strength of direct connections to similar people. Weaker relationships produce a structural hole providing non-redundant information and network benefits. Cohesion is higher in friendship or expressive network associations as is structural equivalency. Ibarra (1992) defines *equivalency* as having similar relationships with other people. Similar relationships lead to the same people with the same information, creating redundancy. Expressive network relationships tend to be strong, symmetric and reciprocal (Krackhardt, 1992) Highly equivalent relationships are valuable, however, in triggering contagion or diffusion of new ideas and information across groups. Their contacts are

frequent in nature and their strong associations have positive indirect effects on the attitudes and opinion shaping of weakly equivalent people. Measures of cohesion and structural equivalency should not be viewed as absolute, but as strong or weak in relative to other network associations (Burt, 1992).

Granovetter (1985) supports the need for network leadership, stating authority between firms is even more important than authority within one's firm for networks to function efficiently. Superpreneurs may promote collective community by their position in network hierarchies. This conceptualization of superpreneurs' leadership roles relates to two dimensions of structural equivalency: density and centrality. *Density* refers to the actual number of network contacts of the focal network member. It is also a measure of network concentration and diversity, focusing on redundant versus non-redundant contacts. Density can be assessed by physically counting the number of observed contacts and then differentiating them as instrumental or expressive associations (Ibarra, 1993). Density is also a reflection of network member interconnectedness (Wellman, 1999). Brass, Butterfield, and Skaggs (1998) indicate dense networks may be necessary requirements for characteristics which promote social capital, such as shared norms and values.

Centrality is an indicator of an individual's perceived closeness to other network actors. I use it as an indicator of network leadership and a proxy for status. Centrality generally leads to attributed power in network structures and increases the likelihood of various resources flowing through the network. Information flows to and from individuals who are more centrally located in networks. Centrally located individuals have the potential to become more influential than those who are less central due to

32

implicit resource dependencies (Burt, 1996; Borgatti, 1999). Rowley (1997) presents a network theory of stakeholder influences supporting the effects of superpreneurs' network centrality. He states that under conditions of high network density (many stakeholders) and high centrality (a highly central organization or individual), the focal group or person will adopt a compromiser role, fostering negotiation and collective action with stakeholders. This may explain in part how superpreneurs mobilize collective action through community network activity.

In a study regarding the effects of informal workplace interactions, instrumental network centrality and friendship network proximity were strongly related to employee job perceptions (Ibarra,1992). Centrality was also found to be the most significant predictor of administrative innovation roles (Ibarra, 1993). Floyd and Woolridge (1999) support superpreneurs as network leaders, suggesting hierarchical network structures evolve in small communities. Brass et al. (1998) suggest identifying employees who hold highly central network positions may aid in transmitting organizational values and norms. Identifying superpreneurs, their network roles, and associations may similarly aid in development of social capital and the diffusion of ideas and information necessary for community success. These factors lead to the following hypotheses:

H 2a: The superpreneur archetype is positively associated with instrumental business network involvement.

H 2b: Superpreneurs demonstrate equivalency in instrumental business networks as indicated by low density and high centrality.

H 2c: Superpreneurs demonstrate cohesion in instrumental business networks as indicated by low emotional intensity and high homophily.

Social Capital

Superpreneurs may encourage community success through the development of social capital. Social capital is the outcome of positive social interactions. Interactions do not singly have economic value, but are capable of producing value (Becker, 1986). Putnam (1995) describes social capital as features of social organization including networks of civic engagement, social norms of reciprocity, and trust. These factors facilitate group cooperation for mutual and collective benefit.

Networks are an important mechanism in the development of social capital. Through network interaction trust is developed. Other attributes, such as individual characteristics and leadership ability, travel through one's web of social networks. More dense networks contribute to system interaction and the development of social capital. Putnam (1995) suggests this is largely due to networks fostering robust norms of reciprocity and the desire of members to sustain information flow based on past positive experiences. More diverse, and horizontal networks add to social capital. Weak ties, such as those among business associates and organizational acquaintances, contribute more to the development of social capital than strong, intimate friend and family based ties. Weak ties are the mechanism for transmitting information about trust to community groups. Superpreneurs may garner community trust and respect through trust derived from leadership roles in multiple community networks.

Social capital has been applied to outcomes of various system activities in the literature. It has been attributed to individual actions (Useem & Karabel, 1986), groups (Burt, 1997), communities (Putnam, 1993), nations (Fukuyama, 1995), and networks (Walker, Kogurt, & Shan, 1997). Its original conceptualization is attributed to Coleman

(1988, 1990) who suggests social capital exists in many forms, such as in organizations or communities. Regardless of context, social capital is always based on outcomes of social structures comprised of relationships. Flora (1998) adds that social capital thrives when social system members interact in multiple roles over time. Structure is built on informal social norms which depend on a dense and relatively closed system that has continuity over time (Coleman, 1988, 1993). Small community structure provides opportunity for social capital development through dense and lasting network associations.

Transforming leadership of superpreneurs engenders multiple network associations and the development of social capital. Nahapiet and Goshal (1998) suggest social capital facilitates network activity and productivity in small firms. Taylor, Kazakov and Thompson (1997) found support for social networks to constitute a form of social capital in research regarding Russian entrepreneurs. Networks created by the entrepreneur fed on their own success. Reciprocation behavior enhanced the efficiency of achieving network goals, leading to greater firm performance. Social capital justifies individual commitment to the collective good, it facilitates flexibility and adaptability in the organization, it serves as a mechanism for collective action, and it facilitates knowledge development (Leana & Van Buren, 1999). Superpreneurs' network leadership may enhance creation of social capital and success outcomes for their firms and communities.

Three aspects of network activity which produce social capital are *reciprocity, trust and commitment or shared vision*:

Reciprocity: The non-contractual sense of obligation to repay a benefit received, to follow, or patronize one with whom a social, market, or network exchange has occurred represents reciprocal relationships. Each member has something to give to each other within their network. Miller and Kean (1997a, 1997b) identify this condition as "*community reciprocity*". They refer to reciprocity in terms of what is given and expected in exchanges between rural consumers and retailers. Their research found local consumers more likely to inshop when a higher level of community support and reciprocity was expressed by retailers. Reciprocal behavior was tied to both market and non-market actions between community members concerning the decision of consumers to outshop from their local communities. Reciprocity was linked to community member relationships by Lumpkin, Hawes, and Darden (1986). This study indicates rural consumer attitudes about relationships with local retailers are greater determinants of retail patronage than any other demographic, lifestyle, or socioeconomic variable in comparison to urban consumers.

Trust: Trust is an antecedent to cooperation (Gambetta, 1988; Gulati, 1995; Ring and Van de Ven, 1992). It is a necessary relational component for community network activity and emergence of a key individual or leader. Trust is particularly important in network contexts where actors develop reputations for trustworthiness. This reputation is linked to credibility and respect and determines who shares what information with whom. Tsai and Goshal (1998) suggest it is reasonable to expect trustworthy actors will exchange more information and emerge as key figures in organizational or network structures. Superpreneurs demonstrate charismatic and transforming leadership traits leading to trust relationships in community networks. Because they are trusted and

credible, they will likely play a more central role in network activities. Neace (1999) examined entrepreneurs' network interactions in four former Soviet republics. The trust dimension of social capital was identified as the factor most critical to development of value creation networks leading to entrepreneurial success.

Shared Vision and Commitment: Related to the influence of transformational leaders is the dimension of social capital called shared vision or commitment (Tsai & Goshal, 1998). Shared vision is the collective goals and aspirations of a group, network, organizational, or community structure. If group members share a similar vision for their organization, they will be more likely to exchange resources, communicate and integrate system activities.

I propose that all dimensions of social capital will develop more fully in small communities under the influence of superpreneurs' transforming leadership and vision. Burt (1996, p. 11) notes that social capital is most often produced in situations where an individual must figure out for himself how to best perform a job and then persuade others the method and rationale is legitimate. This view parallels the superpreneur's role in small community networks. It is supported by Flora (1998) who found social capital and entrepreneurial infrastructure to contribute jointly and independently to community economic development and community action. Flora further suggests that the presence of social capital can improve the efficiency of economic, human, and environmental capital. This is accomplished by reduction of transactions costs through trust development garnered by social interactions. These findings support the following hypotheses and justify the relationship between superpreneurs presence and community success.

> **H 3 :** Business network involvement of superpreneurs is positively related to the development of social capital in small communities.

Superpreneurs as Influentials and Opinion Leaders

High network involvement and social capital enable superpreneurs to bring about innovation and success in their communities. The literature defines individuals with the ability and influence to promote change their communities as "influentials". My definition of superpreneurs overlaps with that of influentials. Weimann (1994) defines influentials as individuals having a preference for risk, proactiveness, and high social standing in the community. His cross-cultural study (1991) involving Israeli and German samples found influentials positively associated with innovative personality traits. Influentials were also found to hold primary roles in social network structures. Superpreneurs also act as community influentials. They may serve as advice givers and exemplars for retailers and others in their communities, ultimately impacting community social dynamics and economic well-being.

Weimann (1994) suggests influentials can be used to better understand the role of opinion leaders in information diffusion. Opinion leadership describes the degree to which an individual can influence other's attitudes and behavior through informal means, in a desirable direction, and with frequency. Opinion leaders are part of one's reference group. Superpreneurs are members of various reference groups within the small community, chiefly business and personal social networks. Their central role in community networks makes them highly visible and plausible candidates for opinion leadership. As opinion leaders they informally mold and shape community agendas.

Opinion leadership has substantial representation in the consumer behavior literature. Models abundantly depict the influence of opinion leaders on decision making (Rogers, 1983; Engel, Blackwell, & Miniard, 1990), construct measurement issues (Katz

& Lazarsfeld, 1955; Rogers, 1961; King & Summers, 1970; Childers, 1986; and Flynn, Goldsmith, & Eastman, 1996), and outcomes of opinion leadership (Bloch, 1986). The bulk of research addresses opinion leadership from either a global perspective or product specific categories. The addition of influentials to this body of research presents a new dimension of opinion leadership; the diffusion of innovative ideas and information.

Valente and Davis (1999) offer an accelerated information diffusion model. They suggest opinion leaders really function as "champions" for a new practice or idea and can aid in accelerating the diffusion process (Valente, 1996; Katz, 1957). Their model assumes some individuals will act as role models for others in community settings. Champions can be important determinants of rapid and sustained behavioral change. Burt (1999) states that opinion leaders are more precisely described as opinion brokers because of their centrality and influence over network resource flow and activity. They are essential "network entrepreneurs". Their strong and multiple relationships with weakly equivalent groups allows them to trigger contagion, influence, and change across community groups. Superpreneurs function in a similar manner, facilitating community change and success efforts.

One's position as an opinion leader is fostered through their perceived competency, social acceptability, and similarity to others and norms of their social system (Rogers, 1983). Wireman (1998) adds opinion leaders must possess creative thinking and problem solving, the courage to change, visibility, perseverance, and driving motivation. Chan and Misra (1990) support the superpreneur profile, finding risk preference and open-mindedness correlated with opinion leader characteristics.

Weimann (1994) identifies centrality of opinion leaders in community networks as a major defining factor. Centrality supports superpreneurs as opinion leaders, as they are focal leaders who emerge informally in community network hierarchies. Wiemann further suggests opinion leaders are socially active, gregarious, accessible, socially recognized, and credible. Ibarra and Andrews (1993) found instrumental network centrality and friendship to influence network effects of job-related perceptions. Superpreneurs' central position in instrumental business networks and strong ties in expressive friendship networks may similarly foster positive community perceptions and build their reputation as opinion leaders. Superpreneurs are uniquely positioned to serve as opinion leaders and influentials due to their visibility, multiple network linkages, and formation of social capital. These joint findings provide support for the following hypotheses:

H 4: Development of social capital is positively related to superpreneurs' role as community influentials and opinion leaders.

H5: The impact of superpreneurs' business network involvement on community opinion leadership is mediated by social capital.

Community Success

I posit superpreneurs are more effective in their firms and communities because of unique composite characteristics. Dense community network associations, focal network roles, and the ability to promote change through transforming leadership make superpreneurs vehicles for success. Transformational leadership's major outcome is major organizational or social system change. Leader influence empowers others to collectively participate in the change process. Individuals effective at creating change have the capacity to move resources from an area of lesser to greater productivity (Yukl,

1989; Tichy & Devanna, 1986). This may be best accomplished in small communities through the collective energies of networks, guided by superpreneurs.

The ability to bring about community change may vary by community size, scope of network involvement, and degree of social capital. Social capital prospers when trust and reciprocity develop through repeated social interactions. Tucker and McNerney (1992) propose a model for organizational change intervention involving networks and coalition formation. Informal networks and the identification of opinion leaders enable organizational change in this research. Network structure and reciprocity were also important mechanisms for change.

Fettig (1996) suggests community development should focus on opportunity oriented approaches, including economic development, labor force development, and generation of social capital. The influence of superpreneurs cuts across all suggested modes of intervention. Woolcock's findings (1998) suggest strong community social capital supports both formal and informal decision making and collective public involvement. It provides a forum for information exchange between networks and enhances opportunity for leadership development and community growth. These findings lend support to the following hypothesis:

> **H6:** Community opinion leadership positively influences small community success.

Firm Performance

Individual firm success is enhanced because of superpreneurial characteristics. Howell and Avolio (1993) found transformational leadership to positively and significantly predict consolidated business unit performance of managers in the transport industry. Kirkpatrick and Locke (1996) found leader vision to inspire and affect

employee goal setting, impacting performance. Entrepreneurial orientation also impacts firm success. Smart and Conant yielded a positive relationship between EO and organizational performance, suggesting that highly successful entrepreneurs may possess a wider variety of distinctive marketing and management competencies, combined with a greater propensity for risk and involvement in proactive business activities.

By enhancing community success, the local labor market and individual firms may also realize positive outcomes. Increased social capital created through superpreneur network involvement should positively impact individual firms due to increased trust, respect, and reciprocity. In a study of Jamaican micro entrepreneurs, Benson (1998) found social capital to increase firm profitability , controlling for all other factors. MacKenzie (1992) suggests small community growth may most likely occur when communities respond to change by fostering entrepreneurship. Superpreneurs are well suited to direct change and growth at firm and community levels, leading to the following hypotheses:

> H7: Community opinion leadership is positively related to individual firm performance in small communities.

Summary

Van de Ven (1993) supports a network or system approach to help understand a "collective process of entrepreneurship". This process occurs in small communities when superpreneurs lead key networks. Embedded network ties shape and foster enduring relationships. This produces social capital allowing communities to thrive (Granovetter, 1985). Degree of network involvement and generation of social capital

42

may influence superpreneurs' effectiveness as opinion leaders. Diffusion of innovations and innovative ideas by opinion leaders may positively impact community success. An initial model depicting construct relationships is shown in Figure 1.
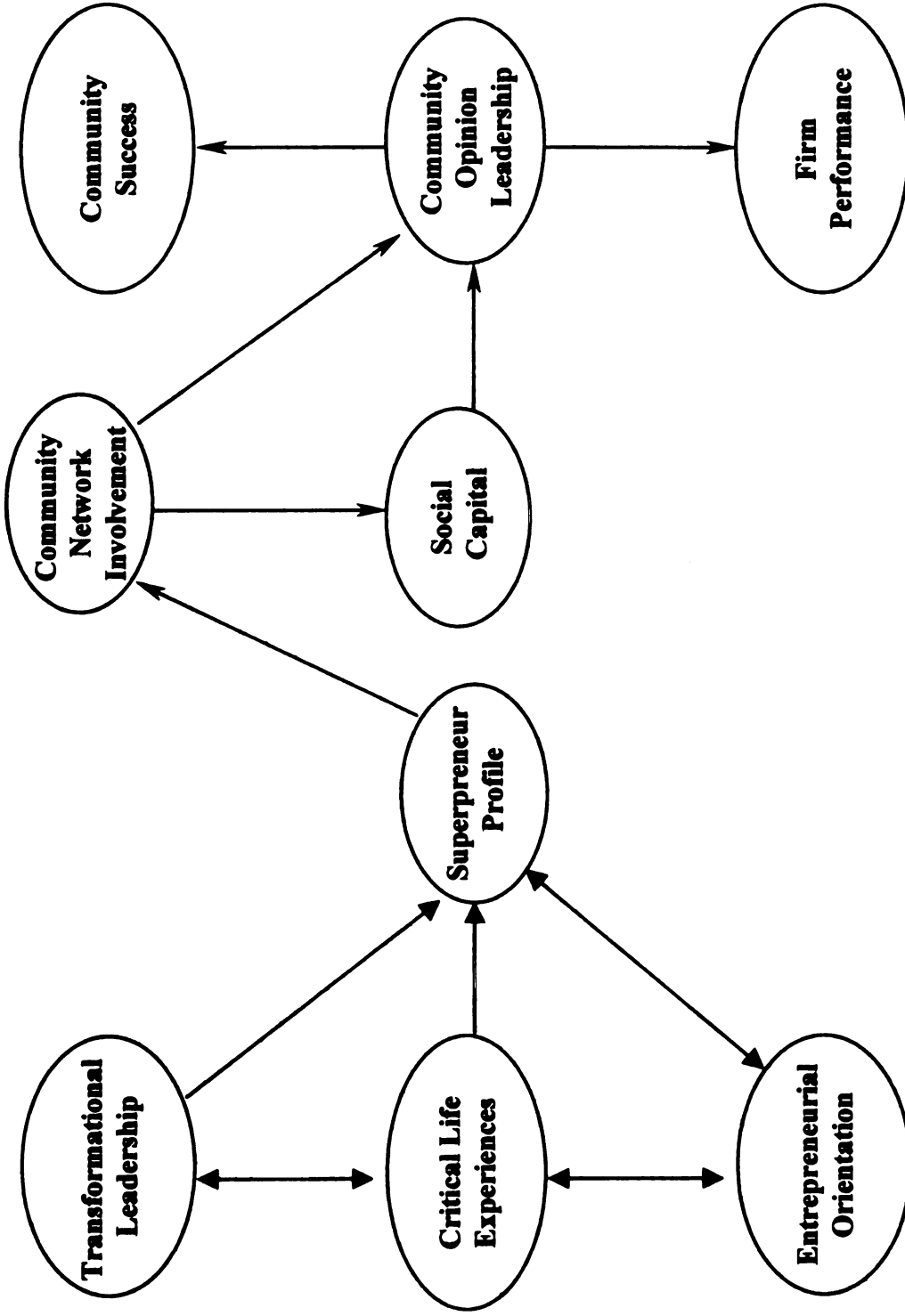
Figure 1. Conceptual Model:
Superpreneurs and Their Impact on Small Communities

44

Chapter 3

Methodology

Measures

Superpreneur Profile

The superpreneur is a dominant community business leader; a proactive and innovative entrepreneur. Unique in how they use vision and form collaborative networks, superpreneurs foster firm and community success through transforming leadership and personal influence. These descriptors suggest multiple constructs and measures to identify and assess superpreneur profile characteristics. Item content for model constructs is provided in Tables 2.1 through 2.8.

Transformational Leadership

Superpreneurs lead by example. They are not transactional, contingency based leaders, but empowering transformers of change. To measure their leadership behavior I use selected sub-scales from Bass' Multifactor Leadership Questionnaire (MLQ) (1985, 1990a). The original questionnaire is comprised of five factors, each consisting of multiple measures. The five factors are: charisma and inspiration, individualized consideration, and contingent reward, individualized consideration, management by exception, and intellectual stimulation. Factor sub-scales represent a combination of both transactional and transformational leadership qualities. In its original form, the MLQ demonstrates composite reliability of .86 (Bass & Avolio, 1990).

Assessments of the MLQ have generated criticism of the original factor structure. Carless (1998) notes that dimensions of the MLQ are highly correlated, providing little justification for interpreting individual sub-scale scores. Her findings suggest the MLQ

assesses a single, overarching transformational leadership construct, lacking evidence of construct validity. Bycio, Hackett, and Allen (1995) support this finding, citing lack of discriminant validity. Subordinates do not distinguish between the three types of transforming leadership behaviors. Revisions of the MLQ have been attempted (MLQ-5X, MLQ-SX), but construct validation is still needed. Despite criticism, the original MLQ remains a widely used instrument for assessment of leadership traits.

I employ three MLQ sub-scales to measure transformational leadership of superpreneurs: charisma and inspiration, individualized consideration, and intellectual stimulation. *Charisma* measures the extraordinary inspirational effects a leader has on followers. *Individualized consideration* refers to empowerment and autonomy awarded followers under transforming leadership. *Intellectual stimulation* is an indicator of how leaders manage knowledge, promoting learning and growth in followers. Anchor points for original MLQ sub-scales are A=frequently and E=not at all. I adapt the scale to a seven-point Likert system (1=not at all, 7=frequently) reflecting superpreneurs' perceived transformational behavior in business and community interactions. Ross and Offerman's (1997) study of transformational leader personality attributes relative to group performance reported high reliabilities for these three sub-scales, ranging from .95 for charisma to .82 for individual consideration.

Entrepreneurial Orientation

Entrepreneurial orientation (EO) is a measure of individual or firm level entrepreneurial intensity. EO is measured using the ENTRESCALE. It includes dimensions of: innovation, proactiveness, competitive aggressiveness, and risk taking. Composite reliabilities for the ENTRESCALE are reported at .83 (Covin & Slevin,

46

1989) and .87 (Miles, Arnold, & Thompson, 1993; Becherer & Maurer, 1997). Cross-cultural research by Knight (1997) reports reliabilities of .83 and .76 respectively for English and French versions of the EO scale. Knight's factor analysis derived dimensions of innovativeness, proactiveness, risk, and competitive aggressiveness. Reliabilities were not reported in this study. Niehm, Frazier, and Plank's (1999) research regarding EO and small retailer success produced the same four constructs in factor analysis. Reliabilities were .77 for innovativeness and .83 for proactiveness. Risk and competitive aggressiveness were single indicators.

I use the EO scale as a summary construct to develop the superpreneur profile. Modifications are made to the innovation dimension using Goldsmith and Hofacker's Domain Specific Innovativeness Scale (1991). Entrepreneurial orientation as an aggregate measure is supported in research by Khandawalla (1977), Miller and Friesen (1983), and Porter (1990). Responses on a seven-point Likert scale reflect the degree to which superpreneurs align themselves with the entrepreneurial behavior (1= strongly disagree, 7 = strongly agree). Higher scores indicate greater entrepreneurial tendency of superpreneurs.

Critical Life Experiences

Superpreneurs' vision and motivation may be driven by personal reserves cultivated from a diverse set of life experiences. Sarason, Johnson, and Siegel (1978) found stressful life events to affect individuals differentially depending on perceived degree of control over events. Although some life events can produce negative results and behaviors, others can act as positive events which propel individuals to higher levels of

accomplishment. Both positive and negative life events can motivate people to move to higher levels of entrepreneurial status.

I identify and measure the perceived effect of ten critical life experiences using selected items from the Life Experiences Survey (Sarason, Johnson, & Siegel, 1978). The scale is adapted for use with small retailers and augmented with self-designed measures of critical business experiences. Examples of measures include: serious illness or injury, loss of job, failure of a business, change in marital status. Reliability of this scale in its original 60-item form is .88. Responses are on a seven-point Likert scale (1=extremely negative impact on one's business perspective, 7= extremely positive impact on one's business perspective), reflecting superpreneurs' perceptions of critical event impact on their business and professional life.

Network Involvement

Measuring superpreneurs' ties to community networks and their relative network status requires a consistent referencing procedure. Burt (1999) suggests establishing group or network boundaries by a standard recall process. Two approaches to the establishment of boundaries are recommended by Laumann, Marsden, & Prensky (1983). One is to adopt the actor's perspective in defining social structures. A second approach is to impose a conceptual framework that suits the purpose of the study. I use a combination of these approaches to devise a network referencing procedure for superpreneurs prior to completion of survey questions.

A sociometric questionnaire is embedded in the survey form prior to sections regarding superpreneur network involvement. I define network involvement as the totality of persons connected to the superpreneur through two types of relationships:

48

instrumental and expressive networks. *Instrumental networks* are those which develop through the course of work role performance. *Expressive networks* are more social in nature and involve friendships, community associations, and casual social contact between various community groups (Krackhardt, 1990; Tichy, Tuschman, & Fombrun, 1974; Lincoln & Miller, 1979). Respondents are asked to identify by name or initials members of these community networks.

Procedures used by Ibarra and Andrews (1993) and Krackhardt (1990), are referenced regarding identification of instrumental network associations. Superpreneurs are asked: "Who in your local business community might you turn to for feedback if you had a new idea for your business or local business in general, concerns regarding a business related issue, or for advice concerning a business related decision? Examples could be local retailers, other local business owners, government officials, community development boards, family members–anyone who gives you feedback, support, and advice about these business related areas". This process provides recall for respondents and a mental framework of *instrumental network associations.*

Twelve blanks are provided in the sociometric questionnaire for noting names or initials of superpreneur network members. Respondents are instructed to list individuals with whom they maintain active network ties. Wellman (1999) defines these as "significant ties", meaning significant in both amount of contact and what network members do for each other. Respondents are not restricted to a fixed number of nominations to limit measurement error (Holland & Leinhart, 1973).

A parallel set of questions is asked regarding *expressive network associations* using the same network recall procedure previously presented. In this sociometric

49

questionnaire respondents identify anyone outside of business related circles from who they obtain general information and feedback regarding the local community life, community issues and needs, and community development. This could be family members, friends, organizations to which they belong, or other routine social contacts. Expressive network information is indirectly used by the superpreneur for making business decisions, acting on new ideas, and problem solving.

Wellman (1999) acknowledges procedural difficulties presented in analysis of network structures in "personal communities". Software for network analysis (ie. UCINet) is presently designed to analyze one network at a time, making assessment of large personal networks inefficient. Large sample network studies necessarily rely on survey responses about network associations, possibly hindering reliability (Bernard, Killworth, Kronenfield, & Sailer, 1984). Wellman (1999) suggests , however, that threat to reliability is no greater in surveys regarding personal networks than respondent reports about other aspects of their behavior.

<u>Social Network Structure and Association</u>

Following the sociometric questionnaire, a series of questions assesses the degree of superpreneurs' involvement in instrumental and expressive networks. I define network involvement by *structural equivalency* and *network cohesion*. Equivalency and cohesion serve as triggers of network involvement or contagion by influence (Burt, 1999). A major aim of this study is to determine the impact of superpreneurs' presence on community and firm success. This essentially describes a contagion effect, where superpreneurs influence opinions or belief structures of others through networks of

50

equivalent actors. Transforming leadership and conditions of social capital make ideas and beliefs of superpreneurs contagious to local retailers and community others.

Structural Equivalency

Structural equivalence refers to similar relationships with and between other network actors in the community. The more similar superpreneurs network associations are to other retailers' relations with community members, the more likely retailers and community members will adopt the superpreneur's innovations. Measures of structural equivalency are operationalized by continuous variables representing density and centrality, rather than true network analytic techniques (Burt 1992; Wasserman & Faust, 1994).

Network density: Density reflects the degree of network connectedness in instrumental and expressive network associations. It is a measure of superpreneurs' perceived network connectedness relevant to network members identified on the sociometric questionnaires. I measure superpreneurs' network density using statements adapted from work by Frazier (2000). Measures include: "These people know each other by name", These people talk to each other about business/community issues", and "These people see each other regularly in business/community situations". Frazier's work (2000) examined two types of network structures: market intelligence and innovation networks. These network structures are referenced in regard to measures of density, centrality, emotional intimacy, and homophily employed in this study. Market intelligence networks correspond to my definition of instrumental networks, while innovative networks relate to expressive or relational network ties. Reliability of Frazier's density measures is .84 for market intelligence networks and .89 for innovation networks.

Centrality: Centrality is a descriptor of a focal actor's structural network position. Network centrality is operationalized as *aggregate prominence*, a proxy for network leadership. *Aggregate prominence* (Freeman, 1979), suggests that all network relationships do not contribute equally to an actor's centrality. Actors will demonstrate differential degrees of prominence in their network associations. They have more direct or short indirect links to many other central actors (Knoke & Burt, 1983). This measure provides a centrality rating relative to others who are highly central in network structures.

A sociometric procedure for calculating aggregate prominence (Burt, 1987) is modified to reflect superpreneurs' perceptions of their network leadership roles. I measure superpreneurs' aggregate prominence (centrality) using a series of self-designed measures modified from work by Ibarra (1993) and Frazier (2000). This study assesses effects of individual power attributed to network centrality on involvement in technical and administrative innovations. Examples of questions include: "I talk directly with theses people about business/community issues", "Among these people, I often pass along business/community information from one person to another", and "My interactions with these people affect outcomes of important local business/community level decisions". Examples of questions addressing superpreneur's network leadership include: "I play a primary role in group associations with these persons." , and " I see myself as a leader in business/community activities where I am involved with these persons". Responses to centrality measures are on a five-point Likert scale (1=not true to 5=very true), indicating superpreneurs' perceived prominence of their role in key community networks. Reliability of Frazier's original centrality measures is .90 for market intelligence networks and .87 for innovation networks.

Cohesion: *Cohesion* measures *strength of network ties* or linkages between superpreneurs and others in community networks. Tie strength can be tightly or loosely structured and is typically measured in terms of frequency, emotional intensity, intimacy, and reciprocity (Granovetter, 1973).   I measure cohesion in two ways: *emotional intimacy*, the closeness of information communicated with other networks, and *homophily* or degree of similarity between the superpreneur and central members of other networks.

Emotional Intimacy: Strong network ties reflect relationship development and emotional commitment. Trust and commitment are developed through more frequent and intense patterns of interaction. Casual or less intense social acquaintances are characterized by weak network ties. Information may be exchanged, but it is unlikely it will be of a sensitive or highly valuable nature. Reciprocation behavior is likely as interaction, trust, and emotional intensity increase (Brass, Butterfield, & Skaggs, 1998).

More frequent and intense network interactions indicate stronger ties, trust, and commitment. Along with these characteristics is an increased likelihood of sharing personal information with central network members. Intimate networks ties are characterized by voluntary interaction, interest in being together in multiple social contexts, and mutual interest in the other's needs (Granovetter, 1973).   I measure *emotional intimacy* of instrumental and expressive network interactions with a series of self-designed questions modified from work by Ibarra (1993) and Frazier (2000). Examples include: "My relationships with these people are very close", "I often share business/community information with these people", "I often talk face-to-face with these people", "I consider most of these people to be my business associates/friends", "I share

personal information with them, and "I ask them for advice about a private matters".

Responses are measured on a five-point Likert scale (1=not true at all, 5= very true)

indicating frequency of interaction between superpreneurs and business and community

networks.   Reliability of Frazier's original emotional intimacy measures is .94 for

market intelligence networks and .87 for innovation networks.

Homophily: The likelihood of people to establish network ties with people like

themselves defines homophily. Homophily is operationalized as similarity between

central network members and superpreneurs. It is a measure of sameness in network

relations; who chooses whom (Wellman, 1999). Similar people tend to interact more

frequently leading to greater levels of similarity, stronger network ties, and greater

information exchange.

I measure homophily of instrumental and expressive network interaction with a

series of self designed questions adapted from work by Frazier (2000).   Examples

include: " In general, comparing yourself to named others with whom you interact in local

business and community networks, how similar would you say you are to these people

with respect to: "Your outlook on life", "your likes and dislikes", "your business

philosophy", and "your values and beliefs"? Responses are measured on a five-point

Likert scale (1= very dissimilar, 5 =very similar) indicating degree of similarity between

superpreneurs and business and community networks. Reliability of Frazier's original

emotional intimacy measures is .76 for market intelligence networks and .87 for

innovation networks.

<u>Social Capital</u>

Social capital is a relational resource, or set of resources, embedded in and produced by relationships with others. To define and measure dimensions of social capital, I draw on work by Tsai and Goshal (1998) who examined how social capital contributes to a firm's ability to create value through innovations. I posit that superpreneurs generate social capital through their transformational leadership in diverse network associations. This process supports firm and community success.

Social capital is comprised of three dimensions: *social interaction, trust and trustworthiness, and shared vision* and *commitment* (Tsai & Goshal , 1998). I modify these measures by replacing social interaction with *community reciprocity. Trust and trust worthiness* are measures of intercommunity trust relationships. A series of questions are adapted from work by Tsai and Goshal (1998), Stolle and Rochon (1998), Paxton (1999), and Frazier (2000). Trust measures include: "I can rely on community members without fear they will take advantage of me even if the opportunity arises, "In general, community members keep promises they make to me", and "In general, I would say people in this community can be trusted". Responses are measured on a seven-point Likert scale (1= strongly disagree, 7=strongly agree), reflecting superpreneur's perspective of generalized community trust. Reliability for the trust dimension of Tsai and Goshal's original scale is .96.

Shared vision and commitment is a collective measure of community goals and aspirations. A series of questions are developed from Tsai and Goshal's (1998) original statements. Measures include: " Our community shares the same ambitions and vision for the future", and "People in our town are enthusiastic about pursuing collective goals

that benefit the whole community". Responses are measured on a seven-point Likert scale (1=strongly disagree, 7 =strongly agree), reflecting superpreneurs' perceptions of collective community vision. Reliability for the shared vision dimension of Tsai and Goshal's original scale is .71.

Reciprocity addresses the level of support and return of favors owed between superpreneurs and community members. A series of questions are used to measure reciprocity drawing on work by Miller and Kean (1997a, 1997b). Measures include: "How satisfied are you that people in the community are fair in their dealings with each other, and "How satisfied are you with the amount of give and take you receive for your efforts from other members of the community?". Responses to reciprocation questions are on a seven point Likert scale (1=strongly disagree, 7= strongly agree), indicating superpreneurs' perceived satisfaction with degree of reciprocity created through business and community interactions. Reliability of reciprocity scale items is .85.

Community Opinion Leadership

Network involvement, leadership, and the development of social capital serve as enabling conditions to the superpreneur's role of community opinion leader. For innovative ideas, business practices, or collaborative efforts to diffuse, a change agent or opinion leader must be present to lead retailers and others in the community. I use the Personality Strength scale to measure personal and social dimensions of superpreneurs' community opinion leadership. The PS Scale (Noelle-Neumann, 1985) identified personal, social, and socio-demographic attributes that predict opinion leadership of organizational members in a cross-cultural study by Weimann (1991). Split-half reliability tests for this scale in a two-group analysis of German and Israeli samples

yielded coefficients of .78 and .76 respectively. Two factors emerged when the ten-item scale was factor analyzed in this study: internal sources of influence and external origins derived from comparisons with other people. Responses are measured on a seven-point Likert scale (1= strongly disagree, 7=strongly agree) reflecting superpreneurs' perception of their degree of community influence. Examples of measures include: "I often notice that I serve as a model for others", and "I often give others advice and suggestions".

Community Success

Community success is a major outcome of the leadership, innovation, and network activities of superpreneurs. I measure community success using a series of self-designed measures. Respondents are first asked to assess their perception of community economic well being. Examples include: "Local business failure rates have decreased in the past several years", and "the population of our community is active and growing". Responses are on a seven-point Likert scale (1= strongly disagree, 7=strongly agree) regarding community growth and success.

Next a series of success measures are adapted from work on rural retailing by Sternquist, Jolly, Leistritz, Kean, Bastow-Shoop, Jasper, and Gaskill (1995) and organizational change in educational institutions by Bloom and Sheerer (1992). Measures are intended to assess superpreneur's perceptions of community support and vitality. Examples include: "Local businesses are willing to invest their time and money in this community", "Local residents have a strong sense of loyalty to the community", and "Local government supports business and community development". Responses are on a seven-point Likert scale (1= strongly disagree, 7=strongly agree) reflecting superpreneur perceptions of community success.

Firm Performance

Superpreneurs are posited to have more successful firms because of their composite traits (transformational leadership, entrepreneurial orientation, and life experiences) and resources cultivated through network interactions. Firm success reinforces the superpreneur's role as an opinion leader among other retailers and the community as a whole. Three measures are used to assess firm performance (Frazier, 2000): "How would you describe the overall performance of your store last year?", "How would you describe your performance relative to competitors?", and "How would you describe your performance relative to stores like yours in the industry?". Responses are on a seven-point Likert scale (1=poor and 7=excellent) regarding superpreneurs' perceptions of individual firm performance. Reliability of Frazier's (2000) firm performance scale is .84.

Demographics

A series of demographic questions are asked at the end of the survey. Examples of questions include: type of business ownership, number of employees, number of years in business, number of years lived in community, past business experience, education, age, and gender.

Sample

The sample is comprised of 217 superpreneur nominees from small, non-metropolitan communities in the Midwestern United States. Communities represent six states: Michigan (30%), Iowa (22%), Wisconsin (18%), Ohio (17%), Indiana (7%) and Illinois (6%). Fifty-eight percent of respondents solely own their business and 30% own and manage their firm. A majority of the firms employ three or fewer full-time and part-

time employees. Sixty-four percent of respondents are male and 36% are female. The average age of respondents is 51 years and most have greater than 20 years of retail experience. Retailers comprising the sample are well educated. Thirty-six percent have a college degree and 16% have completed post graduate work. On the average, these superpreneurs have owned their current firm for about 17 years, while most have owned a business in the local community for approximately 20 years. Businesses represent a variety of retail sectors and 70% of the firms were profitable in 2001. Table 1 shows complete sample characteristics.

Communities

Small, non-metropolitan communities in Michigan, Ohio, Indiana, Illinois, Iowa, and Wisconsin comprise the sample for this study. Non-metropolitan areas are defined by the USDA as those with county populations less than 100,000 and no city over 50,000. For this study, communities were designated as having populations between 100 and 70,000 residents and situated at least 20 miles from a major metropolitan statistical core area. Location response bias is minimized by use of a multi-state sample and inclusion of small communities in six states. Broad sampling extends the generalizability of findings to other community and organizational settings.

<u>Participants</u>

Peer nominations identified superpreneurs in small, non-urban communities. Nomination sources included local and regional chambers of commerce, government officials, Cooperative Extension Directors, trade associations, small business development programs, and community development programs. These sources were

Table 1. Sample Characteristics: Retail Superpreneurs in Small, Midwestern Communities.

Personal Characteristics	Frequency	%	Mean
Age			50.75
20-30 years	4	2%	
31-40	29	14%	
41-50	78	36%	
51-60	72	33%	
61-70	28	13%	
71 or more	4	2%	
Gender			
Female	77	36%	
Male	138	64%	
Education			3.54
Some high school (1)	2	1%	
High school (2)	24	11%	
Some college (3)	79	36%	
College graduate (4)	75	35%	
Post graduate (5)	35	16%	
Professional Experience	Range		Mean
Years owned or managed this business	1-51 years		16.82
Years of retail experience	1-59 years		23.50
Years owned business in this community	1-69 years		20.1

Table 1 (cont'd).

Business Profile	Frequency	%	Mean
Title			1.82
Owner (1)	126	58%	
Manager (2)	10	5%	
Both (3)	66	30%	
Other (4)	15	5%	
Business Type			
Gift	28	13%	
Home Furnishings	11	5%	
Hardware	7	3%	
Apparel	6	3%	
Other/ miscellaneous	165	76%	
Number of Employees			
Full-time			
0-3	103	47%	
4-10	52	24%	
11-20	22	10%	
21 or more	40	18%	
Part-time			
0-3	94	43%	
4-10	61	28%	
11-20	20	9%	
21 or more	42	19%	
2001 Performance			2.60
Lost money (1)	24	11%	
Broke even (2)	38	19%	
Made Profit (3)	151	70%	

used because of their interaction and experience with a variety of community sectors. A copy of the peer nomination request is included in Appendix B.

A peer nomination procedure was adapted from research by Schwarzwald, Koslowsky, and Mager-Bibi (1999). This procedure involved listing traits of superpreneurs followed by brief descriptions and examples of representative behaviors. Traits for superpreneur nomination include: charisma, inspiration, intellectual stimulation, innovativeness, proactiveness in business practices and community interactions. Respondents were asked to list the highest ranking community retailers on the six superpreneur traits. No limit was imposed for the number of nomination submissions by individual respondents. A total of 1,500 nomination requests were mailed. Communities not responding to the initial request for superpreneur nominations were mailed a replacement copy of the nomination form and cover letter within three weeks of the first mailing. Peer nominations generated a total of 569 retailers meeting superpreneur criteria, for a total response rate of 38 percent. Superpreneurs obtained from peer nominations formed the sample for survey research. A copy of the nomination form is included in Appendix B.

Peer nominations have demonstrated results superior to other selection methods, such as peer ratings. Studies confirming the usefulness of peer nominations in identifying population extremes have been conducted in the military (Schwarzwald, Koslowsky, & Mager-Bibi, 1999) and in the identification of gifted and talented children (Cunningham, Callahna, & Plucker, 1998). Findings suggest nominations force reviewers to make clearer distinctions among nominee traits versus identifying a best and worst performer in a peer rating system. Peer nominations allow for greater

discrimination and emergence of multiple factors from the data. The process also forces

participants to identify extremes among their peers (Schwarzwald et al., 1999).

Superpreneurs are extreme examples of entrepreneurs and community leadership,

demonstrating good fit with the peer nomination methodology.

A principle aim of this study was to develop and test a theory about the retail

superpreneur. The goal was to study only retailers from small communities who were

successful. I maintain that peer nominated individuals fitting the superpreneur profile

constitute an appropriate sample for this purpose. Calder, Phillips, and Tybout (1981)

support this approach, stating that any sample relevant to a theory represents a plausible

test of the theory.

Data Collection

A mailed, self-administered survey questionnaire was used for data collection [see

Appendix C]. The instrument was comprised of previously tested and self-designed

scales obtained from multiple research streams: entrepreneurship, leadership, social

networks, and diffusion of innovations. The instrument contains six parts: superpreneur

profile, business network involvement, opinion leadership role, community and firm

success, and demographics. County and community identification codes were embedded

in survey question format for data tracking purposes.

Procedure

Expert sources assessed content validity of scale questions. Modifications and

revisions were made to the instrument based on feedback generated from these sources.

Internal consistency of revised scale items was assessed using coefficient alpha. Scale

purification procedures deleted unreliable items.

Some sections of the instrument necessarily contain self-developed measures, indicating a need to pretest the questionnaire with a representative group of retailers. A pretest sample size of twelve to twenty five cases is generally deemed sufficient to detect underlying problems (Rossi, Wright, & Anderson, 1983). Superpreneurs for the pretest were identified from a pool of successful independent retailers interviewed during exploratory research for this study (Frazier & Niehm, 1999; Niehm & Frazier, 2000). Initial contact was made by letter and telephone. Those agreeing to participate were mailed a questionnaire. Questionnaires were completed and returned by mail or fax. A separate comment sheet was included with the questionnaire regarding ease of comprehension, logic of response pattern, length suitability and time of completion required. Reliability of pretest data was assessed using coefficient alpha. Modifications were made to the instrument as deemed necessary. Item content and scale reliabilities for the survey are shown in Tables 2.1 through 2.8.

Questionnaires were mailed to participants identified through the peer nomination process. A modified Dillman design method (1978) was used for collection of the mailed survey data. A cover letter explaining the nomination process and the purpose of the study [Appendix C] was enclosed along with a stamped, addressed reply envelope. A replacement copy of the questionnaire was sent to non-respondents after three weeks. The goal was to collect a minimum of 200 useable surveys for the analysis. From an initial mailing of 569 surveys, 20 were returned as undeliverable. The adjusted total for mailed surveys was 549, of which 233 were returned. Two hundred seventeen of the 233 surveys were deemed useable, for a final response rate of 40%.

Data Analysis

A structural equation modeling procedure was used to test the superpreneur profile and causal relationships linking superpreneur presence to community and firm success. A multi-step process consisting of confirmatory factor analysis and structural model testing guided analyses (Anderson & Gerbing, 1988). Estimates were obtained using Lisrel 8.50 Maximum Likelihood procedure.

Covariance matrix values for scale items served as input for all confirmatory factor analyses. Analyses utilized data pertaining only to superpreneurs' instrumental business networks, not personal expressive networks. The decision to use only business network data for the network involvement construct was based on degree of data completeness and modeling considerations. A two-group analysis was not feasible as parallel sets of data were collected for both business and personal networks, from one sample of superpreneurs.

The measurement model [Figure 2] was estimated using a tiered approach to confirmatory factor analysis. Confirmatory analyses were first conducted for the eight individual model constructs. Results of these initial analyses are shown in Tables 1 through 8, Appendix A. Next, confirmatory analysis was conducted for first order factors of the superpreneur profile [Table 3], followed by a second order analysis of the superpreneur factor [Table 4]. Finally, the full measurement model was estimated [Table 6].

A common procedure was used for analyzing data and assessing model fit. Examination of covariance matrix factor patterns and assessment of large residuals served as a check for construct validity. Positive and significant indicator to factor loadings

indicated convergent validity (Anderson & Gerbing, 1988). Discriminant validity was assessed using Lisrel's modification index. Item measures which cross-loaded were removed one at a time until a model of best fit was obtained. Tables 2.1-2.8 indicate items retained and deleted by construct as a result of this process. The purpose of this multi-step procedure was to determine if constructs functioned well together, that each measure was unidimensional and non-redundant, and to assess fit of the hypothesized model to the data. Reliability of construct indicators was assessed using coefficient alpha, composite reliability, and variance extracted [Table 5]. Formulas used to compute these measures are shown in Appendix D.

The second phase of analysis involved estimating the structural model [Figure 3]. Covariances of factors produced by the measurement model provided data input for the structural model. Analyses focused on testing of the superpreneur profile and hypothesized construct relationships regarding superpreneurs' impact on community and firm success. Steps were again taken to assure validity, parsimony, and overall model fit. Results of structural model and hypothesis testing are shown in Table 7. Based on fit assessments, a revised version of the structural model is presented in Figure 4. Test results for the revised model are shown in Table 8. Chapter four discusses steps of data analysis and model testing results in complete detail.

Chapter 4

Results and Discussion

Model Testing

A multi-step process of confirmatory factor analysis and causal model testing provided a general framework for data analysis (Anderson & Gerbing, 1988). Model testing results are presented in three parts. The first part pertains to confirmatory analyses conducted on first order factors of measurement model constructs. Also included in this section are results of a second order factor analysis for the three-dimensional superpreneur profile. A full confirmatory factor analysis employing all latent and observed variables is presented as a final assessment of the measurement model. Part two discusses testing of the initial structural model and hypotheses. Based on fit assessments, part three presents a revised version of the original structural model. All analyses were conducted using Lisrel 8.50.

Measurement Model

Confirmatory Factor Analyses by Construct

To assess dimensionality, individual constructs were subjected to confirmatory factor analysis. The aim of the analysis was to determine uni-dimensionality of constructs and provide partial assessments of model fit. All measurement items from the survey were entered into the analysis by respective construct. Covariances for scale items served as input for analyses.

A standard procedure was used for model assessment. First, fit statistics were checked to evaluate model fit. The chi-square statistic is an absolute measure of model fit. Although useful as a general fit indicator, it is biased in the case of large samples

(200 or >), complex models, and models with large numbers of indicators. Since these conditions apply to the present model, alternative fit indices are also referenced. A particularly meaningful index of absolute fit is the Root Mean Square Error of Approximation (RMSEA). The RMSEA measures how well the model would fit the population covariance matrix, if available. Index values less than .05 indicate good fit, while those ranging from .08 to .10 are moderately acceptable (Byrne,1998). Accuracy of RMSEA estimates is assessed using Lisrel's 90% confidence interval. A narrow confidence interval around the RMSEA estimate suggests good precision and model fit in the population (MacCallum, Browne, & Sugawara, 1996; Steiger, 1990). An additional measure of absolute fit is the Goodness-of-Fit Index (GFI). Higher GFI values, generally defined as .90 and above, reflect better model fit. The next level of model assessment employs incremental fit indices, comparing the hypothesized model to a null model. Commonly reported incremental fit indices are the Bentler Normed Fit Index (NFI), the Bentler-Bonnett Normed-Fit Index (NNFI), and the Comparative Fit Index(CFI). Perfect fit for all incremental indices is 1.0.

Next, item to factor loadings were assessed. Presence of positive and significant item to factor loadings supports convergent validity of the model. Lisrel modification indices were also checked for item to factor cross-loading. This step provided an assessment of discriminant validity. Items which cross-loaded and produced high estimates were subjected to further evaluation by checking standardized residuals. This step was conducted concurrently with evaluation of modification indices. Standardized residuals are considered large if they exceed 2.58, and problematic if they form a pattern of error among construct indicators (Byrne, 1998; Bollen, 1989). Items which produced

high error terms and cross-loaded were removed one at a time, assessing model fit after each revision. This step provided an assessment of construct validity. Results of confirmatory factor analysis by construct are shown in Tables 1 through 8, Appendix A.

The eight model constructs [Figure 1] maintained during initial confirmatory analyses. Construct items retained and deleted as a result of model building are noted in Tables 2.1 through 2.8. Acceptable fit was obtained for transformational leadership and entrepreneurial orientation constructs, thus no items were deleted. Due to high error, item 3.11 was removed from the critical life experiences construct. This step resulted in improved model fit. Additional deletions made due to high error terms included items 4.9, 4.13, 4.15 from the community business network involvement construct. Items 4.17 and 4.19 from this construct produced high construct cross-loadings and were deleted to improve model fit. Assessment of the social capital construct revealed high error terms for items 4.24 and 4.27, resulting in their removal. Finally, items 1.14, 1.20, and 1.21 from the community opinion leadership construct, and item 6.1r from the community success construct were deleted due to high error terms. No modifications were made to the firm performance construct.

Revised construct scales were assessed for internal consistency using coefficient alpha, composite scale reliability, and variance extracted. Scales for all eight constructs meet or exceed minimum levels (.70) of acceptable reliability (Nunnally, 1978). Variance extracted also exceeds the minimum standard of .50 (Hair et al, 1985) for all constructs. Formulas used to calculate composite reliability and variance extracted are shown in Appendix D.

Table 2.1. Item Content for Transformational Leadership.

Construct: Transformational Leadership	Item Label	Scale: 1=not at all; 7=frequently	Composite Reliability	Coefficient Alpha	Variance Extracted
Charisma (y1*)	v1.1	I am a model others tend to follow.	.80	.87	.57
	v1.2	I inspire loyalty in my form and community.			
	v1.3	Others see me and my firm as symbols of success and accomplishment.			
	v1.4	I help others vision what can be accomplished if we work together.			
	v1.5	I have a special gift for seeing what is really important in community and business issues.			
Individual Consideration (y2*)	v1.6	I lead others and encourage them to reach goals with or without my support.			
	v1.7	Others can count on me to express appreciation for a job well done.			
	v1.8	I find out what the community needs and wants and try to help them get it.			
	v1.9	I give attention to individuals and community groups which seem neglected.			
Intellectual Stimulation (y3*)	v1.10	I provide others with new ways of looking at things.			
	v1.11	I encourage others to rethink ideas not previously questioned.			
	v1.12	I enable others to think about old problems in new ways.			

*Composite item label

Table 2.2. Item Content for Entrepreneurial Orientation (EO).

Construct: Entrepreneurial Orientation (EO)	Item Label	Scale: 1=low EO, 7=high EO	Composite Reliability .82	Coefficient Alpha .89	Variance Extracted .55
Innovativeness (y6*)	v2.1	I have added no.....I have added many new lines of merchandise in the past two years.			
	v2.2	Changes of merchandise have been mostly of a minor nature..... Changes in merchandise have been quite dramatic.			
	v2.3	If I heard of a new type of technology or innovative practice I would be hesitant to try it.....I would be interested in trying it.			
	v2.4	Compared to other retailers in this community I use little technology in my business.....I use much technology in my business.			
	v2.5	I would not consider trying a new technology or business practice if I had not heard of it before.....I would consider trying a new technology or business practice even if I had not heard of it before.			
	v2.6	Usually I do not know.....Usually I do know about new technology applications and business practices long before other retailers in this community.			
	v2.7	In general, I am among the last.....I am among the first retailers in my community to try a new type of technology or innovative business practice.			

(Table 2.2, cont'd).

Proactiveness (y7*)	v2.8	In general, I favor a strong emphasis on established marketing practices..... I favor a strong emphasis on innovative marketing practices.
	v2.9	In dealing with competitors, I am seldom the first community business.... I am very often the first community business to introduce new merchandise, services, or business practices.
	v2.10	In general, its best to explore the current market environment gradually with careful, measured behavior....bold, wide ranging acts are necessary to achieve my goals.
	v2.11	When confronted with uncertainty in business decisions...I adopt a cautious wait and see posture....I adopt a bold aggressive posture.
Risk Taking (y8*)	v2.12	In general, I have a strong tendency for low risk projects with certain rates of return.....for high risk projects with chances of high return rates.
Competitive Aggressiveness (y9*)	v2.13	In dealing with competitors, I seek to avoid clashes...I adopt an aggressive posture.

*Composite item label

72

Table 2.3. Item Content for Critical Life and Business Experiences.

Construct: Critical Life and Business Experiences	Item Label	Scale: 1= negative impact, 7=very positive impact	Composite Reliability .80	Coefficient Alpha .89	Variance Extracted .67
Life Experiences (y4*)	v3.1	Major change in personal financial status.			
	v3.2	Serious personal illness or injury.			
	v3.3	Serious illness or injury of a family member.			
	v3.4	Change in marital status.			
	v3.5	Death of a family member or close friend.			
Business Experiences (y5*)	v3.6	Termination of relationship with business partner.			
	v3.7	Major restructuring of work situation.			
	v3.8	Failure of your business.			
	v3.9	Foreclosure on a business loan or mortgage.			
	v3.10	Career change or retirement.			
	v3.11**	Other (please list):			

*Composite item label   ** Item deleted during confirmatory factor analysis

Table 2.4 Item Content for Community Business Network Involvement.

Construct: Community Business Network Involvement	Item Label	Scale: 1=not true at all, 5=very true	Composite Reliability .81	Coefficient Alpha .85	Variance Extracted .52
Network Equivalence: Density (y10*)					
	v4.1	They know each other by name.			
	v4.2	They talk to each other about business.			
	v4.3	They see each other regularly in business situations.			
Network Centrality (y11*)	v4.4	I talk directly with them about business and community issues.			
	v4.5	Among them, I often pass along business information from one person to another.			
	v4.6	My interactions with them affect local business and community decisions.			
	v4.7	I play a primary role in my group associations with them.			
	v4.8	I am a leader in business and community activities involving them.			
	v4.9**	I am one of the first to hear about new things from this group.			
Network Cohesion: Emotional Intensity (y12*)	v4.10	You would share personal matters with them.			
	v4.11	You might discuss family matters with them.			
	v4.12	You might ask them for advice about a private matter.			
	v4.13**	You would do things socially with them.			

74

(Table 2.4, cont'd).

	v4.14	
Homophily (y13*)	v4.15**	You would list them as business associates or close acquaintances.
	v4.16	Your outlook on life.
	v4.17**	Your likes and dislikes.
	v4.18	Your business philosophy.
	v4.19**	Your values and beliefs.

*Composite item label   ** Item deleted during confirmatory factor analysis

Table 2.5. Item Content for Social Capital.

Construct: Social Capital	Item Label	Scale: 1=strongly disagree, 5=strongly agree	Composite Reliability .96	Coefficient Alpha .87	Variance Extracted .89
Community Reciprocity (y14*)	v4.20	They are generally fair in dealings with each other.			
	v4.21	I would do a favor for them if they asked.			
	v4.22	They would be willing to do a favor for me if I asked them.			
Trust (y15*)	v4.23	They keep promises they make to me.			
	v4.24**	They can be trusted.			
	v4.25	They would say I am trustworthy.			
	v4.26	They would trust me with personal information about themselves.			
	v4.27**	I can rely on them without fear they will take advantage of me.			
Shared Vision (y16*)	v4.28	We share the same ambition and vision for our community's future.			
	v4.29	They like working toward the achievement of community goals.			
	v4.30	If any of them had information that would help me in my business, they would tell me directly.			
	v4.31	They are enthusiastic about projects that benefit the whole community.			

*Composite item label   **Item deleted during confirmatory factor analysis

76

Table 2.6. Item Content for Community Opinion Leadership.

Construct: Community Opinion Leadership	Item Label	Scale: 1=not at all, 7=frequently	Composite Reliability .77	Coefficient Alpha .83	Variance Extracted .64
Internal Sources of Influence (y17*)	v1.13	I usually count on being successful at everything I do.			
	v1.14**	I am rarely unsure about how I should behave.			
	v1.15	I like to assume responsibility.			
	v1.16	I like to take the lead when a group does things together.			
	v1.17	I enjoy convincing others of my opinions.			
External Social Comparisons (y18*)	v1.18	I often notice that I serve as a model for others to copy.			
	v1.19	I am often a step ahead of others.			
	v1.20**	I often give others advice and suggestions.			
	v1.21**	I am good at getting what I want.			

*Composite item label   **Item deleted during confirmatory factor analysis

Table 2.7. Item Content for Community Success.

Construct: Community Success	Item Label	Scale: 1=strongly disagree, 7=strongly agree	Composite Reliability	Coefficient Alpha	Variance Extracted
Economic Well-being (y19*)	v6.1r**	Local business failures have increased over the past several years.	.72	.70	.58
	v6.2r	Property values are declining in our community.			
	v6.3	Our unemployment rate is lower in comparison to surrounding counties.			
	v6.4	Our town's population has increased in recent years.			
Community Vitality (y20*)	v6.5	Local businesses are willing to invest their time and money in this community.			
	v6.6	Local residents have a strong sense of loyalty to this community.			
	v6.7	Local government supports business and community development efforts.			

*Composite item label.   **Item deleted during confirmatory factor analysis

Table 2.8. Item Content for Firm Performance.

Construct: Firm Performance	Item Label	Scale: 1=poor, 7=excellent	Composite Reliability .88	Coefficient Alpha .82	Variance Extracted .71
Firm Performance (y21*)	v8.1	How would you describe the overall performance of your store(s) in 2001?			
(y22*)	v8.2	How would you describe your performance relative to major competitors?			
(y23*)	v8.3	How would you describe your performance relative to other stores like yours in the industry?			

*Single indicator item label for measurement and structural models.

The Superpreneur Profile: First and Second Order Factor Analyses

Complexity and large sample size often hinder model convergence. Identification problems were anticipated for the superpreneur model considering its complexity and sample size (N=217). Parameter estimates were needed for eight latent constructs and multiple observed variables, potentially resulting in an underidentified model. As structural models become more complex, there is no singular best approach for achieving identification. Suggested remedies include building the model with a limited number of coefficients, setting measurement error variance of constructs to 1.0 if possible, and eliminating troublesome variables (Bollen, 1989; Hair et al, 1995).

To address issues of model complexity and statistical identification, I summed and averaged all observed variables. A method devised by Yuan, Bentler, and Kano (1997) was used to average variables by sub-construct. They suggest a model based on averaged variables may provide better estimators and model fit as opposed to omitting variables for the sake of identification. Averaging resulted in eight latent variables and 21 observed variables for the measurement model. A three-item transformational leadership factor, a two-item critical life experiences factor, and a four-item entrepreneurial orientation factor comprised the superpreneur profile. Additional model constructs included a four-item business network involvement factor, a three-item social capital factor, a two-item community opinion leadership factor, a two-item community success factor, and a single-item firm performance factor.

Identification and measurement of the superpreneur archetype is germane to the proposed theory. Building on this assertion, factors of the superpreneur profile (transformational leadership, critical life experiences, and entrepreneurial orientation)

were subjected to first order confirmatory factor analysis. The resulting model was evaluated using the standard assessment procedure previously presented.

The chi-square statistic for the initial superpreneur profile model was non-significant ($\chi^2 = 32.06$, 24 df, p=.126). The RMSEA (.04) and its associated confidence interval (90% Confidence Interval (CI))= .00 - .07) demonstrate good model fit. High values for incremental fit indices provide further support for the three-dimensional superpreneur profile model (NFI=.96; NNFI=.98; CFI=.99; GFI=.97). No high indicator cross-loadings were noted in this analysis and the largest standardized residual was -3.15. Each construct in the superpreneur profile is distinct and unidimensional. Findings provide support for convergent and discriminant validity of the model. Moderate correlation (.35) between transformational leadership and entrepreneurial orientation suggests nomolgical validity. All item to factor coefficients were positive and significant, except critical life experiences, demonstrating convergent validity. The non-significant, critical life experiences construct was retained due to model technical specifications. Results are shown in Table 3.

High item-factor loadings demonstrated in the previous analysis, combined with excellent model fit, support the concept of a higher order superpreneur factor. The proposed theory suggests transforming leadership, critical life experiences, and entrepreneurial orientation comprise the superpreneur profile. A second order factor is present when one higher order factor is accountable for the variance of a number of lower level factors (Byrne, 1998). Following this definition, the superpreneur does not have its own set of measured indicators, but is instead directly linked to lower order factors of

Table 3. First Order Confirmatory Factor Analysis of the Retail Superpreneur Profile.

Construct	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Transformational Leadership	Y1 Y2 Y3	1.00 1.17 1.24	 9.77* 9.61*	.77 .78 .75	.40 .39 .44
Critical Life Experiences	Y4 Y5	1.00 .78	 1.61	.95 .71	.10 .50
Entrepreneurial Orientation	Y6 Y7 Y8 Y9	1.00 1.20 1.03 .82	 12.64* 10.31* 6.89*	.78 .94 .68 .47	.40 .11 .54 .78

* $p < .05$

Overall Fit	Chi-square	df	p	RMSEA	90% CI	NFI	NNFI	CFI	GFI
Measurement Model	32.06	24	.126	.04	.00 - .07	.96	.98	.99	.97

Table 4. Second Order Confirmatory Factor Analysis: Superpreneur Profile.

Second Order Factor	First Order Factors	Parameter Estimate	t-value	Standardized Estimate
Superpreneur	Transformational Leadership	.39	2.11*	.66
	Critical Life and Business Experiences	.23	1.60	.17
	Entrepreneurial Orientation (EO)	.48	2.09*	.54

* p < .05

Overall Fit

	Chi-square	df	p	RMSEA	90% CI	NFI	NNFI	CFI	GFI
Measurement Model	32.06	24	.126	.04	.00 - .07	.96	.98	.99	.97

transformational leadership, critical life experiences, entrepreneurial orientation. In Lisrel terminology, use of the second order factor results in an "all-Y" measurement model. In other words, all variables in the model are observed variables.

Results of the second-order factor analysis (Table 4) indicate excellent model fit and high correspondence of the superpreneur factor to lower order factors of transformational leadership (.66) and entrepreneurial orientation (.54). Critical life experiences demonstrated a low factor loading of .17. The chi-square statistic was non-significant (χ^2 =32.06, 24df, p=.126). Excellent model fit is further supported by a RMSEA of .04 (90% Confidence Interval (CI))= .00 - .07). Incremental indices also reflect excellent fit (NFI=.96; NNFI=.98; CFI=.99; GFI=.97). No high cross-loadings of construct indicators or excessively large standardized residuals are noted. Each construct

appears distinct and unidimensional, supporting convergent and discriminant validity of the model in its original form.

Confirmatory Factor Analysis of Measurement Model

A final level of confirmatory factor analysis was conducted with the full measurement model [Figure 2]. The model contained all eight latent constructs and their observed variables. This analysis assessed the relationship of constructs, the nomological network, contained in the measurement model. A test of discriminant validity was also provided by this step, as it assessed overall factor structures and dimensionality. Nomological validity is noted by evaluating between construct correlations. Byrne (1998) supports this approach, suggesting that assessment of a full confirmatory factor analysis allows for overall evaluation of construct relationships and model fit. Based on this assessment, one can have more confidence in findings related to the hypothesized structural model.
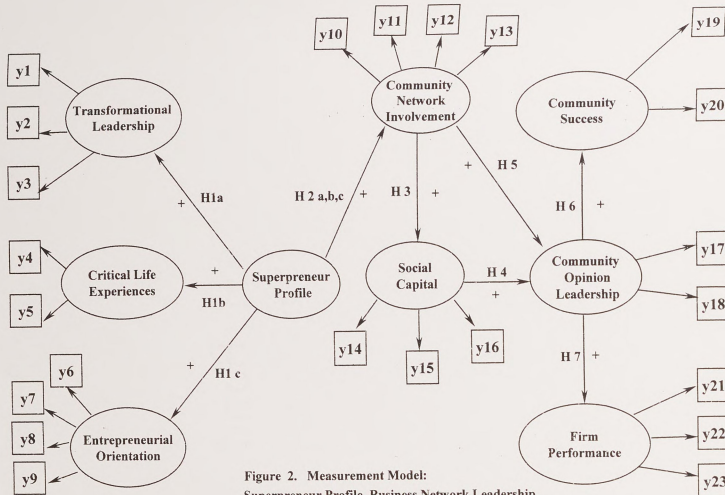
Figure 2. Measurement Model:
Superpreneur Profile, Business Network Leadership,
and Influence in Small Communities

Figure 2. Observed Variable Definitions, Measurement Model:
Superpreneur Profile, Business Network Leadership, and Influence in Small Communities.

y1=charisma
y2=individual consideration
y3=intellectual stimulation
y4=life experiences
y5=business experiences
y6=innovativeness
y7=proactiveness
y8=risk taking
y9=competitive aggressiveness
y10= network density

y11= network centrality
y12=emotional intensity
y13=homophily
y14=community reciprocity
y15=trust
y16=shared vision
y17=internal sources of influence
y18=external social comparisons
y19=economic well-being
y20=community vitality

y21= relative performance-1
y22= relative performance-2
y23= relative performance-3

Identification issues resulted in initial non-convergence of the measurement model. Constructs containing two or less averaged indicators (community success, community opinion leadership, firm performance) contributed to non-convergence, violating the "three minimum indicators per construct rule" for structural equation models (Bollen, 1989). To rectify this problem, the firm performance construct was respecified with three individual rather than summed indicators. This modification produced a solution. The resulting chi-square statistic was significant (χ^2 =322.99, 202 df, p < .001), likely due to large sample size and number of indicators in the analysis. Moderately good fit is indicated by a RMSEA of .05 (90% Confidence Interval (CI))= .04 - .06). Incremental fit indices also suggest good to moderate fit given model complexity (NFI=.90; NNFI=.94; CFI=.95; GFI=.88). Strong and distinct item-factor loadings are noted as well as moderate to strong between construct correlations for most model dimensions. The largest standardized residual is 5.68. For reasons of statistical identification, no revisions were made based on this residual. Composite reliabilities of all measurement model constructs meet minimum recommended levels of reliability and variance extracted (Table 5). Results of measurement model analysis are shown in Table 6.

Table 5. Composite Reliabilities of Measurement Model Constructs: Superpreneur Profile, Business Network Leadership, and Influence in Small Communities.

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Transformational Leadership	.80	.87	.57
Entrepreneurial Orientation	.82	.89	.55
Critical Life and Business Experiences	.80	.89	.67
Community Business Network Involvement	.81	.85	.52
Social Capital	.96	.87	.89
Community Opinion Leadership	.77	.83	.64
Community Success	.72	.70	.58
Firm Performance	.88	.82	.71

Table 6. Full Confirmatory Factor Analysis of Measurement Model: Retail Superpreneur Profile, Business Network Leadership, and Community Influence.

Construct	Composite Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Transformational Leadership	Y1	1.00		.88	.23
	Y2	.91	11.15*	.68	.53
	Y3	1.02	11.36*	.69	.52
Critical Life/ Business Experiences	Y4	1.00		.78	.38
	Y5	1.14	4.63*	.85	.27
Entrepreneurial Orientation	Y6	1.00		.79	.38
	Y7	1.17	13.33*	.93	.13
(single indicator)	Y8	1.01	10.41*	.68	.53
(single indicator)	Y9	.81	6.93*	.48	.77
Business Network Involvement	Y10	1.00		.56	.68
	Y11	1.09	8.33*	.78	.39
	Y12	1.14	7.83*	.70	.50
	Y13	1.11	8.57*	.82	.32
Social Capital	Y14	1.00		.97	.06
	Y15	.99	35.77*	.96	.07
	Y16	.91	25.34*	.90	.20
Community Opinion Leader	Y17	1.00		.72	.49
	Y18	1.51	11.47*	.87	.24
Community Success	Y19	1.00		.55	.70
	Y20	1.73	4.14*	.92	.15

Table 6 (cont'd).

Firm Performance	Y21	1.00		.78	.39
(all single indicators)	Y22	.99	13.44*	.87	.25
	Y23	97	13.60*	.88	.22

p < .05

Overall Fit

	Chi-square	df	p	RMSEA	90% CI	NFI	NNFI	CFI	GFI
Measurement Model	322.99	202	.001	.05	.04 -.06	.90	.94	.95	.88

Structural Model

The next phase of modeling involved estimation of structural parameters and testing hypothesized construct relationships [Figure 3]. Summed variables were used in analysis of the structural model, except for firm performance. This construct was comprised of three single indicators. A total of eight latent and 23 observed variables entered into the analysis.

The analysis produced a significant chi-square statistic (χ^2 =534.20, 221 df, p <.000). This result may be attributed to large sample size and number of indicators in the analysis. The Root Mean Square Error of Approximation (.08) and associated confidence interval (90% Confidence Interval (CI)= .07 - .09) indicate only moderately acceptable fit. Incremental fit indices are also suppressed under conditions of model complexity and large sample size. These conditions are reflected in fit indices for the structural model (NFI=.80; NNFI=.84; CFI=.86; GFI=.82). Strong and distinct item-factor loadings were produced for all model dimensions.

89

Mediocre fit achieved with the structural model warranted closer inspection of standardized residuals and modification indices. Evaluation of these diagnostics revealed a large standardized residual (10.83) between observed variables for community opinion leadership (Y18), and transformational leadership (Y1). Further investigation indicated a pattern of high residuals between Y 17 and Y18 (composite variables for community opinion leadership) and all indicators for transformational leadership. Various model re-specifications were attempted, including the designation of Y17 as a manifest variable. This change did not allow the model to converge and additional modifications did not result in a solution. Results of model testing are shown in Table 7.

Given the finality of this analysis, I next discuss results of hypothesis testing as indicated by parameter estimates for the original structural model. I then build and test a revised model which addresses the presence of large error and cross-loadings between the transformational leadership and community opinion leader constructs.
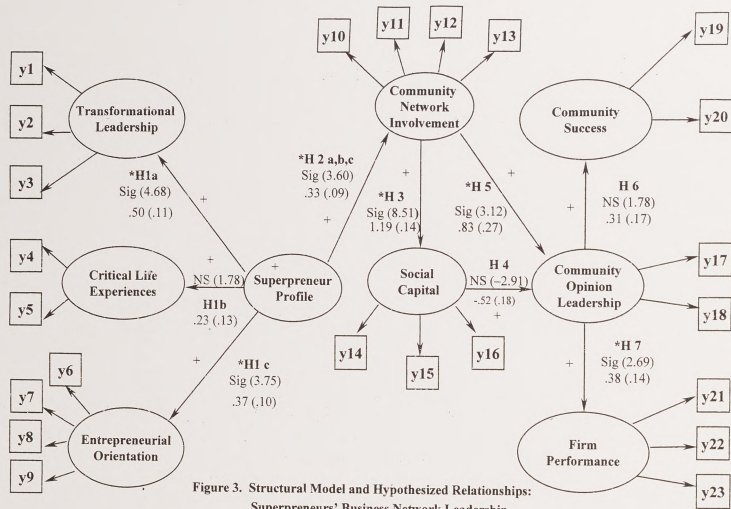
Figure 3. Structural Model and Hypothesized Relationships:
Superpreneurs' Business Network Leadership
and Community Influence

Figure 3. Observed Variable Definitions for Structural Model:
Superpreneurs' Business Network Leadership and Community Influence.

y1=charisma
y2=individual consideration
y3=intellectual stimulation
y4=life experiences
y5=business experiences
y6=innovativeness
y7=proactiveness
y8=risk taking
y9=competitive aggressiveness
y10= network density

y11= network centrality
y12=emotional intensity
y13=homophily
y14=community reciprocity
y15=trust
y16=shared vision
y17=internal sources of influence
y18=external social comparisons
y19= economic well-being
y20=community vitality

y21= relative performance-1
y22= relative performance-2
y23= relative performance-3

Table 7. Hypothesized Relationships Between Retail Superpreneurs'
Business Network Leadership and Community Influence

Hypotheses	Paths	Parameter Estimate	t-value	Standardized Estimates
H1a	Transformational Leadership ——>Superpreneur	.50	4.68*	.80
H1b	Critical Life Experiences ——>Superpreneur	.23	1.78	.18
H1c	Entrepreneurial Orientation ——>Superpreneur	.37	3.75*	.41
H2 a, b, c	Superpreneur ——>Business Network Involvement	.33	3.60*	.42
H3	Network Involvement ——>Social Capital	1.19	8.51*	.90
H4	Social Capital ——>Opinion Leadership	-.52	-2.91	-.79
H5	Network Involvement ——>Opinion Leadership	.83	3.12*	.94
H6	Opinion Leadership ——>Community Success	.31	1.78	.18
H7	Opinion Leadership ——>Firm Performance	.38	2.69*	.23

*   p < .05

Overall Fit

	Chi-square	df	p	RMSEA	90% CI	NFI	NNFI	CFI	GFI
Structural Model	534.20	221	.000	.08	.07 -.09	.80	.84	.86	.82

Hypothesis Testing

Support was found for most hypothesized relationships in the original structural model [Figure 3]. Hypothesis testing results are presented in sequential order, beginning with the superpreneur profile.

Transformational leadership (H1a), critical life experiences (H1 b), and entrepreneurial orientation (H1 c) were hypothesized to be positively and significantly related to the second order superpreneur factor. A positive and significant relationship was found between the superpreneur and transformational leadership (r= .50; p < .05), supporting H1a. This suggests superpreneurs are highly charismatic, influential, and effective leaders in small communities. Superpreneurs have the potential to stimulate, teach, and lead others by example, serving as community role models and business leaders. This finding is consistent with Pinto and Slevin's (1989) characterization of community champions. Champions use personal and professional power to benefit the broader group, creating community growth and change. Weick and Quinn's (1999) findings similarly suggest that influential community leaders are important not only to create change, but to identify emergent themes, and foster group support for change.

A positive and significant relationship was also indicated between the superpreneur and entrepreneurial orientation (r=.37; p < . 05). This supports the notion that superpreneurs are innovators and generally lead other area businesses in terms of managerial practices, adoption of technologies, and other proactive approaches to doing business in small communities. Smart and Conant (1994) similarly found independent business owners with high entrepreneurial orientation to connect to a wider resource base

93

(networks), possess a wider range of managerial attributes, use a greater variety of distinctive marketing competencies, and demonstrate better firm performance.

Critical life experiences were not found to be significantly related (r=.23; p < .05) to the superpreneur profile in this study. This result is not consistent with findings from preliminary qualitative research with rural retail superpreneurs (Niehm & Frazier, 2000). Strong support was found for a more parsimonious, two-dimensional superpreneur profile comprised of transformational leadership and entrepreneurial orientation.

In effort to examine how superpreneurs' impact small communities, their role and degree of involvement in local business networks was assessed. Networks serve as conduits of information access and flow in the small community context. Qualitative interviews with successful rural retailers revealed an extraordinary ability to network (Frazier & Niehm, 1999). Thus, a positive and significant relationship was proposed between the superpreneur profile and community business network involvement (H2a). Further, superpreneurs were posited to demonstrate lower density (selective involvement in business networks) and higher centrality (network leadership) (H2b) . I additionally proposed that superpreneurs place less importance on emotional involvement in business networks, but are more likely to seek out business related sources with similar needs and interests (H2c).

Results support the primary hypothesis (H2a) that superpreneurs are positively associated with network involvement (r=.33; p < .05). Strength of item to factor loadings further support sub-hypothesis H2b that superpreneurs are selective in their amount of network involvement (.55) and highly involved as central network leaders (.78). Additionally, as hypothesized in H2c, it is more important to be involved with

similar others in business networks (.83) than it is to develop emotional attachment with network members (.70). These results are supported by findings of Gnyawali and Ravindranath (2001). They state that centrality (network leadership position) is of chief importance to business network competitiveness. It allows for an efficiency-effectiveness advantage in regard to resource and information access (Burt, 1992). Conversely, network density (amount of involvement) serves to diminish centrality effects. Superpreneurs in small communities may favor business networks with "like" others because of business sector specialization or because they have structured their networks to create unique resource advantages. It is not surprising that emotional attachment would be less important in business network associations.

The third hypothesis (H3) proposes that superpreneurs' involvement in business networks is positively and significantly related to development of community social capital. Underlying logic (Coleman, 1988; Putnam, 1993) suggests that involvement, exposure, and interaction in and between local social networks engenders development of social capital (trust, reciprocity, shared vision) among members. Network members transfer this relational resource through business activities and social network involvement. The development of trust, social organization, and norms enables communities to act together more effectively and efficiently. In this sense, social capital can potentially enhance community vitality and serve as a precursor to success. A positive and significant relationship is indicated for H3 between community business network involvement and social capital ($\beta=1.19$; $p < .05$). This finding suggests business networks are an effective means of generating social capital. Further, social capital may

be a key vehicle by which superpreneur presence affects life quality, economic exchange, and social vitality in small communities.

Initially surprising, a non-significant, inverse relationship was indicated for H4, linking social capital and community opinion leadership (β= -.52; p < .05). Intuitive logic would argue that as more social capital is created by superpreneurs, the more trusted and valued they would become in their community. Accordingly, there would be a greater likelihood that they would function as influential opinion leaders. However, small communities are often not accepting of new ideas, new people, or change in general. The inverse relationship found for H4 suggests superpreneurs may use transforming leadership to affect generalized community change as opposed to exerting direct personal influence. Superpreneurs may realize an indirect approach yields better results in small community social culture. They may empower others to be "first movers" with new ideas rather than casting themselves as a dominant opinion leader.

The embeddedness perspective (Granovetter, 1985) or the "double edged sword of social capital", may offer additional explanation for this finding. As superpreneurs become more known and active in community networks, social ties become dense and embedded. Concurrent with formation of network density is the development of social capital, creating stronger trust and social norms. Social capital is most likely to develop in communities with a strong sense of identity and structured boundaries. Logically, it has been found to be stronger in small communities and rural areas (Coleman, 1988; Nahapiet & Goshal, 1998).

Negative implications of social capital occur when social rules and norms become rigid, forming closed social systems. Thus, social capital can be good for small

communities, but it can also stifle progress varying with social norms, acceptance of change, and reaction to that which is new and different. Superpreneurs may actually be resented in some communities because they do things differently. For this reason, superpreneurs may use more subtle and socially acceptable modes of transforming leadership that help them to excel in small community contexts.

The fifth hypothesis (H5) links network involvement to community opinion leadership. I hypothesize this relationship is mediated by social capital. In other words, the degree of impact network involvement will have on opinion leadership is influenced by the formation of social capital. The hypothesized relationship (H5) was supported in the present model (β= .83; p< .05). Results of this study indicate centrality is important to superpreneurs' business network involvement. It follows that network leadership and visibility may logically transfer to opinion leadership in small communities. This result infers that as network leaders and information brokers, superpreneurs do function as "influentials" or opinion leaders. They may be most capable of shaping local agendas when the effects of social capital are managed.

Results for H4 and H5 initially appear in conflict. I suggest this result implies that, when kept in balance, social capital can augment and support efforts of community business networks. This explanation follows Frazier and Niehm (1999), who conclude successful rural retailers have mastered the skill of "using community embeddedness to create competitive advantages". Successful retailers in this study balanced network relationships in such a way that community members trusted them, patronized their businesses and supported their innovative efforts. In other words, they were skilled at maneuvering community interactions and the effects of social capital balanced out.

As these results imply, social capital can have positive and negative implications for community leadership effectiveness. This study did not measure effects of the amount of social capital in small communities, but rather the relationship between social capital, community opinion leadership, and community success. The presence of an inverse relationship between social capital and opinion leadership suggests a curvilinear effect, warranting further investigation. Balance theory (Heider, 1958) may offer additional explanation regarding social capital's differential effect on superpreneur leadership and small community success.

Outcomes of superpreneur community opinion leadership were hypothesized to be positively related to both community success (H6) and individual firm performance (H7). A non-significant relationship was found between community opinion leadership and community success (β= .31; p< .05). Alternatively, firm performance was positively and significantly associated with community opinion leadership (β=.38; p< .05) in the superpreneur model. A possible interpretation is that superpreneurs are gaining useful business information and resources through network involvement, leading to competitive firm advantages and enhanced performance. Networks appear to drive the opinion leadership function in this model; a relationship mediated by social capital. If the initial model is correct, local social dynamics appear to interfere with the potential impact of superpreneurs. This may in turn influence superpreneurs to be more self and firm focused than community focused in their business strategies. Superpreneurs have the potential to transform small communities. Results of this study suggest, however, that their leadership is not being effectively used in small communities, particularly in the presence of deeply embedded social networks.

Although interesting, the lack of support for H4 and H6 was unexpected given the hypothesized theory. The structural model which produced the non-significant relationships also did not demonstrate good overall fit. Further examination of standardized residuals and modification indices for the structural model revealed multiple cross-loadings and high residuals between construct indicators for community opinion leadership and transformational leadership. As a diagnostic check for multicollinearity, correlation coefficients were generated for all original (not composite) survey items in the two constructs. Results of the analysis show correlations of greater than .50 for four variable pairs and eight additional correlations between .46 and .49. This suggests multicollinearity may be affecting model results. Multicollinearity, correlation between independent or observed variables, reduces the power to find significant differences when they do exist, inflates standard error, and can create negative regression coefficients (Schwab, 1999). I next present a revised model which addresses multicollinearity of the transformational leadership and opinion leadership constructs.

Revised Model

Development of the revised model was guided by relevant theory, results from confirmatory factor analyses, and diagnostic checks of the original structural model. Critical life experience was not significant in prior analyses, thus it was deleted from the superpreneur profile. This step only moderately improved model fit. A series of model runs were next conducted, checking residuals, modification indices, and model fit after each revision. Rationale for model re-specifications follow.

Large errors and construct cross-loadings were noted for opinion leadership and transformational leadership in the original structural model. These observations,

combined with multicollinearity results, supported deletion of the opinion leadership construct in the revised model. Additionally, large residuals and assessment of modification indices warranted the removal of cohesion indicators (Y12 emotional intensity and Y13 homophily) from business network involvement and the trust dimension (Y15) from social capital. Finally, the focus of this theory is the impact of superpreneurs on community success. A secondary aspect is the impact of networks on their firms. This fact combined with relatively high residuals for firm performance indicators, guided the decision to delete the construct from the model.

The revised model[Figure 4] was specified with links from the two-dimensional superpreneur profile, to community network involvement, to social capital, to community success. Although a significant chi-square statistic was generated ($\chi^2 = 99.59$, 60 df, p=.001), overall model fit improved tremendously. The RMSEA (.06), associated confidence interval (90% Confidence Interval (CI))= .04 - .07, p=.31), and incremental fit statistics also reflect excellent model fit (NFI= .92; NNFI=.96; CFI=.97; GFI=.93).

Examination of paths between latent constructs shows positive and significant associations transformational leadership (Γ-.48; p < .05) and the superpreneur profile. Entrepreneurial orientation is also positively related to the profile (Γ-.38; p < .05). A positive and significant relationship is next indicated between the two-dimensional superpreneur profile and community business network involvement (Γ-.38; p < .05).

Figure 4. Revised Structural Model:
Superpreneurs' Business Network Leadership
and Community Influence
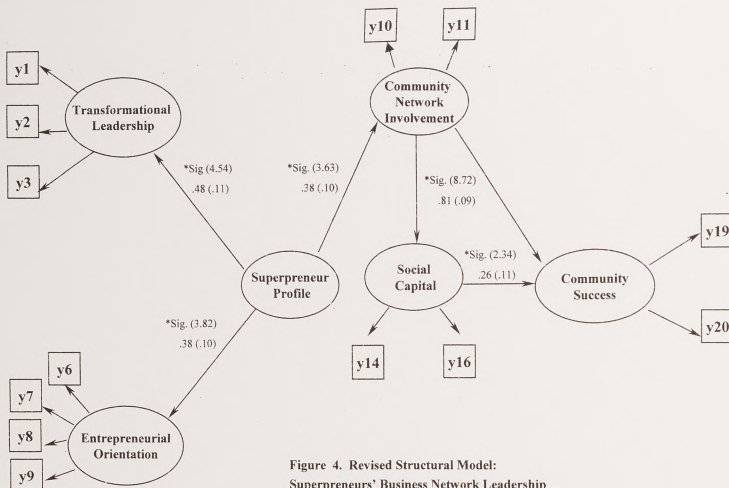
Figure 4. Observed Variable Definitions, Revised Structural Model:
Superpreneurs' Business Network Leadership and Community Influence.

y1=charisma
y2=individual consideration
y3=intellectual stimulation
y6=innovativeness
y7=proactiveness
y8=risk taking
y9=competitive aggressiveness
y10= network density
y11= network centrality

y14=community reciprocity
y16=shared vision
y19=economic well-being
y20=community vitality

Table 8. Revised Structural Model of Retail Superpreneurs' Business Network Leadership and Community Influence.

Paths	Parameter Estimate	t-value	Standardized Estimates
Transformational Leadership —>Superpreneur	.48	4.54*	.83
Entrepreneurial Orientation —>Superpreneur	.38	3.82*	.43
Superpreneur —>Network Involvement	.38	3.63*	.41
Network Involvement —>Social Capital	.81	8.72*	.75
Social Capital —>Community Success	.26	2.34*	.28

* p < .05

Overall Fit	Chi-square	df	p	RMSEA	90% CI	NFI	NNFI	CFI	GFI
Revised Structural Model	99.59	60	.001	.06	.04 -.07	.92	.96	.97	.93

Community business network involvement is positively related to social capital formation (β= .81; p < .05) and social capital is positively related to community success (β= .26; p < .05). Results of the analysis are shown in Table 8. The revised model provides a more simple and parsimonious explanation of superpreneurs and their impact on small communities. It also indicates resoundingly better fit to the data.

Evaluation of factor loadings for the revised model provides additional insight into to superpreneur and how they foster community success. Factor loadings are interpreted in terms strength or importance of a construct indicator. Second order factor loadings in the revised model show that above all superpreneurs are transformational

102

leaders (.83). All first order indicators for transformational leadership demonstrated

strong association with the superpreneur factor, loading from .75 to .78. Entrepreneurial

orientation also loaded moderately high on the superpreneur factor (.43). The strongest

entrepreneurial orientations were proactiveness (.94) and innovativeness (.78). These

loadings provide further evidence of superpreneurs' ability to seek novel information and

 use it in innovative ways in their firms and communities. Superpreneurs additionally

demonstrated moderately strong involvement with business networks (.41). The business

network involvement construct contains two strong indicators, centrality or network

leadership (.97) and density (.63). This multi-dimensional profile of the small

community superpreneur is evident in the following interview quotations (Frazier &

Niehm, 1999):

"There's not a singular innovative event that has made me successful in this
community....It's about values and lifestyle and caring about the community.   Having a
business in this community supports our value system. I want to make it work here.
There's something about an entrepreneur that is fed by challenges".

"We probably strive at least 60% more than the average store around here to have more
and unique products and services. I think a lot of them (store owners) are set in their
ways. They have their merchandise, they order it, it comes in, they put it on the shelf,
its's over".

The sum of these results suggests superpreneurs use their transforming

capabilities to formulate and lead core community networks. I propose that their

leadership, network centrality, proactiveness, and innovativeness allow network activity

and ideas to impact the community, a process explained by network diffusion theory

(Rogers, 1995; Valente Davis, 1999). It is noteworthy that none of the cohesive

(friendship) aspects of network involvement were maintained in the modeling process. I

suggest this is not only because model data reflects business versus personal networks,

103

but is rather a reflection of how superpreneurs balance and manage network associations in small communities. In other words, they know why, how, and who they should associate with in the community. This is an example of Burt's (1992) structural holes concept where central figures "bridge gaps" between selected social networks. In doing so, they gain unique information and resources that lead to competitive advantages. In support of this summary, Floyd and Woolridge (1999) suggest network centrality, network density, and the ability to "bridge" relationships account for the greatest variance in one's ability to obtain novel information and use it to achieve influence.

In the revised model, business network involvement (as measured by density and centrality) is positively associated with social capital. Qualitative research by Frazier and Niehm (1999) found superpreneurs skilled at using embedded relationships to gain competitive advantages. This suggests they are able to maximize the positive aspects of social capital rather than succumbing to its negative effects. I suggest this observation is further validated by revised model results showing reciprocity (.90) and shared vision (.95) to be strong indicators of social capital. Social capital is positively linked to community success in the model. This relationship supports the idea that superpreneurs' innovativeness, network leadership, balance of network involvement, and ability to foster vision and reciprocity, does have positive impact at the community level.

Chapter 5

Conclusion

The purpose of this study was twofold. My initial aim was to discern if the retail superpreneur was identifiable by specific personal traits and business behaviors. This study confirms a two-dimensional profile of the retail superpreneur. Transforming leadership and entrepreneurial orientation strongly characterize these retail champions. The second objective was to test a theory of the superpreneur. I posit superpreneurs facilitate economic success and vitality in small communities via transforming business leadership. Guiding success is superpreneurs' structural position and involvement in community business networks. Social capital mediates the impact of business network activity on community and firm success. Results of the initial structural model partially support the theory. A revised model version provides full support.

Findings of the initial model suggest business networks are effective vehicles for development of social capital and that network involvement is positively related to superpreneurs' opinion leadership capacity. The initial model also indicates differential effects of social capital on opinion leadership. Social capital appears to positively influence superpreneur opinion leadership capacity between business network members as opposed to the broader community. Superpreneurs may be more effective in managing community level social capital through indirect, empowering, and transforming leadership approaches. This finding has important implications for business development and programming approaches in small communities.

Findings of this research provide unique and valuable insight into economic and business development issues for small communities. Identifying exemplar retailers with transformational capabilities provides a new leadership base for small communities. This study indicates superpreneurs are highly entrepreneurial and function as focal leaders of community business networks. They also serve as opinion leaders among business cohorts. Results of this study indicate superpreneurs do serve as business leaders and entrepreneurial mentors in small communities. These findings support my assertions that retailers learn from each other and small communities with superpreneurs may experience greater economic growth and business performance. The revised model suggests development of social capital can lead to enhanced community economic success and vitality. Outcomes of network activity (social capital) must be effectively managed to maximize the impact of superpreneur leadership and community development efforts.

Identifying retail superpreneurs and enlisting their transforming leadership and entrepreneurial skills may be a plausible success strategy for small communities. By grave and Maenad (2000) found individuals who are able to observe entrepreneurs are more likely to become entrepreneurs themselves. Through observation, opportunity costs are more evident and perceived risks are reduced. Networking with other entrepreneurs may also reduce new venture transaction costs and provide positive entrepreneurial role models. Superpreneurs are exemplar retail entrepreneurs who I suggest have the capacity to encourage entrepreneurial growth in small communities. Local businesses learn from observing superpreneurs' example. By grave and Maenad (2000) further suggest local entrepreneurs act as catalysts for economic activity and their presence creates network

externalities which foster success. This facilitating condition encourages environmental alertness and promotes business growth. I suggest retail superpreneurs similarly serve as catalysts in successful small communities. This function is supported by their ability to build positive social capital and non-redundant network associations .

For small communities to encourage entrepreneurial growth, this study suggests recognition and management of social networks and network outcomes (social capital) is necessary. Social capital can be produced anywhere there is opportunity for voluntary participation, trust, and mutual benefit. It can be formed through network interactions in the workplace, the community, or through social relationships. As a resource, social capital can facilitate the attainment of community objectives. However, when social capital is high, so is community embeddedness, rigid social rules, and resistance to change. The extremes of social capital's impact in embedded community settings is noted in the following quotes from small community retailers (Frazier & Niehm, 1999):

"I'm on the board of the Downtown Business Association and I'm in charge of promotions. I think the Chamber of Commerce would really like to see us hang. It's a ridiculous, strained relationship. They have all been here for years and I think they thought we were stepping on their toes with our new ideas. All we're trying to do is keep our doors open and keep people coming into the community".

Conversely,

"It's really a great small community....I think part of that is because of the university. We see people coming from larger cities who have a different mind-set. They don't have that closed thinking like "this is my little town". They know there's more out there and they bring a different flavor to the community...and I think that is good".

It is possible to yield positive results when social capital is strong. Cook and Willis (1999) studied the networks of small and medium size businesses who received government monies for firm development. They found a positive relationship between business network development and social capital. Increased social capital resulted in enhanced business performance, increased market knowledge, and involvement in external innovation. Similarly, small communities need leaders who can balance and coordinate network linkages to yield positive outcomes from social capital. Findings from the present study suggest superpreneurs possess the entrepreneurial characteristics and transforming leadership ability to manage this task.

Implications

Research is needed to guide struggling communities and small businesses. While urban areas have established economic development units, business organizations, colleges and universities, and small business consultants, rural communities often lack support networks and entrepreneurial role models. Small communities must look for ways to create synergies and enhance collaborative efforts. Economic diversification is key for long-term economic well being of small communities. (Barkley, 1995; Drabenstott & Smith, 1996). Leadership is strained, however, in many small communities and there is a shortage of both individual entrepreneurs and entrepreneurial clusters or networks. Further, most firms in rural areas are small. Networks can enhance resources and make small firms of all types more competitive.

Findings of this research are particularly relevant to economic issues affecting small and rural U.S. communities. An estimated one-fourth of the US population lives in non-metropolitan areas. Despite the fact that overall job growth in non-metropolitan

counties compares favorably with metropolitan trends, rural growth experiences are highly varied. Job losses continue to plague much of rural America. Many rural areas have not adapted well to this new economic climate. (Barkley, 1995; Drabenstott, 2001).

Non-metropolitan economic restructuring focuses attention on the retail service sector. Retailers bring community leadership and economic vitality to rural areas through shopping, entertainment, services, and tourism. Services may provide a sustainable competitive advantage for retailers in rural areas while fostering community stability, more choice, and better life quality for consumers (Ozment & Martin, 1990). Retailers bring community leadership and economic vitality to rural areas through shopping, entertainment, services, and tourism. Services may provide a sustainable competitive advantage for retailers in rural areas while fostering community stability, more choice, and better life quality for consumers.

Entrepreneurship is the pursuit of opportunity. Pursuit begins with a creative process leading to idea generation. Key resources superpreneurs can bring to small communities are innovative ideas and new ways of looking at things. Superpreneurs are innovators. They demonstrate higher levels of entrepreneurial thinking and possess characteristics beyond those of the typical small business owner-manager. They cope with and expect constant change and ambiguity, their jobs hold a consistent lack of clarity, they accept risk for what they believe in, and possess an inner drive to leave their mark on projects they oversee. These characteristics support superpreneurs' ability to cultivate entrepreneurship and sustained economic growth in small communities.

The literature is inconclusive regarding factors contributing to small community success. Prescriptive studies suggesting strategic manipulations that may lead to small

firm success are plentiful; empirical studies are scant. Findings from this study contribute significantly to the literature, identifying a new archetype of the successful retail entrepreneur and providing a unique sociological explanation for community success. Utilizing superpreneurs' business and community leadership may play a key role in helping small communities achieve success.

Superpreneurs are focal network leaders in small communities. Their structural position in business networks affords visibility, attributed power, and influence. Floyd and Woolridge (1999) suggest structural aspects such as network centrality, density, and the ability to bridge relationships are essential characteristics of network leaders. Network leadership is critical for small communities to overcome inertia in capability and resource development. The ego networks perspective of social network theory (Burt & Janicik, 1996) explains that people tend to identify with behavioral models. This supports my contention that superpreneurs can function as behavioral benchmarks (Niehm & Frazier, 2000). Retailers and other small business owners learn from each other. Observing entrepreneurship creates entrepreneurship. Network involvement combined with transforming leadership make superpreneurs particularly capable of shaping economic action and developing entrepreneurship in small communities.

Network position also provides superpreneurs with early access to novel information and innovative ideas. Superpreneurs function as "champions", vigorously promoting new ideas and practices within networks while accelerating the diffusion of ideas at the community level (Rogers, 1995; Valente, 1996). The notion of superpreneurs as idea champions and network leaders complements long-range initiatives for rural community development. Drabenstott (2001) proposes that collaborative

regional or cluster development is essential for rural community growth. He cites the need for "network brokers" if the initiative is to be successful. Brokers would promote new ideas, technologies, infrastructures, and development programs, while guiding network activity. Findings of the present study suggest superpreneurs are uniquely suited for this role.

Limitations and Future Research

This study represents an initial test of the superpreneur theory. The more parsimonious, revised model fits the data well. It provides plausible representation of the superpreneur theory as conceptualized and serves as the basis for final conclusions. Further testing of the theory is necessary, however, for generalization of results beyond this study.

Caution is urged in interpretation of initial model results due to measurement issues surrounding the opinion leader construct. Measurement redundancy appears to exist between the transformational leadership and community opinion leader constructs. Further, social capital, opinion leadership, and firm performance did not function well together in the initial model. Mediation effects of social capital may play a key role in model results, suggesting a need for additional investigation and modeling While the revised model provides plausible theoretical explanation, other model variations may be possible.

An immediate extension of this research includes testing the initial and revised models with personal network data. Current results pertain only to business network leadership and its impact on community success. Multi-group analyses will next be conducted to compare superpreneurs' economic and social impact in rural and urban

communities. Additional analyses will compare communities with and without superpreneur leadership and examine facilitating structural factors in the small community environment. A parallel study of superpreneurs in traditional versus virtual community settings is also planned.

I posit the superpreneur archetype is present in varied community and cultural contexts. Any environment which supports entrepreneurship presents a viable venue for this phenomenon. Global rural communities are experiencing similar issues regarding non-agricultural sustainability and could benefit from superpreneur leadership. Developing and transitional economies also present rich entrepreneurial research opportunities and applications of the superpreneur theory.

This study profiles the characteristics and business leadership of retail superpreneurs. Understanding superpreneur traits, business practices, and leadership behaviors will allow for their identification and utilization as community resources. The ability to distinguish retail superpreneurs from average retailers will help small communities, investors and counselors identify and nurture such individuals. Knowledge of superpreneurs, their distinctive business behaviors, and community network roles provides new strategic information useful to practitioners, business advisors and academicians.

Appendices

Appendix A

Table 1. Confirmatory Factor Analysis and Reliabilities for Transformational Leadership.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Charisma	v1.1	1.00		.56	.68
	v1.2	.85	6.45*	.56	.68
	v1.3	.73	6.39*	.56	.69
	v1.4	1.09	7.32*	.68	.53
	v1.5	1.19	7.46	.70	.50
Individual Consideration	v1.6	1.00		.84	.30
	v1.7	.65	7.84*	.55	.70
	v1.8	.70	7.69*	.54	.71
	v1.9	.73	6.29*	.56	.69
Intellectual Stimulation	v1.10	1.00		.77	.41
	v1.11	1.15	12.34*	.85	.27
	v1.12	1.14	12.10*	.83	.31

* p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
70.51	41	.003	.06	.92	.95	.97	.94

Construct	Composite Reliability	Composite Reliability	Variance Extracted
Transformational Leadership	.80	.87	.57

Table 2. Confirmatory Factor Analysis and Reliabilities for Entrepreneurial Orientation.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Innovativeness	v2.1	1.00		.56	.69
	v2.2	.85	6.45*	.56	.69
	v2.3	.77	6.66*	.58	.66
	v2.4	1.07	7.28*	.67	.55
	v2.5	1.17	7.41*	.69	.53
	v2.6	1.36	8.07*	.80	.36
	v2.7	.89	6.26*	.54	.71
Proactiveness	v2.8	1.00		.67	.55
	v2.9	1.07	7.28*	.50	.75
	v2.10	1.28	7.17*	.78	.40
	v2.11	1.46	7.42*	.85	.28
Risk Taking	v2.12	.53	4.55*	.47	.78
Competitive Aggressiveness	v2.13	.48	3.94*	.44	.81

*   p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
96.93	50	.000	.07	.91	.94	.95	.93

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Entrepreneurial Orientation	.82	.89	.55

Table 3. Confirmatory Factor Analysis and Reliabilities: Critical Life and Business Experiences.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Life Experiences	v3.1	1.00		.56	.68
	v3.2	.86	6.52*	.57	.67
	v3.3	.72	6.37*	.55	.69
	v3.4	1.08	7.27*	.67	.55
	v3.5	1.20	7.50*	.71	.50
Business Experiences	v3.6	1.00		.82	.32
	v3.7	.64	7.68*	.54	.71
	v3.8	.71	7.69*	.54	.71
	v3.9	.70	7.68*	.54	.71
	v3.10	.71	8.99*	.62	.62

* $p < .05$

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
58.66	26	.000	.08	.91	.92	.94	.94

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Critical Life and Business Experiences	.80	.89	.67

117

Table 4. Confirmatory Factor Analysis and Reliabilities for Community Business Network Involvement.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Density	v4.1	1.00		.70	.50
	v4.2	.71	7.69*	.59	.66
	v4.3	.63	7.90*	.60	.64
Centrality	v4.4	1.00		.69	.53
	v4.5	1.09	9.20*	.71	.49
	v4.6	1.24	10.22*	.81	.35
	v4.7	.79	6.98*	.53	.72
	v4.8	.91	7.25*	.55	.70
Emotional Intensity	v4.10	1.00		.77	.40
	v4.11	1.14	12.48*	.85	.28
	v4.12	1.12	12.19*	.83	.32
	v4.14	.50	3.80*	.27	.93
Homophily	v4.16	1.00		.54	.71
	v4.18	1.64	7.30*	.86	.25

* p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
104.50	71	.006	.05	.91	.96	.97	.94

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Community Business Network Involvement	.81	.85	.52

118

Table 5. Confirmatory Factor Analysis and Reliabilities for Social Capital.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Community Reciprocity	v4.20	1.00		.63	.60
	v4.21	.84	6.67	.62	.61
	v4.22	.75	6.77	.64	.59
Trust	v4.23	1.00		.68	.54
	v4.25	1.36	9.80	.88	.23
	v4.26	.85	7.30	.56	.69
Shared Vision	v4.28	1.00		.50	.75
	v4.29	1.27	7.14	.77	.41
	v4.30	1.47	7.42	.86	.27
	v4.31	1.43	7.32	.82	.33

*   p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
29.27	32	.605	.000	.96	1.00	1.00	.97

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Social Capital	.96	.87	.89

Table 6. Confirmatory Factor Analysis and Reliabilities for Community Opinion Leadership.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Internal Sources of Influence	v1.13	1.00		.57	.67
	v1.14	.84	6.48*	.57	.67
	v1.15	.73	6.47*	.57	.67
	v1.16	1.08	7.32*	.69	.53
	v1.17	1.13	7.27*	.68	.54
External Social Comparisons	v1.18	1.00		.91	.18
	v1.19	.60	7.09*	.55	.69

*   p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
29.26	13	.006	.08	.94	.94	.96	.96

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Community Opinion Leadership	.77	.83	.64

Table 7. Confirmatory Factor Analysis and Reliabilities for Community Success.

Construct Sub-scales	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
Economic Well-Being	v6.2r	1.00		.55	.70
	v6.3	.84	6.01*	.54	.71
	v6.4	1.37	7.15*	.71	.49
Community Vitality	v6.5	1.00		.64	.59
	v6.6	.97	13.66*	.85	.28
	v6.7	.63	8.29*	.56	.68

* p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
7.76	8	.457	.000	.98	1.00	1.00	.99

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Community Success	.72	.70	.58

121

Table 8.. Confirmatory Factor Analysis and Reliabilities for Firm Performance.

Firm Performance	Observed Variables	Parameter Estimate	t-value	Standardized Estimate	Standardized Residual Variance
(Single indicators)	v8.1	.78	5.67*	.63	.60
	v8.2	.84	6.07*	.62	.61
	v8.3	.74	6.12*	.64	.59

*   p < .05

Overall Fit

Chi-square	df	p	RMSEA	NFI	NNFI	CFI	GFI
3.20	2	.202	.05	.98	.97	.99	.99

Construct	Composite Reliability	Coefficient Alpha	Variance Extracted
Firm Performance	.88	.82	.71

Appendix B

MICHIGAN STATE
U N I V E R S I T Y

November 10, 2001

«fname»
«location» «company»
«address_2», «address_1»
«city», «st» «zip»

Dear Chamber «fname»:

Some retailers naturally stand out in a community. You may know retail owner/managers who possess a certain sense of confidence and control, who are creative, yet intuitively decisive, and seem to continuously reinvent their businesses at the risk of change. These individuals bring new definition to the word entrepreneur. This type of individual is a *"superpreneur"* or a *"retail champion"*. Much has been written about the entrepreneur, but no one has identified or studied those people who make a big impact on their communities and have that added "extra" which creates success.

I am working on a major research project involving independent retailers. My objective is to profile the characteristics and activities of retail entrepreneurs in small communities of Michigan, Ohio, Indiana, Illinois, Wisconsin, and Iowa. From this profile I will develop "best practices" and business leadership training information useful to retailers, business consultants, and community development programs. I need your help in identifying the most successful retail entrepreneurs in non-metropolitan areas of your state. Others have mentioned you as a reference due to your familiarity with the retail industry and because you are a leader in your community. Can you or a qualified associate help me find the "retail champions" I am looking for? To be considered for this project, retailers must:

- **Be visionary, innovative, and proactive; they bring about community change**
- **Use their vision to distinguish themselves and their businesses**
- **Demonstrate high levels of business and community leadership and involvement**
- **Serve as a business and community role model; they inspire and motivate others to excel**
- **Sell merchandise, not just provide services.**
- **Own and operate a retail business located in a non-metropolitan area. Communities must be 20 miles or more from a major metropolitan area and have an estimated population of 100 to 70,000 residents.**

The retail superpreneur is unique and conducts business in a distinctive way. They expect and are receptive to change. This person derives a sense of purpose from work, yet relies on networks of friends, acquaintances, and other sources to help them anticipate and adapt to changes in the road ahead.

If this description fits one or more retailers in your community area or professional contacts, would you please take a moment to identify them using the enclosed nomination form? The form needs to be returned no later than **December 12, 2001**. For research purposes, none of your responses will be disclosed. My next step will be to survey nominated individuals.

Thank you in advance for helping with this study. If you have any questions about this project, please call me at 517-694-8865. **You may also fax (517-694-9054) or E-mail me your response (niehmlin@msu.edu).**

Sincerely,

Linda S. Niehm, Doctoral Candidate
Merchandising Management Program
Michigan State University

Enclosures: Superpreneur Nomination Form, business reply envelope

COLLEGE OF
UMAN ECOLOGY

Department of Human
nvironment and Design

Michigan State University
† Human Ecology Building
East Lansing, Michigan
48824-1030

(517) 355-7712
FAX: (517) 432-1058

124

SUPERPRENEUR NOMINATION FORM

Please provide suggestions of retailers in your community, county, or regional/state area who demonstrate characteristics of a "superpreneur". Your response on this form is confidential and reflects simply a suggestion of retailer characteristics and achievements relevant to this study. Please be as complete as possible with retailer information to assure their nomination and recognition as a superpreneur. Additional nominations may be added to the reverse side of this sheet. Thank you for your time and valuable contributions to this study.

RETAILER NAME	BUSINESS NAME	STREET ADDRESS CITY, STATE and ZIPCODE	COMMUNITY SIZE and COUNTY NAME
1.			
2.			

Please mail (postage paid envelope enclosed), FAX or E-mail this form by <u>December 12, 2001</u> to:

Linda S. Niehm   Fax: (517) 694-9054
204 Human Ecology Bldg.   E-mail: niehmlin@msu.edu
Michigan State University   Questions: Phone (517) 694-8865
East Lansing, MI 48824 -1030

Appendix C

MICHIGAN STATE
U N I V E R S I T Y

February 10, 2002

«fname» «lname»
«business_name»
«address_1»
«city», «st» «zip»

Dear «fname»:

Independent retailers like yourself face more challenges than ever before. The growth of national chains and the changing market environment have threatened the survival of many smaller retailers. Yet some business owners have shown the ability to thrive under conditions of change and use their "smallness" to create a competitive advantage. These retailers are highly motivated and creative entrepreneurs that are successful in spite of strong competition in today's marketplace. They see themselves as key players in their local and regional markets. They also possess the desire and ability to enhance not only their own firms, but the quality of life, economic development, and vitality of their communities. We call these retailers *"superpreneurs"*.

We are working on a research project at Michigan State University that involves surveying retail superpreneurs about their business and community activities. **This major, multi-state study involves retailers from Michigan, Ohio, Indiana, Illinois, Wisconsin, and Iowa. Our goal is to profile the business and leadership practices of exceptional independent retailers and examine the link between retailer leadership and community success.** Results of this study will be valuable to those involved in the retail industry, small business consultants, and community and economic development specialists. Findings from this study will surely be of interest to you, your firm, and community. Results will be made available by request as explained on the enclosed survey form.

Several business professionals or organizations in your community have nominated you as an example of a "superpreneur". You were selected because you are visionary, innovative, and considered to be an outstanding business leader in your community. Your community thinks it is more successful because of you and your contributions. We would appreciate it very much if you would be one of our initial survey participants. This would involve your response to some brief questions about your leadership strategies, business practices, and community involvement on the enclosed form. Your answers will remain completely confidential. Time required to complete the survey is approximately one hour. **We would appreciate return of the completed survey form by March 10, 2002.**

COLLEGE OF
iUMAN ECOLOGY

**Department of Human
:nvironment and Design**

Michigan State University
)4 Human Ecology Building
East Lansing, Michigan
48824-1030

(517) 355-7712
FAX: (517) 432-1058

Information you provide in this survey will not be associated with you or your business. Results will only be reported in summary form. If you do choose to participate, please return the survey in the stamped envelope provided OR fax to 517-694-9054. You may decline to answer any questions on the survey form. You may also choose to not participate and are free to withdraw from the study at any time. In case you have questions or concerns about your rights in this research study, please feel free to contact David Wright, Michigan State University's Chair of the University Committee on Research Involving Human Subjects at (517) 355-2180. Thank you for your consideration of this study. If you have any questions, please contact Linda Niehm at 517-694-8865.

Sincerely,

Linda S. Niehm, Doctoral Candidate
Merchandising Management Program
204 Human Ecology Building
Michigan State University
East Lansing, MI 48824-1030
Phone: (517) 694-8865 **Fax:** (517) 694-9054
E-mail: niehmlin@msu.edu

Dr. Brenda Sternquist
Merchandising Management Program
114 Human Ecology Building
Michigan State University
East Lansing, MI 48824-1030
Phone: (517) 355-0256 or (517) 353-2938
E-mail: sternqui@msu.edu

Enclosures: Retail Leadership Survey Form, business reply envelope

ID # _____

COM # _____
Please do not write in these spaces–for office use.

Retail Leadership Survey
Michigan State University

Note: This questionnaire should be completed only by the individual whose name appears on the enclosed cover letter–
the retail superpreneur nominee associated with the business listed in the cover letter address.

PART I. The questions below ask about your community business leadership and business practices. Please indicate your response to each question by circling the number that best describes your feelings and opinions about each question.

How do you see yourself in terms of leadership in your own business and in the local community?	Not At All		Sometimes				Frequently
1. I am a model that others tend to follow.	1	2	3	4	5	6	7
2. I inspire loyalty in my firm and community.	1	2	3	4	5	6	7
3. Others see me and my firm as symbols of success and accomplishment.	1	2	3	4	5	6	7
4. I help others vision what can be accomplished if we work together.	1	2	3	4	5	6	7
5. I have a special gift for seeing what is really important in community and business issues.	1	2	3	4	5	6	7
6. I lead others and encourage them to reach goals with or without my input.	1	2	3	4	5	6	7
7. Others can count on me to express appreciation for a job well done.	1	2	3	4	5	6	7
8. I find out what the community needs and wants and try to help them get it.	1	2	3	4	5	6	7
9. I give attention to individuals and community groups which seem neglected.	1	2	3	4	5	6	7
10. I provide others with new ways of looking at things.	1	2	3	4	5	6	7
11. I encourage others to rethink ideas not previously questioned.	1	2	3	4	5	6	7
12. I enable others to think about old problems in new ways.	1	2	3	4	5	6	7
13. I usually count on being successful in everything I do.	1	2	3	4	5	6	7
14. I am rarely unsure about how I should behave.	1	2	3	4	5	6	7
15. I like to assume responsibility.	1	2	3	4	5	6	7
16. I like to take the lead when a group does things together.	1	2	3	4	5	6	7
17. I enjoy convincing others of my opinions.	1	2	3	4	5	6	7
18. I often notice that I serve as a model for others to copy.	1	2	3	4	5	6	7
19. I am often a step ahead of others.	1	2	3	4	5	6	7
20. I often give others advice and suggestions.	1	2	3	4	5	6	7
21. I am good at getting what I want.	1	2	3	4	5	6	7

PART II. Consider your business decisions and innovative behavior in contrast to other area retailers. The scale below represents two extremes. Circle the number on this continuum which best reflects your usual business behavior as you consider the following statements:

1.	I have added no new lines of merchandise or services in the past two years.	1	2	3	4	5	6	7	I have added many new lines of merchandise or services in the past two years.
2.	Changes in merchandise or services have been mostly of a minor nature.	1	2	3	4	5	6	7	Changes in merchandise have usually been quite dramatic.
3.	If I heard of a new type of technology or innovative business practice, I would be hesitant to try it.	1	2	3	4	5	6	7	If I heard of a new type of technology or innovative business practice, I would be interested in trying it.
4.	Compared to other retailers in this community, I use little technology in my business.	1	2	3	4	5	6	7	Compared to other retailers in this community, I use much technology in my business.
5.	I would not consider trying a new technology or business practice if I had not heard of it before.	1	2	3	4	5	6	7	I would consider trying a new technology or business practice even if I had not heard of it before.
6.	Usually I do not know about new technology applications and business practices before other retailers in this community.	1	2	3	4	5	6	7	I know about new technology applications and business practices long before other retailers in this community.
7.	In general, I am among the last of retailers in my community to try a new type of technology or innovative business practice.	1	2	3	4	5	6	7	In general, I am among the first retailers in my community to try a new type of technology or innovative business practice.
8.	In general, I favor a strong emphasis on established marketing practices.	1	2	3	4	5	6	7	In general, I favor a strong emphasis on innovative marketing practices.
9.	In dealing with competitors, I am seldom the first community business to introduce new merchandise, services, or business practices.	1	2	3	4	5	6	7	In dealing with competitors, I am very often the first community business to introduce new merchandise, services, or business practices.
10.	In general, I believe that considering the current market environment, it's best to explore it gradually via careful, measured behavior.	1	2	3	4	5	6	7	In general, I believe that considering the current market environment, bold, wide-ranging acts are necessary to achieve my business goals.
11.	When confronted with uncertainty in business decision making, I typically adopt a cautious "wait and see" posture in order to minimize the probability of costly decisions.	1	2	3	4	5	6	7	When confronted with uncertainty in business decision making, I typically adopt a bold, aggressive posture in order to maximize potential opportunities.
12.	In general, I have a strong tendency for low risk projects with normal and certain rates of return.	1	2	3	4	5	6	7	In general, I have a strong tendency for high risk projects with chances of high rates of return.
13.	In dealing with competitors, I typically seek to avoid clashes, preferring a "live and let live" posture.	1	2	3	4	5	6	7	In dealing with competitors, I typically adopt an aggressive, "undo the competition" posture.

PART III. Life experience can be a valuable business tool. To what extent have the following experiences influenced your outlook and the way you manage your business?

Life experiences which have impacted my business decisions, perspective and management style include:	Very Negative Impact		Neutral		Very Positive Impact			Does Not Apply
1. Major change in personal financial status	1	2	3	4	5	6	7	8
2. Serious personal illness or injury	1	2	3	4	5	6	7	8
3. Serious illness or injury of family member	1	2	3	4	5	6	7	8
4. Change in marital status	1	2	3	4	5	6	7	8
5. Death of family member or close friend	1	2	3	4	5	6	7	8
6. Termination of relationship with business partner	1	2	3	4	5	6	7	8
7. Major restructuring of your work situation	1	2	3	4	5	6	7	8
8. Failure of your business	1	2	3	4	5	6	7	8
9. Foreclosure on a business loan or mortgage	1	2	3	4	5	6	7	8
10. Career change or retirement	1	2	3	4	5	6	7	8
11. Other (please list): _____	1	2	3	4	5	6	7	8

PART IV. In the next section, we are going to ask you about *business and professional people* who give you information helpful in making business decisions. This part of the survey concerns *who you get information from about the following areas*:

> New merchandise
> The latest trends
> New marketing ideas
> New business techniques
> Your customers' needs and preferences
> Local competition
> Local market conditions

Please think for a moment about the people you talk to when you need information or advice about the above areas. *This group would include business and professional people such as:* local retailers, community development professionals, government officials, representatives from professional organizations, or *any business related professional* who gives you useful information and advice about the above areas.

In the space provided below, please write the FIRST NAMES OR INITIALS of all the *business related professionals* that you can think of who you turn to for advice and information about the above areas. We are going to ask you some questions about this group of people in the next section. Make additional lines if necessary. THE LIST IS FOR RECALL PURPOSES ONLY. The names you list will not be used in any way in this study.

1. _____   4. _____   7. _____   10. _____
2. _____   5. _____   8. _____   11. _____
3. _____   6. _____   9. _____   12. _____

Feel free to add additional spaces

Thinking about your relationships with the people you just listed in the box on page 3, circle the number that indicates whether you think the statements are very true OR not true at all:	Very True		Neutral		Not True At All

1.	They know each other by name.	5	4	3	2	1
2.	They talk to each other about business.	5	4	3	2	1
3.	They see each other regularly in business situations.	5	4	3	2	1
4.	I talk directly with them about business and community issues.	5	4	3	2	1
5.	Among them, I often pass along business information from one person to another.	5	4	3	2	1
6.	My interactions with them affect local business and community decisions.	5	4	3	2	1
7.	I play a primary role in my group associations with them.	5	4	3	2	1
8.	I am a leader in business/community activities involving them.	5	4	3	2	1
9.	I am one of the first to hear about new things from this group.	5	4	3	2	1

Thinking about people that you listed in the box on page 3, please indicate how likely OR unlikely it is that:	Very Likely		Neutral		Very Unlikely

10.	You would share personal matters with them.	5	4	3	2	1
11.	You might discuss family matters with them.	5	4	3	2	1
12.	You might ask them for advice about a private matter.	5	4	3	2	1
13.	You would do things socially with them.	5	4	3	2	1
14.	You would spend a free afternoon with them if given the chance.	5	4	3	2	1
15.	You would list them as business associates or close acquaintances.	5	4	3	2	1

In general, comparing yourself to the people you listed in the box on page 3, how similar would you say you are to these people with respect to:	Very Similar		Neutral		Very Dissimilar

16.	Your outlook on life.	5	4	3	2	1
17.	Your likes and dislikes.	5	4	3	2	1
18.	Your business philosophy.	5	4	3	2	1
19.	Your values and beliefs.	5	4	3	2	1

Thinking in general about the group of people you identified in the box on page 3, indicate your agreement OR disagreement with the following:	Strongly Agree		Neutral		Strongly Disagree

20. They are generally fair in dealings with each other.   5   4   3   2   1

21. I would do a favor for them if they asked.   5   4   3   2   1

22. They would be willing to do a favor for me if I asked them.   5   4   3   2   1

23. They keep promises they make to me.   5   4   3   2   1

24. They can be trusted.   5   4   3   2   1

25. They would say I am trustworthy.   5   4   3   2   1

26. They would trust me with personal information about themselves.   5   4   3   2   1

27. I can rely on them without fear that they will take advantage of me.   5   4   3   2   1

28. We share the same ambition and vision for our community's future.   5   4   3   2   1

29. They like working toward the achievement of community goals.   5   4   3   2   1

30. If any of them had information that would help me in my business, they could tell me directly.   5   4   3   2   1

31. They are enthusiastic about projects that benefit the whole community.   5   4   3   2   1

PART V. The next section of this survey is asking about *other people* (non-business related) in your community who give you information and advice about the following areas:

> New merchandise
> The latest trends
> New marketing ideas
> New business techniques
> Your customers' needs and preferences
> Local competition
> Local market conditions

Now think about <u>other</u> <u>people</u> you talk to when you need information or advice about the areas listed above. *People in this group include:* family, friends, neighbors, community residents, and other *non-business related people.*

In the space provided below, please write the FIRST NAMES OR INITIALS of all the *non-business related people* that you can think of who you turn to for advice and information about the above areas. We will be asking the same questions about this group as we did for the last group. Again, THE LIST IS FOR RECALL PURPOSES ONLY, and we will not use them in any way in this study. DO NOT INCLUDE NAMES THAT YOU LISTED EARLIER IN THIS SURVEY ON PAGE 3.

1._____   4._____   7._____   10._____
2._____   5._____   8._____   11._____
3._____   6._____   9._____   12._____

Feel free to add additional spaces.

Thinking **ONLY** about your relationships with people you just listed in the box on page 5, circle the number that indicates whether you think the statements are very true OR not true at all.	Very True		Neutral		Not True At All
1. They know each other by name.	5	4	3	2	1
2. They talk to each other about business.	5	4	3	2	1
3. They see each other regularly in business situations.	5	4	3	2	1
4. I talk directly with them about business and community issues.	5	4	3	2	1
5. Among them, I often pass along business information from one person to another.	5	4	3	2	1
6. My interactions with them affect local business and community decisions.	5	4	3	2	1
7. I play a primary role in my group associations with them.	5	4	3	2	1
8. I am a leader in business/community activities involving them.	5	4	3	2	1
9. I am one of the first to hear about new things from this group.	5	4	3	2	1

Thinking about the people that you named in the box on page 5, please indicate how likely OR unlikely it is that:	Very Likely		Neutral		Very Unlikely
10. You would share personal matters with them.	5	4	3	2	1
11. You might discuss family matters with them.	5	4	3	2	1
12. You might ask them for advice about a private matter.	5	4	3	2	1
13. You would do things socially with them.	5	4	3	2	1
14. You would spend a free afternoon with them if given the chance.	5	4	3	2	1
15. You would list them as business associates or close acquaintances.	5	4	3	2	1

In general, comparing yourself to the people you named in the box on page 5, how similar would you say you are to these people with respect to:	Very Similar		Neutral		Very Dissimilar
16. Your outlook on life.	5	4	3	2	1
17. Your likes and dislikes.	5	4	3	2	1
18. Your business philosophy.	5	4	3	2	1
19. Your values and beliefs.	5	4	3	2	1

Thinking in general about the group of people you identified in the box on page 5, indicate your agreement OR disagreement with the following statements:	Strongly Agree		Neutral		Strongly Disagree
20. They are generally fair in dealings with each other.	5	4	3	2	1
21. I would do a favor for them if they asked.	5	4	3	2	1
22. They would be willing to do a favor for me if I asked them.	5	4	3	2	1
23. They keep promises they make to me.	5	4	3	2	1
24. They can be trusted.	5	4	3	2	1
25. They would say I am trustworthy.	5	4	3	2	1
26. They would trust me with personal information about themselves.	5	4	3	2	1
27. I can rely on them without fear that they will take advantage of me.	5	4	3	2	1
28. We share the same ambition and vision for our community's future.	5	4	3	2	1
29. They like working toward the achievement of community goals.	5	4	3	2	1
30. If any of them had information that would help me in my business, they could tell me directly.	5	4	3	2	1
31. They are enthusiastic about projects that benefit the whole community.	5	4	3	2	1

PART VI. COMMUNITY PROFILE

Concerning the economic status and general well-being of your community, to what degree do you agree OR disagree with the following:

	Strongly Disagree			Neutral			Strongly Agree
1. Local business failures have increased over the past several years.	1	2	3	4	5	6	7
2. Property values are declining in our community.	1	2	3	4	5	6	7
3. Our unemployment rate is lower in comparison to surrounding counties.	1	2	3	4	5	6	7
4. Our town's population has increased in recent years.	1	2	3	4	5	6	7
5. Local businesses are willing to invest their time and money in this community.	1	2	3	4	5	6	7
6. Local residents have a strong sense of loyalty to this community.	1	2	3	4	5	6	7
7. Local government supports business and community development efforts.	1	2	3	4	5	6	7

PART VII. BUSINESS TECHNOLOGY PROFILE

Concerning your use of technology and the use of technology by other local businesses, to what degree do you agree OR disagree with the following:

	Strongly Disagree			Neutral			Strongly Agree
1. Local retailers use computer technology extensively to assist with store operations.	1	2	3	4	5	6	7
2. Most local retailers have some form of Internet presence (website, on-line listing, etc.).	1	2	3	4	5	6	7
3. I use the Internet as a key way to market my business and communicate with customers.	1	2	3	4	5	6	7
4. I gain valuable information for use in business decisions through the Internet and other computer based network sources.	1	2	3	4	5	6	7
5. A majority of my revenue comes from Internet based sales.	1	2	3	4	5	6	7

PART VIII. FIRM PERFORMANCE	Poor	Average	Excellent
Concerning the performance of your firm:			

1. How would you describe the overall performance of your store(s) last year (2001)?   1 2 3 4 5 6 7

2. How would you describe your performance relative to your major competitors?   1 2 3 4 5 6 7

3. How would you describe your performance relative to other stores like yours in the industry?   1 2 3 4 5 6 7

4. In 2001, did your store (circle one):   3= Make a Profit   2= Break Even   1= Lose Money

---

PART IX. GENERAL BACKGROUND INFORMATION: *Please check or fill in the appropriate information.*

What is your title? _____ Owner   _____ Manager   _____ Both   Other (please specify)_____

Store/Business Type: _____
(i.e.- gift, hardware, apparel, etc.)

How many people do you employ full time (besides yourself)? _____

How many people do you employ part time ? _____

What is your age? _____

What is your gender? _____ Male _____ Female

How many years have you owned or managed this business? _____ years

How many years of experience in retailing do you have?   _____ years

How long have you owned a business in this community?   _____ years

Please indicate the highest level of education completed:

___Some high school   _____Some College
___High school   _____College Graduate
                                           _____Post-graduate

---

Thank you very much for your time. **Please place this survey in the enclosed, postage-paid return envelope and mail OR Fax to (517) 694-9054 no later than March 23, 2002.** Questions may be directed to Linda Niehm at (517) 694-8865 or Dr. Brenda Sternquist at (517) 355-0256.

If you would like a copy of results from this study, please contact Linda Niehm by mail, fax, or E-mail:
Linda Niehm, Doctoral Candidate
Merchandising Management Program
Michigan State University
204 Human Ecology Building
East Lansing, MI 48824-1030
Fax: (517) 694-9054 **E-mail:** niehmlin@msu.edu

Appendix D

Appendix D. Formulas for Composite Reliability and Variance Extracted

Construct
Reliability= $\dfrac{(\text{sum of standardized loadings})^2}{(\text{sum of standardized loadings})^2 + \text{sum of indicator measurement error}}$

Variance
Extracted= $\dfrac{\text{sum of squared standardized loadings}}{\text{sum of squared standardized loadings} + \text{sum of indicator measurement error}}$

Hair, J.F., Anderson, R.E., Tatham, R.L. and Black, W.C. (1995). Multivariate Data Analysis with Readings, Fourth Edition. Englewood Cliffs, NJ: Prentice Hall, p. 653.

References

138

References

Ackoff, R.L. (1999). Transformational leadership. Strategy and Leadership, 27 (1), 20-25.

Anderson, J. C., & Gerbing, D. W. (1988). Some methods for respecifying measurement models to obtain unidimensional construct measurement. Journal of Marketing Research, 19, 453-460.

Avoilo, B.J. (1994). The "natural": Some antecedents to transformational leadership. International Journal of Public Administration, 17 (9), 1559-1581.

Badawy, M.K. (1988). What we've learned: Managing human resources. Research Technology Management, 31 (5), 19-36.

Baird, I., & Thomas, H. (1985). Toward a contingency model of strategic risk taking. Academy of Management Review, 10, 320-243.

Barkley, D. (1995). The economics of change in rural America. American Journal of Agricultural Economics, 77 (December), 1252.

Bass, B.M.. (1997). Personal selling and transactional/transformational leadership. The Journal of Personal Selling & Sales Management, 17 (3), 19-28.

Bass, B.M. (1990a). From transactional to transformational leadership: Learning to share the vision. Organizational Dynamics, 18 (3). 19-31.

Bass, B.M. (1990b). Bass & Stogdill's handbook of leadership: Theory, research and managerial applications. (3rd ed.) New York: The Free Press.

Bass, B.M. (1985). Leadership and performance beyond expectations. New York: The Free Press.

Bass, B.M., & Avolio, B.J. (1990). The implications of transactional and transformational leadership for individual, team, and organizational development. Research in Organizational Change and Development, 4, 231-172.

Baumol, W. (1993). Formal entrepreneurship theory in economics: Existence and bounds. Journal of Business Venturing, 8 (3), 197-211.

Beaver, G., & Jennings, P. (1995). Picking winners: The art of identifying successful small firms. In D.E. Hussey (Ed.), Rethinking Strategic Management. London: John Wiley & Sons, Ltd.

Becherer, R.C., & Maurer, J.G. (1997). The moderating effect of environmental variables on the entrepreneurial and marketing orientation of entrepreneur lead firms. Entrepreneurship Theory and Practice, 22 (1), 47-58.

Becker, L.C. (1986). Reciprocity. Chicago, IL: University of Chicago Press.

Bernard, H.R., Killworth, P., Kronenfield, D., & Sailer, L. (1984). The problem of informant accuracy: The validity of retrospective data. Annual Review of Anthropology, 13, 495-517.

Bloch, P.H. (1986). The product enthusiast: Implications for marketing strategy. Journal of Consumer Marketing, 3, 51-62.

Bloom, P.J., & Sheerer, M. (1992). Changing organizations by changing individuals: A model of leadership training. The Urban Review, 24 (4), 263-286.

Bobrow, E.E. (1991). Successful new products are product of process. Marketing News, 25 (8), 27.

Bollen, K.A. (1989). Structural equations with latent variables. New York: John Wiley & Sons.

Borgatti, S. (1999). What is social network analysis? [On-line]. Available: www.analytichtech.com/networks/.

Bourdieu, P. (1986). The Forms of Capital.. In J. Richardson (Ed.), Handbook of theory and research for the sociology of education. New York: Greenwood Press.

Brass, D.J., Butterfield, K.D., & Skaggs, B.C. (1998). Relationships and unethical behavior: A social network perspective. The Academy of Management Review, 23 (1), 14-31.

Burt, R.S. (1999). The social capital of opinion leaders. Annals of the American Academy of Political and Social Science, 566, 37-64.

Burt, Ronald S. (1997). The Contingent Value of Social Capital. Administrative Science Quarterly 42, 339-365.

Burt, R. S. (1992). Structural holes. Cambridge, MA: Harvard University Press.

Burt, R. S. (1987). Social contagion and innovation: Cohesion versus structural equivalence. American Journal of Sociology, 92, 1287-1335.

Burt, R. S., & Janicik, G.A. (1996). Social contagion and social structure. In D. Iacobucci (Ed.), Networks in Marketing. Thousand Oaks, CA: Sage Publications.

Bycio, P., Hackett, R., & Allen, J. S. (1995). Further assessments of Bass's (1985) conceptualization of transactional and transformational leadership. Journal of Applied Psychology, 80, 468-478.

Bygrave, W., & Minniti, M. (2000). The social dynamics of entrepreneurship. Entrepreneurship Theory and Practice, 24 (3), 25-36.

Byrne, B.M. (1998). Structural Equation Modeling with Lisrel, Prelis, and Simplis. Mahwah, NJ: Lawrence Erlbaum Associates, Publishers.

Calder, B., Phillips, L., & Tybout, A. (1981). Designing research for application. Journal of Consumer Research, 8 (September), 197-207.

Carland, J., Hoy, F., & Carland, J., (1988). Who is an entrepreneur? Is this the wrong question. In Frontiers of Entrepreneurship Research. Wellesley, MA: Babson College

Carless, S.A. (1998). Assessing the discriminant validity of transformational leader behavior as measured by the MLQ. Journal of Occupational and Organizational Psychology, 71 (4), 353-358.

Chan, K.K., & Misra, S. (1990). Characteristics of the opinion leader: A new dimension. Journal of Advertising, 19 (3), 53-60.

Childers, T.L. (1986). Assessment of the psychometric properties of an opinion leadership scale. Journal of Marketing Research, 23, 184-188.

Clark, R., & Aram, J. (1997). Universal values, behavioral ethics and entrepreneurship. Journal of Business Ethics, 16 (5), 561-572.

Cohen, S., & Hoberman, H.M. (1983). Positive events and social supports as buffers of life change stress. Journal of Applied Social Psychology, 13, 99-125.

Coleman, J.S. (1993). The rational reconstruction of society. American Sociological Review, 58, 1-15.

Coleman, J.S. (1990). Foundations of social theory. Cambridge, MA: The Belknap Press of Harvard University Press.

Coleman, J. S. (1988). Social capital in the creation of human capital. American Journal of Sociology (Supplement), 94, S95- S120.

Cook, R. (1995). Shaping the external environment. Business and Society, 34, 317-345.

Cook, P., & Wills, D. (1999). Small firms, social capital, and the enhancement of business performance through innovative programs. Small Business Economics, 13 (3), 219-234.

Cooper, A., & Dunkelberg, W. (1986). Entrepreneurship and paths to business ownership. Strategic Management Journal, 7, 53-68.

Covin, J. & Covin, T. (1990). Competitive aggressiveness, environmental context, and small firm performance. Entrepreneurship Theory and Practice, 14 (4), 35-50.

Covin, J., & Slevin, D.P. (1991). A conceptual model of entrepreneurship as firm behavior. Entrepreneurship, Theory and Practice, 16 (1), 7-25.

Covin, J.G., & Slevin, D.P. (1989). Strategic management of small firms in hostile and benign environments. Strategic Management Journal, 10 (1) 75-57.

Crant, J. (1996). The proactive personality scale as a predictor of entrepreneurial intentions. Journal of Small Business Management, 34 (3), 42-50.

Cunningham, C. M., Callahan, C.M., Plucker, J.A., Roberson, S.C., & Rapkin, A. (1998). Identifying Hispanic students of outstanding talent: Psychometric integrity of a peer nomination form. Exceptional Children, 64 (2), 197-209.

Damanpour, F., & Evan, W.M. (1984). Organizational innovation and performance: The problem of organizational lag. Administrative Science Quarterly, 29, 392-409.

Dean, C. (1993). Corporate entrepreneurship: Strategic and structural correlates and impact on global presence of US firms. Unpublished doctoral dissertation, University of North Texas, Denton, TX.

Dillman, D.A. (1978). Mail and telephone surveys: The total design method. New York: John Wiley and Sons, Inc.

Dohrenwed, B.S. & Dohrenwed, B. P. (1981). Stressful life events and their context. New York: Neale Watson.

Drabenstott, M. (2001). Goals for rural policy. Presentation at International Textile and Apparel Association (ITAA) Annual Meeting, Kansas City, MO.

Drabenstott, M., & Smith, T. (1996). The changing economy in the rural heartland. In Economic Forces Shaping the Rural Heartland (pp. 1-11). Kansas City: Federal Reserve Bank.

142

Engel, J.F., Blackwell, R.D., & Miniard, P.W. (1990). Consumer Behavior (6th Ed.). Chicago: Dryden.

Epstein, S. (1976). Anxiety, arousal and the self concept. In I.G. Sarason and C.D. Spielberger (Eds.), Stress and Anxiety, Volume 3. Washington, DC: Hemisphere.

Fettig, D. (1996). Rethinking community economic development. Fedgazette, 8 (1), 5-11.

Flora, J.L. (1998). Social capital and communities of place. Rural Sociology, 63 (4), 481-506.

Floyd, S.W., & Woolridge, B. (1999). Knowledge creation and social networks in corporate entrepreneurship: The renewal of organizational capability. Entrepreneurship Theory and Practice, 23 (3), 123-143.

Flynn, L.R., Goldsmith, R.E., & Eastman, J.K. (1996). Opinion leaders and opinion seekers: Two new measurement scales. Academy of Marketing Science, 24 (2), 137-147.

Frazier, B. (2000). The Influence of Network Characteristics on Information Access, Marketing Competence, and Perceptions of Performance in Small, Rural Businesses. Unpublished doctoral dissertation, Michigan State University, East Lansing, Michigan.

Frazier, B. & Niehm, L (1999). Embedded Community Relationships as a Competitive Strategy for Rural Retailers. Paper presented at 1999 Snowbird Conference on Rural Retailing, Snowbird, Utah.

Freeman, L.C. (1979). Centrality in social networks. Conceptual clarification. Social Networks, 1, 215-239.

Fukuyama, F. (1995). Trust: The Social Virtues and the Creation of Prosperity. New York: Free Press.

Fuller, J.B., Morrison, R., Jones, L., Bridger, D., & Brown, V. (1999). The effects of psychological empowerment on transformational leadership and job satisfaction. The Journal of Social Psychology, 139 (3), 389-391.

Gambetta, D. (1988). Trust: Making and breaking cooperative relations. New York: Blackwell.

Gartner, W.B., (1988). Who are we talking about when we talk about entrepreneurship? Journal of Business Venturing, 5 (1), pp. 15-36.

Gaspar, S. (1992). Transformational leadership: An integrative review of the literature. Unpublished doctoral dissertation, Western Michigan University, Kalamazoo, Michigan.

Gasse, Y. (1982). Elaborations on the psychology of the entrepreneur. In C.A. Kent, D.L. Sexton, & K.H. Vesper (Eds.), Encyclopedia of Entrepreneurship, 209-223. Englewood Cliffs, NJ: Prentice Hall.

Gnyawali, D., & Ravindranath, M. (2001). Cooperative networks and competitive dynamics: A structural embeddedness perspective. The Academy of Management Review, 26 (3), 431-445.

Goldsmith, R.E., & Hofacker, C.F. (1991). Measuring consumer innovativeness. Journal of the Academy of Marketing Science, 19 (3), 209-221.

Granovetter, M. (1985). Economic action and social structures: The problem of embeddedness. American Journal of Sociology, 91 (3), 481-510.

Granovetter, M. (1973). The Strength of Weak Ties. American Journal of Sociology, 78 (6), 1360-1381.

Greiner, L. (1998). Evolution and revolution as organizations grow. Harvard Business Review, (July/August), 15-25.

Grundstein-Amado, R. (1999). Bilteral transformational leadership: An approach for fostering ethical conduct in public service organizations. Administration and Society, 31 (2), 247-260.

Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choices in alliances. Academy of Management Journal 38, 85-112.

Hair, J.F., Anderson, R.E., Tatham, R.L., & Black, W.C . (1995). Multivariate Analysis with Readings (4th Ed.). Englewood Cliffs, NJ: Prentice Hall.

Heider, F. (1958). The Psychology of Interpersonal Relations. New York: Wiley.

Higgins, N.C., St. Amand, M.D., & Poole, G.D. (1997). The controllability of negative life experiences mediates unrealistic optimism. Social Indicators Research, 42, 299-323.

Hofferth, S., & Iceland, J. (1998). Social capital in rural and urban communities. Rural Sociology, 63 (4), 574-598.

Holland, P.W., & Leinhart, S. (1973). The structural implications of measurement error in sociometry. Journal of Mathematical Sociology, 3, 85-111.

Howell, J., & Avolio, B. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated business unit performance. Journal of Applied Psychology, 78 (6), 891-902.

Howell, J.M., & Higgins, C.A. (1990). Champions of technological innovation. Administrative Science Quarterly, 35, 317-341.

Ibarra, H. (1993). Network centrality, power and innovation involvement: Determinants of technical and administrative roles. Academy of Management Journal, 36 (3), 471-501.

Ibarra, H. (1992). Homophily and differential returns: Sex differences in network structure and access in an advertising firm. Administrative Science Quarterly 37 (3), 422-447.

Ibarra, H., & Andrews, S. (1993). Power, social influence, and sense making: Effects of network centrality and proximity on employee perceptions. Administrative Science Quarterly 38 (2), 277-303.

Irwin, M.,Tolbert., C., & Lyson, T., (1997). How to build strong home towns. American Demographics, 19 (2), 42-49.

Jelinek, M., & Litterer, J. (1995). Toward entrepreneurial organizations: meeting ambiguity with engagement. Entrepreneurship Theory and Practice, 19 (3), 137-164.

Johannisson, B., & Monsted, M. (1997). Contextualizing entrepreneurial networking. International Studies of Management and Organization, 27 (3), 109-136.

Jossi, F. (1997). Small town survival strategies. Planning, 63 (10), 4-10.

Katz, E. (1957). The two-step flow of communication. Public Opinion Quarterly, 21, 61-78.

Katz, E., & Lazerfeld, P.F. (1955). Personal Influence. New York: Free Press.

Khan, A., & Manipichetwattana, S. (1989). Innovative and non-innovative small firms: Types and characteristics. Management Science, 35 (5), 597-606.

Khandwalla, P.N. (1976/77). Some top management styles, their context and performance. Organization and Administrative Sciences, 7 (4), 21-51.

King, C.W., & Summers, J.O. (1970). Overlap of opinion leadership across consumer product categories. Journal of Marketing Research, 7, 43-50.

Kirkpatrick, S. A., & Locke, E.A. (1996). Direct and indirect effects of three core charismatic leadership components on performance and attitudes. Journal of Applied Psychology, 81 (1), 36-51.

Kirzner, I.M. (1985). Discovery and the Capitalist Process. Chicago, IL: University of Chicago Press.

Knight, G.A. (1997). Cross-cultural reliability and validity of a scale to measure firm entrepreneurial orientation. Journal of Business Venturing, 12, 213-225.

Knoke, D., & Burt, R.S. (1983). Prominence. In R.S. Burt & M.J. Minor (Eds.), Applied Network Analysis, 195-222. Beverly Hills, CA: Sage Publications.

Knoke, D. & Kuklinski, J.H. (1991). Network analysis: Basic concepts. In G. Thompson, J. Frances, R. Levacic, & J. Mitchell (Eds.), Markets, Hierarchies, and Networks: The Coordination of Social Life, 173-182. London: Sage Publications.

Kontopoulos, K.M. (1993). The logics of social structure. Cambridge: Cambridge University Press.

Koretz, G., (1996). The bonnies boom at last. Business Week, 3488, 22.

Kotler, P. (1997). Marketing management: Analysis, planning, implementation, and control (9th Ed). Upper Saddle River, NJ: Prentice Hall.

Krackhardt, D. (1996). Structural leverage in marketing. In D. Iacobucci (Ed.) Networks in Marketing. Thousand Oaks, CA: Sage Publications.

Krackhardt, D. (1995). Entrepreneurial opportunities in an entrepreneurial firm: A structural approach. Entrepreneurship Theory and Practice, 19 (3), 53-69.

Krackhardt, D. (1992). The strength of strong ties: The importance of philos in organizations. In N. Nohria & R.G. Eccles (Eds.), Networks and Organizations: Structure, Form, and Action, 216-239. Boston: Harvard Business School Press.

Krackhardt, D. (1990). Assessing the political landscape: Structure, cognition, and power in organizations. Administrative Science Quarterly, 35, 342-369.

Landers, T.L. (1999). Are you a project champion? Modern Materials Handling, 54 (2), 33-36.

Laumann, E.O., Marsden, D, & Prensky, D. (1983).The boundary specification problem in network analysis. In R. Burt and M. Minor (Eds.), Applied Network Analysis: A Methodological Introduction, IS-34. Beverly Hills: Sage Publications.

Leaman, S.H., Cook, T.J., & Stewart, L.S. (1992). Rural economic development: Learning from success. Economic Development Review, Fall, 27-33.

Leana, C.R., & Van Buren, H.J. (1999). Organizational social capital and employment practices. The Academy of Management Review, 24 (3), 538-555.

Lin, N. (1982). Social resources and instrumental actions. In P.V. Marsden and N. Lin (Eds.) Social Structure and Network Analysis, 131-145. Beverly Hills, CA: Sage Publications.

Lin, N., Dean, A., & Ensel, W.M. (1986). Social support, life events, and depression. New York: Harcourt Brace Jovanovich, Publishers.

Lincoln, J.R., & Miller, J. (1979). Work and friendship ties in organizations: A comparative analysis of relational networks. Administrative Science Quarterly, 24, 181-199.

Lumpkin, G.T., & Dess, G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. Academy of Management Review, 21 (1), 135-172.

Lumpkin, J.R., Hawes, J.M., & Darden, W.R. (1986). Shopping patterns of the rural consumer: Exploring the relationship between shopping orientation and outshopping. Journal of Business Research, 14, 63-81.

MacCallum, , R.C., Brown, M.W., & Sugawara, H.M. (1996). Power analysis and determination of sample size for covariance structure modeling. Psychological Methods, 1, 130-149.

Mackenzie, L.R. (1992). Fostering entrepreneurship as a rural economic development strategy. Economic Development Review, 10 (4), 38-52.

Markham, S., & Griffin, A. (1998). The breakfast of champions: Associations between champions and product development environments, practices, and performance. Journal of Product Innovation Management, 15 (5), 436-454.

Marsden, P. (1990). Network data and measurement. Annual Review of Sociology 16, 435-463.

McGee, J.E. & Rubach, M.J. (1996/1997). Responding to increased environmental hostility: A study of the competitive behavior of small retailers. Journal of Applied Business Research, 13 (1), 83-94.

Merz, G., & Sauber, M. (1995). Profiles of managerial activities in small firms. Strategic Management Journal, 16 (7), 551-565.

Mick, C. (1998). The competitiveness of networked production: The role of trust and asset specificity. Journal of Management Studies, 35 (4), 457-479.

Miles, R. (1998). Transformational challenge. Executive Excellence, 15 (2), 15-20.

Miles, M.P., Arnold, D.R., & Thompson, D.L. (1993). The interrelationship between environmental hostility and entrepreneurial orientation. Journal of Applied Business Research, 9 (4), 12-42.

Miller, D. (1988). Relating Porter's business strategies to environment and structure: Analysis and performance implications. Academy of Management Journal, 31, 280-308.

Miller, D. (1983). The correlates of entrepreneurship in three types of firms. Management Science, 29 (7), 770-791.

Miller, D., & Friesen, P. (1983). Innovation in conservative and entrepreneurial firms: Two models of strategic momentum. Strategic Management Journal, 3, 1-25.

Miller, N., & Kean, R.(1997a). Reciprocal exchange in rural communities: Consumers' inducement to inshop. Psychology and Marketing, 14 (7) 637-661.

Miller, N., & Kean, R. (1997b). Factors contributing to inshopping behavior in rural trade areas: Implications for local retailers. Journal of Small Business Management, 35 (2), 80-94.

Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital and the organizational advantage. Academy of Management Review, 23 (2), 242-266.

Neace, M.B. (1999, September). Entrepreneurs in emerging economies: Creating trust, social capital, and civil society. Annals of the American Academy of Political and Social Science, 148-161.

Niehm, L., & Frazier, B. (2000). Behavioral Benchmarking of Successful Independent Retailers: Superpreneurs as Community Opinion Leaders. Paper presented at ACRA/AMS Annual Meeting, Fall 2000, Columbus, Ohio.

Niehm, L., Frazier, B., & Plank, L. (1999). Does Entrepreneurial Orientation Predict Technology Adoption for Small Retailers? Paper presented at 1999 American Collegiate Retailing Association (ACRA) Fall Meeting.

Noelle-Neumann, E. (1985). Identifying opinion leaders. Paper presented at the 38th ESOMAR Conference, Wiesbaden, Germany.

Nonanka, I. (1994). A dynamic theory of organizational knowledge creation. Organizational Science, 5, 14-37.

Nunnally, J.C. (1978). Psychometric Theory (2nd Ed.). New York: McGraw-Hill.

Oneal, M. (1993). Just what is an entrepreneur. Business Week: Enterprise, (Special Edition), 104-112.

O'Shaughnessy, J. (1994). The nature of rationality; paradigms and conventions: Uncertainty, decision making, and entrepreneurship. Journal of Macromarketing, 14 (2), 85-90.

Paxton, P. (1999). Is social capital declining in the United States? A multiple indicator assessment. The American Journal of Sociology, 105 (1), 88-127.

Pellegrini, L. (1994). Alternatives for Growth and Internationalization in Retailing. International Review of Retail, Distribution and Consumer Research, 4 (2), 121-148.

Pinto, J.K., & Slevin, D.P. (1989). The project champion: Key to implementation success. Project-Management Journal, 20 (4), 15-20.

Porter, M.E. (1990). The competitive advantage of nations. New York: The Free Press.

Pretorious, T.B. (1994). Network orientation and social support as moderators of the stress-depression relationship: A South African study. Journal of Social Behavior and Personality, 9 (1), 1-12.

Putnam, R. D., (1995). Bowling alone: America's declining social capital. Journal of Democracy, 6, 65-78.

Putnam, R. D. (1993). Making democracy work. Princeton, NJ: Princeton University Press.

Ramachandran, K., & Ramnarayan, S. (1993). Entrepreneurial orientation and networking: Some Indian evidence. Journal of Business Venturing 8, 513-524.

Ring, P., & Van de Ven, A. (1992). Structuring cooperative relationships between organizations. Strategic Management Journal, 13, 483-498.

Rogers, E. (1995). Diffusion of innovations (4th Ed.). New York: Free Press.

Rogers, E. (1983). Diffusion of Innovations (3rd Ed.). New York: Macmillan Publishing Company, Inc.

Rogers, E. (1976). New product adoption and diffusion. Journal of Consumer Research, 2, 290-301.

Rogers, E. (1961). Diffusion of innovations (1st Ed.). New York: Free Press.

Rogers, E.M. & Kincaid, D.L. (1981). Communication networks. New York: Free Press.

Romo, F.P., & Schwartz, M. (1995). The structural embeddedness of business decisions: The migration of manufacturing plants in New York state, 1960-1985. American Sociological Review, 60, 874-907.

Ross, S.M., & Offerman, L.R. (1997). Transformational leaders: Measurement of personality attributes and work group performance. Personality and Social Psychology Bulletin, 23 (10), 1078-1086.

Rossi, P.H., Wright, J.D., & Anderson, A.B. (1983). Handbook of survey research. New York: Academic Press.

Rowley, T.J. (1997). Moving beyond dyadic ties: A network theory of stakeholder influences. The Academy of Management Review, 22 (4), 887-910.

Sarason, I.G., Johnson, J.H., & Siegel, J.M. (1978). Assessing the impact of life changes: Development of the life experiences survey. Journal of Consulting and Clinical Psychology, 46 (5), 932-946.

Schon, D. (1963). Champions for radical new inventions. Harvard Business Review, 41, 77-86.

Schumpeter, J., (1947). The creative response in economic history. The Journal of Economic History, 7 (2), 149-159.

Schumpeter, J., (1934). The theory of economic development. Public Opinion Quarterly, 58, 358-480.

Schwab, D.P. (1999). Research Methods for Organizational Studies. Mahwah, NJ: Lawrence Erlbaum Associates, Publishers.

Schwarzwald, J., Koslowsky, M., & Mager-Bibi, T. (1999). Peer ratings versus peer nominations during training as predictors of actual performance criteria. The Journal of Applied Behavioral Science, 35 (3), 360-372.

Scott, J. (1991). Social network analysis: A handbook. Thousand Oaks, CA: Sage Publications.

Shane, S. (1994). Uncertainty avoidance and the preference for innovation championing roles. Journal of International Business Studies, 26, 47-73.

Shaw, D. (1996). Creativity and innovation. Ivey Business Quarterly, 61 (1), 48-50.

Slevin, D.P., & Covin, J.G. (1990). Juggling entrepreneurial style and organizational structure: How to get your act together. Sloan Management Review (Winter), 43-53.

Smart, D., & Conant, J. (1994). Entrepreneurial orientation, distinctive marketing competencies and organizational performance. Journal of Applied Business Research, 10 (3), 28-41.

Sosik, J.J., & Mergerian, L.E. (1999). Understanding leader intelligence and performance: The role of self-other agreement on transformational leadership perceptions. Group and Organization Management, 24 (3), 367-390.

Steiger, J. H. (1990). Structural model evaluation and modification: An interval estimation approach. Multivariate Behavioral Research, 25, 173-180.

Sternquist, B., Jolly, L., Leistritz, L., Kean, K., Bastow-Shoop, H., Jasper, C., & Gaskill, L. (1995). Rural retailers: Financial profiles of high-profit, medium profit and low-profit firms. Rural Retailing: Emerging Community Issues Symposium, Snowbird, Utah.

Stolle, D., & Rochon, T.R. (1998). Are all associations alike? American Behavioral Scientist, 42 (1), 47-65.

Stone, Kenneth E. (1995). Competing with the retail giants: How to survive in the new retail environment. New York: John Wiley & Sons.

Taylor, T.C., Kazakov, A.Y., & Thompson, C.M. (1997). Business ethics and civil society in Russia. International Studies of Management and Organization, 27 (1), 5-18.

Tichy, N.M., & Devanna, M.A. (1986). The transformational leader. Training and Development Journal, 27-32.

Tichy, N.M., Tuschman, M.L., & Fombrun, C. (1974). Social network analysis for organizations. Academy of Management Review, 4, 507-519.

Tracey, J.B., & Hinkin, T.R. (1998). Transformational leadership or effective managerial practices? Group and Organization Management, 23 (3), 220-236.

Tracey, J.B., & Hinkin, T.R. (1994). Transformational leaders in the hospitality industry. Cornell Hotel and Restaurant Administration Quarterly, 35 (2), 18-35.

Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intra-firm networks. Academy of Management Journal, 41 (40), 464-476.

Tucker, K., & McNerney, S.L. (1992). Building coalitions to initiate change. The Public Relations Journal, 48 (1), 28-41.

Tushman, M., & Nadler, D. (1986). Organizing for innovation. California Management Review, 28 (3), 74-92.

Udall, A.J. (1987). Peer referral as a process for locating Hispanic students who may be gifted (Doctoral dissertation, University of Arizona, 1987). Dissertation Abstracts International, 49, 04A.

US Department of Agriculture (USDA) (1996). Rural empowerment zones and enterprise communities: A status report. Office of Community Development. Washington, DC: U.S. Department of Agriculture.

Useem, M., & Karabel, J. (1986). Pathways to top corporate management. American Sociological Review, 44, 184-200.

Valente, T.W. (1996). Social network thresholds in the diffusion of innovations. Social Networks, 18, 69-79.

Valente, T.W. (1993). Diffusion of innovations and policy decision making. Journal of Communication, 43, 30-45.

Valente, T.W. & Davis, R.L. (1999). Accelerating the diffusion of innovations using opinion leaders. Annals of the Academy of Political and Social Science, 566, 55-75.

Valente, T.W., & Rogers, E.M. (1995). The origins and development of the diffusion of innovations paradigm as an example of scientific growth. Science Communication: An Interdisciplinary Social Science Journal, 16 (3), 238-269.

Van de Ven, A. (1993). The development of an infrastructure for entrepreneurship. Journal of Business Venturing, 8 (3), 211-231.

Van de Ven, A., & Poole, M.S. (1995). Explaining development and change in organizations. Academy of Management Review, 20, 510-540.

Vandersluis, C. (1998). Project champ must like being a real fighter. Computing Canada, 24 (12), 19-22.

Walker, G., Kogurt, B., & Shan, W. (1997). Social capital, structural holes, and the formation of an industry network. Organizational Science, 8, 109-125.

Wausserman, S., & Faust, K. (1994). Social network analysis: Methods and application. New York: Cambridge University Press.

Weick, K.E., & Quinn, R.E. (1999). Organizational change and development. Annual Review of Psychology, 50, 361-386.

Weimann, G. (1994). The influentials: People who influence people. Albany: State University of New York Press.

Weimann, G. (1991). The influentials: Back to the concept of opinion leaders. Public Opinion Quarterly, 55, 267-279.

Wellman, B. (1999). Networks in the global village: Life in contemporary communities. Boulder, CO: Westview Press.

Wireman, B.O. (1998). Characteristics of change agents. Vital Speeches of the Day, 65 (5), 152-154.

Woolcock, M. (1998). Social capital and economic development: Towards a theoretical synthesis and policy framework. Theory and Society, 27, 151-208.

Yuan, K., Bentler, P., & Kano, Y. (1997). On averaging variables in a confirmatory factor analysis model. Behaviormetrika, 24 (1), 71-83.

Yukl, G. (1989). Managerial leadership: A review of theory and research. Journal of Management, 15 (2), 251-289.

Zaltman, R.W., Duncan, D., & Holbek, J. (1973). Innovations and organizations. New York: Wiley.

Zautra, A.J., & Reich, J.W. (1983). Life events and perceptions of life quality: Developments in a two-factor approach. Journal of Community Psychology, 11, 121-132.