RELATIONSHIPS BETWEEN LEADERSHIP STYLES AND ORGANIZATIONAL SUCCESS IN WOMAN-OWNED AND –LED SMALL BUSINESSES

by

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ABSTRACT

The specific problem of the study was poor leadership and management skills contribute to small business failure and closure. Most women start a business without previous opportunities to gain leadership and management skills. This quantitative correlational study was an examination of woman-owned and –led small service-sector businesses in North Myrtle Beach, South Carolina to determine if there was a relationship between leadership styles, as defined by full-range leadership theory (FRLT), and organizational success. The *MLQ 5x-Short* survey was used to measure leadership based on perceptions of owner/leaders and employees. Spearman rank correlation coefficients were calculated to determine the relationship between leadership and organizational success, measured in three areas of outcome of leadership behaviors. Multiple regression analysis and factor analysis were performed to determine whether the FRLT leadership behaviors, collectively, predicted better organizational success than any single leadership behavior. Rejection of the null hypotheses demonstrated the relationship between robust leadership and organizational success, which indicated the significant power of a female owner/leader's combined leadership behaviors to predict organizational success. The study has implications for female business owners interested in adopting leadership behaviors to improve organizational success. Recommendations are provided for business leaders to improve follower development by understanding leadership behaviors and styles that enhance or disrupt business performance. The study has implications for future leadership research. Regression analysis exposed unidentified variables that were not accounted for by FRLT factors. Recommendations are offered to advance leadership research through contributions to a more comprehensive leadership model.

DEDICATION

I dedicate this dissertation to the memory of my husband, Roger, for his belief in me. Without his encouragement and unconditional love, I would have never started this journey. In addition, I dedicate this to my son, Spencer, for his support and understanding during this challenging endeavor.

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Introduction

For many individuals, self-employment is part of the American dream. Small business formation and entrepreneurship provide a method for integration to the country's mainstream as well as a means for social and economic mobility (Hisrich, Langan-Fox, & Grant, 2007; Jarmin & Krizan, 2010). Small businesses generate about 70% of all jobs in the United States (Ling, Simsek, Lubatkin, & Veiga, 2008; County Business Patterns, 2012) making them vital to the economic strength of the country. Between 1980 and 2010, more than half the gross domestic product (GDP) of the United States was generated by small businesses while also serving as the chief creators of new jobs (SBA Office of Advocacy, 2011, January; U.S. Small Business Administration, 2010a).

The harsh reality of business survival and closure rates affects the positive contributions of new business formation to the economy of the United States. New firms are more volatile and more likely to close, especially smaller firms (Haltiwanger, Jarmin, & Miranda, 2010, August). Only one-half of new businesses survive after four years (Headd & Kirchhoff, 2009; SBA Office of Advocacy, 2011, January). Business survival rates have a direct affect on employment. Forty percent of jobs created by new businesses are lost within the first five years because of business closures (Haltiwanger et al., 2010, August; SBA Small Business Facts, 2012, May). Many factors contribute to small business closure including

- an owner's lack of business experience;
- inadequate capital or funding;

- poor planning or control of business operations;
- inability to adapt to changing circumstances;
- lack of resources; and
- owner's overconfidence and optimism bias (Atamian & VanZante, 2010; Beaver, 2003; Bird & Sapp, 2004; Gunmundsson & Lechner, 2013; Hmieleski & Baron, 2009; Kessler, Korunka, Frank, & Lueger, 2012; Lee, Stearns, Osteryoung, & Stephanson, 2009; Valdiserri & Wilson, 2010).

Ineffective leadership and management are the causes mostly attributed to business failure (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). This is especially true for small businesses. Small business owners generally do not see themselves as leaders or label themselves as entrepreneurs (Dhaliwal, 2010; Wilson & Tagg, 2010), nor do they have a particular desire to become leaders (Kempster & Cope, 2010).

Profitability is the goal of business, regardless of size or form. However, small businesses differ in characteristics, objectives, qualities, and operating circumstances (Beaver, 2003). The goal of most small business owners is to be profitable enough to provide a living and to achieve a level of independence (Ahl, 2006; Beaver, 2003; Dawson & Henley, 2012). Most firms do not grow much after formation (Headd & Kirchhoff, 2009). Regardless of gender, most small business owners have no desire to hire employees unless the demand for the product or service exceeds the abilities of the owner (Ahl, 2006). Even then, the small business owner may limit the business size to stay within the desired scope (Robinson & Stubberud, 2011).

Small business performance is linked closely to business success but there is no consensus on how performance or success should be measured. The goals and performance indicators are defined by the owner and measured by his or her perceptions of organizational outcomes (Bauer, 2011; Simpson, Padmore, & Newman, 2012). Financial gain or loss is a standard performance indicator for business success. However, in small businesses non-monetary goals and personal objectives may be more significant (Bauer, 2011). Personal goals can also drive the decision to limit the size and growth of the business (Ahl, 2006; Robinson & Stubberud, 2011).

Successful small businesses must have robust leadership (Beaver, 2003; Darling, Gabrielsson, & Seristö, 2007; Valdiserri & Wilson, 2010). In general, leaders indirectly influence organizational performance and do not achieve results themselves (Clawson, 2009; Kaiser, Hogan, & Craig, 2008). In small businesses, limited resources and personnel (Atamian & VanZante, 2010) require many owners to assume a 'hands-on' approach. An individual with a marketable skill or innovative idea does not necessarily possess the experience or training that translates to successful leadership of employees. The fact many small business owners never intend to become employers can make them accidental and possibly reluctant leaders (Atamian & VanZante, 2010; Brown, 2007). Fortunately, leadership can be learned (Fernandez, 2008; Kempster & Cope, 2010).

Entrepreneurs who exhibit excellence in providing leadership have a higher potential for success than entrepreneurs who merely manage their businesses (Darling et al., 2007; Losapio, 2012; Mitchelmore & Rowley, 2013). Leadership styles can have a powerful affect on firm performance (Matzler, Schwarz, Deutinger, & Harms, 2008; Yukl, 2008) with transformational and transactional leadership styles contributing to

organizational success (Avolio & Bass, 2004), economic growth, and employment opportunities in small businesses (Valdiserri & Wilson, 2010). In addition, the correlation is positive between increased employee satisfaction and organizational performance in small businesses and a transformational leadership style (Chung-Wen, 2008; Frazier, 2013).

Chapter 1 introduces the doctoral dissertation study. The chapter contains the study background, problem statement, and purpose. Additional topics include the significance of the research to the study of leadership, the research questions, the study hypotheses, the theoretical framework, and the nature of the study. The chapter continues with the definitions of terms and the study assumptions, limitations, and delimitations upon which the study rests. A summary concludes the chapter.

Background of the Problem

Leadership is a "process of motivating people to work together collaboratively to accomplish great things" (Vroom & Jago, 2007, p. 18). Small business leadership comes from the owner/founder (Langowitz & Allen, 2010). However, few business owners possess all the skills or knowledge needed to launch, maintain, and lead a successful business (Atamian & VanZante, 2010; Brown, 2007). Effective leadership can be defined as a leader successfully influencing others to attain defined goals (Bass, 2008). Effective leadership styles contribute to organizational viability and performance when leaders demonstrate "professional leadership behaviors (e.g. setting a mission, creating a process for achieving goals, aligning processes and procedures) and personal leadership behaviors (e.g. building trust, caring for people, acting morally)" (Mastrangelo, Eddy, & Lorenzet, 2004, p. 435). Transformational, transactional, and laissez-faire leadership

styles influence small business organizational performance as well as the performance of the individual members. To lead a successful business, the small business owner benefits from understanding better leadership behaviors and leadership styles that enhance or disrupt business performance (Atamian & VanZante, 2010).

From a theoretical perspective, the development of women's business ownership is integral to the economic growth of the United States (Economics and Statistics Administration, 2010). The start-up rate of women-owned businesses remains steady at twice that of men-owned start-ups (Economics and Statistics Administration, 2010). In 2008-2009, approximately 10 million private sector businesses in the United States had majority female ownership (51% or more) contributing $3 trillion annually to the economy and representing nearly 23 million jobs or 16% of all jobs in the nation (Center for Women's Business Research, 2009).

Entrepreneurship and small business activities emerged as a research field within the past quarter century (Landstrom, 2005). Analysis of the results from the Global Entrepreneurship Monitor (GEM) 2011 survey of new business activity reveals women are accountable for one-fourth of established businesses globally and one-third of new businesses (Kelley et al., 2012; Terjesen & Elam, 2012). Women business owners are understudied even though they represent one of the fastest growing segments (Brandt & Laiho, 2013; Fairlie & Robb, 2009; O'Carroll & Millne, 2010; Yammarino, 2013). The United States is in the position to lead the way in examining this economic opportunity and developing new ways of increasing the contributions of female entrepreneurship (O'Carroll & Millne, 2010).

The focus of this doctoral dissertation study was the relationship between leadership styles in woman-owned and –led small businesses and organizational success. The service-sector organizations were limited to professional, business, and personal service businesses with fewer than 20 employees in North Myrtle Beach, South Carolina.

Statement of the Problem

The general problem guiding this study was one-third of new businesses in the United States close within two years (Lussier & Halabi, 2010; SBA Office of Advocacy, 2011, January) and only one-half survive after four years (Headd & Kirchhoff, 2009; SBA Office of Advocacy, 2011, January), negatively affecting the nation's economic strength. Small businesses are the number one private sector job creators in the United States (U.S. Small Business Administration, 2010a; SBA Office of Advocacy, 2011, January), yet the economic outlook for small business formation is uncertain at the time of this study (Fairlie, 2012). Business survival rates remain steady for the past three decades (Headd & Kirchhoff, 2009). The short life cycle directly affects the role of small business in the economic growth of the United States (U.S. Department of Treasury, 2011).

The survival rate of women-owned businesses is lower than the rate of men-owned businesses according to data from the United States Census Bureau 1992 Characteristics of Business Owners (CBO). Woman-owned businesses are nearly 13% more likely to close (Fairlie & Robb, 2009, December). The trend continues with the survival of three out of four women-owned businesses versus the survival of four out of five men-owned businesses based on 2006 data from The Kauffman Firm Survey (KFS) of new businesses in the United States (Robb & Coleman, 2009). Even when controlling

for a variety of business and owner characteristics, compared to male-owned businesses, female-owned businesses also under perform in the areas of employment, profits, and sales (Robb & Coleman, 2009; Fairlie & Robb, 2009). Additionally, the rate of female business ownership is 60% of the male business ownership rate (Fairlie, 2012).

Poor leadership and management skills contribute to small business failure and closure (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). This study addressed this specific problem. Small business leadership comes from the owner/founder (Langowitz & Allen, 2010). Small business leadership styles and behaviors directly influence small business success and failure (Kaiser et al., 2008). However, only one-half of women business owners in the United States have managerial work experience prior to business ownership (Costin, 2012; Dhaliwal, 2010; Fairlie & Robb, 2009) and the majority have fewer opportunities to attain necessary leadership and networking skills (Fairlie & Robb, 2009; Kempster & Cope, 2010; Sullivan & Meek, 2012). Seventy-six percent of women in the United States founded their own small business, of which 72% had never owned a business previously based on United States Census data (United Stated Small Business Administration, 2010b). The lack of prior business experience is emerging as a critical contributing factor in explaining business performance outcomes (Jarmin & Krizan, 2010).

South Carolina received a score of "C" on the 2007-2008 Assets and Opportunity Scorecard published by the Corporation for Enterprise Development (CFED). The state was 36th in the nation in terms of business development outcomes (Alliance for Women, 2010) and 45th for women's business ownership (Mittelstaedt, St. John, & Gras, 2008). Women in business leadership roles in South Carolina are underrepresented according to

the Institute for Women's Policy Research and the United States Department of Labor. Approximately one-quarter of chief executive officers (CEOs) are female, half of business organizations have no women in decision-making roles, and 35% of business organizations have one female in a decision-making role (Mittelstaedt et al., 2008). This study addressed the specific problem by examining the relationship between leadership styles in woman-owned and –led small businesses in South Carolina and organizational success. Findings from this study may suggest the leadership styles that may enhance organizational success in women-owned and –led businesses with fewer than 20 employees.

Purpose of the Study

The purpose of this quantitative research study was to examine the relationship between leadership styles in woman-owned and –led small businesses and organizational success. The study reflected the self-perceptions of the small business owner/leaders and employees to provide their perceptions of their respective owner/leader's leadership styles and effectiveness behaviors strongly linked in prior research to organizational success (Avolio & Bass, 2004). This descriptive study had a cross-sectional design with data collected during a single time period. Cross-sectional design relies on existing differences instead of change following intervention and groups selected for existing differences rather than random allocation, thus making an ideal design for descriptive analysis (de Vaus, 2011).

The non-random sampling technique known as purposive or judgmental sampling approach was selected. Purposive sampling was appropriate for sampling for specific or special situations by researchers using methods to locate subjects who can best provide

the required information (Neuman, 2011; Sekaran & Bougie, 2010). The sample (described in more detail in Chapter 3) was developed from businesses a) licensed by the City of North Myrtle Beach, South Carolina Business License Department during the period of 2013-2014 and b) current members of the North Myrtle Beach, South Carolina Chamber of Commerce. The researcher sorted the business lists to exclude businesses outside the target population.

Leadership styles were the predictor (independent) variables as defined by full-range leadership theory (FRLT), known as transformational, transactional, and passive avoidant/laissez-faire leadership styles (Bass, 2008). The leadership styles were measured with Bass and Avolio's Multifactor Leadership Questionnaire (MLQ) (Avolio & Bass, 2004). Organizational success, the criterion (dependent) variable, was measured by owner/leader self-perceptions and employee rater perceptions of their leaders in three areas of outcome of leadership behaviors: a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership (Avolio & Bass, 2004). These three areas of outcome of leadership behaviors served as the operationalized criterion variable (Neuman, 2011).

The study sought to understand the relationship between leadership styles in woman-owned and –led small businesses and organizational success. The study was an extension of Valdiserri and Wilson's (2010) study involving the examination of the relationship between leadership styles and business profitability and success based on perceptions of leader effectiveness by leaders, managers, and employees. The purpose of the Valdiserri and Wilson research study was "to examine how leadership styles influence[d] small [construction company] businesses' profitability [measured through employee effectiveness scores] and success [measured through employee satisfaction

scores]" (Valdiserri & Wilson, 2010, p. 49). There were no female leader or manager participants in this study; therefore, there was an opportunity to examine industries with male and female leaders/managers or solely female leaders/managers.

Significance of the Study to Leadership

The tendency in most current literature is to treat men and women as identical groups and focus on differences between them, which leads to general conclusions. However, the conclusions may not support generalization. Therefore, an understanding of female entrepreneurship and business ownership would benefit from studies based on a more heterogeneous approach (Hill, Leitch, & Harrison, 2006). Limited research attention has been given to entrepreneurial leadership styles, as perceived by their employees (Jensen & Luthans, 2006) and the influence of leadership styles on business performance and success (Rowold, 2011).

Examining the relationship between the leadership styles of female small business owners and organizational success may suggest leadership styles that may enhance success in woman-owned and –led small businesses. Female entrepreneurs, and federal, state, and local community policy makers who create programs to help female entrepreneurs and small business owners, will benefit from understanding better the relationship between leadership styles and organizational success. The current study bridges existing literature regarding female entrepreneurs and business owners to leadership styles that may contribute to success in woman-owned and -led businesses and enhance our understanding of the leadership–business success linkage.

Nature of the Study

The researcher must determine the type of research necessary to answer the problem (Leedy & Ormrod, 2010). A descriptive quantitative research method and non-experimental correlational design was used to achieve the study purpose and address the study problem. Establishing, confirming, or validating relationships and contributing to existing theories through the development of generalizations is the intent of quantitative research. This is achieved by looking at quantities of one or more variables through collecting numeric data to answer a research question (Leedy & Ormrod, 2010; Salkind, 2008). Quantitative research theory is deductive. Working toward concrete empirical evidence, researchers begin with ideas or theories and develop the proposition into a testable empirical hypothesis (Neuman, 2011).

In contrast, the intent of qualitative research is to understand better complex situations by looking at characteristics that the researcher cannot easily reduce to numerical values. Building from empirical observations toward theoretical concepts, qualitative research theory is inductive (Leedy & Ormrod, 2010; Neuman, 2011). As such, a qualitative research methodology was not appropriate to achieve the stated purpose of this study or address the study problem.

Quantitative research designs include experimental and non-experimental studies (de Vaus, 2011; Leedy & Ormrod, 2010). In experimental research studies, the researcher manipulates the variables by establishing the conditions for behaviors being studied to measure the other variable. In quasi-experimental research studies, researchers do not control for all the confounding variables; therefore, the researchers must take into

consideration whatever variables and explanations are not controlled when interpreting the data (Leedy & Ormrod, 2010).

The goal of non-experimental research is to describe the direction and size of the relationship between variables or to provide an accurate description of a situation. The key characteristic is the collection of data without any intervention. Correlational method is non-experimental, non-manipulative, and describes the relationship between two or more variables without directly attributing effect of one variable on another (Salkind, 2008; Whittemore & Melkus, 2008). The researcher observes naturally occurring behavior (Cozby, 2009; Neuman, 2011). The aim of descriptive research is to explain a particular phenomenon by an examination of the relationships between variables (Cozby, 2009; Leedy & Ormrod, 2011; Salkind, 2008). Descriptive correlational research was in alignment with the goals of this study: to examine the relationship between leadership styles and organizational success with the resulting data analysis contributing to the existing knowledge in the area of leadership styles and success in woman-owned and -led small businesses.

For analysis of results from survey research to be considered an accurate representation of the studied population, scientific sampling techniques must be used to identify the study sample (Cozby, 2009). In quantitative research, the primary use of sampling is to create a representative sample that closely represents the population. Probability and non-probability sampling are the two major types of sampling designs. With probability sampling, all members of the study population have the chance of selection as a sample subject. The general selection process with this sampling design is the random selection of sample subjects from the larger study population. The non-

random sampling technique known as purposive or judgmental sampling approach was selected for this study, which was appropriate for sampling for specific or special situations. The researcher used methods to locate subjects who could best provide the required information (Neuman, 2011; Sekaran & Bougie, 2010).

The study target population consisted of owner/leaders and employees from woman-owned and -led small businesses with fewer than 20 employees. The study sample consisted of service-sector woman-owned and -led small businesses with fewer than 20 employees a) licensed by the City of North Myrtle Beach, South Carolina Business License Department during the period of 2013-2014 and b) current members of the North Myrtle Beach, South Carolina Chamber of Commerce. The service-sector organizations were limited to professional, business, and personal services businesses in North Myrtle Beach, South Carolina and the number of participant employee raters was subject to the number of participant owner/leaders. The search identified 73 women-owned businesses in the selected service sectors. All 73 businesses were contacted by mail and telephone to explain the purpose and nature of the research study. Twenty-one businesses were excluded (18 had no employees and three of the female owners employed others to lead the business) leaving 52 businesses that fit within the specified parameters. Twenty-two of the eligible business owners were willing to participate. Permission to access business lists from the North Myrtle Beach Chamber of Commerce and from the City of North Myrtle Beach is presented in Appendix A and Appendix B, respectively.

Bass and Avolio's Multifactor Leadership Questionnaire (MLQ) 5x-Short (MLQ for Researchers, 2013) was used to collect data to measure the predictor (independent)

variables and criterion (dependent) variables. Survey research method is a cost effective and time efficient way for researchers to study relationships between variables and changes in behaviors, especially in comparison to the methods of direct or participant observation and unstructured interviews (Cozby, 2009; Neuman, 2011). Researchers bring a wide range of experiences and beliefs to their research, which can affect the process. Biases can occur at different points in the research process including during observation, which can influence the outcome of results (Christensen, Johnson, & Turner, 2011). The *MLQ 5x-Short* is a computerized self-administered questionnaire (MLQ for Researchers, 2013) so data is collected without intervention or influence of researcher bias over the process (Christensen et al., 2011; Salkind, 2008; Whittemore & Melkus, 2008). Three MLQ survey instruments were used to collect and score data.

- The *MLQ Leader Form* was used to collect data from leaders describing her self-perceived leadership styles and leadership behaviors;
- the *MLQ Rater Form* to collect data from employees at the same or lower level as the business leader describing the perceived leadership styles and leadership behaviors; and
- the *MLQ Scoring Key (5x) Short* (5x-Short) to score data for measuring the leadership styles and outcomes of leadership behaviors scales (MLQ for Researchers, 2013).

The MLQ is not designed to label leaders by the defined leadership styles. The *MLQ 5x-Short* contains 45 items to identify and measure key leadership and effectiveness behaviors, which are shown to be strongly linked to individual and organizational success in prior research (Avolio & Bass, 2004). Four highly inter-correlated items measure the

nine leadership components or factors of full-range leadership theory (FRLT). Transformational leadership style factors include idealized attributes (IA), idealized behaviors (IB), inspirational motivation (IM), intellectual stimulation (IS), and individual consideration (IC). Transactional leadership style factors include contingent reward (CR) and management-by-exception active (MBEA). Laissez-faire/passive avoidant leadership style factors include laissez-faire or passive-avoidant (LF) and management-by-exception passive (MBEP). There are nine outcomes of leadership items measured – three for extra effort (EE), four for effectiveness (EFF), and two for satisfaction with leadership (SAT) (Avolio & Bass, 2004).

Validity is documented for *MLQ Rater Form* for the relationship between rater evaluation of leaders and organizational success. The contrast between a leader's self-perceptions and how others perceive them is provided by the *MLQ Leader Form* (Avolio & Bass, 2004). A 5-point Likert–type scale was used for data measurement using a range of 0.0 (e.g., not at all) to 4.0 (e.g., frequently, if not always). The *MLQ Scoring Key (5x) Short* was used to score the *MLQ-5x Rater Form* and *Leader Form* by computing the average of total response values related to a variable (Avolio & Bass, 2004). The *MLQ-5x* scoring methodology and the relationship of items or factors and variables are presented in Chapter 3 in Table 5. As the most validated measure of transformational and transactional leadership styles (MLQ for Researchers, 2013), the MLQ was used in a number of research studies (Ayman, Korabik, & Morris, 2009; Cassard & Hamel, 2008; Chung-Wen, 2008; Frazier, 2013; Hamel, 2007; Just, 2011; Ling et al., 2008; Ryan & Tipu, 2013; Tafvelin, Armelius, & Westerberg, 2011; Valdiserri & Wilson, 2010; Velkova, 2011; Wadensten, 2012; Weatherly, 2012; Yitshaki, 2012).

Statistical analysis for data was conducted using the Statistical Package for the Social Sciences® Version 21 (SPSS) and Excel® computer programs for Windows®. For this study, Spearman (r_S) rank correlation coefficient test, an equivalent non-parametric test to the Pearson (r) product-moment correlation coefficient test, was selected based on the non-normal distribution of data. Spearman (r_S) coefficients were used to determine the relationship between the predictor variables of leadership styles and the operationalized criterion variables in three areas of outcome of leadership behaviors: a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership (Cozby, 2009; Sekaran & Bougie, 2010). Pearson (r), used when data distribution is normal, was an effective method for analysis of data from the MLQ in studies cited in the literature review (Cassard & Hamel, 2008; Hamel, 2007; Valdiserri & Wilson, 2010; Wadensten, 2013). All correlational coefficient r-values can range from ± 1.0 and provide the direction of the relationship (Cozby, 2009). If the relationship existed, the direction and strength of the relationship was determined. Study results included reports and interpretation of the strength and direction of the correlations plus descriptive analysis statistics. Factor analysis and multiple linear regression analysis were conducted in order to explore multivariate relationships. Multiple regression analysis is similar to Spearman (r_S) statistical correlations; however, all nine predictor variables were examined simultaneously. Multivariate multiple regression analysis was appropriate to model the linear relationship between more than one independent (predictor) variable and more than one operationalized dependent (criterion) variable (Dattalo, 2013).

A histogram was used to illustrate the distribution of data. Scatterplot graphs were used to display the relationship between variables (Cozby, 2009). In addition,

demographic questionnaires of the participant leaders (see Appendix C) and employees (see Appendix D) were administered and analyzed to understand the business and personal profiles. The demographic data of the characteristics of the study participants was described using descriptive analysis statistics (e.g., frequency and percent distribution).

Research Questions

The purpose of this quantitative descriptive correlational research study was to examine the relationship between leadership styles in woman-owned and –led small businesses and organizational success. Based on the literature review, the research questions were:

1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort (motivation)?
2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?
3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership?

Samples of survey instrument questions used to gather data addressing the research questions were provided in Appendix E for self-perceived leadership styles and behaviors

of leaders and Appendix F for employee/rater description of the perceived leadership styles and behaviors of the leader. The scoring key sample was provided in Appendix G.

Study Hypotheses and Variables

The hypotheses for this study included null and alternative or research hypotheses addressing the research questions. The predictor variables were leadership styles as defined by the full-range leadership theory, known as transformational, transactional, and laissez-faire/passive avoidant leadership styles (Bass, 2008). The three leadership styles are not mutually exclusive. Leaders may exhibit the three leadership styles (Avolio & Bass, 2004; Bass, 2008). Three areas of outcome of leadership behaviors served as the operationalized criterion variables for organizational success. Measured with the *MLQ 5x-Short*, employee rater perceptions of their leaders in three areas are a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership. In this study, the null hypotheses predicted there was no relationship between the variables and the population and the alternative or research hypotheses predict the relationship exists (Cozby, 2009).

The first three hypotheses tested the first research question pertaining to the relationship between leadership styles and employee perceptions of their leader's leadership behavior of extra effort (motivation).

$H1_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H1_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

The next three hypotheses tested the second research question pertaining to the relationship between leadership styles and employee perceptions of the leadership effectiveness of the leader.

$H4_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H4_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

The last three hypotheses tested the third research question pertaining to the relationship between leadership styles and employee satisfaction with the leadership.

$H7_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H7_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H8_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H8_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H9_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H9_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

Theoretical Framework of the Study

The theoretical framework guiding this study was Bass and Avolio's full-range leadership theory (Avolio, Bass, & Jung, 1999; Bass, 2008). Full-range leadership theory (FRLT) is an integrative theory of transactional, transformational, and laissez-faire leadership (Bass, 2008). The model attempts to explain leadership styles and leadership outcomes by empirical measurement of behaviors with the Multifactor Leadership Questionnaire (MLQ) (Bass, 2008). The study sought to understand the relationship between the leadership styles in woman-owned and –led small businesses and organizational success. Figure 1 depicts the framework of the research study.

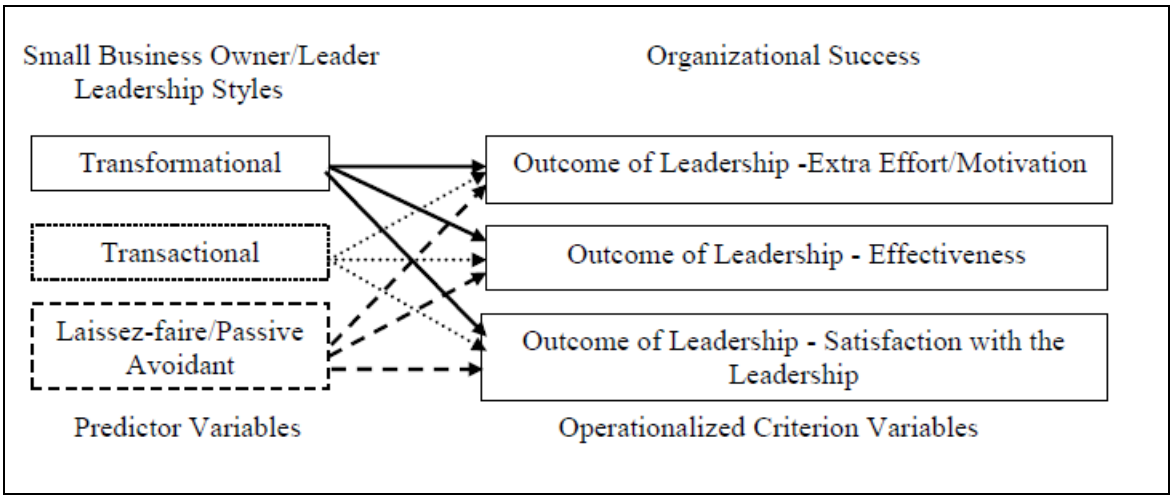

Figure 1. Conceptual framework for relationships between leadership styles and organizational success in woman-owned and -led small businesses.

Transformational and transactional leadership styles are strongly linked to organizational success (Avolio & Bass, 2004). Transformational leadership style and increased employee satisfaction and organizational performance in small businesses are correlated positively (Chung-Wen, 2008; Frazier, 2013). The behaviors of a leader and how subordinates perceive the behaviors are related to perceptions of job satisfaction and performance (Brandt & Laiho, 2013; Fernandez, 2008; Kolapo Sakiru, D'Silva, Othman, Daud Silong, & Temitope Busayo, 2013; Salman, Riaz, Saifullah, & Rashid, 2011; Skogstad, Einarsen, Torsheim, Aasland, & Hetland, 2007). Analysis of current research illustrates the relationship between transformational and transactional leadership styles with employee performance is significantly positive. Conversely, laissez-faire leadership style is negatively associated with employee performance (Fernandez, 2008; Salman et al., 2011; Skogstad et al., 2007). This study addressed three leadership styles - transformational, transactional, and laissez-faire.

Transformational leadership style. The transformational leadership style resides in the ability of a leader to inspire the admiration, loyalty, and trust of followers.

Followers willingly place the group interests before their individual interests (Bass, 2008). Transformational leaders have the ability to motivate others to accept and strive to achieve his or her vision (Newstrom, 2011). The characteristics of transformational leadership style include relationship orientation, enabling followers, leader charisma, shared vision, relationship empowerment of others, and modeling behavior (Bass, 2008). The *MLQ (5x-Short)*, the latest version, is considered to be the best validated instrument to gauge transformational, transactional, and laissez-faire leadership styles and behaviors and the most popular instrument for measuring transformational leadership style (Bass, 2008; MLQ for Researchers, 2013; Yang, 2008).

Transactional leadership style. The transactional leadership style provides some type of exchange between leader and follower (Bass, 2008; Northouse, 2013). The characteristics of transactional leadership style include leader control, task orientation, and situational focus (Bass, 2008). Bass and Avolio (Avolio et al., 1999; Bass, 2008) defined the two factors of transactional leadership style. Exchange (i.e., emotional and economic) is the basis for contingent reward. Management-by-exception active is a negative transaction in which the leader actively acts on or waits for mistakes or errors (Avolio et al., 1999; Bass, 2008).

Laissez-faire leadership/Passive avoidant style. Laissez-faire is a style of non-leadership or an absence of leadership and is the most inactive form of leadership (Avolio et al., 1999; Bass, 2008). The characteristics of laissez-faire leadership style include abdication of authority, avoidance of decision-making or taking positions, and passivity (Bass, 2008; Northouse, 2013). Leaders demonstrate passive-avoidant behaviors by giving no feedback and making no effort to assist followers in satisfying his or her needs.

Management-by-exception passive is a negative transaction with the leader waiting for mistakes or errors to act (Avolio et al., 1999; Bass, 2008).

By answering the research questions, the researcher sought to understand the relationship between leadership styles in woman-owned and –led small businesses and organizational success. Findings from this study may suggest the leadership styles that may enhance organizational success at women-owned and –led businesses with fewer than 20 employees.

Definition of Terms

The following terms were defined as used within the context of the problems in the research study.

Effectiveness of leadership (Operationalized criterion variable). An outcome or result of leadership behavior, the MLQ measures the rater's evaluation of the leader's effectiveness in use of leadership methods. The types of effective leadership behaviors measured include a) meeting the job-related needs of others, b) representing the organization to higher authorities, c) meeting organizational requirements, and d) leading an effective group. Effectiveness items are identified by number on the MLQ surveys and are measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Entrepreneur. An entrepreneur is a person who forms or starts a business (Stangler, Litan, & Motoyama, 2012). The study used the terms *business owner, founder,* and *entrepreneur* in a similar and interchangeable way.

Entrepreneurship. Entrepreneurship is business formation (Stangler et al., 2012).

Extra effort (Operationalized criterion variable). An outcome or result of leadership behaviors, the MLQ measures a rater's perceptions of the leader as motivating.

The types of motivational leadership behaviors measured include a) "getting others to do more than what is expected of them, [b)] heightening others' desire to succeed, [and c)] increase other's willingness to try harder" (Avolio & Bass, 2004, p. 103). The extra effort/motivation items are identified by number on the MLQ surveys and measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Full-range leadership theory (FRLT). Full-range leadership theory is an integrative theory of transactional, transformational, and laissez-faire leadership styles. The model attempts to explain leadership styles and predict leadership outcomes by empirical measurement of behaviors with the Multifactor Leadership Questionnaire (MLQ) (Bass, 2008).

Laissez-faire/Passive avoidant leadership (Predictor variable). A leadership style in FRLT with non-leadership or an absence of leadership. It is the most inactive leadership form (Bass, 2008). Laissez-faire/passive avoidant leadership style factors include Laissez-faire or Passive-Avoidant Leadership (LF) and Management-by-Exception Passive (MBEP). The factors are identified by number on the MLQ surveys and measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Leader. A leader is the individual responsible for leading a business firm or organization and for charting the strategic direction. Leaders influence the success and performance of the organization by motivating employees/followers (Yukl, 2012).

Leadership. "The essence of leadership in organizations is influencing and facilitating individual and collective efforts to accomplish shared objectives" (Yukl, 2012, p. 66).

Microenterprise. A business with four or fewer employees (Alliance for Women, 2010).

Organizational success (Criterion variable). Organizational success is the attainment of the owner-defined organizational goals and performance indicators through the efforts of owners, leaders, and employees. Organizational success is measured on a 5-point Likert–type scale with the *MLQ 5x-Short* by employee rater perceptions of their leaders in three areas of outcome of leadership behaviors: a) extra effort (e.g., motivation), b) effectiveness, and c) satisfaction with leadership. These key leadership and effectiveness behaviors are shown to be strongly linked to individual and organizational success in prior research (Avolio & Bass, 2004).

Satisfaction with leadership (Operationalized criterion variable). An outcome or result of leadership behaviors, the MLQ measures a rater's satisfaction with the leader's a) use of leadership methods and b) ability to work with others. The satisfaction items are identified by number on the MLQ surveys and measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Small business. A small business "is independently owned and operated, is organized for profit, and is not dominant in its field" (U.S. Small Business Administration, 2010a, para. 1).

Transactional leadership (Predictor variable). A leadership style in FRLT that provides some type of exchange between leader and follower (Bass, 2008; Northouse, 2013). Transactional leadership style factors include contingent reward (CR) and management-by-exception active (MBEA). The factors are identified by number on the MLQ surveys and measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Transformational leadership (Predictor variable). A leadership style in FRLT in which leaders motivate others to accept their vision (Newstrom, 2011) by building relationships and promoting cooperation (Moore, Moore, & Moore, 2011). Transformational leadership style factors include idealized attributes (IA), idealized behaviors (IB), inspirational motivation (IM), intellectual stimulation (IS), and individual consideration (IC). The factors are identified by number on the MLQ surveys and measured on a 5-point Likert–type scale (Avolio & Bass, 2004).

Woman-owned and –led business. A private sector business with majority female ownership of 51% or more, and led by women (U.S. Census Bureau, 2010).

Assumptions

The assumptions of the researcher are the foundation on which a study rests (Leedy & Ormrod, 2010; Neuman, 2011). This researcher brought to the research study the following assumptions. The first set of assumptions addressed the study participants: a) all participants understood the MLQ survey and were honest and unbiased in his or her answers, b) all participants understood all answers were confidential and did not discuss answers with other participants, and c) all participants were willing participants.

The second set of assumptions addressed the study business leaders: a) participating business leaders were using transformational, transactional, and laissez-faire leadership styles; b) participating business leaders shared the vision and mission of the organization with members as a means to attaining the goals of the organization; and c) participating business leaders did not act solely as managers.

The third set of assumptions addressed the MLQ survey: a) leadership style differences were adequately reflected and measured by the *MLQ Leader Form*, b)

employee perceptions of leadership styles and behaviors were effectively identified by the *MLQ Rater Form*, and c) leadership styles and organizational success were effectively measured by the *MLQ 5x-Short.* The final assumption was the criterion group consisting of the study target population of owner/leaders and employees from service-sector woman-owned and –led businesses with fewer than 20 employees in North Myrtle Beach, South Carolina, was representative of woman-owned and –led small businesses in general.

Limitations and Delimitations

Several possible limitations existed. The limitations of descriptive correlational research include the inability to measure or infer cause and effect. Establishing causal relationships is difficult as we cannot observe one phenomenon producing the change in another. Just because one event follows another, we do not know if this is an effect of one event causing the other (deVaus, 2011). A number of third variables can influence the observed relationships between variables. This is known as the third-variable problem (Cozby, 2009).

The collection of data was limited to one specific time, which opens up the possibility of time set biases. The use solely of the MLQ instruments limited the research to examining the styles, behaviors, and attributes addressed by the instruments. The parameters of the study were limited to studying leaders and employees employed by woman-owned and –led small businesses with fewer than 20 employees in the defined service-sectors in North Myrtle Beach, South Carolina. The study focus was the relationship between the predictor variables of leadership styles defined by full-range leadership theory and the criterion variable of organizational success measured by

employee perceptions of the leadership behaviors of extra effort, effectiveness, and satisfaction with leadership.

Delimiting factors included the service-sector, small businesses with fewer than 20 employees, woman-owned and -led organizations, and North Myrtle Beach, South Carolina, as the stipulated geographic area.

Summary

Chapter 1 introduced the purpose of the study as an examination of the relationship between leadership styles and organizational success in woman-owned and –led small businesses. The chapter contained the background of the study, a statement of the problem, and an explanation of the study purpose. The significance of the study to leadership, the research questions, the study hypotheses, and the nature of the study followed. The theoretical framework was examined, and a definition of terms and the study assumptions, limitations, and delimitations upon which the study rests were provided.

Chapter 2 contains an overview of the literature related to the issues of leadership styles of women business owners and organizational success. Key terms from the problem statement form the basis for the literature review. The classification of articles includes the topics of leadership styles (i.e., transformational, transactional, laissez-faire), women and leadership, women business owners, female entrepreneurship, small business and entrepreneurship, and employees, leadership styles, and organizational success.

Chapter 3 contains a description of the selected research methodology and a discussion of the appropriateness of the design. The chapter includes a description of the population and sample frame, a discussion of the research instruments, an explanation of

the data collection methods, and presentation of the techniques for data analysis. The research design guided the analysis contained in Chapter 4, and the summary, conclusions, and recommendations presented in Chapter 5.

Chapter 2

Literature Review

Chapter 1 provided an overview of the problem of small business failure and the relationship between leadership styles and organizational success in small businesses. Chapter 2 begins with an overview of the topic search and review process. The core themes of the literature review include full-range leadership theory, women and leadership, women and small business ownership, and leadership styles and organizational success. The chapter ends with a conclusion and a summary.

Topic Search and Literature Review Process

The formal literature review commenced with searches within University of Phoenix Library online primarily using *EBSCOHost* and *ProQuest*. The classification of articles included the topics of leadership styles (i.e., transformational, transactional, laissez-faire), women and leadership, women business owners, female entrepreneurship, small business and entrepreneurship, and employees, leadership styles, and organizational success. The review process continued with searches of online databases of scholarly peer-reviewed journals, online books, and reference works including results beyond the University of Phoenix Library online collection. Online database searches include *Wiley Online Library, SAGE Publications, Emerald Group, ProQuest Dissertations & Theses, ProQuest Entrepreneurship,* and *ABI/INFORM Complete.*

To address the issues of leadership style of women business owners and organizational success and performance, articles were identified in entrepreneurship, small business, and leadership journals, such as *Entrepreneurship Theory & Practice, Journal of Leadership and Organizational Studies, Journal of Small Business*

Management, Journal of Small Business and Entrepreneurship, Leadership & Organization Development Journal, and *International Journal of Gender and Entrepreneurship*. In addition, relevant chapters were identified in scholarly and seminal books such as *The Bass Handbook of Leadership*, *Encyclopedia of Entrepreneurship, Frontiers of Entrepreneurship Research*, and *Pioneers in Entrepreneurship and Small Business Research (International Studies in Entrepreneurship).* Government statistics, documents, and policy papers were identified on government agencies websites including the *United States Census Bureau, United States Small Business Administration, United States Department of the Treasury,* and *United States Bureau of Labor Statistics.*

The review process moved from seminal works to peer-reviewed articles no older than five years of the date of the search zooming in from the general topic of leadership styles to specific topics identified above (Wellington, Bathmaker, Hunt, McCulloch, & Sikes, 2009). The dissertation research study contains 177 cited documents, which met the search criteria and were included in the referenced documents. Table 1 contains a summary of the reviewed and cited publications.

Table 1

Reviewed and Cited Publications

Reviewed and Cited Publications	Instances
Books	17
Dissertations/Theses	11
Guides/Manuals	3
Journal Articles (scholarly publications, including peer-reviewed)	111
Online Software	2
Online Databases	3
Reports	30
Total	177

Historical Perspective of Leadership Theory

Leadership is universal (Bass, 2008; Yammarino, 2013). Although definitions of leadership vary upon context, Yammarino (2013) provided a comprehensive definition based on commonalities in leadership definitions and ideas over the years. "Leadership is a multi-level (person, dyad, group, collective) leader-follower interaction process that occurs in a particular situation (context) where a leader (e.g., superior, supervisor) and followers (e.g., subordinates, direct reports) share a purpose (vision, mission) and jointly accomplish things (e.g., goals, objectives, tasks) willingly (e.g., without coercion)" (Yammarino, 2013, p. 150). As leadership styles changes with time and situation (Burns, 1978), leadership styles are not mutually exclusive (Avolio & Bass, 2004; Bass, 2008). Research on leadership styles began in earnest in the early 1900s with trait, behavior, and contingency theories (Bass, 2008).

Trait leadership style theory. The basis of trait leadership style theory is leaders are different from followers and possess unique traits. Leaders are born, not made under the 'Great Man' theory (Bass, 2008; Northouse, 2013). Trait theory research lists characteristics leaders possess as perceived by others to include self-confidence, intelligence, determination, integrity, and sociability (Hernandez, Eberly, Avolio & Johnson, 2011; Northouse, 2013). However, Stogdill's review of more than 120 leadership trait studies led to the conclusion there was no leadership trait pattern, and leadership cannot be identified by traits alone. Traits were deficient predictors of effective leadership (Hernandez et al., 2011). Stogdill predicted future leadership style research and theorization must integrate personal and situational characteristics (Bass, 2008; Hernandez et al., 2011).

Behavioral leadership style theory. The focus of behavioral leadership style theory is what leaders do based on the observation of effective and ineffective leaders (Clawson, 2009). Lewin's classic behavioral theory research study defined leadership in terms of behavioral style: a) autocratic with tight control and the leader making all decisions, b) democratic with group participation and majority rule, and c) laissez-faire with a low level of leader activity (Bass, 2008). A comprehensive leadership behavior study used the Leader Behavior Description Questionnaire, a rating scale of leader behavior, to identify two reliable dimensions of a leader's behavior (Clegg, Kornberger, & Pitsis, 2008). The dimensions were "an orientation towards interacting and relating to other human beings, and the tasks or technical side of work" (Clegg et al., 2008, p. 133). However, further research could not reveal consistent patterns in the relationship between leader behavior and group and organizational outcomes (Bass, 2008).

Blake and Mouton identified two behavioral leadership style dimensions as concern for people and concern for production (Newstrom, 2011). Blake and Mouton's Leadership Grid demonstrated high concern for people and production to be the most desirable leadership style. Minimum concern for people and production was the least desirable leadership style (Northouse, 2013). Weed, Mitchell, and Moffitt (Northouse, 2013) supported Blake and Mouton's conclusions and added another dimension. The researchers concluded it was more important that leadership style, subordinate personality, and task type be well matched.

Contingency leadership style theory. The contingency approach to leadership led by Fiedler centered on a personality measure called the least-preferred co-worker or LPC scale (Bass, 2008; Northouse, 2013). Fiedler believed the score of the individual and other situational factors were a result of his or her effectiveness. The degree of fit between an individual and a situation were contingent on a) leader-member relationships, b) positional power, and c) the task structure (Bass, 2008; Northouse, 2013).

House's path-goal theory is a contingency approach to leadership. The basis of this theory is the relationship between leader behaviors, follower characteristics, and the work setting. Focusing on employee motivation, the goals of this leadership theory are the enhancement of employee performance and satisfaction (Northouse, 2013). Three kinds of moderating variables effect a leader's behavior: task (e.g., role, routine, external controls), environmental variables, and differences in individual personality, expectations, and preferences (Bass, 2008).

Situational leadership style theory. Situational leadership style theory is based on the assumption of a dynamic relationship in which leaders must adjust their behavior

in relationship to the readiness of his or her followers. Readiness is determined as a result of ability and willingness. Hersey and Blanchard's theory of situational leadership defined four combinations of task and relationship behaviors (Northouse, 2013). Leaders adapt the level of direction and support based on the task behavior (the level of guidance required), and the relationship behavior (the level of communication, involvement, and interaction). Leaders must know when to adjust his or her style to maximize follower performance (Bass, 2008).

Relational leader-member exchange leadership style theory. As the first theory to focus on the differences between a leader and each of his or her followers, the uniqueness of leader-follower relationships form the basis for leader-member exchange (LMX) theory (Northouse, 2013). Leader-followers have a dyadic relationship. Based on mutual respect and trust, 'in-group' followers have a reciprocal relationship with his or her leader. Followers in the 'out-group' have a low-quality relationship with his or her leader, which is based on satisfying obligations (Antonakis, Cianciolo, & Sternberg, 2004; Northouse, 2013). Leaders applying LMX theory can improve relationships with all followers in the work unit by assessing his or her leadership styles from a relationship perspective (Northouse, 2013).

Transactional and transforming leadership styles. In *Leadership*, considered a seminal work, Burns (1978) defined leadership as "leaders inducing followers to act for certain goals that represent the values and the motivations -the wants and needs, the aspirations and expectations- of both leaders and followers" (p. 100). Burns observed the fundamental crisis of leadership as the underlying mediocrity of those in positions of power. The lack of a foundation of knowledge of leadership created an inability to

distinguish between different types of leaders (Bass, 2008). Burns called for the creation of a school of leadership through the pursuit of research and analysis. By focusing on the interaction between leaders and followers, Burns identified transactional and transforming forms of leadership styles, which included a moral and ethical effect. Building on Burns' theory, Bass (2008) distinguished transactional leadership style from transformational leadership style.

Full-range Leadership Theory

The theoretical framework guiding this study is Bass and Avolio's full-range leadership theory (FRLT), which integrates transformational, transactional, and laissez-faire leadership styles (Avolio et al., 1999; Bass, 2008). The theory evolved from research by Bass to identify leadership behaviors, which would be applicable at any level and in any kind of organization (Wan Khairuzzaman, Hussain, & Muhammad, 2011). Bass (2008; Avolio et al., 1999) originally identified seven behavioral factors: charisma, intellectual stimulation, individualized consideration, inspirational motivation, contingent reward, management-by-exception, and laissez-faire leadership. Upon further analysis, Bass merged charisma and inspirational motivation to form the basis for a six-factor model of transformational and transactional leadership, which is the FRLT model (Avolio et al., 1999; Avolio & Bass, 2004; Bass, 2008):

- charisma/inspirational;
- intellectual stimulation;
- individualized consideration;
- contingent reward;
- active management-by-exception; and

- passive-avoidant or laissez-faire leadership (Avolio et al., 1999; Avolio & Bass, 2004; Bass, 2008).

Full-range leadership theory factors and characteristics are outlined in Table 2. The model attempts to explain leadership styles and predict leadership outcomes by empirical measurement of behaviors with the Multifactor Leadership Questionnaire (MLQ) (Bass, 2008). The resulting continuum of leadership style activity and effectiveness (Avolio et al., 1999; Bass, 2008) is illustrated in Figure 2.

Table 2

Full-range Leadership Theory Factors and Characteristics

Styles	Transformational Leadership Style	Transactional Leadership Style	Laissez-faire/Passive-Avoidant Behavior Leadership Style
FLRT Factors & Characteristics	5 'I's		
Leadership Factors	Idealized Attributes (IA) Idealized Behaviors (IB) Inspirational Motivation (IM) Intellectual Stimulation (IS) Individual Consideration (IC)	Contingent Reward (CR) Management-by-Exception Active (MBEA)	Laissez-faire or Passive-Avoidant Leadership (LF) Management-by-Exception Passive (MBEP)
Leadership Characteristics	Relationship orientation Enabling followers Leader charisma Shared vision Relationship empowerment of others Modeling behavior	Leader control Task orientation Situational focus	Abdication of authority Avoidance of decision-making or taking positions Passivity

Note. Adapted with permission from *Multi Leadership Questionnaire Manual and Samples Set* by Bruce J. Avolio and Bernard M. Bass, 2004, Mind Garden, Inc

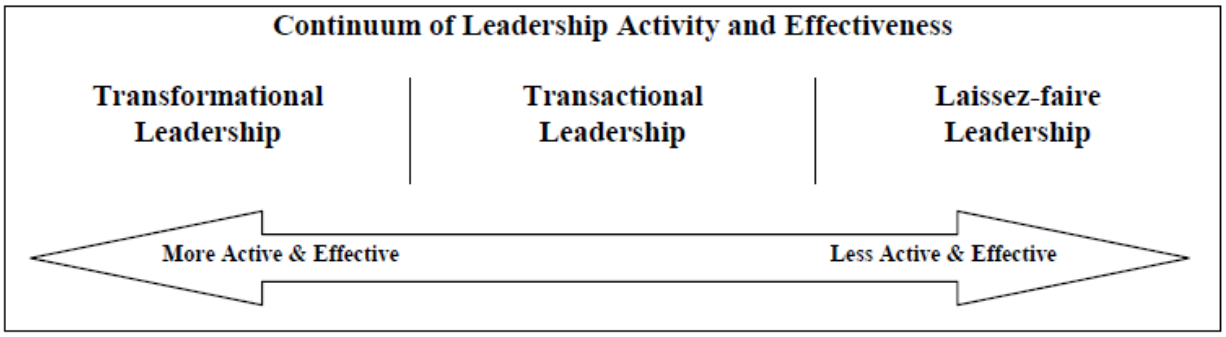

Figure 2. Conceptual Model of FRLT Leadership Continuum. (Avolio et al., 1999; Bass, 2008).

Transformational leadership style. Transformational leadership resides in the ability of a leader to inspire the admiration, loyalty, and trust of followers. Followers willingly place the group interests before their individual interests (Bass, 2008). Transformational leaders have the ability to motivate others to accept and strive to achieve his or her vision (Newstrom, 2011). The factors associated with transformational leadership in the FRLT model include

- ***Idealized attributes (IA).*** The leader builds respect and trust by going beyond self-interest. Followers identify and want to emulate his or her leader (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).
- ***Idealized behaviors (IB).*** The leader supplies followers with a defined sense of purpose. Acting as an ethical role model, followers identify with the leaders' expressed vision (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).
- ***Inspirational motivation (IM).*** The leader motivates followers to aim for goals that are ambitious by communicating confidence and

raising expectations. Thereby, this creates a situation for self-fulfilling prophesy (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).

- ***Intellectual stimulation (IS).*** Followers are encouraged to question their assumptions and the current environment. The goal is to unleash the followers' creative and innovative problem-solving abilities (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).
- ***Individual consideration (IC).*** The leader focuses on mentoring or coaching individuals to optimize potential and meet each individual's need for growth and achievement (Avolio & Bass, 2004).

Analysis of data from current research studies focused on employee organizational commitment and job satisfaction, revealed a positive correlation with transformational leadership style (Cassard & Hamel, 2008; Frazier, 2013; Hamel, 2007; Kolapo Sakiru et al., 2013; Nielsen, Randall, Yarker, & Brenner, 2008; Tafvelin et al., 2011; Yang, 2012). Employees became more interested in being innovative, creative, and involved in their work when leaders demonstrated a transformational leadership style (Nielsen et al., 2008; Yang, 2012). Research suggested employee well-being and the effects of transformational leaders are positively correlated (Tafvelin et al., 2011; Velkova, 2011). Additionally, a leader employing transformational leadership style was shown to be predictive of positive organizational performance and outcomes (Just, 2011; Yang, 2012).

The application of a transformational leadership style has been demonstrated to be an effective strategy for leaders when dealing with complex issues and a variety of stakeholders (Moore et al., 2011). This was supported in a study of public service leaders faced with balancing the demand for excellent services with the demand for cutting costs. Leaders who focused on elements of transformational leadership style to approach change made greater progress. Leaders drew upon actions such as collaboration, employee engagement, and appreciative transformational choices (Powe, 2010).

Transactional leadership style. Transactional leadership style provides some type of exchange between leader and follower (Avolio & Bass, 2004; Bass, 2008). The factors associated with transformational leadership in the FRLT model include

- ***Contingent reward (CR).*** Constructive economic and emotional transactions or exchanges form the foundation. Leaders outline expectations of the followers as well as what the followers will receive if the expectation levels are met (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).
- ***Management-by-exception active (MBEA).*** This is negative corrective exchange or transaction in which the leader actively acts on or waits for mistakes or errors (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).

Using meta-analytic techniques to examine leadership styles and employee commitment, Jackson, Meyer, and Wang (2013) found a strong positive correlation between contingent reward and affective employee commitment. A weaker but still positive correlation was established with management-by-exception active, whereas

management-by-exception passive demonstrated a negative correlation. Increased employee job satisfaction and organizational performance was correlated positively with transactional leadership style (Yang, 2012). In addition, research revealed contingent reward had a positive effect on employee well-being (Velkova, 2011).

Laissez-faire or passive avoidant leadership style. Laissez-faire, the most inactive leadership form, is a style of non-leadership. Bass and Avolio added laissez-faire leadership at the end leadership continuum in the FRLT model (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The factors associated with laissez-faire leadership in the FRLT model include

- ***Laissez-faire or passive-avoidant leadership (LF).*** The leader gives no feedback and makes no effort to assist followers in satisfying his or her needs (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).
- ***Management-by-exception passive* (*MBEP).*** This is a negative corrective transaction in which the leader waits for mistakes or errors to act (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013).

The effect of laissez-faire leadership style on follower well-being is harmful (Velkova, 2011). There is a strong negative relationship between laissez-faire leadership style and affective employee commitment (Yang, 2012). Skogstad et al. (2007) concluded laissez-faire is a form of destructive behavior, not a type of zero or non-leadership. A leader's destructive behaviors may produce a counterproductive leadership style rather than a non-leadership style. The influence of laissez-faire leaders can cause followers to experience workplace stress, psychological distress, and bullying. Laissez-

faire leadership style was correlated positively with coworkers conflicts, follower role conflict, and follower role ambiguity (Skogstad et al., 2007), which contributed to this being the least effective form of leadership as assessed by the MLQ (Bass, 2008; Northouse, 2013).

Current research on full-range leadership theory. The best fitting models revealed by the Avolio et al. (1999) and Avolio and Bass (2004) study form the foundation for FRLT model outlined in this review. Research studies covering a wide range of organizational settings support the acceptance of the FRLT model (Cassard & Hamel, 2008; Frazier, 2013; Hamel, 2007; Jackson et al., 2013; Nielsen et al., 2008; Skogstad et al., 2007; Tafvelin et al., 2011; Velkova, 2011; Yang, 2012). Hernandez et al. (2011) conducted a qualitative review of leadership literature with FRLT co-founder Avolio as one of the study authors. The authors offered a two-dimensional framework of leadership theories presented in Figure 3. One frame was the locus or source of leadership, defined as a) leaders, b) context, c) followers, d) collectives, and d) dyads. The other frame was mechanisms or behaviors of leadership, or how leadership is enacted, defined as a) traits (to be), b) behaviors (to do), c) cognition (to think), and d) affect (to feel) (Hernandez et al., 2011). Several leadership style theories share cells, which suggest the fluidity and complexity of leadership theories. However, all leadership theories have two underlying principles –"'Where does leadership come from?' and 'How is leadership transmitted?'" (Hernandez et al., 2011, p. 1181).

Some leadership style theories are limited because they capture only one or two mechanisms. Based on meta-analysis of core leadership style theories, a more holistic view of leadership is achieved through an integration of multiple frameworks.

Hernandez et al. (2011) identified the loci and mechanisms for leadership theories examined in the literature review as illustrated in Figure 3 and Appendix H (enlarged).

- Trait Theory: Loci- Leader; Mechanism- Traits
- Behavioral Theory: Loci- Leader; Mechanism- Behaviors
- Contingency Theory- Fiedler: Loci- Leader and context; Mechanism- Traits
- Contingency Theory- Path-Goal: a) Loci- Leader and context; Mechanism- Traits; b) Loci- Followers; Mechanism- Traits
- Situational Theory: Loci- Dyads; Mechanism- Behaviors
- Relational Leader-Member Exchange Theory: a) Loci- Dyads and collectives; Mechanism- Behaviors; b) Loci- Collectives; Mechanism- Behaviors
- Transactional Theory: Loci- Leader; Mechanism- Behaviors
- Transformational Theory: Loci- Dyads; Mechanisms- Traits, behaviors, cognition, and affect (Hernandez et al., 2011).

The authors observed transformational leadership style, one of the most effective theories, included all four defined leadership mechanisms and "captur[es] both unique and interactive effects across theories" (Hernandez et al., 2011, p. 1182). Contrary to the observations of Hernandez et al. (2011), critical evaluation of the FRLT model in current research suggests situational variables have been overlooked. Leadership effectiveness may be positively or negatively influenced by these variables (Kaiser & Overfield, 2010; Michel, Lyons, & Cho, 2011; Wan Khairuzzaman et al., 2011). A summary of current FRLT research follows.

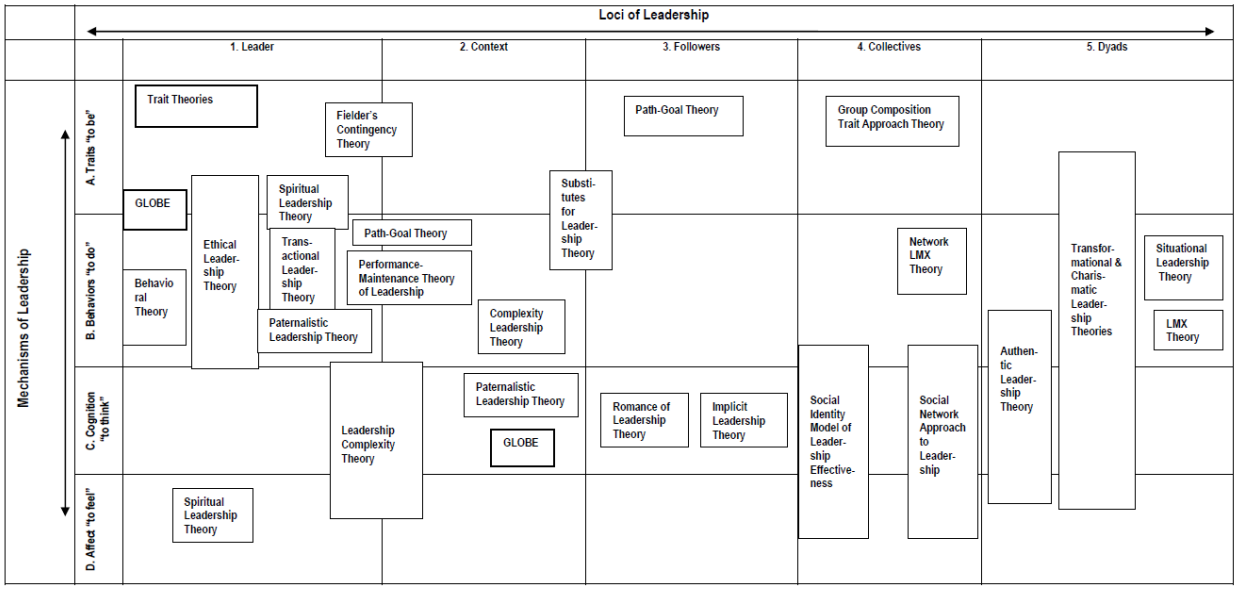

Figure 3. Leadership theories within the two-dimensional framework from "The loci and mechanisms of leadership: Exploring a more comprehensive view of leadership theory," by M. Hernandez, M. B. Eberly, B. J. Avolio, and M. D. Johnson, 2011, *The Leadership Quarterly, 22*(6), p. 1166. Copyright 2011 by Elsevier Limited. Reprinted with permission.

Kaiser and Overfield (2010) suggested current leadership style research "lack[s] comprehensive models of the processes and intervening factors that explain the link between individual leaders and organizational performance" (p. 164). They proposed the use of a leadership value chain to understand better how individual leaders contribute to organizational effectiveness. The leadership value chain identified the range of factors to be considered in determining the value of leadership. The components in sequence order included 1) leader characteristic (i.e., psychological, intellectual, and social capital); 2) leadership styles (i.e., behaviors and decisions); 3) unit process (i.e., employee, team, and organizational performance); and 4) unit results (i.e., productivity, financial, customer, and human resources). These components link individual leaders to organizational effectiveness in areas, such as productivity, financial outcomes, customer market share, human resources, and organizational purpose (Kaiser & Overfield, 2010).

Wan Khairuzzaman et al. (2011) proposed an integrative framework of leadership style effectiveness combining components of FRLT and substitutes for leadership. The framework resulted from a review of existing literature of empirical research conducted during the past two decades. The situational factors of the framework consisted of subordinate, task, and organizational characteristics. The other two major framework components were leadership styles and behaviors, and criteria for subordinate outcomes. Wan Khairuzzaman et al. (2011) did not claim effective leadership process definitely would result from their integrated framework. They suggested future research would be made more meaningful by "careful selection of substitutes variables, leadership behaviors, and work outcomes especially in the context of industry under study" (p. 130). For substitutes for leadership, Hernandez et al. (2011) identified the loci as context and followers and mechanisms as traits and behaviors.

The Managerial Practices Survey (MPS) assesses several effective leader behaviors such as consulting, empowering, and role and objective clarification. Inclusion of these effective leader behaviors, which are overlooked by the MLQ, may enhance the predictive success of the FRLT model (Michel et al., 2011). Michel et al. (2011) examined the extent FRLT model behaviors are assessed by the MLQ. Analysis of the findings revealed MPS components influenced the employee/subordinate-rated and leader/boss-rated effectiveness beyond the measured MLQ components in every circumstance. Michel et al. (2011) suggested a more inclusive model with a broader perspective on leadership behaviors was necessary to understand better effective leadership.

The relevance of the FRLT model in a non-western environment was the focus of a study in Pakistan (Ryan & Tipu, 2013). The researchers concluded the three FRLT leadership styles were not identified. The two dimensions the study identified (i.e., active leadership and passive-avoidant leadership) offered insight to the nature of leadership in Pakistan. Ryan and Tipu (2013) concluded leadership-training programs in a non-western context should proceed with caution. However, the authors suggested an effective leadership style, which influences positively organizational performance, would result by the application of the "contextually appropriate combinations individual leadership dimensions" (Ryan &Tipu, 2013, p. 2126) of the FRLT model. The Global Leadership and Organizational Behavior Effectiveness (GLOBE) initiative, the most extensive international leadership research project to date, confirmed leadership is culture-bound. For GLOBE leadership, Hernandez et al. (2011) identified a) loci as leader and mechanisms as traits and behaviors and b) loci as context and followers and mechanism as cognitive. However, a unique theory of global leadership has not yet been developed by the GLOBE initiative (Hernandez et al., 2011).

Women and Leadership Styles

Inclusion of women in the study of leadership styles began in earnest in the early 1980s (Bass, 2008; Moore, 2010). This coincided with a marked increase of women in management and leadership positions during the 1970s though these opportunities tended to be in fields dominated by female employees, such as education and nursing (Bass, 2008). Existing literature on women and leadership concentrates on exploring leadership styles and management styles and gender-related differences (Bass, 2008; Hopkins, O'Neil, Passarelli, & Bilimoria, 2008; Sullivan & Meek, 2012). However, the literature

does not fully explore the role of leadership styles in organizational success and performance of woman-owned businesses.

Certain leadership styles are linked with gender stereotypes. Transformational leadership behaviors are linked with female leaders (Hopkins et. al, 2008; Mattare, Mohan, & Shah, 2010). Research findings suggested the tendency of women to adopt a relationship-based approach in interactions with employees and clients (Brandt & Laiho, 2013; Hopkins et al., 2008; Tibus, 2010).

Empirical research supported three aspects of gender-related differences in the evolution of women's leadership styles (Brandt & Laiho, 2013; Hopkins et al., 2008). First, men and women differ in leadership styles with women using a more democratic style and men using a more autocratic style. Female leaders have a tendency to adopt transformational leadership style more than male leaders (Brandt & Laiho, 2013; Hopkins et al., 2008). This tendency declined in male-dominated settings (Bass, 2008; Eagly. 2007; Mattare et al., 2010).

Second, leadership behaviors differ between women and men. Women leaders scored higher on the competencies of awareness of their emotions, empathy, and interpersonal relations. Men scored higher in the competencies of being more self-confident, adaptable, better able to handle stress, and optimism (Bass, 2008; Eagly, 2007; Brandt & Laiho, 2013; Hopkins et al., 2008).

Third, in a male-dominated setting, effectiveness of male and female leadership styles differs favoring male leaders. Male and female subordinates may interpret a woman leader's behavior differently (Ayman et al., 2009; Brandt & Laiho, 2013; Eagly, 2007). Meta-analysis supported these findings, which indicated women leaders are more

devalued when in roles that are more stereotypically masculine (e.g., leadership) (Ayman et al., 2009; Brandt & Laiho, 2013; Eagly, 2007). Women's leadership effectiveness was more favorable when in a female-dominated setting (Eagly, 2007; Hopkins et al., 2008, Mattare et al., 2010). When in masculine environments, female leaders can gain positive recognition from followers by implementing behaviors that are more transformational in participative ways (Arnold & Loughlin, 2013).

Emerging literature is somewhat conflicting regarding leadership behaviors and the differing roles of women. Women leaders typically demonstrated behaviors aligned with transformational leadership style - a focus on building and maintaining relationships, communication, collaboration, and valuing teamwork (Eagly, 2007; Hopkins et al., 2008; Knopik & Moerer, 2010; Mattare et al., 2010; Tibus, 2010). Women entrepreneur/business owners were more task-oriented, reluctant to delegate authority, and focused on their own actions instead of collaborative relationships (Knopik & Moerer, 2010; Mattare et al., 2010). The tendency to be more autocratic and less likely to let employees make decisions independently was negatively correlated with organizational performance (Mattare et al., 2010). However, the results of another research study revealed women entrepreneurs exhibited a leadership style, which encouraged creativity by balancing behaviors expected of male leaders (e.g., authoritative command) and female leaders (e.g., collaborative communication) (Moore et al, 2011).

Leadership development of women employees was seen as a tactical business advantage by increasing the capacities of female employees (Ayman et al., 2009). Recent studies suggested a more ethically based organizational environment could result from the development of women business leaders. However, the vast potential of women's

leadership is untapped (Cassard & Hamel, 2008). This suggests an important role for women entrepreneurs in advancing the practice of business leadership and management (Moore, 2010; Moore et al., 2011; Sullivan & Meek, 2012).

Historical Perspective on Small Business and Entrepreneurial Research

Entrepreneurship and small business activities emerged as a research field within the past quarter century, although entrepreneurial activities are integral to human history (Bass, 2008; Landstrom, 2005). McClelland, a major contributor to pioneering literature on the psychology of the entrepreneur, defined a need for achievement, independence, and a risk-taking propensity as values possessed by entrepreneurs (Bass, 2008; Brockhaus, 1982). Weber and Hagen contributed to the social and cultural dimension of entrepreneurship, suggesting the creation of entrepreneurial firms was a result of the interaction of situational and cultural factors (Shaper & Sokol, 1982). They defined the life path of entrepreneurial events contributing to company formations as a) starting with negative displacements (e.g., fired, divorced, widowed, bored, reaching middle age), b) between things (e.g., out of military, school, jail), or c) positive pull from mentor, partner, investor, or customer. These events were followed by d) the perception of desirability and e) the perception of feasibility (Shaper & Sokol, 1982).

A pioneer of entrepreneurial research, Arnold Cooper, focused on the process of new firm start-up and performance determinants in recently formed firms, generally those established fewer than two years (Landstrom, 2005). Regarding the entrepreneurial process, entrepreneurs who selected business ownership were extremely optimistic of their chances for success (Gunmundsson & Lechner, 2013; Hmieleski & Baron, 2009; Landstrom, 2005). However, both well-prepared and poorly prepared entrepreneurs were

equally as optimistic of the chances for success, thereby demonstrating cognitive dissonance. Cognitive dissonance may play into the propensity for risk-taking and contribute to an inability to evaluate his or her abilities and a tendency not to seek information or assistance (Landstrom, 2005).

The discussion of small business and entrepreneurship research continues. The topics include women and small business ownership and entrepreneurship and a summary and comparison of men and small business ownership. The discussion of employees, leadership styles, and organizational success follows.

Women and Small Business Ownership and Entrepreneurship

From a historical perspective, financial necessity was the main reason for women starting businesses (e.g., divorced, widowed, with small children at home) (Buttner, 1993). Early research on women business owners revealed little difference between self-employed males and females in respect to demographic and psychological skills (Brush, 1992; Landstrom, 2005). Female and male entrepreneurs demonstrated greater differences in business goals and management styles (Brush, 1992). Analysis of historical research on female entrepreneurs demonstrated they lacked the understanding and skills needed in the areas of management and finance (Bowen & Hisrich, 1986). These conclusions support a gender bias, which positions women entrepreneurs as "lacking and incomplete men" (Ahl & Marlow, 2012, p. 543) who need to learn how to be business owners (Ahl & Marlow, 2012).

Current literature regarding female entrepreneurs concentrates primarily on two issues. One issue is the reasons women become business owners (Barba-Sanchez & Martin-Ruiz, 2009; Brush, Duffy, & Kelley, 2012; Dawson & Henley, 2012; Dhaliwal,

2010; Kariv, 2011; Ncube & Wasburn, 2010). Female entrepreneurs have a tendency to fall into two groups: a) those that enter non-professional self-employment to limit work hours to focus on family commitments and b) those seeking career advancement through self-employment (Klapper & Parker, 2011). The attributes of the individual and environmental factors that influence women's entrepreneurial activity is a second issue (Brush et al., 2012; Dawson & Henley, 2012; Dhaliwal, 2010; Fairlie & Robb, 2009; Gupta, Turban, Wasti, & Sikdar, 2009; Kariv, 2011; Norsiah-Mat & Razak, 2011; Sullivan & Meek, 2012).

The impetus for women pursuing entrepreneurship can be defined as 'pull' factors or 'push' factors. Pull factors for pursuing entrepreneurship include flexibility, independence, family commitments, financial security, opportunity, and self-concepts (Bledsoe & Oatsvall, 2010; Dalborg, von Friedrichs, & Wincent, 2012; Dawson & Henley, 2012; Dhaliwal, 2010; Kariv, 2011: Ncube & Wasburn, 2010; Sullivan & Meek, 2012; Terjesen & Elam, 2012). The most commonly cited motivation factor for women pursuing entrepreneurship is independence (Dawson & Henley, 2012).

Push factors for women pursuing entrepreneurship include workplace restructuring, downsizing, hitting the 'glass ceiling', and necessity (Brush et al., 2012: Dawson & Henley, 2012; Kariv, 2011). Push factors may account for as much as 48% of motivation for women pursuing entrepreneurship (Dawson & Henley, 2012). Push and pull factors are outlined in Table 3.

Table 3

Push and Pull Factors for Female Entrepreneurs

Pull Factors for Pursuing Entrepreneurship			
Independence Factors	Financial Security Factors	Opportunity Factors	Self-concept Factors
To gain independence by becoming one's own boss	Increase income to support self and family	Opportunity presented itself	Pride in one's achievements
To apply accumulated business experience	To gain financial independence		Nothing to show from efforts as an employee
Always wanted to be self-employed	To increase income		
Tired of being an employee			
Desire for a more effective work and family life balance			
Push Factors for Pursuing Entrepreneurship			
Workplace restructuring, downsizing			
Glass ceiling			
Necessity: lack of household income and changes in economic environment			
Career dissatisfaction: lack of recognition; uninteresting or unrewarding work			
Lack of career opportunities: over-looked for promotion; obstructive affects of male-dominated networks faced in the labor market			

Note. Brush et al., 2012: Dawson & Henley, 2012; Dhaliwal, 2010; Kariv, 2011; Klapper & Parker, 2011; Ncube & Wasburn, 2010; Sullivan & Meek, 2012.

For women there are several deterrents to pursuing entrepreneurship including a lack of support from men in their lives (e.g., partner, husband, father, and son) because they do not correlate feminine characteristics with entrepreneurship (Dhaliwal, 2010; Gupta et al., 2009). A form of self-imposed segregation by women can be created by socially learned stereotypes of business ownership viewed as masculine. An additional deterrent is a lack of support from resources providers (e.g., lenders, suppliers,

customers) (Gupta et al., 2009). The lack of financial resources has been called the 'second glass ceiling', which influences the health of the entire economy (Bosse & Taylor, 2012). This may also contribute to female entrepreneurs entering low-capital intensive sectors (Klapper & Parker, 2011).

Women may avoid entrepreneurship because they have fewer opportunities to attain the necessary managerial and networking skills (Fairlie & Robb, 2009; Sullivan & Meek, 2012), have negative perceptions of themselves and the business environment, and fear of failure (Allen, Langowitz, Elam, & Dean, 2008; Terjesen & Elam, 2012). Even when faced with these obstacles, many women find entrepreneurial motivation in their commitment to the idea that forms the basis for the business (Barba-Sanchez & Martin-Ruiz, 2009; Dhaliwal, 2010). Women who pursue entrepreneurship possess a willingness to do what is necessary to start the enterprise (Barba-Sanchez & Martin-Ruiz, 2009).

Female entrepreneurs are over-represented in the retail, sales, and services industry sectors (Fairlie & Robb, 2009; Klapper & Parker, 2011). Businesses in these sectors are generally smaller in scale with lower average returns and face a higher degree of competition (Klapper & Parker, 2011). In 2008, 39% of woman-owned businesses were in service industries (21% professional, scientific, technical; 11% business; 7% personal services) (Center for Women's Business Research, 2009). However, the decision of woman-owned firms to locate in service-industry sectors experiencing employment growth, such as health care and education services, may contribute to the fact formation of woman-owned businesses remains steady at twice the rate of men-owned businesses (Economics and Statistics Administration, 2010).

Although women business owners demonstrate a strong desire for growth (Dalborg et al., 2012), they have a tendency to have lower expectation of growth than male business owners (Terjesen & Elam, 2012). In general, there is a tendency for woman-owned businesses to be smaller and less successful in terms of survival and growth than men-owned businesses. This is important because business size can have an effect on success outcomes with bigger businesses tending to be more successful (Landstrom, 2005; Terjesen & Elam, 2012). There are a variety of reasons for the size and financial success of woman-owned businesses:

- fewer years of work experience (Costin, 2012; Fairlie & Robb, 2009);
- less likely to have previous business ownership and managerial experience (Costin, 2012; Dhaliwal, 2010; Fairlie & Robb, 2009);
- less involvement in civic organizations (Dhaliwal, 2010);
- over-represented in crowded business sectors, such as professional services, retail, and personal services (Fairlie & Robb, 2009; Klapper & Parker, 2011);
- overall less focused on profit (Dawson & Henley, 2012);
- owner limits growth to meet personal goals, such as work-life balance and flexibility (Fairlie & Robb, 2009; Sullivan & Meek, 2012);
- less start-up capital (Fairlie & Robb, 2009: Klapper & Parker, 2011);
- constrained by family commitments (Bauer, 2011);
- working fewer hours (Fairlie & Robb, 2009); and

- fewer opportunities to attain necessary leadership, managerial, and networking skills (Fairlie & Robb, 2009; Kempster & Cope, 2010; Sullivan & Meek, 2012).

When measuring growth in small businesses, current methods are non-gender specific. As a result, the perceived weakness in the growth of woman-owned businesses is based on growth measurements that do not reflect how these owners pursue growth. The criteria many female entrepreneurs use to measure business growth include product and service quality and commitment to employment (Costin, 2012).

Masculine assumptions forming the foundation of entrepreneurial research weakens the current state of the discussion (Ahl & Marlow, 2012; Malach Pines, Lerner, & Schwartz, 2010). Women business owners may operate their business differently from male business owners by taking fewer risks. In general, women business owners attempt to find a work-family balance, focus on social goals and values, and grow their businesses more slowly (Brandt & Laiho, 2013; Costin, 2012; Fairlie & Robb, 2009; Loscocco & Bird, 2012; Robb & Watson, 2012; Terjesen & Elam, 2012). Dalborg et al. (2012) concluded there were similarities in growth aspirations in woman-owned businesses and Maslow's Hierarchy of Needs model. Across the different sectors studied, women business owners were extrinsically motivated to achieve business stability and survival before hiring employees. In hierarchical order, intrinsic motivations were composed of the need to create work, for appreciation, and for personal development, as shown in Figure 4. Reluctance to use debt or equity financing, using personal savings and profits instead, are added obstacles to growth in woman-owned

businesses (Bledsoe & Oatsvall, 2010). Analysis of existing literature suggests a positive relationship between firm growth and the availability of credit and financing.

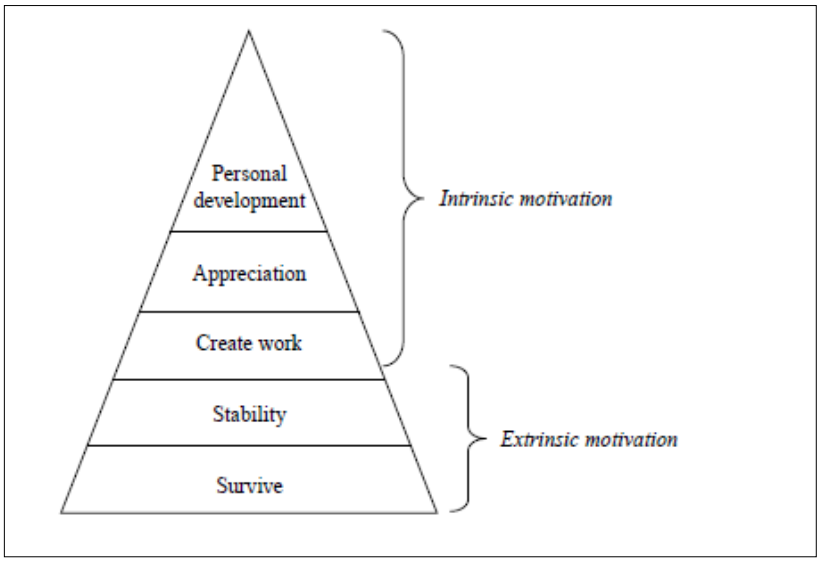

Figure 4. Growth platforms and motivation in hierarchical model from "Beyond the numbers: Qualitative growth in women's businesses," by C. Dalborg, Y. von Friedrichs, and J. Wincent, 2012, *International Journal of Gender and Entrepreneurship, 4*(3), p. 306. Copyright 2012 by Emerald Group Publishing Limited. Reprinted with permission.

Analysis of results of a research study of business owners focused on how male and female owners see each other demonstrated male and female business owners do not necessarily differ in characteristics attributed to successful entrepreneurship. The characteristics included independence, self-confidence, taking initiative, and decisiveness among others (Moore, 2010; Wilson & Tagg, 2010). Higher education was a characteristic of business owners positively correlated with organizational success, which contributed more to success in woman-owned businesses (Kariv, 2011). Additionally, women with formal education demonstrate a more transformational leadership style (Lincoln, 2012). According to 2008 United States Census data, three-quarters of women founded their own small business, of which the majority had never owned a business previously and half owning their business for fewer than 10 years. Thirty-five percent of

women small business owners are under age 45 and more than half have less than a bachelor's degree (United Stated Small Business Administration, 2010b).

Critical to organizational success is an entrepreneur's willingness and ability to become a leader (Kempster & Cope, 2010). However, many women business owners do not perceive themselves as entrepreneurs or leaders (Dhaliwal, 2010) and have no desire to be leaders (Kempster & Cope, 2010). Current entrepreneurship research suggests concern for successful entrepreneurship if women cannot acquire essential managerial experience to develop leadership and networking skills (Sullivan & Meek, 2012).

Men and Small Business Ownership – Summary and Comparison

Gender bias is evident in small business and entrepreneurial research (Ahl & Marlow, 2012). Performance measures favor men (Klapper, 2011) with financial gain or loss as a standard performance indicator for business success (Bauer, 2011). Entrepreneurship is generally perceived as a masculine field; therefore, entrepreneurship is seen as stereotypically male (Gupta et al., 2009). Historical research by entrepreneurial theorist Aldrich on women business owners revealed little difference between self-employed males and females in respect to demographic and psychological skills (Brush, 1990, 1992; Landstrom, 2005). However, differences were greater in the areas of business goals and management styles (Brush, 1990, 1992).

In the United States, men owned 51% of all privately held firms (with majority male ownership of 51% or more) in 2007 contributing $8.5 trillion to the economy and creating or maintaining 41.5 million jobs (35% of all U.S. jobs) (U.S. Census Bureau, 2010). Measuring profit outcomes, men-owned firms are twice as profitable as women-owned firms according to The Kauffman Firm Survey of new businesses (Robb &

Coleman, 2009). Analysis of recent survey data from The Kauffman Institute (i.e., Kaufman Index of Entrepreneurial Activity and Kauffman Firm Survey) reveals room for improvement in the entrepreneurial gender gap (Mitchell, 2011):

- Entrepreneurial activity of the work-age population: 44% of men versus 24% of women are involved in starting a business on average in a given month.
- Total share of entrepreneurial activity: 64.7% for men versus 35.3% for women.
- Start-ups that are employer firms: 44% for men-owned firms versus 36% for women-owned firms.
- Firms with annual revenues of more than $100,000 after three years of formation: 32.8% for men-owned firms versus 19.8% for women-owned firms.

Some differences between men and women business owners and men- and women-owned businesses benefit the performance of female-owned businesses whereas others benefit the performance of male-owned businesses (Robb & Watson, 2012). Gaps in female and male small business performance can be attributed to gender differences that advantage male-owned businesses such as networks, lending, and experience (Fairlie & Robb, 2009). Characteristics of male business owners when compared to female business owners include

- nearly 54% have previous work experience in a business similar to the business owned versus 42% of female owners (Fairlie & Robb, 2009);

- more use of bank financing and access to credit (Klapper & Parker, 2011);
- more hours spent on work (Fairlie & Robb, 2009);
- fewer hours spent on housework and child care resulting in a weekly combined workload of six hours less than female business owners (Loscocco & Bird, 2012);
- ninety percent live with a spouse or intimate partner versus 67% of female owners (Loscocco & Bird, 2012); and
- prior to business ownership, recent data reveals a narrowing in the gap in management experience opportunities- 56.6% for men versus 52.3% for women (Fairlie & Robb, 2009).

Characteristics of men-owned businesses compared to women-owned businesses include

- more likely to have employees and to have more employees (Fairlie & Robb, 2009; Robb & Coleman, 2009);
- more likely to have significantly higher gross sales (Fairlie & Robb, 2009; Loscocco & Bird, 2012);
- larger in terms of assets (Robb & Coleman, 2009);
- more likely to be exporters (Jarmin & Krizan, 2010); and
- more likely to be in the sectors of construction, finance, and insurance versus the sectors of retail, sales, and services where woman-owned businesses are over represented (Robb & Farhat, 2013).

The survival rate for newly-established privately owned firms from 2002 to 2004 was 70%. The survival rates for this period for firms by gender were 66% for women-

owned, 72% for men-owned, and 69% for equally-owned (Economics and Statistics Administration, 2010). However, analysis of a longitudinal (five-year) database of more than 4000 new ventures started in the United States in 2004 suggested a narrowing of the survival gap between female- and male- new ventures. The four-year survival rate was 62.1% for women-owned businesses versus 63.4% for men-owned businesses (Robb & Watson, 2011).

Weiler and Bernasek (2001) compared statistics on the creation and failure rates of women-owned and men-owned businesses to examine discrimination practices to better understand women's position in the labor market. Their conclusions from the statistical analysis included (a) gender profiles for entrepreneurs did not differ significantly; (b) structural advantages for males were responsible for some of the gaps between male and female entrepreneurs (e.g., women-owned business were more likely to have no paid workers, men-owned business were more likely to have no female employees); (c) women were more likely to start businesses that require little or no money; (d) men were more likely to receive commercial loans for their businesses; (e) women-entrepreneurs often earned less than they could in the labor market which worsened the economic status of women; and (f) more women started a business without prior work experience. The authors concluded that the continued lower status of women in labor markets and entrepreneurial markets could be because of the obstructive impact of established male-dominated networks. Women continued to become self-employed despite having to confront greater discrimination than faced in the labor market. The authors concluded that existing discrimination factors and obstructive impacts of male-dominated networks faced by women in the labor markets were motivating factors in the

decision-making process by women to pursue entrepreneurship (Weiler & Bernasek, 2001).

Gender differences in leadership styles were addressed in the previous section on women and leadership styles. To summarize, certain leadership styles are linked with gender stereotypes. Transformational leadership behaviors are linked with female leaders (Brandt & Laiho, 2013; Hopkins et al., 2008; Mattare et al., 2010) whereas men use a more autocratic style (Hopkins et al., 2008). Male leaders demonstrate behaviors of self-confident, adaptability, ability to handle stress, and optimism while female leaders demonstrate behaviors of empathy and emotional awareness (Bass, 2008; Brandt & Laiho, 2013; Eagly. 2007; Hopkins et al., 2008). In a male-dominated setting, effectiveness favors male leaders (Ayman et al., 2009; Brandt & Laiho, 2013; Eagly, 2007). The discussion of gender and small business continues throughout the literature review.

Organizational Success in Small Businesses

"Leadership [is] the ability to influence, motivate, and enable others to contribute to the effectiveness and success of the organizations of which they are members (Bass, 2008, p. 23)." Leaders influence business success and failure, no matter the size of the organization. However, small business owners have more limited time and personnel than larger businesses (Atamian & VanZante, 2010). There is increasing agreement that leadership capability is crucial to the success and failure of small businesses. New firms are more volatile and more likely to close, especially smaller firms (Haltiwanger et al., 2010, August). Ineffective leadership and management are the causes mostly attributed

to business failure (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010).

Perceptions of small business success and failure differ between owner/entrepreneurs and researchers. Attainment of predefined goals can satisfy the small business owner although the business may fall short in attaining an optimal level (Bauer, 2011; Robinson & Stubberud, 2011; Simpson et al., 2012). Researchers in the fields of small business and entrepreneurship often define success and failure in terms of financial achievement and survival of the business (Bauer, 2011; Headd & Kirchhoff, 2009; Simpson et al., 2012). Business closure is not always synonymous with failure. Business owners may elect to close a business while it is still successful based on a planned event, such as retirement or selling the business (Beaver, 2003).

Small business leadership comes from the owner/founder (Langowitz & Allen, 2010). Success entrepreneurial leaders are "value-based visionaries and communicators, functioning from a position of trust and confidence conveyed upon them by the individuals with whom they are associated in the organization" (Darling et al., 2007, p. 19). Entrepreneurs who exhibit excellence in providing leadership have a higher probability for success than entrepreneurs who merely manage their businesses (Darling et al., 2007; Losapio, 2012; Mitchelmore & Rowley, 2013). Therefore, small business leadership styles and behaviors directly influence small business success and failure. Assessment of the performance of the organization for which a leader is responsible is a basis for evaluating leadership effectiveness (Kaiser et al., 2008).

Analysis of research findings demonstrated the link between small business leadership behaviors, employee commitment, job satisfaction and performance, and

organizational performance (Chung-Wen, 2008; Frazier, 2013; Jackson et al., 2013; Khan, Ghouri, & Awang, 2013; Kolapo Sakiru et al., 2013; Mitchelmore & Rowley, 2013; Tafevlin et al., 2011; Tsai, 2011; Yang, 2012). Leaders contribute to organizational performance and viability through effective leadership actions. The actions include setting the mission and objectives and aligning goals with processes and procedures (Mastrangelo et al., 2004; Nelson, Brunetto, Farr-Wharton, & Ramsey, 2007). Simply stated, leadership behaviors influence employee commitment and job satisfaction, thereby influencing small business success and failure outcomes.

In current research on small business leadership, transformational and transactional leadership styles were correlated positively with increased employee job satisfaction, which was correlated with organizational performance (Chung-Wen, 2008; Frazier, 2013; Just, 2011; Kolapo Sakiru et al., 2013; Tsai, 2011; Yang, 2012). Leader and employee interactions considered positive and good encouraged employees to meet organizational missions and objectives. In turn, this enhanced job satisfaction (Chung-Wen, 2008; Tsai, 2011). Leaders demonstrating a transformational leadership style also contributed to employee well-being (Tafvelin et al., 2011).

With affective employee commitment to a company, an employee wants to stay; with normative employee commitment, an employee feels an obligation to stay with the company (Jackson et al., 2013). The influence of leader behaviors was the focus of a meta-analysis examination of the relationship between transformational, charismatic, and transactional leadership styles and employee commitment levels. The correlation was strongest between affective employee commitment and transformational and charismatic leadership styles. The correlation was moderate between normative employee

commitment and transformational and charismatic leadership styles (Jackson et al., 2013).

Transactional leadership behaviors varied in the influence on employee commitment. Contingent reward demonstrated the strongest correlation with affective employee commitment (Jackson et al., 2013). Management-by-exception (active) demonstrated a considerably weaker, but still positive correlation. Affective employee commitment was negatively correlated with management-by-exception (passive). As expected, the strongest negative correlation was demonstrated between laissez-faire leadership style and affective employee commitment (Jackson et al., 2013). Analysis of the results from this research study supports the leadership style-employee commitment-organizational performance link.

The relationship between organizational performance and transformational leadership style was supported in a recent research study of leaders of small businesses (Just, 2011). Determining how well organizational outcomes can be predicted by leadership style was the purpose of the study. Based on the study findings, transformational leadership style predicted positive organizational outcomes (Just, 2011). A positive correlation between transformational leaders and employee's perception and a climate for innovation in small businesses was also demonstrated by the research findings (Tafvelin et al., 2011).

Small business owners become leaders by virtue of their position and organizational necessity (Kempster & Cope, 2010). However, female entrepreneurs generally have fewer opportunities to attain necessary leadership, managerial, and networking skills (Fairlie & Robb, 2009; Kempster & Cope, 2010; Sullivan & Meek,

2012). Currently, there is a lack of research on performance outcomes of women-owned businesses. The lack of studies with large enough samples of woman-owned businesses is the primary factor (Fairlie & Robb, 2009). Understanding the relationship between the leadership styles of a woman business owner and organizational success may suggest the leadership styles that may enhance organizational success at women-owned and –led businesses.

Organizational Success, Employees, and Outcomes of Leadership Styles

Employee engagement is necessary to achieve organizational goals and objectives (Shuck & Herd, 2013). The relationship between leader and employee affects employee commitment to effective performance, which affects organizational effectiveness (Nelson et al., 2007). Effective leadership behaviors, such as building trust, caring for people, and acting ethically and morally contribute to employee commitment (Khan et al, 2013; Mastrangelo et al., 2004; Nelson et al., 2007). Followers who perceive their leaders as caring for his or her welfare show self-confidence and emotional well-being and are more loyal (Walumbwa & Hartnell, 2011; Yukl, 2010). Greater organizational productivity and a higher level of status for leaders result from these factors (Yukl, 2010).

The behavior of a leader and how it is perceived by subordinates is positively related to perceptions of performance and job satisfaction (Chung-Wen, 2008; Craig, 2013; Fernandez, 2008). Employees are inspired to be more interested and creative in their work by transformational leaders who are visionary and creative in his or her leadership behaviors (Brandt & Laiho, 2013; Nielsen et al., 2008). Transformational leaders enhance performance and achieve higher levels of motivation by a) providing learning opportunities, b) providing regular feedback, c) creating an environment that

encourages innovation, and d) delegating duties (Walumbwa & Hartnell, 2011). Observations from a study of public administration office supervisors rating their leadership behavior and the leadership behavior of their leaders indicated transformational leadership style was important to job performance and commitment from a leader and follower perceptive. Of equal importance was the similarity in transformational leadership style between leader and follower (Cassard & Hamel, 2008).

Latino employees in the United States were the focus of a study of the relationship between leadership styles measured by the MLQ and employee perceptions of satisfaction with leadership and job motivation (Cifuentes, 2013). Data analysis indicated employee responses were significantly lower than the norm, which suggested Latino employees were less motivated and less satisfied with their leaders. However, satisfaction with leadership and motivation (extra effort) were highly important to Latino employees and positively correlated with characteristics of transformational, transactional, and servant leadership styles (Cifuentes, 2013).

As an exchange relationship between leaders and followers that is equitable is implied by leadership, effective leadership can be defined as a leader successfully influencing others to attain defined goals (Bass, 2008). Leadership effectiveness has been correlated with transformational leadership style. Analysis of results of a study of employee perceptions of leadership styles of police supervisors, using the MLQ, revealed a significant positive relationship between organizational effectiveness and transformational leadership style and significantly negative relationships between organizational effectiveness and transactional leadership style and passive avoidant leadership style (Kiehl, 2013). A transformational leadership style was positively

correlated with leadership effectiveness and leader readiness among healthcare executives based on employee perceptions measured by the MLQ (Mhoon-Walker, 2013).

Women have been rated significantly higher than men on the outcome measures of inspiring extra effort from subordinates, subordinates expressing satisfaction with their leadership, and their effectiveness in leading overall. Leaders can enhance the performance of the organization by using a combination of specific task, relations, change, and external behaviors relevant for the situation (Yukl, 2012). Positive follower perceptions of leaders contributing to organizational performance are related to task-oriented, relations-oriented, and development-oriented leadership behaviors. Positive follower perceptions of leaders contributing to job satisfaction are related to relations-oriented and development-oriented behaviors (Fernandez, 2008). Decreased absenteeism and increased production are demonstrated by highly motivated and satisfied employees (Webb, 2007).

Effective employee performance requires a cooperative effort by leaders and followers (Yukl, 2008). The interactive, transformational leadership style employed by women leaders can result in the organizational outcomes of open communication, employee satisfaction, and a more innovation and productive environment. These outcomes jointly contribute to the potential for greater financial return and firm growth (Moore et al., 2011; Walumbwa & Hartnell, 2011).

Examination of the relationship between transformational leadership style and the role of followers in organizational success has progressed. However, there should be more research on women entrepreneurs to contribute to our understanding of leadership,

which is currently incomplete (Kahn et al., 2013; Yammarino, 2013). Leadership studies would benefit from a more integrative examination of the relationship between transformational leadership style and the role of followers in organizational success in woman-owned and –led businesses.

Predictor and Criterion Variables

This research study examined the defined variables to determine relationships using a correlational research method. The criterion (dependent) variable is influenced by the predictor (independent) variable (Cozby, 2009). In this research study, the predictor variables were leadership styles defined by full-range leadership theory – transformational, transactional, and laissez-faire. Leaders may exhibit the three leadership styles (Avolio & Bass, 2004; Bass, 2008). The criterion variable was organizational success. Three areas of outcome of leadership behaviors strongly linked to individual and organizational success in prior research (Avolio & Bass, 2004) served as the operationalized criterion variables. The outcomes of leadership measured by employee perceptions of the leader were a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership. The goals of this study were to examine the relationship between leadership styles and organizational success with the resulting data analysis contributing to the existing knowledge in the area of leadership styles and organizational success in woman-owned and -led small businesses. Based on the literature review, the research questions are:

1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by

employee perceptions of their leader's leadership behavior of extra effort/motivation?

2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?
3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership?

The researcher used Bass and Avolio's Multifactor Leadership Questionnaire (MLQ) 5-X survey (MLQ for Researchers, 2013) to collect data to measure the predictor variables and the operationalized criterion variables. To evaluate if a relationship was present between the predictor variables of leadership styles and the criterion variables, the data analysis method was Spearman (r_S) rank correlation coefficients (Cozby, 2009; Sekaran & Bougie, 2010). If the relationship existed, the direction and strength of the relationship was determined. The study results included reports and interpretation of the strength and direction of the correlations plus descriptive analysis statistics. The linear relationship between the multiple predictor variables and the multiple operationalized criterion variables was analyzed using multivariate multiple regression analysis and factor analysis (Dattalo, 2013).

Studies with Leadership Styles as Independent or Predictor Variables

Leadership styles defined by full-range leadership theory were independent or predictor variables in several studies cited in this literature review. Cassard and Hamel (2008) used a correlational, descriptive analysis survey design to examine the relationship

between the criterion variables of employee organizational commitment and job satisfaction, and the predictor variable of transformational leadership. Analysis of data revealed a positive correlation with transformational leadership and the criterion variables (Cassard & Hamel, 2008).

Employee performance was influenced by his or her perceptions of the leadership styles exhibited by leaders (Hamel, 2007; Salman et al., 2011). The predictor variables (i.e., the five subscales related to transformational leadership) were used to determine the transformational leadership style of the followers and his or her perceptions of the transformational leadership style of direct managers and indirect managers (Hamel, 2007). From a leader and follower standpoint, observations supported transformational leadership style was important in relationship to organizational commitment and job performance (Hamel, 2007).

The relationship between the independent variables (i.e., transformational, transactional, laissez-faire, consideration, and initiating structure leadership behaviors) and team performance, the dependent variable, was the focus of study by Rowold (2011). Data analysis revealed facets of the team member heterogeneity (e.g., age, gender, and culture) influenced the relationship between team performance and transformational, laissez-faire, and consideration leadership behaviors. Additionally, a positive correlation was demonstrated between the performance of gender heterogeneous work teams and transformational leadership style and consideration behaviors (Rowold, 2011).

The independent variable was leadership style (i.e., transformational, transactional, laissez-faire) in a quantitative, cross-sectional, non-experimental study and the dependent variable was employee well-being (Velkova, 2011). Almost all hypotheses

were supported by the study findings. Employee well-being was positively affected by leaders exhibiting transformational and contingent reward transactional behaviors. In comparison, leaders exhibiting laissez-faire behaviors negatively affected employees (Velkova, 2011).

Leadership styles were the predictor variables (i.e., transformational, transactional, laissez-faire) in a study of the relationship with entrepreneurial orientation and business performance in Taiwan-based small and medium enterprises (SMEs). The author concluded transformational leadership style was most strongly correlated to entrepreneurial orientation. This combination contributed to increased business performance (Chung-Wen, 2008).

Correlational Studies of Leadership Styles

A Langowitz and Allen (2010) study of chief executives in growth-oriented SMEs provided preliminary results regarding the influence of a leader's founder status and management style. There was a strong correlation between the successes of a growing business with CEO leadership capabilities. A Langowitz and Minniti (2007) correlational study investigated "what variables influence the entrepreneurial propensity of women and whether those variables [had] a significant correlation with differences across genders" (p. 341). The authors concluded a significantly strong positive correlation existed between the likelihood of business formation and a woman's self-confidence and opportunity perception. The case for 'women entrepreneurs are born rather than made' was not supported (Langowitz & Minniti, 2007).

Data from Wang and Poutziouris' (2010) study of owner-managed SMEs supported a positive correlation between owner-managers of fast growing SMEs and the

adoption of people-oriented leadership style. Achievement-oriented leadership style and superior sales growth were also positively correlated. The relationship between transformational leadership style and organizational performance was supported in a study of catalog industry small business leaders (Just, 2011). The purpose of the study was to determine how well leadership style predicts organizational outcomes. Based on the study findings, transformational leadership style predicted positive organizational outcomes (Just, 2011). A positive correlation was revealed between new firm growth and an entrepreneurs' emotional intelligence in a study of Israel-based businesses, as was a positive correlation with transformational leadership orientation (Yitshaki, 2012).

A positive correlation between leaders exhibiting a transformational leadership style and employee perceptions and a climate for innovation in small businesses was revealed by Tafvelin et al.'s (2011) research study of a Swedish social service organization. The researchers concluded employee well-being and the short-term and long-term effects of transformational leaders were positively correlated. This conclusion supported the use of transformational leadership behaviors in creating a climate that contributes to employee well-being (Tafvelin et al., 2011).

Wadensten (2012) examined employee perceptions of transformational leadership behaviors of female leaders in small female-led nonprofits in New Hampshire. The purpose of the study was to find out if a relationship existed between the perceived level of transformational leadership behavior and an employee's intention to quit. Analysis of the data revealed employees were less likely to quit when female leaders were perceived to exhibit three qualities of transformational leadership style: idealized influence attributed, inspirational motivation, and intellectual stimulation. This held true for the

transactional leadership behavior of contingent reward (Wadensten, 2012). In comparison, the transactional leadership behavior of management-by-exception (passive) was positively correlated with increased likelihood of employees quitting their jobs (Wadensten, 2012). A correlational study of the relationship between leadership style and employee retention and job satisfaction by Weatherly (2012) indicated leader-participants used all the MLQ leadership styles. However, similar to the Wadensten results, the strongest positive correlation existed between managers exhibiting transformational leadership behaviors and employee job satisfaction and retention (Weatherly, 2012).

Skogstad et al. (2007) conducted a study of Norwegian employees designed to test the assumption that laissez-faire leadership style was a form of destructive behavior, not a type of zero or non-leadership. Analysis of study data supported the assumption with a strong positive correlation. Skogstad et al. (2007) recommended organizations work to prevent aggressive and abusive leadership styles and behaviors and be aware of the potential negative work environment created by leaders exhibiting a laissez-faire leadership style.

Understanding the link between transformational leadership style and employee performance was the focus of a leadership study of employees and their immediate supervisors of an organization in the southwestern United States (Walumbwa & Hartnell, 2011). Data analysis revealed transformational leaders enhanced performance and achieved higher levels of motivation by a) providing opportunities to learn, b) providing regular feedback, c) challenging employees to think of new and innovative ideas, and d) delegating duties. Employees who perceived their leaders as caring for his or her welfare

showed self-confidence and emotional well-being and increased loyalty. Walumbwa and Hartnell (2011) suggested organizations could realize an important return on investment on follower development by training leaders to be more transformational.

Analysis of data from a research study of public relations firms in Taiwan, focused on employee organizational commitment and job satisfaction, revealed a positive correlation with transformational leadership style (Yang, 2012). Employees became more interested in being innovative, creative, and involved in their work when leaders demonstrated a transformational leadership style. Additionally, a leader employing a transformational leadership style was shown to be predictive of positive organizational performance and outcomes. Transactional leadership style was positively correlated with increased employee job satisfaction and organizational performance (Yang, 2012).

Leadership styles in Taiwan-based SMEs and the relationship with business performance and entrepreneurial orientation were examined in a correlational, quantitative study. Similar to the United States, nearly 98% of Taiwan businesses are SMEs (Chung-Wen, 2008). A positive relationship was revealed between a) transformational leadership style and business performance and b) entrepreneurial orientation and business performance. The author observed the contribution to higher businesses performance resulting from the combination of transformational leadership style and higher entrepreneurial orientation (Chung-Wen, 2008).

Valdiserri and Wilson (2010) studied the affect of leadership styles (i.e., transformational, transactional, laissez-faire) in small construction companies on profitability and organizational success. In this correlational, quantitative design study, data analysis supported the strong positive relationships between transformational and

transactional leadership behaviors, profitability, and organizational success (Valdiserri &Wilson, 2010). Information system technology knowledge workers in small businesses were the focus of a research study of the relationship among organizational leadership styles, organizational culture, and employee job satisfaction and organizational performance (Frazier, 2013). Analysis of findings demonstrated a positive correlation between transformational and transactional leadership styles and increased employee job satisfaction, which was positively correlated with organizational performance (Frazier, 2013).

Current Conditions for Small Business

Businesses are most likely to fail within three and one-half years of forming, making this a critical period (Allen et al., 2007). Factors contributing to business survival include size and resources such as employees, adequate capital, and an educated and experienced owner. Factors contributing to business closure include inadequate start-up capital, a relatively young owner, and an owner's lack of managerial and leadership skills (Beaver, 2003; Brown, 2007; Dhaliwal, 2010; Fairlie & Robb, 2009; Headd, 2003; Jarmin & Krizan, 2010).

The United States has been a world leader in new business formation and is currently fourth on the World Bank's Doing Business ranking (Stangler et al., 2012). However, United States business startup rates fell to a record low of 8% in 2010 based on the United States Census Bureau's Business Dynamics Statistics (BDS), the most complete public-use dataset on business dynamics for United States firms with paid employees (Haltiwanger, Jarmin, & Miranda, 2012). This is part of a long-term, downward trend for new firms as a percentage of all businesses. Thirty-five percent of

all United States businesses are five years or younger, down from 50% in the beginning of the 1980s (Haltiwanger et al., 2012).

There is a mutual relationship between economic conditions of the United States and entrepreneurship (Kelly et al., 2012). Small businesses add value to economy by the creation of new jobs, products, and industries (Hugh, 2013; Hussain, Sultan, & Ilyas, 2011). Young businesses (i.e., employer firms in the first two years) boast a higher net rate of job creation than older firms (Haltiwanger, Hyatt, McEntarfer, & Sousa, 2012, November).

An examination of BDS business cycle data revealed, relative to small firms, large firms proportionally eliminate more jobs when unemployment is high (Moscarini & Postel-Vinay, 2012). The net rate of job creation by large firms has slowed down much faster in the recent Great Recession (Moscarini & Postel-Vinay, 2012), which started in December 2007 (Fairlie, 2012). Small business formation is often a response to unemployment, making them an increasingly valuable source of employment (Moscarini & Postel-Vinay, 2012) and most likely to lead economic recovery (Headd, 2009).

Woman-owned small businesses and the economy. Woman-owned businesses, one of the fast growing economic segments, play a vital role in the economic growth of the United States (United Stated Small Business Administration, 2010b). Women owned just 5% of all small businesses in the United States 40 years ago (National Women's Business Council, 2012). By 2007, women owned 7.8 million businesses, accounting for 28% of all businesses nationwide. Eighty-eight percent of these woman-owned businesses were small businesses (United States Census Bureau, 2010). However, the rate of woman business ownership of less than seven percent in the United States

contributes to the lack of research on business performance outcomes for woman-owned businesses (Fairlie & Robb, 2009).

The current economic influence of woman-owned businesses is $3 trillion annually, creating or maintaining 23 million jobs (Center for Women's Business Research, 2009). Although the growth-rate of woman-owned businesses currently is one and one-half times the national average, these businesses are under-represented in high-growth firms (Morris, Miyasaki, Watters, & Coombes, 2006). The majority of woman-owned businesses (68.2%) currently have receipts of less than $25,000 annually (National Women's Business Council, 2012).

The service-industry sectors provide a rich research environment for accessing woman-owned and –led businesses. The second highest rate of new business activity in 2011 was in the service-industry sectors (Fairlie, 2012). This suggests the importance of this sector to the current and future economic strength of the United States.

Woman-owned small businesses in South Carolina and the economy. There is a relationship between state economic growth and national economic strength (Hafer, 2013). A good indicator of the state of the economy is the unemployment rate. The 2013 statewide unemployment rate (seasonally adjusted) for South Carolina was 7.91% versus the national rate of 7.4% (United States Bureau of Labor Statistics, 2014).

On every indicator of women's economic status except for the percentage of women in managerial and professional occupations, South Carolina ranks in the lower third nationally:

- small business ownership - 41st (Alliance for Women, 2010);
- microenterprise ownership - 39th (Alliance for Women, 2010); and

- overall women's business ownership - 45th (Mittelstaedt et al., 2008).

According to the Institute for Women's Policy Research and the United States Department of Labor, South Carolina ranks 18th nationally with a third of women workers employed in managerial and professional occupations (Williams, 2008). However, data reveals women are under-represented in business leadership roles. Approximately 25% of South Carolina CEOs are female, nearly half of business organizations have no women in decision-making roles, and slightly more than a third of business organizations have only one female in a decision-making role (Mittelstaedt et al., 2008).

Self-employment, entrepreneurship, and business ownership are fundamental economic engines, representing a source of income and an opportunity to build wealth. Current trends in the state are encouraging with the level of growth in the number of woman-owned businesses as demonstrated by the national ranking of 18th in the percentage of woman-owned businesses with employees (Mittelstaedt et al., 2008). The number of woman-owned firms in South Carolina experienced growth of 68% from 2002 to 2007. During the same period, woman-owned businesses realized a 40% increase in sales revenues (U. S. Census Bureau, 2002, 2007).

Summary

Based on the available literature on the role of leadership in small business, effective leadership is essential to organizational success (Darling et al., 2007; Valdiserri & Wilson, 2010). Evidence indicates a relationship exists between founding success, new venture survival of small businesses, and leadership capability (Langowitz & Allen, 2010). Leader behaviors and subordinate's perceptions of leader behaviors have an effect

on employee perceptions of performance, effectiveness, and job satisfaction (Chung-Wen, 2008; Fernandez, 2008). The value of contributions of employees to small businesses tends to be magnified by limited resources and personnel.

The literature review contains a discussion of the influence of leadership styles on small business success. Leadership styles can have a strong affect on a firm's innovativeness and performance (Chung-Wen, 2008; Kahn et al., 2013; Matzler et al., 2008; Yukl, 2008). The leadership styles of women business leaders result from the lack of experience and lack of business knowledge. The majority of women start their own small business and are new to business ownership (United Stated Small Business Administration, 2010b). In contrast, successful entrepreneurs generally possess relevant industry and managerial experiences, have owned businesses, and start businesses similar to those they left (Landstrom, 2005). The success level of small woman-owned business organizations effects GDP and employment in the United States, which directly influences the economy. Small business ownership for women is a means of economic inclusion (Malach Pines et al., 2010) and gender equality, which is currently unrealized (Loscocco & Bird, 2012).

There is a relationship between organizational leadership styles and organizational success. Effective organizational performance requires a cooperative effort by leaders and followers (Yukl, 2008). Businesses founder-leaders with prior leadership experience create more jobs than founders who are very knowledgeable about overall business (Dencker, Gruber, & Shah, 2009). Successful small business leaders influence organizational success, which extends to stakeholders, the community, and the country.

Conclusion

Entrepreneurship became a fast growing research area in the early part of the 21st century partly because the field is in the early phase of examination. Although the percentage of woman-owned firms in the United States has grown, the percentage of woman-owned firms with employees remains relatively low (National Women's Business Council, 2012; United States Census Bureau, 2010), contributing to limited research in this area (Brandt & Laiho; Minniti, 2010). Additionally, limited empirical research attention has been given to entrepreneurial leadership styles and employee perceptions (Jensen & Luthans, 2006), and the influence of leadership styles on business success and performance (Rowold, 2009). The lack of knowledge currently available on a) growing a business from 'point A to point B', b) how to become an employer firm, and c) how to move from being a technical expert to a business leader contributes to growth limitations of woman-owned businesses (Center for Women's Business Research, 2009).

Research on women leaders and managers, entrepreneurs, and business owners reveals a contrast in leadership styles and behaviors. Women leaders and managers demonstrate transformational leadership style tendencies (Buttner, 2001; Hopkins et. al, 2008; Knopik & Moerer, 2010). Women entrepreneurs demonstrate the tendencies of a more task-orientation and focusing on their own actions (Knopik & Moerer, 2010). These differences are important because the interactive, transformational leadership style employed by women leaders' contributes to the potential for greater financial return and firm growth (Moore et al., 2011; Walumbwa & Hartnell, 2011). Transformational leadership is one of the most effective leadership theories (Hernandez et al., 2011). Transformational leaders can enhance performance and achieve higher levels of

motivation of subordinates contributing to organizational survival and growth (Walumbwa & Hartnell, 2011).

The lack of empirical research on entrepreneurial leadership styles and performance outcomes of woman-owned employer businesses implies a gap exists. Contemporary entrepreneurship research will benefit from studies focused on the experience of women business owners and their qualities and behaviors, which contribute to expanded economic growth (Ahl & Marlow, 2012). The current study bridges existing literature regarding female entrepreneurs and business owners to leadership styles that may contribute to success in woman-owned and -led businesses and enhance our understanding of the leadership styles–business success linkage.

Chapter 3 contains a description of the selected research methodology and a discussion of the appropriateness of the design. The chapter includes a description of the population and sample frame, a discussion of the research instruments, an explanation of the data collection methods, and presentation of the techniques for data analysis.

Chapter 3

Method

Beginning with a restatement of the study purpose, this chapter contains a description of the methods to be used to conduct this research study. The topics addressed in this chapter include research method and design appropriateness, population and sampling, participants' informed consent, confidentiality, and geographic location. Data collection techniques, type, and instrument appropriateness follow. The chapter continues with an explanation of research design validity and reliability, data analysis, participant selection, and a summary.

The purpose of this quantitative descriptive correlational research study was to examine the relationship between leadership styles in woman-owned and –led small businesses and organizational success in service-sector industries in North Myrtle Beach, South Carolina. The contributions of small businesses to the economy of the United States are influenced by high closure and failure rates (Haltiwanger et al., 2010, August; SBA Small Business Facts, 2012, May). A small businesses owners' lack of leadership skills is a primary factor attributing to these high rates (Ataman & VanZante, 2010; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). As the fastest growing segment in small business formation, the success and survival of woman-owned and –led small businesses is linked to the health of the economy at personal, local, state, and national levels. Many influences push or pull women to entrepreneurship; however, most women share the attribute of starting a business without previous opportunities to gain leadership and management skills (Fairlie & Robb, 2009; Kempster & Cope, 2010; Sullivan & Meek, 2012). Additionally, the motivations for business ownership and the

determinants of business success for women business owners do not necessarily conform to standard financial or economic performance measures (Ahl, 2006; Bauer, 2011; Robinson & Stubberud, 2011).

Studies of leadership styles and women and leadership styles and women business owners are relatively new to the fields of leadership research and business ownership research. Despite the empirical studies mentioned in this chapter and the literature review, few studies exist on entrepreneurial leadership styles and organizational success in woman-owned employer businesses and perceptions of leadership styles and behaviors by subordinates. Research studies on leadership styles in woman-owned employer small businesses are even more limited because less than 12% of woman-owned businesses in the United States have employees (U.S. Census Bureau, 2010). Woman-owned firms are over-represented in service-sector businesses (Fairlie & Robb, 2009; Klapper & Parker, 2011) while the service-sector industries increased as a percentage of employment in the United States (Economics and Statistics Administration, 2010). These factors allude to the link between the present and future economic strength of the country and closure and failure rates in woman-owned small businesses. In addition, research studies on leadership styles and organizational success in woman-owned and-led employer firms will contribute to the existing knowledge in the area of leadership styles and organizational success in woman-owned and -led small businesses.

Research Design and Research Questions

The descriptive quantitative, correlational research method was used to achieve the study purpose and address the studied problem. The purpose of descriptive research is to describe the current state of an occurrence, event, or incident using words or

numbers (Neuman, 2011; Salkind, 2008). By looking at the relationship between variables without implying a cause-and-effect relationship (Neuman, 2011; Salkind, 2008), correlational studies "describe a particular phenomenon in a way that communicates the overall picture of whatever is being studied" (Salkind, 2008, p. 204). Leadership styles were the predictor (independent) variables and organizational success was the criterion (dependent) variable. Three categories of leadership styles, transformational, transactional, and laissez-faire, served as the predictor variables. As leaders may exhibit the three leadership styles, the leadership styles are not mutually exclusive (Avolio & Bass, 2004; Bass, 2008). The current study measured the relationships with organizational success. Organizational success was measured with the MLQ by owner/leader self-perceptions and employee rater perceptions of their leaders in three areas of outcome of leadership behaviors: a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership (Avolio & Bass, 2004). These three areas of outcome of leadership behaviors served as the operationalized criterion variables. Operationalism is the process of linking a definition of the concepts of a theory to a measurement procedure (Neuman, 2011) by, first, looking at the behavioral dimensions and properties of the concept and, second, categorizing the concepts into elements that are observable and measurable (Sekaran & Bougie, 2010). The operational level is the link between theoretical (abstract concept and conceptualization) level and empirical (indicator or measurable) level (Neuman, 2011). The study design used the Spearman's rho rank correlation coefficients, factor analysis, and multivariate multi regression analysis to determine the relationship between the predictor variables and the operationalized criterion variables (Cozby, 2009; Sekaran & Bougie, 2010).

The purpose of this quantitative descriptive correlational research study was to examine the relationship between leadership styles in woman-owned and –led small businesses and organizational success. Based on the literature review, the research questions were:

1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort (motivation)?
2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?
3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership?

The questions provided guidance on the type of data to be collected and how to analyze and interpret those data (Leedy & Ormrod, 2010). Samples of survey instrument questions used to gather data addressing the research questions are provided in Appendix E for leaders' self-perceived leadership style and Appendix F for employee/rater description of the perceived leadership style of the leader.

Study Hypotheses and Variables

A hypothesis is defined as "a logical supposition, a reasonable guess, an educated conjecture" (Leedy & Ormrod, 2010, p. 4). The hypotheses for this study included null and alternative or research hypotheses addressing the research questions. The null

hypotheses predicted there was no relationship between the variables and the general population and the alternative or research hypotheses predicted the relationships existed (Cozby, 2009).

A variable is anything that can take on differing values (Sekaran & Bougie, 2010). This study will deal with two types of variables. The main variables, the dependent or criterion variables, were of primary interest. The second variable type, the independent or the predictor variables, positively or negatively influenced the criterion or dependent variables (Sekaran & Bougie, 2010). Table 4 indicates the operational variables used in the study. The predictor variables, the leadership styles as defined by full-range leadership theory (FRLT) (Bass, 2008), were separated into nine operationalized leadership factors or behaviors. Therefore, analysis of data revealed more specific results contributing to a better understanding of the relationship with the operationalized criterion variables. The criterion variable, organizational success, was measured with the MLQ by owner/leader self-perceptions and employee rater perceptions of their leaders in three areas of outcome of leadership behaviors, which served as the operationalized criterion variables.

Table 4

Operational Variables

Construct	Variable	Predictor/Criterion	Scale Abbreviation
Transformational Leadership	Transformational Leadership	Predictor (Independent)	IA or II(A), IB or II(B), IM, IS, IC
Transactional Leadership	Transactional Leadership	Predictor (Independent)	CR, MBEA
Laissez-Faire/ Passive Avoidant Leadership	Laissez-Faire/ Passive Avoidant Leadership	Predictor (Independent)	LF, MBEP
Organizational Success	Extra Effort	Criterion (Dependent)	EE
Organizational Success	Effectiveness	Criterion (Dependent)	EFF
Organizational Success	Satisfaction	Criterion (Dependent)	SAT

Note. Adapted with permission from *Multi Leadership Questionnaire Manual and Samples Set* by Bruce J. Avolio and Bernard M. Bass, 2004, Mind Garden, Inc.

The relationship between leadership styles and organizational success measure by extra effort. The first three hypotheses tested the first research question pertaining to the relationship between leadership style and employee perceptions of their leader's leadership behavior of extra effort/motivation.

$H1_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H1_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_0$: There is no relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_a$: There is a relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

The relationship between leadership styles and organizational success measure by effectiveness. The next three hypotheses tested the second research question pertaining to the relationship between leadership style and employee perceptions of the leadership effectiveness of the leader.

$H4_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H4_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_0$: There is no relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_a$: There is a relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

The relationship between leadership styles and organizational success measure by satisfaction with leadership. The last three hypotheses tested the third research question pertaining to the relationship between leadership style and employee satisfaction with leadership.

$H7_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

$H7_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

$H8_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

$H8_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

$H9_0$: There is no relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

$H9_a$: There is a relationship between passive avoidant/laissez-faire leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership.

The researcher used Bass and Avolio's Multifactor Leadership Questionnaire (MLQ) survey (MLQ for Researchers, 2013) to collect data to measure the predictor variables and criterion variable. Three MLQ survey instruments were used to collect and analyze data using a 5-point Likert–type scale for data measurement- the *MLQ Leader Form*, the *MLQ Rater Form*, and the *MLQ Scoring Key Form 5x*. The *MLQ Scoring Key*

Form 5x survey captures and measures full-range leadership styles. As the most validated measure of transformational and transactional leadership styles (MLQ for Researchers, 2013), the MLQ is used in a large number of research studies (Ayman et al., 2009; Cassard & Hamel, 2008; Chung-Wen, 2008; Frazier, 2013; Hamel, 2007; Just, 2011; Ling et al., 2008; Ryan & Tipu, 2013; Tafvelin et al., 2011; Valdiserri & Wilson, 2010; Velkova, 2011; Wadensten, 2012; Weatherly, 2012; Yitshaki, 2012). Frazier (2013), using the MLQ, measured the relationship between leadership behaviors and job satisfaction and organizational performance using correlation coefficient analysis. Analysis of the findings revealed a positive correlation between employee job satisfaction and organizational performance. Leadership styles of small businesses owners was shown to be predictive of organizational performance and outcomes (Just, 2011). The findings from the Valdiserri and Wilson (2010) research study, of which the current study is an extension, revealed leadership styles in small construction businesses influenced profitability and organizational success.

Appropriateness of Design

The quantitative descriptive correlational research study was designed to examine the relationship between leadership styles (the predictor variables) in woman-owned and –led small businesses and organizational success (the criterion variable). Research design can be compared to architectural design (de Vaus, 2011). An architect must first determine what type of building is being constructed to ensure the plans will achieve the desired outcome. Similarly, a researcher must first determine, based on the research question, what type of evidence needs to be collected to answer convincingly the question or test the theory (de Vaus, 2011). In quantitative research, a researcher is testing

whether the independent variable influences the outcome or dependent variable. A researcher examines "the predicted relationship among variables in the theory, and then test the relationships with new participants or at new sites" (Creswell, 2005, p. 128). Qualitative research is more subjective so control is important to contain researcher biases. The researcher should consider techniques, like audits by an outside researcher, for justification of the study since subjectivity can call into question the reliability and validity of the study (Creswell, 2005). Based on the research questions previously stated, the method chosen for the current study was a quantitative design accompanied by survey instruments.

Quantitative research designs include experimental and non-experimental (de Vaus, 2011; Leedy & Ormrod, 2010). The goal of experimental and quasi-experimental research studies is to examine the outcomes of an intervention. In experimental research studies, the researcher manipulates the variables by establishing the conditions for behaviors being studied to measure the other variable. However, researchers do not control for all the confounding variables in quasi-experimental research studies; therefore, the researchers must take into consideration whatever variables and explanations are not controlled when interpreting the data (Leedy & Ormrod, 2010).

The goal of non-experimental research is to describe the direction and size of the relationship between variables or to provide an accurate description of a situation. The key characteristic is the collection of data without any intervention. Correlational method is non-experimental, non-manipulative, and describes the relationship between two or more variables without directly attributing effect of one variable on another (Salkind, 2008; Whittemore & Melkus, 2008). The researcher observes naturally occurring

behavior (Cozby, 2009; Neuman, 2011). Explaining a particular phenomenon by an examination of the relationships between variables is the aim of descriptive research (Cozby, 2009; Leedy & Ormrod, 2011; Salkind, 2008). Descriptive correlational research was in alignment with the goals of this study: to examine the relationship between leadership styles and organizational success with the resulting data analysis contributing to the existing knowledge in the area of leadership and success in woman-owned and -led small businesses.

Surveys use self-report measurement techniques to collect data quickly and inexpensively to address research questions and to study relationships between variables and changes in behaviors. The survey method is a way for researchers to study relationships among variables to learn more about populations by using a sample from a population (Cozby, 2009; Neuman, 2011). Observation (direct or participant) and unstructured interviews are alternative data collection methods (Cozby, 2009; Neuman, 2011). These methods can be prohibitive with the financial costs and time required to conduct interviews or observations and code and analyze data. Researcher biases can occur during observation and coding, which can influence the outcome of results (Christensen et al., 2011). The *MLQ 5x-Short*, a computerized self-administered questionnaire (MLQ for Researchers, 2013), was used to collect data to measure the predictor (independent) variables and criterion (dependent) variable. With this method, data were collected without intervention or influence of researcher (Christensen et al., 2011; Salkind, 2008; Whittemore & Melkus, 2008).

For analysis of results from survey research to be considered an accurate representation of the studied population, scientific sampling techniques must be used to

identify the study sample (Cozby, 2009). The non-random sampling technique known as purposive or judgmental sampling approach was selected for this study, which was appropriate when sampling for specific or special situations. The researcher used methods to locate subjects who could best provide the required information (Neuman, 2011; Sekaran & Bougie, 2010).

The MLQ survey was used to collect data on leadership styles in many studies cited in the study including research by Cassard and Hamel (2008), Chung-Wen (2008), Tafvelin et al. (2011), Wadensten (2012), Walumbwa and Hartnell (2011), Weatherly (2012), and Yitshaki (2012). Avolio et al. (1999) and Avolio and Bass (2004) reexamined the components of transformational and transactional leadership styles using the *MLQ Form 5x* to determine the best fitting models. The comprehensive study included United States and foreign organizations covering a range of firms with 45 members to 549 members. In all, 3786 respondents described their respective leader by completing the *MLQ Form 5x*. The descriptive statistics and reliabilities for the *MLQ Form 5x* for all items and for each leadership factor scales were generally high ranging from 0.74 to 0.94 (Avolio & Bass, 2004). The MLQ survey is the most validated measure of transformational and transactional leadership (MLQ for Researchers, 2013). The use of a well-established and validated survey instrument can eliminate problems associated with survey instruments, such as questionnaire length (the number of items and completion time), reliability, and readability level (Christensen et al., 2010). The MLQ questionnaire takes approximately 15 minutes to complete and is written at United States ninth-grade reading level (Avolio & Bass, 2004).

Population

The U.S. Small Business Administration (2010a) defines a small business as having 500 or fewer employees. However, most small businesses are considerably smaller with fewer than 20 employees and nearly 80% with no employees (U.S. SBA Profile, 2013). The target population of this research study met the criteria established by the U.S. Small Business Administration small business profile.

The group of individuals of interest to the researcher comprises the target population (Cozby, 2009), which set the parameters of the current study. The study target population consisted of owner/leaders and employees from woman-owned and -led small businesses with fewer than 20 employees a) licensed by the City of North Myrtle Beach Business License Department during the period of 2013-2014 and b) current members of the North Myrtle Beach Chamber of Commerce. The service-sector organizations were limited to professional, business, and personal services businesses in North Myrtle Beach, South Carolina. Permission to access business lists from the North Myrtle Beach Chamber of Commerce and the City of North Myrtle Beach is presented in Appendix A and Appendix B, respectively.

Informed Consent

The recommended protocols for conducting research with human participants were integrated in the quantitative research design. The researcher provided study participants with all information that may have influenced their decision to participate prior to making that decision. Participants were informed about the purpose, the nature, and the reason for the study. Employees were be informed of the voluntary nature of participation and that participation was not a requirement of employment or any other

factor. Participants were assured of the confidentiality of their responses to the MLQ survey questions and of their right to refuse or terminate participation at any time. Participants received a written explanation of the current study via email so they understood better what was expected from him or her when completing the MLQ survey instruments.

After review of the informed consent on the Mind Garden Transform website (see Appendix I), participants either agreed to participate by clicking on the ***"Agree"*** button or declined by clicking on the ***"Disagree"*** button. Participants were informed selection of the ***"Agree"*** button represented the signature of the participant with the same legally binding powers, and he or she was stating they were 18 years old or order and had read and understood the informed consent form and agreed to participate in the research study. They were instructed to print a copy of the informed consent page for their records. Participant selection of the "***Agree***" button permitted access to the survey instruments. Participants who declined did not receive access to the survey instruments. The identity of the participants or respondents or their affiliated organizations was suppressed by Mind Garden to ensure confidentiality and privacy.

Sampling Frame

Based on the defined population of a study, the sampling frame is the set or list of people representing the sample within a population. The alignment of the sampling frame and the defined population is crucial to sample accuracy and validity (Cozby, 2011; Neuman, 2011). Quantitative sampling approaches are categorized as probability sampling and non-probability sampling. Random selection is used in the probability sampling method so "the researcher can assume that the characteristics of the sample

approximate the characteristics of the total population" (Leedy & Ormrod, 2010, p. 205). When representativeness of the sample is critical to the study, probability sampling is appropriate because each element of the population has an equal chance of selection as a sample subject (Sekaran & Bougie, 2010).

Non-probability sampling is appropriate for when sampling for specific or special situations. The researcher uses methods to locate subjects who can best provide the required information (Neuman, 2011; Sekaran & Bougie, 2010). Guided by the study purpose and focus, the non-random sampling technique known as purposive or judgmental sampling approach was selected for this study.

Following IRB approval, the researcher sorted North Myrtle Beach business license data and North Myrtle Beach Chamber of Commerce data to exclude businesses outside the target population: a) male-owned businesses; b) businesses with 20 or more employees; c) businesses without employees; d) businesses outside the professional, business, and personal service sectors; and e) businesses outside North Myrtle Beach. The remaining businesses received a preliminary recruitment postal letter, with the researcher's contact information, requesting their assistance and participation in the study (see Appendix J). A phone call followed to answer questions, to confirm the organization met the parameters set for the population, and, if so, see if the leader/owner was interested in participating in the study. The researcher offered to come to the business at a pre-arranged time with a delicious, healthy snack and non-alcoholic beverage to explain the study and the survey process to all potential voluntary participants and leaders. The e-mail addresses of the owner/leaders who volunteered to participate, and potential employee/raters invitees provided by the owner/leaders, were collected during this

process. The number of participant employee raters was subject to the number of participant business leader/owners. The search identified 52 woman-owned and –led businesses that fit within the specified parameters. Twenty-two of the eligible business owners were willing to participate, resulting in 65 people who meet the eligibility requirement for participants – 22 owner/leaders and 43 raters.

The sample size of the study was determined using statistical methods. The number of participants required to detect a significant relationship or difference, if they exist (Cozby, 2009), was determined by power analysis using the Raosoft® (2014) online sample size calculator tool. Raosoft® is a producer of survey software programs for information gathering and analysis. The free sample size calculator computes the critical value for the normal distribution (Raosoft, 2014). Criteria for calculating the require sample included a) the population size of eligible participants of 65, b) a 5% margin of error, c) a confidence level of 95%, and d) a response distribution of 50% (Raosoft, 2014). The calculation was based on normal distribution and the assumption of more than about 30 samples. The sample size n and margin of error E are given by the following:

$$x = Z(^{c}/_{100})^{2} r(100-r)$$

$$n = {}^{Nx}/_{((N-1)E^{2}+x)}$$

$$E = \mathrm{Sqrt}[{}^{(N-n)x}/_{n(N-1)}]$$

n = the population size,
r = the fraction of responses of interest
$Z(c/100)$ is the critical value for the confidence level c (Raosoft, 2014).

The desired sample size of participants required for the study was n=56. Sixty participants completed the survey – 20 owner/leaders and 40 raters. Two owner/leaders

withdrew from the study with two employees and one employee from a participating business declined to participate. Based on Raosoft® power analysis and previous studies (Cifuentes, 2013; Frazier, 2013; Hamel, 2007; Just, 2011; Kolapo Sakiru et al., 2013; Salman et al., 2011; Valdiserri & Wilson, 2010; Wadensten, 2012), the sample size was adequate to generalize to the population of women-owned and –led businesses with fewer than 20 employees in the United States once statistical analyses were conducted. With the population size of this research study, if all eligible participants responded, the generalizability of the study results was supported in comparison to responses from a small percentage from a large sample (Raosoft, 2014). The research study had a response rate of 98% (60 of 61 eligible participants).

Confidentiality

Participants were assured of the confidentiality of their responses to the MLQ survey questions by completing the electronic consent letter and form in the Mind Garden website prior to completing the survey instruments. No names of the participants or respondents or their affiliated organizations were among the collected survey data to ensure confidentiality and privacy. Additionally, a Confidentiality Statement Form was signed both by the researcher and the committee chair (see Appendix K). The researcher kept any information used to identify a participant or affiliated organization in a locked file, which was accessible only by the researcher. Electronic data was stored by the researcher on a separate flash drive for use on a personal computer with password protection (de Vaus, 2011).

Information received on the Mind Garden Transform system website was confidential and was not shared or revealed to anyone other than the researcher. The

researcher had no contact with the participants during data collection because the respondents responded directly to an electronic data collector. As the participants were not disabled, less privileged, or related to the researcher, participant vulnerability to unethical research practices was minimal. The raw data will remain on file for three years. At that time, all electronic/computer data will be destroyed and deleted, and all hard copy data will be shredded.

Geographic Location

According to the Corporation for Enterprise Development (CFED) Annual Assets and Opportunity Scorecard, South Carolina ranks 37th in the nation for the percentage of the labor force owning small businesses based on data from the United States Census Bureau and the Bureau of Labor Statistics (CFED, 2013). However, the county business patterns of Horry County, South Carolina, in which North Myrtle Beach is located, are favorable to accessing the study population and sample. Twenty-three percent of Horry County businesses are woman-owned (U.S. Census Bureau, 2007) and 33% Horry County businesses are professional, business, and personal services businesses (County Business Patterns, 2012).

Instrumentation

Three surveys from Bass and Avolio's *MLQ 5-x Short* were used for data collection and scoring. The *MLQ Scoring Key (5x) Short* was used to score the *MLQ-5x* by computing the average of total response values related to a variable. There were four items per leadership style factor or scale plus nine outcome items – three for extra effort, four for effectiveness, and two for satisfaction (Avolio & Bass, 2004). The *MLQ-5x* scoring methodology and the relationship of items and variables are presented in Table 5.

Scores were computed for statistical analysis for each leadership scale measured for each operationalized criterion variable.

Employee rating and attitude surveys provide a subjective measurement of leader effectiveness and employee satisfaction with leadership (Bass, 2008). The MLQ was used by Frazier (2013) to measure transformational and transactional leadership styles in an examination of the relationship between leadership styles and organizational culture and employee job satisfaction and performance. Results of the survey demonstrated a significantly positive correlation between transformational and transactional leadership behaviors and employee job satisfaction with effectiveness in organizational culture. The average correlational coefficient (r) among the dimensions was .96. Frazier's survey also revealed a significantly positive correlation between transformational and transactional leadership dimensions/factors and organizational culture, and employee job satisfaction with organizational performance with r = .96. Internal consistency of the leadership measurement was supported by analysis of the study results of a 99% confidence level.

Valdiserri and Wilson's (2010) research study of the relationship between leadership styles (i.e., transformational, transactional, laissez-fair) and organizational profitability and success in small businesses in the construction industry sector used the MLQ survey. A strong and significant correlational coefficient (r) of .669 was revealed between transformational leadership style and employee effectiveness. The correlational coefficient was .587 for the relationship between transactional leadership style and employee effectiveness, demonstrating a moderately strong positive relationship. The relationship between transformation and transactional leadership styles and organizational profitability were supported by correlational coefficients of .669 and .587,

respectively. The survey results revealed weak relationships between laissez-faire leadership style and a) organizational success with a correlational coefficient of .181 and b) organizational profitability with a correlational coefficient of .167.

The validity and reliability of the MLQ survey supported in the research studies cited above supports the reliability of the study. The MLQ survey uses a 5-point Likert-type scale for measuring perceptions of leadership styles and outcomes of leadership. The rating scale to evaluation the MLQ factors will be arranged as follow: "*0 = not at all, 1 = once in a while, 2 = sometimes, 3 = fairly often,* and *4 = frequently, if not always"* (Avolio & Bass, 2004, p.14). Table 6 contains the MLQ leadership style and outcomes of leadership scales, subscales, and attributes.

Table 5

MLQ-5x Scoring Methodology

Variable	Scale Name	MLQ-5X Items	Scoring Method
Transformational	Idealized Attributes or Idealized Influence (Attributes)	10, 18, 21, 25	Average of total response values
Transformational	Idealized Behaviors or Idealized Influence (Behaviors)	6, 14, 23, 34	Average of total response values
Transformational	Inspirational Motivation	9, 13, 26, 36	Average of total response values
Transformational	Intellectual Stimulation	2, 8, 30, 32	Average of total response values
Transformational	Individual Consideration	15, 19, 29, 31	Average of total response values
Transactional	Contingent Reward	1, 11, 16, 35	Average of total response values
Transactional	Management by Exception (Active)	4, 22, 24, 27	Average of total response values
Passive Avoidant	Management by Exception (Passive)	3, 12, 17, 20	Average of total response values
Passive Avoidant	Laissez-Faire	5, 7, 28, 33	Average of total response
Outcome Characteristic	Scale Name	Items	Items
Outcomes of Leadership	Extra Effort	39, 42, 44	Average of total response values
Outcomes of Leadership	Effectiveness	37, 40, 43, 45	Average of total response values
Outcomes of Leadership	Satisfaction	38, 41	Average of total response values

Note. Adapted with permission from *Multi Leadership Questionnaire Manual and Samples Set* by Bruce J. Avolio and Bernard M. Bass, 2004, Mind Garden, Inc.

Table 6

Leadership and Outcomes of Leadership Scales in the Multifactor Leadership Questionnaire

Leadership Styles	Attributes
Transformational Idealized attributes	Demonstrates a sense of power, confidence, and qualities that followers want to emulate and identify with.
Idealized behaviors	Communicates the organizational values, beliefs, mission, and purpose and the ethical and moral consequences of decision-making.
Inspirational motivation	Enthusiastically articulates a vision for the future and expresses confidence in achieving goals.
Intellectual stimulation	Seeks new perspective for problem solving and stimulates innovation and creativity of followers by questioning assumptions.
Individualized consideration	Focuses on mentoring or coaching individuals to optimize potential and meet each individual's need for growth and achievement.
Transactional Contingent reward	Clarifies expectations and provides rewards for satisfactory performance by followers.
Management-by-exception active	Focuses on monitoring follower's mistakes and failure to meet standards and taking corrective action after the fact.
Laissez-faire Passive/Avoidant	Avoids decision-making or involvement and is frequently absent.
Management-by-exception passive	Takes action after followers make mistakes or after problems occur.
Outcomes of Leadership Styles	**Attributes**
Extra effort	Motives others to exceed expectations, increase willingness to work, and desire success.
Satisfaction with leadership	Uses leadership methods that satisfy employees and works well with others.
Effectiveness of leadership	Effective in leading and representing groups, meeting organizational requirements, and needs of others.

Note. Adapted with permission from *Multi Leadership Questionnaire Manual and Samples Set* by Bruce J. Avolio and Bernard M. Bass, 2004, Mind Garden, Inc.

Data Collection

The MLQ survey instruments were administered electronically using the Mind Garden Transform Online Survey system (Bass & Avolio, 2004). The administration of demographic questionnaires designed for the participant/leaders and participant/raters (employees) by the researcher (see Appendix C and D) augmented the demographic data collected by the instruments. All participants completed the instruments and questionnaire online at the Mind Garden Transform website. Participants were required to give consent prior to gaining access to the survey.

To facilitate administration of the MLQ, the researcher purchased a *License to Reproduce/Administer* from Mind Garden (see Appendix L). A custom 360 multi-rater campaign was created using Mind Garden's Transform system with several people rating each individual leader. The Transform system is effective for researchers as it is designed to handle effectively the complexities of a multi-rater campaign and provides a convenient method for receiving and integrating ratings (MLQ for Researchers, 2013). As the administrator, the researcher logged in to the Transform system to enter the name and e-mail address of each participant/leader and those individuals who were invited to rate the leaders. An e-mail sent via shperreault@email.phoenix.edu to the participant/leaders (see Appendix M) provided a link to a participant page for each individual to be rated to complete their self-rating and demographic survey online.

E-mail sent via shperreault@email.phoenix.edu to participant/rater invitees (see Appendix N) provided inform on the research study and participation instructions, requested voluntary participation, and told them to expect communication from invite@mindgarden.com to access the rating survey linked to his or her leader and a

demographic survey online. Rating email notices were sent from invite@mindgarden.com (see Appendix O) (Transform by Mind Garden, 2011). The researcher/administrator went to the Transform website to check on the status of the participants and to send e-mail reminders, when necessary.

Data Analysis

Statistical analyses for data was conducted using the Statistical Package for the Social Sciences® Version 21(SPSS) and Excel® computer programs for Windows®. Statistical analyses was performed after data collection to determine the relationship between leadership styles and organizational success. The researcher accessed a .cvs file including raw scores by question and by scale and the demographic survey data for leaders and employee raters.

Prior to data analysis, Pearson (r) correctional test and multi regression analysis were determined as appropriate analytical tools for the data collected for the study. Distribution of data were assessed initially using with descriptive statistical tests of kurtosis and skewness to measure the deviation from normality. Based on the results, normality was assessed with the Kolmogorov-Smirnov (KS) test and found to be significant, reflecting a non-normal distribution for 100% of the data. Pearson (r) correlation coefficient, a parametric test, is the most frequently used measure of relationships between the variables being correlated for data that has been assessed to be normally distributed (George & Mallery, 2014). For this study, Spearman (r_S) rank correlation, an equivalent non-parametric test to the Pearson (r) test, was selected based on the non-normal distribution of data. Coefficients reflect the strength and degree of positive or negative relationship between the independent (predictor) and dependent

(criterion) variables expressed on an index between +1.00 and -1.00 (Neuman, 2011; Salkind, 2008).

The linear relationship between the multiple predictor variables and the multiple criterion variables were analyzed using multivariate multiple regression analysis to determine the combined relationships (Dattalo, 2013). A number of different variables may be related to a given behavior; therefore, the process of multiple regression analysis can increase the prediction accuracy for a given criterion variable by combining a number of predictor variables (Cozby, 2009). The result of multivariate multiple regression analysis is a regression equation. Direct evaluation of the comparative strengths of relationship between the variables was measured using standardized coefficients called Beta (β). As with Spearman (r_S) coefficients, Beta (β) values vary between ±1.0 (George & Mallery, 2014). R-square (R^2) is the amount of variance explained in the criterion variable by the predictor variables. The correlation coefficient *R,* the root *of* R^2, can take on values between 0 and 1. The level of significance was a < .05 for the study, which formed the basis for rejection of the null hypotheses (Dattalo, 2013). Additionally, the multi-regression model assumes the normal distribution of data but normal distribution is not critical to obtaining accurate results (George & Mallery, 2014; Simon, 2006). Factor analysis was used to identify the factors that explain most of the variance that was observed before multivariate multiple regression analysis was performed. Factor analysis is used in studies as a method to screen variables prior to performing linear regression analysis, enabling comparison of the results of relationships of multiple variables (IBM, 2014).

Study results included reports and interpretation of the strength and direction of the correlations plus descriptive analysis statistics. The demographic characteristics collected from the leader/participants included age, education level, previous leadership and business ownership experience, and whether the owner started the present business (see Appendix C). The demographic characteristics collected from the rater/participants included age, education level, and length of present employment (see Appendix D). The demographic data of the characteristics of the study population were described using descriptive analysis statistics (e.g., frequency and percent distribution).

Validity and Reliability

Validity is the extent to which a researcher has measured adequately or truly the stated variables. The researcher's selection of study design, data collection, and sampling are among the many factors that enhance or threaten validity (Cozby, 2009). The construct validity of a research study is dependent on how well the instrument measures the stated phenomenon or variables (Cozby, 2009; Whittemore & Melkus, 2008). Internal validity is determined by the extent the detected affects reflect reality and are not a result of extraneous factors. The generalization of the study findings beyond the study sample is a determinant of external validity (Whittemore & Melkus, 2008).

The validity of the current study was dependent on the ability of the research method to address the research question. Therefore, validity was influenced by the inability to measure or infer cause and effect inherent in the descriptive correlational research method. A number of third variables can influence the observed relationships between variables (Cozby, 2009) as it is not possible to observe one phenomenon producing the change in another (deVaus, 2011). The threats of construct validity and

internal validity were addressed in the study by the use of a well-established and validated survey instrument.

The *MLQ (5x-Short)*, the latest version, is considered to be the best validated instrument to gauge transformational, transactional, and laissez-faire leadership styles and behaviors and the most popular instrument for measuring transformational leadership style (Bass, 2008; MLQ for Researchers, 2013; Yang, 2008). Validity is documented for *MLQ Rater Form* for the relationship between rater evaluation of leaders and organizational success (Avolio & Bass, 2004). As presented in the literature review, the MLQ was used in a number of research studies across a broad range of businesses (Ayman et al., 2009; Cassard & Hamel, 2008; Chung-Wen, 2008; Frazier, 2013; Hamel, 2007; Just, 2011; Ling et al., 2008; Ryan & Tipu, 2013; Tafvelin et al., 2011; Valdiserri & Wilson, 2010; Velkova, 2011; Wadensten, 2012; Weatherly, 2012; Yitshaki, 2012).

Problems of generalization can be overcome by using statistical methods to determine the sample size required to detect a significant relationship or difference, if they exist (Cozby, 2009). The current research study had a response rate of 98% (60 of 61 eligible participants) with essentially all eligible participants responding. Thus increasing the generalizability of the study results, especially when compared to studies with a small percentage of respondents from a large sample (Raosoft, 2014). MLQ results can be influenced when leaders select and contact raters rather than an independent authority, resulting in inflated scores by as much as one unit as compared to the norms (Avolio & Bass, 2004). This was addressed by explaining to the owner/leader the importance of inviting all employees. The researcher sent e-mail invitations via shperreault@email.phoenix.edu to all potential employee raters for voluntary

participation (Transform by Mind Garden, 2011). In a multi-rater campaign, the ideal number of raters per leader is eight to 10 and a minimum of three raters per leader is suggested (Avolio & Bass, 2004). As the study included businesses with fewer than 20 employees, businesses with fewer than three employees were included in the study.

Whereas truthfulness is suggested by validity, consistency or dependability is suggested by reliability (Neuman, 2011). Reliability is "the degree of consistency or dependability with which an instrument measures what it is designed to measure" (Whittemore & Melkus, 2008, p. 210). Reliability analysis for the current study, to examine how well the different items in the MLQ measure the same behavior or outcome factor scale, was checked using the Cronbach's alpha reliability coefficient. Reliabilities over 0.8 are considered good, while those in the 0.7 range are considered acceptable and less than 0.6 are generally considered poor (Sekaran & Bougie, 2010).

The MLQ has been used over 25 years in a wide range of industries including the military, governmental and non-governmental agencies, and Fortune 500 firms and small businesses in a variety of sectors. In addition, the MLQ has been administered in various forms in more than 30 countries and in many languages (Avolio & Bass, 2004). The effectiveness of the MLQ over time supports the reliability of the survey instrument. The *Multifactor Leadership Questionnaire Manual* contains reports of the reliabilities of and validity of the *MLQ 5-x* survey. The comprehensive study by Avolio et al. (1999) and Avolio and Bass (2004) to reexamine components of leadership (i.e., transformational and transactional) using the *MLQ 5x* included United States and foreign organizations. The reliabilities for all items and for all leadership factor scales ranged from 0.74 to 0.94 (Avolio & Bass, 2004).

Summary

The purpose of the descriptive correlational quantitative research study was to examine the relationship between leadership styles and organizational success within woman-owned and –led service-sector small businesses in North Myrtle Beach, South Carolina. The goal of the study was the resulting data analysis contributing to the existing knowledge in the area of leadership styles and organizational success in woman-owned and -led small businesses. The quantitative methodology identified the relationship between the predictor variables of leadership styles and the criterion variable of organizational success. The chapter contained an assessment of the research method and design appropriateness followed with a discussion on the MLQ survey instrument, which was used to collect data to measure leadership styles and leadership behavior data. In addition, the reliability and validity of the MLQ instrument and the research design were examined.

The participants of the study were women business owner/leaders and their employees in professional, business, and personal services small businesses with fewer than 20 employees in North Myrtle Beach, South Carolina. Participation in the study was voluntary. The chapter continued with a discussion on participant protections, informed consent, and confidentiality plus population and sampling, data collection procedures and rationale, and validity and reliability.

Correlational analysis was applied to measure the correlation coefficient of the criterion variables to determine the strength and direction of the relationship. Data was correlated using the Spearman (r_S) rank correlation test to measure each predictor variable against the operationalized criterion variables. The linear relationship between

the multiple predictor variables and the multiple operationalized criterion variables was analyzed using factor analysis and multivariate multiple regression analysis. Study results included reports and interpretation of the strength and direction of the correlations plus descriptive analysis statistics. The research design guided the analysis contained in Chapter 4, and the summary, conclusions, and recommendations presented in Chapter 5.

Chapter 4

Results

The purpose of this quantitative descriptive correlational research study was to examine the relationship between leadership styles (predictor variables) in woman-owned and –led small businesses and organizational success (criterion variable) in service-sector industries in North Myrtle Beach, South Carolina. Participants completed the Multifactor Leadership Questionnaire (MLQ) survey, as well as a demographic survey. Data analysis presented in this chapter was conducted to examine the relationship of perceived leadership styles as defined by full-range leadership theory (FRLT), known as transformational, transactional, and laissez-faire, and organizational success.

The target population within the study sample was owner/leaders, subordinates, and partners within women-owned and –led small businesses in North Myrtle Beach, South Carolina. The size of target popultion was 65 and the sample used was 60 after two business owners withdrew from the study (a total of four participants) and one employee rater declined to participate resulting in a response rate of 98% (60 of 61 participants). Incorporated in this chapter are in-depth discussions of quantitative results of the study including descriptive data collected in the study, data analysis, data results, and the chapter summary.

Data Collection Process

Data for this study came from the surveyed participant owner/leaders, subordinates, and partners within women-owned and –led small business in North Myrtle Beach, South Carolina whose owner/leaders volunteered to participate. Owner/leaders authorized the voluntary participation of subordinates and partners by providing

employee first and last names and email addresses. If there were businesses partners, owner/leaders provided first and last names and email addresses and designated them as partners. The owner/leaders were asked to supply a complete list of employees for voluntary participation; however, researcher access was limited to the information provided by the owner/leader.

Following IRB approval, the data collection process began with the release of email messages to the owner/leader participants who volunteered to take part in the dissertation research study (see Appendix M). The personalized email messages contained a direct link to access the Multifactor Leadership Questionnaire and demographic survey on the Mind Garden Transform system website, after completing the electronic informed consent form (see Appendix I). The data collection process continued with the release of email messages to subordinates and partners (i.e., participant raters) informing him or her of the dissertation research study and the owner/leader's voluntary participation, plus a request for his or her voluntary participation in rating the owner/leader (see Appendix N). A second email to participant raters followed with a direct link to access the Multifactor Leadership Questionnaire and demographic survey on the Mind Garden Transform system website (see Appendix O), after completing the electronic informed consent form (see Appendix I). The raw data from participants, as well survey responses, by question and by scale, were compiled and calculated by Mind Garden. The identity of the participants was suppressed by Mind Garden to ensure confidentiality and privacy. The .cvs data file was downloaded from the Transform site by the researcher for transfer in Statistical Package for the Social Sciences® Version 21(SPSS) for analysis.

The data were saved as an Excel® spreadsheet with each column representing the participants' responses. Because the identity of the participants was suppressed in the data file, alpha-numeric identification numbers were assigned to match scores with participant owner/leaders and associated partcipant raters. Electronic data resided on a separate flash drive with storage on a personal computer with password protection and only the researcher had access (de Vaus, 2011).

Findings

Access to the survey was distributed by email to 22 woman-owned and –led small service-sector businesses located in North Myrtle Beach, South Carolina. Two businesses owners who volunteered to participate withdrew from the study after one of the leaders had completed the survey and no employees had responded. Both participant businesses were removed from the study by deleting leader and rater information and data collected from the Transform site. Additionally, one employee from a participating business did not respond to the survey. Organizational success was the criterion variable and of primary consideration for the quantitative analysis.

The employee classifications for the study sample were owner/leaders, partners, managers, and other employees. The study sample participants who completed the MLQ and demographic surveys were composed of 20 owner/leader participants and 40 participants combined from the remaining categories. Three MLQ survey instruments were used to collect and analyze data using a 5-point Likert–type scale for data measurement- the *MLQ Leader Form*, the *MLQ Rater Form*, and the *MLQ Scoring Key Form 5x* to capture and measure full-range leadership theory styles. Measured with the *MLQ 5x-Short*, owner/leader self-perceptions and employee rater perceptions of their

leaders in three areas were a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership.

Presentation and analysis of data. The current study results are presented by demographic data of the participants, statistical analysis of data related to the research questions and hypotheses, and a chapter summary.

Descriptive statistics for demographics. Participants were asked to complete a demographic survey in addition to completing the MLQ survey. The information was entered into a spreadsheet with each column representing the survey responses of the participants and identification numbers used to match the responses with the participants. Both participant/leaders and participant/raters reported their gender, age, education, and ethnicity. In addition, participant/raters were asked to report their length of time on the job and managerial role within the company. Participant/leaders were asked to report their length of previous work experience; previous experience as business manager, business leader, and other leadership roles; and current business formation, ownership structure, and number of employees (full-time and part-time). Table 7 contains the gender distribution of owner/leaders, partners, self-identified managers, and other employees. The distribution of the population between female and male participants was unbalanced. However, the distribution presented an accurate representation of woman-owned professional, business, and personal service-sector business organizations. Table 8 contains the distribution of owner/leaders, partners, managers, and other employees by organization positions.

Of the 60 study participants, one (1.67%) was between the ages of 18 and 24, 15 (25%) were 25-34 years of age, eight (13.33%) were 35-44, 15 (25%) were 45-54, 17

(28.33%) were 55-64, and four (6.67%) were 65-75 years old. Participants included 51 (85%) White, five (8.3%) Hispanic, one (1.67%) Black, and one (1.67%) Asian. Two (3.33%) participants preferred not to answer. Amongst the 60 study participants, seven (11.67%) reported high school or GED as their highest educational level and 10 (16.67%) reported vocational or trade school. Eight (13.33%) participants attended college while 16 (26.67%) reported associate's degrees, 10 (16.67%) reported bachelor's degrees, three (5%) reported master's degrees, and six (10%) reported doctoral or professional degrees. Of the 40 rater participants, three (6.67%) reported the length of employment with their organization as 0-1 years, 12 (30%) reported 2-3 years, 14 (35%) reported 4-5 years, seven (11.67%) reported 6-10 years, and four (10%) more than 10 years. Tables for these four demographic categories are presented in Appendix P.

Table 7

Gender Distribution of Respondents (N =60)

Company Position	Female		Male		No Response	
	n	%	n	%	n	%
Owner/Leader	20	33.33%	0	0	0	0
Partner	0	0	2	3.33%	0	0
Manager	3	5.00%	1	1.67%	0	0
Other Employees	26	43.33%	7	11.67%	1	1.67%
Total	49	81.66%	10	16.67%	1	1.67%

Table 8

Company Position of Respondents (N=60)

Company	Owner /Leader	Partner	Manager	Employee	No Response
P1	1	0	1	2	0
P2	1	0	0	1	0
P3	1	0	0	1	0
P4	1	0	0	4	0
P5	1	0	0	2	0
P6	1	0	0	1	0
P7	1	0	0	2	0
P8	1	1	1	2	0
P9	1	0	0	1	0
P10	1	0	0	2	0
P11	1	0	1	2	0
P12	1	0	0	2	0
P13	1	1	1	1	0
P14	1	0	0	1	0
P15	1	0	1	1	0
P16	1	0	0	2	0
P17	1	0	0	1	0
P18	1	0	1	1	0
P19	1	0	0	1	0
P20	1	0	0	2	0

Self-reported demographic data of the owner/leader participants, presented in Table 9, provided information regarding previous leadership, managerial, business ownership, and work experience. In addition, data is presented on present business conditions including formation, ownership structure, and employment levels. Of the 20 owner/leader participants, one (5%) reported the length of previous work experience as 0-1 years, five (25%) reported 6-10 years, four (20%) reported 11-20 years, and eight (40%) more than 20 years. Two (10%) preferred not to answer and none reported 2-5years. The majority

of owner/leaders reported prior managerial and/or leadership experience, with 14 (70%) reporting managerial experience, 13 (65%) holding previous leadership positions in business, and 10 (50%) holding previous leadership positions in social, civic, or other organizations. Additionally, nine (45%) of the owner/leaders had started other businesses. As might be expected, the nine leaders with previous entrepreneurial experience also reported previous managerial experience and leadership positions in business.

Of the present businesses, 15 (75%) were started /founded by the owner/leader while four (20%) were purchased as existing businesses, and one (5%) was inherited. Fifteen (75%) of owner/leaders were sole business owners, two (10%) had a team/partner ownership structure, two (10%) family ownership, and one (5%) preferred not to answer. Regarding employees, 12 (60%) owners reported employing 1-5 part-time employees, seven (35%) with no part-time employees, and one (5%) preferred not to answer. Regarding full-time employees, 14 (70%) owners reported 1-5 employees, two (10%) with more than five, three (15%) with no full-time-employees, and one (5%) preferred not to answer.

The self-reported information in several response categories was not representative of women business owners in the United States. According to 2008 United States Census data, three-quarters of women founded their own small business (which is consistent with the study data), of which the majority had never owned a business previously and half owning their business for fewer than 10 years. Thirty-five percent of women small business owners are under age 45 and more than half have less than a bachelor's degree (United Stated Small Business Administration, 2010b).

Table 9

Leadership/Ownership Distribution of Participant/Leader Respondents (N = 20)

	n	%	n	%	n	%	n	%
Previous work experience	0-1 years		2-5 years		6-10 years		11-20 years	
	1	5%	0	0	5	25%	4	20%
	More than 20 years		Prefer not to answer (PNTA)					
	8	40%	2	10%				
Previously held managerial position	Yes		No		PNTA			
	14	70%	6	30%	0	0		
Previously held leadership position in business	Yes		No		PNTA			
	13	65%	7	35%	0	0		
Previously held leadership position in social, civic or other organization	Yes		No		PNTA			
	10	50%	10	50%	0	0		
Started other businesses	Yes		No		PNTA			
	9	45%	11	55%	0	0		
How present business was formed	Started/ founded new business		Purchased existing business		Inherited business		Other/ PNTA	
	15	75%	4	20%	1	5%	0	0
Ownership structure	Solely owned		Team of entrepreneurs/ partners		Family business		PNTA	
	15	75%	2	10%	2	10%	1	5%
Number of employees-Part-time	0		1 to 5		5+		PNTA	
	7	35%	12	60%	0	0	1	5%
Number of employees-Full-time	0		1 to 5		5+		PNTA	
	3	15%	14	70%	2	10%	1	5%

Descriptive statistics for variables. The objective of the research study was to collect and analyze data from the *MLQ Scoring Key Form 5x* to identify statistical relationships between the predictor variables and the criterion variable. The predictor variables, leadership styles as defined by the full-range leadership theory (Bass, 2008), were examined to determine the relationship to organizational success (criterion variable).

The descriptive statistics for the predictor and criterion variables are shown in Table 10, Table 11, and Table 12. The *MLQ 5x surveys* produced both variables. The

MLQ Leader Form evaluated the leader's self-perceived leadership styles and leadership behaviors (see Table 11). The *MLQ Rater Form* evaluated the leadership styles and leadership behaviors of the business leader as perceived by employees at the same or lower level (see Table 12) (MLQ for Researchers, 2013). The combined leader and rater scores are presented in Table 10. Figure 5 contains a histogram illustrating the relationship between leader and rater leadership style and organizational outcome response scores. The smallest score was 0 and the maximum possible score was 4. The self-report instruments contained 45 items measured on a 5-point Likert–type scale with 5 measured response options ranging from *0 = not at all to 4 = frequently, if not always* (Avolio & Bass, 2004). Additionally, participants had the option of not responding by selecting "unsure" if he or she a) deemed the item to be irrelevant, b) were unsure or did not know the answer, or c) preferred not to answer. The scoring method was the average of total response values. The *MLQ-5x* scoring methodology and the relationship of items and variables were presented in Chapter 3 - Table 5.

Scores were computed for each leadership scale measured for each operationalized criterion variable. The mean and standard deviation were calculated by leadership style scale and operationalized criterion variable, which resulted in an accumulated mean and standard deviation. The ideal frequency for all five transformational behaviors should be 3 ("fairly often") or higher. The ideal frequency for the transactional behavior of contingent reward (CR) should be between 2 ("sometimes") and 3 ("fairly often"). The ideal frequency for the transactional behavior of management-by-exception (active) (MBEA) should be between 1 ("once in a while") and 2 ("sometimes"). The ideal frequency for the laissez-faire – passive avoidant behaviors

management-by-exception (passive) (MBEP) and laissez-faire (LF)) should between 0 ("not at all") and 1 ("once in a while"). The strongest leaders achieve rated frequencies of 3.5 or higher for the outcomes of leadership (extra effort (EE), effectiveness (EFF), and satisfaction (SAT) (Bass & Avolio, 2013).

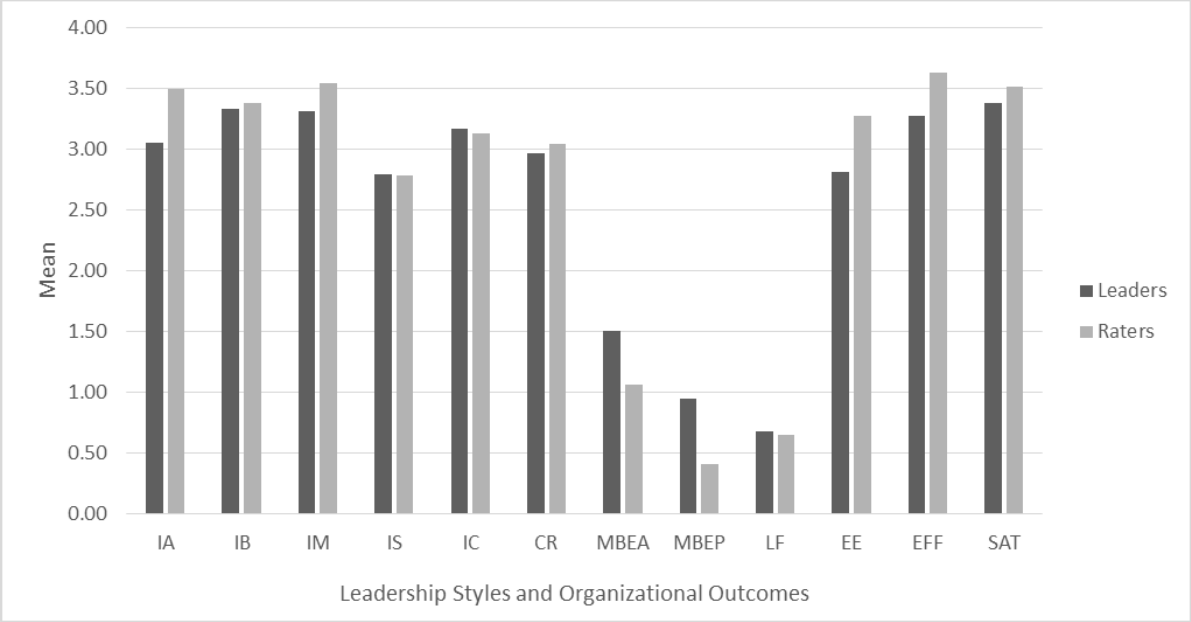

Figure 5. Relationship between leader and rater leadership style and organizational outcome response scores.

Note. IA = Idealized Attributes; IB = Idealized Behaviors; IM = Inspirational Motivation; IS = Intellectual Stimulation; IC = Individual Consideration; CR= Contingent Reward; MBEA = Management by Exception Active; MBEP = Management by Exception Passive; LF = Laissez-Faire; EE = Extra Effort; EFF = Effectiveness; SAT = Satisfaction; Leaders - N = 20; Raters - N = 40.

Table 10

Descriptive Statistics for the Leadership Style and Organizational Outcome Scores for All Participants (N = 60)

Dimension	Factor	M	SD	Min.	Max.
Transformational	Idealized Attributes (IA)	3.38	0.67	1	4
	Idealized Behaviors (IB)	3.36	0.61	1.5	4
	Inspirational Motivation (IM)	3.46	0.61	1.8	4
	Intellectual Stimulation (IS)	2.78	0.67	0.5	4
	Individualized Consideration (IC)	3.14	0.62	0.8	4
Transactional	Contingent Reward (CR)	3.02	0.59	0.8	4
	Management by Exception Active (MBEA)	1.21	0.92	0	3.5
Laissez-faire	Management by Exception Passive (MBEP)	0.59	0.58	0	2
	Laissez-faire (LF)	0.66	0.51	0	2
Organizational Outcomes	Extra Effort (EE)	3.12	0.68	1.3	4
	Effectiveness (EFF)	3.51	0.60	1.3	4
	Satisfaction (SAT)	3.47	0.62	1	4

	Accumulated Mean Score	Accumulated SD Score
Transformational	3.23	0.64
Transactional	2.11	0.75
Laissez-faire	0.62	0.55

Table 11

Descriptive Statistics for the Leadership Style and Organizational Outcome Scores for Leader Participants (N = 20)

Dimension	Factor	M	SD	Min.	Max.
Transformational	Idealized Attributes (IA)	3.05	0.58	1.55	3.8
	Idealized Behaviors (IB)	3.33	0.58	2.3	4
	Inspirational Motivation (IM)	3.31	0.59	2	4
	Intellectual Stimulation (IS)	2.79	0.42	2.3	3.5
	Individualized Consideration (IC)	3.17	0.4	2.5	4
Transactional	Contingent Reward (CR)	2.97	0.55	2.3	4
	Management by Exception Active (MBEA)	1.51	0.77	0.3	3.5
Laissez-faire	Management by Exception Passive (MBEP)	0.95	0.53	0.3	2
	Laissez-faire (LF)	0.68	0.5	0	1.5
Organizational	Extra Effort (EE)	2.81	0.68	1.7	3.7
Outcomes	Effectiveness (EFF)	3.27	0.64	2	4
	Satisfaction (SAT)	3.38	0.56	2	4

	Accumulated Mean Score	Accumulated SD Score
Transformational	3.13	0.64
Transactional	2.24	0.75
Laissez-faire	0.82	0.55

Table 12

Descriptive Statistics for the Leadership Style and Organizational Outcome Scores for Rater Participants (N = 40)

Dimension	Factor	M	SD	Min.	Max.
Transformational	Idealized Attributes (IA)	3.49	0.71	1	4
	Idealized Behaviors (IB)	3.38	0.61	1.5	4
	Inspirational Motivation (IM)	3.54	0.6	1.8	4
	Intellectual Stimulation (IS)	2.78	0.75	0.5	4
	Individualized Consideration (IC)	3.13	0.7	0.8	4
Transactional	Contingent Reward (CR)	3.04	0.59	0.8	4
	Management by Exception Active (MBEA)	1.06	0.94	0	3.3
Laissez-faire	Management by Exception Passive (MBEP)	0.41	0.51	0	2
	Laissez-faire (LF)	0.65	0.50	0	2
Organizational Outcomes	Extra Effort (EE)	3.27	0.64	1.3	4
	Effectiveness (EFF)	3.63	0.55	1.3	4
	Satisfaction (SAT)	3.51	0.66	1	4

	Accumulated Mean Score	Accumulated SD Score
Transformational	3.26	0.67
Transactional	2.05	0.77
Laissez-faire	0.53	0.50

Evaluation of research questions.

Research question 1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort (motivation)? As presented in Table 12, the mean score for results of the extra effort from the *MLQ Rater Form* was 3.27 (SD = .68), well above the 2.0 mid-point score but below the 3.5 score achieved by the strongest leaders. In comparison, the mean score for results of the extra effort from the *MLQ Leader Form* was 2.81 (SD = .64) and 3.12 (SD = .68) for the combined leader and rater scoring. The five factors of transformational leadership scoring from the *MLQ Rater Form* ranged from a high of 3.49 (inspirational motivation –

IM) to a low of 2.78 (intellectual stimulation - IS) and a leader high score of 3.33 (idealized behaviors - IB) to a low of 2.78 (intellectual stimulation - IS). The transactional factor of contingent reward (CR) scoring was also well above the mid-point at 3.04 for raters and 2.97 for leaders. The laissez-faire dimension of leadership style had the lowest individual and mean scores for both participant groups. The scores were below 1, falling within the ideal frequency level.

Research question 2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader? Raters perceived leaders as possessing leadership styles that contribute to organizational effectiveness at a higher level than the leader's self-perceptions. The rater and combined participant mean scores for the organizational outcome of effectiveness were the highest of the three outcome factors with a score of 3.63 (SD = .55) and 3.51 (SD = .60), respectively, above the score of 3.5 achieved by the strongest leaders, while the leader mean score was 3.27 (SD = .64). The two factors for laissez-faire leadership plus the management by exception- active (MBEA) factor of transactional leadership had mean scores of 1.06 for raters and 1.51 for leaders, indicating the female leaders possessed few of these leadership behaviors.

Research question 3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with leadership? Raters perceived leaders as possessing leadership styles that contribute to organizational satisfaction with leadership at a higher level than the leader's self-perceptions. The rater mean score for the organizational outcome of

satisfaction with leadership was second highest of the three outcome factors with a score of 3.51 (SD = .66), while the leader and combined mean scores were the highest for the three factors with scores of 3.38 (SD = .56) and 3.47 (SD = .62), respectively. The two factors for laissez-faire leadership had mean scores below 1.0 for both raters and leaders, indicating the female leaders possessed few of these leadership behaviors.

Distribution of data. Prior to data analysis, normality of distribution was assessed initially using descriptive statistical tests of kurtosis and skewness to measure the deviation from normality. Skewness measures the extent of the deviation from the mean of the distribution values with a balanced distribution represented by a zero (0) value. The greater the number of smaller values is indicted by a positive skewness and the great the number of larger values is indicted by a negative skewness. The "peakedness" or the "flatness" of the distribution is measured by the kurtosis value with a bell-like shape close to normal represented by values near zero (0). A value of ± 1 for both values is considered excellent. Positive values for kurtosis are an indication of a more peaked distribution and a negative value indicates a flatter than normal distribution (George & Mallery, 2014). Based on the results presented in Table 25 in Appendix Q, normality was assessed with the nonparametric Kolmogorov-Smirnov (KS) test, which compared the sample cumulative distribution to the hypothesized normal cumulative distribution (George & Mallery, 2014). The significance values in the range of between .002 and .300 indicated the distribution differed from normal. The results of the normality testing reflected a non-normal distribution for 100% of the data (see Table 26 and 27 in Appendix Q). The histogram in Figure 33 in Appendix Q demonstrated the

data distribution of transformational leadership style. This is a typical example of the findings from the study.

Data analysis. All statistical analyses for the study were tested using a .05 alpha level. To predict the relationship between the predictor and criterion variables, correlation analysis was applied using Spearman (r_S) rank correlation coefficients. Spearman (r_S) provides the direction of the relationship. The r_S value range for a positive relationship is 0.00 to 1.00 and a negative direction r_S value range is 0.00 to -1.00 (Cozby, 2009; Neuman, 2011; Salkind, 2008). The linear relationship between the multiple predictor variables and the multiple criterion variables were analyzed using multivariate multiple regression analysis and factor analysis (Dattalo, 2013; IBM, 2014). Reliability analysis for the current study, to examine how well the different items in the MLQ measure the same behavior or outcome factor scale, was checked using the Cronbach's alpha reliability coefficient.

Study Hypotheses and Variables

Nine hypotheses for this study included null and alternative or research hypotheses addressing the research questions. The predictor variables were leadership styles as defined by the full-range leadership theory, known as transformational, transactional, and laissez-faire/passive avoidant leadership styles (Bass, 2008). Three areas of outcome of leadership behaviors served as the operationalized criterion variables for organizational success. Measured with the *MLQ 5x-Short*, owner/leader self-perceptions and employee rater perceptions of their leaders in three areas are a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership. In this study, the

null hypotheses predict there is no relationship between the variables and the population and the alternative hypotheses predict the relationship exists (Cozby, 2009).

Relationship between leadership styles and organizational success measured by extra effort. The first three hypotheses tested the first research question:

RQ1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort (motivation)?

$H1_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H1_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

Relationship between leadership styles and organizational success measured by effectiveness. The next three hypotheses tested the second research question:

RQ2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?

$H4_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H4_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational

success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

Relationship between leadership styles and organizational success measured by satisfaction with leadership. The last three hypotheses tested the third research question:

RQ3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership?

$H7_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H7_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H8_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H8_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H9_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H9_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

Results

Cronbach's alpha for variables. Cronbach's alpha reliability coefficient was used to examine how well the different items in the MLQ measured the same behavior or outcome factor scale (Sekaran & Bougie, 2010). Cronbach's alpha is measured on the same scale as Spearman (r_S) with reliabilities closer to 1.00 demonstrating a greater internal consistency for the assessed item. The formula used to determine alpha (α) is $\alpha = rk/[1 + (k - 1)r]$ with (k) the number of items in the scale and (r) the average correlation between pairs of items (George & Mallery, 2014).

The general guide for interpretation of alpha values is:

Excellent: $\alpha > .9$
Good: $\alpha > .8$
Acceptable: $\alpha > .7$
Questionable: $\alpha > .6$
Poor: $\alpha > .5$
Unacceptable: $\alpha < .5$ (George & Mallery, 2014).

All of the scale scores had acceptable to good reliability, with a score above the alpha .70, with the exception of idealized attributes (IA), individual consideration (IC),

contingent reward (CR), laissez-faire (LF), and extra effort (EE) (see Table 13). With Cronbach's alpha scores at or slightly below the .70 score for IA (.69), IC (.70), and EE (.70), the reliability for measurements of these variables was not a major limitation for the study. With alpha scores below .50 for CR (.44) and LF (.31), the reliability for the measurements was questionable. However, these variables are from a validated instrument; therefore, they were used in the study.

Table 13

Cronbach's Alpha of Leadership Style and Outcomes Behavior Scores

Variable	N	α	Number of Items
Idealized Attributes (IA)	58	0.69	4
Idealized Behaviors (IB)	58	0.79	4
Inspirational Motivation (IM)	59	0.85	4
Intellectual Stimulation (IS)	48	0.75	4
Individual Consideration (IC)	59	0.70	4
Contingent Reward (CR)	59	0.44	4
Management by Exception Active (MBEA)	53	0.77	4
Management by Exception Passive (MBEP)	58	0.73	4
Laissez-faire (LF)	60	0.31	4
Extra Effort (EE)	59	0.70	3
Effectiveness (EFF)	48	0.80	4
Satisfaction with Leadership (SAT)	59	0.75	2

Note. N = Number of completed surveys within each section (no questions left blank);
α = Statistical alpha coefficient; Number of Items = Number of questions per variable.

Spearman (r_S) rank correlation analyses. Spearman (r_S) correlation statistic was used to measure and evaluate the relationships between the nine operationalized predictor variables and three criterion variables. The predictor variables were separated into nine operationalized leadership factors or behaviors; therefore, analysis of data revealed more specific results contributing to a better understanding of the relationship with the operationalized criterion variables. The correlation between the full-range

leadership theory subscales and the organizational outcomes of extra effort, effectiveness, and satisfaction with leadership were measured using the *MLQ Scoring Key Form 5X* survey.

Statistically significant correlations signified the presence of a correlation between the leadership behavior and the outcome of leadership behavior. The higher the correlational coefficient, the stronger the relationship between the variables. Both positive and negative statistical significance between the predictor and criterion variables was shown by Spearman correlation analysis. Bivariate correlation results between the predictor and criterion variables are presented in Tables 28 and 29 in Appendix R.

The null hypotheses represented the assumption of truth unless strong evidence showed it was false. The level of significance for the p-value was .05, which indicated a 95% reliability level and a 5% chance of uncertainty. P-values greater than .05 identified the probability the result of the analysis was produced by chance for a true, null hypothesis (George & Mallery, 2014). The test of significance was determined by the alternative hypotheses. A two-tail test was performed as there was no prior expectation regarding the positive or negative relationship between the criterion and predictor variables (George & Mallery, 2014).

Scatterplot graphs were useful for plotting multivariate data to help determine potential relationships among scale variables. This was achieved by displaying the nature of correlations through illustrating the linear relationships on a scatterplot graph (George & Mallery, 2014). The possible linear relationships were:

A positive correlation, when the increasing value of the x-axis variable (displayed across the bottom) accompanies increases in the y-axis variable (displayed on the side), results in an upward slanting line.

A negative correlation, when the decreasing value of the x-axis variable accompanies decreases in the y-axis variable, results in a downward sloping line.

A zero correlation, resulting in a straight line, denotes no defined patterns of the plot points (Cozby, 2009).

The following methods were used to reject null hypotheses: a) statistically significant correlations of the nine leadership behaviors to the three organizational outcomes, b) the p-values were not greater than .05, and c) reliability supported by Cronbach's alpha coefficients.

Idealized attributes (IA). With idealized attributes, followers identify and want to emulate leaders (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the idealized attributes leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 6, 7, and 8, respectively. Spearman (r_S) for the five transformational leadership subscales to the three outcomes scales for all participants and rater participants only are presented in Table 14.

The findings supported the rejection of null hypotheses $H1_0$, $H4_0$, and $H7_0$, thereby, supporting acceptance of alternative hypotheses $H1_a$, $H4_a$, and $H7_a$. The p-values for each of the variables were .000, signaling a significant relationship. The correlation coefficient (r) between idealized attributes and the three outcomes were

positive and very strong at the 0.01 level: EE (all participants = .620; raters = .630), EFF (combined = .735; raters =.771), and SAT (combined = .668; raters = .793). This was supported by the slope lines in the three figures, which were in a positive direction for all outcomes. The trend line for owner/leader participants was included to illustrate the relationship between self-perception versus employee rater perception.

Table 14

Spearman Correlation Matrix, Transformational Leadership Scales to Behavioral Outcome Scales

	Outcome Scales					
	Combined			Raters		
	EE	EFF	SAT	EE	EFF	SAT
IA	.620**	.735**	.668**	.630**	.771**	.793**
p-value	0.000	0.000	0.000	0.000	0.000	0.000
IB	.408**	.544**	.588**	.480**	.694**	.737**
p-value	0.001	0.000	0.000	0.002	0.000	0.000
IM	.731**	.630**	.717**	.741**	.630**	.716**
p-value	0.000	0.000	0.000	0.000	0.000	0.000
IS	.472**	.458**	.506**	.507**	.493**	.507**
p-value	0.000	0.000	0.000	0.001	0.001	0.001
IC	.449**	.426**	.491**	.523**	.464**	.493**
p-value	0.000	0.001	0.000	0.000	0.001	0.000
	N = 60			N = 40		

Note. **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).

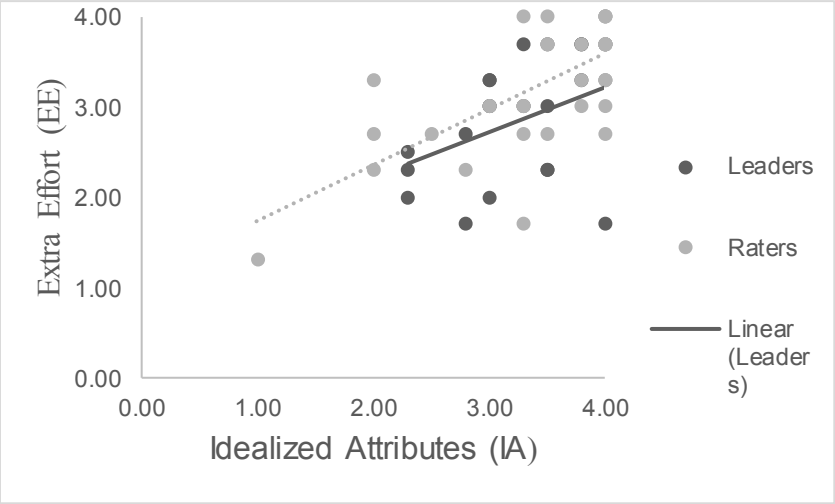

Figure 6 . Scatterplot of extra effort versus the idealized attributes scores.

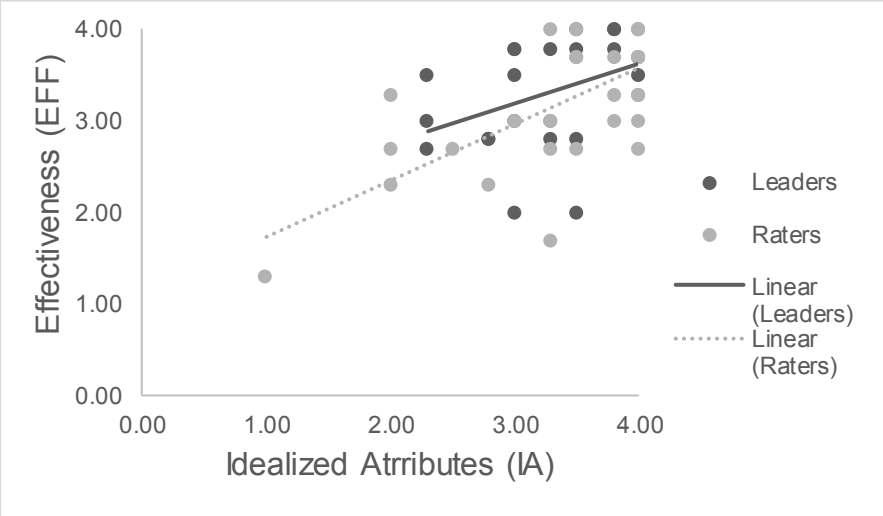

Figure 7. Sca tterplot of effectiveness versus the idealized attributes scores.

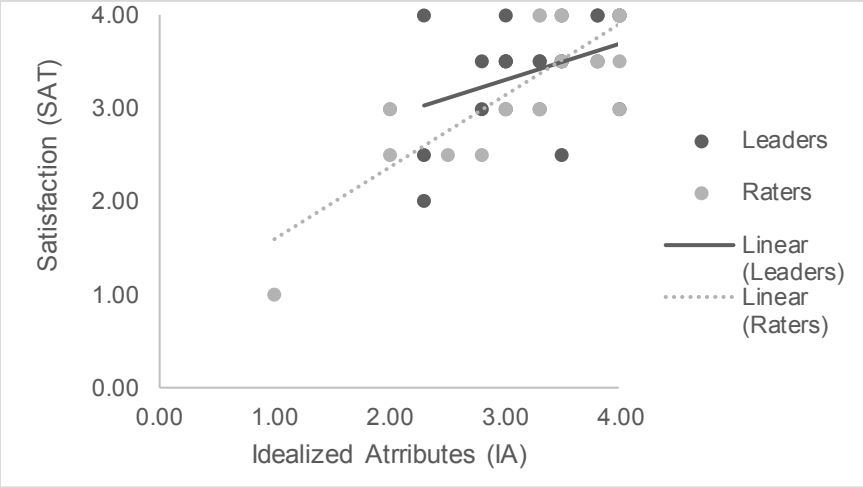

Figure 8. Scatterplot of satisfaction with leadership versus the idealized attributes scores.

Idealized behaviors (IB). The leader supplies followers with a defined sense of purpose when a leader displays idealized behaviors (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the idealized behaviors leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 9, 10, and 11, respectively.

The correlation coefficient score between extra effort and idealized behaviors was among the weakest of the five transformational leaders subscales. The p-values for the variables between .000 and .002 signaled a significant relationship. Spearman (r_S) correlation coefficient scores between idealized behaviors and all outcomes were positive and very strong at the 0.01 level: EE (all participants = .408; raters = .480), EFF (all participants = .544; raters = .694), and SAT (all participants =.588; raters = .737) (see Table 14). The scatter diagrams showed evidence of a positive correlation between the variables with slope lines in a positive direction for all outcomes for both participant groups. These findings supported the rejection of null hypotheses $H1_0$, $H4_0$, and $H7_0$, thereby, supporting acceptance of alternative hypotheses $H1_a$, $H4_a$, and $H7_a$.

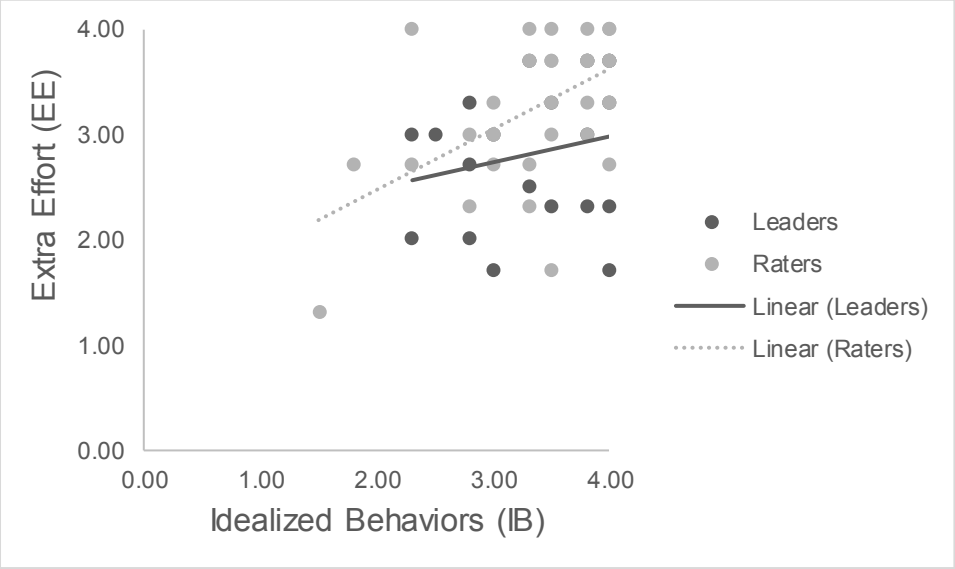

Figure 9. Scatterplot of extra effort versus the idealized behaviors scores.

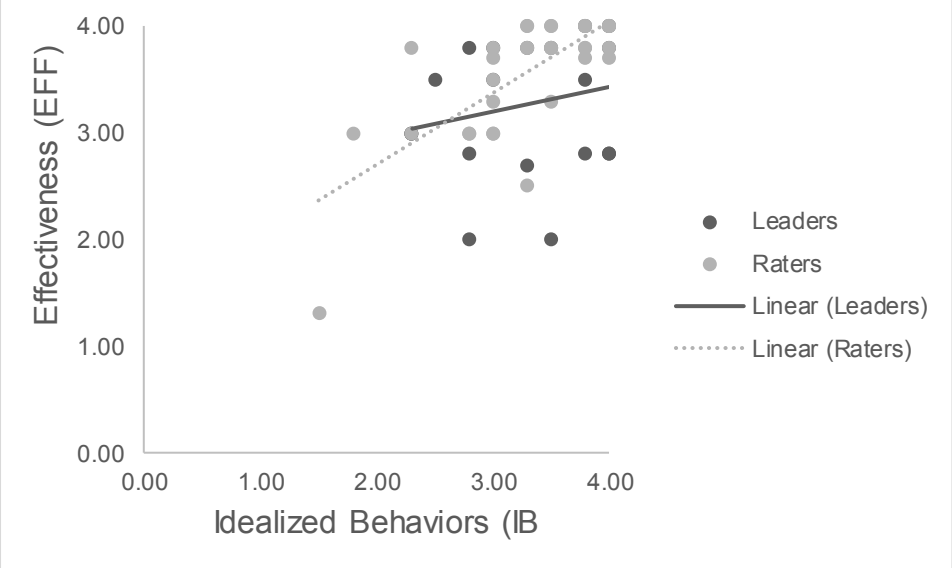

Figure 10. Scatterplot of effectiveness versus the idealized behaviors scores.

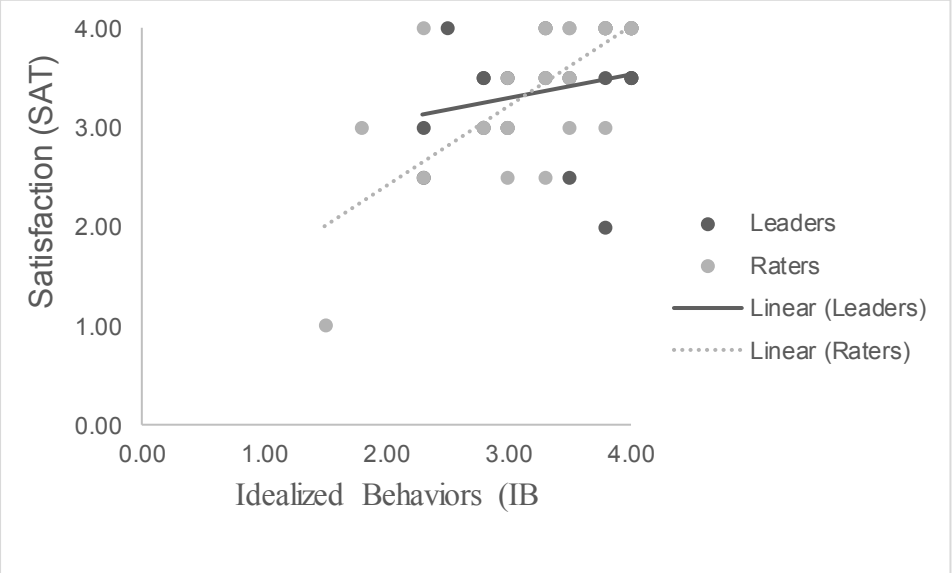

Figure 11. Scatterplot of satisfaction with leadership versus the idealized behaviors scores.

Inspired motivation (IM). With inspired motivation, the leader motivates followers to aim for goals that are ambitious by communicating confidence and raising expectations (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the inspired motivation leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 12, 13, and 14, respectively.

The correlations were statistically significant, allowing for the rejection of null hypotheses $H1_0$, $H4_0$, and $H7_0$, thereby, supporting acceptance of alternative hypotheses $H1_a$, $H4_a$, and $H7_a$. The p-values for the variables of .000 signaled a significant relationship. The Spearman (r_S) correlation coefficient r scores between inspired motivation and all outcomes were among the highest and strongest of the transformational leadership subscales (at the 0.01 level): EE (all participants = .731; raters = .741), EFF (all participants =.630; raters = .630), and SAT (all participants =.717;

raters = .716) (see Table 14). The scatter diagrams showed evidence of a positive and strong correlation between the variables as shown by the angle of the linear slopes.

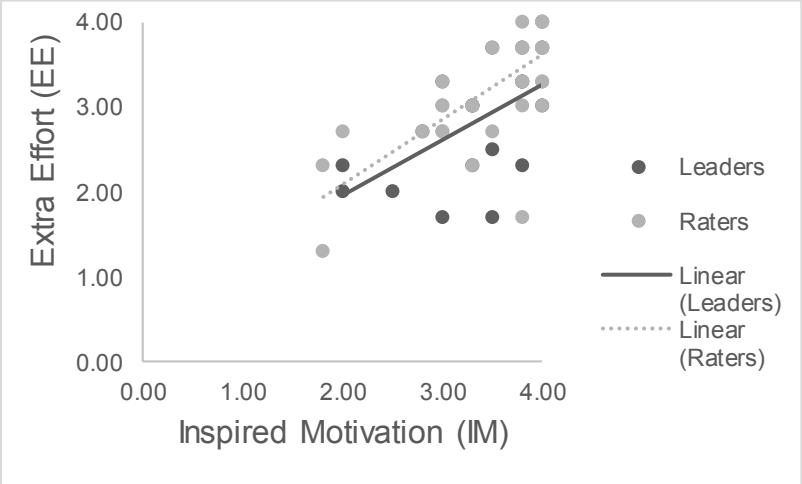

Figure 12. Scatterplot of extra effort versus the inspired motivation scores.

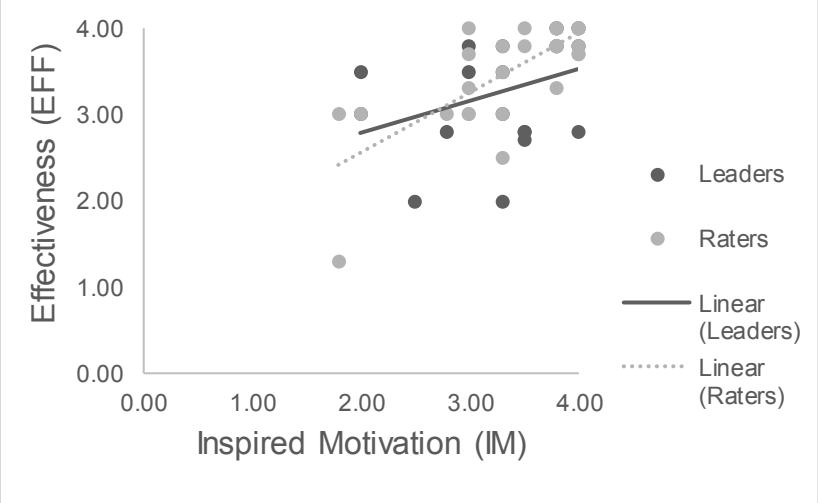

Figure 13. Scatterplot of effectiveness versus the inspired motivation scores.

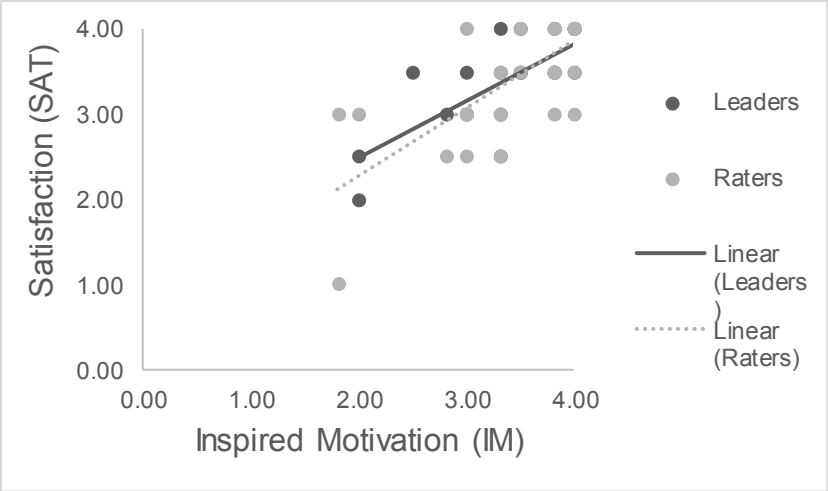

Figure 14. Scatterplot of satisfaction with leadership versus the inspire motivation scores.

Intellectual stimulation (IS). Followers are encouraged to question their assumptions and the current environment when leaders under intellectual stimulation leadership behaviors (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the intellectual stimulation leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 15, 16, and 17, respectively.

The p-values for the variables between .000 and .001 signaled a significant relationship. Spearman (r_S) correlation coefficient scores between intellectual stimulation and all outcomes were positive and very strong at the 0.01 level. However, the scores were among the lowest for transformational leadership subscales for all outcomes: EE (all participants = .472; raters = .507), EFF (all participants =.458; raters = .493), and SAT (all participants = .506; raters = .507) (see Table 14). The scatter diagrams showed evidence of a positive correlation between the variables with slope lines in a positive

direction for all outcomes for both participant groups. The null hypotheses $H1_0$, $H4_0$, and $H7_0$ were rejected.

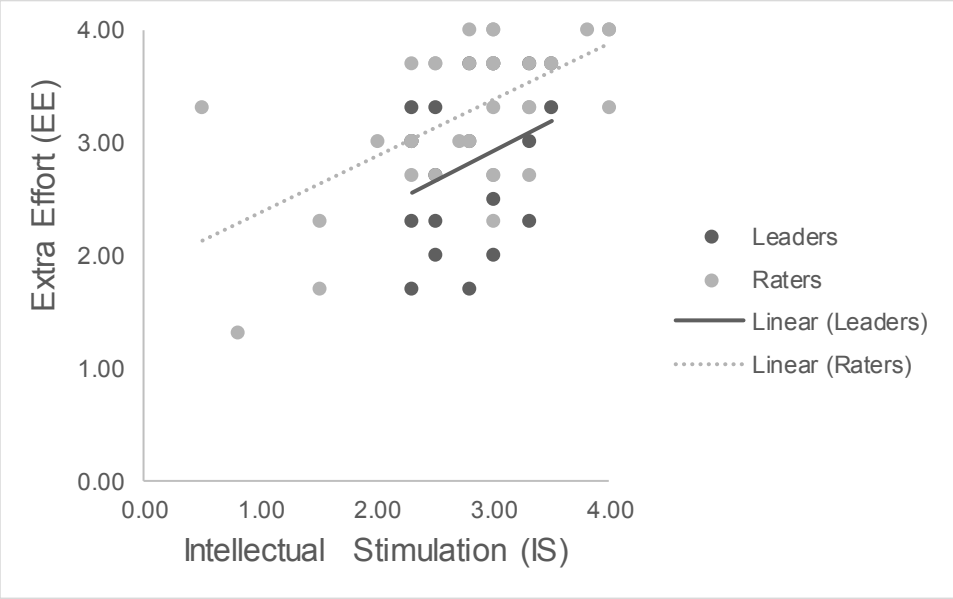

Figure 15. Scatterplot of extra effort versus the intellectual stimulation scores.

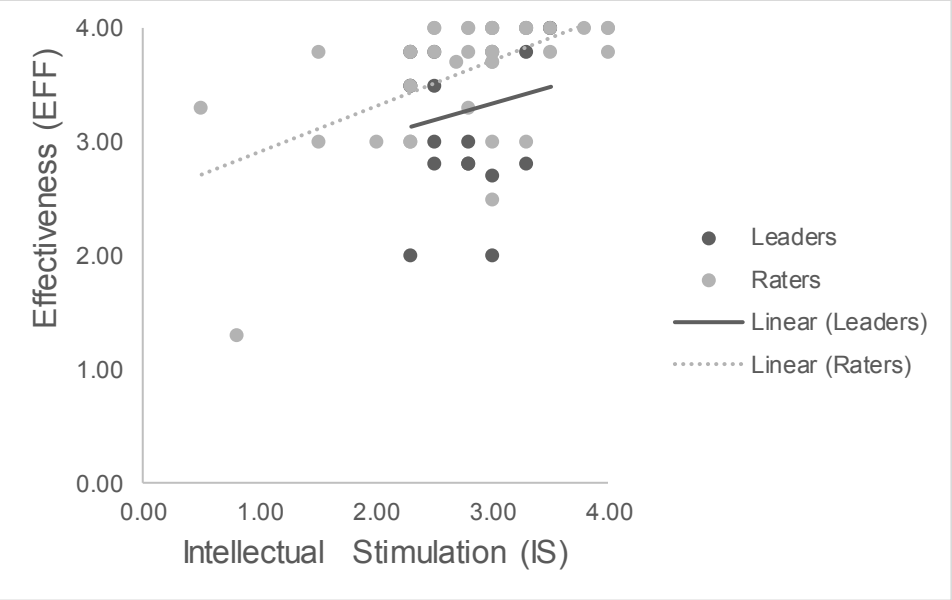

Figure 16. Scatterplot of effectiveness versus the intellectual stimulation scores.

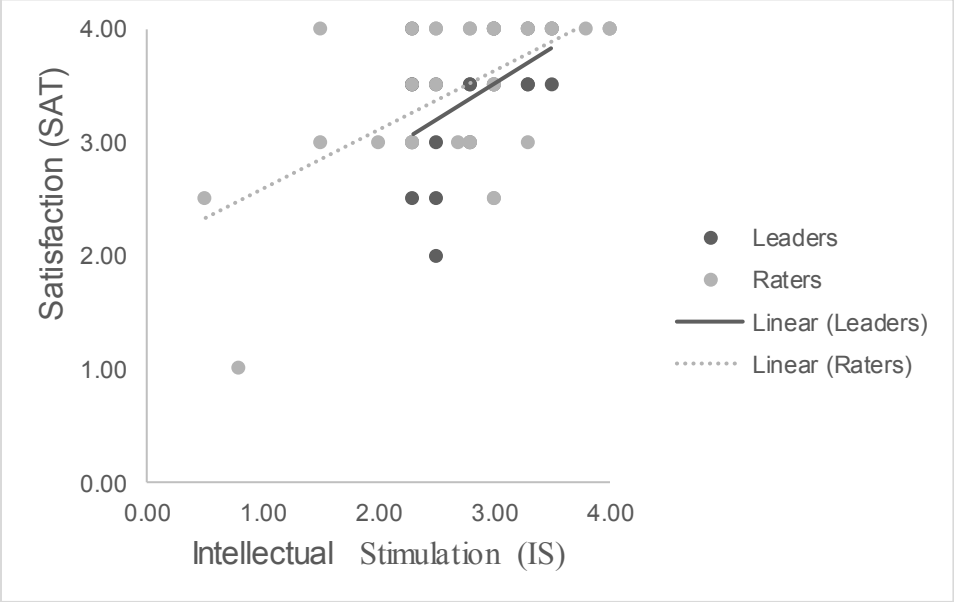

Figure 17. Scatterplot of satisfaction with leadership versus the intellectual stimulation scores.

Individualized consideration (IC). The leader focuses on mentoring or coaching individuals to optimize potential and meet each individual's need for growth and achievement with individual consideration leadership behaviors (Avolio & Bass, 2004). The relationship between the individualized consideration leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures17, 18, and 19, respectively.

Spearman (r_S) correlation coefficient scores between individual consideration and all outcomes were positive and very strong at the 0.01 level: EE (all participants = .449; raters = .523), EFF (all participants = .426; raters = .464) and SAT (all participants = .491; raters = .493) (see Table 14). The p-values for the variables between .000 and .001 signaled a significant relationship. The slope lines were in a positive direction for all outcomes for both participant groups. The findings supported the rejection of null

hypotheses $H1_0$, $H4_0$, and $H7_0$, thereby, supporting acceptance of alternative hypotheses $H1_a$, $H4_a$, and $H7_a$.

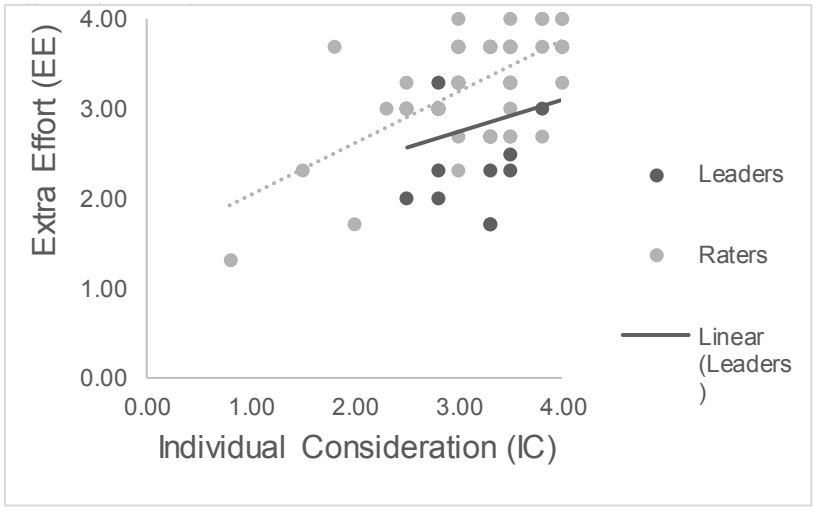

Figure 18. Scatterplot of extra effort versus the individual consideration scores.

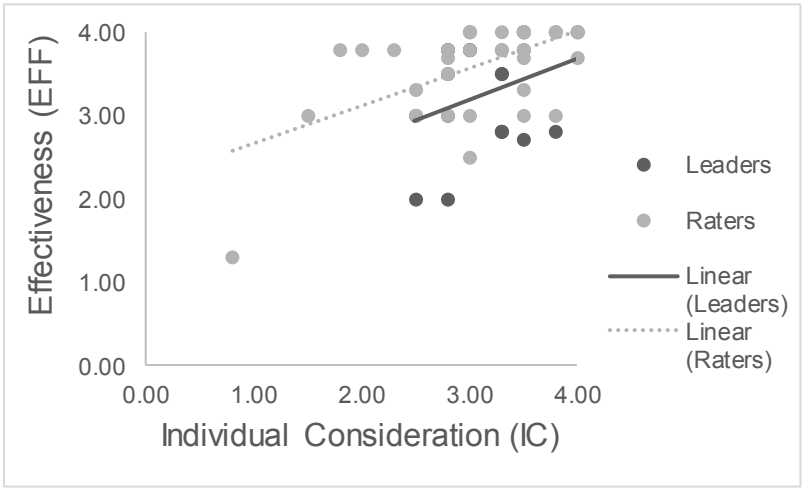

Figure 19 . Scatterplot of effectiveness versus the individual consideration scores.

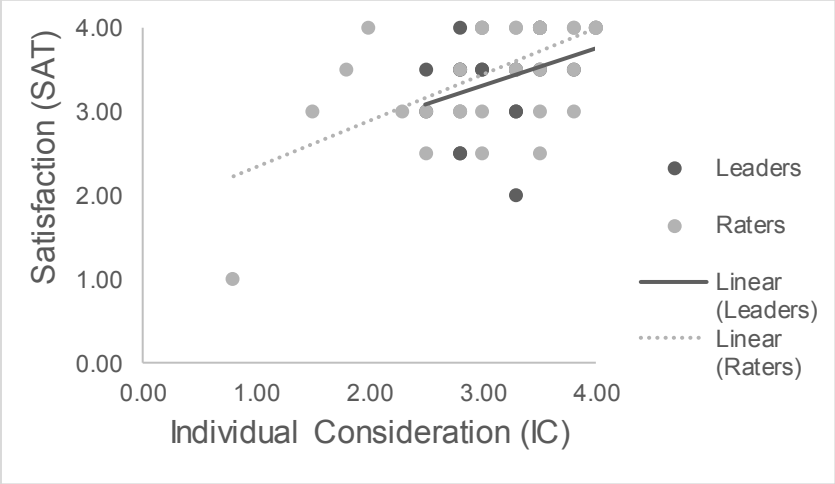

Figure 20. Scatterplot of satisfaction with leadership versus the individual consideration scores.

Contingent reward (CR). Constructive economic and emotional transactions or exchanges form the foundation of contingent reward behaviors (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the contingent reward leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 21, 22, and 23, respectively. Spearman (r_S) correlation coefficient for the two transactional leadership subscales to the three outcomes scales are presented in Table 15.

These findings supported the rejection of null hypotheses $H2_0$, $H5_0$, and $H8_0$, thereby, supporting acceptance of alternative hypotheses $H2_a$, $H5_a$, and $H8_a$. The p-values for the variables of extra effort and satisfaction with leadership were between .000 and .057, signaling a significant relationship. However, the p-values for the variable of effectiveness were between .002 and .153, indicated the probability the outcomes were a result of chance. The correlation coefficient r between contingent reward and the three outcomes were positive and very strong at the 0.01 level: EE (all participants = .463; raters = .560); EFF (all participants = .393; raters = .230) and SAT (all participants =

.453; raters = .303). The slope lines are in a positive direction for all outcomes for both participant groups.

Table 15

Spearman Correlation Matrix, Transactional Leadership Scales to Behavioral Outcomes Scales

	Outcome Scales					
	Combined			Raters		
	EE	EFF	SAT	EE	EFF	SAT
CR	.463**	.393**	.453**	.560**	.230**	.303**
p-value	0.000	0.002	0.000	0.000	0.153	0.057
MBEA	-.349**	-.356**	-.282*	-.323*	-.473**	-.354*
p-value	0.006	0.005	0.029	0.042	0.002	0.025
	N = 60			N = 40		

Note. **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).

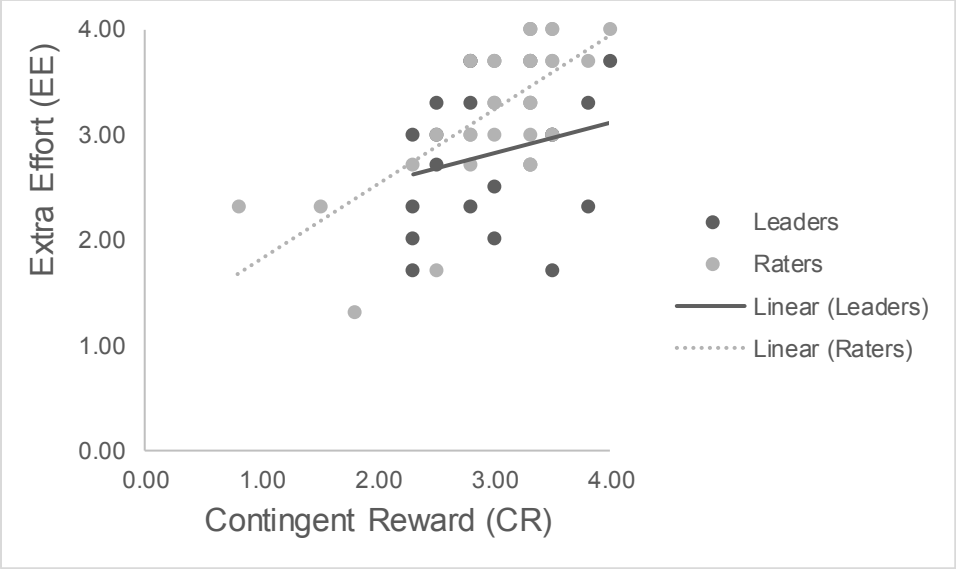

Figure 21. Scatterplot of extra effort versus the contingent reward scores.

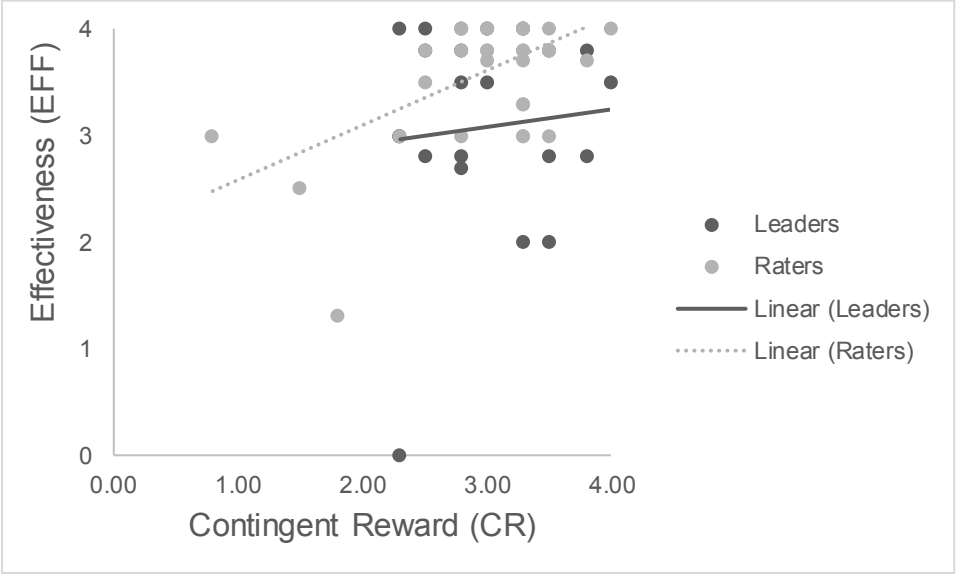

Figure 22. Scatterplot of effectiveness versus the contingent reward scores.

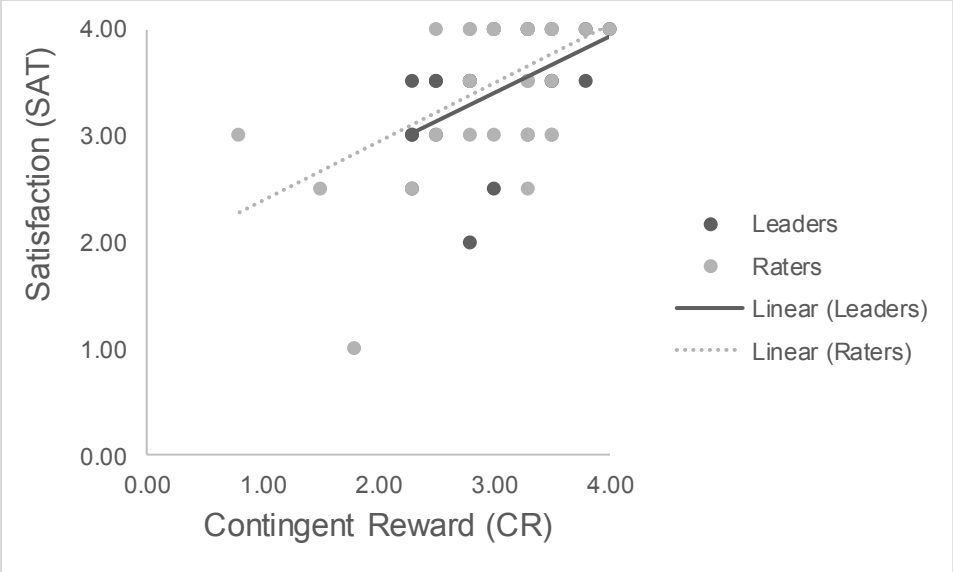

Figure 23. Scatterplot of satisfaction with leadership versus the contingent reward scores.

Management-by-exception active (MBEA). This is negative corrective exchange or transaction in which the leader actively acts on or waits for mistakes or errors (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the management-by-exception active leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 21, 22, and 23, respectively.

The findings supported the rejection of null hypotheses $H2_0$, $H5_0$, and $H8_0$. The p-values for all variables of between .002 and .042 signaled a significant relationship. Spearman (r_S) correlation coefficient scores between management-by-exception (active) and all outcomes were negative and strong: EE (all participants = -.349; raters = -.323), EFF (all participants = -.356; raters = -.473), and SAT (all participants = -.282; raters = -.354) (see Table 15). The slope lines were in a negative direction for all outcomes for rater participants. As shown by the angle of the linear slope, the scatter diagram show evidence of a negative correlation between the variables. However, the slope lines were essentially flat for all outcomes for leader participants and showed evidence of no correlation between the variables based on leader self-perception ratings. The results were questionable because of small sample size of 20 owner/leader participants.

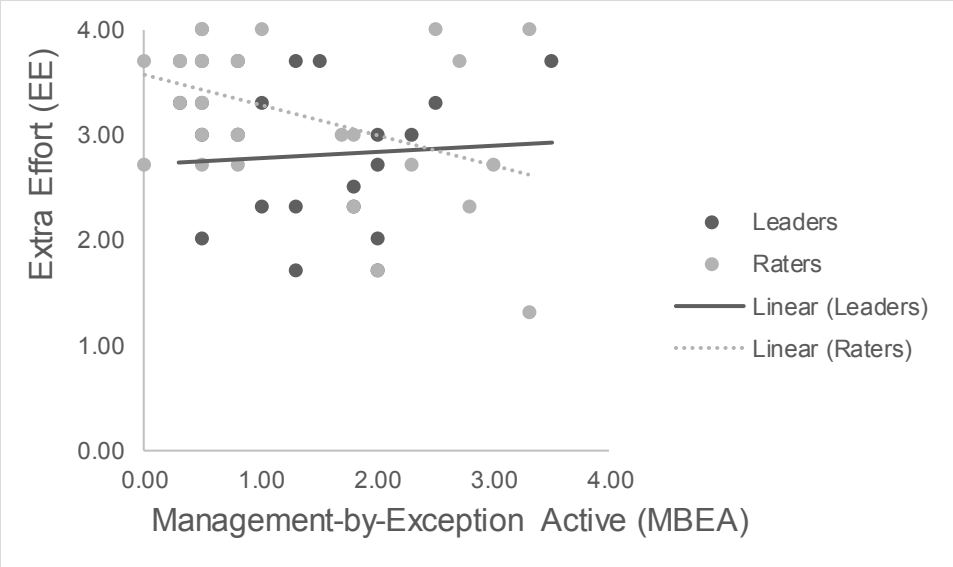

Figure 24. Scatterplot of extra effort versus the management-by-exception active scores.

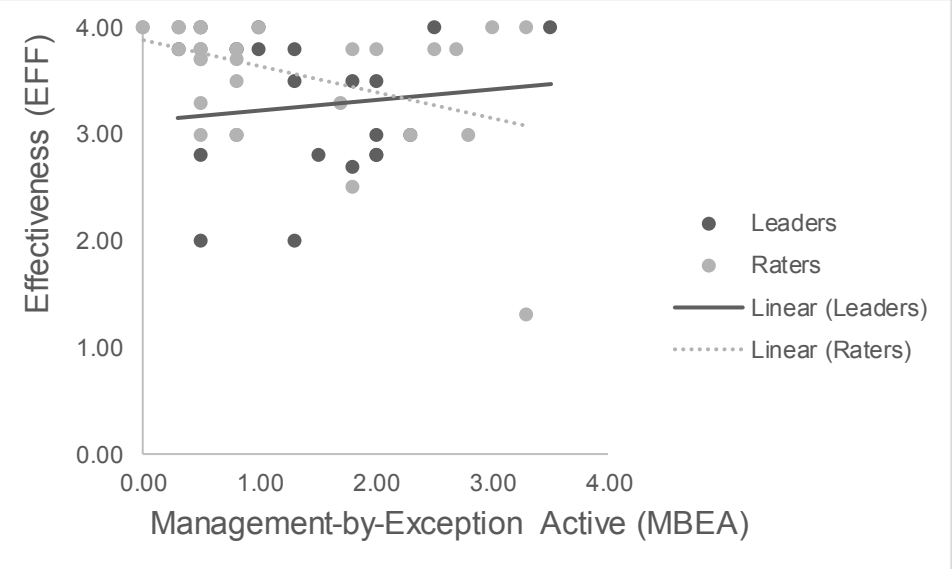

Figure 25. Scatter plot of effectiveness versus the management-by-exception active scores.

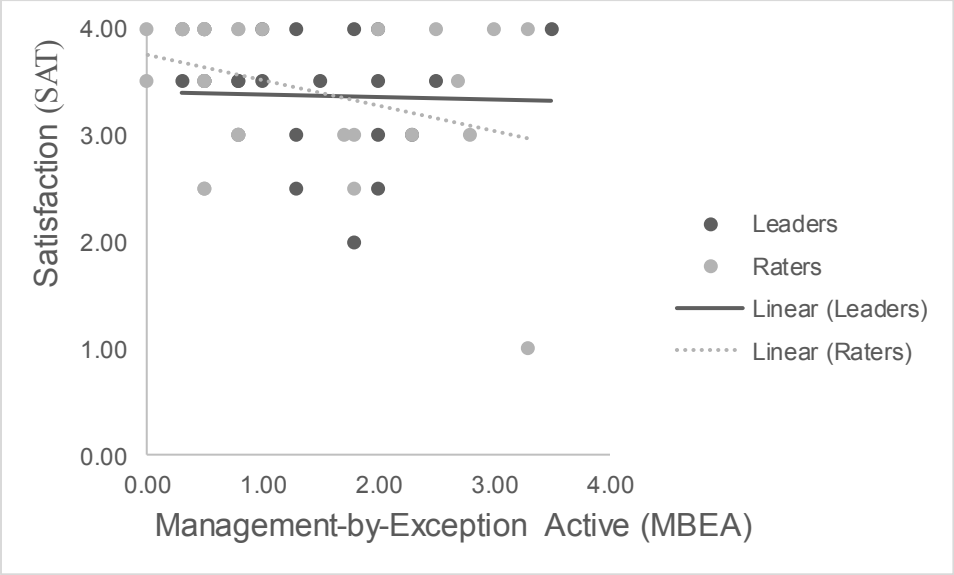

Figure 26. Scatterplot of satisfaction with leadership versus the management-by-exception active scores.

Management-by-exception passive (MBEP). This is a negative corrective transaction in which the leader waits for mistakes or errors to act (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the inspired motivation leaders and raters scores and the outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 27, 28, and 29, respectively. The p-values for the variables were between .000 and .074, signaling a significant relationship. Spearman (r_S) correlation coefficient for the two laissez-faire leadership subscales to the three outcomes scales are presented in Table 16.

Spearman (r_S) correlation coefficient scores between management-by-exception passive and all outcomes were negative and very strong at the 0.01 or 0.05 level: EE (all participants = -.426; raters = -.287), EFF (all participants = -.564; raters = -.495), and SAT (all participants = -.486; raters = -.494) (see Table 16). The slope lines were in a negative direction for all outcomes for rater participants. As shown by the angle of the

linear slope, the scatter diagram show evidence of a negative correlation between the variables. The null hypotheses $H3_0$, $H6_0$, and $H9_0$ were rejected.

Table 16

Spearman Correlation Matrix, Laissez-faire Leadership Scales to Behavioral Outcomes Scales

	Outcome Scales					
	Combined			Raters		
	EE	EFF	SAT	EE	EFF	SAT
MBEP	-.426**	-.564**	-.486*	-.287*	-.495**	-.494*
p-value	0.001	0.000	0.000	0.073	0.001	0.001
LF	-.071	-.274**	-.299*	-.049	-.307	-.240
p-value	0.592	0.034	0.020	0.764	0.054	0.136
	N = 60			N = 40		

Note. **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).

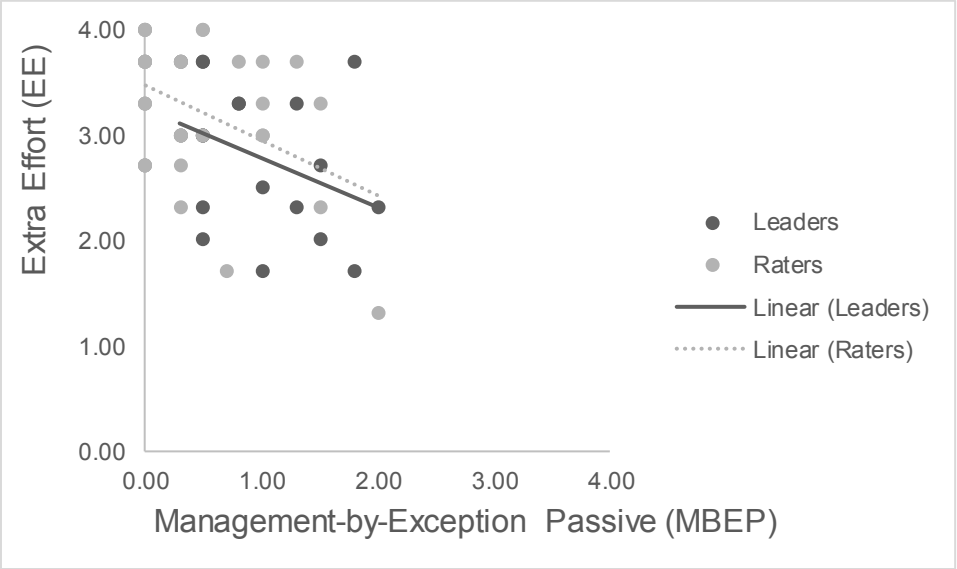

Figure 27. Scatterplot of extra effort versus the management-by-exception passive scores.

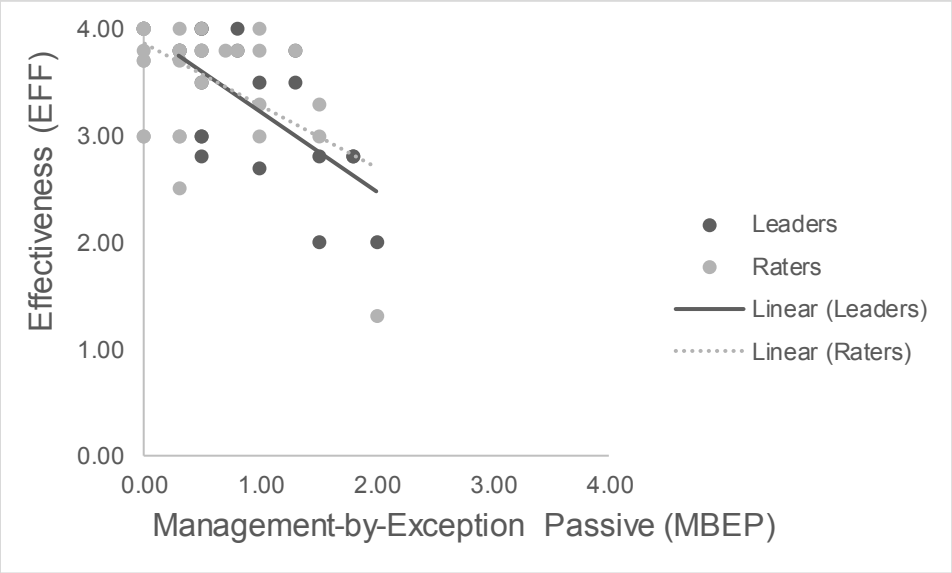

Figure 28. Scatterplot of effectiveness versus the management-by-exception passive scores.

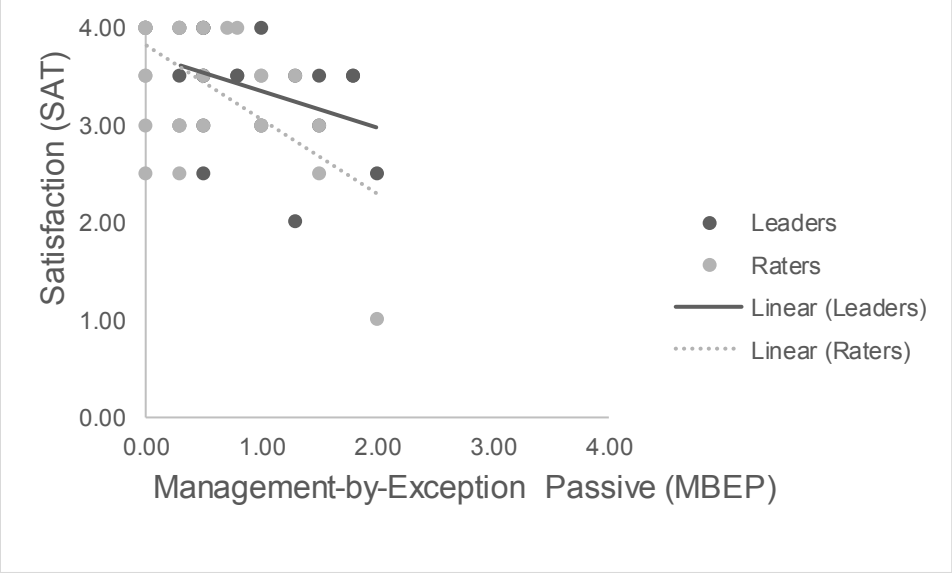

Figure 29. Scatterplot of satisfaction with leadership versus the management-by-exception passive scores.

Laissez-faire (LF). The leader gives no feedback and makes no effort to assist followers in satisfying his or her needs (Avolio & Bass, 2004; Bass, 2008; Northouse, 2013). The relationship between the laissez-faire leaders and raters scores and the

outcomes of extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) are depicted in Figures 30, 31, and 32, respectively.

Spearman (r_S) correlation coefficient scores between laissez-faire and all outcomes were negative: EE (all participants = -.071; raters = -.049), EFF (all participants = -.274; raters = -.307), and SAT (all participants = -.299; raters = -.240). The slope lines were in a negative direction for all outcomes for rater participants, revealing evidence of a negative correlation between the variables. The p-value range for the variable of effectiveness was between .034 and .054, indicating a significant relationship. The p-value range for the variables of extra effort and satisfaction with leadership was between .020 and .764. The p-values exceeding .05 identified the probability the result of the analysis was produced by chance. However, negative or non-significant results do not inevitably indicate the null hypothesis is correct (Cozby, 2009). Non-significant results may be an outcome of many factors. Based on the Cronbach alpha coefficient, the reliability for measurement of the laissez-faire variable was questionable, which could have influenced the non-significant results.

Findings from multiple studies should be examined to provide evidence that variables are not related (Cozby, 2009). The results from the current study were not supported by the research studies presented in the literature review nor Spearman (r_S) correlational coefficients. This conclusion supported the rejection of null hypotheses $H3_0$, $H6_0$, and $H9_0$, thereby, supporting acceptance of alternative hypotheses $H3_a$, $H6_a$, and $H9_a$.

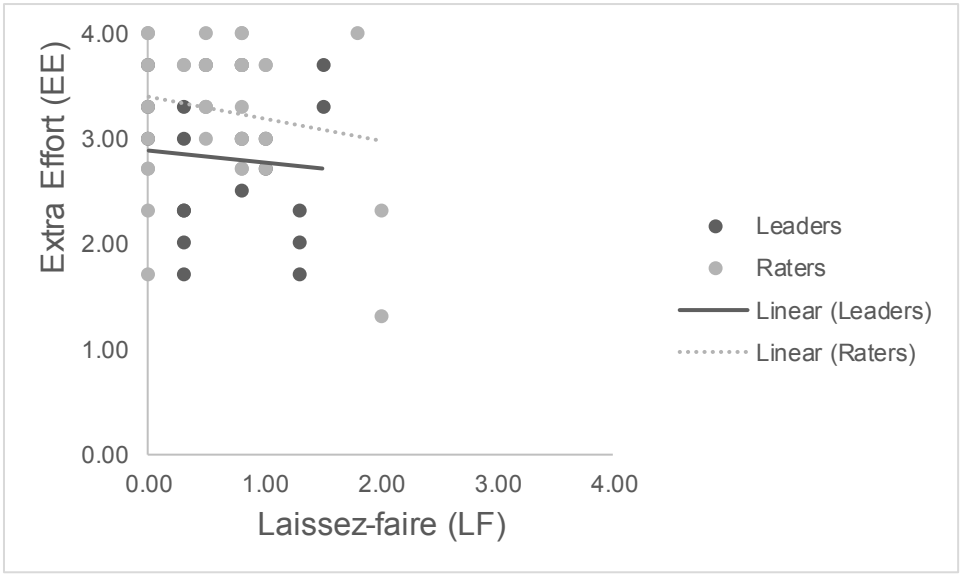

Figure 30. Scatterplot of extra effort versus the laissez-faire scores.

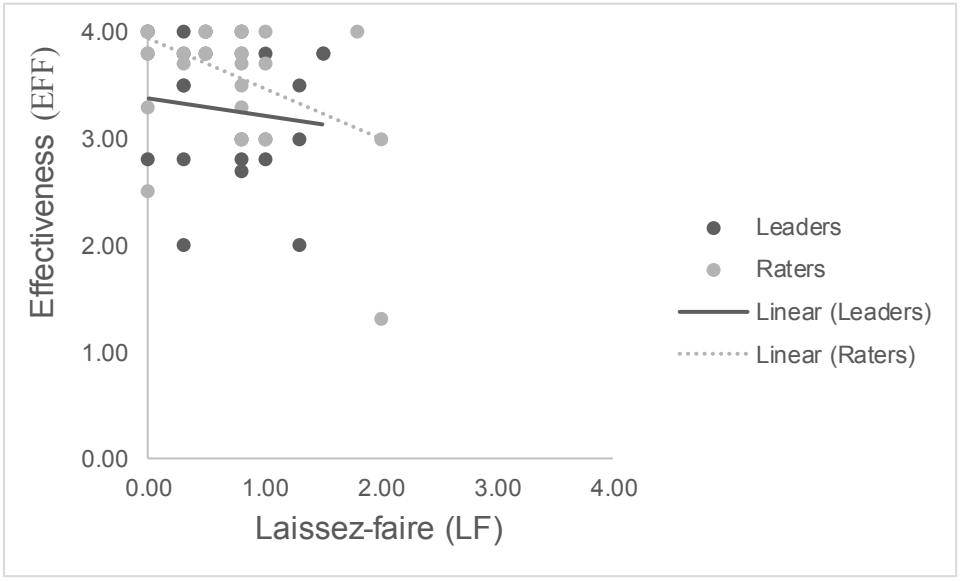

Figure 31. Scatterplot of effectiveness versus the laissez-faire scores.

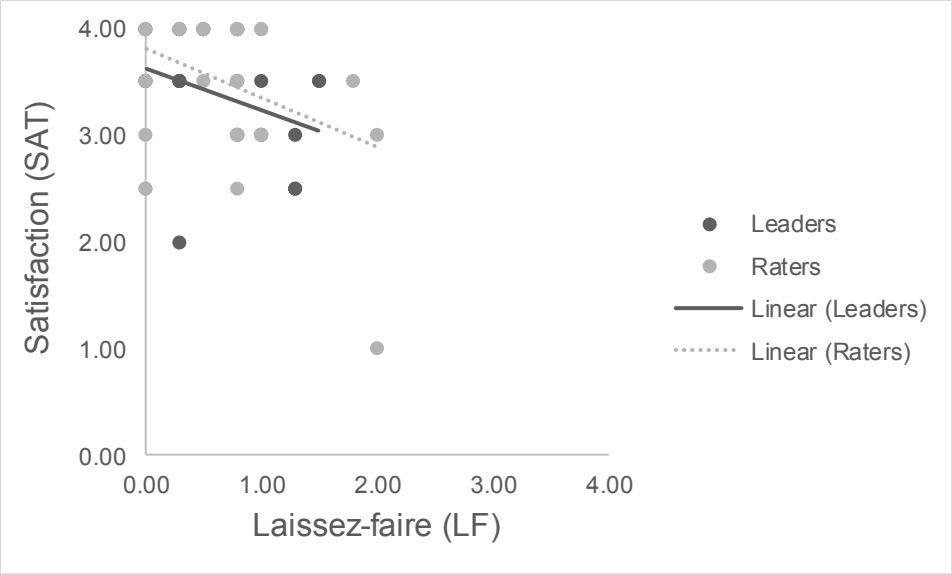

Figure 32. Scatterplot of satisfaction with leadership versus the laissez-faire scores.

Multivariate multiple regression analyses and factor analysis. Factor analysis and multiple linear regression analysis were conducted in order to explore multivariate relationships. Multiple regression analysis is similar to Spearman (r_S) statistical correlations; however, all nine predictor variables were examined simultaneously. For this study, direct evaluation of the comparative strengths of relationship between the variables was measured using standardized coefficients called Beta (β). This is a partial correlation in which all other variables in the equation have been restricted. As with *B* values, Beta (β) values vary between ±1.0 (George & Mallery, 2014). The amount of variance explained in the criterion variable by the predictor variables was measured by R-square (R^2). The correlation coefficient *R,* the root *of* R^2, can take on values between 0 and 1 (Dattalo, 2013). The level of significance for the p-value was .05 for the study. Results are presented in Table 17 and 18 for factor analysis and Table 19 and 20 for regression analysis.

Factor analysis. Factor analysis was used to identify the key factors that may explain most of the variance observed for the criterion variables (IBM, 2014) before multivariate multiple regression analysis was performed. Two factors emerged with eigenvalues greater than 1.0 emerged and explained 64.57% of the variance for combined scores and 68.13% for rater scores. In both instances, Factor 1 was dominated by IB and Factor 2 was dominated by IA. The results indicated a clear division of factors related to idealized behaviors and idealized attributes. The basis for variables selected to represent these variables was the highest absolute factor loadings. Therefore, IB represented Factor 1 and IA represented Factor 2. Multivariate multiple regression analyses were conducted based on these results. The criterion variables were extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT), and idealized behaviors (IB) and idealized attributes (IA) were the predictor variables.

Table 17

Exploratory Factor Analysis (Varimax Rotation) for All Participant Scores

	Initial Eigenvalues			a. Factor Loading			b. Factor Loading			Rotated Component Matrix[c]	
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Factor 1	Factor 2
IA	4.647	51.636	51.636	4.647	51.636	51.636	3.697	41.077	41.077	.647	.585
IB	1.164	12.933	64.568	1.164	12.933	64.568	2.114	23.492	64.568	.757	.266
IM	.846	9.397	73.966							.722	.465
IS	.732	8.129	82.095							.698	.340
IC	.559	6.207	88.302							.641	.455
CR	.479	5.319	93.621							.783	.087
MBEA	.259	2.873	96.493							.097	-.850
MBEP	.159	1.766	98.260							-.365	-.640
LF	.157	1.740	100.000							-.729	.153

Note . a. Extraction Method: Principal Component Analysis; b. Rotation Method: Varimax; c. Rotation converged in 3 iterations.

Table 18

Exploratory Factor Analysis (Varimax Rotation) for Rater Scores

	Initial Eigenvalues			a. Factor Loading			b. Factor Loading			Rotated Component Matrix[c]	
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Factor 1	Factor 2
IA	5.075	56.393	56.393	5.075	56.393	56.393	3.366	37.395	37.395	.761	.511
IB	1.056	11.733	68.125	1.056	11.733	68.125	2.766	30.730	68.125	.816	.299
IM	.858	9.533	77.659							.799	.413
IS	.734	8.152	85.810							.529	.583
IC	.631	7.013	92.824							.377	.802
CR	.245	2.726	95.550							.623	.337
MBEA	.219	2.432	97.982							.009	-.749
MBEP	.099	1.104	99.086							-.346	-.763
LF	.082	.914	100.000							-.744	.072

Note . a. Extraction Method: Principal Component Analysis; b. Rotation Method: Varimax; c. Rotation converged in 3 iterations.

Multivariate multiple regression analysis for extra effort. A significantly significant model was generated ($p = .0000$) capable of explaining 48% ($R^2 = .48$) of the variance in the criterion variable for the combined group and 56% ($R^2 = .56$) for the rater group. The p-value of .000 indicated a significant relationship to suggest that a female business owner/leader's combined behaviors predicted organizational success as measured by extra effort. The Beta (β) coefficients indicated an increased value of the criterion variable for the predictor variables:

- Combined scores- idealized behaviors (IB) (.473) and idealized attributes (IA) (.503);
- Rater scores- idealized behaviors (IB) (.500) and idealized attributes (IA) (.555).

Multivariate multiple regression analysis for effectiveness. A significantly significant model was generated ($p = .0000$), which indicated a significant relationship to

suggest that a female business owner/leader's combined behaviors predicted organizational success as measured by effectiveness. The R^2 value indicated 53% (R^2 = .53) of the variance in the criterion variable for the combined group, and 69% (R^2 = .69) for the rater group, was accounted for by predictor variable leadership behaviors. The Beta (β) coefficients indicated an increased value of the criterion variable for the predictor variables:

- Combined scores- idealized behaviors (IB) (.479) and idealized attributes (IA) (.544);
- Rater score- idealized behaviors (IB) (.465) and idealized attributes (IA) (.688).

Multivariate multiple regression analysis for satisfaction with leadership. A significantly significant model was generated (p = .0000) capable of explaining 60% (R^2 = .60) of the variance in the criterion variable for the combined group and 67% (R^2 = .67) for the rater group. The p-value of .000 indicated a significant relationship to suggest that a female business owner/leader's combined behaviors predicted organizational success as measured by satisfaction with leadership. The Beta (β) coefficients indicated an increased value of the criterion variable for the predictor variables:

- Combined scores- idealized behaviors (IB) (.450) and idealized attributes (IA) (.631);
- Rater scores- idealized behaviors (IB) (.488) and idealized attributes (IA) (.658).

Multiple regression revealed the significant power of a female business owner/leader's combined behaviors to predict organizational success, and reconfirmed

the correlational relationship among the criterion and predictor variables. For the combined participant group, the model was capable of explaining 48% of the variance in extra effort (EE), 53% in effectiveness, (EFF), and 60% in satisfaction with leadership (SAT). The percentage of variance for criterion variables that was not explained by factors covered in this study for all participants were 52% (EE), 47% (EFF), and 40% (SAT). The rater scores were more significant, as the model was capable of explaining 56% of the variance in extra effort (EE), 69% in effectiveness, (EFF), and 67% in satisfaction with leadership (SAT). The percentage of variance for criterion variables that were not explained by factors covered in this study for rater participants were 44% (EE), 31% (EFF), and 33% (SAT).

Table 19

Multiple Regression of Criterion Variables versus Leadership Styles for All Participant Scores

Predictor Variables a.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.115	.065		48.071	.000
Idealized Behaviors (IB)	.323	.065	.473	4.942	.000
Idealized Attributes (IA)	.343	.065	.503	5.250	.000

Note. a. Criterion variable: Extra Effort (EE); b. $F(2, 57) = 25.99$; $p = .000$; $R^2 = .48$.

Predictor Variables c.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.507	.054		64.594	.000
Idealized Behaviors (IB)	.327	.055	.544	5.967	.000
Idealized Attributes (IA)	.287	.055	.479	5.244	.000

Note. c. Criterion variable: Effectiveness (EFF); b. $F(2, 57) = 31.54$; $p = .000$; $R^2 = .53$.

Predictor Variables d.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.467	.052		67.029	.000
Idealized Behaviors (IB)	.393	.052	.631	7.543	.000
Idealized Attributes (IA)	.281	.052	.450	5.384	.000

Note. d. Criterion variable: Satisfaction with leadership (SAT); b. $F(2, 57) = 42.94$; $p = .000$; $R^2 = .60$.

Table 20

Multiple Regression of Criterion Variables versus Leadership Styles for Rater Scores

Predictor Variables a.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.268	.069		47.354	.000
Idealized Attributes (IA)	.320	.070	.500	4.582	.000
Idealized Behaviors (IB)	.355	.070	.555	5.084	.000

Note. a. Criterion variable: Extra Effort (EE); b. $F(2, 37) = 22.42$; $p = .000$; $R^2 = .56$.

Predictor Variables c.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.625	.050		72.862	.000
Idealized Attributes (IA)	.379	.050	.688	7.521	.000
Idealized Behaviors (IB)	.256	.050	.465	5.077	.000

Note . c. Criterion variable: Effectiveness (EFF); b. $F(2, 37) = 41.16$; $p = .000$; $R^2 = .69$.

Predictor Variables d.	Unstandardized Coefficients		Standardized Coefficients	t	p
b.	*B*	SE	Beta (β)		
(Constant)	3.513	.061		57.513	.000
Idealized Attributes (IA)	.431	.062	.658	6.966	.000
Idealized Behaviors (IB)	.320	.062	.488	5.167	.000

Note. d. Criterion variable: Satisfaction with leadership (SAT); b. $F(2, 37) = 37.61$; $p = .000$; $R^2 = .67$.

Summary

The data analyses were presented in Chapter 4. Data in this research study were collected from participants' responses from four surveys: the *MLQ Leader Form*, the *MLQ Rater Form*, owner/leader demographic survey, and rater demographic survey. Descriptive statistics, scatterplots, and inferential statistics allowed analysis of the data.

Included in the data presentation were 19 tables and 27 figures plus summary data for the variables.

Cronbach's alpha reliability coefficients were computed to examine how well the different items in the MLQ measure the same behavior or outcome factor scale. Correlation analysis was applied using Spearman (r_S) rank correlation coefficients to predict the relationship between the predictor variables and criterion variables. Analyses failed to prove the nine null hypotheses.

A multivariate multiple regression analysis and factor analysis were performed to determine whether the leadership behaviors related to transformation, transactional, and laissez-faire leadership styles, collectively, predicted better organizational success than any single leadership behavior alone. Chapter 5 contains a summary of the study, findings, provides conclusions and discussion of the study implication, and recommendations for further research based on the results of this study.

Chapter 5

Conclusions and Recommendations

The results and statistical analysis used to test the research questions and hypotheses were provided in Chapter 4. As a result of Spearman (r_S) rank correlational coefficient analyses, there was a presentation of the nine statistically significant relationships. The outcomes of factor analysis and multivariate multiple regression analysis were offered. This chapter contains a summary of the study, findings, provides conclusions and discussion of the study implications, and recommendations for further research based on the results of this study.

Study Summary

The specific problem of the study was poor leadership and management skills contribute to small business failure and closure (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). General problem of the study was one-third of new businesses in the United States close within two years (Lussier & Halabi, 2010; SBA Office of Advocacy, 2011, January) and only one-half survive after four years (Headd & Kirchhoff, 2009; SBA Office of Advocacy, 2011, January), negatively affecting the nation's economic strength. Many influences push or pull women to entrepreneurship; however, most women share the attribute of starting a business without previous opportunities to gain leadership and management skills (Fairlie & Robb, 2009; Kempster & Cope, 2010; Sullivan & Meek, 2012). Few studies exist on entrepreneurial leadership styles and organizational success in woman-owned employer businesses and perceptions of leadership styles and behaviors by subordinates.

The purpose of this quantitative correlational research study was to examine the relationship between leadership styles in woman-owned and –led small businesses and organizational success. The study method was deemed appropriate for determining whether relationships existed between the variables used to test the hypotheses (Leedy & Ormrod, 2010; Neuman, 2011). The study reflected the self-perceptions of the small business owner/leaders and employees to provide their perceptions of their respective owner/leader's leadership styles and effectiveness behaviors strongly linked in prior research to organizational success (Avolio & Bass, 2004). This study was an extension of Valdiserri and Wilson's (2010) study involving the examination of the relationship between leadership styles and business profitability and success based on perceptions of leader effectiveness by leaders, managers, and employees. There were no female leader or manager participants in this study; therefore, there was an opportunity to examine industries with male and female leaders/managers or solely female leaders/managers.

The predictor variables, the leadership styles as defined by full-range leadership theory (FRLT) (Bass, 2008), known as transformational, transactional, and laissez-faire, were examined to determine the relationship to organizational success (criterion variable). Three MLQ survey instruments were used to collect and analyze data - the *MLQ Leader Form*, the *MLQ Rater Form*, and the *MLQ Scoring Key Form 5x* to capture and measure full-range leadership theory styles. Measured with the *MLQ 5x-Short*, owner/leader self-perceptions and employee rater perceptions of their leaders were examined for the operationalized criterion variables of a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership. In addition to completing the MLQ survey, participants were asked to complete a demographic survey.

The research questions presented in chapter 1 set the course for addressing the research problem to examine the relationship of leadership to the operationalized criterion variables. Nine null hypotheses and nine alternative hypotheses assisted in testing the research questions. Based on the literature review, the research questions were:

1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort/motivation?
2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?
3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership?

The non-random sampling technique known as purposive or judgmental sampling approach was selected for this study, which was appropriate for sampling for specific or special situations. The researcher used methods to locate subjects who could best provide the required information (Neuman, 2011; Sekaran & Bougie, 2010). The target population within the study sample was owner/leaders, subordinates, and partners within women-owned and –led small businesses in North Myrtle Beach, South Carolina. The size of target population was 65 and the sample used was 60 after two business owners

withdrew from the study (a total of four participants) and one employee rater declined to participate resulting in a response rate of 98% (60 of 61 participants).

Reliability analysis for the current study was checked using the Cronbach's alpha reliability coefficient. The results of the normality testing reflected a non-normal distribution for 100% of the MLQ survey data collected. To predict the relationship between the predictor and criterion variables, correlation analysis was applied using Spearman (r_S) rank correlation coefficients. Spearman (r_S), an equivalent non-parametric test to the Pearson (r) test, was selected based on the non-normal distribution of data (Cozby, 2009; Neuman, 2011; Salkind, 2008). A multivariate multiple regression analysis and factor analysis were performed to determine whether the leadership behaviors related to transformation, transactional, and laissez-faire leadership styles, collectively, predicted better organizational success than any single leadership behavior alone (Dattalo, 2013; IBM, 2014).

Findings and Interpretations

The study involved running two statistical tests on the MLQ survey data. Spearman (r_S) rank correlation coefficient test was used to evaluate the relationship between the nine leadership variables and the three outcome variables. The results of the Spearman (r_S) correlational test led to the rejection of the nine null hypotheses (i.e., H1 – H9). Statically significant multivariate correlations were detected through multivariate multiple regression analysis and factor analysis. Descriptive statistical analyses of the demographic data provided by the participants revealed consistencies and contradictions with research studies from the literature review. Details for each research question, hypothesis, and pertinent details follow below.

Descriptive statistics for the variables. Of the nine leadership behaviors, eight of the individual behaviors, and all three accumulated mean scores for transformational, transactional, and laisses-faire dimensions, met or exceeded the ideal frequency levels. This was true for owner/leader perception scores, rater perceptions scores, and combined participant scores. The transformational behavior of intellectual stimulation (IS) was the common factor that fell below the ideal level. The rater perceptions scores and combined participant scores were aligned for all predictor variable factors and two of the criterion variable factors. The accumulated mean score for transformational leadership was the highest, with inspired motivation (IM) receiving the highest individual behavior score. The accumulated mean score for laissez-faire/passive avoidant leadership was the lowest, with management-by-exception active receiving the lowest individual behavior score. For transactional leadership, contingent reward (CR) received the highest individual behavior score. Rater participant scores mirrored these outcomes with the following exceptions: inspired motivation (IM) received the highest individual behavior score for transformational leadership and laissez-faire (LF) received the lowest individual behavior score for laissez-faire/passive avoidant leadership.

The results revealed an overall alignment of the owner/leader self-perceived leadership styles and employee perceptions of the leader's leadership behaviors. Alignment of leader-follower perceptions contributes to organizational success. As an exchange relationship between leaders and followers that is equitable is implied by leadership, effective leadership can be defined as a leader successfully influencing others to attain defined goals (Bass, 2008).

The strongest leaders achieve ideal frequency ratings of 3.5 or higher for the outcomes of leadership. Based on rater perceptions scores, the owner/leaders were perceived to be strong leaders in relationship to effectiveness (EFF) and satisfaction with leadership (SAT) behaviors. The combined participant scores essentially echoed the rater scores. This outcome supports Yukl's (2012) observation that women have been rated significantly higher than men on the outcome measures of inspiring extra effort from subordinates, subordinates expressing satisfaction with their leadership, and their effectiveness in leading overall. However, owner/leader's scores fell short of the ideal levels for all organizational outcomes, with the highest score for satisfaction with leadership (SAT) and the low score for extra effort (EE). The leader self-perception scores were aligned with the Dhaliwal's (2010) assessment that small business owners generally do not see themselves as leaders or label themselves as entrepreneurs. Fortunately, employee performance is influenced by his or her perceptions of the leadership styles exhibited by a leader (Hamel, 2007; Salma et al., 2011). Satisfaction with leadership and motivation (extra effort) are highly correlated with transformational and transactional leadership styles (Cifuentes, 2013).

Spearman correlational analyses. Nine null hypotheses and nine alternative hypotheses assisted in testing the research questions. In this study, the null hypotheses predicted there was no relationship between the variables and the population and the alternative hypotheses predicted the relationship exists (Cozby, 2009). The results of the Spearman (r_S) rank correlation analysis for all the hypotheses tested were statistically significant, thus allowing for the rejection of the nine null hypotheses. However, the

unacceptable Cronbach's alpha reliability coefficients for factors of contingent reward and laissez-faire were limitations of this study.

Relationship between leadership styles and organizational success measured by extra effort. The first three hypotheses tested the first research question:

RQ1. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort (motivation)?

$H1_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H1_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

The results indicated support for $H1_a$. A significant and positive relationship exists between transformational leadership style of female business owner/leaders and employee perceptions of their leader's leadership behavior of extra effort. This was true for all five transformational behavior scales. The most significant relationships were revealed for the scales of inspirational motivation (IM) and idealized attributes (IA). The results are consistent with previous research as presented in chapter 2 including the Valdiserri and Wilson (2010) study.

$H2_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H2_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

The Spearman (r_S) coefficients for the leadership scale of contingent reward (CR) revealed a significant and positive relationship exists between the transactional leadership behavior of contingent reward of female business owner/leaders and employee perceptions of their leader's leadership behavior of extra effort. Conversely, the Spearman (r_S) coefficients for the leadership scale of management-by-exception active revealed a moderately significant and negative relationship exists between the transactional leadership behavior of management-by-exception active of female business owner/leaders and employee perceptions of their leader's leadership behavior of extra effort. The results are consistent with previous research as presented in Chapter 2, supporting acceptance for *$H2_a$*.

$H3_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

$H3_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of their leader's leadership behavior of extra effort.

Analyses of study results indicated the acceptance for *$H3_a$*. The Spearman (r_S) coefficient for the leadership scale of management-by-exception passive (MBEP)

revealed a significant and negative relationship exists between the laissez-faire leadership behavior of management-by-exception passive of female business owner/leaders and employee perceptions of their leader's leadership behavior of extra effort. The Spearman (r_S) coefficient for the leadership scale of laissez-faire (LF) revealed a significant and negative relationship exists between the laisse-faire leadership behavior of female business owner/leaders and employee perceptions of their leader's leadership behavior of extra effort. However, p-values identified the probability the result of the analysis was produced by chance. The Cronbach alpha score for this factor brought into question the reliability of the measurements of this variable; however, negative or non-significant results do not inevitably indicate the null hypothesis is correct (Cozby, 2009). The results for the leadership scale of management-by-exception passive (MBEP) were consistent with previous research as presented in Chapter 2. However, the results for the leadership scale of laissez-faire (LF) were not.

Based on the literature review, the effect of laissez-faire leadership style on follower well-being is harmful (Velkova, 2011). There is a strong negative relationship between laissez-faire leadership style and affective employee commitment (Yang, 2012). A leader's destructive behaviors may produce a counterproductive leadership style rather than a non-leadership style. Laissez-faire leadership style was correlated positively with coworkers conflicts, follower role conflict, and follower role ambiguity (Skogstad et al., 2007), which contributed to this being the least effective form of leadership as assessed by the MLQ (Bass, 2008; Northouse, 2013).

The results for the leadership scale of laissez-faire (LF) were not supported by the analyses of Spearman (r_S) correlational coefficients performed for this study.

Adjustments to the theory on the relationship between perceptions of laissez-faire/passive avoidant leadership behavior of female business owner/leaders and organizational success, as measured by employee perceptions of their leader's leadership behavior of extra effort, would be unsound based on the results of the current study. Conducting the study with a reasonably large sample would be one way to rule out the sample size of the current study was too small.

Relationship between leadership styles and organizational success measured by leader effectiveness. The next three hypotheses tested the second research question:

RQ2. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader?

$H4_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H4_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

The results of the Spearman (r_S) rank correlation analysis test for all five transformational behavior scales led to acceptance of *$H4_a$*. The most significant relationships were revealed for the scales of idealized attributes (IA), inspirational motivation (IM), and idealized behaviors (IB). Consistent with previous research as presented in the literature review, a significant and positive relationship exists between

transformational leadership style of female business owner/leaders and employee perceptions of their leader's leadership behavior of effectiveness.

$H5_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H5_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

The Spearman (r_S) coefficient for the leadership scale of contingent reward (CR) revealed a significant and positive relationship exists between the transactional leadership behavior of contingent reward of female business owner/leaders and employee perceptions of their leader's leadership behavior of effectiveness. A moderately significant and negative relationship exists between the transactional leadership behavior of management-by-exception active (MBEA) of female business owner/leaders and employee perceptions of their leader's leadership behavior of effectiveness, based on Spearman (r_S) coefficient for the leadership scale of MBEA. The results supported acceptance for *$H5_a$* and are consistent with previous research as presented in Chapter 2.

$H6_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee perceptions of the leadership effectiveness of the leader.

$H6_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational

success measured by employee perceptions of the leadership effectiveness of the leader.

The results of the Spearman (r_S) rank correlational coefficient statistical test indicated acceptance for $H6_a$. The Spearman (r_S) coefficient for the leadership scale of management-by-exception passive revealed a significant and negative relationship exists between the laissez-faire leadership behavior of management-by-exception passive of female business owner/leaders and employee perceptions of their leader's leadership behavior of effectiveness. The Spearman (r_S) coefficient for the leadership scale of laissez-faire (LF) revealed a moderately significant and negative relationship exists between the laisse-faire leadership behavior of female business owner/leaders and employee perceptions of their leader's leadership behavior of effectiveness. The results are consistent with previous research as presented in Chapter 2.

Relationship between leadership styles and organizational success measured by employee satisfaction with leadership. The last three hypotheses tested the third research question:

RQ3. What is the relationship between leadership styles in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership?

$H7_0$: There is no relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H7_a$: There is a relationship between transformational leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

The results of the Spearman (r_S) rank correlational coefficient statistical test exposed a significant and positive relationship exists between transformational leadership style of female business owner/leaders and employee perceptions of their satisfaction with the leadership. This was true for all five transformational behavior scales. The most significant relationships were revealed for the scales of inspirational motivation (IM), idealized attributes (IA), and idealized behaviors (IB). The results are consistent with previous research as presented in Chapter 2.

$H8_0$: There is no relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H8_a$: There is a relationship between transactional leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

The Spearman (r_S) coefficient for the leadership scale of contingent reward (CR) revealed a significant and positive relationship exists between the transactional leadership behavior of contingent reward of female business owner/leaders and employee perceptions of their satisfaction with leadership. Conversely, the Spearman (r_S) coefficient for the leadership scale of management-by-exception active (MBEA) revealed a moderately significant and negative relationship exists between the transactional leadership behavior of management-by-exception active of female business

owner/leaders and employee perceptions of their satisfaction with leadership. The results are consistent with previous research as presented in Chapter 2.

$H9_0$: There is no relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

$H9_a$: There is a relationship between laissez-faire/passive avoidant leadership style in woman-owned and –led small businesses and organizational success measured by employee satisfaction with the leadership.

The results of the Spearman (r_S) rank correlational coefficient statistical test led to support for *$H9_a$*. True for both laissez-faire/passive avoidant behavior scales, a significant and negative relationship exists between laissez-faire/passive avoidant leadership style of female business owner/leaders and employee perceptions of their satisfaction with leadership. The most significant relationship was revealed for the leadership scale of management-by-exception passive (MBEP) while the Spearman (r_S) coefficient for the leadership scale of laissez-faire (LF) revealed the existence of a moderately significant and negative relationship. The results are consistent with previous research as presented in the literature review.

Factor analysis. Factor analysis identified idealized behaviors (IB) and idealized attributes (IA) as the key factors that may explain most of the variance observed for the criterion variables (IBM, 2014). Multivariate multiple regression analyses were conducted based on these results.

Multivariate multiple regression analyses. Multiple regression revealed the significant power of a female business owner/leader's combined behaviors to predict

organizational success, and reconfirmed the correlational relationship among the criterion and predictor variables. The regression analysis results for the operationalized criterion variables extra effort (EE), effectiveness (EFF), and satisfaction with leadership (SAT) indicated a significant relationship to suggest that a female business owner/leader's combined behaviors predicted organizational success. The percentage of variance for criterion variables that was not explained by factors covered in this study for all participants ranged from 40% to 52% and 33% to 44% for rater participants. This led to the conclusion that the observed relationships between variables could have been influence by a number of third variables (Cozby, 2009). This conclusion supported the critical evaluations of the FRLT model presented in the literature review. Kaiser and Overfield's (2010) suggested that leadership research lacks a comprehensive model of the factors that explains the leader-organizational performance link. Based on research findings, Michel et al. (2011) concluded a more inclusive model with a broader perspective on leadership behavior is necessary to understand better effective leadership.

Alternatively, the variance could have resulted from the size of the participant businesses. Seventy-five percent (fifteen) of the businesses had fewer than three rater participants per owner/leader participant. In a multi-rater campaign, a minimum of three raters per leader is suggested (Avolio & Bass, 2004). MLQ results can be influenced when leaders select and contact raters, which would be unavoidable in very small businesses. As a result, the rater participant scores could have been inflated by as much as one unit as compared to the norms (Avolio & Bass, 2004).

Descriptive statistics for demographics. The gender distribution presented an accurate representation of woman-owned professional, business, and personal service-

sector business organizations, where woman-owned businesses are over represented (Robb & Farhat, 2013). Consistent with 2008 United States Census data cited in the literature review (United Stated Small Business Administration, 2010b), three-quarters of the women founded their own small business, of which the majority had not previously started other businesses. An educated owner is a contributing factor to business survival (Beaver, 2003; Brown, 2007; Dhaliwal, 2010; Fairlie & Robb, 2009; Headd, 2003; Jarmin & Krizan, 2010). In the current study, more than half of the owner/leaders have less than a bachelor's degree. However, 25% (5) of the owner/leaders reported earned Master's (1) and Doctorate or professional (4) degrees. Higher education was a characteristic of business owners positively correlated with organizational success, which contributed more to success in woman-owned businesses (Kariv, 2011). Additionally, women with formal education demonstrate a more transformational leadership style (Lincoln, 2012).

The self-reported information in several response categories was not representative of women business owners in the United States, as reported in the literature review. Factors contributing to business closure include a relatively young owner and an owner's lack of managerial and leadership skills (Beaver, 2003; Brown, 2007; Dhaliwal, 2010; Fairlie & Robb, 2009; Headd, 2003; Jarmin & Krizan, 2010). In the current study, a smaller percentage (30%) of participant leaders were under the age of 45 versus 35% of female business owners in the United States (United Stated Small Business Administration, 2010b). The majority of participant leaders previously held managerial positions (70%) versus 52.3% of female business owners in the United States (Fairlie & Robb, 2009), and previously held business leadership (65%) positions. The

lack of prior business experience is emerging as a critical contributing factor in explaining business performance outcomes (Jarmin & Krizan, 2010). A slightly older population and the higher percentage of owner/leaders with management and leadership experience may have contributed to high rater participant mean scores for the three perceived leadership organizational outcomes.

Implications of the Study

As reported in several studies cited in the literature review, the causes attributed mostly to business failure are ineffective leadership and management (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). Beaver, (2003), Darling et al. (2007), and Valdiserri and Wilson (2010) indicated successful small businesses must have robust leadership. Kelly et al. (2012) noted there was a mutual relationship between economic conditions of the United States and entrepreneurship. Evaluation of Country Business Patterns (2012) indicated small businesses generate about 70% of all jobs in the United States; making them vital to the economic strength of the country (Ling et al., 2008.) However, only one-half of the new businesses in the United States survive after four years (Headd & Kirchhoff, 2009; SBA Office of Advocacy, 2011, January). Woman-owned businesses play a vital role in the economic health of the United States (United States Small Business Administration, 2010b) with a start-up rate twice that of businesses owned by men (Economics and Statistics Administration, 2010).

Findings in this study contributed to the understanding of how employees perceive the leadership behaviors of female small business owner/leaders and how the behaviors influence organizational success as measured by three outcomes of leadership

– extra effort (motivation), effectiveness, and satisfaction with leadership. The goal of most small business owners is to be profitable enough to provide a living and to achieve a level of independence (Ahl, 2006; Beaver, 2003; Dawson & Henley, 2012). Regardless of gender, most small business owners have no desire to hire employees unless the demand for the product or service exceeds the abilities of the owner (Ahl, 2006). It is the responsibility of female small business owner/leaders to influence, motivate, and enable employees (Bass, 2008) to maximize employee performance (i.e., extra effort/motivation), employee effectiveness, and employee satisfaction with leadership to achieve organizational success.

A conflict exists regarding leadership behaviors and the differing roles of women. Female leaders typically demonstrated behaviors aligned with transformational leadership style (Eagly, 2007; Hopkins et al., 2008; Knopik & Moerer, 2010; Mattare et al., 2010; Tibus, 2010) while female entrepreneur/business owners were more task-oriented, reluctant to delegate authority, and focused on their own actions instead of collaborative relationships (Knopik & Moerer, 2010; Mattare et al., 2010). Empirical support was provided for the argument that transformational and transactional female leaders are more likely to influence organizational success through employee perceptions of extra effort, effectiveness, and satisfaction with leadership, thereby, supporting a balancing of behaviors, as noted by Moore et al. (2011). This argument was supported by the findings of the current study by the multivariate multiple regression analyses and assessment of the descriptive statistics for the variables.

Based on the analysis of the findings of the Spearman (r_S) correlations tests, no adjustments are necessary to the theories on the relationship between perceptions of

transformational, transactional, and laissez-faire leadership and organizational success as measured by extra effort, effectiveness, and satisfaction with leadership. The rejection of nine null hypotheses in the study demonstrated the relationship between robust leadership and organizational success in service -sector women-owned- and -led business with fewer than 20 employees. However, interpretation of multiple regression analyses suggested the comprehensive nature of the factors of FRLT model is questionable for explaining the connection between leadership and organizational success based on performance in the businesses of the type and size examined in the study. The percentage of variance in the criterion variables not explained by the FRLT factors alluded to the deficiency of the leadership model.

Assumptions, Limitations, and Delimitations

The study was based on assumptions about leadership styles and the relationship to organizational success of small businesses. It was assumed all participants were honest and unbiased in his or her answers to the MLQ surveys and demographic surveys, and did not discuss answers with other participants, so data were not skewed. It was assumed the participating business owner/leaders were using transformational, transactional, and laissez-faire leadership styles and shared the vision and mission of the organization with members as a means to attaining the goals of the organization.

The *MLQ Leader Form, MLQ Rater Form*, and *MLQ 5x-Short* were used in the study. It was assumed a) leadership style differences were adequately reflected and measured by the *MLQ Leader Form*, b) employee perceptions of leadership styles and behaviors were effectively identified by the *MLQ Rater Form*, and c) leadership styles and organizational success were effectively measured by the *MLQ 5x-Short.* The use

solely of the MLQ instruments limited the research to examining the styles, behaviors, and attributes addressed by the instruments.

The validity and reliability of the *MLQ* survey, as an instrument for examining leadership, have been tested and documented in numerous research studies across a broad range of businesses cited in the literature review (Ayman et al., 2009; Cassard & Hamel, 2008; Chung-Wen, 2008; Frazier, 2013; Hamel, 2007; Just, 2011; Ling et al., 2008; Ryan & Tipu, 2013; Tafvelin et al., 2011; Valdiserri & Wilson, 2010; Velkova, 2011; Wadensten, 2012; Weatherly, 2012; Yitshaki, 2012). However, data analysis for the current study revealed questionable Cronbach's alpha scores for the leadership behaviors of contingent reward and laissez-faire, which brought into question the reliability for measurements of these variables.

The study was limited to surveying owner/leaders and personnel employed in service-sector woman-owned and –led businesses with fewer than 20 employees in North Myrtle Beach, South Carolina. An assumption of the study was the target population was representative of woman-owned and –led small businesses in general. Delimiting factors of the study included the service-sector, small businesses with fewer than 20 employees, woman-owned and -led organizations, and North Myrtle Beach, South Carolina, as the stipulated geographic area.

The minimum number of raters per leader suggested for the MLQ is three (Avolio & Bass, 2004). Seventy-five percent of the business in the study had three or fewer employees, which may have influenced the MLQ results. The owner/leaders were asked to supply a complete list of employees for voluntary participation; however, researcher

access to employees was limited to the information provided by the owner/leader. This may have resulted in rater score inflation.

The research study had a response rate of 98% (60 of 61 eligible participants). The 60 participants from service-sector woman-owned small business who completed the survey - 20 owner/leaders and 40 raters – signified a reasonable representation of the 20 participating organizations. With the population size of this research study, if all eligible participants responded, the generalizability of the study results was supported in comparison to responses from a small percentage from a large sample (Raosoft, 2014). In addition, the small p-values resulting from the Spearman (r_S) coefficient test indicated the correlational significance, even with the relatively small sample size.

The study was restricted by the limitations of descriptive correlational research, which included the inability to measure or infer cause and effect (deVaus, 2011). A number of third variables could have influenced the observed relationships between variables (Cozby, 2009). The collection of data was limited to one specific time, which opened up the possibility of time set biases.

Recommendations

Recommendations for woman-owned and –led small businesses. The economic outlook for small business formation is uncertain at the time of this study (Fairlie, 2012), making the study particularly relevant. The survival rate of women-owned businesses is lower than the rate of men-owned businesses. Woman-owned businesses are nearly 13% more likely to close (Fairlie & Robb, 2009, December). By answering the research questions, the researcher sought to understand the relationship between leadership styles in woman-owned and –led small businesses and organizational

success. Findings from this study suggested the leadership styles that may enhance organizational success at women-owned and –led businesses with fewer than 20 employees. The results of the MLQ surveys revealed the transformational, transactional, and laissez-faire leadership styles affected organizational success in small service-sector small businesses.

The sphere of influence of a small business owner/leader is influenced by the size and structure of the organization. Small business owners have more limited time and personnel than larger businesses, which may contribute to many owner's assuming a 'hands-on' approach (Atamian & VanZante, 2010). Therefore, the value of the contributions of employees to small business performance tend to be magnified. Effective organizational performance requires a cooperative effort by leaders and followers (Yukl, 2008). Walumbwa and Hartnell (2011) suggested organizations could realize an important return on investment on follower development by training leaders to be more transformational. Transformational leaders enhance performance and achieve higher levels of motivation by a) providing learning opportunities, b) providing regular feedback, c) creating an environment that encourages innovation, and d) delegating duties.

Critical to organizational success is an entrepreneur's willingness and ability to become a leader (Kempster & Cope, 2010). The leadership styles of women business leaders result from the lack of experience and lack of business knowledge. Current entrepreneurship research suggests concern for successful entrepreneurship if women cannot acquire essential managerial experience to develop leadership and networking skills (Sullivan & Meek, 2012). Small business leaders are encouraged to seek

leadership positions in business, civic, and social organizations as a way to develop leadership and networking skills.

The behavior of a leader and how it is perceived by subordinates is positively related to perceptions of performance and job satisfaction (Chung-Wen, 2008; Craig, 2013; Fernandez, 2008). The interactive, transformational leadership style employed by women leaders can result in the organizational outcomes of open communication, employee satisfaction, and a more innovation and productive environment (Moore et al., 2011; Walumbwa & Hartnell, 2011). However, in the current study, multiple regression revealed the significant power of a female business owner/leader's combined behaviors to predict organizational success. Transformational, transactional, and laissez-faire leadership styles influence small business organizational performance as well as the performance of the individual members. To lead a successful business, the small business owner benefits from understanding better leadership behaviors and leadership styles that enhance or disrupt business performance (Atamian & VanZante, 2010). Small business leaders are encouraged to become better educated on leadership behaviors and the positive and negative outcomes attributed to the behaviors.

Recommendations for small business development programs. It is recommended that federal, state, and local community policy makers who create programs to help female entrepreneurs and small business owners foster programs focused on skills for leadership and employee development. Small business development programs have a tendency to concentrate on the "how to" aspects of business, such as finance, management, and marketing. However, entrepreneurs who exhibit excellence in providing leadership have a higher potential for success than entrepreneurs who merely

manage their businesses (Darling et al., 2007; Losapio, 2012; Mitchelmore & Rowley, 2013). Recommended topics include assessment of leadership behaviors, outcomes of leadership, leader-follower dynamics, leading teams, and organizational design and culture.

Recommendations for future research. Recommendations for future research were guided by the study results. Replication of the study to test the hypotheses by surveying a broader population of woman-owned and led business with fewer than 20 employee is recommended. The U.S. Small Business Administration (2010a) defines a small business as having 500 or fewer employees. Based on this definition, research could be expanded to include woman-owned and led business with more than 20 employees and fewer than 500. Broadening the range of business sectors and geographic locations would allow access to a more diverse population, providing perspectives to confirm generalization of results across regions within and outside South Carolina.

The methodology of the study was quantitative and the research design was correlational. Conducting a qualitative research study to explore the relationship between leadership styles and organizational success examined in this study could lead to a better understanding by looking at characteristics that the researcher cannot easily reduce to numerical values (Leedy & Ormrod, 2010; Neuman, 2011). Conducting a mixed methods research study to explore the relationships examined in this study would combine quantitative and qualitative research criteria. Combining subjective qualitative data and objective quantitative data in the same study could provide a more complete picture and reduce alternative explanations of findings (Christensen et al., 2011; Leedy & Ormrod, 2010). The recommended research study methods may be appropriate for

identifying factors that explain the link between leadership behaviors and organizational success, which were not explained in the current study by FRLT model factors. Such study findings might advance leadership research by contributing to a more comprehensive model to explain the leader-organizational performance link.

Analysis of study demographics revealed 45% of the owner/leader participants self-reported previous business ownership plus managerial and leadership experience. Research could also be expanded to include analysis of owner/leader and rater participants based on owner/leaders possessing previous business ownership, management, and leadership experience versus first-time business owner/leaders. With the custom 360 multi-rater campaign used in the current study, data was coded so the responses of participant owner/leaders and their participant raters were associated so the data was available for this expanded analysis. As it was outside the scope of the current study, data analysis was not conduct for direct owner/leader – rater relationships.

Summary

This quantitative, descriptive correlational study was an examination of the relationship between leadership styles as defined by full-range leadership theory (FRLT), known as transformational, transactional, and laissez-faire, of female small business owner/leaders and organizational success measured by perceptions of the leaders in three areas: a) extra effort (motivation), b) effectiveness, and c) satisfaction with leadership. To determine the relationship between the variables, two statistical tests were run on data collected from Multifactor Leadership Questionnaire (MLQ) survey submitted through a Mind Garden Transform website by 60 participants. The results indicated a positive significant relationship exists between transformational leadership style and the

contingent reward factor of transactional leadership style and organizational success. Conversely, a negative significant relationship exists between the management-by-exception active factor of transactional leadership style and laissez-faire leadership style and organizational success.

Analyses of the findings revealed contributions to the existing literature on leadership styles of female business owner/leaders. It was concluded female business owner/leaders demonstrated a balance between the behaviors of women leaders that are aligned with transformational leadership style and the more transactional behaviors of female entrepreneur/business owners. The results indicated the significant power of a female small business owner/leader's combined leadership behaviors to predict organizational success. However, analysis exposed unidentified variables influenced organizational success that were not accounted for by FRLT factors. Thus, supporting the critical evaluations of the FRLT model presented in the literature review, which recommended a more inclusive model with a broader perspective on leadership behavior (Michel et al., 2011) and a comprehensive model of the factors that explains the leader-organizational performance link (Kaiser & Overfield, 2010).

Recommendations include small business development programs focused on skills for leadership and employee development, including leadership behaviors and the positive and negative outcomes attributed to the behaviors. Recommendations for further research include studies of a broader range of business sectors and geographic locations to access a more diverse population, and a mixed methods research study to identify factors that were not explained in the current study by FRLT model factors to advance leadership research by contributing to a more comprehensive leadership model.

Conclusion

This study involved discussions pertaining to the problem statement as presented in Chapter 1. The specific problem of the study was poor leadership and management skills contribute to small business failure and closure (Atamian & VanZante, 2010; Bass, 2008; Beaver, 2003; Brown, 2007; Lee et al., 2009; Valdiserri & Wilson, 2010). The general problem of the study was one-third of new businesses in the United States close within two years (Lussier & Halabi, 2010; SBA Office of Advocacy, 2011, January) and only one-half survive after four years (Headd & Kirchhoff, 2009; SBA Office of Advocacy, 2011, January), negatively affecting the nation's economic strength.

Chapter 2 included a review of the literature on theories of leadership, women and leadership, women and entrepreneurship, organizational success in small businesses, and employees and outcomes of leadership styles. Chapter 3 contained a description of the research methodology, and Chapter 4 included the analyses and study results. The discussion of the interpretation of findings and results, the study implications, and recommendations were contained in Chapter 5.

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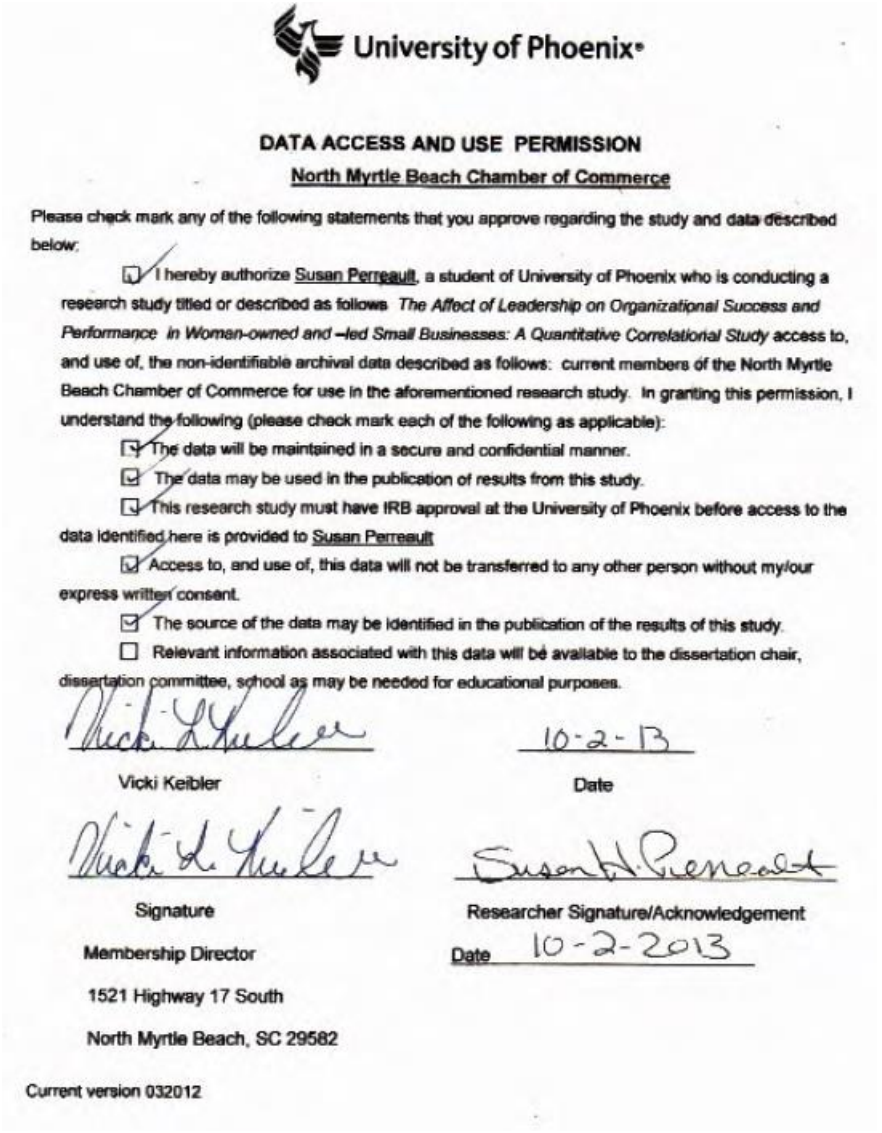
Appendix A

Data Access and Use Permission – North Myrtle Beach Chamber of Commerce



University of Phoenix

DATA ACCESS AND USE PERMISSION

North Myrtle Beach Chamber of Commerce

Please check mark any of the following statements that you approve regarding the study and data described below:

☑ I hereby authorize Susan Perreault, a student of University of Phoenix who is conducting a research study titled or described as follows *The Affect of Leadership on Organizational Success and Performance in Woman-owned and –led Small Businesses: A Quantitative Correlational Study* access to, and use of, the non-identifiable archival data described as follows: current members of the North Myrtle Beach Chamber of Commerce for use in the aforementioned research study. In granting this permission, I understand the following (please check mark each of the following as applicable):

☑ The data will be maintained in a secure and confidential manner.

☑ The data may be used in the publication of results from this study.

☑ This research study must have IRB approval at the University of Phoenix before access to the data identified here is provided to Susan Perreault

☑ Access to, and use of, this data will not be transferred to any other person without my/our express written consent.

☑ The source of the data may be identified in the publication of the results of this study.

☐ Relevant information associated with this data will be available to the dissertation chair, dissertation committee, school as may be needed for educational purposes.

Vicki L. Keibler — 10-2-13

Vicki Keibler — Date

Vicki L. Keibler — Susan H. Perreault

Signature — Researcher Signature/Acknowledgement

Membership Director — Date 10-2-2013

1521 Highway 17 South

North Myrtle Beach, SC 29582

Current version 032012

Appendix B

Data Access and Use Permission – The City of North Myrtle Beach, South Carolina

University of Phoenix®

DATA ACCESS AND USE PERMISSION

The City of North Myrtle Beach

Please check mark any of the following statements that you approve regarding the study and data described below:

☑ I hereby authorize Susan Perreault, a student of University of Phoenix who is conducting a research study titled or described as follows *The Affect of Leadership on Organizational Success and Performance in Woman-owned and –led Small Businesses: A Quantitative Correlational Study* access to, and use of, the non-identifiable archival data described as follows: list of businesses licensed by the city of North Myrtle Beach during the period of 2013-2014 for use in the aforementioned research study. In granting this permission, I understand the following (please check mark each of the following as applicable):

☑ The data will be maintained in a secure and confidential manner.

☑ The data may be used in the publication of results from this study.

☐ This research study must have IRB approval at the University of Phoenix before access to the data identified here is provided to Susan Perreault

☐ Access to, and use of, this data will not be transferred to any other person without my/our express written consent.

☑ The source of the data may be identified in the publication of the results of this study.

☑ Relevant information associated with this data will be available to the dissertation chair, dissertation committee, school as may be needed for educational purposes.

Bruce Young — 10/02/2013

Bruce Young — Date

Signature — Researcher Signature/Acknowledgement

Risk Management Revenue Inspector — Date 10-4-2013

1018 Second Avenue South

North Myrtle Beach, SC 29582

Current version 032012

Appendix C

Demographic Survey – Participant/Leader

Age

- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65-75
- ☐ 75+

Ethnicity

- ☐ Asian
- ☐ Black
- ☐ Hispanic
- ☐ White
- ☐ Other

Educational level

- ☐ High School or GED
- ☐ Vocational or Trade school
- ☐ Attended college
- ☐ Associate degree
- ☐ Bachelor's degree
- ☐ Master's degree
- ☐ Doctorate or Professional degree

Previous work experience

- ☐ 1-2 years
- ☐ 2-5 years
- ☐ 5-10 years
- ☐ 10-20 years
- ☐ More than 20 years

Previously held managerial position

- ☐ Yes
- ☐ No

Previously held leadership position in business

- ☐ Yes
- ☐ No

Previously held leadership position in social, civic or other organization

- ☐ Yes
- ☐ No

How present business was formed

- ☐ Started/founded new business
- ☐ Purchased existing business
- ☐ Inherited business
- ☐ Other

Started other businesses

- ☐ Yes
- ☐ No

Ownership structure

- ☐ Solely owned
- ☐ Team of entrepreneurs/partners
- ☐ Family business

Number of Employees

Part time_____

Full time_____

Appendix D

Demographic Survey – Participant/Rater

Age
- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55-64
- ☐ 65-75
- ☐ 75+

Gender
- ☐ Male
- ☐ Female

Ethnicity
- ☐ Asian
- ☐ Black
- ☐ Hispanic
- ☐ White
- ☐ Other

Educational level
- ☐ High School or GED
- ☐ Vocational or Trade school
- ☐ Attended college
- ☐ Associate degree
- ☐ Bachelor's degree
- ☐ Master's degree
- ☐ Doctorate or Professional degree

Length of time on the job
- ☐ 0-1 year
- ☐ 2-3 years
- ☐ 4-5 years
- ☐ 5-10 years
- ☐ More than 10 years

Hold managerial position in this business
- ☐ No
- ☐ Yes – responsible for 1 to 5 others
- ☐ Yes – responsible for 6 to 10 others
- ☐ Yes – responsible for more than 11 others

Appendix E

Sample of Multifactor Leadership Questionnaire (MLQ) Leader

Form 5x-Short

This questionnaire is to describe your leadership style as you perceive it. Please answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.**

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals.

Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

1. I provide others with assistance in exchange for their efforts 0 1 2 3 4

Appendix F

Sample of Multifactor Leadership Questionnaire (MLQ) Rater

Form 5x-Short

This questionnaire is used to describe the leadership style of the above-mentioned individual as you perceive it. Answer all items on this answer sheet. **If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.** Please answer this questionnaire anonymously.

Important (necessary for processing): Which best describes you?

___ I am at a higher organizational level than the person I am rating.
___ The person I am rating is at my organizational level.
___ I am at a lower organizational level than the person I am rating.
___ Other than the above.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale:

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

The Person I Am Rating. . .

1. Provides me with assistance in exchange for my efforts 0 1 2 3 4

2. Re-examines critical assumptions to question whether they are appropriate 0 1 2 3 4

Appendix G

Sample of Multifactor Leadership Questionnaire (MLQ)

Scoring Key (5x) Short

Scoring: The MLQ scale scores are average scores for the items on the scale. The score can be derived by summing the items and dividing by the number of items that make up the scale. **If an item is left blank, divide the total for that scale by the number of items answered**. All of the leadership style scales have four items, Extra Effort has three items, Effectiveness has four items and Satisfaction has two items

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

***Idealized Influence (Attributed) total/4=** **#Management-by-Exception (Active) total/4=**

***Idealized Influence (Behavior) total/4=** **+Management-by-Exception (Active) total/4=**

***Inspirational Motivation total/4=** **+Laissez-faire Leadership total/4=**

***Intellectual Stimulation total/4=** **Extra Effort total/3=**

***Individual Consideration total/4=** **Effectiveness total/4=**

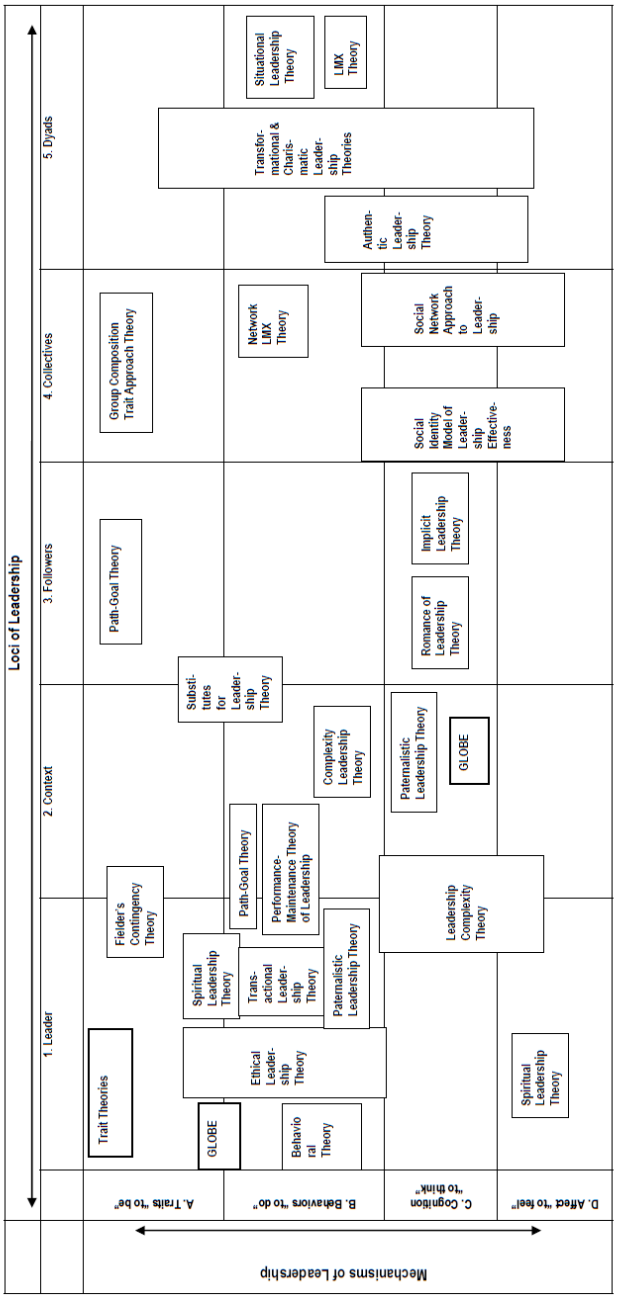
#Contingent Reward total/4= **Satisfaction total/2=**

1. Contingent Reward 0 1 2 3 4

2. Intellectual Stimulation.....0 1 2 3 4

Appendix H

The Loci and Mechanisms of Leadership



Note. Leadership theories within the two-dimensional framework from "The loci and mechanisms of leadership: Exploring a more comprehensive view of leadership theory," by M. Hernandez, M. B. Eberly, B. J. Avolio, and M. D. Johnson, 2011, The Leadership Quarterly, 22(6), p. 1166. Copyright 2011 by Elsevier Limited. Reprinted with permission.

Appendix I

Informed Consent- 18 Years Old or Older

Dear Small Business Leader/Employee,

My name is Susan Perreault and I am a student at the University of Phoenix working on a doctoral degree. I am doing a research study entitled **The Relationship between Leadership Styles and Organizational Success in Women-owned and –led Small Businesses: A Quantitative Descriptive Correlational Study**. The purpose of my study is to understand better the relationship between women's leadership styles and organizational success of women-owned and –led firms based on perceptions of leader effectiveness by leaders and employees. This research study will survey leaders and employees in service-sector women-owned and -led small businesses with fewer than 20 employees in North Myrtle Beach, South Carolina.

Participation will require you to answer scaled questions with the response options answered by *Unsure, Not at all, Once in a while, Sometimes, Fairly often*, and *Frequently, if not always*. Participants must be 18 years old or older, and participation will take no longer than 20 minutes. In addition, a short demographic survey will be administered. You can decide to be a part of this study or not. Once you start, you can withdraw from the study at any time without any penalty or loss of benefits. The results of the research study may be published but your identity will remain confidential and your name will not be made known to any outside party.

In this research, there are no foreseeable risks to you. The questionnaire is an online questionnaire through Mind Garden Transform system Online Survey website. Survey participants are required to consent to participate prior to completing the survey instruments.

Although there may be no direct benefit to you, your participation will contribute to furthering the research on female leadership styles and the relationship with organizational success and may suggest leadership styles that may enhance success in woman-owned and –led small businesses.

If you have any questions about the research study, please call me at 843-492-7341 and e-mail address shperreault@email.phoenix.edu. For questions about your rights as a study participant, or any concerns or complaints, please contact the University of Phoenix Institutional Review Board via email at IRB@phoenix.edu.

As a participant in this study, you should understand the following:

1. You may decide not to be part of this study or you may withdraw from the study at any time. If you want to withdraw, you can do so without any problems. You are free to refuse to answer questions that make you feel uncomfortable. If you decide to quit at any time before you have finished the questionnaire, your answers will NOT be recorded.
2. Your identity will be kept confidential to ensure your privacy.
3. Susan Perreault, the researcher, has fully explained the nature of the research study and has answered all of your questions and concerns.
4. Data will be kept in a secure and locked area. The data will be kept for three years, and then destroyed.
5. The results of this study may be published.

ELECTRONIC CONSENT: Please select your choice below. After reviewing the informed consent, participants may either agree to continue to participate by clicking below on the ***"Agree"*** button or decline by clicking on the ***"Disagree"*** button.

By completing the online questionnaire, you agree to take part in this research study. Participant selection of the ***"Agree"*** button represents the signature of the participant, with the same legally binding powers, and you are stating you are 18 years old or older and have read and understood this consent form and agree to participate in this research study. Participant selection of this button permits access to the survey instruments. Participants who decline will not receive access to the survey instruments.

Please print a copy of this page for your records.

Appendix J

Preliminary Recruitment Letter

University of Phoenix
School of Advanced Studies
3157 E. Elwood St.
Phoenix, AZ 85034
866.766.0766

Dear Small Business Owner,

My name is Susan Perreault and I am a student at University of Phoenix working on a doctoral degree in business administration. I am doing preliminary recruitment of voluntary participation for my dissertation research study entitled **The Relationship between Leadership Styles and Organizational Success in Woman-owned and -led Small Businesses: A Quantitative Descriptive Correlational Study**. The purpose of my study is to understand better the relationship between women's leadership styles and organizational success in women-owned and –led firms based on perceptions of leader effectiveness by leaders and employees. This research study will survey leaders and employees in service-sector women-owned and -led small businesses with fewer than 20 employees in North Myrtle Beach, South Carolina. I am asking for the support of owner/leaders to allow employees to answer scaled questions with the response options answered by *Not at all, Once in a while, Sometimes, Fairly often*, and *Frequently, if not always*. Participants must be 18 years old or older, and participation will take no longer than 20 minutes.

Total anonymity is assured in volunteering and no names of the participants or respondents or their affiliated organizations will be among the collected survey data to ensure confidentiality and privacy. Participation will be in the form of an electronic survey:

- I will provide the leader with a web link from which they will complete their self-rating online and I will invite the employees of the business by email to voluntarily complete the survey electronically via the web.
- I will offer to come to your business at a pre-arranged time with a delicious, healthy snack and non-alcoholic beverage to explain the study and the survey process to all potential voluntary participants and leaders.

I will follow up this preliminary request letter for participation in this study with a phone call to answer any questions, and to see whether I may count on your valued support of this valuable study. Your participation will contribute to furthering the research on female leadership styles and the relationship with organizational success and may suggest leadership styles that may enhance success in woman-owned and –led small businesses.

If you have any questions concerning the research study, please call me at 843-492-7341 or contact me via email at shperreault@email.phoenix.edu

Sincerely,

Susan Perreault

Appendix K

Confidentiality Statement

The Relationship between Leadership and Organizational Success in Woman-owned and –led Small Businesses: A Quantitative Descriptive Correlational Study.
Susan Holt Perreault

CONFIDENTIALITY STATEMENT

As a researcher working on the above research study at the University of Phoenix, I understand that I must maintain the confidentiality of all information concerning all research participants as required by law. Only the University of Phoenix Institutional Review Board may have access to this information. "Confidential Information" of participants includes but is not limited to: names, characteristics, or other identifying information, questionnaire scores, ratings, incidental comments, other information accrued either directly or indirectly through contact with any participant, and/or any other information that by its nature would be considered confidential. In order to maintain the confidentiality of the information, I hereby agree to refrain from discussing or disclosing any Confidential Information regarding research participants, to any individual who is not part of the above research study or in need of the information for the expressed purposes on the research program. This includes having a conversation regarding the research project or its participants in a place where such a discussion might be overheard; or discussing any Confidential Information in a way that would allow an unauthorized person to associate (either correctly or incorrectly) an identity with such information. I further agree to store research records whether paper, electronic or otherwise in a secure locked location under my direct control or with appropriate safe guards. I hereby further agree that if I have to use the services of a third party to assist in the research study, who will potentially have access to any Confidential Information of participants, that I will enter into an agreement with said third party prior to using any of the services, which shall provide at a minimum the confidential obligations set forth herein. I agree that I will immediately report any known or suspected breach of this confidentiality statement regarding the above research project to the University of Phoenix, Institutional Review Board.

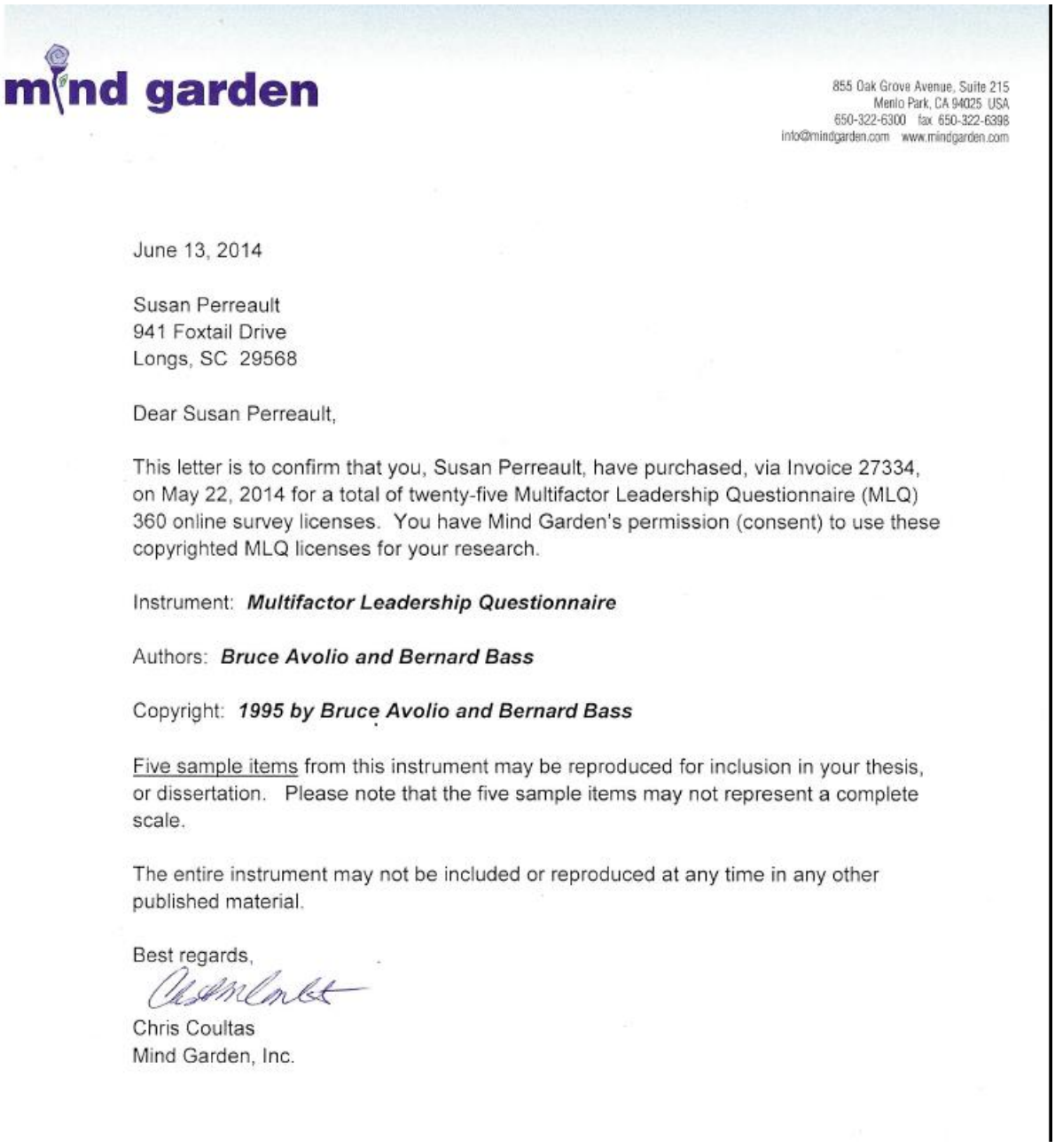
/susanholtperreault/	Susan Holt Perreault	03/18/2014
Signature of Researcher	Printed Name	Date
/marksallen/	Mark S Allen	03/18/2014
Signature of Witness	Printed Name	Date

Current version 032012

Appendix L

Mind Garden Permission to Use Existing Survey - License to

Reproduce/Administer



mind garden

855 Oak Grove Avenue, Suite 215
Menlo Park, CA 94025 USA
650-322-6300 fax 650-322-6398
info@mindgarden.com www.mindgarden.com

June 13, 2014

Susan Perreault
941 Foxtail Drive
Longs, SC 29568

Dear Susan Perreault,

This letter is to confirm that you, Susan Perreault, have purchased, via Invoice 27334, on May 22, 2014 for a total of twenty-five Multifactor Leadership Questionnaire (MLQ) 360 online survey licenses. You have Mind Garden's permission (consent) to use these copyrighted MLQ licenses for your research.

Instrument: ***Multifactor Leadership Questionnaire***

Authors: ***Bruce Avolio and Bernard Bass***

Copyright: ***1995 by Bruce Avolio and Bernard Bass***

Five sample items from this instrument may be reproduced for inclusion in your thesis, or dissertation. Please note that the five sample items may not represent a complete scale.

The entire instrument may not be included or reproduced at any time in any other published material.

Best regards,

Chris Coultas
Mind Garden, Inc.

Appendix M

Leader Participant Invitation Email

Email sent from shperreault@email.phoenix.edu

Subject: Invitation to Participate in Dissertation Research Study

Welcome, Sheila Brown!

Thank you for your voluntary participation in the dissertation research study entitled **The Relationship between Leadership Styles and Organizational Success in Woman-owned and -led Small Businesses: A Quantitative Descriptive Correlational Study.**
Please access the survey by clicking on the link. Alternatively, copy and paste the entire address into your browser address bar,

https://transform.mindgarden.com/assess/324575/CE8C2297

This page will enable you to rate yourself on the Multifactor Leadership Questionnaire and complete the demographic survey. If you have any questions about this, you should contact me at shperreault@email.phoenix.edu or 843-492-7341. If you have a technical problem, please contact Mind Garden, Inc. at http://www.mindgarden.com/forms/contactform.php

If you have not already provided me with the names and email addresses of your employees, please reply to this email with the following: Employee first and last name; email address. If you have a partner or partners, please provide his or her name and email address and mark as a partner. Upon receipt of your employee list, I will send each employee an email to inform them of the study and request voluntary participation. A second email will follow with a link to a page that will enable them to rate you on the Multifactor Leadership Questionnaire and complete a rater demographic survey.

You should save this email for future access or bookmark this web page in your browser.

Best Regards,

Susan Perreault
School of Advanced Studies
University of Phoenix

Appendix N

Rater Invitation to Participate Email

Email sent from shperreault@email.phoenix.edu

Subject: Sheila Brown is requesting your voluntary

Welcome, John Jones!

Sheila Brown is requesting your voluntary participation in the dissertation research study entitled **The Relationship between Leadership Styles and Organizational Success in Woman-owned and -led Small Businesses: A Quantitative Descriptive Correlational Study.** The purpose of my study is to understand better the relationship between women's leadership styles and organizational success in women-owned and –led firms based on perceptions of leader effectiveness by leaders and employees. This research study will survey leaders and employees in service-sector women-owned and -led small businesses with fewer than 20 employees in North Myrtle Beach, South Carolina. I asked for the support of owner/leaders to allow employees to answer scaled questions with the response options answered by *Unsure, Not at all, Once in a while, Sometimes, Fairly often,* and *Frequently, if not always.* Participants must be 18 years old or older. Participation is voluntary and will take no longer than 20 minutes.

You may decide not to be part of this study or you may withdraw from the study at any time. If you want to withdraw, you can do so without any problems. You are free to refuse to answer questions that make you feel uncomfortable. Total anonymity is assured in volunteering and no names of the participants or respondents or their affiliated organizations will be among the collected survey data to ensure confidentiality and privacy. Participation will be in the form of an electronic survey.

You will receive an email from **invite@mindgarden.com** with the ***Subject line: Developmental rating request from Sheila Brown***. The message will contain a link to access the Multifactor Leadership Questionnaire and complete the demographic survey with a request to respond by June 21, 2014.

A sample of the invitation is posted below. If you have any questions about this, you should contact me at shperreault@email.phoenix.edu or 843-492-7341.

Thank you for your participation.

Regards,

Susan Perreault
School of Advanced Studies
University of Phoenix

Appendix O

Rater Survey Access Invitation Email

Email sent from invite@mindgarden.com

Subject line: Developmental rating request from Sheila Brown

Dear John,

You have been identified as someone who can provide ratings for developmental purposes for Sheila Brown (sbrown@hotmailxx.com). There are other raters also completing this survey for Sheila Brown. Your ratings will be aggregated with the other ratings which will provide development feedback to Sheila Brown. This aggregation is to assist you in providing direct and honest feedback to Sheila Brown since you will not be identified with your ratings. Note that usually higher level ratings (e.g., supervisor) consist of only one person and so are not aggregated. Note also that the textual input questions will not be edited.

For purposes of confidentiality, an independent company, Mind Garden, Inc. manages this process.

To complete your rating of Sheila Brown, please click or copy into your browser address bar to access the Web page rating form: you can also use https://transform.mindgarden.com/welcome/293009/287735/322739 in most email programs or by a copy and paste into your browser address bar.

For the purposes of this evaluation, you should respond by: **June 21 2014**.

All questions about this process should be addressed to Susan Perreault, shperreault@email.phoenix.edu. If you have technical problems, please contact Mind Garden, Inc.

Thank You.
Mind Garden
www.mindgarden.com

Appendix P

Demographic Tables

Table 21

Age Distribution of Respondents (N = 60)

Company Position	18-24		25-34		35-44		45-54		55-64		65-75		75+		Prefer not to Answer	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Owner/Leader	0	0	6	10%	0	0	6	10%	7	11.64%	1	1.67%	0	0	0	0
Partner	0	0	0	0	0	0	1	1.67%	1	1.67%	0	0	0	0	0	0
Manager	0	0	0	0	1	1.67%	1	1.67%	1	1.67%	1	1.67%	0	0	0	0
Employee	1	1.67%	9	15%	7	11.67%	7	11.67	8	13.33%	2	3.33%	0	0	0	0
Total	1	1.67%	15	25%	8	13.33%	15	25%	17	28.33	4	6.67%	0	0	0	0

Table 22

Ethnic Distribution of Respondents (N = 60)

Company Position	Asian		Black		Hispanic		White		Other		Prefer not to Answer	
	n	%	n	%	n	%	n	%	n	%	n	%
Owner/Leader	0	0	0	0	0	0	19	32%	0	0	1	1.67%
Partner	0	0	0	0	0	0	2	3.33%	0	0	0	0
Manager	0	0	0	0	0	0	5	8.33%	0	0	0	0
Employee	1	1.67%	1	1.67%	5	8.33%	25	41.67%	0	0	1	1.67%
Total	1	1.67%	1	1.67%	5	8.33%	51	85%	0	0	2	3.33%

Table 23

Educational Distribution of Respondents (N = 60)

Company Position	High School or GED		Vocational or Trade School		Attended College		Associate Degree		Bachelor's Degree		Master's Degree		Doctorate or Professiional degree		Prefer not to Answer	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Owner/Leader	2	3.33%	1	1.67%	3	5%	3	5%	1	1.67%	1	1.67%	4	6.67%	0	0
Partner	0	0	0	0	0	0	0	0	1	1.67%	1	0	0	0	0	0
Manager	1	1.67%	0	0	1	1.67%	1	1.67%	1	1.67%	0	1.67%	1	1.67%	0	0
Employee	4	6.67%	9	15%	4	6.67%	12	20%	7	11.67%	1	1.67%	1	1.67%	0	0
Total	7	11.67%	10	16.67%	8	13.33%	16	26.67%	10	16.67%	3	5%	6	10%	0	0

Table 24

Length of Employment Distribution of Rater Respondents (N = 40)

Company Position	0-1 years		2-3 years		4-5 years		6-10 years		More than 10 years		Prefer not to Answer	
	n	%	n	%	n	%	n	%	n	%	n	%
Partner	0	0	0	0	1	2.5%	0	0	1	2.5%	0	0
Manager	1	2.5%	0	0	2	5%	1	2.5%	1	2.5%	0	0
Employee	2	5%	12	30%	11	27.50%	6	10%	2	5%	0	0
Total	3	6.67%	12	30%	14	35%	7	11.67%	4	10%	0	0

Appendix Q

Distribution of Data Tables & Figure

Table 25

Descriptive Statistic: Normality Tests

Dimension	Factor	Combined Scores		Raters Scores		
		Skewness	Kurtosis	Skewness	Kurtosis	Normal
		N = 60		N = 40		
Transformational	Idealized Attributes (IA)	-1.266	1.607	-1.745	2.927	No
	Idealized Behaviors (IB)	-.995	.611	-1.314	1.662	No
	Inspirational Motivation (IM)	-1.324	1.101	-1.640	2.241	No
	Intellectual Stimulation (IS)	-.995	2.445	-1.037	1.830	No
	Individualized Consideration (I	-1.298	2.806	-1.327	2.160	No
Transactional	Contingent Reward (CR)	-1.234	2.760	-1.920	4.795	No
	Management by Exception Active (MBEA)	.884	-.268	1.222	.185	No
Laissez-faire	Management by Exception Passive (MBEP)	.886	-.189	1.381	1.315	No
	Laissez-faire (LF)	.628	.295	.829	1.247	No
Organizational	Extra Effort (EE)	-.719	-.197	-1.125	1.306	No
Outcomes	Effectiveness (EFF)	-1.536	2.379	-2.368	7.211	No
	Satisfaction (SAT)	-1.444	2.888	-1.703	4.026	No

Table 26

Normailty of Data Ditribution - One-Sample Kolmogorov-Smirnov Test (N = 60)

	Normal Parameters		Most Extreme Differences				
	Mean	SD	Absolute	Positive	Negative	Kolmogorov-Smirnov Z	Asymp. Sig. (2-tailed)
Idealized Attributes (IA)	3.383	0.671	0.179	0.179	-0.166	1.388	0.043
Idealized Behaviors (IB)	3.362	0.605	0.182	0.146	-0.182	1.413	0.037
Inspirational Motivation (IM)	3.463	0.614	0.242	0.191	-0.242	1.871	0.002
Intellectual Stimulation	2.783	.6646	.150	0.122	-0.150	1.164	0.133
Individual Consideration (IC)	3.138	.6209	.153	0.133	-0.153	1.183	0.122
Five I's of Transformational Leadership	3.232	.5258	0.126	0.090	-0.126	0.973	0.300
Contingent Reward (CR)	3.017	.5849	.186	.121	-0.186	1.44	0.032
Management by Exception: Active (MBEA	1.208	.9215	.221	.221	-0.129	1.713	0.006
Management by Exception Passive (MBEP)	.585	.5833	.208	.208	-0.158	1.611	0.011
Laissez-Faire (LF)	.662	.5066	.142	.142	-0.141	1.103	0.175
Extra Effort (EE)	3.115	.6822	.188	.097	-0.188	1.454	0.029
Effectiveness (EFF)	3.507	.6822	.188	.097	-0.188	1.454	0.029
Satisfaction (SAT)	3.467	.6235	0.237	0.196	-0.237	1.837	0.002

Table 27

Normailty of Data Ditribution - One-Sample Kolmogorov-Smirnov Test for Rater Participants (N = 40)

	Normal Parameters		Most Extreme Differences				
	Mean	SD	Absolute	Positive	Negative	Kolmogorov-Smirnov Z	Asymp. Sig. (2-tailed)
Idealized Attributes (IA)	3.488	0.721	0.235	0.238	-0.237	1.508	0.021
Idealized Behaviors (IB)	3.380	0.624	0.178	0.156	-0.178	1.127	0.158
Inspirational Motivation (IM)	3.540	0.620	0.290	0.225	-0.290	1.834	0.002
Intellectual Stimulation	2.780	.7613	.164	0.136	-0.164	1.035	0.234
Individual Consideration (IC)	3.125	.7067	.155	0.108	-0.155	0.979	0.293
Five I's of Transformational Leadership	3.268	.5797	0.165	0.104	-0.165	1.1046	0.224
Contingent Reward (CR)	3.043	.6021	.241	.174	-0.541	1.521	0.02
Management by Exception: Active (MBEA	1.058	.9543	.306	.306	-0.164	1.938	0.001
Management by Exception Passive (MBEP)	.405	.5184	.233	.233	-0.217	1.472	0.026
Laissez-Faire (LF)	.653	.5089	.186	.186	-0.164	1.176	0.126
Extra Effort (EE)	3.268	.6399	.225	.126	-0.255	1.426	0.034
Effectiveness (EFF)	3.625	.5504	.279	.248	-0.279	1.766	0.004
Satisfaction (SAT)	3.513	.6552	0.297	0.228	-0.297	1.876	0.002

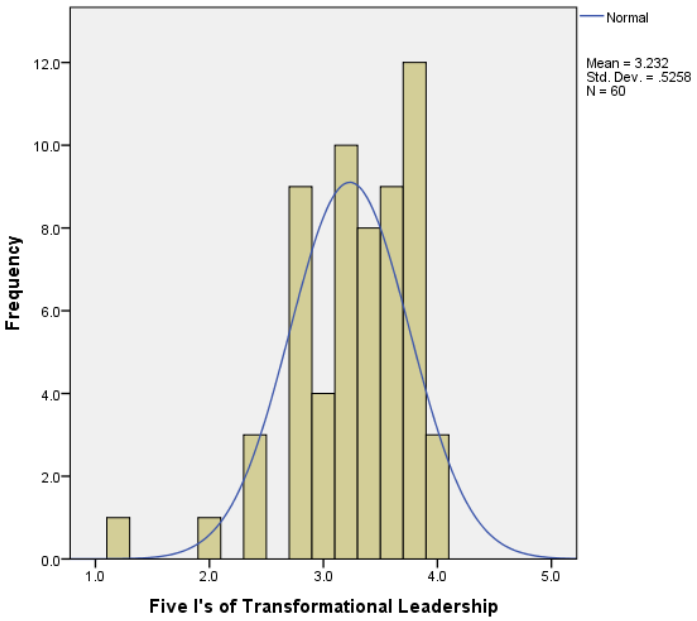


Figure 33. Histogram of data distribution of transformational leadership style.

Appendix R

Bivariate Correlation Tables

Table 28

Bivariate Correlation of Leadership Scales and Behavioral Outcomes N = 60

		IA	IB	IM	IS	IC	CR	MBEA	MBEP	LF	EE	EFF	SAT
IA	Spearman's rho	1.000	.658**	.763**	.508**	.470**	.374**	-.430**	-.578**	-.156	.620**	.735**	.668**
	Sig. (2-tailed)		.000	.000	.000	.000	.003	.001	.000	.235	.000	.000	.000
IB	Spearman's rho	.658**	1	.688**	.575**	.565**	.464**	-.207	-.349**	-.486**	.408**	.544**	.588**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.112	.006	.000	.001	.000	.000
IM	Spearman's rho	.763**	.688**	1.000	.663**	.552**	.575**	-.348**	-.487**	-.284*	.731**	.630**	.717**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.006	.000	.028	.000	.000	.000
IS	Spearman's rho	.508**	.575**	.663**	1.000	.624**	.477**	-.108	-.475**	-.292*	.472**	.458**	.506**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.412	.000	.024	.000	.000	.000
IC	Spearman's rho	.470**	.565**	.552**	.624**	1.000	.520**	-.245	-.495**	-.227	.449**	.426**	.491**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.059	.000	.082	.000	.001	.000
CR	Spearman's rho	.374**	.464**	.575**	.477**	.520**	1.000	.036	-.252	-.408**	.463**	.393**	.453**
	Sig. (2-tailed)	.003	.000	.000	.000	.000		.784	.052	.001	.000	.002	.000
MBEA	Spearman's rho	-.430**	-.207	-.348**	-.108	-.245	.036	1.000	.427**	.007	-.349**	-.356**	-.282*
	Sig. (2-tailed)	.001	.112	.006	.412	.059	.784		.001	.956	.006	.005	.029
MBEP	Spearman's rho	-.578**	-.349**	-.487**	-.475**	-.495**	-.252	.427**	1.000	.136	-.426**	-.564**	-.486**
	Sig. (2-tailed)	.000	.006	.000	.000	.000	.052	.001		.302	.001	.000	.000
LF	Spearman's rho	-.156	-.486**	-.284*	-.292*	-.227	-.408**	.007	.136	1.000	-.071	-.274*	-.299*
	Sig. (2-tailed)	.235	.000	.028	.024	.082	.001	.956	.302		.592	.034	.020
EE	Spearman's rho	.620**	.408**	.731**	.472**	.449**	.463**	-.349**	-.426**	-.071	1.000	.618**	.610**
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.000	.006	.001	.592		.000	.000
EFF	Spearman's rho	.735**	.544**	.630**	.458**	.426**	.393**	-.356**	-.564**	-.274*	.618**	1.000	.675**
	Sig. (2-tailed)	.000	.000	.000	.000	.001	.002	.005	.000	.034	.000		.000
SAT	Spearman's rho	.668**	.588**	.717**	.506**	.491**	.453**	-.282*	-.486**	-.299*	.610**	.675**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.029	.000	.020	.000	.000	

Note . **. Correlation is significant at the 0.01 level (2-tailed).' *. Correlation is significant at the 0.05 level (2-tailed).

Table 29

Bivariate Correlation of Rater Scores for Leadership Scales and Behavioral Outcomes N = 40

		IA	IB	IM	IS	IC	CR	MBEA	MBEP	LF	EE	EFF	SAT
IA	Sprearman's rho	1.000	.838**	.802**	.560**	.504**	.354*	-.492**	-.571**	-.195	.630**	.771**	.793**
	Sig. (2-tailed)		.000	.000	.000	.001	.025	.001	.000	.229	.000	.000	.000
IB	Sprearman's rho	.838**	1.000	.729**	.603**	.526**	.345*	-.347*	-.575**	-.453**	.480**	.694**	.737**
	Sig. (2-tailed)	.000		.000	.000	.000	.029	.028	.000	.003	.002	.000	.000
IM	Sprearman's rho	.802**	.729**	1.000	.657**	.514**	.522**	-.379*	-.435**	-.167	.741**	.630**	.716**
	Sig. (2-tailed)	.000	.000		.000	.001	.001	.016	.005	.304	.000	.000	.000
IS	Sprearman's rho	.560**	.603**	.657**	1.000	.599**	.385*	-.180	-.584**	-.176	.507**	.493**	.507**
	Sig. (2-tailed)	.000	.000	.000		.000	.014	.266	.000	.277	.001	.001	.001
IC	Sprearman's rho	.504**	.526**	.514**	.599**	1.000	.441**	-.343*	-.667**	-.112	.523**	.464**	.493**
	Sig. (2-tailed)	.001	.000	.001	.000		.004	.030	.000	.493	.001	.003	.001
CR	Sprearman's rho	.354*	.345*	.522**	.385*	.441**	1.000	.027	-.115	-.189	.560**	.230	.303
	Sig. (2-tailed)	.025	.029	.001	.014	.004		.869	.480	.243	.000	.153	.057
MBEA	Sprearman's rho	-.492**	-.347*	-.379*	-.180	-.343*	.027	1.000	.415**	.010	-.323*	-.473**	-.354*
	Sig. (2-tailed)	.001	.028	.016	.266	.030	.869		.008	.950	.042	.002	.025
MBEP	Sprearman's rho	-.571**	-.575**	-.435**	-.584**	-.667**	-.115	.415**	1.000	.148	-.287	-.495**	-.494**
	Sig. (2-tailed)	.000	.000	.005	.000	.000	.480	.008		.362	.073	.001	.001
LF	Sprearman's rho	-.195	-.453**	-.167	-.176	-.112	-.189	.010	.148	1.000	-.049	-.307	-.240
	Sig. (2-tailed)	.229	.003	.304	.277	.493	.243	.950	.362		.764	.054	.136
EE	Sprearman's rho	.630**	.480**	.741**	.507**	.523**	.560**	-.323*	-.287	-.049	1.000	.590**	.664**
	Sig. (2-tailed)	.000	.002	.000	.001	.001	.000	.042	.073	.764		.000	.000
EFF	Sprearman's rho	.771**	.694**	.630**	.493**	.464**	.230	-.473**	-.495**	-.307	.590**	1.000	.749**
	Sig. (2-tailed)	.000	.000	.000	.001	.003	.153	.002	.001	.054	.000		.000
SAT	Sprearman's rho	.793**	.737**	.716**	.507**	.493**	.303	-.354*	-.494**	-.240	.664**	.749**	1.000
	Sig. (2-tailed)	.000	.000	.000	.001	.001	.057	.025	.001	.136	.000	.000	

Note. **. Correlation is significant at the 0.01 level (2-tailed); *. Correlation is significant at the 0.05 level (2-tailed).