

# PERCEIVED ENTREPRENEURIAL SUCCESS AND SOCIAL POWER

HERMAN AGUINIS, MAHFOOZ A. ANSARI, SHARMILA JAYASINGAM, AND REHANA AFAQI

**ABSTRACT:** Based on the leadership, entrepreneurship, and issue selling literature, we hypothesized that entrepreneurs who are perceived to be successful can be differentiated from unsuccessful entrepreneurs based on their degree and type of social power. We conducted a field experiment including 305 Malaysian managers with considerable experience in working with entrepreneurs and in entrepreneurial environments. Entrepreneurs perceived to be successful were ascribed greater referent, information, expert, connection, and reward power; less coercive power; and similar legitimate power than unsuccessful entrepreneurs. These results provide evidence in support of social power as a distinguishing individual characteristic of successful entrepreneurs and make a contribution to theories linking social capital with entrepreneurial success. Aspiring entrepreneurs need to be aware that their social power profile is associated with various degrees of perceived success. Our paper points to the need to investigate variables beyond personality and that are more directly relevant to social and interpersonal interactions that may differentiate entrepreneurs perceived to be successful from those who are not.

**RESUMEN:** Usando teorías sobre liderazgo, emprendedores, y venta de temas, examinamos la hipótesis que emprendedores que son percibidos como exitosos pueden ser diferenciados de emprendedores no exitosos en base a su grado y tipo de poder social. Realizamos un experimento de campo incluyendo a 305 gerentes Malayos con experiencia considerable en trabajar con emprendedores y en contextos de emprendimientos. Los emprendedores percibidos como exitosos recibieron puntuaciones más altas con respecto a poder de referencia, de información, de experto, de conexión, y de recompensa; puntuaciones más bajas con respecto a poder coercitivo; y similares puntuaciones de poder legítimo en comparación con emprendedores no exitosos. Estos resultados proveen evidencia que el poder social es una característica individual que distingue a los emprendedores exitosos y contribuyen a las teorías que vinculan el capital social con el éxito de los emprendedores. Aquellos que aspiran a ser emprendedores deben estar concientes que su perfil de poder social está asociado con diferentes grados de éxito percibido. Nuestro artículo subraya la necesidad de investigar variables más allá de la personalidad y que son más directamente relevantes a interacciones sociales e interpersonales que pueden diferenciar emprendedores percibidos como exitosos de aquellos que no lo son.

Successful entrepreneurship is a social game.

Davidsson and Honig (2003: 323)

In spite of the importance of entrepreneurial activity worldwide (Konrad, Kashlak, Yoshioka, Waryszak, & Toren,

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**Herman Aguinis** is the Mehlichin Term Professor of Management in the Business School, University of Colorado–Denver. His research is interdisciplinary and addresses organizational responsibility, diversity (both domestic and international), and ethics. Recent projects address the topics of staffing, training, performance management, social power and influence, and research methods.

**Mahfooz A. Ansari** is an associate professor of international management, human resources management, and organizational studies at the University of Lethbridge, Alberta, Canada. Earlier, he held faculty positions at several institutions, including the University Science Malaysia and the Indian Institute of Technology Kanpur. His current program of research focuses on leader–member exchange, social power and influence, and cross-cultural aspects of leadership and influence.

**Sharmila Jayasingam** is a lecturer in leadership and entrepreneurship at the Faculty of Business and Accounting, University of Malaya. Her research is interdisciplinary and addresses entrepreneurship, leadership, and knowledge management issues. She is currently pursuing her Ph.D. research focusing on the topic of social power and influence and knowledge management practices.

2001; Stevenson, Roberts, & Grousbeck, 1985), we still do not have a good understanding of the individual characteristics associated with entrepreneurial success. We know that entrepreneurs who establish social ties are able to affect venture financial decisions and be successful (Batjargal & Liu, 2004). However, individual characteristics are likely to affect the extent to which entrepreneurs are able to take advantage of such networks and succeed. Unfortunately, we

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**Rehana Aafaqi** is a sessional lecturer at the Faculty of Management, University of Lethbridge, Alberta, Canada. Her current program of research focuses on leader–member exchange, social power and influence, and cross-cultural aspects of leadership and influence.

The first and second authors contributed equally to this research. A previous version of this paper was presented at the International Congress of Applied Psychology, Athens (Greece), July 2006. The authors thank Steven Farmer, Kurt Kraiger, Chuck Pierce, John Ruhnka, and Ray Zammuto for their constructive comments on previous drafts. This research was supported in part by a grant from the Institute for International Business at the University of Colorado–Denver. Also, this research was conducted, in part, while Herman Aguinis was on sabbatical leave from the University of Colorado–Denver and holding a visiting appointment at the University of Puerto Rico.

do not have a good understanding of what these individual characteristic variables are (Hite & Hesterly, 2001). Similarly, theories linking social capital (e.g., Batjargal & Liu, 2004) and social network position (e.g., Elfring & Hulsink, 2003) with entrepreneurial success do not account for individual characteristics that may explain why and how social capital and social ties translate into success. One notable exception is a study by Shane and Cable (2002) demonstrating that an entrepreneur's perceived reputation mediates the relationship between direct- and indirect-tie social networks and success. Specifically, Shane and Cable found that both direct and indirect social ties affected entrepreneurial success, which was operationalized as favorable investment decisions. When the perceived reputation of the entrepreneur was included in the model as a mediator, the effect of social ties on investment decisions became statistically nonsignificant.

Most past research focusing on individual characteristics of entrepreneurs has focused on personality (e.g., Hornaday & Bunker, 1970). In fact, personality seemed to be a fruitful research avenue for several years. However, researchers have recognized that the presence of a particular personality trait is far from being a good predictor of entrepreneurial success (Chapman, 2000; Stevenson et al., 1985). For example, a meta-analytic review of the relationship between the "big five" personality dimensions and degree of entrepreneurial success found considerable heterogeneity for all of the personality variables studied except for one, which suggests that we should look beyond personality to gain a better understanding of the correlates of entrepreneurial success (Zhao & Siebert, 2006). Specifically, it seems that individual characteristics more directly relevant to social and interpersonal interactions may have greater potential to distinguish entrepreneurs who are seen as successful from those who are not (Baron, 2008; Baron & Markman, 2000; Baum & Locke, 2004). It is our contention that an individual's *ability to influence others* (i.e., *social power*) is a key ingredient of entrepreneurial success.

Similar to any change agent, social power seems particularly relevant for entrepreneurs. Specifically, and in contrast to leaders and managers in nonentrepreneurial environments, social power seems a required attribute for entrepreneurs to be able to sell their innovative ideas to others (Dutton, Ashford, O'Neill, & Lawrence, 2001). Stated differently, entrepreneurs need to engage in issue selling with both external (e.g., investors, suppliers) and internal parties (e.g., coworkers, partners, employees). It is unlikely that an entrepreneur will be perceived as being successful if he or she does not have the ability to influence these parties regarding the value of his or her ideas and social network position. The focus of our study is on internal parties: those who are in direct contact with

entrepreneurs by working with them in various capacities, such as coworkers, partners, and subordinates.

Social power seems to be an important determinant of entrepreneurial success, and yet we do not know whether entrepreneurs perceived to be successful have greater social power than unsuccessful ones and, if this difference exists, the magnitude of this difference. Moreover, perhaps an even more interesting question is whether some types of social power may be *positively* related to perceived entrepreneurial success, whereas others may be *negatively* related or even *unrelated* to perceived entrepreneurial success, and whether these relationships depend on the entrepreneur's gender. The relationship between perceived success and power perceptions may be affected by the entrepreneur's gender, because as predicted by social-role theory, women are in general expected to be "communal" (e.g., nurturing and affectionate, which are stereotypically female attributes). Alternatively, men are expected to be "agentic" (e.g., aggressive and dominant, which are stereotypically male attributes) (Aguinis & Adams, 1998; Heilman & Okimoto, 2007). Consequently, to be successful, male entrepreneurs may need to possess power bases more closely associated with agentic attributes, whereas female entrepreneurs may need to possess power bases more closely associated with communal attributes.

In sum, the overall goal of this study is to investigate whether differences in social power exist between entrepreneurs perceived to be successful and unsuccessful and the types of social power that distinguish them and whether gender affects these relationships. The present study makes a contribution to entrepreneurship theory because it examines what we hypothesize to be a key factor associated with entrepreneurial success—entrepreneurs' social power. The present study also builds on and extends theories linking social capital and social networks with entrepreneurial success in that, if successful and unsuccessful entrepreneurs differ in terms of their type and degree of social power, this finding could serve as an explanation for why entrepreneurs with similar network position and social capital are not equally successful (Hite & Hesterly, 2001).

#### WHY ENTREPRENEURS MAY NEED CERTAIN TYPES OF SOCIAL POWER TO BE PERCEIVED AS SUCCESSFUL

The term *successful entrepreneur* implies a constellation of psychological traits, attributes, attitudes, and values of an individual motivated to commence a new business venture (Chandra, 1991; Hornaday & Aboud, 1971). Entrepreneurs are driven by a high need for achievement toward accomplish-

ing tasks that challenge their competencies (McClelland, 1961). They are inordinately energetic. They assess the situation and assume responsibility for success when they perceive a reasonable chance of achieving it through their own skills (Schollhammer & Kuriloff, 1989). A meta-analysis including 41 independent studies concluded that the mean correlation between achievement motivation and entrepreneurial performance is 0.46 for the group level of analysis (Collins, Hanges, & Locke, 2004). Fundamentally, successful entrepreneurs have the knack for establishing a valuable strategic position by deploying and managing their resources to meet and satisfy the expectations of key stakeholders (Thompson, 2004).

In spite of considerable research regarding individual characteristics of entrepreneurs, numerous individuals who exhibit attributes considered prototypically entrepreneurial are unsuccessful regarding their entrepreneurial activities (Stevenson et al., 1985). Also, entrepreneurs with a similar position in social networks differ in the extent to which they take advantage of such position (Hite & Hesterly, 2001). Taken together, this body of research suggests that there may be additional important factors that must be considered to improve our understanding regarding differences in individual characteristics between successful and unsuccessful entrepreneurs. These additional factors may provide an explanation for, and not merely a description of, why entrepreneurs are successful.

An analysis of the typical activities that entrepreneurs carry out, combined with the issue-selling literature (e.g., Dutton et al., 2001), supports the notion that certain types of social power may be a key determinant of entrepreneurial success. Specifically, consider an entrepreneur's activities. First, entrepreneurs are involved in identifying unmet marketplace needs, developing a product or service to respond to the needs and marketplace trends, and creating a marketing and financial plan to animate the selected product or service concept (Osborne, 1995). Subsequently, they need to sort out the suitable level of personal and business risk that corresponds to their capacity and potential marketplace reward. Finally, they have to marshal the necessary resources and establish important relationships with needed supporters to launch their businesses. This final set of activities is key and determines the success or failure of an entrepreneur's effort to pursue his or her ideas. Without adequate support, even individuals at the top of the scale regarding prototypical entrepreneurial characteristics, such as high need for achievement and internal locus of control, may fail (Thompson, 2004).

The relevance of certain types of social power is highlighted by the fact that entrepreneurial ventures flourish through social interactions and multidimensional partnerships that

provide adequate support (Yamada, 2004). However, business concepts and accessibility to resources are not sufficient conditions for an entrepreneurial start-up. Thus, models based on economic theories that attempt to explain entrepreneurial success are severely underspecified (Shane & Cable, 2002). The primary step toward success for an entrepreneur is the need to establish domain consensus or shared awareness among those who provide support (Yamada, 2004). Entrepreneurial ventures can be operational only if the supporters accept the underlying business concept. So, entrepreneurs seem to be fundamentally engaging in issue selling (Dutton et al., 2001).

A well-established support network will provide an entrepreneur with a competitive advantage as well as means of procuring other resources that can be a source of sustainable competitive advantage (Casson, 1990; Dollinger, 1999). Therefore, entrepreneurs need to manage both internal and external relationships with needed supporters, such as employees, business alliances, suppliers, financiers, and customers, to reap the benefits of networking (Yamada, 2004). However, being part of a network is not enough. Entrepreneurs need to negotiate and present their business proposal in a convincing manner. For example, on the internal side, which is the focus of the present study, entrepreneurs need to be able to influence and recruit potential key employees (Baron & Markman, 2000) who can, in turn, satisfy customers, a key stakeholder for any venture. Also on the internal side, entrepreneurs need to have the ability to recruit partners and convince followers and coworkers that their ideas are worth pursuing and will lead to positive outcomes.

To summarize, entrepreneurs must develop wide networks of cooperation with stakeholders so they can bring their ideas to fruition (Casson, 1990; Dollinger, 1999; Yamada, 2004). But, once they establish these networks, they have to convey their innovative ideas so they can convince and persuade others about the potential these ideas hold. Furthermore, in order to survive in dynamic and highly competitive environments, entrepreneurs must be able to influence employees who can, in turn, meet customer needs. They also need to recruit partners (e.g., experts in areas in which the entrepreneur may not have a lot of expertise). In other words, the entrepreneurial role incorporates the ability to manage things through other people (Baron, 2008; Baron & Markman, 2000; Marshall, 1962). Consequently, entrepreneurs are largely involved in issue selling and in influencing and changing the minds of others. In doing so, it seems that entrepreneurs must rely on certain types of social power (i.e., ability to influence) to help them enlist support and succeed in an increasingly competitive business environment. On the basis of the above

analysis, we contend that certain types of social power may be an important, yet thus far ignored, individual characteristic that helps distinguish entrepreneurs perceived to be successful from those who are not.

## THEORY AND HYPOTHESES

We define social power as the *ability to influence* (Ansari, 1990; Fiol, O'Connor, & Aguinis, 2001; French & Raven, 1959). Thus, an entrepreneur's social power refers to the potential to influence as opposed to the actual use of influence strategies and tactics, which enact this potential (Aguinis & Adams, 1998; Aguinis, Nesler, Hosoda, & Tedeschi, 1994; Fagenson, 1988). Also, although perceptions of power are clearly affected by objective phenomena such as access to information and right to reward and punish, an entrepreneur's potential to influence derives from perceivers' recognition of the entrepreneur as powerful (Farmer & Aguinis, 2005; House, Rousseau, & Thomas-Hunt, 1995; Palich & Hom, 1992). In other words, as noted by Fiol et al., "power is fundamentally a social construction that is perceptual in nature" (2001: 224). In addition, perceptions of power can be equally or even more consequential for entrepreneurs than their actual influence behavior, because as noted by Farmer and Aguinis: "simply perceiving that an individual has power to affect oneself helps create the reality of that power, insofar as one's beliefs, intentions, and actions change as a result of that perception" (2005: 1069). So, for example, an entrepreneur may possess little expertise regarding a particular product he or she is trying to produce. However, what really matters in terms of being able to recruit partners for this new venture is the partners' perception that the entrepreneur has expertise and not his or her actual expertise.

Many different frameworks and classification schemes of types of power (i.e., power bases) are available to understand why and the extent to which an individual may be perceived as being powerful (Etzioni, 1961; Farmer & Aguinis, 2005; Peabody, 1962). The taxonomy proposed by French and Raven (1959) seems to be the most widely used. In their original classification, French and Raven (1959) identified five bases of power—reward, coercive, legitimate, referent, and expert. We can extrapolate from the more general leadership domain to the more specific case of entrepreneurs to produce the following definitions for each of these power bases:

- *Reward power* is based on a perceiver's assessment that an entrepreneur has the ability to provide desired tangible or intangible outcomes.

- *Coercive power* is based on a perceiver's belief that an entrepreneur has the ability to issue punishments.
- *Legitimate power* is based on a perceiver's assessment that an entrepreneur has the legitimate right to give orders and there is an obligation to comply with those orders.
- *Referent power* is based on an identification with or desire to be associated with the entrepreneur.
- *Expert power* is based on a belief that the entrepreneur possesses special knowledge.

Subsequently, Raven (1965) added a sixth base—information power:

- *Information power* is based on a perceiver's belief that the entrepreneur has the ability to control the availability and accuracy of information.<sup>1</sup>

Other researchers added a seventh power base—connection power (Ansari, 1990; Bhal & Ansari, 2000; Hersey, Blanchard, & Natemeyer, 1979; Howell & Costley, 2000):

- *Connection power* is based on a perceiver's belief that the entrepreneur is well connected with other powerful individuals.

Researchers have conducted numerous studies attempting to identify relationships among power bases and important outcomes, including compliance with a power holder's request, perceived quality of the relationship with the power holder, and perceived trustworthiness of the power holder, among others. Table 1 includes a list of several such studies. Most of the studies summarized in Table 1 assessed the power of an individual in a leadership role such as a supervisor or manager and also measured outcomes associated with leadership success. Leadership is often defined as a process through which power is used to direct and coordinate the activities of group members to meet a goal (Yukl, 2006; Yukl & Van Fleet, 1992).

Entrepreneurs certainly take on a leadership role because they need to enlist support from others to help them pursue their innovative ideas. In other words, entrepreneurs attempt to influence others to launch a venture, and, although not all entrepreneurs are leaders, most entrepreneurs must engage in at least some leadership behaviors to be successful. However, entrepreneurs also engage in unique activities compared to leaders in more traditional managerial roles, as we described earlier in the section "Why Entrepreneurs May Need Certain Types of Social Power to Be Perceived as Successful." So, we combine the information provided in Table 1 about leadership

**TABLE I**  
**Selected Leadership Research Results Regarding the Relationship Between Social Power and Outcomes**

| Author(s)  | Study participants  | Major results and conclusions   |
|--|---|---|
| Aguinis, Nesler, Quigley, Lee, and Tedeschi (1996) | Faculty leading research projects and their graduate students/research assistants | Expert power is positively related to perceived quality of relationship, trustworthiness, credibility, intention to invite faculty member to serve on and chair a dissertation committee, and intention to engage in collaborative research with faculty member. Reward power is positively related to perceived quality of relationship, intention to invite faculty member to serve on thesis committee, and number of publications coauthored with faculty member. |
| Bachman, Smith, and Slesinger (1966)               | Salespeople from branch offices of a company selling intangibles                  | Reward, coercive, and legitimate power were negatively associated with satisfaction with leader, and reward power was negatively associated with performance. Expert and referent power were positively associated with performance and satisfaction with leader.   |
| Burke and Wilcox (1971)                            | Female telephone operators from a large public utility company                    | Coercive power is negatively related to satisfaction and climate for growth and helping relationships. Legitimate power is positively related to helping relationships. Expert power and referent power are positively related to leader satisfaction, climate for growth, and helping relationships. Also, expert power is positively related to organization satisfaction and job satisfaction. Reward power is not related to any of the outcome variables.        |
| Elangovan and Jia (2000)                           | Graduate business students in a large public university                           | Legitimate power and coercive power are the major determinants of employee stress, and legitimate power and reward power are important predictors of employee motivation. Coercive, reward, and legitimate power are predictors of employee commitment. Coercive power is negatively related to employee satisfaction, and expert and referent bases of power are positively related to satisfaction.   |
| Erchul, Raven, and Ray (2001)                      | Members of a state school psychology association                                  | Study participants endorsed the effectiveness of soft (e.g., expert) over harsh (e.g., coercive) power bases.   |
| Hinkin and Schriesheim (1989)                      | Undergraduate students, psychiatric hospital employees, and MBA students          | Expert and referent power are related to global satisfaction and aspects of satisfaction with leader. Coercive power is negatively related to satisfaction. Reward and legitimate power are not related to any of the outcomes.   |
| Ivancevich and Donnely (1970)                      | Salesmen from branches of a food product firm                                     | Reward power and referent power are positively related to efficiency ratings. Expert and referent power are negatively related to excused absences and positively related to market density ratio. Referent power is negatively related to unexcused absences.  |
| Rahim (1989)                                       | National sample of managers   | Compliance is strongly related to legitimate power, and less strongly to expert and referent power. Satisfaction with leader is strongly related to referent power, and less strongly to expert and legitimate power. Coercive and reward power are not related to either criterion.  |
| Rahim and Afza (1993)                              | Accountants   | Expert and referent power are related to attitudinal compliance and commitment. Referent power is related to satisfaction with work. Legitimate power and referent power are related to behavioral compliance.  |

(continues)

**TABLE I**  
**Continued**

| <b>Author(s)</b>                          | <b>Study participants</b>                    | <b>Major results and conclusions</b>  |
|---|--|---|
| Rahim and Buntzman (1989)                 | Undergraduate business students              | Behavioral and attitudinal compliance are strongly related to legitimate power. Referent power is strongly related to attitudinal compliance and satisfaction with supervision, and less strongly with behavioral compliance. Coercive power and reward power are not related to any of the outcomes.   |
| Schriesheim, Hinkin, and Podsakoff (1991) | Research scientists and restaurant employees | Expert and referent power are related to global satisfaction and aspects of satisfaction with leader. Coercive, reward, and legitimate power are not related to these. Referent and expert power are related to role conflict (negatively) and organizational commitment and role clarity (positively) in a sample of research scientists, but not in a sample of restaurant employees. |
| Yukl and Falbe (1991)                     | Employees from three different companies     | Task commitment and ratings of leader effectiveness are related to personal power (expert, persuasive, referent, and charismatic) but not position power (legitimate, reward, coercive, and information). Compliance is related to legitimate power, persuasiveness, and expert power.  |

in general with the specific tasks and realities faced by entrepreneurs to generate hypotheses regarding the possible links between specific power bases and perceived entrepreneurial success.

As can be seen in Table 1, when an individual is perceived as having high expert and referent power, the perceiver also reports positive outcomes, including satisfaction and performance. For example, leaders who are perceived as having expert power have subordinates who report greater levels of satisfaction (Elangovan & Jia, 2000). In addition, leaders who are perceived as having referent power are more likely to have subordinates who report that their leaders are good performers, and they are more likely to be satisfied with their leader's behaviors (Bachman, Smith, & Slesinger, 1966). In short, individuals who are perceived as having referent and expert power are also seen as effective. Thus, it seems that entrepreneurs may be more likely to be perceived as being successful if they are respected and highly regarded (i.e., referent power) and possess special knowledge (i.e., expert power). In-depth case studies by Carrier and Raymond (2004) of five successful entrepreneurs provide some support for the hypothesized relationship between expert power and success in that cyber-entrepreneurs who were equipped with greater levels of knowledge seemed to have an advantage. Also, the hypothesized relationship between referent power and success seems to have received some support from a study by McGrath, Vance, and Gray (2003), who found that success was related

to an entrepreneur's ability to develop relationships based on common trust and respect.

Summaries included in Table 1 also suggest that information power is associated with positive outcomes. For example, leaders perceived as having information power are likely to receive greater levels of compliance from their subordinates as compared to leaders who are not seen as having high levels of information power (Erchul, Raven, & Ray, 2001). Information is an important resource for entrepreneurs. In fact, one of the major tenets of network theories is that information is a key resource that entrepreneurs can obtain through their embeddedness in social networks (Uzzi, 1996). It is unlikely that entrepreneurs will be successful in launching a new venture if they do not have the ability to control the availability and accuracy of information (i.e., information power).

The information shown in Table 1 also suggests that reward power may be related to effectiveness. For example, a leader's reward power is positively associated with subordinate perceptions of the quality of the leader-follower relationship (Aguinis, Nesler, Quigley, Lee, & Tedeschi, 1996). Thus, an entrepreneur may be able to succeed if he or she has the ability to provide stakeholders with desired tangible or intangible outcomes (i.e., reward power). The relationship between reward power and success is at the heart of economic theories of entrepreneurial success, which posit that stakeholders, as rational actors, will invest time and effort on behalf of the entrepreneur when the present value of the future expected

return is likely to be greater than the investment (Batjargal & Liu, 2004).

An entrepreneur's relative position in a social network is an important antecedent of entrepreneurial success because of the potential access to tangible and intangible resources (Ansari, 1990; Kilduff & Tsai, 2003). Thus, an entrepreneur may be perceived as being successful if he or she is seen as well connected with other powerful individuals (i.e., connection power).

Finally, Elangovan and Jia (2000) and Hinkin and Schriesheim (1989) concluded that legitimate power has a weak, yet statistically significant, positive relationship with effectiveness. It seems that entrepreneurs who develop a legitimate right to give orders and create an obligation to comply with those orders (i.e., legitimate power) may be more successful than those who do not. In fact, the creation of such implicit social obligation could be used as an explanatory mechanism for the effects of network position on entrepreneurial success (Granovetter, 1985).

In sum, the preceding discussion leads to the following hypothesis:

*Hypothesis 1: Entrepreneurs perceived to be successful will be ascribed greater expert, referent, information, reward, connection, and legitimate power as compared to entrepreneurs perceived to be unsuccessful.*

Table 1 suggests that, overall, coercive power can have a moderately strong negative relationship with positive outcomes. Therefore, it seems that entrepreneurs who are seen as having the ability to issue punishments (i.e., coercive power) may be perceived as being less successful than those who do not have the ability to issue punishments. An entrepreneur with high coercive power may be seen as lacking control and, therefore, ineffective (see Raven, 1992). In sum,

*Hypothesis 2: Entrepreneurs perceived to be successful will be ascribed less coercive power as compared to entrepreneurs perceived to be unsuccessful.*

Investigations regarding social power and gender suggest that men and women are generally expected to possess power bases that are related to gender-based stereotypes or gender roles (Aguinis & Adams, 1998; Brodsky, 1993; Powell & Butterfield, 1979; Powell, Butterfield, & Parent, 2002). Specifically, research conducted since the early 1970s has revealed that men are usually rated higher than women on power bases related to assertive and direct behaviors (i.e., coercive, reward, legitimate), whereas women are rated higher

than men on power bases related to unassertive and indirect behaviors (e.g., expert, referent, information, connection) (Johnson, 1976). Moreover, women are judged as being more effective and successful when they fit expectations regarding their stereotype-based role (Aguinis & Adams, 1998; Heilman & Okimoto, 2007). According to gender-role theory, these relationships are accounted for by gender-role expectations that usually spill over to organizational settings (Nieva & Gutek, 1981). These expectations usually stem from culturally defined gender roles (e.g., husband–wife, professor–student) that define a set of expectations for male and female behavior (Eagly, 1987).

An examination of the literature on female entrepreneurs suggests the presence of gender-based differences along the lines of the more general literature on female leaders. For example, Cromie (1987) found that women are less preoccupied than men regarding economic gains. Accordingly, Mirchandani (1999) issued a call for research on how occupation (e.g., business ownership or entrepreneurial status) may affect perceptions of women and men differentially. Combining the literature on female leaders and female entrepreneurs leads to the following hypothesis:

*Hypothesis 3: Male entrepreneurs who are perceived as being successful will be ascribed greater coercive, reward, and legitimate power and less expert, referent, connection, and information power as compared to female entrepreneurs who are perceived as being successful.*

## METHOD

### Overview

We implemented a field study in which managers who are very familiar with entrepreneurs and entrepreneurial activities were provided with a definition of “entrepreneur” and asked to recall all of the entrepreneurs with whom they have worked, have been exposed to, or with whom they were familiar. Then they were asked to think of the one who, in their judgment, is either the “least successful” or “most successful” entrepreneur. Each respondent was asked to think about *one specific entrepreneur* only and was asked to complete a questionnaire based on their random assignment to one of two conditions: (1) the most successful entrepreneur or (2) the least successful entrepreneur. The questionnaire included items about their perceptions of the (most or least successful) entrepreneur's power and participants' background and experience including the sex of the specific entrepreneur about whom the questionnaire was filled out.

## Participants

Participants included 305 managers working in multinational (78 percent) and local (22 percent) manufacturing organizations in the northern states of Malaysia. The mean age of participants was 33.9 years (standard deviation [SD] = 7.64), and 59 percent were male. Self-reported ethnicity of the participants was as follows: 46.1 percent Chinese, 27.1 percent Malay, 22.4 percent Indian, and 4.4 percent other.

### *Appropriateness of Participants for the Present Study*

To make sure participants were qualified to participate in the present study, we provided a definition of “entrepreneur” (see “Procedure and Design” section below) and asked about the number of entrepreneurs whom they knew and the number of entrepreneurs with whom they had worked. On average, study participants knew 8.33 entrepreneurs (SD = 14.35) and had worked with 3.38 entrepreneurs (SD = 4.90) (14 of the 305 participants did not provide information on how many entrepreneurs they knew). Also, the questionnaire asked participants to fill out an item, on a five-point scale ranging from 1 “strongly disagree” to 5 “strongly agree,” about the extent to which they were working in an entrepreneurial environment. Results indicated that only 4.3 percent of participants strongly disagreed or disagreed with this item. In sum, responses to each of these questions indicated that participants have worked with and have known many entrepreneurs and were working in entrepreneurial environments. This information provides evidence in support of the participants’ status as subject matter experts and the appropriateness of the sample for the present investigation of entrepreneurial success and social power.

## Procedure and Design

We implemented a  $2 \times 2$  between-subjects full-factorial design including two factors: (1) entrepreneurial success (two conditions: most successful entrepreneur and least successful entrepreneur), and (2) gender of the entrepreneur in question (two conditions: female and male). We used a between-subjects as opposed to a within-subjects design to avoid potential contrast biases that may occur if the same study participant is asked to provide information on both a most successful and a least successful entrepreneur. Specifically, asking the same participant to evaluate both types of entrepreneurs may exaggerate differences between them due to contrast effects (Aguinis, 2009; Fiske & Taylor, 1991). An additional advantage of using a between-subjects design is that some participants

respond to one stimulus (i.e., most successful entrepreneur), whereas others respond to a different stimulus (i.e., least successful entrepreneur). Consequently, although all participants are exposed to the same dependent measures, they are exposed to different stimuli, which reduces the threat that common-source variance may affect the study’s results.

We are aware of several measures that could potentially be used as fairly objective indicators of entrepreneurial success, including survival of a new venture, profits, sales, growth in profits or sales of a new venture, return on equity (ROE), and return on assets (ROA) (Watson, 2002). But the nature of our focal construct social power is such that power perceptions are formed in the process of interacting with the entrepreneur in social contexts (Fiol et al., 2001). Thus, to be able to collect valid perceptions of social power, these perceptions have to refer to specific and actual successful and unsuccessful entrepreneurs who research participants knew well. An alternative research design that we considered for this study is to select a successful and unsuccessful entrepreneur (based on some of the objective indicators mentioned above), and then ask participants to rate each of these entrepreneurs’ power. Obviously, participants would not know these entrepreneurs well and their ratings of the entrepreneurs’ power would not be meaningful. Thus, in order to capture valid power perceptions, we had to use a subjective appraisal of success so that participants would be able to provide power perceptions regarding specific and actual entrepreneurs they knew well. We took several extra steps to check on the validity of our chosen procedure, and this information is presented in several subsequent sections of our paper.

All participants first read the following description of an “entrepreneur” based on the definitions provided by Carland, Hoy, Boulton, and Carland (1984) and Schollhammer and Kuriloff (1989):

This study is about entrepreneurial behavior in organizations. An entrepreneur is someone who perceives an opportunity and creates a venture to pursue it with the principal purpose of profit and growth. An entrepreneur is characterized principally by traits such as high need for achievement, a desire to be involved in innovative activities, high level of energy, and a willingness to assume personal responsibility for making events occur in preferred ways.

After reading the above definition, participants in the least successful [most successful] condition read the following instructions:

Recall all the entrepreneurs whom you have ever worked with, or were exposed to, or are familiar with. Now, think of the one who, in your judgment, is the least successful [most suc-

successful] entrepreneur. Listed below are several characteristics that entrepreneurs may or may not have. Please indicate your degree of agreement or disagreement with each statement by circling the appropriate number (given on a five-point scale given below) that best represents your view about the entrepreneur that you have in mind.

As an initial check on the validity of our procedure, we conducted several single-factor analyses of variance (ANOVAs) to confirm similarities of participants in the most successful and least successful conditions regarding potential confounding variables that may affect the study's substantive results. Reassuringly, participants in the most successful and least successful conditions did not differ regarding age ( $F[1,294] = 0.68, p > 0.05$ ), number of entrepreneurs they knew ( $F[1,294] = 0.31, p > 0.05$ ), number of entrepreneurs with whom they have worked ( $F[1,294] = 0.15, p > 0.05$ ), or the extent to which they are currently working in an entrepreneurial environment ( $F[1,294] = 1.98, p > 0.05$ ). A second test of the effectiveness of the manipulation is whether the hypotheses described in the introduction received at least some degree of support. If the manipulations were ineffective, there should be no differences in the resulting power perceptions of successful and unsuccessful entrepreneurs.

Regarding the entrepreneur's gender, the questionnaire included the following question: "What is the gender of the entrepreneur you thought about in completing the questionnaire?" Responses included 80.2 percent of men and 19.8 percent of women. We had completed questionnaires for the following number of participants in each of the four cells of the design (percentages based on the total sample size are shown in parentheses): (1) most successful/female participants: 22 (7.51 percent), (2) most successful/male participants: 129 (44.03 percent), (3) least successful/female participants: 36 (12.29 percent), and (4) least successful/male participants: 106 (36.18 percent), for a total  $N$  of 293. We address this unequal sample size issue and its relevance for the test of Hypothesis 3 in more detail in the Discussion section.

## Measures

### *Manipulation Checks*

Our study's internal validity relies on how precisely the respondents thought about the most successful or least successful entrepreneur when responding to the dependent measure items. A consistent finding in the entrepreneurship literature is that entrepreneurs are high on achievement motivation (Collins et al., 2004). Thus, the questionnaire included five items measuring achievement motivation to assess whether we

manipulated entrepreneurial success effectively. We expected an effect for achievement motivation such that participants in the most successful entrepreneur condition would attribute higher achievement motivation to their entrepreneur as compared to participants in the least successful entrepreneur condition. We measured achievement motivation using five items from Steers and Braunstein's (1976) widely used "manifest need questionnaire." An illustrative item is "prefers jobs that provide opportunities for personal growth and development."

### *Dependent Measures*

Thirty-five pretested single-statement items were employed to measure the entrepreneurs' seven bases of power—reward, coercive, legitimate, expert, referent, information, and connection. Each power base was measured using five items, and the items for each power base were interspersed throughout the questionnaire. The items for reward, coercive, legitimate, expert, and referent power were used previously by Schriesheim, Hinkin, and Podsakoff (1991). An example of a reward power item is "can provide workers with valuable recognition"; an example of a coercive item is "can fire workers"; an example of a legitimate power item is "has the right to expect workers to carry out his or her wishes"; an example of an expert power item is "can share with workers his or her considerable experience/training"; and an example of a referent power item is "is a person meriting respect." The items for information power were used previously by Ansari (1990), Bhal and Ansari (2000), and Erchul et al. (2001). An example of an information power item is "can provide sufficient information to support his/her view." The items to measure connection power were used previously by Ansari (1990), Bhal and Ansari (2000), and Hersey et al. (1979). An example of a connection power item is "knows a number of influential people." Participants were asked to describe, on a five-point scale ranging from 1 "strongly disagree" to 5 "strongly agree," the extent to which each item best represented their views about the (least successful or most successful) entrepreneur they had in mind.

We conducted confirmatory factor analyses (CFA) using Amos 7.0 (Arbuckle, 2006) to assess the internal consistency of each of the seven dependent measures. All CFA were based on using raw data as input and maximum likelihood estimation. Results for each of the seven CFA supported the fit of one-factor models (comparative fit index [CFI] = 0.99, incremental fit index [IFI] = 0.99, and normed fit index [NFI] = 0.99 for each of the seven models). The mean value for the factor loadings was 0.75 (median = 0.80), and each of the 35 factor loadings was statistically significant ( $p < 0.001$ ).

As noted above, the scales used to measure each of the seven power bases were used in the past, and there is substantial cumulative evidence regarding their construct validity (Ansari, 1990; Schriesheim et al., 1991). Nevertheless, we used Amos 7.0 to fit a measurement-only model to assess further the convergent and discriminant validity of the measures. We derived hypotheses regarding convergent and discriminant validity from the conceptualization of power bases as position or personal power (Bass, 1960; Etzioni, 1961; Howell & Costley, 2000). Position power refers to the potential influence derived from the opportunities inherent in an individual's position in the organization, whereas personal power is derived from the attributes of the agent and agent–target relationship (Yukl, 2006). With respect to convergent validity, latent variables conceptualized as personal power (i.e., referent, expert, and information) were specified as correlated with each other, and latent variables conceptualized as position power (i.e., legitimate, coercive, reward, and connection) were also specified as correlated with each other. With respect to discriminant validity, latent variables conceptualized as personal power were specified as not correlated with those conceptualized as position power.

Results supported the fit of the measurement model (CFI = 0.97, IFI = 0.97, NFI = 0.95), which had 35 observed and seven latent variables. Moreover, this model resulted in a better fit as compared to an alternative nested model including all 35 observed variables and one latent factor only,  $\Delta\chi^2(1, N = 305) = 1,040.89, p < 0.001$ . The superiority of the seven-factor model over the one-factor model also indicates that common-source variance is not likely to pose an important threat regarding the study's internal validity (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). As noted earlier, the use of a between-subjects design minimizes the common-source threat. Nevertheless, these additional analyses provide further reassuring evidence. In conclusion, results of the CFA, reliability analysis (coefficients alpha ranging from 0.70 to 0.95), and measurement model analyses indicate that the measures have sound psychometric properties.

## RESULTS

### Manipulation Checks

The internal consistency reliability estimate for the five achievement motivation items was  $\alpha = 0.95$ . We conducted a one-factor ANOVA using entrepreneur success as the independent variable (two conditions: most successful and least successful) and achievement motivation as the dependent variable. As expected, results indicated a strong effect for

entrepreneurial success ( $\eta^2 = 0.62$ ). Specifically, participants in the most successful entrepreneur condition (mean = 3.98; SD = 0.50) rated their entrepreneurs significantly higher on achievement motivation compared to participants in the least successful entrepreneur condition (mean = 2.48; SD = 0.67),  $F(1,301) = 494.87, p < 0.001$ . This result provides further evidence in support of the success of the manipulation, thereby providing support for the internal validity of this study. As additional evidence in support of the manipulation, we next describe tests of the hypotheses posed in the Introduction. Differences in perceptions of successful and unsuccessful entrepreneurs would not be found if the manipulation had been ineffective.

### Hypothesis Testing

Table 2 shows the means, standard deviations, correlations, and reliability estimates for all variables included in the study. We tested our hypotheses by implementing a two-factor multivariate analysis of variance (MANOVA), including entrepreneur success and entrepreneur gender as the independent variables and the seven power bases as the dependent variables.<sup>2</sup> When appropriate, this MANOVA was followed up by univariate ANOVAs.

Results from the MANOVA indicated an effect for entrepreneur success, Wilks's lambda = 0.38,  $F(7,266) = 62.42, p < 0.05$ , partial  $\eta^2 = 0.62$ .<sup>3</sup> Results were not statistically significant for the effect of entrepreneur gender or the entrepreneur success by entrepreneur gender interaction ( $p > 0.05$ ).

Given the statistically significant result for entrepreneur success from the MANOVA, we proceeded to test Hypothesis 1 by conducting follow-up univariate ANOVAs, including entrepreneur success and entrepreneur gender as independent variables and expert, referent, information, reward, connection, and legitimate power as dependent variables. In overall support of Hypothesis 1, results showed that, compared to unsuccessful entrepreneurs, successful entrepreneurs have greater expert power ( $F[1,284] = 275.02, p < 0.05$ , partial  $\eta^2 = 0.49$ ), greater referent power ( $F[1,282] = 374.71, p < 0.05$ , partial  $\eta^2 = 0.57$ ), greater information power ( $F[1,285] = 341.03, p < 0.05$ , partial  $\eta^2 = 0.55$ ), greater reward power ( $F[1,285] = 70.50, p < 0.05$ , partial  $\eta^2 = 0.20$ ), and greater connection power ( $F[1,285] = 119.03, p < 0.05$ , partial  $\eta^2 = 0.29$ ). We did not find a statistically significant difference for legitimate power ( $p > 0.05$ ). Descriptive statistics for each of the power bases as a function of entrepreneur success are displayed in Table 3.

To test Hypothesis 2, we conducted a follow-up univariate ANOVA including entrepreneur success and entrepreneur

**TABLE 2**  
**Means, Standard Deviations, Correlations, and Internal Consistency Reliability Estimates**

| Variable                             | Mean | Standard deviation | 1           | 2           | 3           | 4           | 5           | 6           | 7           | 8            | 9            |
|--------------------------------------|------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| 1. Reward power                      | 3.21 | 0.66               | <b>0.75</b> |             |             |             |             |             |             |              |              |
| 2. Coercive power                    | 3.08 | 0.67               | 0.32        | <b>0.78</b> |             |             |             |             |             |              |              |
| 3. Legitimate power                  | 3.11 | 0.62               | 0.53        | 0.63        | <b>0.70</b> |             |             |             |             |              |              |
| 4. Expert power                      | 3.20 | 0.98               | 0.61        | -0.12       | 0.24        | <b>0.94</b> |             |             |             |              |              |
| 5. Referent power                    | 3.11 | 1.07               | 0.61        | -0.19       | 0.22        | 0.87        | <b>0.93</b> |             |             |              |              |
| 6. Information power                 | 3.29 | 0.98               | 0.65        | -0.13       | 0.28        | 0.92        | 0.89        | <b>0.95</b> |             |              |              |
| 7. Connection power                  | 3.35 | 0.86               | 0.59        | -0.07       | 0.32        | 0.72        | 0.70        | 0.77        | <b>0.92</b> |              |              |
| 8. Entrepreneur success <sup>a</sup> | 1.51 | 0.50               | 0.58        | -0.14       | 0.15        | 0.79        | 0.82        | 0.81        | 0.65        | <sup>b</sup> |              |
| 9. Entrepreneur gender <sup>c</sup>  | 1.20 | 0.40               | -0.18       | 0.04        | -0.05       | -0.13       | -0.16       | -0.14       | -0.13       | -0.14        | <sup>b</sup> |

Notes: *N* ranges from 293 to 305;  $p < 0.05$  for  $r > |0.11|$ , and  $p < 0.01$  for  $r > |0.14|$ ; Cronbach's alphas are shown in boldface on the main diagonal; <sup>a</sup> Coding: least successful = 1, most successful = 2. <sup>b</sup> Single-item categorical measure. <sup>c</sup> Coding: male = 1, female = 2.

**TABLE 3**  
**Means and Standard Deviations for Power Bases by Entrepreneurial Success Condition**

| Power base  | Least successful <sup>a</sup><br>mean<br>(standard deviation) | Most successful <sup>b</sup><br>mean<br>(standard deviation) |
|-------------|---|--|
| Expert      | 2.40<br>(0.69)  | 3.95<br>(0.50)   |
| Referent    | 2.21<br>(0.74)  | 3.95<br>(0.48)   |
| Information | 2.47<br>(0.68)  | 4.07<br>(0.44)   |
| Reward      | 2.82<br>(0.47)  | 3.58<br>(0.61)   |
| Connection  | 2.77<br>(0.70)  | 3.88<br>(0.62)   |
| Coercive    | 3.12<br>(0.56)  | 2.99<br>(0.75)   |
| Legitimate  | 3.02<br>(0.55)  | 3.20<br>(0.44)   |

Notes: <sup>a</sup> *N* ranges from 143 to 146; <sup>b</sup> *N* ranges from 151 to 157.

gender as independent variables and coercive power as the dependent variable. In support of this hypothesis, results revealed that the most successful entrepreneurs received lower coercive power ratings than unsuccessful ones,  $F(1,283) = 9.00, p < 0.05$ , partial  $\eta^2 = 0.03$ . Table 3 displays means and standard deviations for coercive power ratings as a function of entrepreneur success.

Given that the omnibus MANOVA did not find evidence regarding the effect of entrepreneur gender or the success by entrepreneur gender interaction (Hypothesis 3), we concluded that this hypothesis did not receive sufficient support and therefore did not conduct follow-up ANOVAs. Conducting follow-up ANOVAs in the absence of a statistically significant omnibus MANOVA may lead to false conclusions based on potential Type I errors (Huberty & Morris, 1989).

## DISCUSSION

Individual characteristics directly relevant to social and interpersonal interactions seem to have great potential to distinguish successful from unsuccessful entrepreneurs (Baron & Markman, 2000). We hypothesized that certain types of social power would be associated with perceived entrepreneurial success because the ability to influence others seems instrumental in enlisting support from stakeholders to help the entrepreneurs pursue their innovative ideas. Knowledge regarding which types of social power differentiate entrepreneurs perceived to be successful from those who are not

makes a contribution to theories concerned with individual characteristics of successful entrepreneurs, social capital and entrepreneurial success, and social networks and entrepreneurial success. Given the large effect sizes found, the present study provides strong evidence regarding the fruitfulness of investigating individual characteristics directly related to social and interpersonal contexts as factors associated with entrepreneurial success. Also, the present study makes a contribution to entrepreneurial practice in that it provides guidelines regarding precisely which types of social power are *positively* associated with entrepreneurial success, which types of social power are *negatively* associated with entrepreneurial success, and which types of power are *unrelated* to entrepreneurial success.

## IMPLICATIONS FOR PRACTICE

Results indicate a positive relationship between entrepreneurial success and referent, information, expert, connection, and reward power. Results also show a negative relationship between entrepreneurial success and coercive power. Given the nature of our design, we readily acknowledge that we cannot state with confidence whether being a successful entrepreneur creates certain perceptions of social power (i.e., “Joe is a successful entrepreneur and therefore has expert power”) or having certain types of social power leads to entrepreneurial success (i.e., “Joe has expert power and therefore is a successful entrepreneur”). Most likely, there is

a recursive relationship such that certain types of power lead to perceived success, which, in turn, enhances these same types of power. Nevertheless, our results show that certain power bases are clearly related to perceived entrepreneurial success, and the effect sizes are quite large. Consequently, an implication for practice is that those entrepreneurs perceived as having certain types of power (e.g., referent, information) will also be seen as successful. Thus, aspiring entrepreneurs could be counseled to attempt to manage the impression of others: their ideas may be more likely to receive funding and backing if the entrepreneur is seen as having high referent, information, expert, connection, and reward power. On the other hand, being perceived as having high coercive power may lead to attributions of potential entrepreneurial failure. Legitimate power is not necessarily associated with success or failure.

An additional implication for practice is that our findings can be used in designing training programs aimed at enhancing entrepreneurial effectiveness. Our results suggest that such training programs should include a component offering guidelines on how to enhance certain power bases related to perceived entrepreneurial success. For example, such training programs could teach aspiring entrepreneurs communication techniques that would allow them to gain respect and admiration from colleagues, subordinates, and investors. Such respect and admiration is likely to enhance perceptions of referent power, a power base that distinguishes entrepreneurs perceived to be successful from those who are not.

#### IMPLICATIONS FOR THEORY AND OPPORTUNITIES FOR FUTURE RESEARCH

We generated three hypotheses based on published research on the relationship between the social power of leaders and various organizational outcomes, the specific tasks and realities faced by entrepreneurs (e.g., scarce resources, highly competitive environment), and the issue-selling literature. Successful entrepreneurs are perceived as having greater expert, referent, information, reward, and connection power as compared to unsuccessful entrepreneurs. Note that we did not find a statistically significant difference for coercive power. This is also a noteworthy finding because it differentiates entrepreneurs from leaders in general, for whom legitimate power is positively related to success (e.g., Rahim & Afza, 1993). In contrast to the command and control leadership style of hierarchical organizations, legitimate power seems to be less relevant in the dynamic and flatter organizations the entrepreneurs lead. Effect sizes for the statistically significant effects are large, particularly considering that we implemented

a between-subjects design and not a within-subjects design, which may exaggerate differences between successful and unsuccessful entrepreneurs based on contrast effects (Fiske & Taylor, 1991). For example, for most of the power bases, effect sizes are several times larger than what Cohen (1988) defined as a large effect size (i.e.,  $\eta^2 = 0.11$ ).<sup>4</sup> Based on the relative magnitude of the partial  $\eta^2$  values, the rank order of power bases in terms of their ability to differentiate between successful and unsuccessful entrepreneurs is as follows: (1) referent power, (2) information power, (3) expert power, (4) connection power, and (5) reward power.

Referent, information, and expert power had the greatest capacity to differentiate between entrepreneurs perceived to be successful from those who are not. As is the case with effective leaders, entrepreneurs perceived as successful are also seen as having high expert and referent power. Information was also an important base of power differentiating between successful and unsuccessful entrepreneurs. Information power has not been investigated as frequently as the other power bases in the leadership domain, and there is no convincing evidence that this type of power is associated with leader success. In the particular case of entrepreneurs, the present findings indicate that information power is a key success factor possibly because successful entrepreneurs need to be able to control the availability and accuracy of information to execute their ideas (Bossidy & Charan, 2002). The results regarding information power are particularly noteworthy because information power seems to differentiate successful entrepreneurs from successful leaders in general.

Although smaller in magnitude, we also found that connection power and reward power are power bases that distinguish successful from unsuccessful entrepreneurs. Most entrepreneurs rely on connection power to see their ideas to fruition. Connection power seems particularly important in dealing with external constituents (e.g., suppliers, venture capital firms). On the other hand, reward power seems relevant in dealing with both external and internal constituents (i.e., employees and partners). Results indicate that successful entrepreneurs are those who have a greater capacity to provide rewards and generate large payoffs as compared to unsuccessful ones.

Entrepreneurs who are perceived to be unsuccessful are seen as having greater coercive power than successful ones. The body of research summarized in Table 1 indicates that coercive power has considerable negative implications, including lowered productivity, satisfaction, motivation and compliance, and negative outcomes. Similarly, the present results suggest that coercive power is associated with entrepreneurs who are seen as unsuccessful.

We did not find differences in the social power of male and female entrepreneurs in relation to their perceived success. We offer the following explanation for this finding. Only about 20 percent of the study participants had a female entrepreneur in mind while completing the questionnaire. Thus, given the difference in sample size across the gender-based cells (i.e., about 80 percent versus 20 percent), it would be difficult to find a statistically significant result (Hsu, 1993). We believe there is more to this finding than a methodological explanation, however. A further breakdown of the sample sizes in each of the cells indicates that only 22 (7.51 percent) of the entrepreneurs were both successful and female, whereas 129 (44.03 percent) were successful and male. A formal test indicated a statistically significant relationship between entrepreneurial success and entrepreneur gender,  $\chi^2(1, N = 293) = 5.36, p < 0.05$ , such that male entrepreneurs were seen as being more often successful than unsuccessful, whereas female entrepreneurs were seen more often as being unsuccessful than successful. This result is consistent with gender-role theory, which posits that gender-role expectations usually spill over to organizational settings (Nieva & Gutek, 1981). Generally, these expectations stem from culturally defined gender roles (e.g., husband, wife, professor, student, doctor, nurse) that define a set of expectations for male and female behavior (Eagly, 1987). Status roles, for instance, may lead people to have unconscious, automatic expectations that men are successful entrepreneurs, whereas women reside in subordinate roles and, therefore, are not as successful in entrepreneurial ventures. This is a likely explanation for our finding given that perceptions of what it takes to be a successful leader are more aligned with masculine stereotypes compared to feminine stereotypes (Mainiero, 1986; Sagrestano, 1992). Future research could address the question of whether stereotypes of a successful entrepreneur are indeed more closely aligned with masculine as compared to feminine stereotypes. This seems to be a promising line of research given recent theoretical developments (e.g., Mirchandani, 1999) and calls for empirical studies addressing female entrepreneurs (de Bruin, Brush, & Welter, 2006).

### CONCLUSION

This study contributes to entrepreneurship theory in that it examines the relationship between perceived entrepreneurial success and social power. Building on theories linking social capital and networks with entrepreneurial success, and deriving hypotheses from the leadership as well as issue-selling literature, the present results show that social power is a differentiating individual characteristic for entrepreneurs perceived

to be successful in relation to those perceived to be unsuccessful. Specifically, some types of power are *positively* related to success (i.e., referent, information, expert, connection, and reward), others are *negatively* related to success (i.e., coercive power), and yet others are *unrelated* to success (i.e., legitimate power). Aspiring entrepreneurs need to be aware that their social power profile, as perceived by others, is associated with various degrees of perceived success and may therefore wish to attempt to manage their power profiles accordingly. Finally, our paper points to the need to investigate variables beyond personality and that are more directly relevant to social and interpersonal interactions that may differentiate entrepreneurs perceived to be successful from those who are not.

### NOTES

1. Expert power and information power are related but distinct constructs. Expert power refers to the entrepreneur's personal knowledge and skills (e.g., financial skills), whereas information power refers to the entrepreneur's ability to secure accurate information (e.g., information on which supplier may be best for a specific product).

2. Initially, we conducted a three-factor MANOVA, including entrepreneur success, entrepreneur gender, and participant gender as independent variables, because there is some evidence indicating that stereotypes about female and male leaders, and possibly entrepreneurs, may vary based on the gender of the perceiver (Aguinis & Adams, 1998). In this three-factor MANOVA including all seven power bases as dependent variables, the effect for participant gender was not statistically significant, Wilks's lambda = 0.96,  $F(7,259) = 1.61, p > 0.05$ . The participant gender  $\times$  entrepreneur success, participant gender  $\times$  entrepreneur gender, and participant gender  $\times$  entrepreneur success  $\times$  entrepreneur gender interactions were not statistically significant either ( $p > 0.05$ ). Given these results, we conducted the tests of our substantive hypotheses without including participant gender as an independent variable in the MANOVA.

3. Eta-squared (i.e.,  $\eta^2$ ) and partial  $\eta^2$  values are often reported as estimates of effect size in multifactorial analyses of variance. However, partial  $\eta^2$  is a more appropriate estimate of effect size in this particular situation given that we are interested in assessing the impact of a factor on an outcome controlling for the impact of the other factors included in the research design (Pierce, Block, & Aguinis, 2004).

4. A large  $\eta^2$  is 0.11 because  $\eta^2 = f^2/(1 + f^2)$  (Cohen, 1988: 281). Given that a large  $f^2 = 0.35$  (Cohen, 1988: 414), then a large  $\eta^2 = (0.35)(0.35)/(1 + [0.35][0.35]) = 0.11$ .

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