

PREDICTING FIRM PERFORMANCE BY
INTEGRATING FUNDING CLIMATE
AND CEO - COO DYAD

By

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Abstract: This research starts to unravel the nomological network of a funding climate and defines the regulatory state and efficacy level of the CEO – COO dyad needed to increase firm performance. Funding climate is further validated by this research exposing the impact a funding climate may have prior, during and after a company receives funding. Top management team's (CEO – COO dyad) shared regulatory focus both promotion and prevention may have a relationship to firm performance via group collective efficacy. This research provides the opportunity to contribute to social-cognitive theory linking collective efficacy with firm performance. This study will lend to practitioners decision-making on both sides of the funding cycle. Most business inevitably require funding, initiating a funding climate, through the funding agency lens the knowledge gained through this study will contribute in empowering them to make a decision on what CEO-COO dyad possibly fit their business. The data collected for this study utilized a web-based surveys program. Over 50 dyads participated and their results were aggregated with firm performance confirmed by the CFO or a ranking financial official of the company. Catalysts for creating value in an organization are vast; two variables that appear to be required to solidify any value horizon are tested in this research. Prevention focused top management teams collective efficacy was shown to have a significant positive relationship with firm performance. Promotion focused management teams revealed a significant positive relationship to collective efficacy. Possible more importantly is the confirmation of the significant and positive conditional indirect effects of dyad promotion focus on collective efficacy with Sit & Wait Funding Climate as a moderator.

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CHAPTER I

INTRODUCTION

Catalysts for creating value in an organization have been postulated to be competitors, ownership structure (public versus private), technology, management team, and a host of other variables that can be attributed to performance and success (Payne, Davis, Moore, & Bell, 2009; Petty & Gruber, 2011; Rajan, 2010; Robinson, 2009; Sweeting, 1991). There are, however, two variables that appear to be required to solidify any value horizon—one is capital, and the other is a functional top management team. These are core for most organizations, and without either of them, the organization may struggle in sustaining value.

Top management teams contribute to the success of an organization when the group has a common vision and strategy (Carmeli, Sheaffer, & Halevi, 2009). Capital can become a key component for structuring a successful organization; gaining access to capital is an essential obligation for the top management team. The top management team has to demonstrate to the funding agency the impact of the invested capital on the future value. For this dissertation, the top management team consisted of the Chief Executive Officer (CEO) and the Chief Operations Officer (COO) characterized here forthwith as CEO-COO Dyad (CCD). During a funding event (in search of or receiving capital), the primary focus for the CEO is the funding agency; the sustainability of the existing business will be the responsibility of the second half of the dyad,

the COO.

The business environment surrounding CEO can create significant task demands, increasing the need to split tasks, and situations and industries that are exceedingly dynamic may induce the demand for a COO to allow the CEO to focus on external issues (Hambrick & Cannella, 2004). In various studies, the CEO and the COO are considered partners, thought of as co-leaders who work closely in their positions (Zhang, 2006). The CCD is formed by individuals with varied traditions, characteristics, and principles that make it difficult to align them into functional groups that produce sustained growth. These complications may induce urgency and create a demand for increased diligence to fully understand CCD cogitation and interaction during a funding event. Group members seem to develop affiliated behavior driven partially by the situation, depending on the shifting of individual regulatory focus (Sassenberg & Wolpin, 2009). Creating a functional group can be described as the conjoining of views on the meaning of procedures, practices, and policies that form the individual's day-to-day experience and his or her reaction to rewards coinciding with the expectations of how the group is supported (Schneider, Ehrhart, & Macey, 2013).

Both top management teams and capital have diverse impact on organizations. Capital can be considered the economic growth stimulus that led the United States out of one economic slump after another (Narayan & Narayan, 2013; Solow, 2004). Research has demonstrated that increased investment in plants, technologies, and production facilities had an advancing effect on the United States' economic recovery and growth, an effect achieved through public and private investment (Solow, 2004). When an organization is a start-up, in a re-finance phase, or likely to be sold (change of control), the requirement for capital is inescapable. When a company approaches this threshold and capital is required, it will trigger a funding event, and the organization's unique situation will determine the type of funding agency to be used. Perhaps more significant than the capital itself is the fit between the funding agency (holder of the capital)

and the CCD, as it will have to manage firm performance emerging out of this fit. The CCD needs to pay attention to the expertise of the funding agency in early stage ventures to ensure a better fit (Dimov, Shepherd, & Sutcliffe, 2007). Each type of funding agency has a unique and distinguishable way of approaching funding events; through the eyes of CCDs, they became a shared perception akin to climate. In recent research drawing from the tenets of behavioral ecology theories of foraging and predator behavior, Wallace, Jordon, Dyer, and Cleveland (2013) have constructed an ecology-based taxonomy following predatory styles to describe the funding climate.

On the organization side (the receiver of the capital), two constructs that can help cultivate an understanding of the climate are group efficacy and group regulatory focus theory. *Group efficacy* is defined as the shared belief a group of individuals has in its ability to coordinate and organize objectives in a conjoined manner as each specific situation arises (Bandura, 1989, 1997). Regulatory focus consists of two distinct motivational orientations—promotion and prevention—and each uniquely influences goal setting, strategy planning, and execution (Higgins, 1997). *Group regulatory focus theory* posits how groups develop their shared perspective on risk (promotion) versus conservatism (prevention; Levine, Higgins, & Choi, 2000). Group efficacy and group regulatory focus theories have garnered a considerable amount of attention. However, little to no literature examines the relationship between these two constructs and how they affect value creation for an organization. Further, no study I am aware of has accounted for the relationship of the CCD's collective view during a funding event and the fit with the funding agency. These gaps have created an opportunity to answer these guiding questions: What effect does the funding climate have on a group's regulatory focus via group efficacy on firm performance? Could a better understanding of this relationship assist in developing a model for optimizing the fit between the funding agency and CCD's regulatory

focus to increase the opportunity for the organization’s success during and following a funding event?

This dissertation was designed on the contention that group efficacy mediates the relationships between regulatory foci of promotion and prevention on firm performance. Further, and more importantly, funding climate operates as a key contextual influence on the mediated paths from promotion and prevention of firm performance via group efficacy. This moderated-mediated model will help identify a more optimal fit between the firms’ focus and the funding style of a funding agency, ideally resulting in more venture success through firm performance and fewer failed funding transitions. See Figure 1 for a description of this study’s structure and theoretical model.

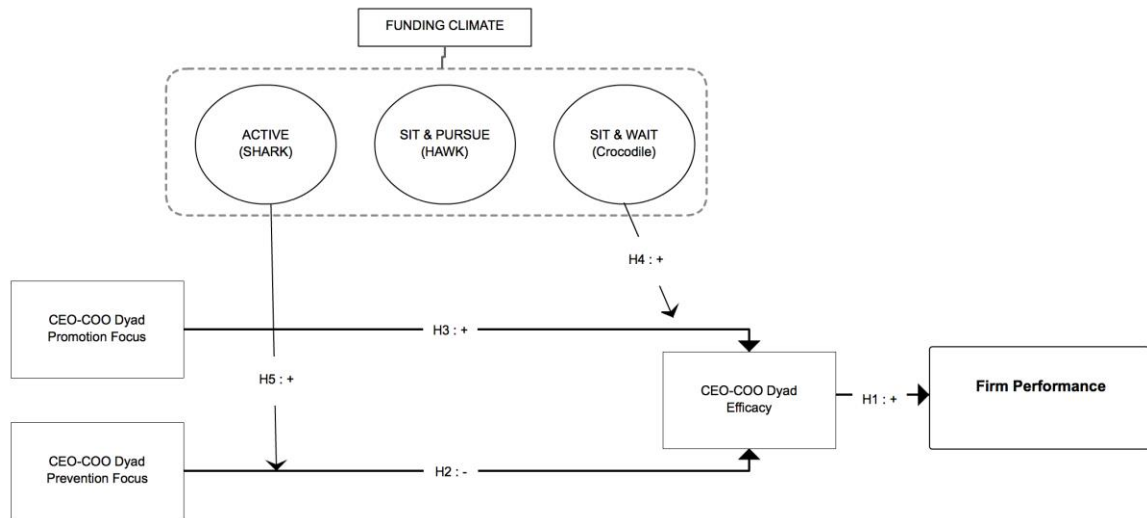


Figure 1. Theoretical model. Hypotheses 6 and 7 are not depicted but are moderated-mediated models.

CHAPTER II

REVIEW OF LITERATURE

In this chapter, I review the core constructs of my dissertation: Firm Performance, CCD Efficacy, Promotion and Prevention Foci, and Funding Climate. The four constructs are reviewed at an organization level, staying within the business domain. However, given the newness of Funding Climate, I utilize the tenets of behavioral ecology and foraging theory from which Funding Climate is based. I begin with Firm Performance.

Firm Performance

Firm performance incorporates three types of performance: (a) financial performance (e.g., return on assets, return on sales, sales growth, and overall financial performance), (b) stakeholder performance (e.g., stability/ growth of employment, employee morale/job satisfaction, customer relations, supplier relations, overall nonfinancial performance), and (c) heterogeneity with regard to resource allocation strategies (e.g., funds allocated to R&D, funds allocated to advertising, process innovation, product innovation, and compensation to employees; Wallace, Little, Hill, & Ridge, 2010). A firm's ranking among similar firms is also a gauge of firm performance. Concurring as stated above, measures such as sales growth, net income, net return on sales, and net return on assets all are lead indicators to how well the firm is performing (Priem, Rasheed, & Kotulic, 1995).

Additionally, a second common measure used in a funding context is value creation, which can be seen as a proxy to firm performance. Value creation is a generalized term used in some financial and funding agency literature and is defined as the result of any elements or initiatives that improve the organization (Amit, & Zott, 2001). A reduction of business risk through an antidotal lens may reduce CCD risk abhorrence, thus encouraging value creation (Humphery-Jenner, 2011). The need for value creation is consistent in all businesses, and one of the most common measurements of value is through financial performance (e.g., how the stock market rewards a company for reliable financial performance with an increase in stock price). Value creation is not left to the public markets, and a recent study by Ernst & Young had the private equity market outpacing public markets (Rajan, 2010). Private equity refers to an intermediary financial medium; accordingly, it takes sponsors' capital and acquires privately held companies with the intention of building a portfolio of companies, differentiating from a public company due to the illiquidity (Metrick, & Yasuda, 2011). The Ernst & Young study indicated that enterprise value was 2 times that of the public rival and earnings before income tax and depreciation and amortization grew 33% faster (Rajan, 2010).

Value creation is not only about the funding agency finding the right company; it is also about working closely with the CCD to align expectations of what creates value for both the parties (Rajan, 2010). Value can be created in part due to the reputation of the funding agency: Less underpricing occurs for an IPO with a more reputable funding agency, as it tends to stay involved with the company even after the IPO (Metrick & Yasuda, 2011). Value creation in a funding context supports firm performance that is influenced by the CCD. The combined tacit knowledge of CCD advances the decision-making and strategy capabilities of the group, effectively allowing for expansion and knowledge transfer that has a positive direct relationship to firm performance (Butler, Perryman, & Ranft, 2012). CCD's effective strategic decisions will increase with a high level of participative decision-making, which enhances firm performance

(Carmeli et al., 2009). An effective CCD can escalate firm performance, hence supplementing in value creation. Amit and Zott (2001) defined value creation as the result of elements or initiatives that improve the organization.

Private equity (funding agencies) literature claims that value creation can be accelerated through increasing managerial incentives (Leslie & Oyer, 2008; Rogers, Holland, & Haas, 2002). Funding agencies offer decentralized management and a strong incentive plan structured around management ownership as a way to increase firm performance (Metrick, & Yasuda, 2011). Leslie and Oyer (2008) contended that the CCD's ownership in most cases increases more in the private sector. CCDs may be vital to value creation; the CCD's role is to sustain the company's competitive advantage (Hambrick, Finkelstein, & Mooney, 2005). CCD can be defined by how it is differentiated from other management teams in the company; typically, it will have responsibilities as an executive and as a member of the executive team, significantly increasing its accountability as crucial to the decision-making process and strategic expansion (Hambrick, 1984).

Hsu, Haynie, Simmons, and McKelvie (2013) found consistency in importance of the funding agency's place in the CCD's track record, management skills, and characteristics in delivering value. Management characteristics such as staying power and the CCD's familiarity with its market seem to dominate the decision to invest, according to a sample consisting of a wide variation of specific, quantitative, investment criteria set by the funding agency (Hisrich & Jankowicz, 1990). Funding agencies prefer to select a CCD and decent financials along with product-market characteristics to increase their likelihood of success, as opposed to the prospective company meeting overall fund requirements and deal specifics (Muzyka, Birley, & Leleux, 1996). Logically, without a suitable management team and a solid vision, strong financials become insignificant, as the business may become unsustainable without a functioning CCD (Muzyka et al., 1996). Riquelme and Watson (2002) revealed that to deliver value, a

funding agency would invest in a team rather than in a single individual (i.e., entrepreneur). They added that it is better to have a team with a track record of working together in the past than a group of individuals with only social ties.

The CCD of an acquired company postfunding will face environments that may become unstable due to increases in the complexity of the decision-making process, uncertainty of expectations, and the ambiguity of the future (Carmeli et al., 2008). Firms that mandate CCD participation in the decision-making process will retain and create value (Carmeli et al., 2008). Low firm performance (impeding value creation) can contribute to restricting information procedures and centralized decision-making (Heyden, Doorn, Reimer, Bosch, & Volberda, 2013). Additional loss of value corresponds to the turnover rate of the CCD. The following four factors represent possible antecedents to turnover postfunding: (a) acquired firms relative performance and size (low), (b) independence of the acquired CCD, (c) negligible status granted to the CCD of the acquired firm, and (d) a communication deficiency (Hambrick & Cannella, 1993). Additionally, CCD will be influenced by perceived independence and cultural differences of the firms (Butler et al., 2012). In a change of control situation, the turnover of the CCD has been found to be value-destructive, and retaining CCD may contribute to postacquisition success (Ranft & Lord, 2002) attributed to communal and intellectual capital and ability to understand where to extract value across the firm (Butler et al., 2012). If incompatibilities in the organization exist, full integration may cause value destruction, as integration could possibly deteriorate strategic capabilities on both sides of the merger (Marlin, Lamont, & Geiger, 2004). The CCD and the funding agency's management compatibility may be essential to firm performance postacquisition, irrespective of the level of operational integration (Tanure, Cancado, Duarte, & Muijder, 2009).

Track record, structure, and the ability of a CCD to work together in varied situations are cited as antecedents to firm performance. Funding agencies' approaches to integration, addressing

incompatibilities along with CCD retention, are contributors to performance. A CCD that has history together (increased interaction) and is conjoined to the view of accomplishing tasks may lead to a performance increase.

CCD Collective Efficacy

CCD's efficacy for this dissertation is defined as the conjoined perspective of the CCD's capabilities to complete tasks under diverse circumstances (Bandura, 1997). Corresponding to the perspective that firm performance will be influenced positively by the CCD, firm performance will materialize when the CCD has a high level of efficacy. The results produced by the efforts of the CCD will be shaped by efficacy beliefs (Bandura, 1997). CCD with high efficacy anticipates positive outcomes; alternatively, low efficacy will come with modest results (Krueger & Dickson, 1993). How the CCD views impediments will also be influenced by efficacy beliefs: CCD with a marginal efficacy focus when faced with difficulty will consider costs and become risk-averse, not consider that difficulty as an opportunity (Bandura, 2002).

People need to feel that they can accomplish the task and avoid the undesirable ones, giving them a reason to act (Bandura, 2000). Efficacy at a group level is defined using various terms, most of which can generally be applied to either group, collective, or team efficacy. Bandura (1982) was among the first to identify group-level efficacy and termed it collective efficacy. Bandura (1997) wrote, "Collective efficacy represents a group's shared belief in its conjoint capabilities to organize and execute the courses of action required to produce given levels of attainments" (p. 477). Collective efficacy has also been defined as situational regarding the group's perception of the capability as a whole in performing and executing on the task (Prussia & Kinicki, 1996). Collective efficacy refers to the belief that the team can efficiently complete a particular task (Lindsley, Brass, & Thomas, 1995). Group efficacy has also been defined as individuals' work within a group utilizing their pool of knowledge, competencies, and

resources to solve problems through mutual support (Lamb II, 2009). Collective efficacy reflects the CCD's conjoined view on how well they complete a task. Thus it can be seen as one of the primary motivational constructs: Higher levels of effort and persistence will be the result of high levels of group-level efficacy (Peterson, Mitchell, Thompson, & Burr, 2000).

Collective efficacy can be an initiator for collaboration among the group. It is possible that the interaction/communication will produce higher efficacy; accordingly, a team with higher efficacy is more likely to push forward during times when conjoined efforts have failed (Bandura, 1982, 1997; Gully, Incalcaterra, Joshi, & Beaubien, 2002). The performance level and the collective efficacy of the CCD may depend on how they view a task: Do they consider it a threat or an opportunity (Porter, Gogus, & Yu, 2011)? A group can have a high or a low level of efficacy, the former acknowledging a sustained level of confidence in the CCD that it will be able to succeed in completing tasks. "The higher the sense of collective efficacy, the better the team performance" (Bandura, 1997, p. 470). The shared belief has been suggested to have an effect on group performance (Chen, Yao, & Kotha, 2002; Gibson, 1999).

Developing an understanding of the relationship at group level and self-efficacy is important when considering all interactions as a group and as an individual. Self-efficacy is a key element of social cognitive theory developed by Bandura (1977), and the definition resembles collective efficacy. Self-efficacy has been defined as the inner belief of oneself in their capabilities to arrange and follow through with a course of action resulting in the desired outcome (Hoyt, Murphy, & Halverson, 2003). The commitment and mission of the group can be affected by the level of group-level efficacy within the group, determining how the group will work together and its resilience when faced with adversity (Bandura, 1997). The group member's individual aptitudes and past performance are defining parts of his/her conclusion in the group's capability (Peterson et al., 2000). The capability of the group may also depend on the knowledge it has gained over time as a group. The greater the group interaction, the greater the knowledge

gained about fellow members of the group on how their individual abilities coalesce as a whole (Riggs & Knight, 1994).

Extensive research postulates that self-efficacy is an antecedent of group-level efficacy. Research has shown that individuals who believed they have the skills to complete the tasks will be productive; likewise, those with low efficacy are not as productive. Efficacy is believed to function at a group level and can be considered task-specific or situational (Alper, Tjosvold, & Law, 2000). However, a measure of this type of collaboration (i.e., management team's perceived group efficacy) should not be considered the summation of the individual's efficacy; rather, it is an emergent group-level property (Bandura, 1997). Self-efficacy is an antecedent of group efficacy but is thought not to have a causal relationship (Lamb II, 2009). In some fields, self-efficacy has been found to be closely related to collective efficacy but is still considered to be independent constructs (Hoyt et al., 2003). Bandura (2000) emphasized the importance of understanding that collective efficacy is not just an expansion of self-efficacy at group level, as the group's performance is not simply the summary of the knowledge and ability of its members. Collective efficacy depends on the collaboration and synergy in the group during interface. Conversely, collective and self-efficacy are less distinguishable when the group is less interdependent (tasks that require group dependence encourage dominance of collective over self-efficacy; Katz-Navon & Erez, 2005).

Creating a CCD to accomplish a task requires a level of interdependence that may develop among members. The level of interdependence of the group is thought to be task-dependent and encompasses the time a group has worked together, identified as the amount of interdependence of the members' task-driven interaction (Gully et al., 2002). The conjoined belief of the group results from shared exposure to the same environment that creates competition and accelerates performance (Lindsley et al., 1995). Groups that have been able to develop a high level of collective efficacy have the ability to affect an organization in a positive manner

through their ability and willingness to work together as a group for an extended period of time, creating a sustainable increase in performance at the company level (Pescosolido, 2003).

Gibson (1999) defined group efficacy as the estimate of its collective ability to perform a precise task. A group's level of efficacy is different from its general confidence, which is an affective state and efficacy is ability to complete a task on hand (Pescosolido, 2003). Whyte (1998) cautioned that high collective efficacy can result in overconfidence, leading to complacency and reductions in engagement (conflict process) and attentiveness. High levels of collective efficacy have been posited to limit the group from fully pondering differing procedures and strategies during task completion (Goncalo, Polman, & Maslach, 2010).

Leadership is critical in early stages of the development of collective efficacy and during the entire cycle of the group (development and sustainment; Watson, Chemers, & Presier, 2001). The group leader in most cases is the individual with the highest status among the group; as a leader, he or she is able to process the information, facilitate interaction, and allocate resources to ensure the task is completed (Gibson, 2003). Leaders who have earned credibility in the group can deploy its collective efficacy through persuasion and familiarity with the task (Gist, 1987).

Campion, Medsker, and Higgs (1993) found that of 19 characteristics, the strongest predictor of performance is the belief in the effectiveness of the group. A strong sense of collective efficacy inspires group members to achieve goals and to endure through difficult tasks; subsequently, these groups are more likely to succeed than teams that do not have a collective view of their abilities to address tasks (Goncalo et al., 2010). Collective efficacy has a relationship to performance. As interdependence grows higher, so does performance (Gully et al., 2002). Gully et al. (2002) mentioned a limited negative relationship between collective efficacy and performance. However, Prussia and Kincki (1996) discovered that collective goals and performance were positively related to collective efficacy, concurring with the broad view that

collective efficacy mediates performance. Goncalo et al. (2010) cautioned about a trade-off between confidence and harmony in a group and the group's productive conflict. They suggested that the length of time the group has been together is a possible variable to consider when measuring performance. Premature growth of collective efficacy will suppress the benefits gained due to lack of productive conflict (Goncalo et al., 2010).

Research indicated that the performance is positively related to collective efficacy. This connection was confirmed by a study of 416 college students who were divided into 104 teams of four people to complete a computerized decision-making task in groups (Porter et al., 2011). Gully et al. (2002) showed a high level of support between performance and efficacy as well, as have other researchers (Stajkovic, Lee, & Nyberg, 2009; Porter et al., 2011). Strajkovic et al.'s (2009) meta-analysis with findings from 69 studies, 83 adjusted correlation estimates, 4250 groups, and 18,891 individuals showed the role of collective efficacy in positive relationship in group performance.

CCD's collective efficacy is defined as the group's collective thought of accomplishing a task that has been a key to group efficiency and motivation (Bandura, 1997; Gully et al., 2002). CCD's efficacy level is related to firm performance, and both its efficacy and its performance can be increased with the level of collaboration and synergy. Additionally, CCD can view tasks differently; it can see the task as a threat or as an opportunity, and the orientation of its approach in reaching the goal of completing the task will induce other contextual variables.

CCD Regulatory Focus Theory: Promotion and Prevention Foci

The foundation of regulatory focus theory suggests that all strategies and actions engaged in by the individuals are contingent on their regulatory focus, which can be defined as their preferred way of achieving goals (Rusetski & Lim, 2011). Regulatory focus consists of two distinct motivational orientations, promotion and prevention, each influencing goal setting,

strategy planning, and execution (Higgins, 1997). A natural alignment strategy of promotion focus would include sensitivity to positive outcomes with growth and development needs quenched by striving to achieve objectives and rewards through goal realization (Higgins, 1997, 2000). A prevention focus alignment would include sensitivity to negative outcomes, with the need for security, safety that involves achieving commitments through responsible behavior (Wallace, Butts, Johnson, Stevens, & Smith, 2013). For example, a member of a CCD with a promotion focus will tend to consider varied options, try more strategies, and be less likely to give up (Crowe & Higgins, 1997; Ellemers, 2008). Alternatively, a CCD with a prevention focus faced with the possibility of a loss triggers an avoidance-dominating strategy (Rusetski & Lim, 2011).

Individuals become a member of a group once they begin to categorize themselves as part of a group rather than as individual; hence, consistently identifying oneself as a member of the group will improve alignment with the group norms, and the individual will become affected by group-relevant events (Sassenberg & Wotin, 2009). An individual's cognitive behavior will begin to alter once exposed to a group atmosphere. The individuals in these groups make increasingly polarized decisions, relying on the characteristics of the group either showing a risky shift or a cautious shift; these examples are consistent with the thought that individuals' behaviors and their decision-making process are influenced by their membership in a group (Faddegon, Scheepers, & Ellemers, 2008). Levine et al. (2000) were among the first to test regulatory focus in a small group. The results indicated that members' responses conjoined with a directional bias in strategic orientation, emphasizing that promotion-focused CCDs were willing to take on more risk than prevention-focused CCDs. Group-regulatory focus theory suggests that members of a CCD develop their shared perspective on risk (promotion) versus conservatism (prevention). The study can be used as an extension to regulatory focus in a work/group setting; individuals participating in a group setting will align in motivational orientation (Florack & Hartmann, 2007). Prevention-

focus views goals as ‘non-loss’ or ‘loss’ with the potential for negative outcomes that will begin to offset the prospect for performance rewards, leaving a status-quo environment (Wallace et al., 2013).

Relating regulatory focus to group (see also Johnson & Wallace, 2011) situations and decision-making has gained much momentum (Levine et al., 2000; Sassenberg, Jonas, Shah, & Brazy, 2007; Sassenberg, Kessler, & Mummendey, 2003; Shah, Brazy, & Higgins, 2004). Shah et al. (2004) focused their research on group-level and common identity-based regulatory focus, which they refer to as collective regulatory focus, defined as the CCD’s identity driven by objectives and tactics, which will focus individual group members to have a promotion or prevention bias (task dependent). Collective regulatory focus may also be seen as a group norm or plan that operates through the social identity of its members in a procedure known as social categorization (Faddegon et al., 2008). Research shows that group decisions will align with shared regulatory bias that will develop over time (Florack & Hartmann, 2007).

Once individuals become part of a group, then their thinking and behavior will not simply represent their individual regulatory orientation (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Individuals in a group neglect their chronic regulatory orientation in favor of group norms/groupthink (Hart, 1991). Group membership will influence strategies when making decisions, suggesting that regulatory focus of the group will dominate the decision-making strategy and is not the summation of individual regulatory orientation (Faddegon et al., 2008). Group decision may resemble the characteristics of the group, consisting of a more differentiated decision orientation with either a risk or a cautious bias (Fraser, Gouge, & Billig, 1971; ; Myers, 1982; Wallach, Kogan, & Bem, 1962).

Regulatory Fit

Higgins' theory of regulatory fit states that the strength of the motivation will increase when the goal attainment is in line with current regulatory focus (Spiegel, Grant-Pillow, & Higgins, 2004). That is, actions, occasions, and items that match the regulatory focus are highly sought after more than ones that do not have fit (Sassenberg et al., 2007). Fit will be experienced when people implement goals or pursue plans or actions that sustain their regulatory orientation (Avent & Higgins, 2006). The regulatory fit has two components: "feeling right" and strength of engagement (Aaker & Lee, 2006). Achieving a state of higher fit is possible when goal attainment involves increased level of eagerness, which is less probable when protecting against a non-gain; alternatively, to protect against a loss would require more vigilance than going in for a non-loss (Idson, Liberman, & Higgins, 2000; Lee & Aaker, 2004).

People who aggressively replicate and develop an approach-oriented plan can be considered to have a promotion orientation; accordingly, plans that stay within their regulatory orientation will provide them regulatory fit, which, in turn, should produce higher achievement of goals than when a promotion-oriented person attempts to utilize a vigilante development plan of avoidance (Spiegel et al., 2004). Alternatively, a plan driven by a prevention orientation would need to be vigilant in the simulation and development of an avoidance-centered plan, resulting in a regulatory fit yielding better results in goal completion (Spiegel et al., 2004).

Greiner, Bhambri, and Cummings (2003) indicated that actions by the leader have to be spontaneous in relation to the task, reflecting that leader's orientation. Wallace et al. (2010) suggested that a leader's regulator focus (promotion or prevention) is governed by the environment. They also stated that regulatory fit is achieved in case of convergence between operational environment (constancy or lack thereof) and the leaders' regulatory orientation.

Spiegel et al. (2004) conducted a study with individuals with a confirmed chronic regulatory focus, framing the task in either vigilant or eager terms to extend the understanding of fit between task orientation and chronic regulatory focus and the role of regulatory fit. The results confirmed that regulatory fit has a profound impact on goal completion (turning in the report): Individuals with regulatory fit were 50% more likely to turn in the report. It is important to note that neither a promotion/prevention focus nor strategic means dominated the decision to turn in the report, suggesting that regulatory fit influenced the individuals' conduct (Spiegel, et al., 2004). When a team exceeds performance targets, it is due in part to the fit between the structure and the regulatory focus of the task (Dimotakis, Davison, & Hollenbeck, 2012).

Funding Climate

The literature on funding climate is sparse to nonexistent. Wallace et al. (2013) defined funding climate as the collective perception that the leadership team of an organization has of the funding agency.

To gain an increased perspective of funding climate, a review of the funding agency is needed. In general terms, funding agencies include most types of nonpublic funding agencies. A second distinction of a funding agency is that the funds generally are equity capital. The capital comes from sponsors, investors, and funds that are usually invested directly into private companies, achieving majority equity share and control of the company. Funding agencies, in general, are not listed nor do they invest in a stock exchange (public markets); instead, their function is to inject capital with the sole purpose of expanding businesses or business idea, requiring a majority share in the form of equity (James, 2010). Further, once the private equity acquires the company, it may get involved more with the CCD. Private equity can take on many forms: angel investor (high-net-worth individuals), early stage venture capital, late-stage venture capital, and buyouts (Cendrowski & Wadecki, 2012). A funding agency operates with a set

procedure depending on its cycle and environment; these procedures dictate how an agency reacts to venture opportunities.

Climate is not new. Researchers have been defining organizational climate since the 1930s. Hawthorne pioneered the human-relations movement turning researchers' attention to the psychological environment within organizations. Climate can be partitioned into two forms: foundation and specific; "Foundation" or overall climate embodies a larger shared perspective of an environment, and "Specific" as the word suggests encompasses a specific area of interest (safety, service, etc.; Wallace & Chen, 2006). This research is foundational, due to the shared nature of the organizational climate. Climate should not be confused with culture, which can be described in five components—values, beliefs, myths, traditions and norms—unlike culture, climate focuses on the perception of those engaged in the environment (Kennedy Group Executive Strategies, n.d.).

Although many contextual variables have been identified as influencing business success, many scholars have stressed the importance of climate (Amabile, Contu, Coon, Lazenby, & Herron, 1996). Climate, the collective perception of the work atmosphere, is a key factor in the organization gaining a competitive advantage. Organizational climate can be defined as "experientially based description of what people see and report happening to them in an organizational situation" (Ostroff, Kinicki, & Tamkins, 2003, p. 644). Organization climate is reflective of the conjoined belief of the CCD, bringing relevance to the organizational environment in reference to what is important, anticipated, and rewarded through practices and guidelines, processes, routines, and remuneration (Ostroff et al., 2003).

There is sufficient research to support the notion that workplace climate can positively influence job performance (King, De Charmont, West, Dawson, & Hebl, 2007). Researchers in the area of climate have been able to discriminate between good and bad work environments,

high- and low-performing work teams, and perceived levels of support (Isaksen & Ekvall, 2010). Climate dimensions (e.g., safety, service, innovation, involvement) have shown positive relationships to a number of outcome variables, including higher sales volume, market share, productivity, and profitability, reporting a greater impact from implementing new social and technical systems and improved ability to implement more complex work design (Kuenzi & Schminke, 2009) consistent with firm performance measures.

Towards Funding Climate

Theories from ecology have made their way into various business applications to provide a better understanding of business behavior. The Lotka-Volterra biological predator-prey model has been used by venture capital investors to help explain puzzling cycles similar to those seen in wildlife population (Brander & de Bettignies, 2009). Predator-prey behavior has also been used in economic research in understanding oil prices and impact on the economy, copyright piracy, investing behavior, and consumer behavior (Andreoli, 2011; Burd, 2010; Vazquez & Watt, 2010; Wells, 2012). It may be said that opportunities are subject to ordinary progress and are only affected by the actions of a predator. Such is the case when a funding agency makes an investment, diminishing the pool of existing investment opportunities. Accordingly, predator-prey can be seen to contain a fractional justification of the investment behavioral cycle (Brander et al., 2009). Foraging theory can help researchers understand human foraging behavior in both ancient and modern hunter-gatherer populations in anthropological settings designed for studying human behavior (Wells, 2012).

Foraging theory suggests the predator energy “uptake” is maximized by compromising between intake and cost, which depend on distinct prey qualities such as size, attack response, and handling time along with the atmospheric characteristics such as temperature and prey concentrations (Shettleworth, Stephens, & Krebs, 1988). Foraging strategies are diverse and

depend highly on the system to create decision rules. Considering that a forager's goal is to maximize energy "uptake," the urgency for a forager with a time constraint is much greater than for those who have a digestion limit. Naturally famine will escalate the incentive to consume as much and as fast as possible, where repletion will have a negative influence on motivation to search for and consume, hence significantly reducing attack rates and time spent on foraging, which will increase digestive pauses (Hohberg & Traunspurger, 2009).

Behavioral ecology and foraging theory provide a framework for understanding strategic feeding and consumption behavior of animals, including behaviors such as search, identification, procurement, handling, utilization, and digestion (Wells, 2012). Studies in predator-prey interaction have shown predators can impact prey consumption through predator-induced alterations in foraging, habitat use, morphology, and other consumptive and nonconsumptive effects (Preisser, Orrock, & Schmitz, 2007).

Predators can be classified into three broad categories: Active, sit-and-pursue, and sit-and-wait (Barbosa & Castellanos, 2005). *Active* predators continually patrol for prey by moving through their environment to find and capture their prey. Sharks, shrews, and jumping spiders are animals that demonstrate the characteristics of active predators. *Sit-and-pursue predators* typically wait for their prey to approach before striking, either by ambushing or waiting for prey to come into close range to pounce. This group may change its location upon depletion of prey in a particular area. A hawk would be an example demonstrating this type of predatory behavior. The third type of predators are the *sit-and-wait*, which remain in one fixed location for extended periods waiting for the prey to pass by their location. These predators do not change locations often, regardless of obtaining immediate prey or extended waiting. Crocodiles represent this type of behavior.

The Lotka-Volterra equation, or the predator-prey theory, has been applied to explain cycles in animal population fluctuations. The structure of predator-prey models is also clearly presented in standard textbooks on differential equations (Brander & Bettignies, 2009). To have a predator-prey state, one of the two species must survive by preying on the other. As the prey is consumed, the population of the predators grows and will continue to grow to a point in which the population of the prey is not sustainable and that of the predator will begin to diminish, leading to a recovery of the prey population, followed by revitalization of the predator population, thus creating cyclical behavior (Vazquez & Watt, 2010).

Applying predator-prey theory to funding agencies is the foundation of creating the funding climate taxonomy. Scale development was completed utilizing Hinkin's (1998) guidelines. Wallace et al. (2013) framed the broad spectrum of funding agencies, utilizing a deductive approach to item generation. The scale has been validated by surveying CCD of small to midsize companies that were involved in a funding event (i.e., acquired by or partially acquired with funding agencies funds).

Based on the tenets of behavioral ecology of predator forging behavior a funding climate can be identified as: (a) active, (b) sit-and-pursue, and (c) sit-and-wait (Barbosa & Castellanos, 2005). Active funding agencies (i.e., Sharks) may demonstrate attributes such as aggressively pursuing, investigating, and analyzing new venture opportunities to fund; moving across industry; and taking risks. Sit-and-pursue funding agencies (i.e., Hawks) tend to passively observe funding opportunities and actively engage when an appropriate investment arises and are slower to move out of one sector but will as deal flows slow. Finally, sit-and-wait funding agencies (i.e. Crocodiles) passively observe funding opportunities and wait for a new venture that meets its specific requirements to fully present itself. These agencies tend to wait for the right deal and have the staying power to do so and be successful.

Contemplating the differences in funding climate and the effects it will have on the CCD create an opportunity to align (or, in other words, fit) these two groups, elevating the possibility to generate additional value for the company. CCD impacts firm performance through contextual considerations, including CCD efficacy, CCD collective regulatory focus, and funding climate. Accordingly, motivation will increase when goal attainment is in line with current regulatory focus (Spiegel et al., 2004).

CHAPTER III

CONCEPTUAL MODEL

Theoretical Basis for Research

The effect of the top management teams on performance of an organization has attracted tremendous attention from researchers across a wide range of disciplines. A limited amount of literature, however, examines the relationship between CCD efficacy and CCD (group) regulatory focus, and no literature assesses how these two constructs affect optimal fit and performance for an organization. Further, no study accounts for the relationship of the CCD's collective view postfunding and fit with the funding agency. These gaps have created an opportunity to explore the effect of funding climate on a group's regulatory focus via group efficacy in creating value. Could a better understanding of this relationship assist in developing a model for optimizing the fit between funding agency and CCD's regulatory focus to increase the opportunity for organizational success during and following a funding event?

CCD efficacy mediates the relationships between regulatory foci of promotion and prevention and firm performance. Further, and most importantly, funding climate operates as a key contextual influence on the mediated paths from promotion and prevention to firm performance via group efficacy. This moderated mediated model will help identify a more

optimal fit between the firms' focus and the funding style of a funding agency, ideally resulting in success of more ventures through firm performance and fewer failed funding transitions.

Top Management Team Efficacy and Firm Performance

CCD's efficacy (collective) "represents a group's shared belief in its conjoint capabilities to organize and execute the courses of action required to produce given levels of attainments" (Bandura, 1997, p. 477). It can be considered the process by which individuals work in a group, utilizing their breadth of knowledge, competencies, and resources to solve problems through mutual support (Lamb II, 2009). CCD's role is to sustain the company's competitive advantage (Hambrick et al., 2005) and can be defined by how they are differentiated from other management teams within the company. Typically, the CCD members will have responsibility as an executive and as a member of the executive team, consequently increasing their accountability significantly, as they are crucial to the decision-making process and strategy (Hambrick, 1993).

CCD's efficacy may also be situational concerning the group's perception of their capability as an integrated group performing and executing on the task (Prussia & Kinicki, 1996). Accordingly, CCD will need to navigate a number of situations during operations of a company, including the level of efficacy determining the performance on completion of the task. Value-added CCD outcomes may be accomplished through CCD efficacy, which can elevate their aspirations and desires and improve motivational fortitude towards accomplishing their task (Bandura, 2002). CCD may build off successful task completion, allowing for increased efficacy, which in return might yield better results for the company, thus identifying a clear relationship to firm performance. CCD's capability during ambiguous tasks combined with low interdependence and collectivism had no relation to its efficacy (Gibson, 1999). Similarly, it has been found that groups with low group efficacy levels struggle dealing with difficult group tasks (Jex & Bliese, 1999).

Prior research has established a positive relationship between group efficacy and group success. Further, Bandura (1986) found groups that held themselves to a higher standard of performance believed that their group could overcome difficulties to achieve results. This finding suggests that a high group efficacy will yield better results on group tasks; therefore, it is plausible that a CCD will be able to handle the stresses related to a funding event more proficiently with a high efficacy. “The higher the sense of collective efficacy, the better the team performance” (Bandura, 1997, p. 470). Accordingly, in this study, I anticipated replicating this relationship in my theoretical model:

H1: CCD efficacy positively relates to Firm Performance.

CCD Regulatory Focus and Efficacy

The CCD functions as a group developed to make decisions and accomplish tasks; the manner in which the CCD approaches and its ability to cope with the task creates a relationship between their shared regulatory focus and conjoined efficacy level. Supported by research, group decisions will align with the shared regulatory bias (Florack & Hartmann, 2007). CCD regulatory focus is defined as the group’s identity driven by the promotion or prevention-related objectives and tactics that will focus individual group members towards a promotion or prevention bias (Faddegon et al., 2008). A CCD’s regulatory focus may also be seen as a group norm or plan by which it operates using social identity of its members in a procedure known as social categorization (Faddegon et al., 2008).

The dynamics in which the CCD works do not allow for perfectly structured and uniformed events. Lanaj, Chang, and Johnson (2012) found that employees with a promotion focus, when confronted with unexpected challenges and adversities in the workplace, had positive feelings and had greater self-esteem and self-efficacy. Lower perceptions of self-efficacy were observed in employees with a prevention focus in a similar situation (Lanaj et al., 2012). The

roles of the employees who make up the CCD increase the chance of encountering a difficult and rapidly changing situation. These situations may require timely decisions that may involve a level of risk absorption, a trait not afforded by prevention-focused groups. In contrast, CCD with a promotion focus is inspired by attainment of positive goals; hence CCD is willing to take risks to improve the opportunity of successfully achieving its goals and will possess higher levels of self-efficacy (Lanaj et al., 2012). Bryant (2009) and Wallace et al. (2009) showed that promotion focus will have a positive outcome with efficacy. Lanaj et al. (2012) described how prevention-focused CCD will be thoughtful in achieving the targets; however, doing so may not improve the CCD's chances of accomplishing difficult tasks. Lanaj et al. (2012) explained duties and responsibilities often result in conservatism, which may reduce performance (which is highly related to high efficacy levels), in turn reducing the relation between CCD regulatory focus and CCD self- efficacy.

These arguments are supported by literature; contrasting results might emerge depending on the regulatory focus of the CCD in relation to CCD efficacy. For this study, then, I proposed the following hypotheses:

H2: CCD Prevention Focus negatively relates to CCD Efficacy.

H3: CCD Promotion Focus positively relates to CCD Efficacy.

Funding Climate as a Moderator

Funding climate as covered in the literature review is a “new” construct and is defined as the collective perception of the funding agency by CCD. Each funding agency functions distinctly in its investment strategy and the value it holds in its current CCD (management as a whole, in some cases). Funding agencies are known to use a “gut feel” approach to making decisions on whether or not to invest in the funding opportunity (Chen et al., 2009) and to access the track record and characteristics of the CCD while evaluating investment opportunities (Mason

& Stark, 2004). They have been dubbed as obsessive when considering CCD competence as they move towards making an investment. This broad differentiation contributed to the development of the taxonomy by Wallace et al. (2013) based on the tenets of behavioral ecology of predator foraging behavior. In this framework, a funding climate can be identified as: (a) Active, (b) Sit-and-Pursue, and (c) Sit-and-Wait (Barbosa & Castellanos, 2005). Active private equity (i.e., Sharks) may demonstrate attributes such as aggressively pursuing, investigating, and analyzing new venture opportunities to fund. Sit-and-Pursue (i.e., Hawks) firms tend to passively observe funding opportunities and actively engage when an appropriate investment arises. Finally, Sit-and-Wait funding agencies (i.e., Crocodiles) passively observe funding opportunities and wait for a new venture to fully present itself and meets its specific requirements (i.e., strong CCD). Fit between a funding agency and CCD may depend on the funding climate exhibited by the funding agency and the regulatory focus of the CCD.

Post-funding, the CCD and the funding agency may have different ways of taking the plan forward. The ability to manage these types of environments may depend on the CCD's regulatory focus. In an environment with high uncertainty, a promotion focus (eager) is not uncommon, which will create a positive influence on the environment as it is characterized by quick adaption and measured risks (Förster, Higgins, & Bianco, 2003). Factors that influence the decision are the characteristics of the CCD, including its nature, experience, and its interaction with the private equity (Chen et al., 2009). At one end of the scale is Sit-and-Wait (Crocodile). its characteristics are consistent with how they invest, typically waiting for the right CCD and the right business (idea) that will create maximum value. A CCD with promotion focus and a high efficacy level will have a positive relation to firm performance. Funding agencies rely on the CCD to deliver the anticipated return; it is possibly for this reason that funding agencies rank CCD as one of the most important components of a company (Chen et al., 2009). The three funding climates come with a distinctive prospectus on the make-up of the CCD and generally

utilize their experience in deciding the type of CCD required (venture-specific). That is, an active funding climate may consider a promotion-focused CCD to be a disadvantage, as it might consider itself to have the necessary strategy and aggressive nature needed to achieve a high level of value creation. Aggressive (Active) funding-climate-oriented companies commonly change out the CCD expeditiously post-funding, resulting in a lack of fit for promotion-focused CCDs. Kaplan and Schoar (2005) described a scenario in which the funding agency's ability to provide superior management and advisory and reputational inputs will help them gain advantage and preferential pricing while making an offer to the firm and CCD.

The climate in an organization progressively changes as the level of interaction between the CCD and the funding agency increases during a funding cycle. The type of relationship the funding agency requires with the organization, particularly with the CCD, varies significantly and is dictated by the funding climate. A Sit-and-Wait funding climate observes funding opportunities passively and waits for the right business opportunity and the right CCD. It typically looks for high-performing CCD that will create value and view its investment as a source of capital for expansion. The literature shows a partial contributor to creating value in a company through a CCD is one with a promotional focus, which could lead to increased efficacy. Regulatory fit will be at the highest level for a CCD with promotion focus when moderated by a Sit-and-Wait funding climate. Wallace et al. (2010) wrote that regulatory fit is achieved when similarity between the operational environment (constancy, or lack thereof) and the leader's regulatory orientation converge. Hence, an active funding climate with aggressive nature will naturally want to be the alpha (take the lead) and would not fit with a promotion-focused CCD. A prevention-focused CCD who strives for goal attainment through security and is risk-averse would not enable a Sit-and-Wait funding climate to achieve maximum value; consequently, an active funding climate would allow a prevention-focus CCD to stay in its regulatory orientation as it would make decisions on the CCD. A prevention-focus alignment would include sensitivity to negative

outcomes with the need for security and safety that involves achieving commitments through responsible behavior (Wallace et al., 2013).

The funding agency's autonomous scheme postfunding is determined by the differentiation of its funding climate, which parallels the regulatory focus, and efficacy level of the CCD during the funding cycle will dictate the value created. For this study, then, I offered the following suggestions (see also Figures 2 and 3):

H4: A Sit-and-Wait funding climate will positively impact the relationship between CCD Promotion Focus and CCD Efficacy such that when Sit-and-Wait funding climate is high, the relationship between CCD Promotion and CCD Efficacy will be more positive as opposed to when it is low.

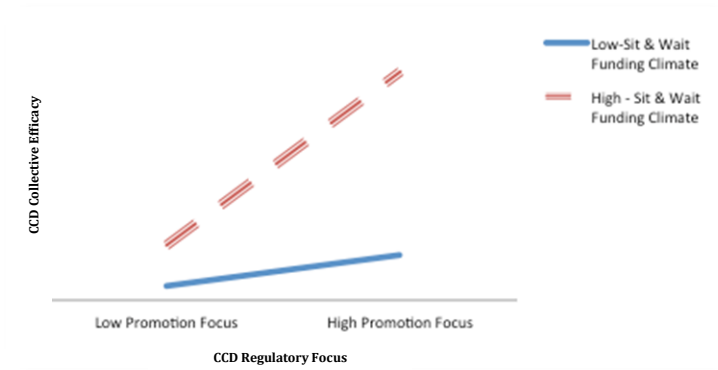


Figure 2. Interaction of CCD Regulatory Focus on Sit & Wait Funding Climate

H5: An Active funding climate will impact the relationship between CCD Prevention Focus and CCD Efficacy positively such that when Active Funding Climate is high, the relationship between CCD Prevention and CCD Efficacy will be positive as opposed to negative when Active is low.

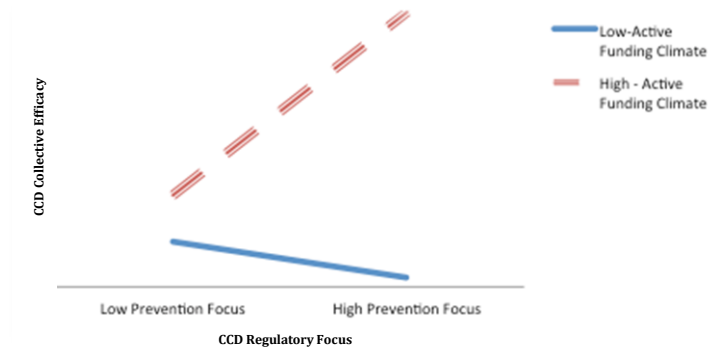


Figure 3. Interaction of CCD Regulatory Focus on Active Funding Climate

Firm Performance

Funding climate’s moderating effect on CCD regulatory focus as mediated by CCD efficacy may contain a partial answer to firm performance, postulating promising insight into a practical and rewarding optimal fit between the funding agency and the CCD. In a private equity environment (companies owned in full or majority by funding agency), the CCD is valued differently depending on the funding climate of the funding agency, with the constant being that all funding climates require a return on their investment. Predator-prey theory suggests that predators not only eat their prey but also induce possible phenotypic trait alterations that may reduce the risk of mortality (Preisser, Bolnick, & Benard, 2005). Both promotion- and prevention-focused CCD can be successful in creating value in different situations, and demands are placed on it to deliver. During the business process, either a promotion or a prevention focus will generate the highest level of firm performance, and idea generation would lend to promotional focus; alternatively, during the screening of ideas, a prevention focus will yield the best results (Brockner, Higgins, & Low, 2004).

When capital is necessary or a company is acquired, additional demands will be placed on the CCD, in part due to the funding climate that will dictate the approach to CCD. How the CCD copes with the additional demands may depend on the regulatory focus and efficacy level of the CCD. The anticipation of job loss or the ambiguous nature of the new demands modeled by

changes will force the CCD to shift the focus instantaneously from regulatory to prevention (Brockner & Higgins, 2001). An active funding climate may induce concerns over job retention; aggressive nature may increase a prevention-focused CCD, thus moving away from a regulatory fit of promotion-focused CCD. Regulatory fit theory suggests a high level of engagement by the CCD when a promotion focus engages in a task eagerly; alternatively, a prevention-focused CCD will excel in an activity that requires vigilance, compared to nonfit prevention/eager promotion/vigilant (Higgins, Idson, Freitas, Spiegel, & Molden, 2003; Higgins, Spiegel, Cerario, Hagiwara & Pittman, 2010). A strong regulatory fit among the CCD has shown to increase the level of engagement; the right fit may also increase the conjoined view of the ability of the CCD (high efficacy) that will increase the efficiency of the CCD in creating value for the company. The level of engagement and the fulfillment of the feeling-right experience might increase with regulatory fit, and the benefits of strong engagement are that the CCD will stay involved, interested, and occupied with the task (Avnet & Higgins, 2006). Additionally, regulating a CCD behavior through promotion and prevention foci will impact goal achievement in a variety of domains (Appelt & Higgins, 2010).

Enabling a closer match between CCD's chronic regulatory focus and the environment in which the regulatory foci will thrive is one piece to firm performance. By capitalizing on the CCD's true potential, a fit between the funding climate and the CCD may help achieve better performance. A business environment becomes somewhat task specific and may place demands on the CCD to work in a collective manner, and a group with high efficacy should allow for greater firm performance. Bandura (2006) wrote that CCD with lower group efficacy is more concerned with preventing violations of behavioral norms. This concern contrasts with a CCD with high group efficacy that sets advanced goals and achieves a higher level than one with lower group efficacy as its primary focus will lead to failure, not success (Lanaj, Chang, & Johnson, 2012; Stajkovic & Luthans, 1998).

CCD efficacy mediates the relationships between regulatory foci of promotion and prevention on firm performance. Further, and most importantly, funding climate operates as a key contextual influence on the mediated paths from promotion and prevention to firm performance via group efficacy. Accordingly, I anticipated this relationship in my theoretical model for this study:

H6: CCD Efficacy will mediate the moderated effect of Group Promotion Focus and Sit-and-Wait Funding Climate on Firm Performance.

H7: CCD Efficacy will mediate the moderated effect of Group Prevention Focus and Active Funding Climate on Firm Performance.

CHAPTER IV

METHODOLOGY

This chapter examines the methodology used in testing this study's seven hypotheses. It includes a review of the participants and procedure, measures, and data analysis.

Participants and Procedure

To test the hypotheses, surveys were conducted among the CCDs of 50 (plus) companies, which included but were not limited to the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO). See Table 1 for details. The title held by the participants was not as important as the recruitment of the correct individual at a senior level who had first-hand knowledge of the most recent funding event and operations. A total of 150 (plus) executives were anticipated to participate in the survey. In fact, there were two surveys: The first was for the CEO and COO, and the second for the CFO. The recruitment sample across the 72 companies consisted of 52 CCD and 65 CFO (financial official) participated, from whom all usable self-report data were utilized to calculate the response rate. The CCD who participated in the study hailed from five countries and four industries. This study was constructed at a group-level, and the individual results from the CEO and COO applicable surveys were aggregated by these categories: Funding Climate, CCD Regulatory Focus, CCD Collective Efficacy, and Firm

Performance. CEO and COO individual surveys consisted of an assortment of demographic questions, including years with the company equity position. The CFO completed surveys on Firm Performance and an assortment of demographic questions, including years with the company equity position.

Table 1

Participant Survey Matrix

Item Count (xx)					
CEO & COO	X (10)	X (22)	X (8)	X (4)	X (6)
CFO	X (6)				X (34)

The CEO and COO participants were invited via an email message that included a link to the survey and requested the email address of the financial leader (CFO) of the company. Additionally, surveys were sent directly to the CFO of the companies where applicable. The study was conducted online; all participants had the choice of not answering any question that they did not want to answer. All risks were evaluated and determined to be no greater than those ordinarily encountered in their daily business life with zero compensation for participation.

Regarding confidentiality, all information about the participants and their responses are and will remain strictly confidential. Their responses are and will be stored securely, and only researchers and individuals responsible for research oversight have access to the records.

Measures

Firm Performance

Firm performance was measured by seeking the management team's opinions on the following questions. The items were expert-validated by multiple successful entrepreneurs and funding experts:

1. Has the company been able to stay within the covenants of the funding structure/terms?
2. Have you been fairly compensated by the funding agency?
3. How satisfied are you with the funding source?
4. Did the management team have to adapt to the style of the funding agency?
5. Has the funding agency allowed the company to sustain growth?
6. Has the funding agency allowed the company to sustain profitability?

I conducted appropriate psychometric assessments of these items (internal consistency, confirmatory factor analysis) to validate. I also used a 14-item measure of firm performance adapted by Gilley and Rasheed (2000) from the initial measure developed by Dess and Robinson (1984) and Pearce, Robbins, and Robinson (1987). This measure was completed by CFOs to provide self- and external ratings of a new firm's success/performance. The instrument chosen for this research captured each of the three dimensions recommended by Richard, Yip, and Johnson (2009). Specifically, this measure captured financial performance (four items—return on assets, return on sales, sales growth, and overall financial performance), stakeholder performance (five items—stability/growth of employment, employee morale/job satisfaction, customer relations, supplier relations, overall nonfinancial performance), and heterogeneity with regard to resource allocation strategies (five items—funds allocated to R&D, funds allocated to advertising, process innovation, product innovation, and compensation to employees; Wallace et al., 2010).

CCD's Collective Efficacy

CCD collective efficacy was measured utilizing a 4-item survey that followed considerations/requirements for defining attributes of a group laid out in Gibson, Randel, and Earley (2000). Gibson et al. (2000) suggested not relying on a specific trial of a specific task but rather conceptualizing as the conjoined view of the capability the group possesses to complete the task. Bandura (2000) contemplated two methods for measuring collective efficacy. The first method is the aggregate of the group member's assessment of the performance of the functions of the group. The second approach is the aggregation of the group member assessment of the group's capability (as a whole). I employed the second approach, aggregating the CEO and COO assessment of the strength of the CCD. Research on collective efficacy has been effectively used with large samples of groups of nursing, management executives, students, and sport teams (Whiteoak, Chalip, & Hort, 2004).

CCD's Regulatory Focus

Promotion and prevention focus items were modified to reflect a group-level measure on the basis of items reported in studies by Lockwood, Jordan, and Kunda (2002). The focus items included promotion (e.g., "In general, we are focused on achieving positive outcomes as opposed to preventing negative outcomes") and prevention (e.g., "We are more oriented toward preventing losses than we are toward achieving gains"). Participants responded to these items using a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*). Previous use of this scale was found to be internally consistent (for promotion, $\alpha = .84$; for prevention, $\alpha = .82$) and provide good psychometric validation evidence (Wallace et al., 2009). Smith (2002) wrote, "Since self-regulatory systems operate at individual, relational, and group levels, this process should operate in conceptually the same way at each level" (p. 33).

Funding Climate

Funding climate was measured using 22 items on a 5-point scale from *strongly disagree* (with statement) to *strongly agree*. Funding climate was developed by following Hinkin's (1998) guidelines in completing the scale development process, utilizing a deductive approach to item generation. The preliminary list was developed to evaluate the constructs under consideration and, additionally, provide construct validity.

Analysis

Psychometrics

Theorizing the set of parameters through factor loading, correlations, and uniqueness was accomplished by modeling with confirmatory factor analysis (CFA). CFA is an assessment rule that will accede or discard the hypothesis around a population factor structure based on the sample (Hurley et al., 1997).

Control Variables

The control variables included funding agency type: self-funded, debt (e.g., bank loan, lender, line of credit), angel (e.g., silent), equity (i.e., funds for stake/ownership in the company); firm size; work experience (years); equity position in firm; founder of firm; years the firm has been in business; and years with current funding agency.

Aggregation

My research required combining individual (lower-level) variables to represent group (high-level) constructs: CEO and COO response data for Funding Climate, CCD Group Regulatory Focus, and CCD Collective Efficacy. When conceptual content fundamentally remains across levels, it is considered to be isomorphic, defined as the similarity between two or more elements (Bliese, Chan, & Ployhart, 2007). Bliese, (2000) identified three steps to confirm practicability of aggregation: acceptable group homogeneity, acceptable group heterogeneity, and

that this group occurs naturally. To gain a understanding of within-group homogeneity, one may utilize the rwg (j) statistic (James, Demaree, & Wolf, 1993). A rwg (j) is generally acceptable when it is greater than or equal to 0.70 (Lance, Butts, & Michels, 2006). Additionally establishing within group homogeneity is reliability. Reliability of a group level variable can be measured using intra-class correlation coefficients (ICC). ICC (1) represents the amount of variance attributable to the members in a group known as the inter-rater reliability of the group (James, 1982). ICC (2) represents the reliability of group means (Bliese, 2000). If the ICC (2) value is greater than or equal to 0.70, it is assumed that group means are reliable (Bliese, 2000).

Hypothesis Testing

Correlation (*r*)-Pearson Correlation Coefficient

Hypotheses 1, 2 and 3 required correlation analysis. A bivariate correlation ranged from 1 (perfectly positive linear relationship) to -1 (perfectly negative linear relationship) with zero indicating no relation. Correlation indicated direction and strength and did not imply causation. A quick review of the scatter plot of the data indicated whether correlation could be used. Correlation of Hypothesis 1 was said to have a positive relation between CCD efficacy and Value Creation. A negative linear relationship between CCD Prevention and CCD efficacy was postulated in Hypothesis 2. A positive linear relationship between CCD Promotion and CCD efficacy was theorized in Hypothesis 3.

Moderated Regression (Hypotheses 4 & 5)

It is one of the most utilized models to understand the relationship among the three constructs in organizational psychology (Russell & Bobko, 1992). “Mediation analysis statistical method used to help answer the question as to how some causal agent X transmits its effect on Y” (Hayes, 2013, p. 86). A moderating variable (funding climate) will change the relationship between the independent variable (CCD promotion/prevention foci) and dependent variable (value creation) (Edwards & Lambert, 2007). A strong interaction between funding climate and

the CCD promotion/ prevention foci could be an indicator of the effect CCD promotion/prevention foci on value creation, which may change depending on the funding climate. Mean centering (increased interpretability) is generally recommended for moderated multiple regression analysis (Dalal & Zickar, 2011).

Moderated-Mediated Regression (Hypotheses 6 & 7)

The theoretical model I proposed is characterized as moderated mediation, where the indirect effect of CCD Regulatory Focus on Value Creation through CCD efficacy may be contingent on Funding Climate's moderation of the relationship within the three constructs. To test Hypotheses 6 & 7, the moderated mediation of funding climate / CCD efficacy, I utilized "PROCESS," a path analysis-based model created by Hayes (2013) for moderation or mediation as well as in combination.

CHAPTER V

RESULTS

The statistical analysis used to test Hypotheses 1 through 7 was described in previous chapters. The results are presented in five sections in this chapter, with the first section reviewing the data collection process and description of the sample. The second section addresses internal consistency and the relationship of each scale, qualitatively assessing and further developing the Funding Climate scale following Harkins' scale development. The third section assesses the aggregation from first level measures, promotion, prevention, efficacy, and the Funding Climate (3) to the second level (group) as well as the reliability, homogeneity, and heterogeneity of the measures (Bliese, 2000). The fourth section describes the results of the hypotheses' testing, utilizing correlation and regression analysis. The fifth section, in addition to the current qualitative study described throughout the previous chapters, is a qualitative study requested and agreed upon following the dissertation proposal defense, this pilot study can be found in the appendix of this document.

Sample Description

The target sample, as defined above, was CEO-COO (top management teams) and the CFO or equivalent within companies in a funding cycle. A funding cycle was defined as a company that received money for any business-centered reason. Sample details are presented in Table 2. Fifty CEO-COO Dyads (CCD) and 50 CFO company sample sets were achieved. Of

the 200 plus companies that received the recruitment letter, 74 participated in the survey, varying in size, location, and industry. Data were collected over a sample time frame from July 2014 through November 2014. All raters were recruited via email and a recruitment letter.

Table 2

Participant Job Title Description

Job Title	Dyad Sample	Financial
CEO, COO, CFO	84	40
Vice President	27	11
Manager/Controller	11	11
Other	4	5
Missing Title	4	4
Total	126	71

The criteria for matching the sample set remained as proposed, a dyad on the operation side and one financial person to corroborate Firm Performance. The requirement of all model relevant data points dictated the cleaning process. Internal consistency was run on all data points before second level grouping and reduction of the sample through controlled variable conditions. The remaining aggregated to the same size before funding source control was 46. Employing the funding source control variable further reduced the aggregated sample size to 34. Descriptive statistics and bivariate correlation for the aggregated dataset are presented in Table 3.

Table 3

Descriptive Statistics (Individual Rater)

	Mean	SD	1	2	3	4	5
1 Efficacy	4.37	.469					
2 Prevention	2.85	.740	-.003				
3 Promotion	4.20	.565	.538**	-.082			
4 Active	3.01	.766	.024	0.55	.104		
5 Sit/Wait	3.29	.446	-.065	.045	.046	-.152	
6 Sit/Pursue	2.82	.446	-.019	.257**	.013	.043	.187

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

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

N=105

Psychometrics

Funding Climate

The scale consists of 22 items on a 5-point scale (1 = *strongly disagree*, 5 = *strongly agree*). Funding Climate (Wallace et al., 2013) was developed following Hinkin's (1998) guidelines in completing the scale development and can be found in Appendix A. Funding Climate construct consists of three variables: (a) Active, (b) Sit-and-Pursue, and (c) Sit-and-Wait (Barbosa & Castellanos, 2005). Funding Climate with the combined 22 items broke down as follows: The 5-item scale for Active was tested for internal consistency with a Cronbach alpha coefficient (α) of 0.76; Sit-and-Pursue was tested for internal consistency on an 8-item scale having a Cronbach alpha coefficient (α) of 0.59; Sit-and-Wait scale consisted of 9 items having a Cronbach alpha coefficient (α) of 0.57. Confirmatory Factor Analysis (CFA) was conducted to directly test Funding Climate hypotheses, and Mplus was used to model the Funding Climate CFA that consisted of 178 observations. The Funding Climate scale was constructed of 22 items;

13 items did not fit the model and were removed. Sit-and-Wait remained with three items, as did Sit-and-Pursue and Active. The Cronbach alpha coefficient (α) increased in all variables, starting with Sit-and-Wait, which remained consistent at (α) 0.60, while Sit-and-Pursue (α) increased to 0.76 and Active had a slight increase to (α) 0.81.

To confirm that a covariance matrix is contained within the sample data that “fits” with the hypothesized prediction, assessment of “goodness of fit” was done utilizing Root Mean Square Error of Approximation (RMSEA), which measures the “discrepancy per degree of freedom” (Brown & Cudeck, 1993). This three-factor model for Funding Climate has a reasonable fit with RMSEA = 0.078. Comparative Fit Index (CFI; Bentler, 1990) was calculated to assess how the model fit the data compared to a baseline model where the variables are not correlated. The model had a CFI score of 0.95, showing the model fit to be reasonable/good. The final measure reported to evaluate model fit was Standardized Root Mean Square Residual (SRMR; Joreskog & Sorborn, 1981), which is a measure of the mean absolute value of the correlation residuals, calculating the overall difference in the observed correlation and the predicted correlation. Values less than 0.80 can be considered favorable, suggesting that the SRMR of 0.061 represents a good fit.

Regulatory Focus

Promotion and prevention focus items were modified to reflect a group level measure on the basis of items reported in studies by Lockwood et al. (2002). The two factors of promotion and prevention theoretically construct regulatory focus, which was reduced to four prevention items and four promotion items that can be found in Appendix A. Internal consistency of the four prevention-focused group items reflected a $\alpha = 0.56$, with promotion having a $\alpha 0.74$ on a sample size of 109 for prevention and 107 for promotion.

Collective Efficacy

Collective efficacy is defined as the conjoined perspective of the CCD's capabilities to complete tasks under diverse circumstances (Bandura, 1997). Testing utilized a four-item survey that followed considerations/requirements for defining attributes of a group laid out in Gibson et al. (2000) and can be found in Appendix A with a sample size of 110 and collective efficacy of $\alpha = 0.50$.

Firm Performance

This engages with three types of performance: (a) financial (e.g., return on assets, return on sales, sales growth, and overall financial performance), (b) stakeholder (e.g., stability/growth of employment, employee morale/job satisfaction, customer relations, supplier relations, and overall nonfinancial performance), and (c) heterogeneity with regard to resource allocation strategies (e.g., funds allocated to R&D, advertising, process innovation, product innovation, and compensation to employees; Wallace et al., 2010). The scale was comprised of 14 items the CFO rated and was used to reduce self-reporting of company performance. These 55 observations produced an internal consistency level of $\alpha = .84$.

Aggregation

Aggregation is the prerequisite to validate agreement among the CCD. Combining their individual observation (lower-level) variables to represent group (high-level) constructs was required using CEO and COO response data for Funding Climate, CCD Group Regulatory Focus, and CCD Collective Efficacy. It is critical to ensure items selected for the observation are derived by the theory the items are based upon (James, 1982). As suggested above, the three-step process of validation was followed as proposed by Bliese (2000). At a group level, the concept must first satisfy the requirement of inter-group homogeneity and between-group heterogeneity by existing naturally and not as a statistical artifact.

The first step used to assess the inter-rater agreement of this multilevel model was tested with the $Rwg_{(j)}$ statistic (James et al., 1984), reporting a uniform null. The $Rwg_{(j)}$ index compares the variance between the observation and a null distribution; agreement is achieved when the variance of observation is considerably less than would be anticipated under conditions of no agreement (Smith-Crowe, Burke, Cohen, & Doveh, 2014). This measure was tested against six variables with the results displayed in Table 3. The inter-rater agreement score ($Rwg_{(j)}$) for all variables ranged from 0.88 to 0.91, which reveals high agreement among raters with the exception of the regulator focus prevention variable that had an inter-rater score of 0.65. This result falls short of the accepted level of 0.70 (MacCormick & Parker, 2010).

Inter-group homogeneity was tested using ICC (1), which indicates variance of the individual rater response when considered as part of a team (Chen et al., 2002). Generally the ICC (1) score ranged from 0 to 1; as the ICC converges on 1, the stronger the agreement between the raters. ICC (2) indicates that groups can be reliably differentiated (Bliese, 2000). Only the Active variable was over the suggested 0.70 good reliability level, and all other variables were below the cut-off values of 0.60 and 0.70 (Bliese, Halverson, & Schriesheim, 2002). Goncalo et al. (2010) suggested and followed previous research stating an acceptable cut-off of 0.20 for ICC (1).

Heterogeneity can be confirmed with a significant F as it helps describe the difference across CCD (dyad) between CCD variance and within the dyad. Table 4 shows the results confirming dyad heterogeneity between all measures with the exception of prevention. ANOVA F value of 1 must be exceeded to accomplish heterogeneity (Gibson, 1999).

Table 4

Inter-rater Agreement and Reliability

	Rwg(J) uniform		F ratio	p-value	ICC (1)	ICC (2)
	Mean	SD				
Efficacy	0.91	0.12	1.48	0.096	0.19	0.33
Prevention	0.65	0.38	0.98	0.533	-0.01	-0.03
Promotion	0.88	0.21	2.30	0.003	0.40	0.57
Active	0.88	0.17	3.77	0.000	0.58	0.73
Sit-and- Wait	0.90	0.20	2.23	0.004	0.38	0.55
Sit-and- Pursue	0.91	0.11	1.41	0.128	0.17	0.29

Confirmation of the natural occurrence of the groups' (dyad) was accomplished as these groups are set by roles in the companies and rated as such on the scales.

Hypothesis Testing

The underlying properties were determined, along with the completion of aggregating the data. The next step was to test the relationship hypothesized in previous chapters. Following is a review of Hypotheses 1 through 7, followed by a correlation matrix of the variables in Table 5. It is important to have a clear understanding of the data presented in that table as aggregated data, including the CFO Firm Performance qualifier.

- Hypothesis 1: CCD Efficacy positively relates to Firm Performance.
- Hypothesis 2: CCD Prevention Focus negatively relates to CCD Efficacy.
- Hypothesis 3: CCD Promotion Focus positively relates to CCD Efficacy.

- Hypothesis 4: A Sit-and-Wait Funding Climate will positively impact the relationship between CCD Promotion Focus and CCD Efficacy, such that when a Sit-and-Wait Funding Climate is high, the relationship between CCD Promotion and CCD Efficacy will be more positive, as opposed to when it is low.
- Hypothesis 5: An Active Funding Climate will impact the relationship between CCD Prevention Focus and CCD Efficacy positively, such that when an Active Funding Climate is high, the relationship between CCD Prevention and CCD Efficacy will be positive, as opposed to negative when Active is low.
- Hypothesis 6: CCD Efficacy will mediate the moderated effect of Group Promotion Focus and Sit-and-Wait Funding Climate on Firm Performance.
- Hypothesis 7: CCD Efficacy will mediate the moderated effect of Group Prevention Focus and Active Funding Climate on Firm Performance.

Table 5

Descriptive Statistics: Aggregated Data at Dyad Level, Grouped with Firm Performance (CFO)

	Mean	SD	1	2	3	4	5	6
1 Firm Performance	3.48	.459						
2 Efficacy	4.38	.351	.482**					
3 Prevention	2.91	.558	-.391*	-.203				
4 Promotion	4.13	.486	.182	.623**	-.192			
5 Active	2.93	.592	.148	.076	-.053	.073		
6 Sit-and-Wait	3.34	.616	-.042	.117	-.089	-.023	-.492**	
7 Sit-and-Pursue	2.64	.592	-.004	.076	.236	-.007	.018	.266

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

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

N=34

Hypothesis 1 (H1)

CCD Efficacy positively relates to Firm Performance. To test this positive relationship between CCD Efficacy and Firm Performance, Pearson Product-Moment Correlation Coefficient (r) was utilized. The results of the test demonstrated a positive correlation between CCD Efficacy and Firm Performance with an $r = 0.482, p < .01$. Based on this analysis, Hypothesis 1 is supported; there does appear to be a significant positive relationship between CCD Efficacy and Firm Performance.

Hypothesis 2 (H2)

CCD Prevention Focus negatively relates to CCD Efficacy. To test this relationship between CCD Prevention Focus and CCD Efficacy, Pearson Product-Moment Correlation Coefficient (r) was utilized. The results of the test demonstrated no significant correlation between CCD Prevention Focus and CCD Efficacy with an $r = -0.203, p > .05$. Based on this analysis, Hypothesis 2 is not supported; there does not appear to be a significant negative relationship between CCD Prevention Focus and CCD Efficacy.

Hypothesis 3 (H3)

CCD Promotion Focus positively relates to CCD Efficacy. To test this positive relationship between CCD Promotion Focus and CCD Efficacy, Pearson Product-Moment Correlation Coefficient (r) was utilized. The results of the test demonstrated a positive correlation between CCD Promotion Focus and CCD Efficacy with an $r = 0.623, p < .01$. Based on this analysis, Hypothesis 3 is supported; there does appear to be a significant positive relationship between CCD Promotion Focus and CCD Efficacy.

Hypothesis 4 (H4)

A Sit-and-Wait Funding Climate will positively impact the relationship between CCD Promotion Focus and CCD Efficacy such that when a Sit-and-Wait Funding Climate is high, the relationship between CCD Promotion and CCD Efficacy will be more positive, as opposed to

when it is low. To test the moderation effect of Sit-and-Wait on the positive relationship between CCD Promotion Focus and CCD Efficacy, I utilized SPSS and the Process tool developed by Hayes. The moderation model did not show a significant moderation, as can be seen in Table 6 interaction data.

Table 6

Moderation Results for Sit-and-Wait: CCD Promotion Relationship with CCD Efficacy

	coeff	se	t	p	R2
CCD Efficacy					
Interaction	.1443	.1244	1.160	.2551	
Sit-and-Wait	.0860	.0671	1.282	.2096	
Promotion	.4796	.1005	4.772	.0000	.4214

The conditional effects of the predictor on the outcome are displayed in Table 7 and depicted in Figure 4. The results shown in Table 7 validate that when a Sit-and-Wait Funding Climate is high, the indirect effects of CCD Efficacy increase ($p < .01$) and are significant. Even at a lower level of Sit-and-Wait funding via CCD Promotion Focus, there is an increase to CCD Efficacy that remains significant.

Table 7

Conditional Indirect Effects of CCD Promotion Focus on CCD Efficacy With Sit-and-Wait Funding Climate as a Moderator

Sit-and-Wait	Conditional	se	t	p
Indirect Effect				
Level				
Low	.3906	.0916	4.266	.0002
High	.5685	.1535	3.703	.0009

Note. Low = -1 standard deviation; High = +1 standard deviation

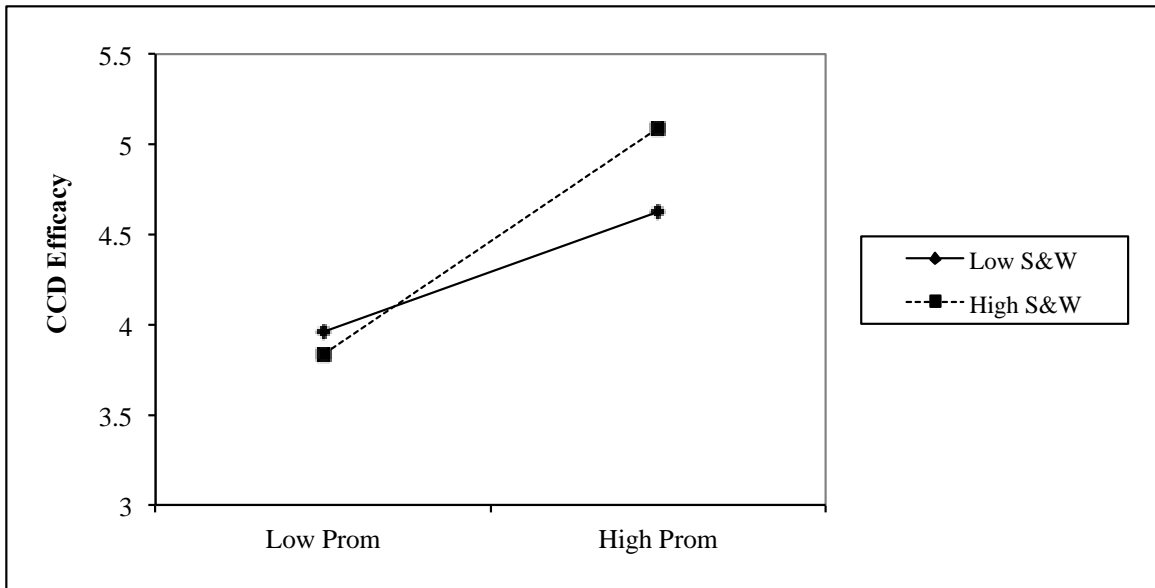


Figure 4. Interaction of Sit-and-Wait and CCD Promotion Regulatory Focus

Hypothesis 5 (H5)

An Active Funding Climate will impact the relationship between CCD Prevention Focus and CCD Efficacy positively such that when an Active Funding Climate is high, the relationship between CCD Prevention and CCD Efficacy will be positive, as opposed to negative when Active is low. To test the moderation effect of an Active Funding Climate on the predicted negative relationship between CCD Prevention and CCD Efficacy, SPSS and the Process tool developed by Hayes were utilized. The moderation model did not show a significant moderation, as can be seen in Table 8 interaction data.

Table 8

Moderation Results for Active CCD Prevention Relationship with CCD Efficacy

	coeff	se	t	p	R2
CCD Efficacy					
Interaction	-.0580	.2095	-.2766	.7840	
Active	.0148	.0883	.1678	.8678	
Prevention	-.1397	.2095	-.2766	.7840	.0508

The conditional effects of the predictor on the outcome are displayed in the Table 9. The effect CCD Prevention has on CCD Efficacy has no significant effect across the continuum of Active Funding Climate.

Table 9

Conditional Indirect Effects of CCD Prevention Focus on CCD Efficacy with Active Funding Climate as a Moderator.

Active	Conditional	SE	t	p
Indirect Effect Level				
Low	-.0878	.1620	-.5420	.5918
High	-.1916	.3472	-.5518	.5852

Note. Low = -1 standard deviation; High = +1 standard deviation

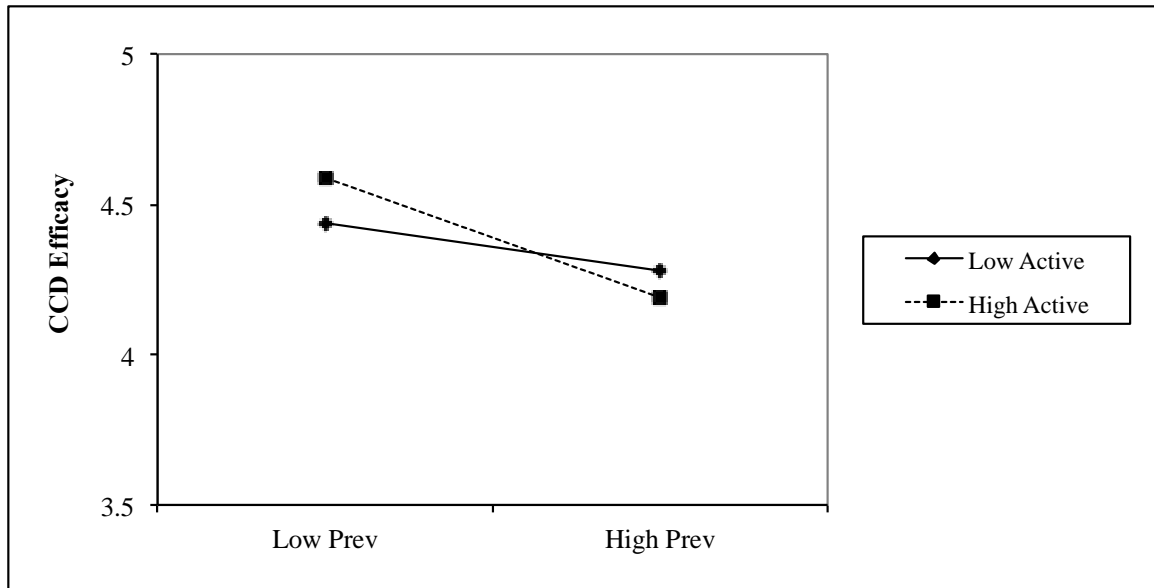


Figure 5. Interaction of Active and CCD Prevention Regulatory Focus

Hypothesis 6 (H6)

CCD Efficacy will mediate the moderated effect of Group Promotion Focus and Sit-and-Wait Funding Climate on Firm Performance. To test the moderation-mediation, SPSS and the Process tool, model 7 developed by Hayes, were utilized. The moderated-mediation model did not show any significant interaction as per Table 10.

Table 10

Results of Moderated-Mediated Regression of Sit-and-Wait Funding Climate on Firm Performance, CCD Promotion Focus via CCD Efficacy

	coeff	se	t	p	R2
Firm Performance					
Interaction	.1443	.1244	1.160	.2551	
Sit-and-Wait	.0860	.0671	1.282	.2096	
Promotion	.4796	.1005	4.772	.0000	.4214

Hypothesis 7 (H7)

CCD Efficacy will mediate the moderated effect of Group Prevention Focus and Active Funding Climate on Firm Performance. To test the moderation-mediation, SPSS and the Process tool, model 7 developed by Hayes, were utilized. The moderated-mediation model did not show any significant interaction as per Table 10.

Table 11

Results of Moderated-Mediated Regression of Active Funding Climate on Firm Performance, CCD Prevention Focus via CCD Efficacy

	coeff	se	t	p	R2
Firm Performance					
Interaction	-.0580	.2095	-.2766	.7840	
Active	.0148	.0883	.1678	.8678	
Prevention	-.1397	1.087	-1.857	.4802	.0508

Summary of Results

Hypotheses 1 and 3 were supported with $p = <0.001$, confirming that a significant positive relationship is present at a collective level between CCD Efficacy and Firm Performance and CCD Promotion Focus and CCD Efficacy. Hypotheses 2, 4, 5, 6, and 7 were supported; there was a conditional effect worth reporting. The effect CCD Promotion has on CCD Efficacy increases as the level of Sit-and-Wait increases. No interaction between any of the hypotheses modeled for moderation or the moderated-mediation.

CHAPTER VI

DISCUSSION

This dissertation contends that group efficacy mediates the relationships between regulatory foci of promotion and prevention on Firm Performance. Furthermore, and most importantly, Funding Climate operates as a key contextual influence on the mediated paths from promotion and prevention of Firm Performance via group efficacy. This moderated-mediated model will help identify a more optimal fit between a firm's focus and the funding style of a funding agency, ideally resulting in more venture success through Firm Performance and fewer failed funding transitions. The aggregation of the data between the top two "operational" executives created the dyad of interest referred to as the CCD throughout this research. A significant piece of this research was that the independent variable was truly that, independent in nature. To accomplish this, Firm Performance was not self-reported from a dyad perspective. The top finance person (CFO) of the organization rated the company's performance and was matched with the dyad to complete the sample set on which the model was developed. In this chapter, the results of the analysis are reviewed, and the possible theoretical and practical implications are contemplated. The final section will also address limitations of this study and opportunities for future research.

Interpretation of Results

The results of this research have accomplished significant validation of the theoretical

model. Firm Performance was rated outside the CCD following the scale proposed by Wallace et al. (2010), which suggests that the scale may incorporate three types of performance: (a) financial performance (e.g., return on assets, return on sales, sales growth, and overall financial performance), (b) stakeholder performance (e.g., stability/growth of employment, employee morale/job satisfaction, customer relations, supplier relations, and overall nonfinancial performance), and (c) heterogeneity with regard to resource allocation strategies (e.g., funds allocated to R&D, funds allocated to advertising, process innovation, product innovation, and compensation to employees). Firm Performance stood to the scrutiny of internal consistency, leading the researcher to believe the scale truly measured the performance of the company. This scale was tested both on the overall sample and the reduced sample that was used in the hypotheses' testing. The significant relationship between CCD Efficacy and Firm Performance intuitively makes sense: If the top management team believes in their combined strengths, they increase the chance of better performance throughout the entire company. The second piece, and the mediator in the model CCD Efficacy scale, was tested for internal consistency with decent results. That moved testing to the aggregation level where CCD Efficacy achieved good inter-rater agreement.

Significant research has been compiled on Group Regulatory focus; however, I was not able to find much research specific to the top two leaders of the company in the presence of a Funding Climate. This research suggested that a relationship between promotion-focused dyads and CCD Efficacy would be positive. As stated above, that was confirmed and found to be significant. The promotion focus scale items had reasonable internal consistency, and once aggregated, confirmed the difference between group differentiation and intra-group agreement. The validation of CCD Promotion Focus lends to the overall strength of this model. The dynamics in which the CCD works do not allow for perfectly structured and uniformed events. Lanaj et al. (2012) found that employees with a promotion focus, when confronted with

unexpected challenges and adversities in the workplace, had positive feelings and greater self-esteem and self-efficacy, which seems to hold true in the case of a promotion-focused CCD.

Prevention-focused items were tested at an individual level before moving on to the aggregation step; the scale scored reasonably for internal consistency. Once the aggregation process was complete, the results were very weak and not acceptable for intra-rater agreement, lacking overall reliability. Not surprisingly, no support occurred for a relationship between CCD prevention and CCD Efficacy. These results do not stray from other research dealing with prevention-focused scales. Interestingly, there was a significant nonhypothesized negative relationship between CCD prevention focus and Firm Performance. Nevertheless, with the suspect scale, these results hold little value.

To review, Funding Climate is a “new” construct and is defined as the collective perception of the funding agency by CCD. Each funding agency functions distinctly in its investment strategy and the value it holds in the current CCD (management as a whole in some cases). Funding agencies are known to use a “gut feeling” approach when making decisions on investing in the funding opportunity (Chen et al., 2009). The Funding Climate scale was comprised of nine Sit-and-Wait items, eight Sit-and-Pursue, and five Active. The internal consistency of these items was acceptable, and a CFA was conducted with 178 observations and three items loading on three distinct factors. The new scale was tested for internal consistency with all three factors improving their (α). The new scale consisted of Sit-and-Wait, Sit-and-Pursue, and Active having three items each. Testing for the moderating effect of Sit-and-Wait on the relationship between CCD promotion and CCD Efficacy was completed but showed no direct interaction. However, a significant result in the conditional indirect effects displayed that when Sit-and-Wait is high, the indirect effect on the relationship between CCD Promotion Focus and CCD Efficacy is significant and positive. Even at lower levels, Sit-and-Wait has a positive, significant effect on the relationship between CCD Promotion Focus and CCD Efficacy. The test

was run to determine Hypothesis 5, and testing for the moderating effect active on the relationship between CCD prevention and CCD Efficacy showed no direct interaction. No significant results were found in the conditional indirect effects.

The results of Moderated-Mediated Regression of Sit-and-Wait Funding Climate on Firm Performance and CCD Promotion Focus via CCD Efficacy and results of Moderated-Mediated Regression of Active Funding Climate on Firm Performance, CCD Prevention Focus via CCD Efficacy, proved insignificant.

Theoretical Implications

The theoretical model designed by the hypotheses accomplished the goal of filling a gap in knowledge by confirming that a presence of a Funding Climate within the significant relationships between CCD promotion foci and CCD Efficacy and Firm Performance exists. A second considerable achievement of my research is the indirect effect that Sit-and-Wait Funding Climate has on the CCD promotion foci and CCD Efficacy at high levels, coupled by a positive effect even at low levels. The results of this dissertation add to literature and theory in business, climate, and ecology to a slighter degree.

This dissertation partially answers the call by Richard, Devinney, Yip, and Johnson, (2009) by addressing the type of scale used to rate performance within an organization. In the future, more attention must be focused on aligning the measures of the scale to reflect the actual measures organizations use to measure overall performance internally. The scale utilized may meet their call as it crosses most internal measures of performance and is generalizable. The scale can be found in Appendix A. Further, Goyal, Rahman, and Kazmi (2013) left little doubt that Firm Performance may not only be about financial performance and should contain nonfinancial measures to achieve a reasonable amount of generalization.

Business scholars have emphasized the important role of decision-making in improving Firm Performance. Prior research has proposed that poor decision-making stems from failure of the top management team to operate collaboratively in a coherent manner (Carmeli et al., 2008). The significant positive relationship between CCD Efficacy and Firm Performance offers scholarly support that high levels of collective efficacy may produce increased performance. Lewis (2011) reflected that high levels of collective efficacy resulted in exposure to positive outcomes. Cooper, Nieberding, and Wanek, (2013) confirmed the importance of collaboration and teamwork of the executive level leadership team, indicating that it may helpful if the team shares personality traits, along with sharing a consistent style in goal accomplishment.

This dissertation may add to the business literature when considering recruitment of an executive team. The significant results of a positive relationship from CCD promotion to CCD Efficacy may be added to the list of positive effects a properly aligned dyad produces. Gilmore and Turner (2010) met the need to modify the selection process by including more structure and behavioral components.

Further, this dissertation contributes to social-cognitive theory, providing evidence that efficacy assessment across company roles is linked and collective efficacy may predicate group performance. Firm Performance could, in this setting, be considered group performance, opening a new avenue of research, the basis of which is my interpretation that top management team performance tracks parallel to the description of Firm Performance. Additionally, business scholars may take this opportunity to extend research to the next level of management (followers) to expand the breadth of knowledge and latent variables that affect Firm Performance. Hoyt et al.'s (2003) research confirmed that followers' collective efficacy may be directly influenced by leadership's collective efficacy.

The positive significant relationship between CCD promotion foci and the nonexistent CCD prevention foci with CCD Efficacy may lend to the literature in the sense that promotion foci in top management teams can be aggregated and generalizable. The same cannot be said about CCD prevention foci, which did not withstand the rigor of testing and failed to be supported by inter-rater agreement. This, however, confirms the need for more scholarly work towards a deeper understanding of the prevention scale. Interestingly, there seem to be nonpredicted, negative, and significant direct relationships to Firm Performance.

This dissertation based the structure and tests of the Funding Climate on the ecology theory. Based on the tenets of behavioral ecology of predator-foraging behavior, a Funding Climate can be identified as: (a) Active, (b) Sit-and-Pursue, and (c) Sit-and-Wait (Barbosa & Castellanos, 2005). Active funding agencies (i.e., Sharks) may demonstrate attributes such as aggressively pursuing, investigating, and analyzing new venture opportunities to fund moving across the industry, and they are risk takers. Sit-and-Pursue funding agencies (i.e., Hawks) tend to passively observe funding opportunities and actively engage when an appropriate investment arises; they are slower to move out of one sector but will as deal flows slow. Finally, Sit-and-Wait funding agencies (i.e., Crocodiles) passively observe funding opportunities and wait for a new venture that meets specific requirements to fully present itself. They tend to wait for the right deal and have the staying power to do so while still being successful. The results of this dissertation contribute and confirm that funding agencies can scientifically be grouped in this space. This contribution not only adds to the literature, it may possibly open a new avenue for research utilizing the Funding Climate scale.

Additionally, and possibly more importantly, with the validation of a Funding Climate, researchers may consider the opportunity to join a “new” conversation in the climate dimension. A plausible start to developing this construct begins with the conditional indirect effects the Sit-and-Wait climate had on the CCD promotion foci relationship with CCD Efficacy confirmed in

this research. Climate can be defined as the collective perception of the work atmosphere is a key factor in an organization gaining a competitive advantage. Organizational climate can be defined as: “an experientially-based description of what people see and report happening to them in an organizational situation” (Ostroff, Kinicki, & Tamkins, 2003, p. 644). Organization climate is reflective of the shared belief among the CCD, bringing relevance to the organizational environment in reference to what is important, anticipated, and rewarded through practices, guidelines, processes, routines and remuneration (Ostroff et al., 2003). There is sufficient research to support the notion that workplace climate can positively influence job performance (King et al., 2007). Research in the area of climate has been able to discriminate between good and bad work environments, high- and low-performing work teams, and the perceived level of support (Isaksen & Ekvall, 2010). Climate dimensions (e.g., safety, service, innovation, and involvement) have shown positive relationships to a number of outcome variables, including higher sales volume, market share, productivity, and profitability, reporting a greater impact from implementing new social and technical systems and improved ability to implement more complex work design (Kuenzi & Schminke, 2009) consistent with Firm Performance measures. This dissertation contributes to and confirms that Funding Climate may very well be a factor in Firm Performance.

Implications for Practice

An intended contribution of this dissertation was to offer scholars the opportunity to extend their breadth of knowledge concerning the top management team and introduce Funding Climate to an advanced audience with knowledge-backed results. Furthermore, this research may be beneficial to all executives and funding agencies. The current supported hypotheses in this dissertation offer top management teams vital information when considering a funding agent. With the confirmation of a valid scale for Funding Climate, an executive may be closer to having a deeper understanding of the traits of the funding agency, and more importantly, what they

consider important in the companies they will fund. Even if the top management team does not have full control of the decision, they will still possess the opportunity to further their understanding of delivery results by self-assessment of their CCD Efficacy levels. The business environment surrounding CCD can create significant task demands, increasing the need to split tasks; situations and industries that are exceedingly dynamic may induce the demand for a COO, allowing for the CEO to focus on external issues (Hambrick & Cannella, 2004). Considering the positive significant relationship between CCD and performance, the top management team can be confident they may overcome tough decisions and issues with a higher efficacy level. These complications may induce urgency and create a demand for an increased level of diligence to fully understand CCD cogitation and interaction during a funding event. The indirect conditional effect seen with Sit-and-Wait Funding Climate, CCD promotion foci, and CCD Efficacy starts the conversation for understanding the effect during a funding cycle.

Both top management teams and capital have diverse impact on organizations. Capital can be considered as economic growth stimuli that led the United States out of one economic slump after another (Narayan & Narayan, 2013; Solow, 2004). When an organization is a startup in the refinance phase or likely to be sold (change of control), the requirement for capital is inescapable. When a company approaches this threshold and capital is required, it will trigger a funding event, and the organization's unique situation will determine the type of funding agency to be used. Perhaps more significant than the capital itself is the fit between the funding agency (holder of the capital) and the CCD, as it will have to manage Firm Performance emerging out of this fit. This dissertation may lend a hand in preparing top management teams for their funding event.

On the funder side of the equation, this dissertation opens a window into the complexity of a top management team. The funding agency that correctly identifies their internal Funding Climate may lead to a knowledge-based decision on the type of dyad they are looking for or may

want to place. Relevance in the area of recruitment becomes evident when considering the measures of CCD regulatory foci. The seemingly obvious choice of having a promotion bias may offer the funder a starting point on assessing the candidates for the position. I would caution against eliminating the prevention foci, as the lack of significance of the prevention scale may have been motivated by the scale itself, as seen in the results section.

Limitations and Future Research

Conclusions drawn from this dissertation should be considered in light of limitations to the research. One limitation was the confirmation of a generalizable model. The subjects were small to large public companies from four countries, two of which are culturally diverse in comparison to the USA and Canada. The time since the funding event varied, as did the type of funding. This was a control variable, and consideration of the raters' understanding of type of funding is an assumption left open as to the level of their knowledge in finance.

Narrowing Funding Climate to three items in each scale (Sit-and-Wait, Sit-and-Pursue, and Active) may be seen as a limitation, as one of each of the items scores lower than some believe is acceptable (.50 – one item in each was .45 with the other two over .85). The sample size (lack of power) that the CFA was run on was limited to 178 observations; however, the model cut off criteria was achieved, as discussed in the results section.

A major limitation to the research was the lack of statistical significance for aggregation of CCD prevention foci. No inter-rater agreement was achieved. Many reasons can be postulated as to causes of this limitation. With this knowledge, a researcher can work toward reviewing the scale and consider the top management team's mindset during a funding cycle.

There are more limitations than stated above, and limitations bring opportunity for future research in the expansion and development of the Funding Climate construct and when it applies.

I contest that there is a “funding event” every year inside most companies that have divisions and must compete for capital at budget time.

A second avenue of future research is to consider when the funding agency becomes the prey and requires funding. Depending on the fund structure as private equity companies grow, they may receive institutional money. I hypothesize that their behavior and approach to investing will be somewhat regulated by what is now their funder. A second addition to a possible shift in behavior for the funder is that as they become fully invested, they may leave only the perfect investment (i.e., transitioning from Active to Sit-and-Wait).

Conclusion

Catalysts for creating value in an organization have been postulated to be competitors, ownership structure (public versus private), technology, management team, and a host of other variables that can be attributed to performance and success (Payne et al., 2009). There are, however, two variables that appear to be required to solidify any value horizon—capital and a functional top management team. These are core for most organizations, and without either of them, the organization may struggle in sustaining value. This dissertation set out to contend that group efficacy mediates the relationships between regulatory foci of promotion and prevention on Firm Performance and that Funding Climate operates as a key contextual influence on the mediated paths from promotion and prevention of Firm Performance via group efficacy. Although the research did not prove significant in all hypotheses, it has introduced the valid concept of “Funding Climate” and added to the literature for top management teams, mainly dyads, and aggregation within CCD promotion foci, CCD Efficacy, and their shared perspective of a Funding Climate.

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*** Wallace, Jordan, Dyer, Cleveland (2013) – Pilot Study

APPENDICES

APPENDIX A: FIRM PERFORMANCE ITEMS

	At the bottom of similar firms in the industry	2	In the middle, or on par, with similar firms in the industry	4	At the top of similar firms in the industry
Funds allocated to R&D activities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Funds allocated to advertising.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Return on assets.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Return on sales.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales growth.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall financial performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stability/growth of employment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Process Innovations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product Innovation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensation of employees.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee morale/job satisfaction.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer relations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supplier relations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall NON-financial performance.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
The company has been able to stay within the covenants of the funding structure/terms.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We have been fairly compensated from the funding source.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We are satisfied with the funding source.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We, as the management team, have had to adapt to the style of the funding source.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The funding source has allowed the company to sustain growth.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The funding source has enabled the company to sustain profitability.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	0%	0% to 3%	3% to 5%	5% to 10%	>10%
Research and Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisement, Promotion, Marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Process Improvement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product Innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer Relations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Supplier Relations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee and Leader Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

1. If available, please provide your NAICS (North American Industry Classification System) Code:
2. If available, please provide your SIC (Standard Industrial Classification) code:
3. What was your company's total sale last year?
4. Please indicate your growth in employees over the past 12 months:
5. What Business Sector/Industry are you in?
6. Please indicate your growth in assets and/or inventory over the past 12 months:
7. What was your company's gross income & net income?

CCD Collective Efficacy

	Strongly Disagree (1)	Disagree (2)	Neither (3)	Agree (4)	Strongly Agree (5)
We feel confident in our ability to perform well on our jobs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We think that we can launch or create a successful company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We feel that we are as capable of performing as well as other businesses in our field.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On average, other businesses are probably not as capable of doing as well as we can.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

CCD Group Regulatory Focus

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
In general, we are focused on preventing negative events at work as opposed to achieving positive outcomes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We are more oriented toward preventing losses than we are toward achieving gains.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our major goal right now is to achieve our business ambitions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our major goal right now is to avoid becoming a business failure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We see ourselves as a business that is primarily striving to reach our "ideal self" -- to fulfill our hopes, wishes, and aspirations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We see ourselves as a business that is primarily striving to become the business we "ought to be" -- to fulfill our duties, responsibilities, and obligations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, we are focused on achieving positive outcomes as opposed to preventing negative outcomes.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall, we are more oriented toward achieving success than preventing failure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Funding Climate

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
Our funding source has a thoughtful yet passive approach.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source is reserved.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source is conservative.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source is patient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source is cautious.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source spent a long time to decide whether or not to give us funding.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source was looking only for the right opportunity.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source spent time studying our business before deciding to work with us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source required considerable amount of “hand holding” before funding us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source was reluctant to fund our venture and needed convincing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source continues with a passive approach to funding.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source was initially passive, but quickly turned into an aggressive investor.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source was patient at first, but then became aggressive after seeing our business plan.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
After approaching our funding source, they were very active in funding process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Our funding source switched from passive to active after initially meeting with us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source requires us to compete to win their business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source waited to be approached by us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source continues to actively pursue other businesses in our industry.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source is aggressive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source frequently contacts us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source approached us first.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our funding source pursued us.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

APPENDIX B: PILOT STUDY

Introduction

One intention of this dissertation is to advance the understanding of climate, in particular, Funding Climate. Another goal is to gain breadth on the understanding of funding climate operating as a key contextual influencer on firm performance. Additional validation of the CEO-COO Dyad's (CCD) shared view of their funding agency will be accomplished by employing a phenomenological approach. Phenomenological study of funding climate describes top managements (CCD) experience during the funding cycle (phenomenon). Fundamentally, the initiative of phenomenology is to condense the experiences of an individual of a phenomenon to a common core description (Creswell, 2006).

The funding event (cycle) is hypothesized to create a unique climate under which the CCD and funding agency impact. This climate may commence or elevate when an organization requires external funding. As a company approaches this threshold and capital is required, it will trigger a funding event, and the organization's unique situation will determine the type of funding agency to be used. Perhaps more significant than the capital itself is the interaction between the funding agency (holder of the capital) and the CCD. This interaction may be exposed additionally through the in-depth interview process of this phenomenological study.

This portion of this dissertation will attempt to answer the following questions: do the individuals interviewed confirm the existence of a climate created during the funding cycle. Does the CCD have a shared view of the funding agency and can it be described in the context of an ecology-based taxonomy, consideration to the perspective that the behaviors and styles of the CCD may be viewed as antecedents or triggers of climate.

Review of Literature

In this section, I review the core constructs of this phenomenological study: Funding Climate, Phenomenological research and Behavioral Ecology and Foraging Theory. They are reviewed at an organization level staying within the business dominion. I begin with Funding Climate and Ecology theory, is mainly exerts from the quantitative portion of my dissertation. Contemplating the vast differences in funding climate and the effect it will have on the CCD create an opportunity to align (fit) these two groups, elevating the possibility to generate additional value for the company.

Funding Climate

The literature on funding climate is very sparse to non-existent. Wallace et al. (2013) defined funding climate as the collective perception that the leadership team of an organization has of the funding agency.

To gain an increased perspective of funding climate a review of the funding agency is needed. In general terms, funding agencies include most types of nonpublic funding agencies. A second distinction of a funding agency is that the funds generally are equity capital. The capital comes from sponsors, investors and funds that are usually used invested directly into private companies achieving majority equity share and control of the company. Funding agencies, in general, are not listed nor invest in a stock exchange (public markets) and their function is to inject capital with the sole purpose of expansion of businesses or business idea, requiring a majority share in the form of equity (James, 2010). Further, once the private equity acquires the company it may get involved more with the CCD. Private equity can take on many forms; angel investor (high-networth individuals), early stage venture capital, late-stage venture capital and, buyouts (Cendrowski & Wadecki, 2012). A funding agency operates with a set procedure

depending on the cycle and the environment they are in; these procedures dictate how they react to venture opportunities.

Climate is not new, researchers have been defining organizational climate since the 1930s. Hawthorne pioneered the human-relations movement turning researchers' attention to the psychological environment within organizations. Climate can be partitioned into two forms: foundation and specific; "Foundation" or overall climate embodies a larger shared perspective of an environment, and "Specific" as the word suggests encompasses a specific area of interest (safety, service, etc.; Wallace & Chen, 2006). This research is foundational, due to the shared nature of the organizational climate.

Although many contextual variables have been identified as influencing business success, many scholars stress the importance of climate (Amabile, Contu, Coon, Lazenby, & Herron, 1996). Climate, the collective perception of the work atmosphere is a key factor in the organization gaining a competitive advantage. Organizational climate can be defined as: "experientially based description of what people see and report happening to them in an organizational situation" (Ostroff, Kinicki, & Tamkins, 2003, p. 644). Organization climate is reflective of the shared belief among the CCD, bringing relevance to the organizational environment in reference to what is important, anticipated and, rewarded through practices and guidelines, processes, routines and remuneration (Ostroff, et al., 2003).

Towards Funding Climate

Theories from ecology have made their way into various business applications to provide a better understanding of the business behavior. The Lotka-Volterra biological predator-prey model has been used by venture capital investors to help explain puzzling cycles similar to those seen in wildlife population (Brander and de Bettignies, 2009). Predator-prey behavior has also been used in economic research in understanding oil prices and impact on the economy, copyright

piracy, investing behavior and consumer behavior (Andreoli, 2011; Burd, 2010; Vazquez & Watt, 2010; Wells, 2012). It may be said that opportunities are subject to ordinary progress and are only affected by the actions of a predator; such is the case when a funding agency makes an investment, diminishing the pool of existing investment opportunities, therefore, predator-prey can be seen to contain a fractional justification of the investment behavioral cycle (Brander et al., 2009). Foraging theory can help understand human foraging behavior in both ancient and modern hunter-gatherer populations in anthropological settings studying human behavior (Wells, 2012).

Foraging theory suggests the predator energy “uptake” is maximized utilizing a compromise between intake and cost which depend on distinct prey qualities such as size, attack response, handling time along with the atmospheric characteristics such as temperature and prey concentrations (Shettleworth, Stephens, & Krebs 1988). Foraging strategies are diverse and depend highly on the system to create decision rules. Considering that a forager’s goal is to maximize energy “uptake”, the urgency for a forager that has a time constraint is much greater than of those who have a digestion limit. Naturally famine will escalate the incentive to consume as much and as fast as possible, where repletion will have a negative influence on motivation to search for and consume, hence significantly reducing attack rates and time spent on foraging, which will increase digestive pauses (Hohberg & Traunspurger, 2009).

Behavioral ecology and foraging theory provide a framework for understanding strategic feeding and consumption behavior of animals including behaviors such as search, identification, procurement, handling, utilization, and digestion (Wells, 2012). Studies in predator-prey interaction have shown predators can impact prey consumption through predator-induced alterations in foraging, habitat use, morphology and other consumptive and non-consumptive effects (Preisser, Orrock, & Schmitz, 2007).

Predators can be classified into three broad categories: Active, Sit-and-Pursue, and Sit-and-Wait (Barbosa & Castellanos, 2005). *Active* predators continually patrol for prey by moving through their environment to find and capture their prey. Sharks, shrews and jumping spiders are animals that demonstrate the characteristics of active predators. *Sit-and-pursue predators* typically wait for their prey to approach before striking, either by ambushing or waiting for prey to come into close range to pounce. This group may change its location upon depletion of prey in a particular area. A hawk would be an example demonstrating this type of predatory behavior. The third type of predators are the *sit-and-wait*, they remain in one fixed location for extended periods waiting for the prey to pass by their location. These predators do not change locations often, regardless of obtaining immediate prey or extended waiting. Crocodiles represent this type of behavior.

To have a predator-prey state one of the two species must survive by preying on the other, as the prey is consumed, the population of the predators grows, it will continue to grow to a point in which the population of the prey is not sustainable and that of the predator will begin to diminish, leading to a recovery of the prey population followed by revitalization of the predator population, thus creating a cyclical behavior (Vazquez & Watt, 2010). This creates a challenge when interviewing the CCD, as the perception of being prey may arouse a reactionary response.

Applying predator-prey theory to funding agencies is the foundation of creating the funding climate taxonomy. Scale development was completed utilizing Hinkin's (1998) guidelines. Wallace et al. (2013) frame the broad spectrum of funding agencies, utilizing a deductive approach to item generation. The scale has been validated by surveying CCD of small to mid-size companies that were involved in a funding event (i.e., acquired by or partially acquired with funding agencies funds).

Based on the tenets of behavioral ecology of predator foraging behavior a funding climate can be identified as: (1) Active, (2) Sit-and-Pursue, and (3) Sit-and-Wait (Barbosa, and Castellanos, 2005). Active funding agencies (i.e. Sharks) may demonstrate attributes such as aggressively pursuing, investigating and analyzing new venture opportunities to fund moving across industry and are risk takers. Sit-and-Pursue funding agencies (i.e. Hawks) tend to passively observe funding opportunities and actively engage when an appropriate investment arises, slower to move out of one sector but will as deal flows slows. Finally, Sit-and-Wait funding agencies (i.e. Crocodiles) passively observe funding opportunities and wait for a new venture to fully present itself that meets its specific requirements, tend to wait for the right deal and have the staying power to do so and be successful.

Phenomenology Research

The meaning of the term ‘phenomenology’ can be said to be a presence of anything, which one is cognizant. *“Anything at all, which appears to consciousness, is a legitimate area of philosophical investigation. One can characterize phenomenological philosophy as centering on the following basic themes: a return to the traditional tasks of philosophy, the search for a philosophy without presuppositions, the intentionality of consciousness, and the rejection of the subject–object dichotomy”* (Roy, M., 2010). In Heidegger’s terminology, phenomenology involves letting things ‘show themselves from themselves in the very way in which they show themselves from themselves’ (Roy, M., 2010).

Phenomenology focuses on an individual’s personal experience; second, phenomenology is concerned in the facts mean. Either objective or subjective, with the assumption that cultural and individual aspect will be affecting the advancement of that meaning. Qualitative research methods assume that to gain a better understanding of individual experiences through exploiting numerous ways of knowing (Hoffman, 2011). Phenomenological researcher are looking for

concreteness in the description of the phenomena that replicates the experienced situation rather than a hypotheses or prior inferences.

Funding climate is based on the tenets of behavioral ecology of predator forging behavior making the use of Zaltman Metaphor Elicitation Technique (ZMET) an appropriate ancillary tool for delivering on a broader understanding of the individual experience through metaphors. Metaphors may also be reflections and behaviors; they can be mental images, with the majority being visual (Robin Higie Coulter and Gerald Zaltman, 1994). Pictures of predators with varied levels of “hunting” aggression were shown to the CCD they were asked to describe their funding agency metaphorically by choosing one of the pictures. Robin et al., (1994) add that pictures characterize individuals and items, and about the representation of individuals and items in pictures.

Khoo-Lattimore, Thyne, and Robertson, (2009) revealed ZMET has been a strong tool for inspiring raters to expose and debate the influences of their decisions on choosing a new home. The advantage of ZMET is that it allowing the individuals to use their own words. Khoo-Lattimore et al. (2009) explained how deep-rooted motives supporting their decision on home choice that may not have been empirically explored.

Methodology

The respondents will be CEO or the top operational person in the firm; they will need to have a working knowledge of the business and ultimately the funding event. A second condition to consider is the length of time since the funding event, as the stage in the funding cycle may become a very important factor to consider in future work, and so this will be part of the interview. To combat the possible stress of feeling hunted, the top manager will be to describe his traits first, utilizing the ZMET process in conjunction with laddering. The sample size will be

between 8 and 16 respondents, this has been a the range from past research (Christensen & Olson, 2002; Khoo-Lattimore et al., 2009; Lee et al., 2003; Sease, 2005; Vorell et al., 2003). This section will review the steps taken in developing the hybrid in-depth interview including the phenomenological reduction and ZMET steps, and the oral and email script.

Core Steps in Implementing ZMET (Zaltman, 1997)

1. Step 1 - Storytelling. Participant describes the content of each picture they have taken or brought. The interviewer refrains from interpreting pictures during interview. – *The conversation will be framed in the context of a funding cycle. Six pictures will be used: Box Jellyfish, Shark, Hawk, Fox, Tiger, and Crocodile.*
2. Step 2 - Missed Images. Participant describes the picture(s) that he/she was unable to obtain and explains their relevance. Missed pictures may have important relevance too. – *This step will be modified. This interviewee does not or is not able to relate any of the pictures listed above with their funding agency, and so they will be offered to opportunity to suggest a different way to describe their funder metaphorically.*
3. Step 3 - Sorting Task. Participant sorts pictures into meaningful groups and provides a label or description for each pile. This action helps to establish themes or constructs that are relevant to the participant. - *For this step participants will describe in detail the climate surrounding funding cycle. At this point an opportunity will be offered to elaborate whether the climate changed throughout the funding cycle.*
4. Step 4 - Construct Elicitation. A structured interview where basic constructs and their interconnections are elicited using images as stimuli. This involves a modified version of Kelly Repertory Grid technique and the laddering technique. - *Elicitation of constructs using triads of elements, I will present the three “constructs”: Active, Sit & Pursue, and Sit & Wait and ask for differences and similarities.*

5. Step 5 - The Most Representative Picture. Participant indicates which picture is most representative and gives reasons for the choice. – *The top manager will be asked which funding climate best represents his or her funding agency (if this detail had not already been offered in previous step.)*
6. Step 6 - Opposite Images. Descriptions are elicited of pictures that describe the opposite of the task. – *Once the interviewee has committed to one of the pictures or has described an alternative metaphor, he or she will be asked to suggest the opposite of what they have chosen.*
7. Step 7 - Sensory Images. Descriptions are elicited of what does and does not describe the concept in terms of color, emotions, sound, smell, taste and touch. Sensory thoughts are images too and hence important to capture. – *The interviewee will be asked about the emotions during the funding event..*
8. Step 8 - Mental Map. Participant creates a map or causal model using the constructs that have been elicited. – *I will ask the interviewee to describe at what point he or she began to have confidence (trust) his or her funding agency.*
9. Step 9 - Summary Image. Participant creates a summary image or montage expressing the topic under study by using digital imaging. – *Not applied.*
10. Step 10 - Consensus Map. Researcher creates a map or causal model involving the most important constructs from the interview transcripts. – *See results section.*

Laddering is a way to gather in-depth information about the constructs and contrasts generated during the interview (Tan & Tung, 2003). Young et al. (2005) used laddering either to probe for more information regarding a construct and how it affects a stimulus or to confirm what the construct means to the participant. Laddering leads to more specific answers or clarification of something the participant said. The process template for the interview included three steps: first, identifying with a predator (one of the 6 pictures or

other); second, asking for expansion on the interaction with the predator; third, asking about change in climate and the emotions they felt during the funding cycle.

Script: Modified ZMET & Laddering (Actual)

- Name of Funding agency
- Time since funding event
- Please describe a situation in which you had an interaction with your funding agency.
- Six to pictures of predator animals will be given to the participant, followed by the interviewing asking which (if any) would best represent themselves
- Six pictures of predator animals will be given to the participant, followed by the interviewing asking which (if any) would best represent their funding agency.
 - If none are chosen ask how they see they funder
 - Can you come up with any other way metaphorically to describe their behavior?
 - What animal would you see to be the opposite of your funder >>>>
- If participant has acknowledged that their funder could be “represented” by one of the predator pictures I will ask for words to describe the construct...
 - What words would you use to describe your funders behavior
 - Active - Sit & Pursue – Sit & Wait.....
 - If no relationship has been acknowledged, I will ask them to describe their funder in actions.
- Did you experience change the habits or style of your funding agency during the funding cycle?
 - Place pictures out and see if they can order them on a time line – pre- during – post.
 - If they did not see a relationship to predators, ask them to describe change.
- What type of emotions did you experience during the funding event?

- Can you step me through the process, at what point did begin to “trust” or gain confidence in your funding agency.
- Close with thanking them for their time.

Phenomenological Reduction Steps (Giorgi, 2009)

In the first step, The researcher first reads the whole description in order to get a sense of the whole. The phenomenological approach is holistic and so no further steps can be taken until the researcher has an understanding of what the data are like. In the second step, the researcher then goes back to the beginning of the description and begins to reread it. This time, every time she experiences a transition in meaning from within the aforementioned attitude, she makes a mark on the description. This is the process of constituting parts. Most descriptions are too long to be retained easily and so the constitution of parts helps in the analysis. These parts are called meaning units and they are arbitrary and carry no theoretical weight. They are correlated with the attitude of the researcher. It is assumed that different researchers will have different meaning units.

For the third step, the researcher transforms the data, still basically in the words of the subject, into expressions that are more directly revelatory of the psychological import of what the subject said. In other words the psychological value of what the subject said is made explicit for the phenomenon being studied. The use of the method of free imaginative variation is critical for the completion of this step. Step three is the heart of the method. In Step 4, the direct and psychologically more sensitive expressions are then reviewed and with the help of free imaginative variation an essential structure of the experience is written. In the final step, the essential structure is then used to help clarify and interpret the raw data of the research.

(Examples of the application of this method can be found in Giorgi, 1985, 2009; Giorgi & Giorgi, 2003, 2008.)

Oral Consent Script (IRB Approved)

The purpose of this interview is to gain an understanding of the relationship between you (“CEO”) and your funding agency (Bank etc.). As the leader and innovator of your firm your insight of the funding agency will help fill a gap in knowledge of the climate created during (pre & post) funding. Your participation in the interview process is 100% at will and you may decline to do the interview or stop the interview at any time during the interview. The interview should take approximately 30 minutes to complete. I would like to request to record the interview for data quality purposes. The data will be transcribed to a word document and encrypted to protect your confidentiality, this data will be tested with a secure software (Nvivo). The recording will be promptly destroyed. There will be two people that will have access to the data, Dr. Craig Wallace and myself (Warren Dyer). This data will be used to validate funding climate. All identifying characteristics, such as occupation, city, and ethnic background, will be changed.

As stated previously: I would like to record the interview and I ask for your oral permission to record the interview, keeping in mind that you may decline or stop the interview at any time

I also mentioned that this data will be used in validating a funding climate and that your identity will remain confidential. I ask for your oral permission to use the data in this research effort.

Email Script (IRB Approved)

Dear Sir or Madam:

We are researchers in the world’s first ever PhD for Business Executives at Oklahoma State University in the Watson Graduate School of Management. As a guiding member of this research group, I am reaching out to you because you have expressed interest in helping us

complete a groundbreaking research project.

We are launching a new research project that should have immediate business implications for organizations seeking external funding to boost their organization's performance (e.g., sales, income, etc). This project involves the perception of a funding agency by business leaders (i.e., business owners, entrepreneurs, etc) that have used external funding to help their business. We believe that this research will help uncover a new framework that will help match those seeking funding with the right type of funding agency. In other words, it will minimize the negative outcomes of going with the wrong type of funding agency.

We are asking for your assistance in validating this framework. You are a leader and innovator in your field and we greatly value your insight (and that of your top management team). We need you, as the organization's CEO, your COO (or employees in similar positions to this) participate in an in-depth interview, this interview can be accomplished in 30 minutes, due to the nature of our research we believe that much will be gained through an interview.

Results

The phenomena that I wish to describe is the perceived climate of the funding agency through the eyes of the CCD, to gain value this will have to be through lived experiences not opinions or hypotheses. A deeper understanding of how the CCD views the funding agency may account for how the CCD reacts to task obligations, ultimately increasing or decreasing firm performance. The participants for the in-depth interviews were part of the 50 plus company that participated in the surveys. The modified ZMET interview was utilized as per the interview guide reviewed in the previous section. In the following section we move closer to answering the questions set out in the introduction. Did the individuals interviewed confirm the existence of a climate created during the funding cycle? Does the CCD have a shared view of the funding agency and can it be described in the context of an ecology-based taxonomy?

The sample consisted of 18 individuals from 9 different companies, at the time of writing the results section, 7 dyads have been completely coded and are part of the analysis. The additional two singles will be utilized where applicable. The interviews have been completed and will be added to the sample, as dyads, once coding is complete. The interviews were conducted in person and over the phone, 7 in person and 11 over the phone. 4 interviews were conducted prior to the rater taking the survey; the other 14 had already taken the survey.

Table 1B shows the funding type, funder's metaphoric predator (trait), self-rating of their metaphoric predator (trait) and elapsed time since the start of the funding event. The company size and type are not in the table, they range from small to medium in size and all companies operate in the Oil & Gas industry. Relevant from the table is the fairly significant number of dyads that shared opinion of their funders' metaphorical predator with equity funding.

Table 1B

Qualitative Dyad Sample Preliminary Results

Dyad #	Funding Type	Funder's Trait	CCD Trait (Self)	Elapsed Time
Dyad 1.docx	Equity	Shark	Tiger	6 months
Dyad 1b.doc	Equity	Shark	Fox	6 months
Dyad 2.docx	Equity	Box Jellyfish	Shark	9 months
Dyad 2b.doc	Equity	Box Jellyfish	Fox	9 months
Dyad 3.doc	Equity	Shark	Hawk	30 months
Dyad 3b.doc				30 months
Dyad 4.doc	Angel	Bunny Rabbit	Tiger	36 months
Dyad 4b.doc				36 months
Dyad 5.doc	Equity	Tiger	Hawk	60 month
Dyad 5b.doc	Equity	Chihuahua	Fox	60 month
Dyad 6.doc	Angel	Snake	Hawk	54 months
Dyad 6b.doc	Angel	Hawk	Fox	54 months
Dyad 7.doc	Debit	Crocodile	Box Jellyfish	On Going
Dyad 7b.doc	Debit	Shark	Bull	On Going
Dyad 8.doc	Equity	Shark	Hawk	72 months
Dyad 8b.doc	Equity	Shark	Fox	72 months
Dyad 9.docx	Equity	Hawk	Fox	60 months
Dyad 9b.docx	Equity	Hawk	Hawk	60 months

The interviews were in recorded in MP3 format, they were transcribed by a third party into a word document. The word document (data) was loaded into two different qualitative software programs, NVivo (10.1.1 Mac) and Dedoose. Data reduction was performed analogously to phenomenological reduction steps from the previous section. The data was coded into the following descriptors. Funder Trait, this was the metaphoric predator that was assigned by the individual (CEO, COO, SVP, VP or Owner). Funder Described is a sub-code for Funder Trait and was utilized as step two of the laddering process, searching for synonyms that describe

the Funder Trait. Interaction was also coded, this related to the opening question on most cases, through out the interview if when the interviewee want to tell a story they were encouraged as per the principle idea of phenomenological approach. Change in Business, refers to the idea of the company or funders effect on how the business was operated (some of the interviewees referred to the change as culture). Great Quotes are simply that, quotes taken from the interviews that could not be reduced due to concerns of dilution of the story. Dyad Trait is the self-reported metaphoric predator of the interviewee. Change in Funder Trait, due to the time elapsed since the funding event a code was necessary to capture any change in the traits of the funder. Trust in Funder, reflects the interviewee’s confidence and trust with their funding agency. Emotions, indicates to the emotions that were felt throughout the funding cycle. The final code is Opposite of Funder Trait, as the name implies it refers to the interviewee felt was the opposite to the metaphoric trait of the funder. All depicted in Figure 1B, the larger the lettering, the richer in data.



Figure 1B. Packed Code Cloud

All the codes were weighted from 0 to 10 on unique criteria; Table 2 contains simple statistics of the weighted codes. Change in Business was weighted on a scale of 0 to 10; a weight of 1 indicated that the company controlled the operations of the company, a weight of 5 indicated

they worked together each doing their part, and a weight of 10 meant the funder is influential in running the business. Change in Funder Trait was scored on a scale of 0 to 10. Scoring a 0 on this scale suggested very little deviation from original trait, and scoring a 10 meant a complete face lift (e.g., Shark/Active to Crocodile/Sit & Wait). For Dyad Trait, a score closer 1 meant a Crocodile or a passive sit and wait predator, while a score closer to 10 indicated an active predator, such as a shark, tiger. Emotions utilized the same scale with a score 5 or less indicating less of an emotional roller coaster, and anything above reflecting high emotions for the individual’s perspective. Funder Trait mirrors the Dyad trait with the obvious distinction of being the point of view of the company leader. Funder Described, scaled from 0 to 10, concurs with the Funder trait, inferring sit and wait climate at low values and an active funding climate at higher values. Great Quotations were scored reflecting whether the overall statement was more or less tumultuous to the organization. Interaction followed the 0 to 10 measure with weighting to the left of the scale lead interaction and to the right would signify a funder lead interaction. Opposite Funder Trait referred the extreme change and was weighted 0 for less change and 10 for complete change in funding climate attributes. For Trust in Funder, a weight of 0 indicated low trust, and 10 identified with high trust.

Table 2B

Code Weighted Statistics Table

	Count	Min	Max	Mean	Median
Change in Business	23	2	9	5.5	5
Change in Funder Trait	19	2	9	4.2	3
Dyad Trait	22	2	9	5.4	5
Emotions	13	1	9	6.8	7
Funder Trait	37	1	9	5.5	5
Funder Described	30	1	9	4.5	3.5
Great Quotes	20	2	8	5.4	5
Interaction	26	2	8	5.7	7
Opposite of Funder Trait	6	2	10	4.7	3.5
Trust in Funder	19	1	9	4.7	5

The weighting system when applied to funding type as seen in Table 2B may be a decent over-all representation of all the high-level effects of funding type through the eyes of the company leaders. The weighting system when applied to Funder Trait as seen in Figure 2B reflects the weighted score for all codes versus Funder Trait. The graph is hard to read but may contain some of the most pertinent information. However, to gain further understanding all the data need to be looked at holistically.

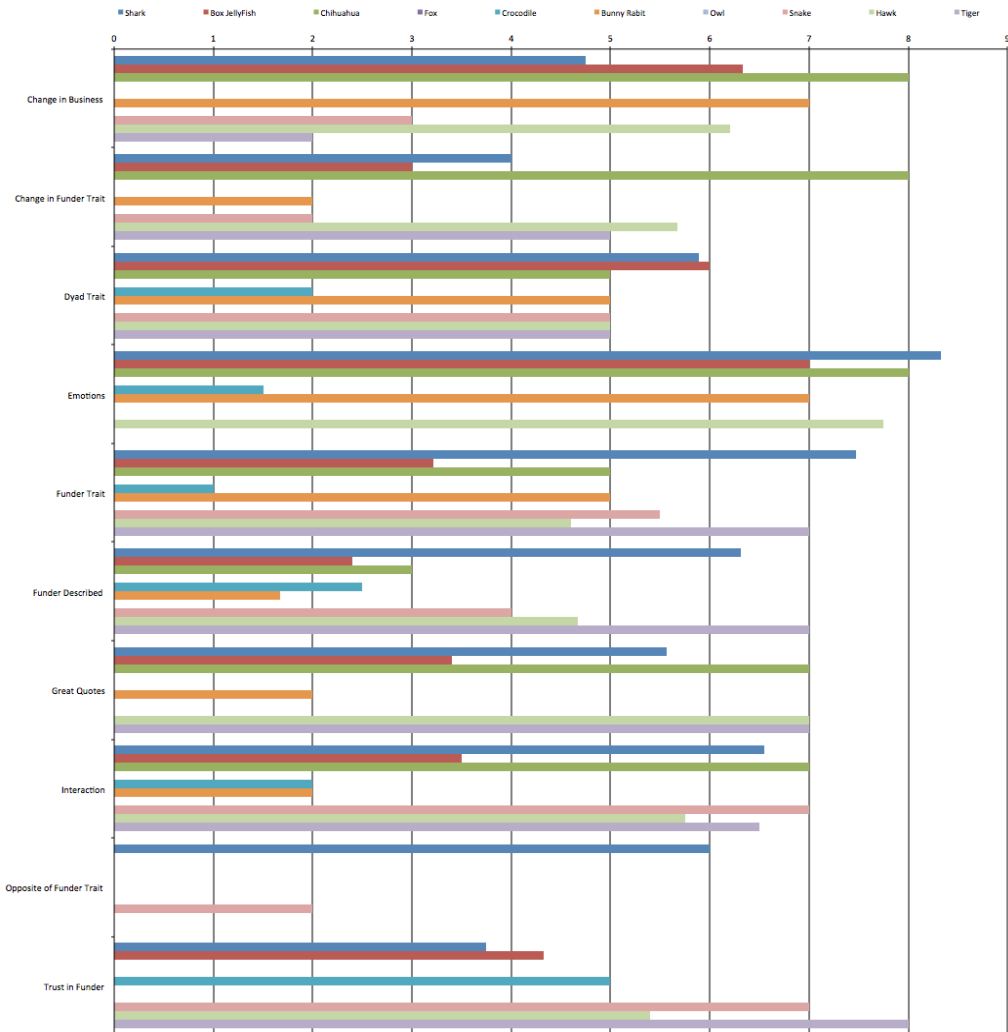


Figure 2B. Code Weighted per Funder Trait by Descriptor

Figure 3B is a representation of the weighted score of Emotions and Interaction per Funder Trait. The size of the dot is dictated by the number of time Funding Trait was coded. For example, the large blue dot top right is a Shark; 7.5 weighted trait, Emotion 8.3 weighted score, and Interaction weighted score of 6.5.

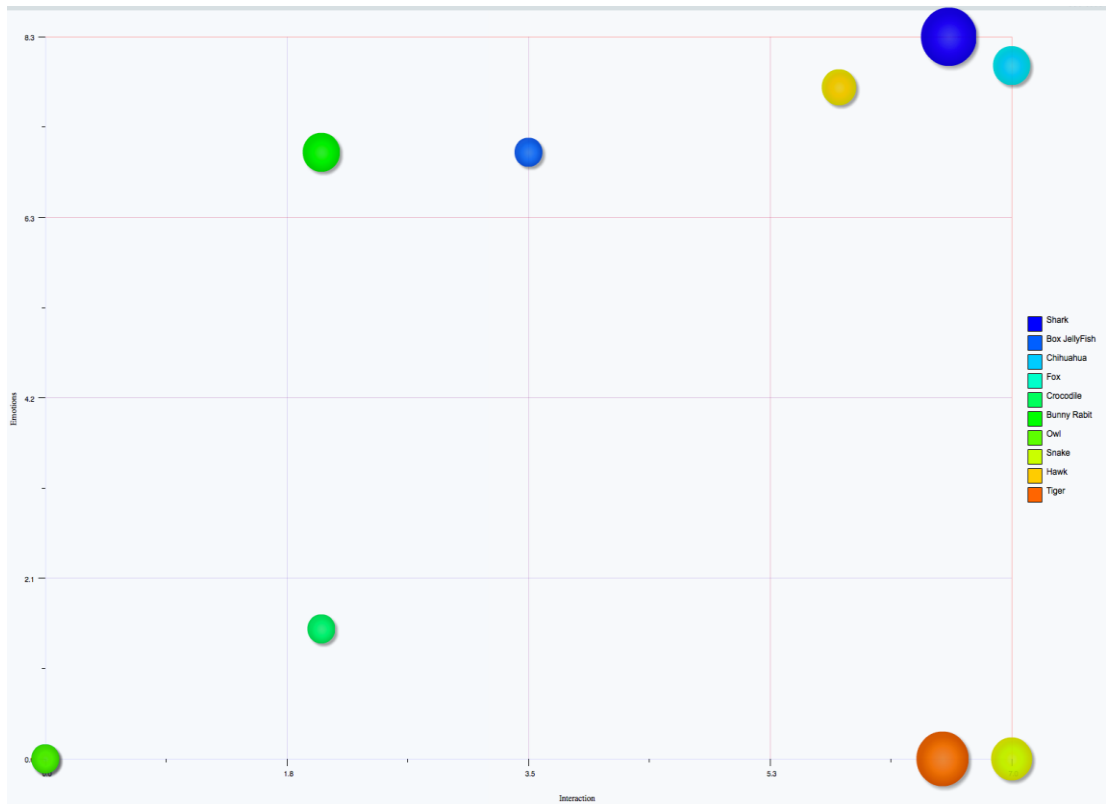


Figure 3B. Code Weighted Description Bubble Plot

Figure 4B, a code present table, indicates the fulfillment of all interviewees answering the question; further review will be done to fill in the absent codes.

Media	Codes									
	Change in Business	Change in Funder Trait	Dyad Trait	Emotions	Funder Trait	Funder Described	Great Quotes	Interaction	Opposite of Funder Trait	Trust in Funder
Dyad 9b.docx	1		1	1	1	1	1	1		1
Dyad 9.docx	1	1	1	1	1	1	1	1		1
Dyad 8b.doc	1	1	1		1	1		1	1	1
Dyad 8.doc		1	1	1	1	1		1		1
Dyad 7b.doc	1		1		1	1	1	1	1	1
Dyad 7.doc			1	1	1	1		1		1
Dyad 6b.doc		1	1	1	1	1	1	1		1
Dyad 6.doc	1	1	1		1	1		1	1	1
Dyad 5b.doc	1	1	1	1	1	1	1	1		
Dyad 5.doc	1	1	1		1	1	1	1		1
Dyad 4.doc	1	1	1	1	1	1	1	1		
Dyad 3.doc	1	1	1	1	1	1	1	1	1	1
Dyad 2b.doc	1	1	1		1	1	1	1		1
Dyad 2.docx	1	1	1	1	1	1	1	1		1
Dyad 1b.doc	1		1		1	1	1	1		1
Dyad 1.docx	1		1	1	1	1		1		

Figure 4B. Code Present / Absent

The great quotations identified in Table 3B hold a tremendous amount of power when considering the development of a climate in particular to thus study a funding climate, as it is build during the funding cycle.

Table 3B

Great Quotations

Quotation	Is Weighted: True	Weight Range: 0-10	Default Weight: 5
I'm going to go with my original thought of a Chihuahua.	Excerpt - Document: Dyad 5b.doc	Position: 2249-2306	Weight: 7
Because they always wanted to talk and talk and bark and bark and bark about stuff. But at the end of the day, they really didn't—I don't think they added in too much.	Excerpt - Document: Dyad 5b.doc	Position: 2368-2535	Weight: 7
Right. Just kind of like a shark without teeth.	Excerpt - Document: Dyad 5b.doc	Position: 2940-2987	Weight: 7
Like Owls. They watch.	Excerpt - Document: Dyad 4.doc	Position: 5939- 5962,	Weight: 2
And a little bit of a wolf in sheep's clothing sort of, in a way.	Excerpt - Document: Dyad 9.docx	Position: 2116-2182	Weight: 8
He is very aggressive. He doesn't like to be questioned. I don't know if that's maybe an insecurity...	Excerpt - Document: Dyad 1b.doc	Position: 5592-5693	Weight: 5
I do think it's been difficult for him to transition to dealing with two maybe stronger women.	Excerpt - Document: Dyad 1b.doc	Position: 6465-6559	Weight: 5
I think trust might be yeah. I understand the animal, but I wouldn't say that I would trust him.	Excerpt - Document: Dyad 1b.doc	Position: 9588-9684	Weight: 5
No. They're going to bite you if it's going to benefit them.	Excerpt - Document: Dyad 1b.doc	Position: 9879-9941	Weight: 5
What word used in funding behavior—the boys? Positive—yeah, they were very positive on the funding at the time in regards to the funding idea of them putting it in. They were positive and were—	Excerpt - Document: Dyad 6b.doc	Position: 2404-2597	Weight: 6 <i>(table continues)</i>

Quotation	Is Weighted: True	Weight Range: 0-10	Default Weight: 5
I would rather just go for the kill when it is time.	Excerpt - Document: Dyad 2.docx	Position: 2680-2732	Weight: 5
A crocodile sits there and kind of waits for something to come around. So they do strike when they are ready but it normally takes someone to drag them off their ledge.	Excerpt - Document: Dyad 2.docx	Position: 4550-4719	Weight: 3
I think in their minds they are more aggressive than they really are.	Excerpt - Document: Dyad 2b.doc	Position: 1269-1339	Weight: 3
Their short time frame may be five years. Ours may be five months.	Excerpt - Document: Dyad 2b.doc	Position: 1637-1703,	Weight: 3
As time, I am still confident. I am confident that they are who they are.	Excerpt - Document: Dyad 2b.doc	Position: 6880-6954	Weight: 3
Extremely smart, extremely clever so to me a shark is a very clever animal more than a tiger.	Excerpt - Document: Dyad 5.doc	Position: 3017-3111	Weight: 7
They don't do much, so they don't have to put out much energy, but they get lots in return.	Excerpt - Document: Dyad 7b.doc	Position: 2426-2518	Weight: 4
Aggressive, small when we first interacted with them, so I mean aggressive in terms of they had a lot of pressure probably. They had a lot to prove.	Excerpt - Document: Dyad 3.doc	Position: 2298-2448	Weight: 8
Frustration maybe. I would say uncertainty. Uncertainty, frustration...but you know at the end of the day, excitement I guess for both parties.	Excerpt - Document: Dyad 3.doc	Position: 4645-4787	Weight: 7
And it is just going wrong. It was a sort of surreal feeling of why isn't anybody looking at this.	Excerpt - Document: Dyad 9b.docx	Position: 2016-2114	Weight: 7

Discussion

This qualitative portion of my dissertation can be viewed as a pilot study and ancillary to my main quantitative research. The questions that this study attempted to answer are (a) Did the individuals interviewed confirm the existence of a climate created during the funding cycle? (b) Does the CCD have a shared view of the funding agency and can it be described in the context of an ecology-based taxonomy?

Climate, the collective perception of the work atmosphere is a key factor in the organization gaining a competitive advantage. Organizational climate can be defined as: “experientially based description of what people see and report happening to them in an organizational situation” (Ostroff et al., 2003, p. 644). The interview process revealed that at the onset of a funding event, continuing through the funding cycle, the company experienced change in climate, through interaction, and business process that created emotions and actions / reactions to the funders’ leadership style and lack of or increased presents in their environment. The second seems to be answered in Table 1B: 4 out of the 5 equity funded CCD agreed on the Funders Trait.

There are limitations to this qualitative approach. The main limitation is it has only been completed by one rater. A second considerable limitation concerns that CCD suggested the funder’s metaphoric predator on their bases of the perspective of six pictures. For example, one of the interviewees explained why he felt a bank was a shark, he had seen a bank doing the least amount to gain the most, and he evaluated on his measure of energy expenditure. With very limited statistical merit, this study will be considered a pilot study.

To advance this research, more dyads would need to be added, along with recruitment of at least two other raters. Additional questions may be added to the interview, such as a self-assessment of whether the funding event was a success.

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(the majority are in the main dissertation document)

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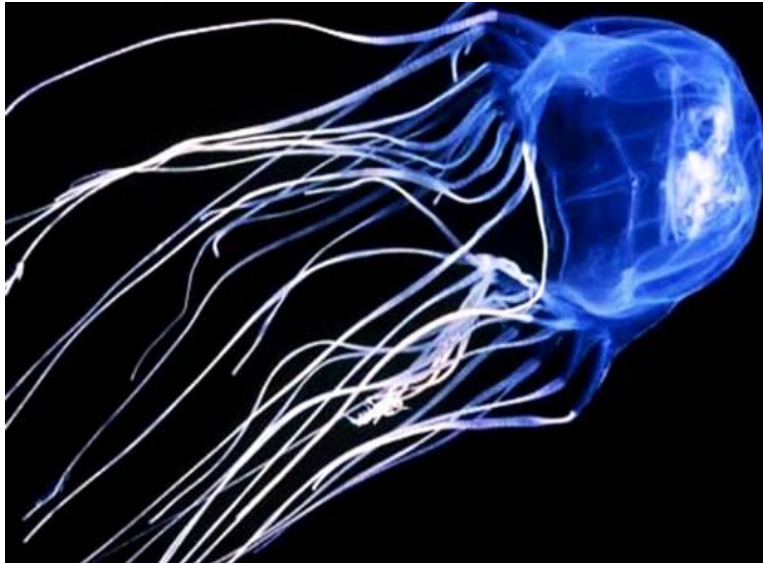
Pictures and Descriptions Used in In-Depth Modified ZMET Interview



Foxes are very efficient predators and will kill large numbers of prey items (much more than they could possibly eat) if the food species or materials become available. Caching behavior is a very strong instinctive drive in foxes and is displayed even in captivity and even in habitats in which burial of the food materials are not possible.



Sharks behavioral traits including stalking specific victims, lurk out of sight to observe their prey, hunting strategically and learning from previous attempts. "Sharks could have waited where the seals congregated if they were random, opportunistic killers, but instead had a distinct mode of operation"



The box jellyfish actively hunts its prey and small fish), rather than drifting as do true jellyfish



Crocodiles use a combination of active hunting and the more passive "sit and wait" strategy.



They are keen-eyed and efficient hunters, preferring open areas, such as fields or deserts, with high perching places from which they can watch for prey. These birds are adaptable and also do well in mountains and tropical rain forests.



The tiger's hunting tactics are based on out-thinking the opponent with intelligence and cunning. The final blow is of course delivered with unadulterated brute force.

VITA

Warren D Dyer

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Doctor of Philosophy

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