

**TABLE 7B
ADAPTABILITY FACTOR ANALYSIS - Firm Level**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .803
 Bartlett Test of Sphericity = 252.080, Significance = .000
 n = 20

FACTOR MATRIX

<u>FACTOR 1</u>	
EXPERIMENTATION	0.948
REASONABLERISK	0.933
RESPONDTOCHANGE	0.924
ROLEREDEFINITION	0.915
VALUEEMPLOYEES	0.887
INDEPENDENTACTION	0.885
CREATIVITY	0.882
CULTURECHANGE	0.874
VITALITY	0.866
USEFULCHANGE	0.850
VALUCUSTOMERS	0.835
Eigenvalue	8.739
% of Variance Explained	79.4
Cronbach's Alpha	0.97

FACTOR INTERPRETATION		
INDICATOR	DESCRIPTION	DIMENSION

Creative Activity:

EXPERIMENTATION	Extent company encourages experimentation
REASONABLERISK	Extent people are encouraged to take reasonable risks
INDEPENDENTACTION	Extent people are free to take independent action
CREATIVITY	Extent people are encouraged to be creative

Ability to Change:

RESPONDTOCHANGE	Extent company is responsive to changes in its business environment
ROLEREDEFINITION	Extent roles that people play are open to redefinition
CULTURECHANGE	Extent company is willing to change culturally engrained behaviors
USEFULCHANGE	Extent company values people and processes that create useful change

Supportive Characteristics:

VALUEEMPLOYEES	Extent company values employees
VITALITY	Estimate of the vitality of the company (sense of urgency, rapid pace)
VALUCUSTOMERS	Extent company values customers

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