

Call for papers – Conference on “New Venture Team Design” in Co-operation with the DFG Network Group “Venturing Together”: September, 29-30, 2022 at TUM School of Management, TUM Campus Heilbronn.

Conference Topic

Research has increasingly shifted from an individualistic view of the entrepreneur to a focus on entrepreneurial teams, thereby recognizing that the pursuance of entrepreneurial endeavors involves collective action (Bird & Zellweger, 2018; Ruef, 2010). Entrepreneurship scholars have therefore investigated new venture team characteristics, such as team member’s functional background (Amason, Shrader, & Tompson, 2006), joint prior work experience (Beckman, 2006; Eisenhardt & Schoonhoven, 1990), their level of education and educational background (Foo, Sin, & Yiong, 2006; Hmieleski & Ensley, 2007), as well as their social capital (Stam & Elfring, 2008), thereby linking these team characteristics to team-level and firm-level outcomes. Despite these advances, research on new venture teams is fragmented and has largely adopted a static perspective on team composition (Klotz, Hmieleski, Bradley, & Busenitz, 2014; Knight, Greer, & Jong, 2020; Patzelt, Preller, & Breugst, 2021).

Scholars have studied the evolution of new ventures through the lens of evolutionary lifecycle models, in which organizations transform into established bureaucratic firms through a range of professionalization activities (Greiner, 1972; Hellmann & Puri, 2002), thereby neglecting that substantial heterogeneity among new ventures and considerable deviations from the proposed evolutionary path exists (Baron & Hannan, 2002). Importantly, entrepreneurial teams can actively determine the path of the entrepreneurial venture through a range of decisions (Lazar et al., 2020; Wasserman, 2012), such as with whom to form the team (Lazar et al., 2021; Ruef, 2010; Ruef, Aldrich, & Carter, 2003), how to allocate power and responsibilities among team members (Yang & Aldrich, 2014), how to complement their team with employees and whether to hire an external CEO (Kulchina & Venancio, 2018), as well as how to change the team composition over time through team entries and team exits (Guenther, Oertel, & Walgenbach, 2016; Ucbasaran, Lockett, Wright, & Westhead, 2003).

Elements of teams that can be actively shaped by entrepreneurs are important tenets of *team design* and encompass features of the team, such as the team’s composition and the coordination of tasks among team members (Cohen & Bailey, 1997; Stewart, 2006). We therefore define *new venture team design* as compositional and task-related features of new venture teams that entrepreneurs can actively influence. New venture team design thus encompasses team composition elements, such as team heterogeneity, team size as well as task design, such as the coordination of team activities through the allocation of power and responsibilities among team members (Cohen & Bailey, 1997; Stewart, 2006).

Past research on the design of teams has primarily focused on top management teams in large established organizations (cf. Finkelstein, Hambrick, & Cannella, 2009). The design of new venture teams has received comparatively little attention so far and is often limited to the investigation of demographic team diversity (Ruef et al., 2003; Ruef, 2010), the team’s functional and skill heterogeneity (Beckman & Burton, 2008; Ensley, Carland, & Carland, 1998), and the teams’ formalization (Baron, Hannan, & Burton, 1999; Sine, Mitsuhashi, & Kirsch, 2006). The scarcity of research on new venture team design in nascent firms is surprising, given the limited transferability of findings for large established firms to entrepreneurial ventures in the founding context. The differences between large, established corporations and new ventures are rooted in the founding context, which Stinchcombe (1965) termed as ‘liability of newness’. Founding conditions are characterized by high uncertainty and limited resources, often requiring fast adaption and augmentation of entrepreneurial teams’ competencies (Gartner, Bird, & Starr, 1992). Further, the founding context is often associated with the absence of established structures, roles, and routines within firms (Stinchcombe, 1965; Yang & Aldrich,

2014), which manifests itself in underdeveloped governance and control systems (Ucbasaran et al., 2003).

This research conference aims to create knowledge about the design of new ventures and their impact on entrepreneurial outcomes, answering the fundamental research question: *How can we design new venture teams in a way that is conducive to firm success?* Since failure rates among start-ups are high, for instance, amounting to approximately 60 % in Sweden (Bird & Wennberg, 2016), this research area is highly relevant both from a scholarly and practical perspective. For instance, while we have first insights into equity distribution contracts and their implication for team processes as well as team and venture level outcomes (Breugst, Patzelt, & Rathgeber, 2015; Hellmann & Thiele, 2015; Hellmann & Wasserman, 2017), we lack insights into important contextual factors that impact equity distribution (e.g., individualism vs. collectivism; Laspita, Breugst, Hebllich, & Patzelt, 2012) and how common dynamic equity distributions (e.g., vesting; Wasserman, 2012) impact venture success. Second, partly also related to equity distributions, understanding the consequences of power shifts within the team (e.g., after the exit of one team member or when the teams' equity, and thus power gets diluted by the entry of new investors) would advance our understanding of new venture teams. Third, past research has provided insights into team roles and structures (Blatt, 2009; Sine et al., 2006). However, we still know little about how new venture teams re-allocate roles and redevelop structures when hiring employees during phases of growth or dismiss them in times of decline. Finally, entrepreneurship scholars have largely adopted static perspectives in their study of team compositions (Chandler, Honig, & Wiklund, 2005; Klotz et al., 2014), devoting only limited attention to the influence of entrepreneurial team dynamics (e.g., turnover, additions, or changes to the team) on new venture success.

In the following, we provide some illustrative examples of potential research questions:

- 1) Under what conditions does vesting lead to ventures' success? What is the role of outside investors in defining milestones for the vesting scheme?
- 2) How does power inequality in new venture teams affect team members' interactions? Under what conditions does an unequal power structure (a power shift within the team) positively/negatively affect ventures' success?
- 3) How do interpersonal dynamics within the new venture team change after hiring employees? Are there contextual aspects (e. g., culture) that determine whether employees are successfully integrated into the new venture?
- 4) How do changes (e.g., entries and exits) to the team composition affect team dynamics and venture success?

We welcome both empirical and theoretical contributions that focus on new ventures team design in various forms and explore its effect on the ventures' success.



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