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NEGATIVE AFFECTIVE REACTIONS TO CONFLICT IN ENTREPRENEURIAL TEAMS - THE MODERATING ROLE OF UNCERTAINTY AND GROUP POTENCY (SUMMARY)

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≈ SUMMARY ≈

**NEGATIVE AFFECTIVE REACTIONS TO CONFLICT
IN ENTREPRENEURIAL TEAMS – THE MODERATING
ROLE OF UNCERTAINTY AND GROUP POTENCY**

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Principal Topic

Entrepreneurial teams frequently experience conflicts (Forbes, et al., 2010), but these conflicts can have different effects. Thus, research (Jehn, 1995) differentiates between *relationship conflict*, conflict related to interpersonal tensions which reduces member satisfaction, team performance (Amason, 1996) and, subsequently, venture performance (Ensley, et al., 2002) and *task conflict* which refers to disagreements about the task and is considered beneficial for team performance (Amason, 1996).

This study investigates members' negative affective reactions to conflict in entrepreneurial tasks. Negative affect entails negative consequences for entrepreneurial teams because it limits creativity (Hirt, et al., 1997), cooperation (George, 1990), and decision making performance (Staw & Barsade, 1993). We argue that relationship conflict increases negative affect, whereas task conflict decreases it. Further, we investigate two potential moderators: information uncertainty and group potency – a team's belief that it can be effective (Guzzo, et al., 1993). Drawing on attributional theory of emotion (Weiner, 1985) we postulate that the reduced feelings of responsibility connected to higher levels of uncertainty and lower levels of group potency will reduce the impact of both conflict types.

Method

We conducted a team experiment representing an entrepreneurial decision task, i.e. opportunity selection (cf. Gruber, et al., 2008). To control for previous interactions, we focused on management students as novice entrepreneurs instead of experienced teams. Before discussion we experimentally manipulated information uncertainty drawing on Duncan (1972). Further, we assessed members' negative affect, their perceptions of conflicts, and group potency.

Results and Implications

Our results support the main effects and three moderation hypotheses. We show (i) that uncertainty buffers negative effects of high relationship conflict and low task conflict and (ii) that group potency increases negative effects of high relationship conflict. This helps unravel the role of uncertainty and potency in entrepreneurial team processes. While uncertainty is usually seen as negative for entrepreneurs (McMullen & Shepherd, 2006), our results show positive consequences in team interactions. Further, group potency, which was related to venture success (Ensley, et al., 2005) intensified negative affect in our study. These findings suggest new research avenues regarding the interplay of uncertainty, group potency, conflict, affective experiences, and venture performance.

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