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## FLEXIBILITY OF NEW VENTURE TEAM STRUCTURE AND ITS INFLUENCE ON INNOVATIVENESS AND PERFORMANCE (SUMMARY)

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 SUMMARY **FLEXIBILITY OF NEW VENTURE TEAM STRUCTURE AND ITS  
INFLUENCE ON INNOVATIVENESS AND PERFORMANCE**

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**Principal Topic**

While flexibility is usually considered to be a competitive advantage in strategic management and organizational theory (Schreyögg and Sydow, 2010), debate exists in the field of entrepreneurship about the benefits of new venture flexibility. Some scholars argue that the excessive flexibility and lack of structure in new ventures may be harmful for survival (Stinchcombe, 1965; Davis et al., 2009). Other scholars have suggested that new ventures, which are operating in uncertainty and constantly making sense of and adjusting to their environments, can benefit from flexibility (Hmieleski and Corbett, 2008; Zahra et al., 2000). While flexibility takes a central place in the entrepreneurship field, few empirical studies have examined the effect of new venture structural flexibility on performance. To examine this issue we draw on research on teams and small group structures. We focus on two structural dimensions of entrepreneurial teams with relatively stable membership: (1) fluidity of power distribution in new venture teams and (2) fluidity of role distribution in new venture teams. We assessed these dimensions' relationship with new venture team innovativeness as well as new venture team performance.

**Method**

We test our theory using a sample of 104 new ventures operating in Russia.

**Results and Implications**

Our results suggest that both power and role fluidity facilitate innovativeness in new venture teams. Additionally, power and role fluidity in teams' structures leads to increases in both objective and subjective new venture performance but only in highly turbulent environments. This paper seeks to make several contributions to the field of entrepreneurship. First, our results indicate that new ventures benefit from teams' structural flexibility in turbulent environments. Thus, while efficiency may be preferable to flexibility, (Davis et al., 2009; Sine et al., 2006) efficiency may actually be more useful in stable environments while flexibility is useful in turbulent environments. Second, we conceptualize and demonstrate how power and role fluidity facilitate innovativeness in new ventures. In doing so, we address the calls to examine processes that allow for the transformation of individual team members' resources into new venture outcomes (Klotz et al., 2014).

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