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HOW DOES HUBRIS INFLUENCE THE INNOVATION ACTIVITIES OF COMPANY FOUNDERS? (INTERACTIVE PAPER)

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Method

The objective of this study is to determine the role of hubris on innovation activities, a crucial function of company founders (e.g. Schumpeter, 1934). For the empirical analysis, an inductive-interpretative approach enables theory development through an in-depth exploration of human behavior. The data set comprises 26 interviews with various experts. Prior to the actual data collection, the interviewees received an email with a summary of characteristic hubristic patterns (cf. Petit & Bollaert, 2011) and the request to report case studies of founders with respective patterns. In sum, the interviewees described approximately 40 case studies of hubristic founders. In order to enrich the perceptions of the experts, a second data set was compiled containing nine interviews with hubristic founders who shared the stories behind their company failures in the event series “FuckUp Nights”.

Results and Implications

The preliminary results of the qualitative analysis indicate that hubristic founders comparatively often do generate business ideas that do not exist on the market yet. In several case studies, it becomes evident that their activities mainly are directed towards the implementation of disruptive innovations. However, the majority of hubristic founders in the sample does not succeed to implement their innovative visions. Firstly, many of their business ideas are considered as too innovative and the market is not ready to embrace them yet. However, secondly, hubristic founders tend to persist to implement their once envisioned business models without questioning them. Therefore, they do not consider to interact with potential customers in order to proof their concepts and neglect external feedback of experts. Thirdly, they often lack specific market experiences that are required to implement their innovative visions.

Existing research outcomes regarding effects of hubris on firm innovation in the context of already established organizations (cf. Tang, Li, & Yang, 2012) are transferred to newly founded ventures. Unlike the existent academic perception, it is found that hubris has mixed effects on innovation activities of founders who generate truly innovative business ideas but fail to implement them. Further empirical evidence is required to support the process of theory development on this subject. Practitioners need to be aware of hubristic patterns in order to interpret respective behavior and to guide innovation activities driven by hubris.

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