CHANGE AND STABILITY OF EMPLOYMENT MODELS IN GROWING NEW VENTURES: A SIMULTANEOUS EXAMINATION OF CORE TEAM IMPRINTING, STRUCTURAL INERTIA, AND ADAPTIVE PRESSURES (INTERACTIVE PAPER)

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CHANGE AND STABILITY OF EMPLOYMENT MODELS IN GROWING NEW VENTURES: A SIMULTANEOUS EXAMINATION OF CORE TEAM IMPRINTING, STRUCTURAL INERTIA, AND ADAPTIVE PRESSURES

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Principal Topic

Drawing on both the upper echelon perspective and the imprinting arguments, this paper builds a theoretical model exploring the way change and stability in new ventures are affected both by influence of the core team and influence of structural inertia, and test it with data collected from a group of young technology firms in Singapore. I propose that the initial design of the employment model reflects the imprint of both team shared experience (as indicated by prior shared organizational experience), and team diversity (as indicated by prior functional roles). Once the blueprint is put into practice, those who help build it attach their sentiment and belief to it, transforming a rational deliberation into a beloved institution. Moreover, once a certain initial design is set on its course, the forces of structural inertia also set in, making the employment model at the startup phase a predictor of the employment model at the growth phase. Change in team membership, however, can moderate such imprinting effects. The model also tests the effects of adaptive pressures, in the form of environment changes and isomorphic pressures.

Method

The sample firms consist of 70 Singaporean firms from the high-tech sector, averaged 6.4 years old. Data was collected through a face-to-face interview with the founder manager and a survey to the HR-person-in-charge.

Results and Implications

This study found that shared prior organizational experience among team members is positively related the clarity and internal consistency of the initial design of the employment model, which in turn is positively linked to value coherence and consistency between HR values and practices during the growth phase of the firm. Change in team membership, however, reverses the positive relationship to negative, supporting my arguments that value commitments and established interests of the power-holding group is the key inertia force. This study contributes to the understanding of factors leading to stability and change of employment models during the early stages of a new venture, providing a frame of reference for designing and engineering change if needed.

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