T**HE RISE AND FALL OF KEY EMPLOYEES: ROLE EVOLUTION OF KEY EMPLOYEES IN HIGH TECHNOLOGY START-UPS (SUMMARY)**

Jia Xu  
*University of North Carolina - Chapel Hill*

Howard E. Aldrich  
*University of North Carolina at Chapel Hill, healdric@email.unc.edu*

Recommended Citation  
Available at: http://digitalknowledge.babson.edu/fer/vol26/iss14/12
SUMMARY

THE RISE AND FALL OF KEY EMPLOYEES:
ROLE EVOLUTION OF KEY EMPLOYEES IN HIGH TECHNOLOGY START-UPS

Jia Xu, University of North Carolina - Chapel Hill
Howard Aldrich, University of North Carolina - Chapel Hill

Principal Topic

In this project, building on earlier studies of human resource issues in entrepreneurial firms, we explore the dynamic relationship between the founder(s) and key employee(s): How do key employees become "critical"? By what process does an employee’s role evolve? How do entrepreneurs respond to such role evolution? How will entrepreneurs deal with importance of the key employees and the risk that a key employee’s departure might seriously damage the company? On the other hand, how do key employees perceive their own jobs and the dynamics with the founder(s) of the firm? What are the factors that motivate them to stay or leave?

Method

Integrating both related research on human resource practices in start-ups and semi-structured in-depth interviews with both founders and key-employees in high-tech start-ups, we build a computer simulation model which spells out the dynamic paths and processes of the evolution of the roles of key employees and human resource practices in entrepreneurial firms.

Results and Implications

This project has at least two potential implications for theory building. First, the computer simulation model allows us to see the dynamics in key employee’s role evolution and related human resource practices in a holistic view. The majority of previous studies looked at certain human resource practices and tried to identify the influence of particular practices. However, human resource practices are an intertwined whole, which are directly related to the culture in the organization. In this sense, our current theories are limited in their ability to model or explain human resource practices in start-ups as a whole. Our goal is to contribute to better theories of the entrepreneurial process. Second, by exploring the perspective of the seriously underrepresented side, the side of key employees, we push our understanding on human resource issues in high-tech start-ups to a wider scope. Moreover, through generating a better understanding of general human resource problems that entrepreneurs face everyday, our project will also generate insight for practitioners.

CONTACT: Howard Aldrich; Sociology Department, CB#3210, University of North Carolina Chapel Hill, NC 27599-3210; (T): 919-962-5044; (F): 919-962-7568; healdric@email.unc.edu