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THE IMPACT OF PERSONALITY TRAITS ON INDIVIDUALS, TEAMS AND VENTURE PERFORMANCE (SUMMARY)

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SUMMARY

THE IMPACT OF PERSONALITY TRAITS ON INDIVIDUALS, TEAMS AND VENTURE PERFORMANCE

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Principal Topic

The relationship between personality traits and entrepreneurial behaviour is frequently and controversially addressed in entrepreneurship research (Rauch & Frese, 2007). Recent meta-analyses provide positive evidence for the predictive validity of personality traits in entrepreneurial behavior and suggest further analysis of contingencies that impact the strength of the relationship (Collins, Hanges, & Locke, 2004; Stewart & Roth, 2001, 2004; Zhao & Seibert, 2006; Rauch & Frese, 2007).

In this paper we explore performance related compositions of entrepreneurial team characteristics. We analyze deep level composition in terms of constellation of personality traits on an individual and team level. The purpose of the present study is twofold: First, we propose to provide an empirical study to substantiate the hypothesis that the members in a start-up team can be classified by a typology according to their entrepreneurial traits and team skills. Second, we plan to present results for finding an optimal combination of individual and team traits to increase venture performance.

Method

We used previously collected data from a computer-based start-up simulation conducted on 1,245 business and engineering students. The students were randomly assigned to equal sized teams and were given a task of starting a new venture in a competitive simulated environment. We used SPSS software to employ cluster analysis to the group respondents based on their personality traits. We used Hierarchical Cluster analysis using Ward’s method and Two-Step Cluster analysis using BIC algorithm. Further we compared the clustered teams and individuals for success and failure measured by the result of the simulation.

Results and Implications

First, this study has strong implications for academics and it will contribute to the limited team research in entrepreneurship. With the study we: a) demonstrate the importance of identifying individual and team characteristics and their relationship with venture outcome, b) fill the literature gap by providing empirical evidence for the research requests on the topic and c) provide an example of how to look at deep-level-diversity in entrepreneurial teams. Second, our results will have a substantial value for practitioners. The results will be helpful for venture capitalists in predicting the venture success based on individual and team traits. Besides, the entrepreneurial firms can use the results to optimize their team building processes by incorporating an optimal mix of individual and team traits.

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