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FOUNDERS’ EDUCATION, FIRM IDENTITY, AND THE ENTREPRENEURIAL ORGANIZATION

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Principal Topic

Recent research has begun to examine the impact of founders’ identities on entrepreneurial outcomes (e.g., Gruber & Fauchart, 2011; Hoang & Gimeno, 2010). In this paper, we draw on studies of founder educational backgrounds (Gruber et al., 2010; Ding, 2011) to suggest that these educational backgrounds inculcate founders with certain values and institutionalized belief structures which founders then rely upon when constructing and communicating the identity of their firm. One of the key contributions of our research is that we take a more nuanced perspective of team level heterogeneity compared to existing studies that merely examine the highest level of education in a particular field. We recognize that heterogeneity of founding team composition can be a function of both intra-organization differences (the case of a two-founder firm where one founder has an educational background strictly in the sciences and the other one has a background strictly in business) and intra-personal differences (the case of a two-founder firm where both founders have educational backgrounds in both the sciences and business). This approach allows us to better tease out the source of identity tensions at the founding team level.

Method

For this research, we utilize a sample of multi-founder spin-offs located around a large research university. The unit of analysis in our study is the organizational founding team. The variables were constructed from an online survey, and supplemented with data collected from a directory published by the local gas and electric utility in which organizations provide a brief description of themselves.

Results and Implications

Our results indicate that level of education among a founding team generally has little impact on the team’s ability to obtain funding. However, this relationship is moderated by the heterogeneity of education levels within a team. Importantly, our results also indicate that it matters to the founding team whether founders specialize in either business or science based education or whether they have a diverse educational background.

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