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Professorship of Entrepreneurial Behavior

Challenges of the early entrepreneurial journey: Equity distribution, team member exits, and the selection of mentors

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List of abbreviations

BV	Business-related values
CEO	Chief executive officer
cf.	Confer
Dr.	Doctor
e.g.	Exempli gratia (for example)
Et al.	Et alii (and others)
HLM	Hierarchical linear modeling
i.e.	Id est (that is)
ICC	Intraclass correlation
IPO	Initial public offering
M	Mean
n.a.	Not applicable
Prof.	Professor
SD	Standard deviation
SE	Standard error
TMT	Top management team
TUM	Technical University of Munich
ERI	Entrepreneurship Research Institute
VIF	Variance inflation factor
TMT	Top management team

Abstract

This dissertation presents three essays that examine entrepreneurial behavior related to fundamental challenges of the early entrepreneurial journey, using quantitative, qualitative, and experimental research approaches. These challenges include the division of equity among co-founders, co-founder exits, and the selection of mentors under stress. The dissertation offers important contributions to entrepreneurship research, and to the management literature more generally.

1 Introduction

1.1 Conceptual background

The vibrant field of entrepreneurship research constitutes the conceptual background of this dissertation. While entrepreneurship represents a unique research context for related disciplines such as strategic management and organizational behavior, it has gained legitimacy as a distinct field of research in the social sciences over the past two decades (Busenitz, West III, Shepherd, Nelson, Chandler, & Zacharakis, 2003; Shane & Venkataraman, 2000). Entrepreneurship as a field of research is concerned with opportunities and the set of individuals that discover, evaluate, and exploit them (Venkataraman, 1997). More comprehensively, its conceptual domain spans "the nexus of business opportunities, individuals and teams, and modes of organizing within the overall context of market environments" (Busenitz et al., 2003: 286). The promise of entrepreneurship research is to explain and predict unique phenomena at the intersections of these concepts (Busenitz et al., 2003).

Several topics located at these conceptual intersections offer avenues for research to advance knowledge on entrepreneurial phenomena. Setting a focus on individuals and teams, this dissertation addresses three areas that represent unique challenges of the early entrepreneurial journey. First, one of the most prominent manifestations of entrepreneurs' organizing behavior in new ventures is the distribution of the venture's equity among the entrepreneurial team members (Kotha & George, 2012). Coined as the "first deal" that entrepreneurs have to make (Hellmann & Wasserman, 2016: 2647), equity distribution poses a first major challenge of the entrepreneurial process (Breugst, Patzelt, & Rathgeber, 2015; Wasserman, 2012). Prior work indicates that the level of the inequality of the equity distribution influences resource acquisition (Kotha & George, 2012), incentive allocation (Bitler, Moskowitz, & Vissing-Jørgensen, 2005), and team structure and processes in a new venture (Kroll, Walters, & Le, 2007). However, from prior research it remains unclear whether entrepreneurs and their new ventures benefit from more or less unequal equity splits.

Second, temporal dynamics characterize the entrepreneurial process (Busenitz et al., 2003; McMullen & Dimov, 2013). Scholars acknowledge entrepreneurial exit as a fundamental part of this journey (DeTienne, 2010; Wennberg & DeTienne, 2014). While work on entrepreneurial exit focuses on the exits of individual entrepreneurs (DeTienne, 2010; DeTienne & Cardon, 2012; Wennberg, Wiklund, DeTienne, & Cardon, 2010), it largely neglects the poten-

tial team context of entrepreneurial exit. Yet, co-founder exits in entrepreneurial teams, labeled as "the real Achilles heel" of new ventures (Rosenberg, 2012: 1), are common and represent another major challenge of the entrepreneurial journey because they often involve destructive conflicts and a loss of resources that can destroy the team and consequently, the new venture (Bamford, Bruton, & Hinson, 2006; Beckman, Burton, & O'Reilly, 2007). Research at the intersection of individuals and teams, opportunities, and modes of organizing is concerned with the interplay between team composition changes as well as opportunity development and exploitation over time (Busenitz et al., 2003). However, so far, the temporal dynamics of co-founder exits and their consequences for new ventures and their teams remain poorly understood.

Third, entrepreneurship research at the intersection of individuals and opportunities tackles questions related to entrepreneurs' selection of social sources of information and support that help them discover, evaluate, and exploit opportunities (Aldrich & Kim, 2007; Busenitz et al., 2003). Selecting these sources is another fundamental challenge of the entrepreneurial journey because this choice impacts what resources individuals and teams can leverage for their entrepreneurial efforts (Aldrich & Zimmer, 1986). Entrepreneurship scholars have suggested mentors as an important source of information and support for entrepreneurs (Ozgen & Baron, 2007). Consistently, work in management and organizational behavior more generally emphasizes how individuals can benefit from career-related and psychosocial support through mentoring (Allen, Eby, Poteet, Lentz, & Lima, 2004; Higgins & Kram, 2001). However, research has neither addressed how entrepreneurs form their mentoring relationships nor what type of support they seek from mentors.

This dissertation presents three essays that inform these three research areas. Beyond its contributions to the entrepreneurship literature, the dissertation also offers more general implications for the management literature. Finally, the essays open up interesting implications for entrepreneurs, entrepreneurial team members, and entrepreneurship educators how to cope with important entrepreneurial challenges.

1.2 Research problems and objectives

The dissertation focuses on examining entrepreneurial behavior at the individual and team level related to equity distribution, team member exits, and the selection of mentors. As such, it sheds light on three major challenges of the early entrepreneurial journey. In particular, the

dissertation focuses on entrepreneurs' cognitions, emotions, and actions as they encounter these challenges, consistent with entrepreneurial behavior research leveraging a psychological perspective to probe entrepreneurial phenomena (Busenitz, 2007; Frese & Gielnik, 2014; Gartner, Shaver, Gatewood, & Katz, 1994).

First, I investigate the impact of the inequality of equity distribution on founder satisfaction with the entrepreneurial team. In his pioneering work on equity distribution in entrepreneurial teams, Wasserman (2012: 157) found that the majority of teams decide for an equal equity split, and raised the questions "was it a good decision?", and "did it make the teams more stable?" The ongoing scholarly debate on this question has come to controversial conclusions, both theoretically and empirically. On the one hand, scholars have adopted an incentive theory perspective that favors unequal equity splits because they better align the entrepreneurial team members' heterogeneous resources with rewards than equal equity splits do. Yet, as recently noted, empirical evidence showing a positive impact of unequal equity distributions on new venture performance is scarce (Kagan, Lovejoy, & Leider, 2017). On the other hand, a behavioral perspective links more equal equity splits with higher venture performance because equal splits foster a unity of purpose and similar levels of commitment among the members of an entrepreneurial team (Kroll, Walters, & Le, 2007). Addressing this theoretical puzzle, I seek to integrate both the benefits and shortcomings of more and less unequal equity splits to provide a more comprehensive perspective on the implications of equity distribution for founders.

Second, I take a process perspective to explore how co-founder exits in entrepreneurial teams shape the development of their new ventures. Scholars investigated team member exits in entrepreneurial teams from different theoretical perspectives and came to inconsistent empirical conclusions, which leaves the implications of member exits for entrepreneurial teams and their new ventures poorly understood. Further, prior empirical work neglected the processual nature of executive turnover in general (Berns & Klarner, 2017) and entrepreneurial exit in particular (Rouse, 2016; Wennberg & DeTienne, 2014), and thus failed to acknowledge that exit processes likely differ, which will lead to different outcomes for teams and their new ventures. Finally, the existing studies do not sufficiently capture how entrepreneurs experience the processes associated with co-founder exits (Rouse, 2016), although their cognitions and emotions arising around exit processes will impact their behaviors that will, in turn, shape venture outcomes (Mitchell, Busenitz, Lant, McDougall, Morse, & Smith, 2002; Shepherd, 2015). Addressing these important gaps, I explore the team processes before, during, and after

co-founder exits to extend the knowledge on the implications of co-founder exits for new ventures.

Third, I examine how entrepreneurs assess the attractiveness of potential mentors. Few studies have addressed mentoring in the entrepreneurial context, despite several calls for more research on this topic (Baron, 2002; Busenitz, 2007; Marion, Eddleston, Friar, & Deeds, 2015) and the popularity of mentoring programs for entrepreneurs in practice (Bisk, 2002; Radu Lefebvre & Redien-Collot, 2013; Waters, McCabe, Kiellerup, & Kiellerup, 2002). While the existing work on mentoring for entrepreneurs leans towards examining its implications for entrepreneurial outcomes (Ozgen & Baron, 2007; St-Jean, 2012), it neglects that an understanding of mentoring outcomes requires an understanding of the factors that lead to the formation of the mentoring relationship (cf., Fredrickson, Hambrick, & Baumrin, 1988). However, so far, we lack insights into the first steps of entrepreneurs' mentoring relationships, in particular, how entrepreneurs assess the attractiveness of potential mentors. I investigate this question to advance our understanding of the formation of mentoring relationships.

1.3 Data sets and methodological approaches

I used different methodological approaches in the different studies of my dissertation that I chose based on the state of the theory and research related to the specific research topics and the nature of the corresponding research questions (Edmondson & McManus, 2007). In line with the methodological approaches, I used both qualitative and quantitative data, and applied different data analysis methods.

First, I employed a quantitative, deductive research design to investigate the impact of equity inequality on founder satisfaction with the team. I used a longitudinal dataset and relied on different data sources to model temporal precedence (Gollob & Reichardt, 1987; Maxwell & Cole, 2007) and limit common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Specifically, I obtained the inequality of equity distribution as the focal independent variable from interview data with the individual founders. Further independent variables were surveyed in two waves of online questionnaires, and the dependent variable was captured in two lagged surveys nine weeks after each of these questionnaires. For the statistical analysis of the data, I used hierarchical linear modeling. This analysis technique fit my theoretical assumption that the dependent variable in time *t* changes as a function of the independent variables in *t*-1, rather than as a function of time (Schonfeld & Rindskopf, 2007) and accounted for

the nested structure of the dataset (Raudenbush & Bryk, 2002). The dataset included 185 observations from 112 founders nested in 55 entrepreneurial teams.

Second, I used a qualitative, inductive research approach to explore the processes associated with co-founder exits in entrepreneurial teams. This research approach suited my initially broad research objective that lacked theoretical precedent in the literature (Denzin & Lincoln, 2011; Edmondson & McManus, 2007). After initial interviews with 29 entrepreneurial teams that had experienced at least one co-founder exit, several themes emerged from the data that made me translate the broad research objective into more specific research questions. Following a purposeful sampling strategy (Patton, 1990), I eventually selected ten exit processes nested in six entrepreneurial teams that seemed particularly suitable to providing answers to my research questions. To analyze these cases, I mostly relied on longitudinal data from semi-structured interviews with several parties involved in the exit processes providing rich and multifaceted insights. For five of the exit cases, I obtained real-time interview data. I also analyzed several additional data sources, including observational field notes, diverse internal documents, and archival data. Taken together, this stock of data allowed me to minimize biases from recall and rationalization in my interviewees' accounts of the exit processes (Golden, 1992). My data analysis strategy largely followed the process suggested by Gioia, Corley, and Hamilton (2013) that reflects prior recommendations for inductive theory development (Glaser & Strauss, 1967; Strauss & Corbin, 1998) and was proposed in order to comply with scholarly rigor in qualitative research.

Third, I used quantitative data that I obtained in an experimental research design to test my hypotheses on entrepreneurs' assessments of mentors. Specifically, I conducted a metric conjoint experiment, which allowed me to investigate entrepreneurs' decision structures in real time while avoiding several threats of alternative post-hoc methods such as retrospective biases (Lohrke, Holloway, & Woolley, 2010; Shepherd, 1999). I collected the data using an online research instrument that included the conjoint experiment and a post-experiment questionnaire in which I surveyed moderating and control variables. To design the conjoint experiment, I used a fractional factorial design suggested by Hahn and Shapiro (1966). To analyze the multilevel data that I obtained from the conjoint experiment and the subsequent questionnaire, I used hierarchical linear modeling because it accounted for the presence of variance at different levels of analysis (Raudenbush & Bryk, 2002).

1.4 Dissertation structure and overview

The remainder of this dissertation comprises three essays related to the research objectives described above. I provide an overview of these essays in Table 1 below. In chapter 2, I present an essay on equity distribution and founder satisfaction with the team. It is followed by an essay on the dynamics of co-founder exits in entrepreneurial teams in chapter 3. Chapter 4 consists of an essay on entrepreneurs' assessment of mentors that focuses on the role of experience, values, and subjective stress. Finally, in chapter 5, I summarize the findings and contributions of this dissertation and suggest avenues for future research derived from the essays.

Table 1. Summary of the essays presented in this dissertation

	Equity distribution and founder satisfaction with the entrepreneurial team (Chapter 2)	Dynamics of co-founder exits in entrepreneurial teams (Chapter 3)	Entrepreneurs' assessment of mentors – The role of experience, values, and subjective stress (Chapter 4)
Research question	What is the impact of equity inequality on founder satisfaction with the team?	How and why do co-founder exit processes differ? How do different co-founder exit processes influence new venture development?	How do entrepreneurs assess the attractiveness of potential mentors?
Research approach	Deductive, quantitative	Inductive, qualitative	Deductive, quantitative, experimental
Sample and data	Interview data + longitudinal survey data comprising 185 observations from 112 founders nested in 55 entrepreneurial teams	Interview and triangulation data (e.g., observational notes, internal documents, archival data) on 10 co-founder exit cases nested in six entrepreneurial teams	Conjoint experiment (2,240 observations) + questionnaire data from 140 entrepreneurs
Analytical approach	Hierarchical linear modeling	Open and axial coding	Hierarchical linear modeling

	Equity distribution and founder satisfaction with the entrepreneurial team (Chapter 2)	Dynamics of co-founder exits in entrepreneurial teams (Chapter 3)	Entrepreneurs' assessment of mentors – The role of experience, values, and subjective stress (Chapter 4)
Findings	Equity inequality has an inverted U-shaped effect on founder satisfaction with the team, with satisfaction being highest at moderate levels of equity inequality. The founder's experience of stress accentuates the inverted U-shaped relationship between equity inequality and satisfaction with the team.	The hostility of the exit process emerged as a dimension that shapes venture development. At the level of the exiting co-founders, their perceived opportunity ownership and emotional bond to the venture impact the hostility of the exit process. In the short run, hostile exit processes can obstruct new venture development. In the long run, survival depends on specific recovery activities initiated by the remaining founders.	A mentor's entrepreneurial experience, industry experience, and mentoring experience positively impact entrepreneurs' assessments of this potential mentor. These relationships are stronger when entrepreneurs and mentors have similar business-related values. Entrepreneurs' subjective stress influences these contingencies.
Contributions to…	Literature on equity distribution in entrepreneurial teams, reward systems, and stress in entrepreneurial and work teams	Literature on entrepreneurial and top management teams, and literature on entrepreneurial exit	Entrepreneurship literature on human capital, stress, and learning

2 Equity distribution and founder satisfaction with the entrepreneurial team[1][2]

2.1 Introduction

Equity distribution represents one of the most difficult and complex decisions that entrepreneurial teams have to make when founding their firms (Hellmann & Thiele, 2015). While scholars agree that this decision has a major impact on entrepreneurial teams and new ventures (Breugst, Patzelt, & Rathgeber, 2015; Kotha & George, 2012; Wasserman, 2012), the conversation in the literature lacks consensus about whether new ventures benefit from more or less unequal equity splits between founders. For example, incentive theory associates unequal equity distributions with higher venture performance because such equity splits better align the typically heterogeneous resources of entrepreneurial team members with appropriate rewards, but empirical evidence for this argument is scarce (Kagan, Lovejoy, & Leider, 2017). In contrast, a behavioral perspective favors equal over unequal equity splits because equal splits facilitate unity of purpose and commitment among founders, which should enhance team effectiveness (Kroll, Walters, & Le, 2007). Although this perspective considers that equity distribution can impact the structure of entrepreneurial teams in terms of attitudinal and motivational homogeneity, it neglects the potential impact of equity distribution on the establishment of hierarchies within teams (Kotha & George, 2012). Considering hierarchies, however, appears crucial because hierarchies are known to influence team interactions, such as coordination activities and decision-making processes (Anderson & Brown, 2010; Magee & Galinsky, 2008), and thus represent an important outcome of equity distribution shaping the consequences of more or less unequal equity splits for founders and their new ventures.

In the present study, we extend these limited perspectives by adopting a human organizing behavior perspective rooted in social psychology (Gruenfeld & Tiedens, 2010) to theorize how equity distribution, through its impact on entrepreneurial team structure, influences founder satisfaction with the team as a key indicator of team effectiveness. The human organizing behavior literature suggests that individuals prefer homogenous structures on the one

[1] This essay is co-authored by Nicola Breugst and Holger Patzelt. They provided the data, advised me regarding the theoretical model, and reviewed the essay.

[2] This essay has been accepted for presentation at (1) Babson College Entrepreneurship Research Conference (BCERC), 2018 (Waterford, Ireland); and (2) 77th Annual Meeting of the Academy of Management, 2018 (Chicago, USA).

hand and hierarchical structures on the other hand. Taking an individual-level perspective, we argue that while more equal equity distributions address founders' preferences for homogeneity within entrepreneurial teams with respect to perceived group membership, attitudes, and behavior, more unequal equity distributions address their preferences for hierarchies, suggesting opposing effects of the level of equity inequality on founder satisfaction with the team. We focus on founder satisfaction with the team as an attitudinal outcome of equity distribution because traditional organizational-level performance measures, such as venture capital investment (Hellmann & Wasserman, 2016) and post-IPO performance (Kroll, Walters, & Le, 2007), do not sufficiently capture the proximal impact of equity distribution on entrepreneurial team members. As described by Foo, Sin, and Yiong (2006: 390), in the early stages of new venture development, it is important that the team members "stay together and remain excited about the team's ideas." If team members fail to do so, they are unlikely to progress to the developmental stages wherein more distal performance measures become meaningful outcome variables. In fact, recent empirical work could not establish a direct and causal relationship between equity distribution and new venture performance (Hellmann & Wasserman, 2016).

Satisfaction with the team is a dynamic state that depends on founders' ongoing evaluations of their teams (Kong, Konczak, & Bottom, 2015; Marks, Mathieu, & Zaccaro, 2001). In the new venture context, founders experience periods of high uncertainty and ambiguity, often face high time pressure, and need to deal with temporary setbacks, which threatens their stocks of resources and thus causes stress (Hobfoll, 1989). In an effort to counteract resource loss in stressful situations, it seems likely that founders will adjust their organizing preferences regarding team homogeneity and hierarchy accordingly. Therefore, we theorize that the relationship between equity equality and founder satisfaction is contingent on founders' stress. We test our theoretical model with a sample of 112 founders nested within 55 entrepreneurial teams, relying on a longitudinal research design and multiple data sources. Our study makes contributions to the literatures on equity distribution and stress in the context of entrepreneurship, and it informs the literature on reward systems in general.

First, our theoretical perspective integrates both the benefits and shortcomings of more and less unequal equity distributions and thus provides a more comprehensive perspective on the implications of equity distribution. By examining the impact of equity distribution on founder satisfaction with the team, our findings inform central questions in the conversation on equity distribution—namely, whether equal equity splits are a good decision and whether such splits

make entrepreneurial teams more stable (Wasserman, 2012). Consistent with our theorizing, we find that entrepreneurial teams benefit from moderately unequal equity splits, indicating the importance of testing the implications of equity distribution along a continuum of equity splits rather than considering equal and unequal equity splits as a binary choice (Hellmann & Wasserman, 2016).

Second, our study addresses the role of stress in the context of entrepreneurial teams, thus complementing the entrepreneurship literature, which has mainly concentrated on stress as a direct outcome of entrepreneurial action (Boyd & Gumpert, 1983; Jamal, 1997; Lewin-Epstein & Yuchtman-Yaar, 1991) and its consequences for individual entrepreneurs (Baron, Franklin, & Hmieleski, 2016; Cardon & Patel, 2015; Pollack, Vanepps, & Hayes, 2012). Our results suggest that founders' stress influences their attitudes toward their teams' structure as a function of equity distribution, which indicates a greater need to consider founders' social environments to understand the role of stress in the entrepreneurial context.

Third, by focusing on equity, which represents a team-based reward whose overall value likely increases with the team's collective efforts, our study addresses the literature on reward systems in general. While prior research advances our knowledge of the consequences of team-based rewards compared to individual-based rewards, such as higher levels of cooperation (Barnes, Hollenbeck, Jundt, DeRue, & Harmon, 2011; Besser, 1995; Deutsch, 1949), it reveals little about the implications of different distributions of team-based rewards among team members (Bamberger & Levi, 2009; DeMatteo, Eby, & Sundstrom, 1998). Our study informs this gap by investigating how inequality in team-based reward distributions influences member satisfaction with the team.

2.2 Theory and hypotheses

Satisfaction with the team is an important individual-level outcome of teamwork that captures a team member's positive and pleasant feelings about working in his or her current team (Peeters, Rutte, van Tuijl, & Reymen, 2006; Shaw, Zhu, Duffy, Scott, Shih, & Susanto, 2011). Satisfaction with the team is an affect-based emergent state that reflects an individual's willingness to continue working in his or her team, making it a strong indicator for perseverance and team stability (de la Torre-Ruiz, Ferrón-Vílchez, & Ortiz-de-Mandojana, 2014; Kong, Konczak, & Bottom, 2015; Peeters, Rutte, van Tuijl, & Reymen, 2006). Accordingly, satisfaction with the team is considered as an important indicator of team effectiveness (Mathieu,

Maynard, Rapp, & Gilson, 2008; Wageman, 2001) that can foster team (Kong, Konczak, & Bottom, 2015) and firm performance (Foo, Sin, & Yiong, 2006). Importantly, as an emergent state, satisfaction with the team is a dynamic construct that can vary across situations depending on the team's experience and context (Marks, Mathieu, & Zaccaro, 2001).

2.2.1 Human organizing behavior and organizational preferences

Satisfaction with the team depends on an individual's ongoing situational evaluations of his or her team's structure and the resulting team processes that guide how team members work together (Peeters, Rutte, van Tuijl, & Reymen, 2006). The literature on human organizing behavior (Gruenfeld & Tiedens, 2010) offers helpful insights to understand the link between team structure and satisfaction with the team because it describes individuals' organizational preferences, the fulfillment of which is likely to impact team members' attitudes toward their teams. This literature assumes that humans organize themselves in teams because membership in a group increases their chances of survival (Neuberg, Kenrick, & Schaller, 2010). Within their teams, humans look to fulfill psychological needs arising from fundamental anxieties, such as the fear of being alone and the fear of death (Becker, 1973; Gruenfeld & Tiedens, 2010; Pyszczynski, Greenberg, Koole, & Solomon, 2010). More hierarchical structures as well as more homogenous structures are more effective in fulfilling fundamental psychological needs than less hierarchical and less homogenous structures and thus arise and persist more frequently than other organizational structures (Gruenfeld & Tiedens, 2010). In fact, both social hierarchies and homogenous groups are common in the organizational sphere (Anderson & Brown, 2010; Gruenfeld & Tiedens, 2010; Liff & Wajcman, 1996).

Hierarchies derive from rank orders among individuals with respect to one or more socially valued dimensions, such as power and status (Anderson & Brown, 2010; Magee & Galinsky, 2008). Individuals tend to prefer hierarchies compared to egalitarian structures because they better satisfy their needs for certainty, predictability, and structure (Halevy, Chou, & Galinsky, 2011; Magee & Galinsky, 2008; Whitson & Galinsky, 2008) as well as their need for achievement (Gruenfeld & Tiedens, 2010; McClelland, 1975). In contrast, homogeneity relates to minimal variation between individuals on focal attributes (Harrison & Klein, 2007), including behavioral, sociodemographic, and intrapersonal characteristics (McPherson, Smith-Lovin, & Cook, 2001). Individuals tend to prefer homogenous structures compared to heterogeneous arrangements because they better fulfill their fundamental human needs for belonging and affiliation (Baumeister & Leary, 1995; Gruenfeld & Tiedens, 2010). Consistently, different perspectives, such as the homophily principle (Lazarsfeld & Merton, 1954),

the similarity-attraction paradigm (Byrne, 1961), and in-group favoritism (Tajfel & Turner, 1979), document that individuals have a strong and robust preference for social homogeneity. In teams whose members are well acquainted with each other, deep-level characteristics, such as attitudes, beliefs, and motivations, play a more critical role for homogeneity perceptions than overt surface-level demographic characteristics, such as gender and age, which instead affect initial categorization processes (Harrison, Price, & Bell, 1998; Stangor, Lynch, Duan, & Glas, 1992; Tsui, Egan, & O'Reilly III, 1992).

In sum, the literature on human organizing behavior suggests that founders will have structural preferences for both hierarchy and homogeneity within their entrepreneurial teams. We now draw on these arguments to theorize on how the level of inequality of equity distribution within entrepreneurial teams impacts founder satisfaction with the team.

2.2.2 Equity distribution, team structure, and founder satisfaction with the team

Equity splits are the "first deal" that founders need to make in entrepreneurial teams (Hellmann & Wasserman, 2016: 2647). Equity splits have far-reaching consequences for founders, entrepreneurial teams, and new ventures because the distribution of equity among founders is, despite the legal possibility of dynamic distribution regulations, usually designed to be rather static and generally does not change over time (Breugst, Patzelt, & Rathgeber, 2015; Hellmann & Wasserman, 2016; Wasserman, 2012). We expect that equity distribution, through its impact on team structure in terms of hierarchy and homogeneity, influences founder satisfaction with the team. Indeed, the preferences for hierarchy and homogeneity will be particularly salient in the entrepreneurial team context. On the one hand, hierarchies resulting in clearer structures in entrepreneurial teams will be particularly valuable for founders because they may help counteract the typically high levels of uncertainty and ambiguity that characterize the new venture context in general (McMullen & Shepherd, 2006; Stinchcombe, 1965) and entrepreneurial teams more specifically (Sine, Mitsuhashi, & Kirsch, 2006). On the other hand, homogeneity within entrepreneurial teams can enhance founders' feelings of closeness to their team members, thus addressing their needs for belonging and affiliation. Addressing these needs is particularly important for founders to avoid feelings of loneliness that often characterize entrepreneurial careers (Boyd & Gumpert, 1983). We now develop these arguments in more detail.

Equity inequality and hierarchy. The distribution of equity among co-founders has implications for the presence of hierarchies within entrepreneurial teams (Kotha & George, 2012).

The more unequally equity is distributed, the more founders are differentiated in terms of power, status, and participation, representing the three central dimensions of hierarchy (Halevy, Chou, & Galinsky, 2011; Magee & Galinsky, 2008). First, unequal equity distributions create asymmetries in power because the founders' control over resources usually depends on their equity ownership (Nelson, 2003). Owners have the power to decide on the use of their property and to regulate others' use of it (Monks & Minow, 2004). A founder with a large relative equity share acquires extraordinary power over the venture's resources compared to his or her co-founders. In contrast, a founder who has relatively little equity ownership in the venture can be outvoted by his or her co-founders, which gives him or her less power over the venture's resources (Monks & Minow, 2004; Nelson, 2003).

Second, unequal equity distributions establish differences in founders' statuses. A founder's status is determined by the degree to which others respect and admire him or her (Goldhamer & Shils, 1939). In an entrepreneurial team with an unequal equity split, a founder with a high relative equity share typically holds a more prestigious position (e.g., CEO) than his or her co-founders, making him or her part of the managerial elite, which will in turn elicit higher levels of respect and admiration from others (Finkelstein, 1992; Wasserman, 2012). In contrast, a co-founder with a low relative equity share is less likely to occupy a leading position in the new venture. Instead, he or she may serve in a more supportive function that gives less prestige than a co-founder who takes a position at the head of the new venture (Finkelstein, 1992; Wasserman, 2012). Such status differences will increase the more unequally equity is distributed among team members.

Third, based on differences in ownership, founders usually participate differently in new venture tasks and activities. Typically, more ownership is associated with greater contributions, whereas those who own smaller equity stakes often contribute less to venture outcomes (Jung, Vissa, & Pich, 2017; Wasserman, 2012). High relative ownership also implies that a founder takes more responsibility for the new venture than his or her co-founders (Monks & Minow, 2004; Wasserman, 2012). Thus, the more unequally equity is distributed in an entrepreneurial team, the more the founders are differentiated in terms of participation.

Independent of majority or minority ownership, the presence of hierarchies in entrepreneurial teams conveys functional value for founders and will therefore foster founders' positive attitudes toward their teams. Hierarchies within teams provide founders with clear lines of direction and simplify social interactions by setting behavioral expectations as a function of founders' equity shares (Halevy, Chou, & Galinsky, 2011; Magee & Galinsky, 2008; Tiedens,

Unzueta, & Young, 2007). These coordination benefits are particularly strong in teams whose members work in a highly interdependent way (Halevy, Chou, & Galinsky, 2011; Halevy, Chou, Galinsky, & Murnighan, 2012), such as entrepreneurial teams (Blatt, 2009). In hierarchical teams, founders also enjoy benefits with respect to collective decision-making processes. Hierarchies facilitate such processes because they distribute power to selected individuals (Anderson & Brown, 2010; Van Vugt, Hogan, & Kaiser, 2008), which reduces the time to resolve conflicting opinions (Young-Hyman, 2017). Extensive team debates, in contrast, diminish satisfaction with the team even when they are solely task related (de la Torre-Ruiz, Ferrón-Vílchez, & Ortiz-de-Mandojana, 2014). Supporting this pattern, scholars observe that founders in teams with equal equity splits that lack hierarchical differentiation experience difficult and lengthy collective decision-making processes because it is hard to find a compromise (Breugst, Patzelt, & Rathgeber, 2015). Consistently, practitioners caution against an equal equity split as "it positions founders to become deadlocked when tough decisions need to be made" (Schall, 2016: 1).

Prior work also suggests that both majority or minority founders in hierarchical teams experience lower levels of intra-group conflict and higher levels of team cohesion as a result of the clear allocation of power and responsibilities (Anderson & Brown, 2010; Halevy, Chou, & Galinsky, 2011; Ronay, Greenaway, Anicich, & Galinsky, 2012), which decreases confusion and frustration as well as destructive conflicts among team members from competitions for rank (He & Huang, 2011). Indeed, intra-group conflict explains productivity decrements in egalitarian teams compared to hierarchical teams (Ronay, Greenaway, Anicich, & Galinsky, 2012). Consistent with these findings, prior work indicates that a lack of hierarchical differentiation can foster negative socioemotional behaviors, including disagreement unfriendliness, displays of tension (Bales, 1970), a lack of solidarity, and negative emotional reactions among team members (Ridgeway & Johnson, 1990; Ridgeway, Johnson, & Diekema, 1994). In sum, these hierarchy-related arguments suggest that the more unequal the equity distribution within an entrepreneurial team, the higher founders' satisfaction with the team.

Equity inequality and homogeneity. Equity distribution will also influence the level of homogeneity among founders along central dimensions: homogeneity as a function of perceived in-group membership (McCain, O'Reilly, & Pfeffer, 1983), motivational and attitudinal homogeneity (Byrne, 1961), and behavioral homogeneity (Gruenfeld & Tiedens, 2010; Martin, 2001). These homogeneity dimensions appear highly relevant for explaining founder satisfaction with the team. First, the less unequally equity is distributed in an entrepreneurial team,

the more homogenous founders are in their perceived membership to the team. More equal equity splits create similarities among co-founders (e.g., similar risk taking, similar responsibilities) that can help them identify with each other and feel like a team (Tajfel & Turner, 1979). Exemplifying this pattern, a founder whose team had split equity equally reported that this distribution implied a feeling of "we are a team" (Wasserman, 2012: 160). In contrast, when equity is distributed more unequally, team members are less likely to feel "in the same boat" as their co-founders.

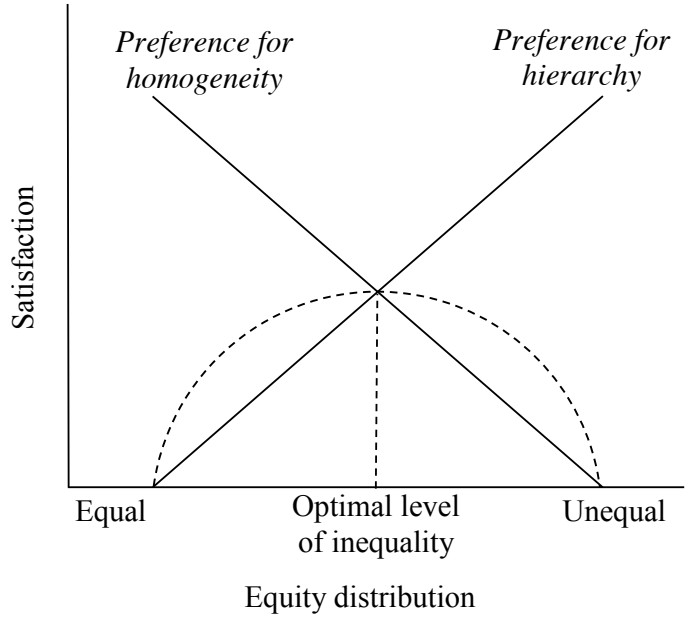
Second, lower levels of equity inequality foster homogeneity of attitudes and motivations. Ownership in a firm increases an individual's organizational commitment and willingness to pursue the firm's interests (Buchko, 1992). Thus, more equal equity distributions create similarity in commitment and unity of purpose (Kroll, Walters, & Le, 2007). More unequal equity distributions, in turn, will be less effective in motivating founders to pursue their ventures' interests to a similar extent. A founder who owns substantially less equity than his or her co-founders is likely to show less devotion to his or her new venture, which is likely to create great differences in commitment and, thus, challenges unity of purpose in the entrepreneurial team.

Third, an individual founder's effort was found to depend on his or her level of venture ownership (Bitler, Moskowitz, & Vissing-Jørgensen, 2005). Thus, we expect behavioral homogeneity in terms of effort to increase with decreasing equity inequality. In teams with more equal equity splits, founders will dedicate similar levels of effort into their new ventures. In contrast, in teams with unequal equity splits, founders' effort investments are likely to differ. Supporting this pattern, qualitative work on equity distribution in entrepreneurial teams indicates that unequal equity splits often come with different time investments on behalf of co-founders (Breugst, Patzelt, & Rathgeber, 2015).

These forms of homogeneity within teams conveys functional value, too, that will lead to positive attitudinal outcomes, such as satisfaction with the team. Founders are exposed to less interpersonal conflict in more homogenous teams because the similar viewpoints, attitudes, and behaviors within more homogeneous teams give less rise to such conflict (Jehn & Bezrukova, 2004; Jehn, Chadwick, & Thatcher, 1997). In turn, less conflict among entrepreneurial team members will foster founder satisfaction with the team (De Dreu & Weingart, 2003; Jehn, Rispens, & Thatcher, 2010; Shaw et al., 2011). Founders also likely experience higher communication quality and information sharing when their teams are more homogenous because similar individuals share information more deliberately and effectively

(Mesmer-Magnus & DeChurch, 2009; Valls, González-Romá, & Tomás, 2016). With more open team communication, founder satisfaction with the team will increase (Foo, Sin, & Yiong, 2006). Finally, founders who are members of more homogenous teams are likely to experience more empathic reactions and altruistic behaviors from team members because perceptions of similarity support team members' ability to imagine how they would feel in their co-founders' situations (Krebs, 1975). These arguments suggest a positive relationship between homogeneity based on equal equity distributions in entrepreneurial teams and founder satisfaction with the team.

Figure 1. Latent mechanisms underlying the inverted U-shaped relationship between equity inequality and satisfaction with the team



Equity inequality, hierarchy, and homogeneity. In sum, our arguments suggest that equity inequality positively influences the development of hierarchies and negatively influences the level of homogeneity among founders of entrepreneurial teams. Thus, founders' preference for hierarchy is increasingly met with higher levels of equity inequality. In contrast, their preference for homogeneity is increasingly met with lower levels of equity inequality. Accordingly, we theorize that equity inequality has a positive effect on founder satisfaction with the team based on the preference for hierarchy and a concurrent negative effect on founder satisfaction with the team based on the preference for homogeneity. As illustrated in Figure 1, the interaction of these two effects suggests a curvilinear relationship between equity inequality and satisfaction with the team. Satisfaction will be highest at moderate levels of equity inequality, which balance the psychological and functional benefits and downsides of hierar-

chy and homogeneity. Higher levels of hierarchy coincide with low levels of homogeneity among founders, which diminish satisfaction. Contrary, higher levels of homogeneity concur with low levels of hierarchical differentiation among team members, which reduce satisfaction. Thus, we hypothesize the following:

> *Hypothesis 1: The level of equity inequality in entrepreneurial teams will have an inverted U-shaped relationship with founder satisfaction with the team.*

2.2.3 The moderating role of founders' stress

While our theorizing suggests that equity inequality within entrepreneurial teams can impact founder satisfaction with the team based on organizational preferences, these preferences are potentially influenced by the situational stress founders may experience due to their typically high job demands (Stephan & Roesler, 2010). Conservation of resources theory (Hobfoll, 1989) conceptualizes stress as an individual's reaction to a situation in which his or her stock of resources is threatened or lost. Resources refer to entities that have value for an individual, such as a position, status, and economic stability, which are closely tied to certainty and predictability. Individuals also have general resistance resources, such as self-esteem and a sense of pride (Hobfoll, 1989, 2001). Social support, e.g., through team members (Mannor, Wowak, Bartkus, & Gomez-Mejia, 2016), serves as a means to preserve or provide resources (Hobfoll, 1989), rather than representing a resource itself.

Founders often operate in highly uncertain and unpredictable environments (McMullen & Shepherd, 2006; Sine, Mitsuhashi, & Kirsch, 2006), which can make entrepreneurship a stressful experience. Shaping the fortunes of their new ventures and their stakeholders, founders often feel pressure from bearing high levels of responsibility (Baron, Franklin, & Hmieleski, 2016). Further, a lack of structure in the context of new ventures creates ambiguities that can increase founders' stress levels (Buttner, 1992; Sine, Mitsuhashi, & Kirsch, 2006). Long working hours challenge many founders psychologically and physically and often make them refrain from recreational activities (Boyd & Gumpert, 1983; Cardon & Patel, 2015). Also, most founders face significant resource constraints (Baker & Nelson, 2005) and typically need to navigate in interdependent webs of team members and external stakeholders (Boyd & Gumpert, 1983), which adds to the high job demands of entrepreneurs in general. Accordingly, scholars emphasize the often stressful nature of entrepreneurship (Cardon & Patel, 2015; Uy, Foo, & Song, 2013), highlighting stress as an important contingency in the new venture context that may influence founders' preferences regarding the structure of their teams. Specifically, we expect stressed founders to develop stronger preferences for team

structures that can help them preserve or replace resources because individuals confronted with stress strive to minimize a net resource loss (Hobfoll, 1989).

First, we suggest that founders develop a stronger preference for hierarchy when confronted with stress because hierarchical differentiation in teams can compensate for the potential resource loss threatening founders in the entrepreneurial context. When facing resource loss and when direct replacement of that resource is not possible, individuals strive to replace it symbolically or through indirect means (e.g., Hobfoll, 1989; Huffman, Culbertson, Wayment, & Irving, 2015). Hierarchical differentiation in a team can act as a (symbolic) replacement for resources in the entrepreneurial context. Hierarchies in the entrepreneurial team attenuate uncertainties and ambiguities, make team members' behaviors more predictable, and establish structures and rules that facilitate coordination and decision-making processes (Anderson & Brown, 2010; Halevy, Chou, & Galinsky, 2011; Magee & Galinsky, 2008). For example, when founders face high levels of stress triggered by uncertainty (e.g., when the new venture appears to run out of financial means), they are likely to seek more hierarchy in their teams to symbolically compensate for this loss of certainty. Similarly, in periods of intense workloads, founders are likely to prefer hierarchy in their teams more strongly because it facilitates and speeds up the performance of interdependent tasks, such as decision making, thus preventing a loss of time (Anderson & Brown, 2010; Halevy, Chou, Galinsky, & Murnighan, 2012; Young-Hyman, 2017). As a final example, in stressful situations of diminishing predictability (e.g., when the new venture loses a pilot customer), founders will strive to counteract this loss of predictability by reinforcing it in their teams, which is likely to manifest in a stronger preference for hierarchy. In line with our argument of stress increasing founders' preference for hierarchy, scholars show that individuals seek more hierarchical structures when facing high levels of uncertainty and tension (Argote, Turner, & Fichman, 1989). In contrast, in the absence of stress, founders' preference for hierarchy will be weaker because they will not experience the need to counteract or compensate for (the threat of) resource loss. For example, in less stressful periods of lower uncertainty, less intense workload, and higher predictability, founders will perceive less need to increase certainty, efficiency, and predictability within their teams as they do not face a net loss of these resources.

Second, we suggest that founders also develop a stronger preference for homogeneity as their stress increases because homogenous teams facilitate social support and are thus more effective in helping founders counteract resource loss. Social support facilitates the acquisition and preservation of resources. For example, it increases the likelihood that individuals will active-

ly seek assistance and advice, conveys a sense of mastery in stressful situations, and promotes a positive view of the self (Hobfoll, 1989; Ito & Brotheridge, 2003). Awareness of possible support from others reduces the potential harm individuals perceive from stressors and helps them reframe stressors as challenges rather than threats (Cohen & Wills, 1985). Scholars distinguish different types of social support, such as esteem support and social companionship based on acceptance, belongingness, and affiliation with others (Cohen & Wills, 1985). Homogeneity in entrepreneurial teams will facilitate such support because it fosters closer social relationships and feelings of belongingness and affiliation (Byrne, 1961; Lazarsfeld & Merton, 1954; Tajfel & Turner, 1979). In line with our reasoning, recent research suggests that executives who feel threatened in loss contexts seek team members who will build a social buffer around them (Mannor, Wowak, Bartkus, & Gomez-Mejia, 2016), and entrepreneurship scholars suggest that social networks help entrepreneurs distance themselves from the stress they experience at work (Boyd & Gumpert, 1983) because social ties reduce the negative impact of economic stress on entrepreneurs' well-being (Pollack, Vanepps, & Hayes, 2012). In contrast, when founders' stress is low, they are likely to perceive less need for social support to provide or help preserve resources. Therefore, founders will be less concerned with the level of homogeneity in the team that would facilitate social support. As a result, the founder's preference for homogeneity is likely to be weaker.

In sum, we argue that founders' preferences for hierarchy and homogeneity become stronger as their stress increases because hierarchy and homogeneity help founders deal with (the threat of) resources being lost. With respect to equity distributions in entrepreneurial teams, our theorizing implies that founders' stress increases both the positive effect (based on the preference for hierarchy) and the negative effect (based on the preference for homogeneity) of equity inequality on founder satisfaction with the team. Thus, both effects underlying the curvilinear relationship between equity inequality and satisfaction with the team become more accentuated with increased founder stress. Compared to Figure 1, the reinforcement of these effects implies steeper slopes for both lines, which accentuate the curvature of the inverted U-shaped relationship. Thus, we hypothesize the following:

> *Hypothesis 2: Founders' level of stress moderates the inverted U-shaped relationship between the level of equity inequality in entrepreneurial teams and founder satisfaction with the team such that at higher levels of stress, the inverted U-shape will be more accentuated than at lower levels of stress*.

2.3 Research methods

2.3.1 Research design and sample

Our sample included 112 founders of 55 entrepreneurial teams. We sampled these teams from business incubators in the European metropolitan area where our research institution is located. We chose this sampling context to facilitate the identification of young ventures with high founder ownership (Rice, 2002) and to increase the accessibility of the teams for data collection. In the first step, we compiled a list of all ventures located in the incubators (n = 289). We gathered data on the founders and their ventures (i.e., names, team size, venture age, type of organization) from the incubators' and ventures' websites and via telephone calls and onsite visits. Based on this initial research, we identified 195 new ventures that matched our sampling criteria. These ventures were run by entrepreneurial teams (Klotz, Hmieleski, Bradley, & Busenitz, 2014) instead of individual founders; they were new (i.e., not older than six years; Amason, Shrader, & Tompson, 2006); and they were predominantly owned by the founders, which excluded spinoffs of larger companies. During the phone calls and onsite visits, we asked the founders to participate in our study. Sixty-four teams agreed to participate, whereas 65 teams declined, and another 66 teams were inaccessible. We tried to contact these 66 teams multiple times, but we eventually learned from the incubators' staff that many of these teams did not operate yet or any longer.

We used a longitudinal research design and different data sources, which allowed us to model temporal precedence (Gollob & Reichardt, 1987; Maxwell & Cole, 2007) and limit common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). After our initial research about the founders and ventures, we conducted personal interviews with the founders of the 64 teams that had agreed to participate in our study (t_0). In these interviews, we asked them for information about the equity distributions in their teams. Founders of 59 teams disclosed this information, which was not publicly available because of the rather small and young firms in our sample. Moreover, we captured the moderating variable and control variables of our model in two rounds of online questionnaires that were 18 weeks apart (t_1 and t_3) and the dependent variable in two rounds of lagged surveys nine weeks after the two questionnaire rounds (t_2 and t_4). Our final dataset included 185 observations from 112 founders nested in 55 entrepreneurial teams.

The founders in our final sample were on average 31.98 years old (SD = 8.29), 90.18% of them were male, and 75.88% of them had a master's degree or higher. The entrepreneurial

teams had an average of 2.49 founders (SD = 0.71). On average, the teams had existed for 3.34 years (SD = 2.37) and had worked for 2.70 years in the current composition (SD = 2.07), which could deviate from the initial team composition. The average venture age was 2.12 years (SD = 1.61), and the ventures operated in the following industries: services (41.82%), computer hardware and software (27.27%), e-commerce (7.27%), material and natural sciences (7.27%), consumer goods (5.45%), and other industries (10.91%).

2.3.2 Measures

Satisfaction with the team. We measured the dependent variable, satisfaction with the team, using a scale by Jehn, Rispens, and Thatcher (2010). The scale included three items asking participants to indicate their perceived satisfaction, happiness, and enjoyment working with their teams during the last weeks on a seven-point Likert-type scale (1 = not at all, 7 = completely). For example, respondents were asked to assess the item "I am very satisfied working with this team." The average reliability (Cronbach's alpha) of the scale across the two questionnaires is 0.96.

Equity inequality. We used the Gini coefficient to measure our independent variable, the inequality of equity distribution. We chose this measure based on recommendations to operationalize inequality in research on diversity in organizations (Harrison & Klein, 2007) and consistent with prior research on equity distribution in entrepreneurial teams (Kotha & George, 2012). The Gini coefficient is a concentration index that has widespread application across different research areas, such as economics, finance, strategy, organizational theory, and organizational behavior (Harrison & Klein, 2007). It captures deviation from an equal distribution of resources (i.e., equity in our case) and takes values between 0 (equal distribution) and 1 (maximally unequal distribution; one founder owns all equity). Specifically, the Gini coefficient is calculated using the following formula:

$$G = \left(\frac{1}{2n^2u}\right)\sum_{i=1}^{n}\sum_{j=1}^{n}|y_i - y_j|,$$

where n is the number of founders, u is the average equity per founder, and y_i is the equity owned by an individual founder i. The equity shares y_i of the individual founders were coded from the interviews conducted in t_0 and did not change over the course of our study.

Stress. To measure founders' stress at work as the moderating variable, we used a 13-item work stress scale suggested by Parker and DeCotiis (1983) (average Cronbach's alpha =

0.88). The items captured founders' responses to questions like "I have felt fidgety or nervous as a result of my work" and "My work gets to me more than it should." We asked respondents to reflect on their last few weeks at work and indicate their agreement with the items on a Likert-type scale ranging from 1 (not at all) to 7 (completely).

Control variables. Based on theoretical arguments, we considered several control variables at the individual, team, and venture level that might influence founder satisfaction with the entrepreneurial team. First, consistent with recommendations for causal modeling (Gollob & Reichardt, 1987), we controlled for potential autoregressive effects. Thus, we controlled for *prior satisfaction with the team*, measured in t_1 and t_3 using the same scale as for the dependent variable (see above) (average Cronbach's alpha = 0.95). Second, at the level of the respondent, we used a dummy variable to control for *majority ownership* (1 = majority owner, 0 = not majority owner) because founders' perceptions of their teams are likely to be impacted by their level of power and responsibilities in their teams. The information on majority ownership was coded from the information on equity distributions within the teams. Third, we considered *gender* as a binary coded control variable at the individual level (0 = male and 1 = female) based on prior findings that satisfaction with the team is negatively associated with the female gender (Gevers & Peeters, 2009). We surveyed gender in t_1. Fourth, we controlled for individual founders' *entrepreneurial experience* as it might be related to founders' preferences with respect to their teams' equity distributions (Kotha & George, 2012). Consistent with prior research (Stuart & Abetti, 1990), we measured entrepreneurial experience in t_1 by asking the individual team members how many firms they had previously founded.

At the team level, we controlled for team age and team size. *Team age* reflects the extent to which founders are familiar with each other. The longer teams have worked together, the more likely are they to have established internal routines and structures (Sine, Mitsuhashi, & Kirsch, 2006), which may substitute for the functionality of hierarchies. We asked respondents in t_1 to indicate when members of their entrepreneurial team had started working together in the current composition/setup (if applicable even before founding the venture). Further, *team size* impacts team processes, such as behavioral integration (Simsek, Veiga, Lubatkin, & Dino, 2005), which makes it an important control variable when explaining satisfaction with the team (Foo, Sin, & Yiong, 2006). We had researched the team sizes (i.e., the number of team members in the current team compositions) online before our primary data collection and validated these numbers during the interviews in t_0.

Finally, at the venture level, we controlled for *sales*, which represents an important indicator of team success and may thus shape founders' attitudes toward their teams. In new ventures, high sales figures are rather unlikely (Foo, Sin, & Yiong, 2006); the relevant question is whether the venture generates any sales at all. Accordingly, we used a dummy variable to control for the presence of sales (1 = yes, 0 = no), which was surveyed in t_1.

2.3.3 Statistical analysis

We used hierarchical linear modeling (HLM) as an estimation method because it fit our assumption that the dependent variable in time t changes as a function of the independent variables in *t*-1 rather than as a function of time (Schonfeld & Rindskopf, 2007). HLM considers the presence of variance at different levels of analysis and therefore accounts for the nested structure of our data (Raudenbush & Bryk, 2002). Specifically, we had data at three levels. We analyzed 185 observations (repeated measures) nested in 112 individuals nested in 55 entrepreneurial teams. Consistent with recommendations for HLM (Hofmann & Gavin, 1998), we group mean centered all variables at Level 1 and grand mean centered all variables at Levels 2 and 3. To test for the presence of the hypothesized inverted U-shape, we followed the procedure suggested by Lind and Mehlum (2010), which we describe below.

2.4 Results

We present the descriptive statistics and correlations in Table 2. The highest variance inflation factor (VIF) in the model without quadratic terms was 1.50, indicating that multicollinearity is unlikely to bias our estimations. Not surprisingly, as we entered the quadratic terms of equity inequality, the VIF of equity inequality rose to 5.40, which is still below the widely recognized cutoff value of 10 (Hair, Black, Babin, Anderson, & Tatham, 1998).

We present the HLM results in Table 3. We entered the control variables, main effect predictors, and predictors for testing the moderation hypothesis sequentially. For each model, we report an indicator of explained variance (Pseudo R^2) as suggested by Snijders and Bosker (1999), which is suited for models with variance at different levels. The Pseudo R^2 value increased as we sequentially entered the predictors of our theoretical model, indicating a proportional reduction in residual variance.

Model 1 includes the control variables only. Prior levels of satisfaction have a significant and positive autoregressive effect on satisfaction with the team ($\beta = 0.27$, $p = 0.02$). In Model 2 of

Table 3, we entered equity inequality and its squared term as predictors to test Hypothesis 1. Following recommendations for the empirical investigation of curvilinear relationships (Haans, Pieters, & He, 2016; Lind & Mehlum, 2010), we investigated three necessary conditions to test for the presence of an inverted U-shaped relationship between equity inequality and satisfaction with the team, as expressed in Hypothesis 1. First, our results reveal a negative and statistically significant coefficient of equity inequality squared ($\beta = -7.54$, $p = 0.04$), which is consistent with an inverted U-shaped relationship. Second, we estimated the slopes at the ends of the range of equity inequality values. The slope at the lower bound is positive and significant ($\beta = 4.55$, $p = 0.02$), and the slope at the upper bound is negative and significant ($\beta = -6.48$, $p = 0.03$). These estimates are consistent with the inverted U-shape. Third, we estimated the location of the turning point, including its 95% confidence interval (X = 0.21 [0.10; 0.32]), and found that this confidence interval is located well within the range of X-values—that is, between the minimum (X = – 0.09) and maximum value of equity inequality (X = 0.64). Taken together, our data supports an inverted U-shaped relationship between equity inequality and satisfaction with the team, which is consistent with Hypothesis 1.

The turning point of X = 0.21 was estimated based on the transformed, i.e., grand mean centered, values of equity inequality. The true untransformed turning point can be derived from adding the mean value of equity inequality (Haans, Pieters, & He, 2016). The untransformed turning point in our data is located at X = 0.30, which indicates that maximum satisfaction with the team is reached with a moderately unequal equity distribution that is closer to equal (X = 0) than to a completely unequal equity distribution (X = 1).

We tested Hypothesis 2 in Model 3 of Table 3. Here, we entered the interaction between the squared term of equity inequality and stress as well as the related lower-order terms (Aiken & West, 1991). The interaction term of stress and the squared term of equity inequality is negative and significant ($\beta = -24.42$, $p = 0.00$). This result supports Hypothesis 2, which predicts that stress amplifies the inverted U-shaped relationship between equity inequality and satisfaction with the team. We plotted this interaction in Figure 2 for different levels of perceived stress—namely, at the minimum (–1.12, dotted line), one standard deviation below the mean (–0.31, dash dotted line), one standard deviation above the mean (0.31, dashed line), and at the maximum (1.12, solid line). The plot shows that the inverted U-shaped relationship flattens as stress decreases. Interestingly, at a (group mean centered) stress value of 0.31 (i.e., one standard deviation below its mean), the curve flips to a U-shape, indicating that at very low levels of stress, there is a U-shaped relationship between equity inequality and satisfaction

Table 2. Correlations and descriptive statistics

	Variables	M	SD	1	2	3	4	5	6	7	8	9
1	Satisfaction with the team, *t* +1	5.99	1.18	1.00								
2	Satisfaction with the team	6.08	1.08	0.74***	1.00							
3	Equity inequality[#]	0.09	0.17	0.03	–0.03	1.00						
4	Stress	2.99	1.04	–0.13[†]	–0.17*	0.14	1.00					
5	Majority owner[#§]	0.17	0.38	0.01	–0.02	0.49***	0.08	1.00				
6	Gender[#‡]	0.10	0.30	–0.17*	–0.09	0.10	0.01	–0.01	1.00			
7	Entrepreneurial experience[#]	0.56	0.84	–0.01	–0.02	0.01	–0.19*	–0.10	–0.11	1.00		
8	Team age[#]	2.55	2.22	0.07	0.04	–0.13	0.04	–0.03	–0.09	0.10	1.00	
9	Team size[#]	2.63	0.76	0.06	0.09	0.13	–0.03	–0.04	–0.15*	–0.02	–0.29***	1.00
10	Sales[#§]	0.73	0.45	–0.00	–0.02	0.23**	0.15*	0.09	–0.09	–0.01	0.31***	0.09

Notes. $N = 185$ observations; *** $p < .001$; ** $p < .01$; * $p < .05$; [†] $p < 0.1$

[#] Individual- and team-level measures were assigned down to the level of the observation for calculating the statistics displayed

[§] 1 = Yes, 0 = No

[‡] 1= Female, 0 = Male

Table 3. Hierarchical linear model for the prediction of satisfaction with the team

Variables	Model 1			Model 2			Model 3		
	B	SE	p	B	SE	p	B	SE	p
Intercept	6.19***	0.23	0.00	6.49***	0.26	0.00	6.50***	0.26	0.00
Control variables									
Satisfaction with the team *t*-1	0.27*	0.11	0.02	0.27*	0.11	0.02	0.24*	0.11	0.04
Majority owner[§]	-0.14	0.25	0.58	-0.33	0.28	0.23	-0.34	0.28	0.22
Gender[‡]	-0.99**	0.34	0.00	-1.04**	0.34	0.00	-1.05**	0.34	0.00
Entrepreneurial experience	-0.01	0.12	0.91	0.01	0.12	0.94	0.01	0.12	0.94
Team age	0.01	0.05	0.83	0.02	0.05	0.65	0.02	0.05	0.67
Team size	0.07	0.18	0.69	0.12	0.17	0.46	0.12	0.17	0.46
Sales[§]	-0.09	0.25	0.74	-0.16	0.25	0.52	-0.16	0.25	0.52
Main effect									
Equity inequality				3.18*	1.52	0.04	3.18*	1.52	0.04
Equity inequality squared				-7.54*	3.63	0.04	-7.52*	3.63	0.04
Moderation effect									
Stress							0.36	0.23	0.12
Equity inequality × Stress							6.31**	2.00	0.00
Equity inequality squared × Stress							-24.42**	8.13	0.00
Pseudo R^2	0.05			0.11	Δ 127.33%		0.12	Δ 15.73%	

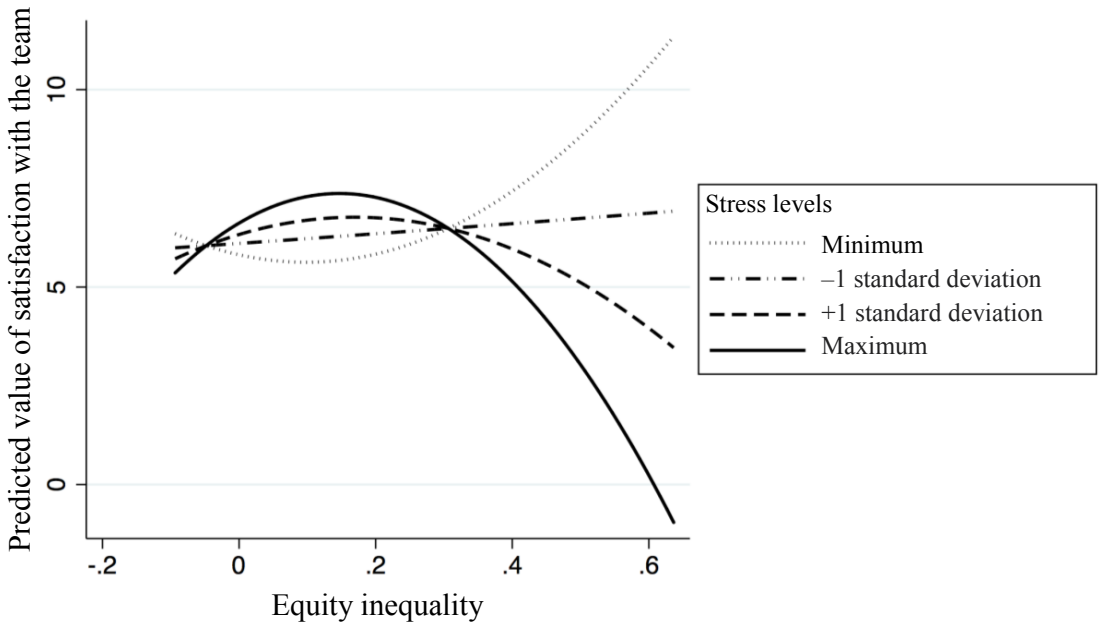
Notes. Number of observations = 185; number of individuals = 112; number of teams = 55; *** p < .001; ** p < .01; *p < .05; [†] p < 0.1

[§] 1 = Yes, 0 = No

[‡] 1= Female, 0 = Male

with the team. This observation indicates that Hypothesis 1 does not hold over the entire data range, but it does so when values of the moderator are between one standard deviation below and above the mean. We interpret this finding in the discussion section.

Figure 2. Simple slope comparison of the effects of equity inequality on satisfaction with the team among high- and low-stress entrepreneurs



2.4.1 Robustness checks

Prior qualitative work on equity distribution suggests that the perceived fairness of equity distributions may impact founders' attitudes towards their teams (Breugst, Patzelt, & Rathgeber, 2015). We did not include a fairness variable in our main analysis reported above because we did not ask founders about it at the same time as the other independent variables but only later in the lagged questionnaires with the dependent variable. While this measurement violates the temporal precedence of the independent variables, entering this control variable still offers an indication of whether our findings are robust when accounting for different perceptions of fairness. Our perceived fairness measure included one item from the workload sharing scale suggested by Campion, Medsker, and Higgs (1993) asking founders to assess whether "Everyone on [the] team does their fair share of the work" (p. 850) on a Likert-type scale ranging from 1 (not at all) to 7 (completely). As reported in Table 4, we considered perceived fairness as both a control variable (Model 2b and 3b) and a contingency to the inverted U-shaped relationship between equity inequality and satisfaction with the team (Models 2c and 3c). Controlling for perceived fairness shows that the variable is positively associated

Table 4. Robustness checks for the prediction of satisfaction with the team

Variables	Model 2b			Model 3b			Model 2c			Model 3c		
	B	SE	p	B	SE	p	B	SE	p	B	SE	p
Intercept	6.50***	0.26	0.00	6.51***	0.26	0.00	6.18***	0.47	0.00	6.19***	0.47	0.00
Control variables												
Satisfaction with the team *t*-1	0.18†	0.10	0.08	0.18	0.10	0.08	0.16	0.10	0.11	0.17	0.10	0.10
Majority owner§	-0.34	0.28	0.22	-0.34	0.28	0.21	-0.34	0.28	0.22	-0.35	0.28	0.21
Gender‡	-1.06**	0.34	0.00	-1.07**	0.34	0.00	-1.07**	0.34	0.00	-1.08**	0.34	0.00
Entrepreneurial experience	0.01	0.12	0.94	0.01	0.12	0.94	0.01	0.12	0.94	0.01	0.12	0.94
Team age	0.02	0.05	0.67	0.02	0.05	0.68	0.02	0.05	0.68	0.02	0.05	0.68
Team size	0.12	0.17	0.47	0.12	0.17	0.47	0.12	0.17	0.47	0.12	0.17	0.47
Sales§	-0.16	0.25	0.52	-0.17	0.25	0.51	-0.16	0.25	0.51	-0.17	0.25	0.51
Perceived justice	0.39***	0.08	0.00	0.36***	0.08	0.00	0.35*	0.16	0.03	0.32*	0.15	0.03
Main effect												
Equity inequality	3.18*	1.52	0.04	3.18*	1.52	0.04	3.18*	1.52	0.04	3.18*	1.52	0.04
Equity inequality squared	-7.51*	3.63	0.04	-7.50*	3.64	0.04	-7.51*	3.63	0.04	-7.50*	3.64	0.04
Moderation effect of stress												
Stress				0.39†	0.21	0.06				0.40†	0.20	0.05
Equity inequality × Stress				5.08**	1.79	0.00				5.00**	1.77	0.01
Equity inequality squared × Stress				-22.15**	7.20	0.00				-21.05**	7.21	0.00
Moderation effect of Perceived justice												
Perceived justice × Equity inequality							-1.16	1.38	0.40	-1.06	1.32	0.42
Perceived justice × Equity inequality squared							-0.47	7.09	0.95	0.26	6.92	0.97

Notes. Number of observations = 185; number of individuals = 112; number of teams = 55; *** p < .001; ** p < .01; *p < .05; † p < 0.1

§ 1 = Yes, 0 = No

‡ 1= Female, 0 = Male

with satisfaction with the team (β = 0.39, p = 0.00) as expected, but it does not change the relationship between equity inequality and satisfaction expressed in Hypothesis 1. The necessary conditions for the inverted U-shaped relationship between equity inequality and satisfaction in Model 2 are met (β = –7.51, p = 0.04). We also found support for Hypothesis 2 based on a negative and significant interaction term with stress (β = –22.15, p = 0.00) when controlling for perceived fairness in Model 3b. Entering an interaction term between equity inequality squared and fair workload sharing together with the related lower-order interactions indicates that the inverted U-shaped relationship expressed in Hypothesis 1 is not contingent on team members' perceptions of fairness (i.e., fair workload sharing; Campion, Medsker, & Higgs, 1993). While the entered interaction term has no significant impact on satisfaction with the team (β = –0.47; p = 0.95), we again found support for Hypothesis 1 (β = –7.51; p = 0.04) and Hypothesis 2 (β = –21.05; p = 0.00).

2.5 Discussion

In this study, we drew on the literature on human organizing preferences (Gruenfeld & Tiedens, 2010) to investigate how equity distribution influences founder satisfaction with the team. We argued that the level of equity inequality shapes the structure of entrepreneurial teams and thus can fulfil the founders' preferences for hierarchy and homogeneity. We hypothesized and found that equity inequality has an inverted U-shaped effect on founder satisfaction with the team, which is consistent with our theorizing that moderate levels of equity inequality lead to the highest satisfaction because they balance both hierarchy and homogeneity in entrepreneurial teams. Further, we hypothesized and empirically found that the curvilinear relationship between equity inequality and satisfaction becomes more pronounced with increased founder stress. Our study offers theoretical contributions to the literatures on equity distribution in entrepreneurial teams, stress in entrepreneurship, and reward systems in general.

2.5.1 Theoretical contributions

We theorized and tested the implications of equity distribution along a continuum of equity splits, complementing prior work that treated equal and unequal equity distributions as two discrete alternatives (Hellmann & Wasserman, 2016). Our study indicates that this nuanced

approach is important to understand the consequences of equity distribution as both our theorizing and empirical analysis support a nonlinear relationship between equity inequality and founder satisfaction. Such a nonlinear relationship might also hold true for the effect of equity distribution on venture performance. Prior studies emphasize the benefits of either equal (Kroll, Walters, & Le, 2007) or unequal equity distributions (Hellmann & Wasserman, 2016) for venture performance but do not jointly consider their merits and drawbacks. Our study suggests that integrating both perspectives, e.g., through the application of a cost-benefits perspective, has the potential to similarly advance our understanding of the link between equity inequality and venture-level outcomes in a next step.

We also contribute to the literature on equity distribution by linking it to a proximal individual-level outcome—namely, founder satisfaction with the team. Prior studies investigated the impact on rather distal outcomes, such as post-IPO performance (Kroll, Walters, & Le, 2007) and venture capital investment (Hellmann & Wasserman, 2016). While it is important to understand how equity distribution influences venture success, a sole focus on traditional firm-level outcomes is unlikely to fully capture the complex consequences of equity distribution. First, financial performance outcomes may insufficiently capture the early impact of equity distribution in nascent entrepreneurial teams when it is most important that the founders remain committed to their teams and ideas (Foo, Sin, & Yiong, 2006). Second, a direct link between equity distribution and firm performance seems difficult to establish (Hellmann & Wasserman, 2016). Our study indicates that a focus on individual founders could be a promising way forward. We found that equity inequality has an inverted U-shaped effect on satisfaction with the team, which is a well-established and powerful indicator of team effectiveness and stability (Foo, Sin, & Yiong, 2006) and a driver of team performance (Kong, Konczak, & Bottom, 2015). In his seminal work on equity distribution, Wasserman (2012: 157) documents that many teams split their equity equally, which raises the questions "Was it a good decision? Did it make the team[s] more stable?" Our study suggests negative answers to these questions; rather, it indicates that equal equity distribution will lead to lower levels of satisfaction with the team, which are likely to reduce founders' perseverance and the likelihood they will hold onto their teams. This finding stands in contrast to the firm-level study by Kroll, Walters, and Le (2007) on more mature ventures, which concentrates on the merits of equal distributions and finds a positive relationship between equity equality and performance when total founder ownership in ventures is high. However, our findings also indicate that high levels of equity inequality are connected to lower levels of satisfaction with the team, suggesting the need to find a balance between equality and extreme inequality.

Our study further emphasizes that the effects of equity distribution vary by situation. We found that the impact of equity distribution on founder satisfaction with the team depends on founders' level of stress. This finding adds to qualitative work showing that founders' attitudes toward equity distribution in their entrepreneurial teams can change over time (Breugst, Patzelt, & Rathgeber, 2015). In contrast, research focusing on venture outcomes typically takes a static perspective to understand consequences of equity distribution (Hellmann & Wasserman, 2016). Incorporating individual founders' viewpoints allows for the inclusion of the specific conditions that founders experience and that will make different equity distributions more or less adequate for them. Thus, given the inconsistent empirical results of prior studies (Hellmann & Wasserman, 2016; Kroll, Walters, & Le, 2007), future research should investigate further situational contingencies with respect to the consequences of equity distribution in entrepreneurial teams.

Our study also adds to the literature on stress in entrepreneurship. Previous work largely focuses on stress as an outcome of entrepreneurial action (Boyd & Gumpert, 1983; Jamal, 1997; Lewin-Epstein & Yuchtman-Yaar, 1991) and its consequences for entrepreneurs in terms of well-being, financial success, and withdrawal intentions (Baron, Franklin, & Hmieleski, 2016; Cardon & Patel, 2015; Pollack, Vanepps, & Hayes, 2012). Our study adds to this body of research by addressing the role of stress in the context of entrepreneurial teams. Prior research on the effect of entrepreneurs' social environments on their stress level and its relationship with withdrawal intentions (Pollack, Vanepps, & Hayes, 2012; Rahim, 1996) indicates that a social context perspective on entrepreneurial stress is important. We suggest that stress shapes entrepreneurs' organizational preferences and thus the extent to which they feel satisfied with their teams. Specifically, we theorized that with increasing stress levels, founders' preferences for hierarchy and homogeneity become stronger, and consistent with these arguments, we found a more accentuated inverted U-shaped relationship between equity inequality and founder satisfaction with the team when founders' stress increased. Future research could further explore the role of stress in altering founders' social preferences. For example, work on entrepreneurial team formation and task allocation (Forbes, Borchert, Zellmer-Bruhn, & Sapienza, 2006; Jung, Vissa, & Pich, 2017) could consider founders' stress when investigating how they build and structure their teams.

More generally, our findings indicate that the optimal structure of work teams may be contingent on the stress potential of the work pursued (Drach-Zahavy & Freund, 2007). On the one hand, for teams operating in highly stressful contexts, it appears beneficial to establish hierar-

chical differentiation among team members. Indeed, prior work indicates that teams benefit from the presence of leaders in stressful situations (Drach-Zahavy & Freund, 2007; Maruping, Venkatesh, Thatcher, & Patel, 2015). On the other hand, our study indicates there are benefits from homogeneity for teams that operate under stressful conditions, which is consistent with prior work associating homogeneity with social integration in work teams (Smith, Smith, Sims Jr, O'Bannon, Scully, & Olian, 1994; Van der Vegt, 2002) and social support from co-workers with stress resistance (Cohen & Wills, 1985; Heaney, Price, & Rafferty, 1995). Taken together, our study thus suggests that hierarchical differentiation and homogeneity among team members are important structural features for teams exposed to high levels of stress.

In contrast, our study indicates that in low-stress environments, team members are more likely to gain satisfaction from flat structures and less homogeneity among team members. Interestingly, at very low levels of stress, we found that the inverted U-shaped relationship between equity inequality and satisfaction flipped to a U-shape, indicating that in the relative absence of stress, founders prefer either more equal or highly unequal splits in contrast to a medium level of inequality. The literature on stress and cognitive resources helps interpret this finding. In stressful situations, individuals' cognitive resources are consumed by their coping efforts (Ellis, 2006; Ganster, 2005; LePine, LePine, & Jackson, 2004). When individuals' stress is low, however, they will have sufficient cognitive resources to deal with the dysfunctions caused by a lack of hierarchy. For example, in such low-stress situations, individuals may enjoy intense exchanges of opinions in lengthy decision-making processes instead of feeling cognitively exhausted from them. In the relative absence of stress, team members will also have sufficient cognitive resources to negotiate different levels of commitment and effort within the team. They might even appreciate heterogeneous attitudes with respect to their ventures instead of seeking homogeneity to avoid potential conflicts.

Finally, our study addresses the conversation on reward systems in a general team context. Equity is the primary economic reward that founders receive for the effort they invest in their ventures (Breugst, Patzelt, & Rathgeber, 2015; Hall & Woodward, 2010). Team-based rewards—that is, rewards that are contingent upon team performance—have attracted growing interest from scholars given that work teams that pursue highly interdependent tasks have become prevalent in modern organizations (Bamberger & Levi, 2009; DeMatteo, Eby, & Sundstrom, 1998). Venture equity represents a prototypical form of team-based reward because the value of founders' equity share varies as a function of the venture's valuation, which will increase with the team's collective entrepreneurial effort (Bitler, Moskowitz, &

Vissing-Jørgensen, 2005). For the most part, prior research on team-based rewards investigates its potential benefits, such as increased levels of cooperation, and centers on the questions of if and when team-based rewards foster team effectiveness and performance compared to individual and hybrid reward systems (Barnes, Hollenbeck, Jundt, DeRue, & Harmon, 2011; Besser, 1995; Deutsch, 1949). However, scholars note a paucity of research examining how team-based rewards should be distributed among team members and the consequences of these distributions (Bamberger & Levi, 2009; DeMatteo, Eby, & Sundstrom, 1998). We found that the level of team-based reward inequality influences member attitudes towards their teams, which cautions against investigating the consequences of such rewards, e.g., compared to individual or hybrid rewards, without considering their exact distribution in teams. We theorize that equal distributions foster homogeneity of motivations and attitudes, behavior, and perceived membership to the team, which complements the work of Bamberger and Levi (2009) indicating that equality-oriented team-based reward systems are positively associated with team members' helping behaviors. Unequal distributions of team-based rewards, in contrast, are likely to support hierarchical differentiation in a team, e.g., due to different status perceptions derived from them. Taken together, we recommend future research on reward systems incorporating these effects.

2.5.2 Limitations and directions for future research

While we carefully designed this study to avoid typical shortcomings in quantitative research, such as common method bias and simultaneity, some limitations remain. First, our study is restricted to two measurement points for the independent and dependent variables each. Future research could extend the number of measurement points to examine the temporal stability of our results. A longer time frame might also allow researchers to capture the effect of changes in equity distributions within entrepreneurial teams. Second, we collected our data in ventures located in a European country that scores relatively high on power distance, i.e., the extent to which individuals accept power in an organization to be distributed unequally (House, Hanges, Javidan, Dorfman, & Gupta, 2004). This aspect challenges the generalizability of our research to societies with small power distance. Third, we did not directly measure the degree of hierarchy and homogeneity in the entrepreneurial team but established the link between equity distribution and these structural features through our theorizing. While management and sociology scholars frequently use reward distributions to infer team structure, e.g., in terms of hierarchy (Anderson & Brown, 2010), we encourage future research to empir-

ically test our theorizing regarding the impact of equity inequality on hierarchy and homogeneity perceptions among founders in entrepreneurial teams.

2.6 Conclusion

In conclusion, our study supports the notion that the first deal founders make—that is, how they distribute their equity among entrepreneurial team members—has an important effect on their future attitudes toward their teams. Specifically, we found an inverted U-shaped relationship between equity inequality and founder satisfaction with the entrepreneurial team. Further, founders' stress intensifies the curvature of this relationship. Moderate levels of equity inequality appear to be optimal for founder satisfaction, which is likely to foster team effectiveness and performance. While our findings inform the literatures on equity distribution, entrepreneurial stress, and reward systems, they also indicate considerable potential for future studies on the effects of equity distribution on individual founders, entrepreneurial teams, and their ventures.

3 Dynamics of co-founder exits in entrepreneurial teams[3456]

3.1 Introduction

"I believe there is no successful startup that has not experienced this process, but you do not talk about it" (Interviewee talking about the exit of one of his co-founders).

The composition of entrepreneurial teams is often highly dynamic, and many teams experience co-founder exits during the first years of their existence (Cooper & Daily, 1997). These exits can have severe and long-lasting effects on new firm development (DeTienne, 2010). For example, founders' tacit and idiosyncratic knowledge, which is of central importance for a new firm's early development (Kroll, Walters, & Le, 2007), is generally lost as a consequence of their exits. Founder exits can also disrupt group processes and structures in new ventures (Beckman, Burton, & O'Reilly, 2007), thereby undermining the teams' routines and functioning. In contrast to larger organizations, new ventures lack established processes and routines with respect to top management team turnover (Sine, Mitsuhashi, & Kirsch, 2006; Stinchcombe, 1965), and they have few slack resources to cope with team member exits (Bamford, Bruton, & Hinson, 2006). Compared to employed top managers, entrepreneurial team members usually have a stronger psychological attachment to their organization (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005; Rouse, 2016), and their managerial discretion is particularly high (Klotz, Hmieleski, Bradley, & Busenitz, 2014). Thus, understanding co-founder exit is an important topic in the management (e.g., Boeker & Karichalil, 2002; Boeker & Wiltbank, 2005; Carroll, 1984; Wasserman, 2003) and entrepreneurship literatures (e.g., Chandler, Honig, & Wiklund, 2005; Fiet, Busenitz, Moesel, & Barney, 1997; Guenther, Oertel, & Walgenbach, 2016; Ucbasaran, Lockett, Wright, & Westhead, 2003).

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[3] This essay is co-authored by Nicola Breugst, Holger Patzelt, and Rebecca Preller. Nicola Breugst and Holger Patzelt reviewed the essay and advised me during the theory development process. Rebecca Preller helped me collect the data and validated my interpretations of it.

[4] Earlier versions of this essay have been accepted for presentation at (1) 20. Interdisziplinäre Jahreskonferenz zu Entrepreneurship, Innovation und Mittelstand, 2016 (Leipzig, Germany); (2) Babson College Entrepreneurship Research Conference (BCERC), 2017 (Norman, USA); and (3) 76th Annual Meeting of the Academy of Management, 2017 (Atlanta, USA).

[5] An earlier version of this essay has been honored as one of the best accepted papers of the 76th Annual Meeting of the Academy of Management and published in the Proceedings of the 2017 Academy of Management Meeting (Dibbern, Preller, Breugst, & Patzelt, 2017).

[6] An editor-written summary of an earlier version of this essay was published in the January-February issue of Harvard Business Review (McGinn, 2018).

Prior research has studied co-founder exits from two different perspectives. First, consistent with the upper echelons perspective in strategic management (Hambrick, 2007), research on the antecedents of team member exits has investigated teams' demographic characteristics as antecedents of subsequent exits. For example, these studies suggest that initial team size and heterogeneity in industry tenure, religious affiliation, and entrepreneurial experience impact the likelihood of team member exits (Chandler, Honig, & Wiklund, 2005; Ucbasaran, Lockett, Wright, & Westhead, 2003). Second, scholars have investigated the consequences of team member exits but have come to inconsistent conclusions. On the one hand, for example, Beckman, Burton, and O'Reilly (2007) reported that founder exits increase the likelihood of a venture's IPO, and Busenitz, Fiet, and Moesel (2004) found that the dismissal of two or more entrepreneurial team members by venture capitalists increases the chances of a favorable venture exit in general. On the other hand, Bamford, Bruton, and Hinson (2006) reported that founder/CEO exits negatively impact new venture performance, and studies by Carroll (1984) and Haveman and Khaire (2004) indicated that founder exits have a negative influence on firm survival. Indeed, although scholars have suggested that contextual factors, such as firm age (Guenther, Oertel, & Walgenbach, 2016) and environmental hostility (Chandler, Honig, & Wiklund, 2005), might explain these inconclusive results to some extent, co-founder exits and their implications for the entrepreneurial team and the new venture remain poorly understood.

In this study, we take a process perspective to study co-founder exits. In prior work, scholars have called attention to the processual nature of executive turnover in general (Berns & Klarner, 2017) and entrepreneurial exit in particular (Rouse, 2016; Wennberg & DeTienne, 2014). However, empirical studies on co-founder exits rarely mirror this perspective. A process perspective is particularly promising for our research because understanding the consequences of managerial turnover necessitates understanding its causes (Boeker, 1992; Fredrickson, Hambrick, & Baumrin, 1988). Similarly, McMullen and Dimov (2013) advocated the importance of studying entrepreneurial phenomena as a process. In our study, we focus on the sequence of events and activities surrounding co-founder exits, taking both proximate and distal antecedents and outcomes into account. As McMullen and Dimov (2013: 1484) argued, the combined focus on sequences of events over time and on distal outcomes "is the least populated, yet arguably the most interesting" domain in entrepreneurship process research.

To explore the processes associated with co-founder exits in entrepreneurial teams, we use a qualitative inductive research approach (Denzin & Lincoln, 2011; Strauss & Corbin, 1998), which allows for an in-depth exploration of founders' experiences as exit processes unfold and offers insights into the cognitions and emotions influencing the development of their new ventures. As the introductory quote illustrates, co-founder exits are often shrouded in secrecy because they can signal internal problems to important stakeholders (Beckman, Burton, & O'Reilly, 2007). Further, they are typically highly emotional and sensitive in nature, which often causes great reluctance among founders to talk openly about them. Using our personal network in the local entrepreneurship community, we explore co-founder exits in 29 entrepreneurial teams and provide a detailed analysis of ten exit cases nested within six of these teams. To fully understand these ten cases, we draw on 62 interviews with entrepreneurial team members (exiting and remaining) and third parties, such as investors, mentors, and coaches. We complement these data with observational field notes, internal documents, and publicly available data. From our data emerges a dynamic model of co-founder exits in entrepreneurial teams. Our findings have important implications for the literatures on entrepreneurial and top management teams as well as on entrepreneurial exit.

3.2 Theoretical background

3.2.1 Member exits in top management and entrepreneurial teams

Top executive turnover constitutes an important topic in the management literature due to its relevance for firm strategy and performance (Messersmith, Jeong-Yeon, Guthrie, & Yong-Yeon, 2014; Shen & Cannella, 2002b; Weisbach, 1995). Scholars have described executive turnover as an organizational response to changes in the external environment (Wiersema & Bantel, 1993) and poor firm performance (Boeker, 1992; Furtado & Karan, 1990). Furthermore, studies have linked executive exits to demographic characteristics of the top management team (TMT), assuming that these characteristics influence managers' cognitive frames, which in turn impact the social dynamics within the team (e.g., Boone, Van Olffen, Van Witteloostuijn, & De Brabander, 2004; Wagner, Pfeffer, & O'Reilly III, 1984; Wiersema & Bantel, 1993; Wiersema & Bird, 1993). Prior work has distinguished between different turnover types (Shen & Cannella, 2002b; Zhang & Rajagopalan, 2004) and emphasized the important role of contextual factors, such as the power dynamics in top management teams (e.g., Boeker, 1992; Ocasio, 1994; Shen & Cannella, 2002a), to understand when turnover takes place and what implications it has for the firm. A large proportion of these studies have fo-

cused on CEO turnover specifically (e.g., Chen & Hambrick, 2012; Kesner & Sebora, 1994; Zhang & Qu, 2016), whereas other studies have investigated turnover at the level of the TMT (e.g., Boone, Van Olffen, Van Witteloostuijn, & De Brabander, 2004; Messersmith, Jeong-Yeon, Guthrie, & Yong-Yeon, 2014; Virany, Tushman, & Romanelli, 1992), acknowledging its pivotal role in shaping firm-level outcomes (Hambrick, 2007).

TMTs in larger and established organizations differ from entrepreneurial teams in many respects, which limits the potential to extrapolate from these studies to the new venture context. First, new ventures differ from larger firms in terms of ownership, control, and governance structure (Wasserman, 2003) such that in new ventures, the entrepreneurial team members themselves—rather than a board of directors—make membership decisions (Brinckmann & Hoegl, 2011). Second, entrepreneurial team members tend to have a stronger psychological attachment to their firm than employed top managers (DeTienne, 2010; Rouse, 2016), which is likely to impact the motivations, emotions, and cognitions surrounding membership changes. Third, founders' idiosyncratic and tacit knowledge substantially adds to the new venture's set of resources, so its loss can have important implications for the future of the venture (Kroll, Walters, & Le, 2007). Finally, new ventures lack routines for the exit and replacement of managers (Sine, Mitsuhashi, & Kirsch, 2006; Stinchcombe, 1965), and they have few resources to cope with such processes (Bamford, Bruton, & Hinson, 2006). These differences make the new venture context particularly suited to explore the links between teams, turnover, and firm-level outcomes. Specifically, team processes are likely to be connected to membership changes more directly, and the link between a team's response to turnover and firm-level outcomes is likely to be more substantial than in context of established organizations.

Prior research on membership changes in entrepreneurial teams has examined both the antecedents and consequences of team turnover. For example, initial team size; functional diversity; and heterogeneity in age, religious affiliation, industry tenure, and entrepreneurial experience have been suggested as antecedents to team member exits (Chandler, Honig, & Wiklund, 2005; Ucbasaran, Lockett, Wright, & Westhead, 2003). However, these studies have not provided sufficient insights into the actual team processes that precede and accompany co-founder exits, leaving the mechanisms linking entrepreneurial team composition and membership changes unexplored. A qualitative study by Vanaelst, Clarysse, Wright, Lockett, Moray, and S'Jegers (2006) provided initial indications on the role of dysfunctional team conflicts as antecedents to team member exists, yet we lack detailed insights into the origins and escalation of such conflicts.

Research on the consequences of founder exits for the development of new ventures has offered equivocal results (Guenther, Oertel, & Walgenbach, 2016). Drawing on opposing theoretical rationales, prior studies have yielded inconclusive empirical findings. On the one hand, researchers have argued that new ventures benefit from team member exits because they only separate from poorly performing team members and use membership changes to adapt to changes in the task environment as the venture grows (Boeker & Karichalil, 2002; Busenitz, Fiet, & Moesel, 2004; Chandler, Honig, & Wiklund, 2005). On the other hand, researchers have emphasized the disruption of routines and structures caused by team member exits, the outflow of resources, and the challenge to replace team members who have left (Bamford, Bruton, & Hinson, 2006; Beckman, Burton, & O'Reilly, 2007). In addition to their inconsistent results, previous empirical studies are also difficult to compare due to differences in the development stage of the ventures investigated and whose exit was measured (e.g., founder, TMT member, CEO). For example, scholars found that entrepreneurial TMT member exits positively impact the likelihood of achieving an IPO (Beckman, Burton, & O'Reilly, 2007) and a favorable venture exit in general (Busenitz, Fiet, & Moesel, 2004). In contrast, Bamford, Bruton, and Hinson (2006) found that CEO exit negatively impacts new venture performance, whereas Chandler, Honig, and Wiklund (2005) found no support for a direct relationship between founder departures and new venture performance. Focusing on the firm and its environment, scholars have suggested contextual factors that impact the relationship between exits and venture performance, such as venture age (Guenther, Oertel, & Walgenbach, 2016), organizational stage, and environmental dynamism (Chandler, Honig, & Wiklund, 2005).

However, we still do not sufficiently understand when and why firms benefit or suffer from co-founder exits. In particular, previous work lacks a micro perspective on team-level processes preceding and following co-founder exits and how these processes relate to subsequent venture outcomes. Moreover, exiting studies neglect the processual and multidimensional nature of entrepreneurial exit (Rouse, 2016; Wennberg & DeTienne, 2014) and thus the different types of turnover (e.g., as described in the TMT literature). This shortcoming often stems from studies drawing on secondary data, which provide few insights into the way exits unfold. In fact, because young and privately owned firms do not systematically report changes in their founding teams (Beckman, Burton, & O'Reilly, 2007), we face a dearth of data on team composition dynamics in new ventures.

3.2.2 Research questions

Our literature review shows that although previous research has advanced our understanding of the antecedents and consequences of team membership changes, the processes that surround co-founder exits remain largely unexplored. We lack insights into the mechanisms that link team characteristics, membership changes, and firm outcomes. Exploring these processes is highly important because they have the potential to complement existing studies that make assumptions regarding the reasons for team separation to theorize on the consequences of co-founder exits (e.g., the study by Chandler et al. [2005] assumed that team member exit results from poor individual performance and, therefore, that new ventures benefit from exits). A process perspective of co-founder exits would enable us to understand the causes of exits to in turn understand their effects (Fredrickson, Hambrick, & Baumrin, 1988; McMullen & Dimov, 2013). Finally, to understand the implications of co-founder exits for new ventures, it is important to determine how such exits affect entrepreneurial teams, whose managerial discretion is particularly strong in the new venture context (Klotz, Hmieleski, Bradley, & Busenitz, 2014). However, with the exception of recent work by Rouse (2016), prior studies have largely neglected the experiences of founders involved in exit processes. These considerations guided our research endeavor to explore team processes before, during, and after co-founder exits while taking into account founders' accompanying emotions and cognitions.

Our broad research objective translated into more specific research questions as we entered the field to collect qualitative data. From our initial analysis, we explored substantial differences in how exit processes unfolded, and we became curious about the origins of these differences. Our initial analysis also indicated that the way these processes unfolded impacted the development of the new ventures. As we continued data collection, we paid particular attention to these topics and developed refined research questions based on the themes that emerged from our ongoing data analysis:

(1) How and why do co-founder exit processes differ?
(2) How do different co-founder exit processes influence new venture development?

3.3 Research methods

Considering our broad research objective and the lack of theoretical precedent, we decided to ground our theorizing in data. Thus, we followed an inductive qualitative research approach (Denzin & Lincoln, 2011; Strauss & Corbin, 1998).

3.3.1 Data and sample

Our sample included ten co-founder exit processes nested in six entrepreneurial teams, i.e., "the group of individuals that is chiefly responsible for the strategic decision making and on-going operations of a new venture" (Klotz, Hmieleski, Bradley, & Busenitz, 2014: 227). Drawing on DeTienne (2010) and Klotz, Hmieleski, Bradley, and Busenitz (2014), we define co-founder exit as a co-founder's resignation from the primary ownership structure, strategic decision making, and ongoing operations of a new venture.[7]

For several reasons, entrepreneurial teams are reluctant to disclose information on co-founder exits, which complicated our data-collection approach. First, they try to keep team-related difficulties secret because they often need to engage in impression management to attract and satisfy important stakeholders (Zott & Huy, 2007). Indeed, the loss of a co-founder can signal internal problems to external stakeholders, and new ventures rarely announce when a co-founder leaves (Beckman, Burton, & O'Reilly, 2007). This lack of information sharing impeded the identification of teams relevant to our study. Second, we soon realized that co-founder exits represent a highly sensitive issue as they typically involve interpersonal conflicts, disappointment, and hurt feelings. For example, one of the founders we approached explained, "It is like in a [romantic] relationship; it is difficult to talk about it with the person who has been dumped." Thus, when we contacted remaining and exited founders of relevant teams, we often faced a great hesitation to talk about the processes surrounding the co-founder exits.

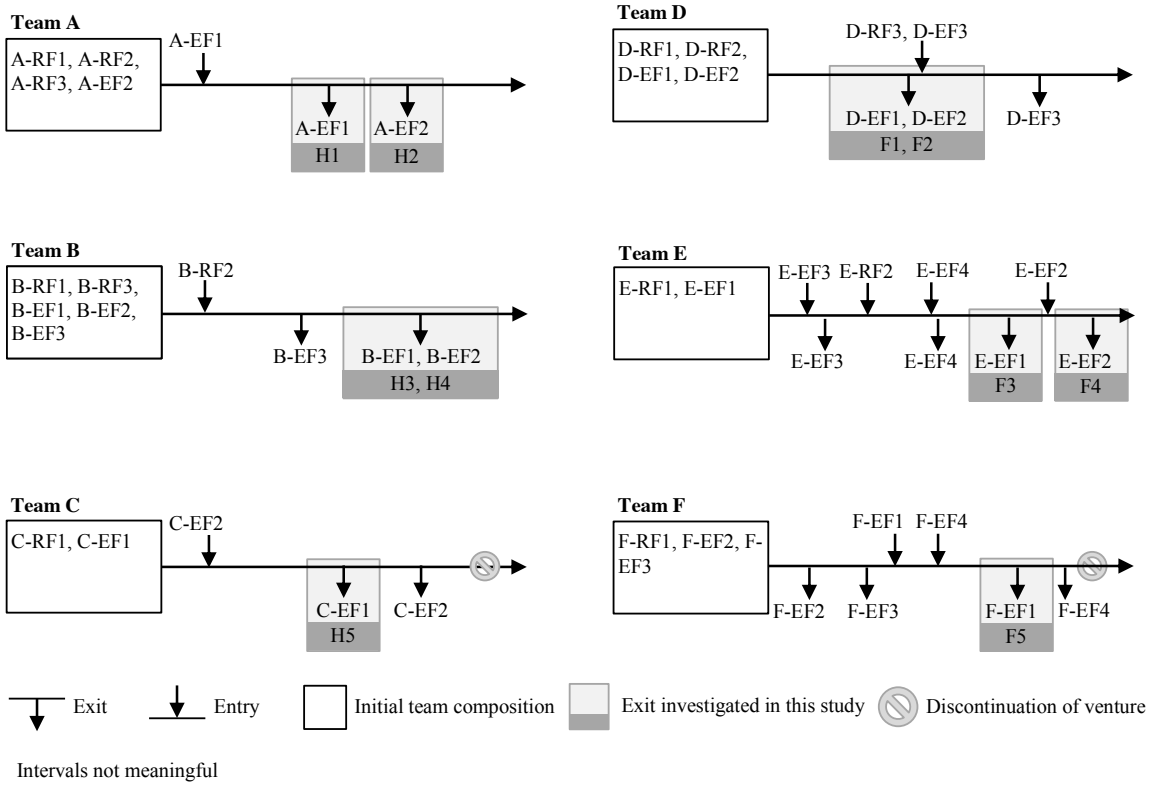
To identify relevant entrepreneurial teams that were potentially willing to provide us detailed insights into exit processes, we had to approach our local startup network, including founders, business angels, startup experts, and coaches as well as incubators and accelerators. Following this approach, we managed to screen the major startup hubs in the metropolitan area of our home institution. Throughout the course of data collection, we identified and contacted 59 startups that had experienced at least one co-founder exit each. We were ultimately able to convince 29 startups to participate in our study and to provide us insights into the exit processes they had been and were experiencing. Altogether, these 29 startups had experienced a total of 59 exits. They operated in several different industries (e.g., consumer goods, services, information technology, engineering) and had between two and six initial founders on their

[7] Adjusted to the team context of our study and divergent from the definition provided by DeTienne (2010: 203), we use the term "exit" to refer not only to "founders removing themselves" from the firm but also to involuntary dismissals (i.e., when entrepreneurs are removed by their co-founder(s)).

respective team (mean = 3.4 founders). The founders of the final sample ventures had pursued their business opportunity for one to three years when the exits we focused on occurred.

Initial interviews with founders provided first insights into the exit cases. We learned that in three cases, extraordinary external reasons (e.g., death of a close relative) had caused the co-founder exit. We did not continue data collection for these cases because we were interested in internal team processes that caused co-founder exits and developments that allowed for more theoretical generalization. For an additional 15 cases, nested in nine teams, we could not proceed with data collection because we were unable to recruit more than one of the teams' respective co-founders as informants for our study. We excluded these exit cases from our analysis because we lacked insights from multiple perspectives to mitigate potential biases arising from the founders' retrospective sense-making and impression management (Golden, 1992).

Figure 3. Team membership changes over time



We continued with our data collection for the remaining 17 teams, which altogether had experienced 41 exits, and simultaneously began to analyze the data. We soon noticed considerable differences in the nature of the exit processes the teams had experienced. Specifically, we

found that the exit processes differed substantially in terms of hostility. Whereas hostile processes were characterized by uncooperative behavior, power struggles, and abandoned personal relationships between the founders, less hostile (i.e., friendly) processes showed the opposite (see more detailed descriptions below). Our initial insights spurred our curiosity to explore the sources and consequences of these differences. In fact, our initial analysis indicated that the hostility of the exit process had a substantial impact on the teams and the ventures. Following a purposeful sampling strategy (Patton, 1990), we selected ten extreme cases (i.e., co-founder exits) that represented hostile (cases H1-H5) and friendly (cases F1-F5) exit processes. The ten exits were nested in six ventures. Figure 3 illustrates the team composition changes for each of the ventures over time and highlights the co-founder exits investigated in this study. We used fictional names for the teams/ventures (A-F) and founders to protect their anonymity. Multiple co-founder exits nested within the same venture provided us with the opportunity to explore additional sources of heterogeneity in co-founder exits (e.g., number of prior exits) while keeping venture-specific and contextual aspects constant (c.f., Gartner, 1985; Zott & Huy, 2007).

We used semi-structured interviews as our primary data source. We conducted the interviews using pre-drafted guidelines adapted to the role of the respective interviewee and the stage of the exit process at the time of the interview. Following recommendations for inductive research (Gioia, Corley, & Hamilton, 2013; Glaser & Strauss, 1967), we revised the guidelines as the data collection progressed, taking emergent themes into account. For each venture in our final sample, we interviewed both exiting and remaining founders, often several times (on average, two interviews per founder). While the different founders provided us with different views on the exit processes, we also interviewed external parties who represented additional perspectives to reduce distortions due to team members' potential biases (Golden, 1992). The external parties mainly included mentors, coaches, investors, and employees. With this group of external parties, we could interview two informants who had insights into multiple exit cases in our sample. Specifically, one coach had witnessed four exits in two teams (A, D), and one mentor had observed two exits in two other teams (C, F). Their insights enriched our understanding of the differences among exit cases within and across teams.

Although co-founder exits only become observable after they occur, we managed to obtain longitudinal and real-time interview data for five of the ten exit cases in our sample. The founders of teams A and B had participated in other studies at our institution before they experienced the exits (H1, H2, H3, H4) and did not object to being included in our research pro-

ject. Also, we had the rare opportunity to observe the two exits in team B (H3, H4) in real time as the team was just beginning the exit process when we approached them for the purpose of this study. Team E had already experienced one co-founder exit (F3) when we conducted the first interviews with them, and they experienced another exit (F4) during our data-collection period, which granted us access to further real-time data. For the exit cases H5, F1, F2, F3, and F5 in teams C, D, and F, we lack longitudinal interview data. However, we were able to obtain sufficient triangulation material and insights from multiple and diverse perspectives on these cases. Importantly, the second and third authors of this paper had also been in close contact with these teams even before the exits, which granted them detailed insights into the team processes and the ventures' development.

Table 5. Summary of data sources

Team	Cases	Informants		Triangulation material
A	H1 (exit of A-EF1) H2 (exit of A-EF2)	Remaining founder 1 (A-RF1) Remaining founder 2 (A-RF2) Remaining founder 3 (A-RF3) Exiting founder 1 (A-EF1)	Exiting founder 2 (A-EF2) Employee 1 (A-E1) Employee 2 (A-E2) Coach (A-C1)§	Company homepage (12 snapshots over time), founder CVs (5), company social media profiles and feeds (Facebook, Twitter, LinkedIn; 519 posts), news articles (25), videos (4), internal documents (13 pages)
B	H3 (exit of B-EF1) H4 (exit of B-EF2)	Remaining founder 1 (B-RF1)* Remaining founder 2 (B-RF2)* Remaining founder 3 (B-RF3) Exiting founder 1 (B-EF1) Exiting founder 2 (B-EF2) Investor 1 (B-I1) Investor 2 (B-I2) Mentor (B-M1)	Coach (B-C1)* Coach 2 (B-C2) Coach 3 (B-C3) Pilot customer (B-P1) Incubator staff 1 (B-A1) Incubator staff 2 (B-A2) Employee (B-E1) Researcher (B-R1)	Company homepage (14 snapshots over time), founder CVs (5), company social media profiles and feeds (Facebook, Twitter, LinkedIn; 66 posts), news articles (4), videos (2), internal documents (111 pages)
C	H5 (exit of C-EF1)	Remaining founder 1 (C-RF1) Exiting founder 1 (C-EF1)	Exiting founder 2 (C-EF2) Mentor (C-M1)*§	Founder CVs (3), company social media profiles and feeds (Facebook, Twitter, Instagram; 567 posts), news articles (2), videos (1), internal documents (13 pages)
D	F1 (exit of D-EF1) F2 (exit of D-EF2)	Remaining founder 1 (D-RF1) Remaining founder 2 (D-RF2) Remaining founder 3	Exiting founder 1 (D-EF1) Coach (D-C1)§	Company homepage (104 snapshots over time), founder CVs (6), company social media profiles and feeds (Facebook, Twitter,

Team	Cases	Informants		Triangulation material
		(D-RF3)		LinkedIn; 476 posts), news articles (24), videos (9), internal documents (198 pages)
E	F3 (exit of E-EF1) F4 (exit of E-EF2)	Remaining founder 1 (E-RF1) Remaining founder 2 (E-RF2) Exiting founder 1 (E-EF1)[+]	Exiting founder 2 (E-EF2) Coach (E-C1)	Company homepage (4 snapshots over time), founder CVs (3), internal documents (20 pages)
F	F5 (exit of F-EF1)	Remaining founder 1 (F-RF1) Exiting founder 1 (F-EF1) Mentor (F-M1)* [§]	Employee (F-E1) Spouse of exiting founder (F-S1)	Company homepage (13 snapshots over time), founder CVs (2), videos (4), internal documents (135 pages)

In total, this study draws on 62 interviews. Table 5 illustrates our informants per case. While 52 interviews were conducted in person, ten were conducted via phone or Skype because some founders had moved to distant locations after exiting their ventures. All but three interviews were recorded and transcribed. For these three interviews, we did not consider recording appropriate due to the emotionality of the situation, or the spontaneity of the conversation prevented it. However, we took extensive notes during and immediately after the interviews to create precise memory minutes. The recorded interviews lasted approximately 40 minutes on average and added up to more than 40 hours of audio material.

We drew on additional data sources to mitigate potential biases in our interview data resulting from recall and rationalization (Miles & Huberman, 1994). First, we took detailed field notes to capture impressions from onsite visits, information obtained in informal conversations, and insights gained when observing meetings that involved the founders and external parties (e.g., a mediation meeting in the context of the exits H3 and H4 in team B). Second, we accessed the founders' CVs from social career networks to check their background and previous experience. Third, we used several additional online sources to gain insights into the ventures' and teams' developments over time. Using the Internet Archives' Wayback Machine, we obtained snapshots from the ventures' websites at several points in time before and after the exits. We also screened the ventures' social media profiles and feeds on platforms like Facebook, Twitter, LinkedIn, and Instagram. Using these social media platforms had two major advantages. Most teams in our sample posted information very frequently, which gave us insights into their development over time with respect to team composition and growth, their product and

business model, performance (e.g., in terms of awards won or major customers acquired), and financial backing. The teams also posted rather personal information (e.g., office life, team events) and shared relatively intimate insights into their moods, spirits, and the atmosphere in their venture at specific points in time. Fourth, we accessed online news articles and public videos (mostly from the ventures' own YouTube channels) about the ventures in our sample. Fifth, we recorded and transcribed two public presentations by a founder and an employee of team A that were held in front of students and covered team-related topics. Finally, we used a variety of internal documents obtained from the interviewees, including strategy reports, discussion protocols, conflict descriptions, deal memos, written communication (e.g., emails, chats, letters), and statements from external parties on the status of the ventures and teams (e.g., by consultants). Importantly, these documents also often dated back to before and during the co-founder exit processes, which—with the online triangulation material—helped us mitigate biases related to retrospective accounts in the interview data.

3.3.2 Data analysis

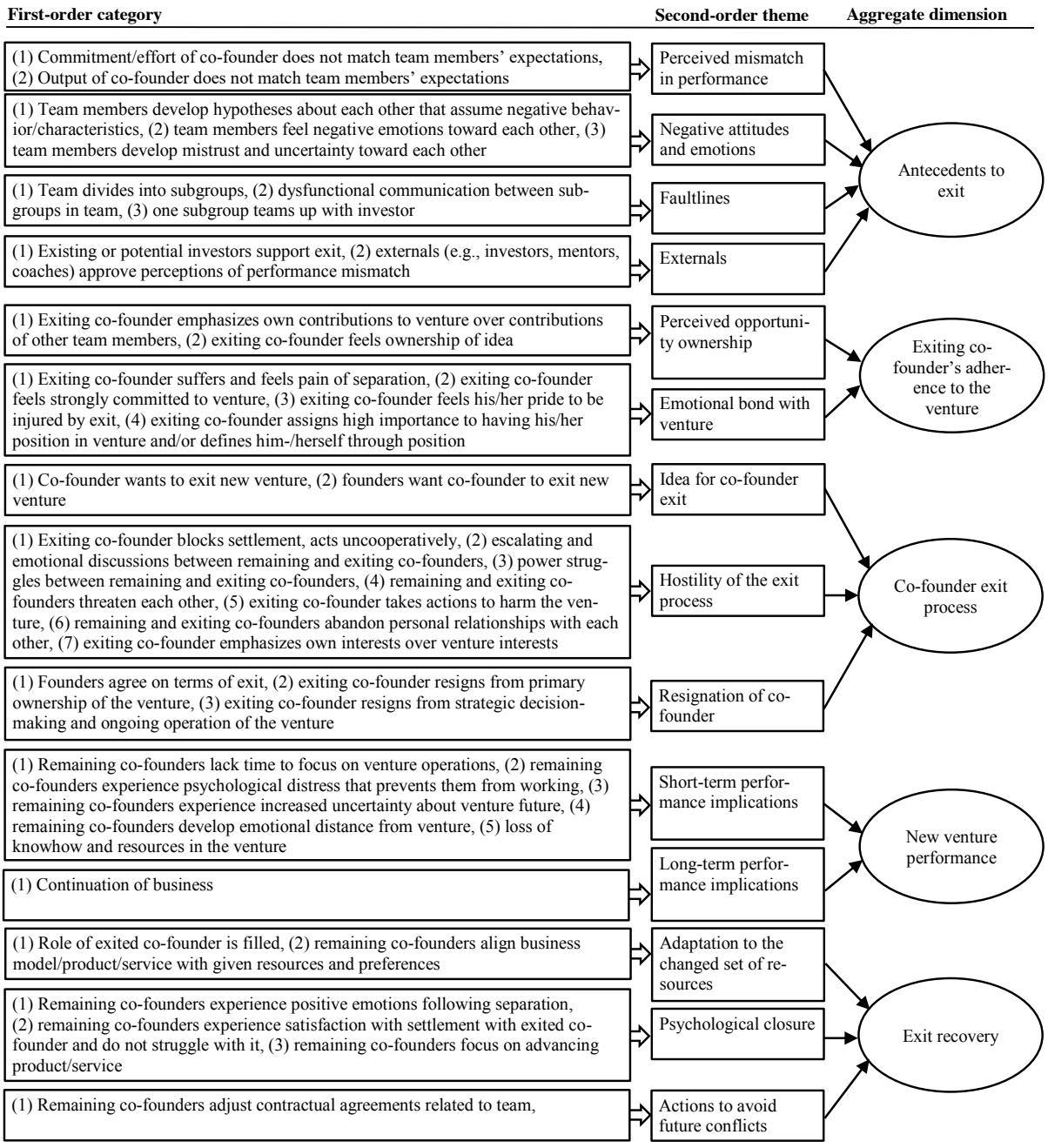
For data analysis, we largely followed the logic described by Gioia, Corley, and Hamilton (2013), which is based on prior recommendations for inductive theory development (e.g., Glaser & Strauss, 1967; Strauss & Corbin, 1998) and addresses the need to comply with scholarly rigor in qualitative research. Using this approach, we aimed at grounding theory in our data and revealing the link between the data and the emergent theory.

To gain an initial understanding of our data, for each venture in our sample, we drew up timelines and team composition charts that captured key milestones and illustrated important dynamics with respect to team composition and ownership structure over time. At the same time, we began distilling first-order categories from the interviews based on 'open coding' (Locke, 2001). Specifically, we identified keywords and topics from our interviewees' descriptions of their experiences with co-founder exits. In this step, we aimed at adhering to the interviewees' voice, meaning that we used their expressions to label the categories we identified. We adjusted the first-order categories multiple times as our understanding of the cases advanced during data analysis and ongoing data collection. We used the software NVivo to assign our interviewees' statements to the first-order categories. We clustered the first-order categories into second-order categories representing theoretical themes. In a similarly iterative manner, we went back and forth between the themes and the data to ensure that the themes actually captured what was inherent in our data. Finally, we aggregated the second-order themes into dimensions. In total, we ended up with 41 first-order categories, 14 second-order

themes, and five aggregate dimensions constituting our data structure, as shown in Figure 4.

Next, we systematically explored differences and similarities across cases. We transferred the first-order categories to rows in a table in which the columns represented the data sources (i.e., informants) that we used per case. In the next step, we assessed a level (i.e., low, medium, high) for each first-order category based on the information provided per informant. We then aggregated the levels for each category per case. The first and second authors of this paper who assessed the categories per case, came to an initial agreement of 96.5 percent, which

Figure 4. Data structure

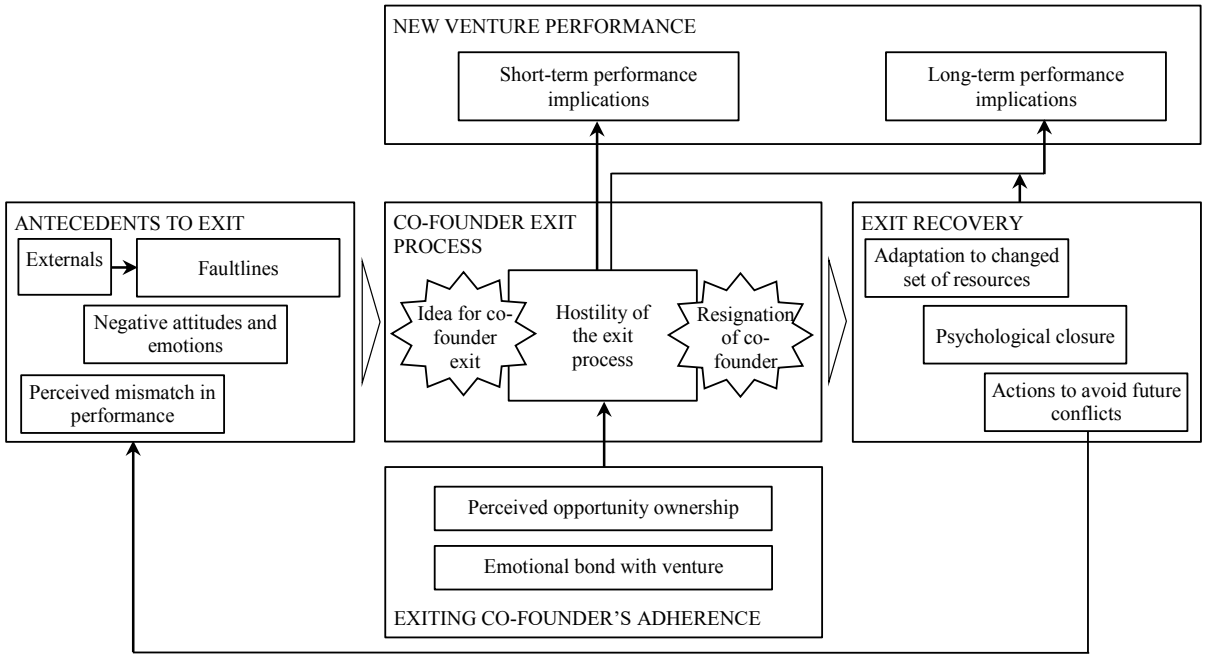


corresponds to an acceptable level of reliability (Grégoire, Barr, & Shepherd, 2010; Lombard, Snyder-Duch, & Bracken, 2002). The authors discussed initial deviations in their assessments until they reached agreement.After we built an inductive model as it emerged from our data analysis, we re-approached four informants of our study (indicated in Table 5) to validate our interpretation of the data. We introduced the informants to the model presented below, recorded each of these conversations, and took extensive notes. For the themes in the model, we described the substantiating first-order categories and provided examples from the cases the respective informant had insights into. These examples reflected the manifestation of the first-order categories per case, which also allowed us to verify our assessments described above. The informants confirmed that we had interpreted the data correctly. Often, they added additional information that was consistent with the patterns we had observed.

3.4 Findings

Figure 5 illustrates our dynamic model of co-founder exits in entrepreneurial teams. It captures the themes and aggregate dimensions as well as the relationships between them as they emerged from our data. Specifically, the model involves five dimensions: (1) antecedents to the exit, (2) exiting co-founder's adherence to the venture, (3) co-founder exit process, (4) exit recovery, and (5) new venture performance. We first turn to the exit process, which represents the central dimension in our model.

Figure 5. Dynamic model of co-founder exits in entrepreneurial teams



3.4.1 The hostility of the exit process

The co-founder exit process encompassed the events and activities embedded in the time period that started with the first idea for the co-founder exit and ended with the co-founder's actual resignation from the venture. The idea for the exit came either from the remaining founders or the exiting founder. It is important to note that subgroups of founders did not always have the formal power to decide on the exit of one of their co-founders. Thus, founders often could not directly act upon their intention to separate but had to collaboratively come to an agreement on the exit with the entire team. The co-founder's resignation from a venture involved an agreement on the terms of exit, which specified the conditions under which the co-founder left the venture (e.g., compensation).

The hostility of the exit process emerged as an important theme explaining how co-founder exits impacted venture development. During data collection and analysis, we learned about the actions and behaviors of the exiting and remaining founders over the course of the exit process and found considerable differences among our cases. Specifically, we explored a set of hostile actions and behaviors associated with different consequences for the venture. Table 6 shows representative quotes for the first-order categories substantiating the hostility of the exit process. We distinguish between *hostile* (H1, H2, H3, H4, H5) and *friendly* (F1, F2, F3, F4, F5) exit processes based on the actions and behaviors the founders and external parties reported.

Table 6. Hostile and friendly exit processes: representative quotations by team members and externals

Categories and exemplary quotations substantiating hostile exit processes	**Categories and exemplary quotations substantiating friendly exit processes**
Exiting co-founder blocks settlement, acts uncooperatively	**Exiting co-founder strives for a compromise, acts cooperatively**
B-RF3 (H3, H4): The problem was that [B-EF1] and [B-EF2] had the idea of wanting [xx] thousand euro. I thought this was too high, and I still believe so. And again, they did not back down from their position a single millimeter; again, there was 0% willingness to compromise.	D-EF1 (F1): I do not know why I agreed more [to resign from D] than [D-EF2], but at that moment, that's just the way it was. D-RF2 (F1): There were pretty tough discussions between one of our business angels and [D-EF2]. . . . Generally, [D-EF1] was more relaxed and relenting than [D-EF2].
C-RF1 (H5): [C-EF1] did not make a decision, three weeks or how much time she had. I found tha t really weak; I found that was really hard, that she is not even capable of making a simple decision. Well, it is not simple, but it is a deci-	E-EF1 (F3): Right from the beginning, I was striving for a compromise. F-RF1 (F5): What I liked is that everybody involved was making compromises. . . . We made concessions regarding who gets what, what do I still deliver, what is everybody al-

Categories and exemplary quotations substantiating hostile exit processes	Categories and exemplary quotations substantiating friendly exit processes
sion to make: do I stay or not?	lowed to do, and what not. All that was constructive.
Escalating and emotional discussions between exiting and remaining co-founders	**Rational and professional discussion between exiting and remaining co-founders**
A-E1 (H1): Discussion with [A-EF1] was escalating. A-C1 (H2): It was an extremely heated debate. . . . Purely emotional, it was not possible anymore at a rational level. This was also driven by [A-EF2]. . . . He did not think rationally at this point. It was all about heart and emotions. It was impossible to control. B-C1 (H3, H4): Most certainly, I would describe the discussion as escalating. . . . There were moments when three out of five or six persons were screaming at each other. C-M1 (H5): The conflict between [C-RF1] and [C-EF1] escalated exceedingly. Also between the others, but the strongest between [C-RF1] and [C-EF1].	D-C1 (F1, F2): In the beginning, [D-EF1 and D-EF2] were like, "Why should I surrender my equity; I pushed this from the beginning." You need your time to accept that as a person. But [the discussions] were very much more unemotional, very much more objective, and very much more calm (compared to discussions in team A in the cases H1 and H2). E-RF1 (F4): It was pretty rational and sensible. [E-EF2] said that he is happy about how professionally the separation proceeded despite the fact that it was uncomfortable for all of us. F-RF1 (F5): Until we spoke about it, emotions escalated. From then on, it was pretty rational.
Power struggles between remaining and exiting co-founders	**No power struggles between remaining and exiting co-founders**
B-EF2 (H3, H4): [B-EF1] and I were sitting together drawing mind maps about who is in contact with whom, who is responsible for what. Of course, you build your own alliances. When [B-RF1], [B-RF2], [B-RF3] do such things, you must see how you can strengthen your power and talk to people, with mentors, and other things. Essentially, it is a chess game in life, the whole time. From a strategic perspective, what do you say? How does the other one react to it? It is an ongoing cat-and-mouse game.	[No power struggles mentioned.]
Remaining and exiting co-founders threaten each other	**Remaining and exiting co-founders do not threaten each other**
B-RF2 (H3, H4): We received a letter from the attorney of [B-EF1] and [B-EF2] that involved legal threats against [B-RF1] and me.	[No threatening behavior mentioned.]
Exiting founder takes actions to harm the venture	**Exiting founder avoids harm to the venture**
B-RF2 (H3, H4): Immediately after our discussion, [B-EF2] took all the appliances that officially belonged to him out of the venture. After they learned that we had founded a new firm, they definitively wanted to harm the new firm	E-EF1 (F3): We agreed that the firm should not be damaged. That was very clear. You balance the pros and cons of every action, every decision, whether it harms the firm in any way or not.

Categories and exemplary quotations substantiating hostile exit processes	Categories and exemplary quotations substantiating friendly exit processes
and to get [the former firm] down under all sorts of pretexts. . . . They were walking around telling stories about us, violating some intellectual property rights, claiming that the code actually belonged to them.	
Remaining and exiting co-founders abandon personal relationships with each other	**Remaining and exiting co-founders make an effort to maintain good personal relationships with each other**
A-EF1 (H1): We do not talk to each other anymore. [...] Money breaks any friendship. A-EF2 (H2): My personal relationship to [A-RF1] is bad. I wrote him an email once, but he did not reply to my email. B-RF3 (H3, H4): I was disappointed. Personally, I thought it was not okay to hire a lawyer against friends or former friends, especially when we did not explore all avenues of dialogue yet. [B-EF2] did not call me a single time during the time of our conflict, only once when he wanted to know whether the deal held or not. C-M1 (H5): [C-EF1] and [C-RF1] are no longer friends today.	D-EF1 (F1): I believe, on the one hand, [D-RF1] and [D-RF2] were my friends, of course, and I think that contributed to my decision to say, "Okay, if I act stubborn now, I not only destroy the firm but most likely also our friendship." E-RF2 (F3): [E-RF1] also said, "[E-EF1], we will still be friends." And he made an effort. They had a barbecue together and such things. E-RF1 (F4): I did not want to hurt [E-EF2]. . . . At a personal level, there is still a fit actually. [E-EF2] and I get along really well. F-RF1 (F5): [Compensation] was never a problem. In fact, in this situation, our friendship played a role. . . . In any case, we got to know each other much better, and I do not mean that in a negative way, but much is positive.
Exiting co-founder emphasizes own interests over venture interests	**Exiting co-founder emphasizes venture interests over own interests**
B-C1 (H3, H4): I believe [B-EF2] and [B-EF1] were looking for the highest benefit for themselves. Staying in the team and on the payroll or if they leave, a compensation high enough. They were looking for more and more and more.	D-EF1 (F1): Of course, in the beginning, I did not like the idea of losing my shares in the venture, but in that particular moment, it made sense because it was to the benefit of the firm. E-EF1 (F3): Shortly after [the exit], I thought that it would have been nice if I could have kept the property rights for the logo. . . . I would have liked to keep it. But quickly, I came back to rationality like, "No, why?" Also, it would have harmed them. They might have ended up with a worse one. F-EF1 (F5): We agreed on how much equity would make sense [for me to keep] to find middle ground between still having a share in the venture and not having too much equity, which would discourage other potential investors or co-founders.

Hostile exit processes. Our interviewees described all hostile exit processes as "escalating" in terms of how the founders interacted with each other. For example, our interviewees described highly emotional discussions, founders screaming at each other, and hardened fronts between exiting and remaining founders. Moreover, as a common thread during these exit processes, the founders neglected their personal relationship with each other and ultimately ended up abandoning them during separation (H1, H2, H3, H4, H5). Further, hostile actions included highly uncooperative behavior on the part of the exiting founders (H3, H4, H5), which impeded an eventual agreement on the terms of the exit. We also learned about power struggles between exiting and remaining founders and the ways they threatened each other (H3, H4). Furthermore, our data revealed that the exiting founders clearly emphasized their own interests (e.g., high personal compensation) over the venture's interests (H3, H4). Even more destructive, we observed how exiting founders took actions to harm the venture, deliberatively taking its failure into account (H3, H4). For example, in case H4, the exiting cofounders wanted the remaining team members "to suffer for their actions [during the exit process]" (B-EF2), including the risk of "100 percent personal insolvency" (B-RF3), while being committed to "destroying the firm" (B-I1). One of the team's coaches described the separation process as "the most terrible process, which could not be any worse in a divorcing marriage. In a broken family. Family actually, because they also involved all children and infants and aunts and grandmothers. The sparks really flew" (B-C2).

Friendly exit processes. We observed only few hostile behaviors and actions in the other cases in our sample (F1, F2, F3, F4, F5). The interviewees reported low (F1, F3, F4, F5) to medium (F2) levels of uncooperative behavior from the exiting founders. The interactions between the founders were described as rather "rational," "sensible," and "professional" (F1, F2, F4, F5), which was in stark contrast to the escalation of interpersonal conflicts experienced in the hostile cases. During all these exit processes, the founders made a notable effort to maintain good personal relationships (F1, F2, F3, F4, F5). Finally, our data showed that the exiting founders emphasized the ventures' interests rather than their own interests (F1, F3, F5, to some extent F2). They intended to act for the benefit of the venture instead of maximizing personal gain from the exit and aimed at avoiding any damage to the firm. Contrasting one of the friendly exit processes (F5) with one of the hostile processes in our sample (H5), a mentor recalled, "It was pretty harmless. The process was clearly more relaxed; it went better, and it was friendlier" (C-M1/F-M1).

3.4.2 Antecedents of the exit process

Our data shed light on team developments that can precede the actual exit process. We identified three categories representing consecutive escalation stages leading to the idea for a co-founder exit. However, we did not find clear links between the manifestation of these stages and the hostility of the exit process. Instead, our data showed that we needed to distinguish between the developments that cause an exit and the factors that drive the hostility of the exit process. We now describe the escalation stages and then turn to the factors driving hostility thereafter.

Perceived mismatch in performance. As a first step in the process leading up to a founder exit, we found that a perceived mismatch in the focal co-founder's performance constituted a common thread in the teams in our sample. Specifically, the performance of the exiting team member, as perceived by the remaining founders, did not match the team's expectations. First, this mismatch related to the effort and commitment the exiting co-founder was perceived to invest. For example, in case F3, one remaining founder explained, "[E-EF1] did not demonstrate the commitment that we would have expected" (E-RF2). Second, perceived performance mismatches related to the co-founder's output in terms of his or her work quantity and quality, as a remaining founder in case H1 illustrated: "Eventually, after nine months, it [the co-founder's effort] ended with zero customer contracts without any properly qualified opportunities" (A-RF1). We found that founders based performance expectations for their co-founders primarily on the equity they held. For example, commenting on the commitment of his exiting co-founder in case F3, one founder stated that "the equity distribution should reflect the effort you invest" (E-RF1). Other founders perceived a mismatch between their own expectations and the role their co-founders claimed to occupy. For example, we learned from an internal document covering team-related problems in case H5 that "[C-RF1] [did] not rely on [C-EF1] as an equal business partner."

Negative attitudes and emotions. We observed that a perceived mismatch in performance led to negative attitudes and emotions within the teams (H1, H3, H4, H5, F3, F4, F5). As a mentor of team C (H5) explained, "Things escalated. It was about work effort, how to work, and how much effort to invest" (C-M1). We found that a team's inability to resolve a perceived performance mismatch fueled the transition to this second escalation stage.

> If there is a mismatch in performance, you could potentially resolve it. If people communicated at the same level and no one strictly adhered to their role, if no one took criticism in a lofty manner. . . . The emotions mount up when you realize that people insist

> on their role and their equity so strongly and that you cannot talk to them even though their performance does not match. That is really difficult. (B-RF1)

Because team B did not manage to eliminate the perceived performance mismatches in the cases H3 and H4, the atmosphere within the team suffered. One of the exiting co-founders recalled, "Things like accountability and appreciation of others' work became an issue" (B-EF2). Complementing this insight, the other exiting co-founder explained how the team members did not trust each other's work anymore, how the lack of trust worsened over time, and how the team members developed negative attitudes toward each other:

> When you lose trust, you try to control. And this control leads to another breach of trust. You end up in a vicious cycle. . . . You can never reach the initial sensitivity you had had to each other because the other person is prejudiced. Everything you do is perceived negatively. It is just like in a [romantic] relationship, actually. (B-EF1)

We observed a similar development in case F5, for example. The spouse of one co-founder who had tried to mediate between the team members recalled the following: "They were really angry at each other from their own perspective. And everything the other one did, they interpreted negatively" (F-S1). Our data further showed how such negative emotions and attitudes within a team drove founders' intentions to separate from each other. For example, one remaining founder in case F4 described his negative emotions based on his impressions of his team member's performance: "I walk into the office, and I feel that I do not want to work with this person anymore because I know that working with him leads to nothing" (E-RF1).

Faultlines. As a further escalation stage, we observed that faultlines emerged within the teams in response to the negative attitudes and emotions. For example, referring to the cases H3 and H4, one exiting founder of team B described how negative attitudes toward each other divided the team into subgroups:

> When I call [B-RF1] and tell him about a mistake he made, he thinks I am telling him what to do. . . . After a while, the faultlines between the camps in our team got deeper. It is always the small things that lead to something big eventually. (B-EF1)

As also reflected in this quote, we learned that the emergence of faultlines came with dysfunctional communication between the subgroups. Team C's (H5) aforementioned internal document on their team conflicts put it in simple words: "Communication is broken". Finally, we discovered that some subgroups teamed up with investors, which strengthened the faultlines within a team. For example, in case H1, the exiting co-founder reported, "All the strategic discussions were increasingly made by [A-RF1] and [A-RF2], who also positioned themselves at another level through their close links to the investor without further discussion or

confirmation by the team" (A-EF1). Having had a similar experience in team A, the exiting co-founder in case H2 explained, "All founders need to be involved with the investors. Not just one founder and the others are sleeping because the investors will always try to take one or two founders and not bother about the rest of the team" (A-EF2).

Externals. As already indicated above, externals (i.e., people outside the venture), such as investors and mentors, contributed to initiating co-founder exits. Our data revealed that externals played an important role in feeding founders' perceptions of performance mismatches. For example, one remaining founder in case F4 described how they approached their mentor:

> We asked him to tell us whether there were any reasons [not to separate from E-EF2]. Maybe we overlooked something, or maybe we were not fair, but it was so obvious; he also noticed it. . . . He said that [E-EF2's] performance was bad and that it does not match from his point of view. (E-RF1)

Similarly, reflecting on the exits H3 and H4, one remaining founder of team B emphasized the importance of external perceptions for validating their co-founders' underperformance: "You always question yourself whether you are wrong, but then there was this very clear statement from outside, from [the investors]: 'There is an extreme imbalance in your team.' . . . They mentioned exactly the same issues that we were seeing" (B-RF1). With respect to those teams with investors (A, B, D), we learned that the investors at a minimum supported the exits but sometimes even pushed the teams to separate from the underperforming co-founders. For example, in case H4, a remaining founder explained how their later business angel (B-I1) said "very clearly that he would not invest as long as [B-EF2] is on board" (B-RF3). His team member recalled another investor's statement (B-I2) upfront the exits in the cases H3 and H4: "[They] told us very clearly: 'You should not work with them anymore. They need to leave'" (B-RF2). Our field notes documenting conversations with one of the investors and a mentor of this team validate this perspective. One of the team's coaches further explained, "I believe the story with the investors was the last straw that broke the camel's back" (B-C1).

In sum, our data suggested that perceived mismatches in performance could lead to negative attitudes and emotions within the team if the founders did not manage to resolve the mismatches. These mismatches fostered the development of faultlines within the team. In most cases, externals reinforced this process.

3.4.3 Exiting co-founders' adherence to the venture and the hostility of the exit process

As we analyzed the data, we explored two themes that substantiated the exiting co-founder's adherence to the venture: the exiting co-founder's (1) perceived opportunity ownership and (2) his or her emotional bond with the venture. These two themes became apparent as strong determinants of the hostility of the separation process. Table 7 shows the categories and representative statements substantiating these themes. We observed that when founders adhered strongly to the venture, the co-founder exit process started with the remaining co-founders expressing the idea for the exit. Even in cases when founders' adherence was rather weak, it was not necessarily them who initiated the co-founder exit process. Instead, in four of five cases with weak adherence (F1, F2, F3, F4), the remaining founders demanded the exit of the co-founder.

Table 7. Exiting co-founder's adherence to the venture: representative quotations

Themes and categories	Level	Representative quotations for high and low levels of exiting co-founders' adherence to the venture
Perceived opportunity ownership		
Exiting co-founder emphasizes own contributions to venture over contributions of other team members	*High*	C-M1 (H5): [C-EF1] always perceived herself as the main founder and that she needed to be the CEO and that she was the most important one.
	Low	E-EF1 (F3): My co-founders spent much time in the workshop. . . . For me, that was not possible. . . . I told them that I could not work all the hours in the workshop at the moment because I needed to study, and I needed to finish my thesis.
Exiting co-founder feels ownership of idea	*High*	A-EF2 (H2): For a long time, I have been concerned with [the technology used by the venture], and naturally, when you know the problems, you start to look for solutions. I found this solution. I patented it.
	Low	F-RF1 (F5): I told [F-RF1] that I think the venture is his baby because he had the initial idea and already invested a lot of time in it.
Emotional bond with venture		
Exiting co-founder suffers, feels pain of separation	*High*	B-I1 (H4): For [B-EF2], his baby died. . . . He was suffering a lot. For weeks, he could not sleep. I talked to him on the telephone several times. He felt more pain than everyone else.
	Low	F-RF1 (F5): Although [the separation] was the toughest part for me—because it is never easy when you realize that you did something that was not the right thing. . . . I had the feeling that the atmosphere was more relaxed. As if the penny dropped, releasing all negative energy.
Exiting co-founder feels strongly committed to venture	*High*	A-EF2 (H2): I bore the costs for the patents myself. I sacrificed everything, I sacrificed my own career, my patents.
	Low	E-RF2 (F3): [E-EF1] also indicated that he was looking for a regular job and that he would rather [work for the venture] on the side and that he would not work for it full time and invest all his energy and power in it.
Exiting co-founder feels	*High*	B-RF2 (H4): I believe there was a lot of wounded pride [with respect to B-EF2].

Themes and categories	Level	Representative quotations for high and low levels of exiting co-founders' adherence to the venture
his/her pride is injured by exit	*Low*	D-EF1 (F1): I would call myself a proud person, but I do not know. . . . I only know that in that moment, I agreed [to exit].
Exiting co-founder assigns high importance to having his/her position in venture and/or defines him-/herself through position	*High*	B-RF2 (H4): I believe for [B-EF2], [being a founder] was very important for his image. . . . He always used labels like CEO or managing director or boss.
	Low	E-EF1 (F3): It was not really public to people from the university, alumni or friends, acquaintances or relatives [that I was a founder of a venture]; they were rather surprised when they noticed. I am not the kind of person who stands up like, "Look, I am one of those people who act entrepreneurially, who founds a venture!" or anything like that.

Perceived opportunity ownership. From our data, we realized that founders who felt strong opportunity ownership perceived it was unfair when they were asked or pushed to exit the venture. As a result, they tended to refuse to accept their exit. The cases F1 and F2 in team D represent a good example of how different perceptions of opportunity ownership resulted in different behaviors during the exit process. Both co-founders who eventually left were pushed to exit the venture at the same point in time after having started other full-time jobs. In case F1, the exiting co-founder acknowledged that "the amount of work [he contributed to the venture] was different" compared to the remaining founders after he started to work for another company and that "it made sense" to separate. He recalled that although "the discussions about equity were hard, it was ultimately fair" (D-EF1). As a result, he acted very cooperatively during the exit process, taking into consideration both the firm's well-being and his personal relationships with the remaining founders, which is consistent with a friendly exit process (see also Table 6). In contrast, he described how in case F2, the other exiting co-founder, who perceived himself as the firm's original idea owner and assigned high importance to his contributions to the venture, felt he was treated unfairly and thus (initially) refused to exit:

> [D-EF2] always thought that the firm would not exist without him. It was more difficult for him to agree to the exit than it was for me. He disagreed because he perceived himself as the provider of the founding idea. Without him, it would have failed. He felt he was treated unfairly. (D-EF1)

Based on his perceptions of injustice, this co-founder acted less cooperatively during the exit process. For example, the remaining founders reported that "he argued more strongly against [the exit]" (D-RF3) and that he was not ready to give up his venture ownership: "To demon-

strate that the well-being of the firm is most important, [D-RF2] and me, we both needed to return 2 percent equity so that [D-EF2] would return any equity at all" (D-RF1).

Exiting co-founders' emotional bond with the venture. Our data revealed that founders with a strong bond could not let the venture go from an emotional perspective, and, therefore, sabotaged the exit process. In the cases H3 and H4 in particular, we observed how the exiting co-founders' emotional bond with the venture impacted their behavior during the exit process. The exits in the cases H3 and H4 occurred in team B at the same time. In case H4, the exiting co-founder felt a strong emotional bond to the venture, calling the exit from B "the hardest time of [his] life" (B-EF2). The venture's investor explained in this context: "For [B-EF2], his baby died, and in such moment, you do not give it away. When it came to signing the settlement, he could not sign because he said, 'Right now, I cannot do this. I gave everything up, and this is a disaster for me'" (B-I1). In contrast, in case H3, the exiting founder felt a weaker bond with the venture, as indicated by one of their venture's internship students: "[B-EF1] was more pragmatic than [B-EF2]. He literally told me word by word that if he fails with [B], he will just do something else. It would be a pity in some way, but if it fails, he will just look for another potentially similar project" (B-E1).

The exiting co-founders' varying emotional bonds to the venture led to different responses to their team members' idea to separate from them, impacting the hostility of the exit process. Two of the remaining co-founders of team B explained as follows:

> Eventually, it escalated immensely because [B-EF2] did not want to leave [the venture]; he said it this way. But [B-EF1] said he would leave if it was good for the team. . . . We need to distinguish between [B-EF2] and [B-EF1]. We treat them as a group but they do not always agree with each other. . . . I think with [B-EF1] we would have achieved a settlement much earlier. [B-EF2] was the problem, actually. He was only like, 'Let's sue them, let's go for destruction, and they [the remaining co-founders] should pay personally for us to leave. They should sell their car or their house or whatever.' (B-RF1)
>
> [B-EF1] acted very cooperatively in the beginning. Immediately after [one of the big discussions], he told me, 'If you do not want to have me in the firm, I will leave.' (B-RF2)

However, we also learned that the strongly adhering co-founder (B-EF2, H4) influenced the other exiting co-founder's behavior (B-EF1, H3) with respect to the exit, implying a group dynamic that had important implications for the exit process, as a team member explained: "[B-EF2] was seeking destruction, and he took [B-EF1] at his side" (B-RF2). In more detail, another founder recalled the following:

> [B-EF2] was pushing [B-EF1] not to negotiate sensibly and reasonably. . . . With [B-EF1], it was the problem that he claimed an astronomically high compensation, and he naturally wanted to enforce it. Anyway, we would have arrived at an agreement with [B-EF1] if there had not been [B-EF2], who always pushed him toward enforcing his claims. (B-RF1)

We recognized similar patterns regarding the impact of perceived opportunity ownership and the exiting co-founder's emotional bond with the venture on the hostility of the exit process in the other teams in our sample. Our data revealed high levels of opportunity ownership and strong emotional bonds with the venture for another two exiting founders in hostile exit cases (H2, H5). In contrast, we concluded from our interviews that the exiting founders in the other friendly exit cases (F3, F4, F5) felt little opportunity ownership and comparably weak emotional bonds with their ventures (Table 7).

In sum, our data revealed that, first, founders who feel opportunity ownership tend to fight back when their co-founders want them to exit because they perceive this treatment as unfair. Second, founders with a strong emotional bond with their venture struggle with letting the venture go and therefore tend to refuse to exit.

3.4.4 Hostility of exit process and short-term venture performance

Our data showed that the hostility of the exit process had important implications for venture performance. Indeed, our data shed light on the activities at the individual and team levels that help clarify this relationship. Specifically, we recognized that we needed to distinguish between the short-term and long-term performance implications of co-founder exits. With respect to short-term performance implications, our data revealed how co-founder exits impacted the speed of venture progress in terms of product and business model development. In addition, we were able to observe whether the ventures survived in the long run after co-founder exits and link survival to specific activities the teams took to recover from these exits. We now turn to the short-term performance implications of co-founder exits and discuss the long-term implications in the next section. Table 8 illustrates data supporting our interpretation of short-term performance implications.

Table 8. Short-term performance implications of hostile exit processes: representative quotations

Category	Representative quotations for the short-term performance implications of hostile exit processes
Remaining co-founders lack	B-RF1 (H3, H4): It was the purpose of the deal that we have a rest from the separation and that we can continue working as soon as possible.

Category	Representative quotations for the short-term performance implications of hostile exit processes
time to focus on venture operations	A-C1 (H2): There were a lot of internal team meetings, that is without [A-EF2], in private, at home, when the founding team was sitting together, and oftentimes, it was not about facts anymore but about how to deal with the situation. How do we address it, in which context, and where?
Remaining co-founders experience psychological distress that prevents them from working	B-RF1 (H3, H4): I was extremely unproductive during the (exit) process, and therefore, it was so important to close the deal fast. Because when you always have this stress at the back of your mind, you cannot go on. And we were unproductive for two, three weeks until we somehow started to get new things done. . . . It was just subliminal stress.
	A-RF1 (H1): And it really hurts. In fact, it is . . . severe how that blocks yourself.
Remaining co-founders experience increased uncertainty about venture future	B-RF2 (H3, H4): At the moment, we waver. That annoys me, and it also annoys [B-RF1] a bit. . . . It is just not exactly clear what we are aiming at now and what the next steps will be. . . . It is due to [the separation] with all the lawyers and so on. And you just ask yourself what you should do. If I do this, [B-EF1] and [B-EF2] sue me, great. It sucks, it has had notable implications.
	A-E1 (H1): The exit of [A-EF1] was a big surprise for the employees. There was high uncertainty; what happens now?
Remaining co-founders develop emotional distance from venture	B-RF3 (H3, H4): [Our venture] has too many negative attributes by now, so that I would not say anymore that it is my baby. It is a very important experience and great for learning, but I would not call it my baby.
	C-RF1 (H5): Right now, I have to figure out what I actually want to do with my life. [The venture] is always an option, but currently I think, of course, I could keep it going, but it is already pretty late. I might make another attempt [with the venture], but I really need to think about it, and as I said, there is currently a red phase. But I never gave it up, de facto.
Loss of knowhow and resources in the venture	B-I1 (H3, H4): Also, there is the knowhow. We only noticed during that conversation that B had been accepted for this (business plan) competition in [major European city]. It involves immense opportunities not only because of the prize money but also because you get access to international investors. And we only noticed it now; [B-EF1] and [B-EF2] did not tell us voluntarily.
	A-E1 (H1): [Employees] took over specific tasks from [A-EF1]. They needed to work their way into it.

Lack of time to focus on venture operations. Our data showed that the remaining founders lacked time to focus on venture operations during the exit process, particularly when the process was hostile. In the cases H1, H3, and H4, founders described how they needed to invest their time in multiple enduring negotiations related to the exit, which also manifested in extensive written communications that we were able to review regarding the exits in the cases H3 and H4. Communication with external stakeholders and lawyers took additional founder time. They also had to formulate their strategy (i.e., how to arrive at a settlement that reflected their own interests), which consumed a significant amount of time. Our triangulation material

supports these observations regarding the founders' lack of time to focus on venture operations. For example, we noted significantly less public relations efforts on social media during the exit process (H3, H4). In contrast, the cases F3, F4, and F5 showed how in friendly exit processes, the founders quickly arrived at an agreement on the terms of exit, implying that they could keep their focus on venture operations. In this context, one of the remaining founders in case F4 explained, "We told [E-EF2] the last thing we need right now is a mud fight because we really need to focus our energy on other issues" (E-RF1).

Psychological distress. Our data also revealed that in hostile exit processes, founders felt severe psychological distress, which held them back from working effectively on advancing their venture. For example, a coach of team B reported in reference to the cases H3 and H4, "When I met [B-RF1] and [B-RF2] in one-on-one conversations, they told me that they could not eat anymore, not sleep anymore, that they were sick." She further described how after a six-hour mediation session with the whole team, "[B-RF1] was psychologically broken." The founder himself described that he was "extremely unproductive" (B-RF1), indicating that the psychological distress limited his cognitive resources to work on the venture. His remaining co-founder speculated whether it would end "with [him and B-RF1] ending in a facility where [they] would be nursed back to health because [they were] such nervous wrecks."

Perceived uncertainty about the venture's future. We learned from our data that founders perceived increased uncertainty about the venture's future during and after the exit process, including having questions like "What are we aiming at, what will be the next steps?" (B-RF2) in the cases H3 and H4. As a result, the venture's development was slowed because previously made assumptions (e.g., regarding resources, visions) became obsolete. In case H4, legal uncertainties also diminished the remaining founders' planning security regarding a partnership with a large technology company whose representatives the exiting founder had contacted to make the claim that the team used intellectual property that did not belong to them. At the same time, the remaining founders of team B had to constantly evaluate their potential future actions, bearing the risk of the exiting founders suing them, which narrowed their radius of operations and slowed their decision-making processes (H3, H4). An investor of the team described how one remaining founder complained, "One week after another passes, and we cannot proceed because we are not allowed to act [due to the legal uncertainty]" (B-RF1).

Emotional distance. When we analyzed our data, we discovered that the remaining team members disengaged psychologically from their ventures when their co-founder exited hos-

tilely, which was triggered by the negative experiences they had during the exit process. This disengagement could lead to lower levels of commitment and reduce their motivation to engage in the venture. For example, after the exits in the cases H3 and H4, a remaining founder explained that he gained an "emotional distance" (B-RF2) from his venture during the hostile exit processes and that he "would probably just do something like B again" if it did not work out. Similarly, we found that other remaining founders whose co-founders exited hostilely (B-RF3, C-RF1, C-EF2) disengaged emotionally from their ventures (H3, H4, H5). In the case H5, one founder described that for her team member and herself, "the fizz had gone" (C-RF1) after their co-founder's hostile exit and that she needed time to figure out whether she wanted to continue committing herself to the venture.

Loss of knowhow and resources. Finally, our data showed that the loss of important knowhow and resources due to a co-founder exit slowed venture progress. The teams needed to reacquire the lost knowhow and reassign the exited co-founder's tasks. In case H1, an employee of A explained that this process "reduced the speed of the venture" (A-E1). We found that in particular, hostile exits hindered knowledge transfer from exiting co-founders to remaining co-founders as they ruined their personal relationships with each other (H1, H2, H3, H4, H5). In contrast, we observed that in the case F5, for example, the exiting co-founder made significant efforts to help the remaining co-founders cope with his exit: "I realized that when I exit, I leave a gap that might hinder the others to proceed with the venture. Thus, I involved myself" (F-EF1). However, in our data, we also found that the loss of knowhow and resources was a rather minor issue as the remaining founders often started taking over the exiting co-founders' responsibilities earlier due to the perceived mismatch in performance. We discuss this issue in detail in the next section.

In conclusion, our data revealed several ways hostile exit processes can have negative short-term performance implications for a venture. As one investor of team B (H3, H4) summed up, "In the short term, temporarily, it is a setback because three, four, five months have passed during which the venture could have progressed further" (B-I1). In contrast, with respect to friendly exit processes, we were barely able to identify these issues and found few indications of substantial negative short-term consequences. The only exception was for team D (F1, F2), whose remaining co-founders developed a greater emotional distance from the venture. We attributed this finding to the slightly higher hostility related to the (overall still rather friendly) exit of the co-founder, whose strong adherence to the venture we described above (D-EF2,

F2).[8] Apart from this exception, which is consistent with our overall pattern, we found that teams that experienced a friendly exit lost speed because they had to take over additional responsibilities. Interestingly, we found some indications that the short-term implications of friendly exits can be positive. Specifically, in case F3, one remaining founder explained how the venture developed even faster after their co-founder left: "We did not need to be annoyed all the time about someone in the team who slows things down, who you cannot trust, because you know that he either does not do tasks at all or holds information back" (E-RF2).

3.4.5 Hostility of the exit process, recovery, and long-term venture performance

For the ventures in our sample, we also observed whether they continued their operations after the exit of one or more co-founders (see Figure 3). Thus, we explored long-term performance implications of co-founder exit.[9] Although our data showed how hostile separation processes could negatively impact a venture's development beyond the separation process (e.g., team B lost half of their pilot customers after the exits in the cases H3 and H4), we were unable to find clear links between the hostility of the exit process and venture survival. However, we identified a set of recovery activities in response to the exits that help explain why some ventures survived while others failed after the exits. Specifically, we found that (1) adaptation to the changed sets of resources, (2) psychological closure, and (3) actions to prevent future conflicts helped the ventures recover and manage subsequent exit processes more effectively. Table 9 summarizes evidence from our data.

Table 9. Exit recovery: representative quotations

Themes and categories	Level	Representative quotations for high and low levels of recovery
Adaption to the changed set of resources		
Role of exited co-founder is filled	*High*	A-E1 (H1): [A-EF1's] role was divided into three parts: [Three employees] took over the specific areas of responsibility.
	Low	C-RF1 (H5): I told [C-EF2] to tell me whether he wanted to continue with C or not (after exit of C-EF1). He thought about it for a month or so, and then, he told me he was out. And then, we also separated from [employee]. Then, I continued on my own for quite a while.
Remaining co-founders align business model/product/ service with given resources	*High*	A-RF1 (H2): [Our business model] has nothing to do with [the technology A-EF2 developed] anymore. In any regard. It is like when you say you harvest fruits on a farm, and in the end, you sell cars.
	Low	C-M1 (F5): They did not really adjust the business model or product. The only thing they did was focus more strongly on the [local] market.

[8] The exit process of D-EF2 involved medium levels of uncooperative behavior and an overemphasis on the team members' own interests rather than the venture's interests.
[9] Timeframes for the follow-up periods differed, but all exceeded nine months.

Themes and categories	Level	Representative quotations for high and low levels of recovery
and preferences		
Psychological closure		
Remaining co-founders experience positive emotions following separation	*High*	B-RF3 (H3, H4): Now, I am very happy that the separation is completed and that we have the certainty that we separated. I believe it was the best for all of us, for everyone individually. Not how the separation proceeded, but the outcome.
	Low	D-RF2 (F1, F2): It was clear to us that even the 6% or 8% that [D-EF2] and [D-EF1] still held back then were actually way too much. That means we still felt that pain. . . . The resentment and the discrepancies were still there.
Remaining co-founders experience satisfaction with the settlement with exited co-founder and do not struggle with it	*High*	A-RF1 (H1): Every investor told us "too high," but I think it was fair to pay compensation, and in my opinion, the compensation was okay. . . . Well, our investors perceived it as too high, as bad, as bad for [the venture], I have to say. I perceived it as fair. Exactly, I perceived it as absolutely fair.
	Low	D-C1 (F1, F2): The whole time I realized that there was some issue that was not spoken about, and that was exactly the case. I addressed it and put it straight: it was about the topic "team," that [D-EF2] and [D-EF1] did not surrender enough equity for [D-RF1] and [D-RF2] to feel justice, that they have the shares they hold.
Remaining co-founders focus on advancing product/service	*High*	B-I1 (H3, H4): Currently, [B-RF2] and [B-RF1] are extremely focused on the product. It is advancing, and they are extremely determined. They take a break for half an hour and have their food delivered to the office because they say if they have to pick it up, they would lose too much time.
	Low	F-RF1 (F5): Everyone started to look for other projects or sources of income in terms of freelancing, so it was clear that the impelling power was gone, and therefore, there wasn't any boost like, "Now that one person is gone, everything is working," but it rather simply meandered along.
Actions to avoid future conflicts		
Remaining co-founders adjust contractual agreements related to team	*High*	E-RF1 (F3): [E-RF2] and I do not want a 50:50 equity distribution because we are aware that this would be to our disadvantage. . . . Our notary literally asked us whether we were sure about the founder vesting that we have against each other because it is a very, very sharp sword; it is relatively radical and brutal. Just to prevent such things in the future. [Our shareholder agreement] defines very, very much.
	Low	[not mentioned]
Remaining co-founders adjust team processes and rules	*High*	B-RF1 (H3, H4): With respect to the team, one thing that changed is that we now address problems immediately, and we also clearly criticize each other. That is, if we think that someone's work does not match, we tell him immediately and very clearly. We all agree with that (behavior) because in our experience, this is important.
	Low	[not mentioned]

Adaptation to the changed set of available resources. All teams faced an outflow of resources (e.g., knowhow and manpower) when a co-founder exited. Our interview and second-

ary data revealed two ways the ventures reacted to keep business running: they filled the role of the exited co-founder and/or aligned the business model, product, or service to the changed set of available resources. Often, the founders had already taken over the exiting co-founders' duties before the actual exits in reaction to perceived mismatches in performance (H3, H4, F1, F2, F3, F4), which facilitated recovery from the exits. For example, in case F3, the remaining co-founders both used the term "fluent passage" to describe how they successively assumed responsibilities and tasks from the exiting co-founder before and after he left the venture. We found that remaining founders oftentimes (at least initially) filled the exiting founders' roles themselves. Team D (F1, F2) eventually added two new team members, just as team E after exit in case F3. In case H1, employees took over the role of the exiting co-founder, and the investor of team B filled the gap that the two co-founder exits had created (H3, H4). In particular, if the performance mismatch was based on the exiting co-founder's actual contributions (and was not just perceived by the remaining co-founders), these gaps were often described as rather easily addressable.

Teams A, B, and E (later also D) adjusted their business models or product/service in response to co-founder exits (H2, H3, H4, F1, F2, F3), as reflected in both our interview data and the ventures' online representations. For example, we learned in case H2, this change made the exiting co-founder redundant for the team. The product they initially offered was based on a technology developed by this exiting founder. After he resigned, the team pursued the development of an alternative technology and was "in the process of applying for a second patent" (A-RF2), which is in line with an adjustment of their business model. In case F3, the team eliminated a certain application for the composites they produced from their product portfolio after the exit of E-EF1, who had been passionate about the application and had the relevant network to distribute it. Team B also changed their business model after the exits in the cases H3 and H4. In contrast to earlier when they intended to "develop a product on the one hand, and focus on marketing and e-commerce on the other hand" (B-EF2), they concentrated strongly on the product development, which was better aligned with the remaining founders' own competences and passion. They did not concentrate on e-commerce anymore, which had been the goal and focus of the exiting founders. Instead they started to focus on business customers only. Team D's remaining founders eventually founded a parent company for their venture and built up a second additional company under the umbrella of the parent company. With the new company, they started to focus on additional products and markets, moving away from the initial business idea whose ownership the exiting founder in case F2 had claimed.

Psychological closure. Our data further revealed that it was important for the teams to overcome the exit and think forward from a psychological perspective. This prospect manifested in the experience of positive, rather than negative, emotions in response to the co-founder's resignation (e.g., satisfaction, happiness, relief). For example, in the cases F1 and F2, the exiting founders only returned part of their equity when they resigned, but they later sold their remaining shares back to the venture (D). We learned that after their exits, the remaining founders felt "no sense of liberation" (D-RF3) and that the "pain," "resentment," and "discrepancies" had not gone (D-RF2). Their coach described that these sentiments were "what held them back and what bothered them. . . . It felt like a brake that [D-EF2 and D-EF1] still had shares; [D-RF2 and D-RF1] did not feel as if they could progress" (D-C1). Only later when the exited founders had sold all their shares did the team feel satisfied with the settlement and experience positive emotions and optimism for the future. According to one remaining founder, during this time, "There was a spirit of optimism, everything is great now in the new constellation. And it was extremely exciting . . . it was pretty cool" (D-RF1). This case showed how important it was for the founders to psychologically overcome the separation in order to progress. Similarly, our data revealed that the remaining founders in the cases H1, H3, H4, F3, and F4 psychologically "made peace" with the separations from their co-founders.

Beyond the experience of positive emotions, psychological closure also related to the founders' creation of clear forward focus by strongly committing themselves to revising and advancing the venture. For example, after the exits in team B (H3, H4), one remaining founder stated, "Now, we focus very strongly on our product" (B-RF1). We did not observe such a strong focus on product advancement for the two non-surviving teams in our sample (C, F). For example, although internal documents showed that team F was discussing changes to their business model before the exit in case F5, "the ideas were not realized. . . . They did not significantly advance the features [of the product], nor did they change the business model or the sales strategy" (F-EF1).

Actions to prevent future conflicts. When we analyzed our data, we noticed that the teams from the ventures that survived in the long run (A, B, D, E) had taken precautions to prevent future team conflicts and reduce the potential for further potentially hostile exits. On the one hand, all these teams adjusted team processes, structures, and rules. For example, in case F3, team E changed their approach regarding the addition of new team members: "[E-RF1] and [E-RF2] have become cautious when it comes to the addition of new team members. . . . First,

work together and then contemplate whether it makes sense [to add a team member]" (E-EF2). Similarly, team A reflected on issues related to team composition. Their coach explained that when the team founded the venture, "It was about the technology, the idea. . . . They did not consciously contemplate the topic 'team' in that early stage. . . . They missed a lot of team reflection; they missed a lot of talking to each other" (A-C1). Over a year after the exits (H1, H2) a remaining co-founder of team A explained when discussing what they learned from their experiences: "We invested a lot of time in our recruiting process. . . . It might be very early to do so in our [development] stage, but we now have a very complex recruiting and hiring process with five stages" (A-RF2). Team B changed their communication and feedback routines after the exits (H3, H4), as one founder described: "We exchange a lot, talk a lot with each other. By now, I ask [B-RF3] every week what is up and if he agrees" (B-RF2). Similarly, a remaining founder of team A explained that it helped them to "give plenty of feedback, continuously" and emphasized that they established "feedback boot camps" (A-RF2) with the whole team, including employees. Teams A and B also made an effort to clearly define team structures. For example, regarding team B, their investor explained the following when recalling the exits in the cases H3 and H4: "Some issues have been expedited through the whole reappraisal. Now, everyone knows exactly what he is responsible for" (B-I1). Other adjustments the teams made included contractual agreements (H3, H4, F1, F2, F3) to specify the terms of future exits to prevent harm to the venture, particularly with respect to exiting founders' equity and compensation (e.g., vesting and cliff specifications).

Learning from co-founder exits and implications for future exits. Our data revealed that founders learned from co-founder exits, for example, by taking actions to prevent future conflicts. As our sample included ventures that experienced more than one exit over time (see Figure 3), we were able to observe how this learning impacted future exit processes. After the first exits experienced by team D (F1, F2), the remaining founders adjusted their contractual agreements, which had a notable impact on the subsequent exit of an additional co-founder (D-EF3) who was added to the team after the first exits (see Figure 3). One initial founder explained,

> We were extremely inexperienced back then [when we founded the venture with D-EF2 and D-EF1], and today, I can say that we shot ourselves in the foot because we did not have vesting. . . . We got [D-RF3] and [D-EF3] with 10% each on board, and with both of them, we also had a vesting agreement, vesting with cliff. (D-RF1)

The newly added co-founder (D-EF3) exited in a short and friendly exit process. Looking back, one of the founders explained that after the exit, "The cliff applied, that means all his shares went back to the company. That was the most positive aspect, that this time, it was pre-specified."

Team A experienced two exits over time (H1, H2). With respect to the second exit, one remaining founder explained that they were faster to make the exit decision, which prevented further escalation before the exit: "It was not that bad anymore, from an emotional perspective. The first time [H1] was really bad. . . . The second time [H2] was much more rational. It was logical; it was the only rational, logical consequence, and we did it immediately" (A-RF1). Although this founder perceived the second exit (H2) to be less hostile than the first (H1), we nevertheless identified some hostile actions and behaviors in our data. We attributed these actions to the exiting founder's (A-EF2) strong adherence to the venture in terms of perceived opportunity ownership and his emotional bond with the venture. With respect to the addition of new team members, team A's newly established complex recruiting process paid out, as one of the founders recalled: "It helped us only get the right people on board" (A-RF2).

The missing link between exit hostility and recovery. Interestingly, we did not find that the hostility of the exit process shaped the amount and intensity of recovery activities. We considered different ways to explore the link between hostility and the pursuit of recovery activities, but our data ultimately did not support them. First, we reflected on whether hostile exits would foster more recovery activities following the logic of "once bitten, twice shy." However, although the founders in team C experienced a hostile exit process (H5), we did not find that they took any of the actions mentioned above (contrary to team D in the cases F1 and F2, for instance). Second, we considered a time effect, believing that the founders would pursue additional recovery activities after more time passed post-exit. As the exits in the cases H3 and H4 were substantially more recent than the exits in the cases H5 and F5, for instance, we did not find support for this argument. Third, we wondered whether additional constructs or themes, such as the venture's formalization, would explain the nature of the exit process as well as the amount and intensity of the recovery activities taken. For instance, teams A and B showed notable differences in formalization—namely, in terms of formal routines and structures in the venture—yet both teams experienced hostile exit processes (H1, H2, H3, H4) and pursued substantial recovery activities. We found some initial indications that externals, such as mentors, coaches, and investors, could instigate recovery-related activities after co-

founders exited an entrepreneurial team. While our data are insufficient for exploring this issue in more detail, they open up an interesting avenue for further research.

3.5 Discussion

In this study, we explored how and why co-founder exit processes evolve and how such processes impact the development of new ventures. Our data showed that exit processes differ in their level of hostility, which has important implications for new ventures. The hostility of the exit process impeded venture development and thus reduced short-term venture performance. However, we found no clear link between exit hostility and venture survival in the longer term. Instead, survival was facilitated by the remaining founders' recovery activities in response to the exit. Importantly, our data revealed a clear distinction between the antecedents of co-founder exits and the factors that spur its hostility. We observed a multi-stage internal team trajectory in which a perceived performance mismatch caused negative attitudes and emotions within the team, which in turn created faultlines and triggered the idea for a co-founder exit. However, we identified two individual-level constructs—the exiting co-founder's perceived opportunity ownership and emotional bond with the venture—that shaped the hostility of the exit process. Our results offer novel and important contributions to theory on entrepreneurial and top management teams and entrepreneurial exit. Likewise, our study has important implications for practice.

3.5.1 Theoretical contributions to the literatures on entrepreneurial and top management teams

Our study addresses "black box concerns" in entrepreneurship and strategic management research (Klotz, Hmieleski, Bradley, & Busenitz, 2014; Priem, Lyon, & Dess, 1999) by exploring the team processes surrounding co-founder exits. Prior studies have advanced our understanding of the factors associated with co-founder exits, specifically team demographics and firm characteristics (e.g., Boeker & Karichalil, 2002; Boeker & Wiltbank, 2005; Chandler, Honig, & Wiklund, 2005; Ucbasaran, Lockett, Wright, & Westhead, 2003; Wiersema & Bird, 1993). However, because of their scope, these studies did not examine the specific motivations, emotions, and cognitions that lead to co-founder exits, and they lack a micro perspective on the team processes associated with such exits. Consistent with prior research (Busenitz, Fiet, & Moesel, 2004; Chandler, Honig, & Wiklund, 2005), we found that perceived low performance of a team member precedes his or her exit from the team. We extend

this research and show how such performance mismatches translate into membership changes in new ventures by triggering negative emotions and attitudes within the team that cause fault-lines between subgroups of founders and, ultimately, prompt the idea for a co-founder exit. Importantly, our data suggested that poor performance alone does not cause co-founder exits in new ventures but that there is an escalating multistage team process surrounding these exits.

Regarding the impact of co-founder exits on new venture performance, scholars have hypothesized both positive and negative relationships depending on their assumptions about the reasons for co-founder exits and about the impact of co-founder exits on group processes and the venture's resource base (e.g., Bamford, Bruton, & Hinson, 2006; Beckman, Burton, & O'Reilly, 2007; Chandler, Honig, & Wiklund, 2005). Our study adds to this research in two important ways. First, consistent with recommendations in the CEO succession literature (Boeker, 1992; Fredrickson, Hambrick, & Baumrin, 1988), we took a process perspective and included both the antecedents and consequences of co-founder exits to provide a more complete picture of the individual-, team-, and firm-level developments around the exit. Second, we explored how co-founder exits affected the remaining executives of a new venture. This perspective is important because entrepreneurial team members have particularly strong managerial discretion (Klotz, Hmieleski, Bradley, & Busenitz, 2014), implying a profound link between their response to co-founder exits and firm-level outcomes (Hambrick & Finkelstein, 1987).

The antecedents that we found—perceived performance mismatches and dysfunctional relationships among team members—suggest that co-founder exits represent an adjustment process to suboptimal team composition, which alone supports prior research hypothesizing positive performance implications of co-founder exits (Chandler, Honig, & Wiklund, 2005). However, our study also indicates that co-founder exits should not be conceptualized as a unidimensional event but as a multidimensional process that impacts venture development in a complex way. Specifically, we found that depending on their nature (hostile vs. friendly), co-founder exit processes can obstruct a new venture's progress. In particular, hostile exit processes substantially slowed down the development of new ventures by negatively affecting the remaining founders. This finding suggests that the hostility of the exit process is an important factor that explains how co-founder exits impact firm performance, adding to prior research on external and firm-level factors as moderators in this relationship (Chandler, Honig, & Wiklund, 2005; Guenther, Oertel, & Walgenbach, 2016).

Moreover, our findings indicate that in the long run, venture survival after co-founder exits depends on a set of specific recovery activities pursued by the remaining team members. Thus, our findings help clarify why some ventures survive after co-founder exits while others fail. Further, they indicate the importance of differentiating between short-term and long-term performance implications of co-founder exits (in our study, development speed and survival). Compared to prior research focusing on single dependent variables, such as venture closure (Guenther, Oertel, & Walgenbach, 2016; Haveman & Khaire, 2004), net interest margin (Bamford et al., 2006), self-reported profitability, or sales growth (Chandler et al., 2005), we captured the complex consequences of co-founder exits by relying on finer-grained outcomes. These nuances also highlight the importance of process-based and longitudinal approaches for gaining deeper insights into the consequences of co-founder exits.

One crucial recovery activity that helped ventures survive after co-founder exit was adapting to the changed set of resources. Our study indicated that exits result in an outflow of resources, which has been suggested as a mechanism explaining a negative relationship between exits and new venture performance (Bamford, Bruton, & Hinson, 2006). We found that the entrepreneurial teams that did not add new team members effectively overcame this outflow by adjusting their business model to match their remaining resources. These adjustments demonstrate how team membership changes can stimulate strategic change beyond new team members bringing in new perspectives (Boeker, 1997; Wiersema, 1995). We also found that teams of surviving ventures had a strong forward focus, leaving the separation behind and experiencing positive rather than negative emotions in response to the settlement with the exited founder (psychological closure). In contrast, we observed how negative emotions during hostile exit processes increased founders' emotional distance from their ventures and how a lack of recovery resulted in venture discontinuation. Finally, teams of surviving ventures took actions to prevent future conflicts, including adjusting team processes and contractual agreements. These actions mitigated the risk of potentially emerging new team conflicts. Interestingly, engagement in these recovery activities was not related to the hostility of the exit process or the magnitude of the negative experiences the teams had. This finding challenges research on organizational learning theory that highlights the importance of negative experiences for reorientation, adaptation, and search processes and thus disregards the potential of less aversive experiences (Lant & Mezias, 1992; Lant, Milliken, & Batra, 1992).

Our study also provides insights into the role of externals in impacting entrepreneurial team composition. Prior work has focused on investors and their impact on the dismissal of entre-

preneurial team members (e.g., Fiet, Busenitz, Moesel, & Barney, 1997; Hellmann & Puri, 2002; Wasserman, 2003). While we also found that investors contribute to co-founder exits, we explored how they do so when not in full power to execute membership changes: they team up with subgroups of entrepreneurial teams, validate team members' perceptions of performance mismatches, and support endeavors to separate. In part, these insights challenge the assumption that co-founders act as allies who help each other secure their positions (Wasserman, 2003). In particular, prior studies have focused on faultlines *between* entrepreneurial team members and investors (Lim, Busenitz, & Chidambaram, 2013) and have suggested that such faultlines, driven by conflicts between entrepreneurs and investors, impact entrepreneurs' exit intentions (Collewaert, 2012). However, instead of alliances of co-founders, we found opposing coalitions *within* the entrepreneurial team divided by faultlines and unilaterally reinforced by investors. The results of recent qualitative research on entrepreneurial teams supports this finding (Breugst, Patzelt, & Rathgeber, 2015). Very similar to the role of investors, we found that mentors nurtured founders' ideas to separate from a co-founder, which adds to our knowledge on mentoring functions in the entrepreneurial context (Ozgen & Baron, 2007).

Finally, our data contributes to the entrepreneurial team literature by indicating that romantic relationship metaphors can help understand entrepreneurial team processes. Prior research has argued that parenthood metaphors help describe the relationship between founders and their ventures (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005). Our study revealed that founders frequently used analogies to romantic relationships, particularly marriages, to explain interactions within the entrepreneurial team and the separation process. For example, founders used metaphors like "it is just like in a [romantic] relationship," "it is like when you split up with your girlfriend," or "it is like parents who get divorced" to explain a loss of trust in a formerly close partner, the difficult development of their relationship during and after the separation, and the importance of dissolving a relationship in the face of problems. This insight indicates that the family psychology literature, particularly work on marital interactions (e.g., Gottman & Notarius, 2000), could inform future studies on entrepreneurial teams and even help develop interventions for entrepreneurial teams.

3.5.2 Theoretical contributions to the entrepreneurial exit literature

Our study contributes to research on entrepreneurial exit, addressing a recent call for its integration with research on entrepreneurial teams (Wennberg & DeTienne, 2014). While prior studies on entrepreneurial exit have investigated individuals' exit intentions, strategies, and

routes (e.g., DeTienne & Cardon, 2012; Hsu, Wiklund, Anderson, & Coffey, 2016; Wennberg, Wiklund, DeTienne, & Cardon, 2010), they have largely neglected the team context (Wennberg & DeTienne, 2014). Our findings suggest that the presence of an entrepreneurial team can impact when and how entrepreneurs exit their ventures. For example, entrepreneurs can be pushed by their co-founders to exit. Thus, the team context can limit the significance of entrepreneurs' individual exit intentions and strategies. This finding informs studies that link entrepreneurs' individual characteristics with their exit routes (DeTienne & Cardon, 2012; DeTienne, McKelvie, & Chandler, 2015; Wennberg, Wiklund, DeTienne, & Cardon, 2010) because it highlights the entrepreneurial team as an important contingency. It also suggests an extension of existing definitions of entrepreneurial exit. Prior studies have largely adapted DeTienne's (2010: 203) definition of entrepreneurial exit, which limits this form of exit to the process by which entrepreneurs "remove themselves" from domains of the new venture. However, in a team context, often entrepreneurs *are removed* from these domains by their co-founders. Taking the team context into account, we broadly defined entrepreneurial exit as a founder's resignation from a venture's primary ownership structure, strategic decision making, and ongoing operations (cf. DeTienne, 2010; Klotz, Hmieleski, Bradley, & Busenitz, 2014).

We also identified novel factors that influence entrepreneurs' exit intentions and routes. Scholars have suggested several determinants of entrepreneurs' exit intentions, such as prior experiences (DeTienne & Cardon, 2012) and characteristics of the family and business domains in the context of family firms (Hsu, Wiklund, Anderson, & Coffey, 2016). Our findings suggest that entrepreneurs' perceived opportunity ownership and emotional bonds with their ventures substantiate their adherence to them, thus reducing exit intentions. The link between founders' emotional bonds with their ventures and their exit intentions is consistent with theoretical work by DeTienne (2010). Our study also indicates that processes in the entrepreneurial team itself— specifically the emerging multistage escalation process—can stimulate entrepreneurs' desire to exit a new venture. Moreover, scholars have also suggested several exit routes, such as harvest sale, distressed sale, liquidation, and distressed liquidation (Wennberg, Wiklund, DeTienne, & Cardon, 2010). The team context of our study gives rise to additional exit routes, such as non-voluntary exits enforced by team members (in some cases, even without adequate compensation). In sum, our findings suggest a greater need to consider the founding team context when theorizing on entrepreneurial exit.

Finally, we add to recent work by Rouse (2016), who explored when and how founders disengage from their ventures when they decide to exit. Her work is among the first to explore how founders' *experience* the exit process and to show how this experience relates to future entrepreneurial activity. While the work of Rouse (2016) focused on the experiences of the founders who exit, we shed light on the experiences of both the exiting and remaining founders during the entire exit process. First, our study revealed two constructs at the level of the exiting founder—emotional bond with the venture and perceived opportunity ownership—that shape the hostility of the exit process. Prior literature in organizational psychology has studied "the psychological bond linking the individual and the organization," broadly referring to organizational attachment (O'Reilly & Chatman, 1986: 492). While this stream of research has identified positive consequences of attachment for employees and organizations (see the meta-analysis by Riketta and Van Dick (2005)), we complement these insights by finding a potential downside of strong bonds between individuals and organizations in the new venture context. More specifically, these bonds led to high levels of founder adherence to their venture, which can obstruct the development of new ventures by triggering more hostile exit processes. This insight is consistent with prior theorizing that founders' psychological attachment makes it hard for them to 'let go' of their ventures (DeTienne, 2010) and causes succession problems (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005). Second, our study also integrates the perspective of the remaining founders after the exit process. We showed that these founders' emotional experiences during exit processes have important implications not only for the entrepreneurs themselves but also for the development of their ventures. Interestingly, our study suggests that psychological disengagement from the venture can also arise in the remaining founders during the exit process. We observed that founders attributed negative experiences made during hostile exit processes to their ventures and therefore, developed an emotional distance from them. Founders tended to discontinue their ventures when they did not experience psychological closure after the co-founder exit(s), which involved a revived focus on advancing their ventures and the experience of positive (rather than negative) emotions. Consistent with Rouse (2016), our findings highlight the relevance of exploring entrepreneurs' experiences during exit processes to advance our knowledge of entrepreneurial exit.

3.5.3 Avenues for future research and conclusion

While our qualitative research design enabled us to gain in-depth insights into the team processes surrounding co-founder exits, the generalizability of our findings remains limited due to the small sample size of our study. We encourage future research to test the relationships

proposed in our model in large-scale studies and to sharpen the conceptualization of the themes and constructs that inductively emerged from our data. Second, as we explained earlier, our data did not reveal a link between the hostility of the exit process and its long-term performance implications. This lack of connection might stem from our small sample size or limited observation period. Future research can address these issues and shed more light on the impact of the exit process on long-term venture development.

In conclusion, our study offers a dynamic model of co-founder exits in entrepreneurial teams. We showed that exit processes differ in their nature (hostile vs. friendly) and identified team processes that represent likely antecedents of co-founder exits. Our findings revealed how the exiting co-founder's perceived opportunity ownership and emotional bond with the venture impact the hostility of the exit process. Our data indicated negative short-term performance implications of hostile exit processes. The long-term performance implications depend on a specific set of recovery activities initiated by the entrepreneurial team in response to the co-founder exit. We hope these findings inspire future studies on exit processes in entrepreneurial teams.

4 Entrepreneurs' assessment of mentors: The role of experience, values, and subjective stress[10][11]

4.1 Introduction

Entrepreneurs are confronted with major challenges when starting their ventures because they often lack relevant knowledge and experiences (Delmar & Shane, 2006; Sexton, Upton, & McDougall, 1997). Furthermore, they are exposed to multiple sources of stress, such as long working hours, high responsibilities, and the uncertainties connected to their business (Boyd & Gumpert, 1983; Cardon & Patel, 2015; Patzelt & Shepherd, 2011). To assist entrepreneurs to deal with these challenges, mentors represent a promising source of both career-related and psychosocial support. On the one hand, they can provide entrepreneurs with valuable information and advice (Ozgen & Baron, 2007), and promote entrepreneurial learning during the new venture creation process (Deakins, Graham, Sullivan, & Whittam, 1998; Sullivan, 2000). On the other hand, they can help entrepreneurs to cope with the stress they experience, as mentoring was shown to reduce protégés' stress levels (Eby, Allen, Evans, Ng, & DuBois, 2008; Underhill, 2006).

However, only few studies address mentoring in the entrepreneurial context, despite several calls for more research in this area (Baron, 2002; Busenitz, 2007; Marion, Eddleston, Friar, & Deeds, 2015) and a multitude of formally established mentoring programs in practice (Bisk, 2002; Radu Lefebvre & Redien-Collot, 2013; Waters, McCabe, Kiellerup, & Kiellerup, 2002). So far, existing studies have focused on the outcomes of mentoring and identified its positive consequences, for example on the entrepreneurs' ability to recognize opportunities (Ozgen & Baron, 2007; St-Jean & Tremblay, 2011), entrepreneurial learning (Deakins, Graham, Sullivan, & Whittam, 1998; Sullivan, 2000), and venture success (Waters, McCabe, Kiellerup, & Kiellerup, 2002). However, the antecedents of the formation of the entrepreneur-mentor relationship have not been sufficiently addressed. More specifically, we do not understand how entrepreneurs assess the attractiveness of potential mentors. Understanding these assessments is crucial as they are likely to affect the formation of an entrepreneur's mentoring

[10] This essay is co-authored by Nicola Breugst. She advised me regarding the research design and theoretical model, and reviewed the essay.

[11] This essay has been accepted for presentation at (1) 19. Interdisziplinäre Jahreskonferenz zu Entrepreneurship, Innovation und Mittelstand, 2015 (Kassel, Germany); (2) Babson College Entrepreneurship Research Conference (BCERC), 2016 (Bodø, Norway); and (3) 76th Annual Meeting of the Academy of Management, 2016 (Anaheim, USA).

relationship consistent with the social network evolution literature (Nebus, 2006; Stokman & Doreian, 1997). This perspective suggests that individuals' assessments of a source's expertise influence their valuation of and, in turn, their likelihood to contact this source (Nebus, 2006).

Previous research indicates that the mentor's experience is likely to influence entrepreneurs' assessment of his or her attractiveness because entrepreneurs are generally assumed to benefit from the "more experienced mentor" (Ozgen & Baron, 2007: 238). However, we do not know yet which *types of experience* entrepreneurs consider to be relevant although entrepreneurship research on human capital acknowledges that distinct types of experience contribute to entrepreneurial outcomes in different ways (e.g., Gruber, MacMillan, & Thompson, 2012; Marvel, Davis, & Sproul, 2016). Furthermore, we do not know under which conditions entrepreneurs appreciate more or less these distinct experiences of their mentor. To benefit from their mentor's stock of experience, the experiences need to be accessible to the entrepreneurs (Nebus, 2006) and the entrepreneurs need to be receptive to them (Larsson, Bengtsson, Henriksson, & Sparks, 1998). Therefore, similarity in business-related values, i.e. the beliefs about what behaviors and end states are desirable in the context of founding and managing ventures (Schwartz & Bilsky, 1990), represents an important contingency in the entrepreneurs' assessments of mentors' experiences. Value similarity supports the transferability of information (i.e., increasing the accessibility of the mentor's experiences) and the entrepreneurs' acceptance of the mentor's advice (i.e., increasing the entrepreneurs' receptivity). Moreover, entrepreneurs are not equally receptive and in need for mentoring due to different stress levels, which can limit their willingness and cognitive capability to process information obtained from mentors (Ellis, 2006; LePine, LePine, & Jackson, 2004).

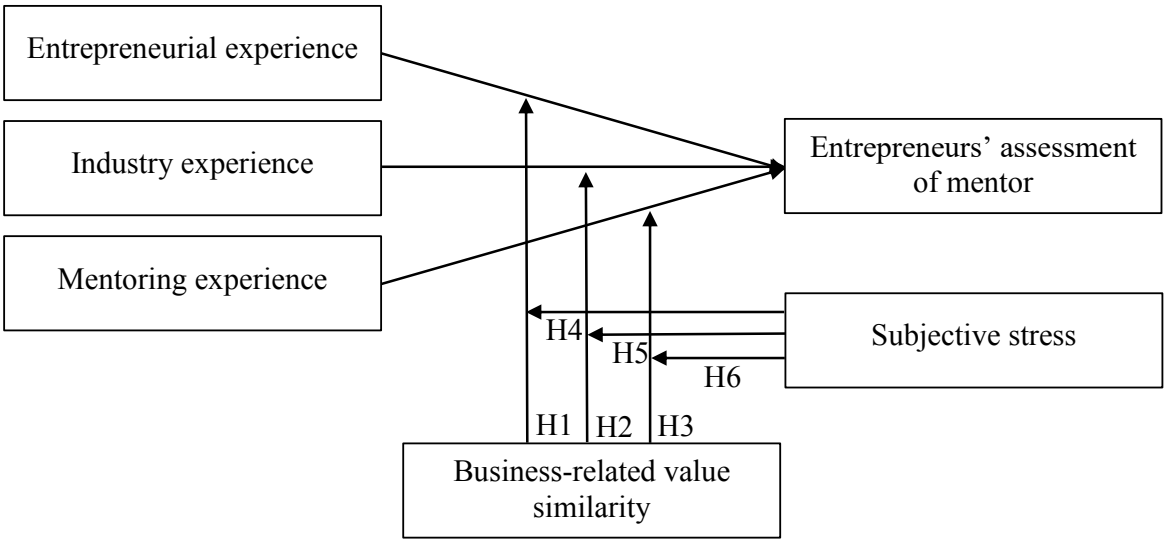
Building on this rationale, we introduce a model of entrepreneurs' assessment of mentors under stress. In our model, entrepreneurs' assessment of mentors is based on different types of the potential mentor's experience (i.e. entrepreneurial experience, industry experience, mentoring experience) and the business-related value similarity between the entrepreneur and the mentor, increasing the perceived accessibility of a mentor's experience. These contingencies are moderated by entrepreneurs' subjective stress. To test our model, we draw on 2,240 assessments by 140 entrepreneurs relying on a metric conjoint experiment.

Our study offers three main contributions. First, it adds to entrepreneurship research on human capital. This stream of research has largely focused on the role of the entrepreneurs' own experiences (e.g., Cooper, Gimeno-Gascon, & Woo, 1994; Dencker & Gruber, 2014), rather

than on the entrepreneurs' supporters. Specifically, our study helps disentangle the specific benefits connected to the distinct types of experience by taking into account the entrepreneurs' assessments of different types of their potential mentors' experiences. Second, we contribute to work on entrepreneurial learning, which suggests that vicarious learning is beneficial for entrepreneurs (Holcomb, Ireland, Holmes, & Hitt, 2009). Our study highlights the advantages of business-related value similarity for the entrepreneurial learner. More specifically, we theorize that business-related value similarity supports information transfer in mentoring relationships and entrepreneurs' acceptance of their mentor's advice. Finally, we contribute to research on entrepreneurial stress. Our findings suggest that beyond having considerable consequences for entrepreneurs and their ventures (Cardon & Patel, 2015; Schindehutte, Morris, & Allen, 2006), stress also impacts the social ties that entrepreneurs build around their ventures. Interestingly, as social ties were found to buffer negative consequences of stress (Pollack, Vanepps, & Hayes, 2012), our study suggests a spiral of stress and social ties influencing each other.

4.2 Theoretical background and hypotheses

Figure 6. Research model of entrepreneurs' assessment of mentors



In previous research on mentoring, scholars commonly described mentors as experienced and senior individuals assisting relatively inexperienced protégés in a developmental relationship (Haggard, Dougherty, Turban, & Wilbanks, 2011; Kram, 1985; Ragins, Cotton, & Miller,

2000). Research in entrepreneurship has emphasized that mentors fulfill important support functions in the new venture context. More specifically, mentors are not only a source of psychosocial support (St-Jean, 2011), but they can provide information and advice to entrepreneurs (Busenitz, 2007; Ozgen & Baron, 2007; Ruiz Massieu & González Brambila, 2016) building on their rich body of experience (Kram, 1985; Ozgen & Baron, 2007). We decompose the mentors' body of experience and analyze the impact of different types of mentors' experience on the entrepreneurs' assessment of mentors taking into account important contingency factors. In the following, we will explain our theoretical model, which is displayed in Figure 6.

4.2.1 Mentors' experiences, business-related value similarity, and entrepreneurs' assessment of mentors

Experience in a specific domain can be acquired through direct observation or participation resulting in an individual's knowledge in this domain (Holcomb, Ireland, Holmes, & Hitt, 2009). In the entrepreneurial context, the literature on human capital endowments differentiates between several types of experience relevant to new venture performance, most commonly industry experience and entrepreneurial experience (Marvel, Davis, & Sproul, 2016). These two types of experience have also been suggested as important for mentors in the entrepreneurial context (Deakins, Graham, Sullivan, & Whittam, 1998; St-Jean & Audet, 2009), but the differential effects for entrepreneurs have not been sufficiently addressed. Furthermore, research on mentoring in general considers mentoring experience as an important determinant for a relationship's initiation and quality (e.g., Allen, 2003; Fagenson-Eland, Marks, & Amendola, 1997; Ragins & Cotton, 1993). Based on these initial insights, we argue that these three types of experience will increase a mentor's attractiveness from the perspective of entrepreneurs.

Moreover, mentoring research suggests that perceived and actual similarity between protégé and mentor increases the protégé's relationship satisfaction and the amount of mentoring support received (e.g., Allen & Eby, 2003; Ensher, Grant-Vallone, & Marelich, 2002; Ortiz-Walters & Gilson, 2005). While similarity can also relate to surface-level characteristics, such as demographic characteristics (Allen & Eby, 2003; Lankau, Riordan, & Thomas, 2005), deep-level similarity, such as a similarity in values, is more likely to influence the potential relationship between individuals (De Tormes Eby et al., 2013; Ensher, Grant-Vallone, & Marelich, 2002). Therefore, we focus on the mentor's similarity to the entrepreneur in business-related values, which we define as values with respect to founding and managing ven-

tures. By focusing on business-related value similarity, we align value similarity with the context in which entrepreneur and mentor interact and which will be most important for the entrepreneurs' collaboration with the mentor.

We suggest that this value similarity impacts the entrepreneurs' assessments of the mentor's experiences because it entails both cognitive and affective benefits for the entrepreneurs in the mentoring relationship. These cognitive and affective benefits will increase the attractiveness of the mentor's experiences (Gerstberger & Allen, 1968; Nebus, 2006). At a cognitive level, value similarity increases the transferability of the information provided by the mentor, which makes his or her experience more accessible to the entrepreneurs. Similarity in business-related values fosters information transfer in the mentoring relationship for two reasons. First, the interpersonal similarity in general increases the frequency and quality of communication between individuals (Lincoln & Miller, 1979; Padgett & Wolosin, 1980; Smith et al., 1994). Second, the communication between entrepreneurs and mentors is particularly effective when their values are similar, "because having shared standards concerning what is important establishes a common frame for describing, classifying, and interpreting events" (Edwards & Cable, 2009: 656). Thus, entrepreneurs do not need to exert high levels of cognitive effort to understand and process the information provided by their mentor. Instead, they can easily decode his or her verbal and nonverbal signals, so that it will be less time-consuming and cognitively exhausting for them to access the mentor's experiences.

At an affective level, value similarity increases the entrepreneurs' acceptance of the mentor's advice, making the entrepreneurs more receptive for the mentor's experiences. First, entrepreneurs are more likely to perceive their potential mentor as a source of affirmation when value similarity is high (Byrne, 1971; Newcomb, 1956). More specifically, they are more likely to agree with their mentor's advice because it better fits to the plans that they perceive to be desirable for their venture, as shaped by their values (Schwartz & Bilsky, 1990). Second, value similarity increases trust between individuals (Edwards & Cable, 2009; Jehn & Mannix, 2001). In a trustful mentoring relationship, entrepreneurs are less likely to believe that their mentor's advice could harm them because of an alignment of goals and preferences (Edwards & Cable, 2009; Enz, 1988). Also, they are more likely to ascribe integrity to the mentor and thus, to accept the principles that shape his or her advice (Mayer, Davis, & Schoorman, 1995). Finally, value similarity fosters harmony and interpersonal comfort between individuals and reduces the likelihood of conflict (Edwards & Cable, 2009; Jehn, Northcraft, & Neale, 1999; Nemeth & Staw, 1989). Consistently, mentoring research suggests that value similarity is a

particularly strong predictor for perceived relationship quality (De Tormes Eby et al., 2013; Ensher, Grant-Vallone, & Marelich, 2002). In such relationships, entrepreneurs are more likely to be open towards new impulses, which fosters the entrepreneurs' acceptance of their mentor's advice.

Thus, value similarity increases both the transferability of the information provided by a mentor and the entrepreneurs' acceptance of a mentor's advice. In the following, we will elaborate how similarity in business-related values will increase the entrepreneurs' perceptions of the attractiveness of a potential mentor's entrepreneurial, industry, and mentoring experience.

Mentor's entrepreneurial experience. First, entrepreneurial experience, the previous involvement in new venture creation (Delmar & Shane, 2006), is associated with expertise in a broad range of activities relevant in the entrepreneurial process (Dimov, 2010; Toft-Kehler, Wennberg, & Kim, 2014). Researchers stress its positive impact on the ability to identify and evaluate opportunities (e.g., Baron & Ensley, 2006; Gruber, MacMillan, & Thompson, 2008; Gruber, MacMillan, & Thompson, 2013), which makes entrepreneurial experience a unique type of experience. Importantly, entrepreneurial experience provides broad and diverse knowledge about many aspects in the new venture context (Delmar & Shane, 2006; Reuber & Fischer, 1999). In contrast to industry experience, it is valuable across multiple market domains (Bosma, Van Praag, Thurik, & De Wit, 2004). Accordingly, mentors with entrepreneurial experience will have advanced knowledge about firm organization, financing, and the acquisition of relevant resources independent of a specific industry (Delmar & Shane, 2006; Politis, 2008; Ucbasaran, Westhead, Wright, & Binks, 2003). They are likely to provide diverse information and advice related to different issues relevant in the new venture context. Thus, entrepreneurs are likely to perceive mentors that have been involved in new venture creation as more attractive in general.

However, entrepreneurs will perceive the entrepreneurial experience as more beneficial if they share similar values with the mentor. The mentor's beliefs about desirable behaviors in new venture foundation and management are likely to impact the information and advice provided. For example, entrepreneurs differ in their preferences for venture growth (Autio, Sapienza, & Almeida, 2000). If entrepreneurs realize that a potential mentor views fast growth as preferable, they are likely to anticipate that the mentor's information will emphasize the attractiveness of fast growth. In the case of value similarity, the mentor's description and interpretation of the information will be consistent with the entrepreneurs' view, so that they will not need to translate this information to be in line with their own preferences for

venture growth. At the same time, the entrepreneurs will assume that the mentor's advice is closely aligned with their goals for the venture. More specifically, they will think that their own perspective is represented in the advice (Erez, Earley, & Hulin, 1985). Thus, they can more easily accept this advice instead of questioning its favor to the venture.

In contrast, if the mentor's and the entrepreneur's values are not similar, the entrepreneur will be less likely to perceive the mentor's information to be a good fit and to be helpful. Indeed, a qualitative study (Eby, McManus, Simon, & Russell, 2000) provides first indication that differences in growth preferences can be problematic in mentoring relationships. Describing negative mentoring experiences, a protégé explained that while the mentor "was driven to build empires", this goal did not match the protégé's values (Eby, McManus, Simon, & Russell, 2000: 12). Thus, the protégé will need to transfer the advice under consideration of the mentor's own business-related values to his or her own situation by distinguishing between the pure information and the mentor's interpretation. Moreover, it will be more difficult for entrepreneurs to accept the advice because it does not reflect their own perspective. Reflecting this rationale, another qualitative study (O'Neil & Ucbasaran, 2016) documents a situation in which an environmental entrepreneur did not want to accept the advice from his mentors who recommended him to be less strict about his ideals to achieve venture legitimacy. Based on the above, we propose the following hypothesis:

> *Hypothesis 1: The positive relationship between a mentor's level of entrepreneurial experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when the entrepreneur and the mentor have similar business-related values than when their business-related values are different*.

Mentor's industry experience. Second, industry experience, gained from previous work in a certain industry (Delmar & Shane, 2006; Dimov, 2010), provides an individual with valuable knowledge about the business environment. Specifically, if mentors have experience in the industry of the entrepreneur's venture, they are aware of an industry's structure, rules, and norms (Brüderl, Preisendörfer, & Ziegler, 1992; Delmar & Shane, 2006). Moreover, they are familiar with the relevant products, processes, and technologies (Cooper, Gimeno-Gascon, & Woo, 1994) and well prepared to identify and evaluate new opportunities within the specific industry (Cassar, 2014; Dimov, 2010; Ronstadt, 1988). Furthermore, this type of experience equips mentors with ties to key stakeholders in the industry, such as suppliers, customers, and competitors (Cooper, Gimeno-Gascon, & Woo, 1994) that are relevant for the entrepreneur. In contrast to entrepreneurial experience, industry experience rather signals depth instead of diversity of knowledge (Reuber & Fischer, 1999). It is focused on a specific industry, but

might not be easily applicable to other industries (Bosma, Van Praag, Thurik, & De Wit, 2004). As the specialized knowledge about an industry is beneficial to be successful in it (Brüderl, Preisendörfer, & Ziegler, 1992; Delmar & Shane, 2006), mentors' experiences in the same industry are likely to increase their attractiveness for the entrepreneur. Indeed, findings from Deakins, Graham, Sullivan, and Whittam (1998) suggest that entrepreneurs seek industry-related advice from their mentors.

Again, we suggest that entrepreneurs will perceive their potential mentor's industry experience as more valuable when they share business-related values with him or her due to the cognitive and affective benefits of value similarity introduced above. On the one hand, industry information will be easily transferable from the mentor to the entrepreneur when value similarity is high. For example, the mentor's descriptions of the industry structure will be more easily interpretable for the entrepreneurs because they share a joint understanding of how firms should operate. On the other hand, value similarity increases the entrepreneurs' acceptance of industry-related advice from the mentor. For example, the entrepreneurs will assume that the industry trends highlighted by the mentor will be helpful for their venture's development. Finally, entrepreneurs may expect that the mentor will connect them to key players in the industry (Deakins, Graham, Sullivan, & Whittam, 1998). In case of similar values, they will perceive the mentor's network to be a better fit and they are more likely to accept potential stakeholders introduced to them by their mentor.

In contrast, when the mentor's and the entrepreneurs' values differ, the entrepreneurs will need to invest cognitive effort to align information about the industry with their own goals for the venture. The discussion of industry trends will be less valuable for them as they might perceive these trends not to be a good match for their venture. Therefore, they will be less receptive for the mentor's industry experience. Entrepreneurs may also anticipate that value dissimilarity can lead to conflicting views regarding the positioning and behavior within the industry. For example, there may be significant differences in the preferences how to deal with competitors (Covin & Covin, 1990). An entrepreneur may prefer building partnerships with other players within the industry, while a mentor may have the preference for displacing them (or vice versa). If the mentor's advice is inconsistent with the entrepreneurs' preferences, they will be less likely to consider it as valuable and thus, to accept it. Therefore, entrepreneurs will perceive the mentor's experience in their industry as less beneficial when their values differ. Based on the above, we propose the following hypothesis:

Hypothesis 2: The positive relationship between a mentor's level of industry experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when the entrepreneur and the mentor have similar business-related values than when their business-related values are different.

Mentor's mentoring experience. Third, mentoring experience, the previous experience as a mentor (Allen & Eby, 2004), can serve as a signal to entrepreneurs that the mentor is more willing to provide psychosocial support. Mentoring is linked to prosocial (Allen, 2003; Mullen, 1994) as well as altruistic behavior (Aryee, Chay, & Chew, 1996), and regarded as a personal investment by the mentor (Scandura & Schriesheim, 1994). In fact, Allen (2003) finds support for a positive link between mentoring experience and helpfulness. Entrepreneurs are likely to perceive mentors high in helpfulness as interested in their well-being and committed to their personal development beyond venture success. Therefore, entrepreneurs are likely to perceive habitual mentors as more attractive than those without mentoring experience and this perceived attractiveness will be stronger when the values between entrepreneurs and mentors are similar.

Specifically, value similarity creates mutual liking and trust between the mentor and the entrepreneur (Byrne, 1971; Edwards & Cable, 2009; Lankau, Riordan, & Thomas, 2005). Trust and liking in the relationship will provide a basis for the entrepreneurs to talk openly about their personal and professional concerns (Smith & Blanck, 2002) to access the mentor's advice. In fact, the potential quality of the interpersonal relationship with the mentor can be an indicator for entrepreneurs to assess the psychosocial support provided by the mentor (Kram, 1985). Entrepreneurs will expect habitual mentors to be interested in their personal development and value similarity will make them more receptive for the mentor's personal advice. As the entrepreneurs' preferences for their development are shaped by their values (Edwards & Cable, 2009), they will expect that the advice of a mentor with similar values will better fit their goals and that the advice will help them master their challenges. For example, an entrepreneur who prefers a healthy work-life balance will particularly appreciate a habitual mentor sharing this value because the entrepreneur is likely to assume that the mentor has already helped other entrepreneurs with respect to this challenge and that the mentor has experience how to align the entrepreneur's personal needs with the venture needs.

In contrast, when the entrepreneurs' business-related values are different from a potential mentor's values, entrepreneurs are less likely to benefit from a habitual mentor's mentoring experience because they might question the quality of the mentor's personal counseling, which is likely to diverge from their goals. Furthermore, entrepreneurs might doubt the men-

tor's understanding of their concerns because of a less effective communication between them. Based on the above, we propose the following hypothesis:

> *Hypothesis 3: The positive relationship between a mentor's level of mentoring experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when the entrepreneur and the mentor have similar business-related values than when their business-related values are different*.

4.2.2 Subjective stress, business-related value similarity, and entrepreneurs' assessment of mentors

Entrepreneurs are exposed to conditions that can cause high levels of stress with potentially detrimental consequences for their well-being (Boyd & Gumpert, 1983; Bradley & Roberts, 2004; Cardon & Patel, 2015). For example, they typically have immense workloads, they need to bear high responsibilities, and they constantly face the risk of losing their own business (Akande, 1994; Patzelt & Shepherd, 2011). We argue that entrepreneurs' stress levels influence their assessment of mentors. Depending on their individual level of stress, entrepreneurs might not always be equally receptive for mentoring, and likewise, their need for mentoring support may differ. Thus, we propose that subjective stress is an important contingency that impacts the moderating effect of business-related value similarity in entrepreneurs' assessment of a mentor's experiences.

***Mentor's entrepreneurial experience*.** As described above, the mentor's entrepreneurial experience can provide general and diverse information about the entrepreneurial process independent of a specific business context. Moreover, entrepreneurial experience is connected to the identification and evaluation of potential opportunities (e.g., Baron & Ensley, 2006; Gruber, MacMillan, & Thompson, 2008; Gruber, MacMillan, & Thompson, 2013). Entrepreneurial experience will increase a mentor's attractiveness, and value similarity will strengthen this effect because it increases the transferability of information and the entrepreneurs' acceptance of the mentor's advice. We further argue that entrepreneurs' subjective stress will impact this contingency.

When the entrepreneurs' levels of stress are higher, they will narrow their perception and consider fewer alternatives in their decision making process (Ganster, 2005; Yates, 1990). When the broad information provided by the mentor's entrepreneurial experience is not easily transferable, i.e. when value similarity is low, it will be difficult for them to benefit from this information. As high levels of stress affect an individual's cognitive resources (Ellis, 2006; Staw, Sandelands, & Dutton, 1981), entrepreneurs experiencing stress are less likely to be

able to invest the cognitive effort to translate the mentor's information for their own goals. Further, their motivation to learn about new aspects, i.e. to accept advice that does not fit their situation, will be reduced because of high levels of stress (LePine, LePine, & Jackson, 2004). For example, a mentor who has entrepreneurial experience is likely to confront entrepreneurs with a broad set of different market domains (Gruber, MacMillan, & Thompson, 2008). These different options might discourage the entrepreneurs from discussing with the mentor. In contrast, when entrepreneurs experience less stress, they will be better able and more willing to translate the mentor's information even if it does not fit well because of dissimilar values. In our example, entrepreneurs might take the time to discuss different market alternatives and thereby, invest the cognitive effort to process the broad information provided by the mentor. Thus, entrepreneurs will be better able to benefit from a mentor's entrepreneurial experience despite dissimilar business-related values when their levels of stress are lower.

When the entrepreneur's and the mentor's business-related values are similar, the entrepreneur will appreciate the information and advice based on the mentor's entrepreneurial experience as relevant and valuable for the development of the venture. As the venture's well-being is a key priority for entrepreneurs (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005), they will favorably assess a mentor providing relevant information and advice that matches their goals independent of their experience of stress. Thus, we offer the following hypothesis:

> *Hypothesis 4: The positive moderation effect of business-related value similarity on the relationship between a mentor's level of entrepreneurial experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when entrepreneurs experience higher levels of stress than lower levels of stress*.

***Mentor's industry experience*.** As described above, industry experience is connected to detailed knowledge about one specific industry. Thus, a mentor with experience in the industry of the entrepreneur's venture provides detailed information focused on the entrepreneur's business environment. While entrepreneurs are likely to benefit from their mentor's industry experience, they will need to translate the mentor's information to their own situation and will be less likely to accept the mentor's advice when they do not have similar values as the mentor. Again, we suggest that entrepreneurs who experience high levels of stress will lack the cognitive resources (Ellis, 2006; Staw, Sandelands, & Dutton, 1981) to benefit from a mentor's industry experience when their values do not match. Moreover, triggered by their high stress level, they might be less open to reflect upon and accept the mentor's advice (LePine, LePine, & Jackson, 2004) when they perceive it to be not in their focus.

In contrast, when mentor and entrepreneur share similar values, the entrepreneur will perceive the focused information provided by the mentor's industry experience to match his or her own situation. They will appreciate the information and contacts provided by the mentor independently of their level of stress because they expect positive effects for their venture. Based on the above, we propose the following hypothesis:

> *Hypothesis 5: The positive moderation effect of business-related value similarity on the relationship between a mentor's level of industry experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when entrepreneurs experience higher levels of stress than lower levels of stress*.

***Mentor's mentoring experience*.** While the mentor's entrepreneurial and industry experience primarily signals instrumental assistance to entrepreneurs, we argue that mentoring experience signals a higher willingness to provide psychosocial support (see above). As the mentor's psychosocial support can help entrepreneurs cope with the stress they experience (Eby, Allen, Evans, Ng, & DuBois, 2008; St-Jean, 2011; Underhill, 2006), we expect the entrepreneurs' experience of stress to moderate their assessment of the mentor's more or less valuable—based on their value similarity—mentoring experience. When entrepreneurs experience high levels of stress, they might expect to benefit from a mentor who has experience in this role when they perceive the mentor's advice to be appropriate for their goals. They are likely to perceive their mentor as an approachable contact person who provides them with the support that they need. For example, such a mentor can reassure them in difficult times or help resolving problems (Deakins, Graham, Sullivan, & Whittam, 1998; Kram, 1985; St-Jean, 2011). When entrepreneurs experience lower levels of stress, they will not equally appreciate the mentoring experience of a mentor who shares their business-related values because they will not need the same level of psychosocial support like the entrepreneurs experiencing higher levels of stress.

In contrast, when the entrepreneurs and mentors do not have similar business-related values, entrepreneurs experiencing high levels of stress are unlikely to appreciate a potential mentor's mentoring experience. They will anticipate a less positive relationship with their mentor (Edwards & Cable, 2009), which might result in the mentor's lack of understanding of the entrepreneurs' problems or advice that the entrepreneur cannot easily accept (see above). Thus, entrepreneurs under higher levels of stress might consider their discussions with the mentor to be ineffective in a situation in which they already lack time and cognitive resources to deal with the daily venture tasks (Aldrich & Martinez, 2001; Uy, Foo, & Song, 2013). Entrepreneurs under lower levels of stress will be less affected by dissimilar values because they

are more likely to have the resources to deal with mismatching advice provided by the mentor. Therefore, we propose the following hypothesis:

> *Hypothesis 6: The positive moderation effect of business-related value similarity on the relationship between a mentor's level of mentoring experience and the entrepreneur's assessment of the mentor's attractiveness is stronger when entrepreneurs experience higher levels of stress than lower levels of stress*.

4.3 Research methods

4.3.1 Data and sample

Our sample includes entrepreneurs whose ventures are located in randomly selected business incubators organized in the German Federal Association of Innovation, Technology, and Start-up Centers (ADT, 2015). Because incubator ventures are typically in an early stage of development (Rice, 2002) business incubators are an appropriate sampling context for our study, given our focus on mentoring for entrepreneurs in young ventures. We first composed a list of all incubators presented on the ADT's homepage (ADT, 2015) and randomly selected 100 of them. Subsequently, we compiled a list of all ventures in these incubators based on the information provided on their websites. Consistent with our focus on young ventures, we excluded all ventures that were older than six years. Furthermore, we excluded subsidiaries as their founders are likely to obtain strategic guidance and support from the respective parent company (Domurath & Patzelt, 2016), which likely differentiates their support needs from other entrepreneurs. Finally, we also excluded freelancers from our sample, as they represent a "hybrid of employees and entrepreneurs" (Van den Born & Witteloostuijn, 2013: 25) and might have different support needs compared to other entrepreneurs. Therefore, they did not match the focus of our study. This approach resulted in a primary list of 1,041 ventures.

We tried to contact an entrepreneur from each venture via phone to personally introduce our study, explain its purpose, and ask for participation. On the phone, we also verified the exclusion criteria as listed above and excluded another 131 ventures as they turned out not to match the focus of our study. There was no monetary remuneration for participating; however, we offered all respondents an overview of the results. Subsequently, we sent out an email with a personalized link to our online research instrument to all entrepreneurs who were interested in participating. In total, we were able to contact 593 relevant ventures, and we sent out emails to 398 interested entrepreneurs inviting them to our study. In case the entrepreneurs did not participate after the first invitation email, they received a reminder email highlighting the im-

portance of their responses. Finally, 154 entrepreneurs completed our survey, which corresponds to a response rate of 25.847% in terms of entrepreneurs contacted. Upon inspection of the survey data, 14 more entrepreneurs still did not meet our sampling criteria (see above) and were excluded from the sample. This resulted in 140 complete and usable data sets.

To test for nonresponse bias, we followed recommendations of Armstrong and Overton (1977) and compared respondents and non-respondents in terms of variables that were directly available from the ventures' webpages or from online company registers. For 90.65% of the non-respondents information with respect to industry membership and venture age was available. We did not find any significant difference ($p > 0.1$) which suggests that our sample is not strongly affected by nonresponse bias.

Entrepreneurs in our final sample were on average 40.81 years old (s.d. = 10.14) and 92.86% were male. With respect to education, 65.71% held a master degree or higher, and most of them had a background in engineering (47.14%), followed by business (34.29%) and mathematics and natural sciences (20.71%). 23.57% of the respondents had an educational background in other disciplines. They had on average 11.77 years of industry experience (s.d. = 8.00) and had founded on average 0.71 ventures before (s.d. = 1.06). Their current ventures were on average 3.08 years old (s.d. = 1.66) with an average of 4.06 employees (s.d. = 5.01). While 50.71% of the ventures operated in high-technology industries (e.g., sciences and computer hardware and software), 49.29% were based in low-tech industries (e.g., consumer goods, services). Of the respondents, 48.57% have had a mentor once and 34.29% had a mentor at the time of participating in our study.

4.3.2 Research design

We used metric conjoint analysis to test our hypotheses (Priem, 1992; Shepherd & Zacharakis, 1999). The method requires respondents to make a series of assessments based on profiles that are characterized by several decision-relevant attributes. As such, it allows for investigating decision structures (Shepherd, 1999), specifically, for the quantification of the impact of single attributes on respondents' assessments and interactions between them. Furthermore, the method captures respondents' assessments in real time, and thereby overcomes several threats of alternative post hoc methods, such as retrospective data (Lohrke, Holloway, & Woolley, 2010). Given these advantages, conjoint analysis is frequently used to investigate entrepreneurs' assessments, e.g. with respect to opportunities (Choi & Shepherd, 2004; Shepherd, Patzelt, & Baron, 2013; Wood, McKelvie, & Haynie, 2014) and strategic choices

(Domurath & Patzelt, 2016; Patzelt, Shepherd, Deeds, & Bradley, 2008). Moreover, several studies in entrepreneurship research investigated respondents' assessments based on hypothetical persons represented in conjoint profiles. For example, Brundin, Patzelt, and Shepherd (2008) examined entrepreneurs' willingness to act entrepreneurially based on conjoint profiles with information about managers' emotional displays. Further, Kollmann, Häsel, and Breugst (2009) presented profiles of potential co-founders to entrepreneurs to study entrepreneurial team member selection. Thus, we conclude that conjoint profiles are well-suited to represent hypothetical mentors to be assessed by entrepreneurs. Moreover, we asked seven entrepreneurs to review the materials to ensure that entrepreneurs could make sense out of the profiles.

Our research instrument consisted of two parts presented in an online survey: First, the actual conjoint experiment, and second, a post-experiment questionnaire. In the conjoint experiment, respondents were asked to assess the attractiveness of a mentor on a 7-point Likert scale ranging from 1 ("It is very unlikely that I would choose this mentor") to 7 ("It is very likely that I would choose this mentor"). The mentors were characterized by four attributes that varied on two levels each, resulting in 16 (2^4) possible attribute-level-combinations. To decrease the participants' burden (i.e. the time and effort required for finalizing the experiment), we reduced the number of profiles using a fractional factorial design by Hahn and Shapiro (1966). The design included eight full profiles and allowed for testing all main effects as well as three independent two factor-interactions in accordance with our hypothesized interaction effects. Each profile was replicated to check for consistency in respondents' answers. In our study, the mean test retest correlation is 0.81, which is similar to other conjoint analyses in entrepreneurship research indicating that the participants answered consistently across the profiles (Dawson, 2011; e.g., Shepherd & Patzelt, 2015). For 94.5% of the respondents, Pearson correlation between their assessments of the original and the replicated profiles exceeds 0.5, corresponding to a large effect size (Cohen, 1988) and hence indicating reliable responses. Consistent with other studies that used conjoint analysis (e.g., Patzelt & Shepherd, 2009; Shepherd, Patzelt, & Baron, 2013), we excluded the nonreliable respondents (n=8) from the study.[12]

Consistent with previous studies (Domurath & Patzelt, 2016; Shepherd, Patzelt, & Baron, 2013), the experiment started with an additional practice profile to familiarize respondents with the assessment task, followed by the eight original profiles and the eight replicates,

[12] The inclusion of the nonreliable respondents in the analysis does not change the pattern and significance of the results.

which were both randomly ordered to avoid any order effects. Furthermore, respondents were randomly assigned to one out of two versions of the experiment that differed in the order of attributes within the profiles. There was no significant difference ($p > 0.10$) between the two versions, indicating that the attribute order is unlikely to have influenced respondents' assessments.

4.3.3 Measures and variables

Mentor attributes. Mentors in our conjoint profiles were characterized by four attributes; three described the mentor's experience and one the mentor's values. Each attribute varied on two levels consistent with previous studies (e.g., Drover, Wood, & Fassin, 2014; Shepherd, 1999). First, *entrepreneurial experience,* corresponding to past involvement in new venture creation (Toft-Kehler, Wennberg, & Kim, 2014), described the mentor's level of personal experience in establishing new ventures. Second, *industry experience*, originating from previous work in a specific industry (Delmar & Shane, 2006), described the mentor's level of experience in the industry of the entrepreneur's venture. Both attributes could take the value "high" or "low," corresponding to either a high or low level of the mentor's experience in the respective domain. Third, *mentoring experience* described how much experience the mentor had in this function and was represented either as "high" or "none."[13] Fourth, *business-related value similarity* described how similar the mentor's values with respect to founding and managing ventures were in comparison to the entrepreneur. Hence, business-related values in our study related to the key activities of entrepreneurs (Cassar, 2014), to closely align the variable with the decision context we focused on. Business-related values could take the levels "similar" or "different", as compared to the responding entrepreneur's values. As such, we did not specify specific values to avoid any confounding influences of the entrepreneurs' actual values.

Subjective stress. We measured subjective stress using a three-item scale provided by Cardon and Patel (2015). An example for an item is if the respondents have been or felt under any strain, stress, or pressure in recent times. The Cronbach's alpha of the scale was 0.88, which is sufficiently reliable (Hair, Black, Babin, & Anderson, 2010).

[13] Interviews with entrepreneurs that we conducted in the preparation of this study suggested that entrepreneurs considered a mentor with one previous protégé as high in mentoring experience. Therefore, we decided to use the value "none" in contrast to the value "low" for entrepreneurial and industry experience. For these two experience types, the value "none" would have resulted in unrealistic profiles for the entrepreneurs we interviewed.

Control variables.[14] We controlled for several variables taking into account differences between our respondents that are likely to impact their assessments. With respect to their individual characteristics, we controlled for their entrepreneurial and industry experience. As mentors can compensate for a lack of an entrepreneur's experience (Ozgen & Baron, 2007), the respondents might differ in their preferences depending on their own experiences. Consistent with previous research, we measured entrepreneurial experience as the number of firms founded prior to the foundation of the current one (Hmieleski & Baron, 2009; Stuart & Abetti, 1990) and industry experience as years of working experience in the industry in which the current venture operates (Boeker & Karichalil, 2002; Dimov, 2010). Furthermore, we controlled for respondents' experience as a protégé using a binary coded variable (0 = no experience as a protégé and 1 = having worked with at least one mentor) because it likely determines the basis for evaluating mentors (Ragins & McFarlin, 1990). Additionally, we controlled for entrepreneurial self-efficacy, as it impacts entrepreneurs' decision making (Shepherd et al., 2015) and might influence their perceived need for support. We measured entrepreneurial self-efficacy using a scale by Zhao, Seibert, and Hills (2005), which includes four items capturing respondents' self-efficacy for the entrepreneurial task domain. For example, respondents were asked for their confidence in successfully creating new products (Cronbach's alpha = 0.70). Moreover, we controlled for the entrepreneurs' age (in years) and gender because they have been associated with differences in entrepreneurial decision making (Shepherd, Williams, & Patzelt, 2015). With respect to characteristics of the respondents' firms, we controlled for venture age (in years) and size (the number of employees) because the problems entrepreneurs face—and consequently their support needs—are likely to change as the venture grows (Orser, Hogarth-Scott, & Riding, 2000). Finally, we also controlled for high-technology industries because industry-related advice might be perceived as particularly valuable in sectors of complex technologies (Kor & Misangyi, 2008). We measured this variable using a dummy variable for high-technology industries (low-tech industries are the reference category) consistent with Foo (2011).

4.4 Results

In total, the 140 entrepreneurs in our sample made 2,240 assessments. As the assessments are nested within the individuals, we used hierarchical linear modeling (HLM). The method recognizes the likely problem of autocorrelation in our data and it allows for separating the vari-

[14] Acknowledging the criticism on the use of control variables (Spector & Brannick, 2010), we tested our research model without including any control variables. The pattern of results as reported below remains the same.

ance in the outcome measure at both levels of analysis (Raudenbush & Bryk, 2002): the assessment (Level 1) and the individual (Level 2). Level 1 variables were group-mean centered and level 2 variables were grand-mean centered before they were entered in the analyses consistent with the recommendation by Aguinis, Gottfredson, and Culpepper (2013).

The decision attributes at Level 1 are not correlated because of the orthogonal design. Table 10 presents the correlations between the Level 2 variables. As some of the correlation coefficients are statistically significant (e.g. entrepreneur's age and entrepreneur's industry experience), we calculated the variance inflation factors (VIFs) to test for potential multicollinearity problems. All VIFs are below 2.5 (highest VIF = 2.22), which is far below the cutoff value of 10.0 as suggested by Hair, Black, Babin, and Anderson (2010). Therefore, multicollinearity is unlikely to be a problem.

Table 11 shows the results of our analyses. Specifically, we report four models. Model 1 includes the control variables at Level 2 only. Model 2 additionally considers all main effects at Level 1, i.e. the attributes describing the potential mentors. We entered the main effect of value similarity and the hypothesized two-way interactions in Model 3. Finally, Model 4 additionally includes the main effect of stress at Level 2 and the hypothesized cross-level three-way interactions. Because of statistically significant interaction terms, we interpret all lower level interactions based on the full model, i.e. Model 4 (Cohen, Cohen, West, & Aiken, 2003). For each model, we report the coefficients and standard errors as well as statistical significance levels. In the last two rows, we furthermore report the pseudo R^2 values, calculated based on Snijders and Bosker (1999), at Levels 1 and 2.

Model 4 shows positive and statistically significant (all p's < 0.001) coefficients for the main effects at Level 1. This suggests that a mentor's level of entrepreneurial experience, industry experience, and mentoring experience have on average a positive impact on the entrepreneur's assessment of the mentor with industry experience being the most relevant type of experience ($\beta = 1.87$, $p < .001$). We hypothesized that business-related value similarity strengthens this positive impact of the experience attributes on entrepreneurs' assessment of the mentor (Hypotheses 1-3). The impact of value similarity on the relationship between the potential mentor's entrepreneurial experience ($\beta = 0.52$, $p < .001$), industry experience ($\beta = 0.55$, $p < .001$), as well as mentoring experience ($\beta = 0.29$, $p < .001$) and the entrepreneurs' assessments of the potential mentor is positive and significant. We plotted these interactions in Figure 7. The y-axis represents the entrepreneurs' assessment of the mentor's attractiveness, and the x-axis the

Table 10. Means, standard deviations, and correlations of the level 2 variables

		M	s.d.	1	2	3	4	5	6	7	8	9
1	Subjective stress	4.52	1.32	1.000								
2	Entrepreneur's age	41.81	10.14	-0.120***	1.000							
3	Gender†	0.07	0.26	-0.074***	0.006	1.000						
4	Entrepreneurial experience	0.71	1.06	0.039	0.257***	-0.101***	1.000					
5	Industry experience	11.77	7.80	-0.008	0.702***	-0.092***	0.273***	1.000				
6	Mentoring experience‡	0.49	0.50	0.046*	-0.081***	-0.070***	-0.090***	-0.068***	1.000			
7	Entrepreneurial self-efficacy	5.58	0.80	0.017	-0.001	-0.052*	0.191***	0.002	0.173***	1.000		
8	Venture age	3.08	1.66	0.073***	0.154***	-0.062**	0.086***	0.088***	-0.008	-0.028	1.000	
9	Venture size	4.06	5.01	0.092***	0.019	-0.093***	0.332***	-0.084***	0.077***	0.105***	0.229***	1.000
10	High tech industry‡‡	0.51	0.50	-0.090***	-0.060**	-0.121***	-0.111***	0.072***	0.108***	0.009	0.052*	0.007

Note. $N = 140$ entrepreneurs.
† 1= Female, 0 = Male
‡ 1 = Yes, 0 = No
‡‡ 1 = Yes, 0 = No
*** $p < .001$; ** $p < .01$; * $p < .05$

Table 11. Hierarchical linear regression model of entrepreneurs' assessment of the likelihood to choose a mentor

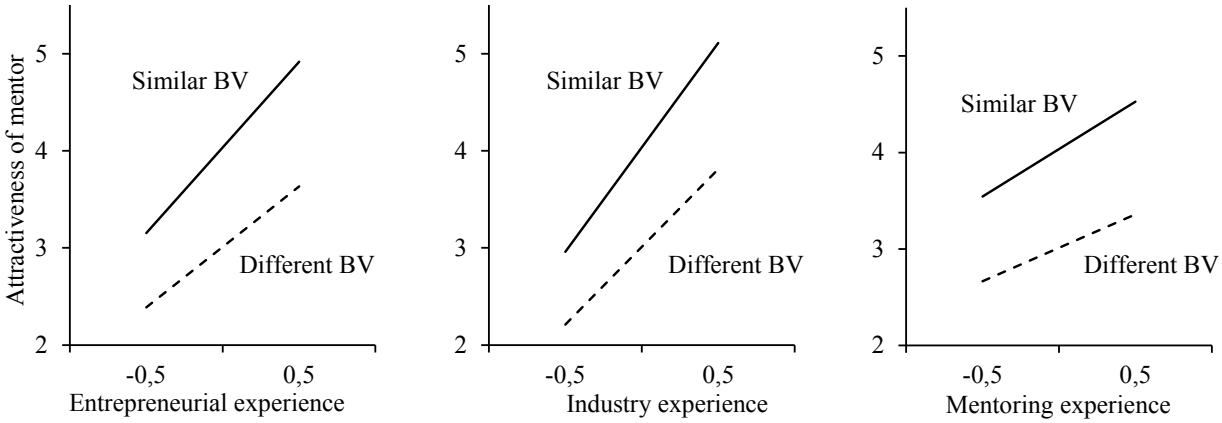
	Model 1		Model 2		Model 3		Model 4	
	B	SE	B	SE	B	SE	B	SE
Intercept	2.80***	0.08	3.58***	0.08	3.52***	0.08	3.52***	0.08
Level 1								
Entrepreneurial experience (EE)			1.72***	0.06	1.51***	0.06	1.51***	0.06
Industry experience (IE)			2.21***	0.07	1.87***	0.07	1.87***	0.07
Mentoring experience (ME)			1.02***	0.05	0.84***	0.05	0.84***	0.05
Business-related value similarity (BV)					1.03***	0.07	1.03***	0.07
Level 2								
Entrepreneur's age	-0.01†	0.01	-0.01†	0.01	-0.01†	0.01	-0.01†	0.01
Entrepreneur's gender (female)	-0.09	0.19	-0.09	0.19	-0.09	0.19	-0.09	0.19
Entrepreneur's entrepreneurial experience	-0.06	0.05	-0.06	0.05	-0.06	0.05	-0.06	0.05
Entrepreneur's industry experience	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01
Entrepreneur's mentoring experience	-0.02	0.10	-0.02	0.10	-0.02	0.10	-0.02	0.10
Entrepreneurial self-efficacy	0.00	0.06	0.00	0.06	0.00	0.06	0.00	0.06
Venture age	-0.01	0.03	-0.01	0.03	-0.01	0.03	-0.01	0.03
Venture size	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01
High-tech industry	0.08	0.10	0.08	0.10	0.08	0.10	0.07	0.10
Subjective stress (SS)							-0.05	0.04
Level 1 interactions								
EE x BV					0.52***	0.07	0.52***	0.07
IE x BV					0.55***	0.07	0.55***	0.07
ME x BV					0.29***	0.07	0.29***	0.07
Cross-level interactions								
EE x SS							-0.08†	0.05
IE x SS							0.01	0.05
ME x SS							-0.02	0.04
BV x SS							0.09	0.06
EE x BV x SS							0.11*	0.05
IE x BV x SS							0.18**	0.05
ME x BV x SS							0.05	0.05
R^2 Level 1§	0.01		0.57	Δ2.1%	0.58	Δ0.8%	0.59	
R^2 Level 2§	0.13		0.13		0.13	Δ9.3%	0.14	

*** $p < .001$; ** $p < .01$; * $p < .05$; † $p < .10$

§ We calculated the pseudo R2 as described by Snijders and Bosker (1999)

mentor's level of entrepreneurial (2A), industry (2B), and mentoring (2C) experience. In all three plots (2A-C), the line for similar business-related values (solid line) is steeper than the line for different business-related values (dashed line), which indicates that each of the three types of a mentor's experience is perceived as more attractive when business-related value similarity is high than when it is low. These patterns are consistent with our Hypotheses 1 to 3.

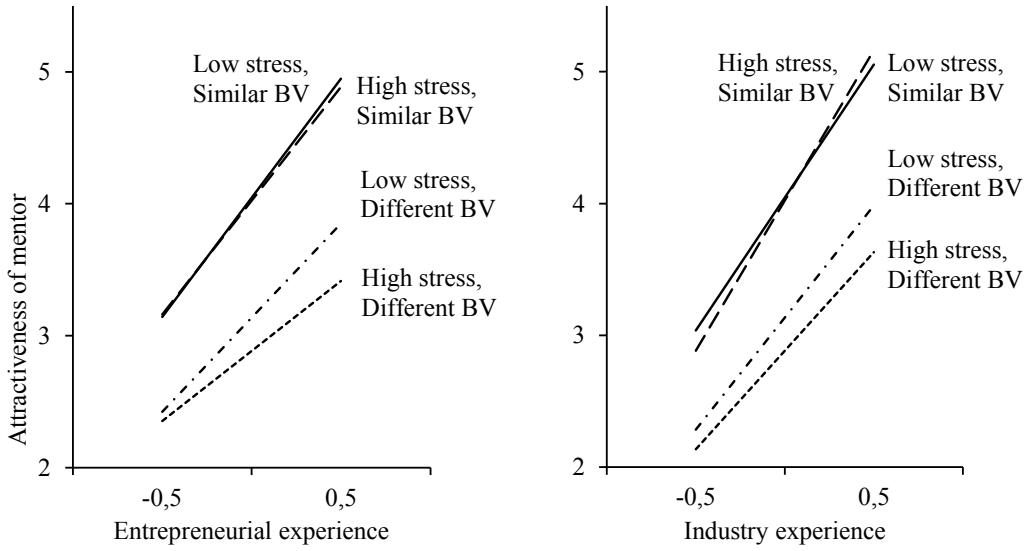
Figure 7. Mentor experience, business-related value (BV) similarity, and entrepreneurs' assessment of mentors



Moreover, we hypothesized that the moderating effect of business-related value similarity on the relationship between the mentor's level of experience and the entrepreneurs' assessment of the mentor is contingent on the entrepreneurs' subjective stress (Hypotheses 4-6). The results in Model 4 (Table 11) show that there is a positive and significant three-way interaction between entrepreneurial experience, business-related values, and subjective stress ($\beta = 0.11$, $p < .05$). Further, the three-way interaction between industry experience, business-related values, and subjective stress is positive and significant ($\beta = 0.18$, $p < 0.01$). However, the coefficient for the three-way interaction with mentoring experience is not statistically significant which does not provide support for Hypothesis 6. To interpret the significant three-way interactions, we plotted them in Figure 8. The y-axis again represents the entrepreneurs' assessment of the potential mentor. The x-axis represents the mentor's entrepreneurial (3A) and industry (3B) experience, and the solid (low stress, similar business-related values), dashed (high stress, similar business-related values), dash-dotted (low stress, different business-related values), and dotted (high stress, different business-related values) lines represent different levels of stress and business-related value similarity. In Figure 8A, the slopes of the lines for high value similarity do not significantly differ. Hence, when the value similarity

between the entrepreneur and the mentor is high, the relationship between the mentor's entrepreneurial experience and the entrepreneurs' assessments is equally positive for high and low levels of stress. However, when the entrepreneurs' and the mentor's values differ, entrepreneurs who experience high levels of stress assess the mentor's entrepreneurial experience to be less positive ($\beta = 1.06$, $p < 0.001$) than the entrepreneurs who experience low levels of stress ($\beta = 1.43$, $p < 0.001$). This pattern is consistent with Hypothesis 4.

Figure 8. Mentor experience, subjective stress, business-related value (BV) similarity, and entrepreneurs' assessment of mentors



Similarly, in In Figure 8B, the relationship between the potential mentor's industry experience and the entrepreneurs' assessments is less positive for high levels of stress ($\beta = 1.50$, $p < 0.001$) than for low levels of stress ($\beta = 1.70$, $p < 0.001$) when value similarity is low. Interestingly, when the entrepreneurs' and the mentor's values are similar, the impact of the mentor's industry experience is more positive on the entrepreneurs' assessments when the entrepreneurs' experience of stress is high ($\beta = 2.28$, $p < 0.001$) than when it is low ($\beta = 2.02$, $p < 0.001$). This effect of stress indicates that entrepreneurs experiencing high levels of stress seem to particularly appreciate focused information derived from the mentor's industry experience that matches with their own goals. Perhaps, their limited cognitive resources to process information due to high levels of stress (Ganster, 2005; Yates, 1990) entail a strong need to discriminate between more and less valuable information. They might expect information tailored to their current situation to support them in reducing their stress. Thus, the mentor's

industry experience becomes increasingly attractive under stress when the mentor's values are similar to the entrepreneurs' values.

4.5 Discussion

This paper developed and tested a model of entrepreneurs' assessment of mentors under stress. Consistent with the model, our results showed that a potential mentor's entrepreneurial, industry, and mentoring experience positively impacted their attractiveness from the entrepreneurs' perspective and that these relationships were stronger when entrepreneurs and mentors had similar business-related values. Furthermore, we found that the interactions between the mentor's entrepreneurial experience as well as industry experience and value similarity was contingent on entrepreneurs' subjective stress. Our results have important implications for research on experience, learning, and stress in an entrepreneurial context.

4.5.1 Implications for theory and practice

While research on entrepreneurial human capital differentiates between different types of entrepreneurs' experiences important for venture success (Dencker & Gruber, 2014; Marvel, Davis, & Sproul, 2016), it has not sufficiently addressed how the entrepreneurs' supporters can provide these experiences to entrepreneurs. Consistent with the general assumption that mentors are more experienced than their protégés (Haggard, Dougherty, Turban, & Wilbanks, 2011; Kram, 1985) and that entrepreneurs can benefit from this experience (Ozgen & Baron, 2007), our findings showed that entrepreneurs assessed different types of experience, i.e. entrepreneurial, industry, and mentoring experience, in a positive way. However, our findings also showed that the entrepreneurs' assessments were more complex and depended on the value similarity between entrepreneur and mentor and on their subjective stress. Thus, entrepreneurs took into account if the information derived from these experiences matched their current situation and if they were capable of processing it. These findings parallel work on individuals' human capital that is "of higher utility when it applies to the specific task that needs to be performed" (Marvel, Davis, & Sproul, 2016: 10). Future research could build on our model to better understand the effects of an entrepreneur's own experiences. For example, it could address if entrepreneurs can benefit from their industry experience in a similar way if they start a venture that has a strong focus on sustainability, but their industry experience is not related to any sustainability activities within the specific industry. Moreover, entrepre-

neurs might perceive their entrepreneurial experience as more valuable if they experience lower levels of stress because they are more open to reflecting upon alternative opportunities.

Entrepreneurs may learn vicariously from their mentors' experiences (Sardana & Scott-Kemmis, 2010). Vicarious learning is particularly important in entrepreneurial contexts because entrepreneurs are frequently confronted with novel situations in which taking action on their own involves some risks (Holcomb, Ireland, Holmes, & Hitt, 2009). Thus, learning from mentors might be beneficial for entrepreneurs. However, previous research has highlighted that vicarious learning does not happen automatically, but that it depends on the entrepreneurs' prior knowledge (Bingham & Davis, 2012). The entrepreneurs' prior knowledge might bias their processing of new information limiting the effectiveness of vicarious learning (Holcomb, Ireland, Holmes, & Hitt, 2009). We extend this perspective by highlighting another important contingency on the effectiveness of a source of vicarious learning, i.e. similarity in values. Our findings suggest that entrepreneurs are likely to think that their learning from a mentor who does not share their values might be limited. Specifically, we theorize that value similarity supports information transfer in mentoring relationships and entrepreneurs' acceptance of their mentor's advice. These effects imply cognitive and affective advantages of value similarity for entrepreneurs' vicarious learning and highlight value similarity as another potential bias in entrepreneurs' learning processes. As research on networks suggests that individuals can learn crucial information from others who are less similar to them (Borgatti & Halgin, 2011; Granovetter, 1973), future research could compare the entrepreneurs' assessments to the actual benefits provided by a mentor's experience whose values differ from the entrepreneurs' values.

Third, we address a recent call for research on the impact of stress on entrepreneurial decision making (Shepherd, Williams, & Patzelt, 2015). Previous research on entrepreneurial stress has mainly focused on the sources of stress and how to cope with it (Akande, 1994; Boyd & Gumpert, 1983) and on the consequences of stress for the entrepreneurs' health (Cardon & Patel, 2015; Jamal, 1997). In a study by Pollack, Vanepps, and Hayes (2012), the negative consequences of stress for entrepreneurs were buffered by their social ties, i.e. the number of people they could approach for advice and support. We theorized and found that entrepreneurs experiencing higher levels of stress are less likely to appreciate a mentor's entrepreneurial and industry experience if they do not share the mentor's values. These findings suggest that entrepreneurs who suffer from stress might be less likely to build up a large social support network, which, in turn, might help them to cope with their stress. Future research is

needed to understand the relationship between stress and the entrepreneurial support network. On the one hand, entrepreneurs under stress might miss chances to enlarge their network. On the other hand, establishing and maintaining social contacts that are perceived to be unhelpful might also increase an entrepreneur's subjective stress.

Finally, our study also has important implications for practice. Over the past decades, a multitude of formal mentoring programs for entrepreneurs has been established (Bisk, 2002; Radu Lefebvre & Redien-Collot, 2013). Research indicates that the success of these programs depends on the matching of mentors and entrepreneurs (Cull, 2006; Deakins, Graham, Sullivan, & Whittam, 1998). Previous research suggests that entrepreneurs should be matched with mentors who are experienced in the industry of the entrepreneurs' ventures (Deakins, Graham, Sullivan, & Whittam, 1998). While our results also reflected the importance of industry experience besides entrepreneurial and mentoring experience, our model highlights an additional aspect for the mentor's attractiveness from an entrepreneurs' perspective: similarity in business-related values. A matching according to values might be a way to increase the effectiveness of mentoring program as it can increase the transferability of the mentor's experiences and the entrepreneurs' acceptance of the mentor's advice. Moreover, our results suggest that the entrepreneurs' current situation, i.e. their subjective stress, will influence their openness for support. Ideally, programs offer sufficient flexibility to take the entrepreneurs' workload into account.

4.5.2 Limitations, avenues for future research, and conclusion

We chose a conjoint experiment to test our model because it enabled us to investigate entrepreneurs' decision making in real time (Lohrke, Holloway, & Woolley, 2010) which entails the advantage of reducing the risk of hindsight and retrospective biases in our data. However, we acknowledge that there are also limitations associated with conjoint analyses. First, as the potential mentors in our study were represented as conjoint profiles rather than as real persons, the decision environment in our study differed from the real world. However, decisions based on hypothetical profiles were found to be very similar to real decisions (Brown, 1972; Riquelme & Rickards, 1992), which makes conjoint profiles well established in research to represent real persons (e.g., Brundin, Patzelt, & Shepherd, 2008; Kollmann, Häsel, & Breugst, 2009; Shepherd & Patzelt, 2015). Further, the presentation of profiles with predefined characteristics allows for the entrepreneurs' assessments in a relatively controlled environment (Shepherd, Patzelt, & Baron, 2013). Moreover, like all conjoint studies, we could only observe the assessments, but not the reasons for these assessments. Further research could build

on our model and combine conjoint analysis with think-aloud verbalizations of entrepreneurs (Grégoire, Barr, & Shepherd, 2010) to increase our understanding for the reasons of their assessments of mentors.

Finally, to understand the entrepreneurs' assessments of potential mentors is a decisive step in the formation of mentoring relationships. However, insights into the consequences of these assessments for entrepreneurs and their ventures would be an additional interesting outcome. Specifically, research is needed to examine the implications for the quality of the mentoring relationship, and ultimately, for new venture performance. A follow-up question to our study would be if entrepreneurs initially prefer mentors that are best for their ventures. Thus, actual entrepreneur-mentor relationships could be studied to learn more about the impact of the different types of mentors' experiences and value similarity on the success of the entrepreneurs' ventures. However, studying ongoing entrepreneur-mentor relationships is connected to a selection bias that our conjoint-based approach can avoid.

In conclusion, this paper offers a model of entrepreneurs' assessment of mentors that demonstrates a complex interplay between the mentors' experiences, value similarity, and entrepreneurs' subjective stress. Using conjoint analysis, we show that potential mentors' entrepreneurial, industry, and mentoring experience increases their attractiveness for entrepreneurs. Furthermore, we identify business-related value similarity between the mentor and the entrepreneur as an important contingency strengthening the positive impact of the mentors' experiences. Entrepreneurs' subjective stress moderates this contingency, which provides evidence for the important role of stress in entrepreneurial decision making.

5 Conclusion and avenues for future research

5.1 Summary of findings and contributions

This dissertation presents three empirical studies that examine important challenges of the early entrepreneurial journey, i.e., equity distribution, team member exits, and the selection of mentors. The theoretical arguments and empirical findings contribute to the understanding of entrepreneurial phenomena at the intersections of individuals and teams, opportunities, and modes of organizing.

Chapter 2 focuses on equity distribution as one of the first challenges that individuals and teams face when starting their entrepreneurial journey. Drawing on social psychology, and more specifically, the literature on human organizing behavior (Gruenfeld & Tiedens, 2010), I theorized how equity distribution, through its impact on team structure, influences founder satisfaction with the team in a complex way. Consistent with the conservation of resources theory (Hobfoll, 1989), I suggested that the effect of equity inequality on founder satisfaction is contingent on a founder's experience of stress. I empirically tested the theoretical model with 185 observations from 112 founders nested in 55 entrepreneurial teams using a longitudinal research design and multiple data sources. I found an inverted U-shaped relationship between equity equality and founder satisfaction with the team, which was moderated by the founder's experience of stress.

The study presented in Chapter 2 offers implications for the literature on equity distribution in particular and reward systems in teams more generally. First, the study integrates both the benefits and shortcomings of more and less unequal equity splits and thus provides a more comprehensive perspective on the implications of equity distribution. The findings inform central questions in the conversation on equity distribution, i.e., whether equal equity splits are a "good decision" and whether such splits make entrepreneurial teams more stable (Wasserman, 2012: 157). I theorized and showed that entrepreneurial teams will benefit from moderately unequal equity splits. These splits will lead to the highest levels of satisfaction with the team and thus will increase team effectiveness and stability (Kong, Konczak, & Bottom, 2015; Peeters, Rutte, van Tuijl, & Reymen, 2006). Second, the study indicates the importance of theorizing and testing the implications of equity distribution along a continuum rather than considering equal and unequal equity splits as a binary choice (Hellmann & Wasserman, 2016). Third, it sheds light on the proximate consequences of equity distribution,

i.e., founder satisfaction with the team, which shapes team effectiveness and performance (Foo, Sin, & Yiong, 2006; Kong, Konczak, & Bottom, 2015; Mathieu, Maynard, Rapp, & Gilson, 2008). More generally, with equity representing a team-based reward, my work also informs the literature on reward systems that investigated the consequences of team-based rewards in general (e.g., Deutsch, 1949; Pearsall, Christian, & Ellis, 2010) but neglected that different distributions of such rewards among team members may lead to different outcomes for individuals and teams (Bamberger & Levi, 2009).

Furthermore, Chapter 2 addresses the role of stress in the context of entrepreneurial teams, complementing the entrepreneurship literature that has mainly concentrated on stress as an outcome of entrepreneurial action (Boyd & Gumpert, 1983; Jamal, 1997; Lewin-Epstein & Yuchtman-Yaar, 1991) and its consequences for the individual entrepreneurs (Baron, Franklin, & Hmieleski, 2016; Cardon & Patel, 2015; Pollack, Vanepps, & Hayes, 2012). This study indicates that entrepreneurs' experience of stress influences their attitudes towards team structure as a function of the equity distribution. Thus, this finding suggests that stress is an important contingency in team formation and role allocation processes in new ventures (Forbes, Borchert, Zellmer-Bruhn, & Sapienza, 2006; Jung, Vissa, & Pich, 2017). More generally, this finding informs research on the structural contingency of team effectiveness under stress (Drach-Zahavy & Freund, 2007), indicating that the more stressful the work, the more teams might benefit from hierarchy or homogeneity.

While equity distribution, as covered in Chapter 2, stands at the beginning of a team's entrepreneurial journey, co-founder exits represent potential challenges for an entrepreneurial team in the subsequent stages. Chapter 3 explored these phenomena, employing an inductive, qualitative research approach. From a sample of ten co-founder exit processes nested in six entrepreneurial teams, I identified a multistage team process that leads to co-founder exits. The hostility of the exit process emerged as a pivotal dimension for describing the way how co-founders leave new ventures and for explaining and predicting how their exits influence new venture development. I found that hostile co-founder exit processes obstructed the new venture's progress in the short run and identified a set of recovery activities that facilitated venture survival after a co-founder exit in the long run. The data revealed two constructs at the level of the exiting co-founder that explained why co-founder exits differ in terms of hostility. The exiting co-founders' perceived opportunity ownership and emotional bonds with the venture spurred the hostility of the exit process.

The findings presented in Chapter 3 contribute to the literature on entrepreneurial and top management teams. First, by uncovering the processes that surround co-founder exits, the study addresses prior "black box concerns" in the entrepreneurial team literature (Klotz et al., 2014). While research on the antecedents of team membership changes has largely focused on demographic characteristics (e.g., Boeker & Wiltbank, 2005; Chandler, Honig, & Wiklund, 2005; Ucbasaran, Lockett, Wright, & Westhead, 2003), I identified a team process that paves the way for co-founder exits. The study also informs research that investigates the impact of co-founder exits on new venture outcomes (e.g., Beckman, Burton, & O'Reilly, 2007; Chandler et al., 2005; Guenther et al., 2016). First, using a process perspective, it indicates that co-founder exits should not be conceptualized as a unidimensional event but as a multidimensional process. This process impacts venture development depending on the hostility of the exit process and recovery activities pursued after the exit. Second, the study explores how co-founder exits impact the founders who remain in the entrepreneurial team, adding to prior research that has "often failed to directly investigate the actual cognitions, motivations, emotions, and processes through which [entrepreneurial teams] influence firm performance" (Klotz et al., 2014, p. 248). Finally, the findings presented in Chapter 3 add to the entrepreneurial team literature by exploring the role of external parties in shaping entrepreneurial team composition (Breugst, Patzelt, & Rathgeber, 2015; Fiet, Busenitz, Moesel, & Barney, 1997; Wasserman, 2003) and by indicating the potential of romantic relationship metaphors to help understand entrepreneurial team processes (Cardon, Zietsma, Saparito, Matherne, & Davis, 2005).

Chapter 3 also offers several implications for the literature on entrepreneurial exit. First, the integration of the team context suggests that the presence of co-founders impairs a direct link between entrepreneurs' individual characteristics and their eventual exit routes and strategies as investigated in prior research (DeTienne & Cardon, 2012; DeTienne, McKelvie, & Chandler, 2015; Wennberg, Wiklund, DeTienne, & Cardon, 2010). The findings show that in a team context, founders do not always "remove themselves" but often, are removed "from the primary ownership and decision-making structure of the firm" (DeTienne, 2010: 203). The latter scenario could extend existing definitions of entrepreneurial exit and indicates that non-voluntary exits, in some cases even without compensation, should be considered beyond the 'traditional' exit routes such as sale and liquidation (DeTienne & Cardon, 2012; DeTienne, McKelvie, & Chandler, 2015; Wennberg, Wiklund, DeTienne, & Cardon, 2010). Second, the study suggests novel factors that impact entrepreneurs' exit intentions, i.e., their perceived opportunity ownership and emotional bond to the venture (Cardon, Zietsma,

Saparito, Matherne, & Davis, 2005; DeTienne, 2010). Third, the study explored how founders experience exit processes and the time thereafter, which is important for understanding their future entrepreneurial activity. Complementing the work of Rouse (2016), who focused on the experiences of the founders who exit, the findings shed light on the experiences of both the exiting and remaining founders throughout the exit process.

In Chapter 4, I investigated how entrepreneurs assess their potential mentors. Mentor selection influences entrepreneurs' access to information and other important resources (Ozgen & Baron, 2007), which makes it a crucial decision in the entrepreneurial journey. Acknowledging the typically uncertain and ambiguous character of the entrepreneurial environment (McMullen & Shepherd, 2006), I developed and tested a model of entrepreneurs' assessment of mentors under stress. Based on a conjoint experiment that generated 2,240 observations from 140 entrepreneurs, I found that a potential mentor's entrepreneurial, industry, and mentoring experience positively impacted their attractiveness from the entrepreneurs' perspective and that these relationships were stronger when entrepreneurs and mentors had similar business-related values. The interactions between the mentor's entrepreneurial experience as well as industry experience and value similarity was contingent on entrepreneurs' subjective stress. The impact of the potential mentor's entrepreneurial, and respectively, industry experience on the entrepreneurs' assessments is less positive for high levels of stress than for low levels of stress when value similarity is low, i.e., when the information provided by the mentor is not easily transferable to the entrepreneurs' situation.

The study presented in Chapter 4 extends entrepreneurship research on human capital, which has largely focused on the role of entrepreneurs' own experiences (e.g., Dencker & Gruber, 2014; Marvel, Davis, & Sproul, 2016). I investigated the relevance of the experiences of entrepreneurs' supporters and theorized and found that the experiences' value depends on their accessibility and entrepreneurs' receptivity. Second, I contribute to work on entrepreneurs' vicarious learning (Holcomb, Ireland, Holmes, & Hitt, 2009) by highlighting both cognitive and affective benefits of business-related value similarity for the entrepreneurial learner. More specifically, I theorized that such value similarity supports information transfer in mentoring relationships and that it fosters the entrepreneurs' acceptance of their mentor's advice. Thus, the study can provide some insights into the role of biases in vicarious learning. Third, the study addresses a call for research on the impact of stress on entrepreneurial decision making (Shepherd, Williams, & Patzelt, 2015). Complementing prior work that emphasized the consequences of stress for entrepreneurs and their ventures (Cardon & Patel, 2015; Schindehutte,

Morris, & Allen, 2006), I found that stress also impacts what social ties entrepreneurs build around their ventures. Interestingly, as social ties were found to buffer negative consequences of stress (Pollack, Vanepps, & Hayes, 2012), the study suggests a spiral of stress and social ties influencing each other.

5.2 Avenues for future research

The objective of entrepreneurship research is to describe, explain, and predict phenomena at the intersections of opportunities, individuals and teams, modes of organizing, and the surrounding market environment (Busenitz et al., 2003; Shane & Venkataraman, 2000). Within this conceptual framework, entrepreneurial behavior focuses on individuals and teams engaging in entrepreneurial activities (Baron, 2004; Busenitz, 2007). This dissertation presents three essays that examine entrepreneurial behavior with respect to equity distribution, co-founder exits, and the selection of mentors, which represent three major challenges of the early entrepreneurial journey. While each Chapter makes its own suggestions for future research based on its specific focus, I outline further avenues for future research in this chapter arising from the findings of this dissertation in its entirety.

Future research could extend the range of this dissertation and focus on additional challenges of the entrepreneurial process to advance knowledge on complex entrepreneurial phenomena. For example, building the new venture's team from scratch poses another significant challenge for entrepreneurs. First, teambuilding involves selecting the members of the entrepreneurial team, which has a pivotal impact on new venture development (Klotz, Hmieleski, Bradley, & Busenitz, 2014). Prior work advocates two different theoretical perspectives to explain team member selection. On the one hand, scholars argued that entrepreneurs select their team members based on their resource needs, e.g., for specific human capital (Kamm & Nurick, 1993; Ucbasaran, Lockett, Wright, & Westhead, 2003). On the other hand, scholars proposed that psychosocial mechanisms such as interpersonal attraction guide team member selection processes (Ruef, Aldrich, & Carter, 2003). While these two rationales are not mutually exclusive (Aldrich & Kim, 2007; Forbes, Borchert, Zellmer-Bruhn, & Sapienza, 2006), it remains unclear how entrepreneurs balance their resource and psychosocial needs in team member selection processes. Prior work could explore the micro processes that underlie the selections of team members and investigate the heuristics and biases in these decision-making processes (Shepherd, Williams, & Patzelt, 2015). For example, the studies presented in Chapter 2 and 4 of this dissertation indicate that stress may bias team member selection processes.

The studies suggest that stress influences entrepreneurs' network generation choices (Chapter 4) and that it increases their preference for homogeneity in their team (Chapter 2). Thus, stress may lead to an overemphasis of psychosocial considerations in team member selection processes. To follow these avenues for future research, verbal protocol studies (Ericsson & Simon, 1993; Grégoire, Barr, & Shepherd, 2010) would offer a promising approach to develop a deep understanding of the micro dynamics in team member selection processes.

After selecting the entrepreneurial team members, establishing productive working relationships with them and building relational capital such as trust, identification, and mutual obligation in the team poses a subsequent, related challenge for entrepreneurs (Blatt, 2009). The essay on co-founder exits presented in Chapter 3 highlights how a failure to do so can threaten new venture development. I identified a multistage process that shows how a perceived performance mismatch among team members can destroy relational capital in the entrepreneurial team. Future research could focus on advancing our knowledge on the processes and mechanisms that lead to the opposite, i.e., the creation of relational capital among team members, i.e. trust, identification, and mutual obligation (Blatt, 2009). Building on prior conceptual work that proposes communal schemes and contracting practices as antecedents of relational capital (Blatt, 2009), future research may benefit from adopting a multi-period, multilevel approach that integrates individual, dyadic, and team level effects over time to explain how relational capital develops in entrepreneurial teams (Humphrey & Aime, 2014). To tackle this research opportunity, scholars might consider round-robin research approaches where each team member assesses his or her relationship with every other person in the team (Nestler, Geukes, Hutteman, & Back, 2017; Warner, Kenny, & Stoto, 1979).

Second, as the entrepreneurial journey progresses, teambuilding involves hiring employees to facilitate new venture growth (Wasserman, 2012). Employee recruitment poses a major challenge for entrepreneurs because in contrast to established firms, new ventures represent a highly uncertain work environment and lack public recognition (Moser, Tumasjan, & Welpe, 2017). Further, adding employees to the new venture typically requires the entrepreneur to grow into the role of a leader (Hmieleski & Ensley, 2007). Investigating the emergent relationship between entrepreneurs and their employees from a leadership perspective offers several novel and interesting research opportunities. First, future research could examine how entrepreneurs convey their role as a leader when they cannot rely on traditional cues of leader status (e.g., experience, prior achievements). Research that addresses this question could draw on, and inform status characteristics theory (Berger, Cohen, & Zelditch Jr, 1972; Jung, Vissa,

& Pich, 2017; Ridgeway, 1991). Second, scholars show increasing interest in the role that founder identity plays in the entrepreneurial journey (Belz & Binder, 2016; Fauchart & Gruber, 2011; Powell & Baker, 2014). Adding to this work, future research could investigate if and how founder identity changes as founders become leaders, and how these potential identity changes impact founders' entrepreneurial behavior and employees' attitudes and motivations consistent with work analyzing the impact of entrepreneurial passion on new venture employees (Breugst, Domurath, Patzelt, & Klaukien, 2012). Third, advancing prior work that discusses how new ventures can attract employees (Moser, Tumasjan, & Welpe, 2017), future research could examine if and how entrepreneurs' leadership behaviors can compensate for employees' perceived downsides of working in a new venture (e.g., as mentioned above: high uncertainty, little employer reputation). Forth, it would be interesting to investigate how entrepreneurs effectively lead employees that likely select themselves in the new venture job environment because they seek flat rather than steep hierarchies. Addressing these questions could not only contribute to entrepreneurship research but also to the general leadership literature because the relative absence of blockers and substitutes of leadership (e.g., formal rules) in the new venture context enables entrepreneurial leadership to imprint more strongly on team and organizational level outcomes than in more mature and professionalized organizations (Hmieleski & Ensley, 2007; Klotz, Hmieleski, Bradley, & Busenitz, 2014).

Future research may also build on this dissertation by expanding its scope towards venture level outcomes. Consistent with the entrepreneurial behavior scope of this dissertation, the presented work mainly focuses on important individual and team level constructs and relationships. From a strategic management perspective, it would be interesting to link the dissertation's insights with organizational level outcomes, most importantly, new venture performance as a focal indicator of entrepreneurial success and economic impact (Chandler & Hanks, 1993). More generally, using a multilevel lens would contribute to a more complex understanding of individual and social phenomena in management research (Hitt, Beamish, Jackson, & Mathieu, 2007).

In Chapter 2, I found that the inequality of equity distribution influenced a founder's satisfaction with his or her entrepreneurial team. Satisfaction with the team fosters perseverance and team stability (de la Torre-Ruiz, Ferrón-Vílchez, & Ortiz-de-Mandojana, 2014; Kong, Konczak, & Bottom, 2015; Peeters, Rutte, van Tuijl, & Reymen, 2006), and it represents a powerful indicator of team effectiveness (Foo, Sin, & Yiong, 2006; Mathieu, Maynard, Rapp, & Gilson, 2008; Wageman, 2001) and team performance (Kong, Konczak, & Bottom, 2015),

shaping a new venture's success (Hmieleski & Ensley, 2007; Klotz, Hmieleski, Bradley, & Busenitz, 2014). Thus, future research could investigate whether satisfaction with the team, aggregated at the team level, mediates the relationship between equity inequality and new venture performance. This perspective would integrate both the proximate and distal outcomes of equity distribution, and address limitations in prior work on this relationship that based its theorizing on team level mechanisms (e.g., commonality of purpose, Kroll et al. [2007]), but not actually measured them. It would also tackle the "black box" concerns expressed by entrepreneurship scholars who call for an integration of team emergent states into models that link team characteristics with venture level outcomes (Klotz, Hmieleski, Bradley, & Busenitz, 2014). Such research endeavor would require collecting longitudinal data from entrepreneurial teams, e.g., through surveys, to quantitatively test the proposed relationship between equity inequality, satisfaction with the team, and new venture performance.

The dynamic model of co-founder exits in entrepreneurial teams presented in Chapter 3 already encompasses different levels of analysis, linking a team level process with new venture development. As a qualitative study, it invites future research to quantitatively test its proposed relationships. More specifically, future work may integrate the hostility of the exit process as a construct to explain variation in the performance implications of co-founder exits. Such approach would require developing a measure for the hostility of the exit process. The first-order codes presented in the data structure of the study may be considered as indicators that form this construct. Further, my analysis revealed that it is important to distinguish between short-term and long-term performance implications of co-founder exits. Thus, future research may consider both, short-term and long-term performance measures to provide a more temporally fine-grained picture of the impact of co-founder exits on venture performance. For example, scholars may use a research design that captures venture performance measures (e.g., sales, profit, and employment [growth], survival) every three to six month after the exit. Following these avenues seems particularly promising for reconciling the conflicting findings on the relationship between co-founder exits and new venture performance in prior empirical work (Bamford, Bruton, & Hinson, 2006; Bruton, Fried, & Hisrich, 2000; Busenitz, Fiet, & Moesel, 2004; Chandler, Honig, & Wiklund, 2005).

Future research may also link entrepreneurs' choice of mentors with new venture outcomes. Prior empirical work indicates that the reliance on mentors is positively associated with opportunity recognition by entrepreneurs (Ozgen & Baron, 2007). Mentors provide valuable information and advice, help network, and promote entrepreneurial learning (Deakins,

Graham, Sullivan, & Whittam, 1998; Ozgen & Baron, 2007; Sullivan, 2000). Thus, future research may investigate whether mentoring support also contributes to entrepreneurs' ability to exploit opportunities contributing to new venture performance. Such research endeavor could build on the rationale of the "value-add" proposition in the venture capital literature that suggests a positive association between information and advice from venture capitalists and new venture performance (Busenitz, Fiet, & Moesel, 2004; MacMillan, Kulow, & Khoylian, 1989; Rosenstein, Bruno, Bygrave, & Taylor, 1993). The study presented in Chapter 4 indicates that entrepreneurs will assess a mentor's industry experience as more favorable than his or her entrepreneurial and mentoring experience. It also suggests that entrepreneurs will choose mentors whose business-related values are similar to their own values. Future research may investigate whether such mentor choices are optimal in terms of their impact on venture performance. Such research could build on the entrepreneurship literature on human capital (Dencker & Gruber, 2014; Marvel, Davis, & Sproul, 2016; Unger, Rauch, Frese, & Rosenbusch, 2011) and network structure research (Burt, 1982; Granovetter, 1973; Hoang & Antoncic, 2003) to deduct hypotheses about the impact of mentor characteristics on mentoring relationship quality and entrepreneurial outcomes, and test these hypotheses quantitatively using a longitudinal survey design. It would also be interesting to investigate if and how it makes a difference for the quality of the mentoring relationship (and subsequent entrepreneurial outcomes) if the mentor had a financial stake in the entrepreneurial mentee's new venture. In practice, mentor and investor roles may overlap, which may lead to conflicts of interest when what is best for the new venture does not equal what is best for the entrepreneur's satisfaction and well-being. Case study research (Eisenhardt, 1989; Eisenhardt & Graebner, 2007) would lend itself as a methodology to develop an in-depth understanding of the differences between 'traditional' and 'mentor-investor' mentoring relationships and their consequences for entrepreneurs and their new ventures.

Finally, this dissertation underlines the importance of theoretically integrating and empirically measuring dynamic behavioral and psychological constructs such as team processes and emergent states to explain and predict entrepreneurial phenomena. Emphasizing the challenges of measuring such complex constructs over time, Marks, Mathieu, and Zaccaro (2001) recommend researchers to combine traditional data collection approaches (e.g., surveys, observations, interviews) with more creative and novel data sources such as founder diaries and behavioral checklists. With respect to novel data sources, I suggest future entrepreneurial behavior research to also consider data from instant messenger communication (e.g., on Slack or Mattermost), which has great potential to precisely capture time-based dynamics at different

levels of analysis. In fact, recent work highlights the potential of analyzing naturally occurring written conversations in organizations for generating managerial insights using advanced algorithms (Schildt, 2017). Instant messenger communication increasingly replaces email conversation and boasts high communication frequency (Handelsblatt, 2018), and it typically structures conversations in channels organized by projects, topics, teams, dyads, and individual memos (Forbes, 2018). Following this workplace communication trend, many teams that empirically inform this dissertation used such instant messengers, creating an ocean of text data that reflects individual, dyadic, and team level processes and states. For data analysis, researchers could use quantitative content analysis approaches such as computer-aided text analysis, which is well suited to reliably measure complex and multidimensional constructs from large samples (Short, Broberg, Cogliser, & Brigham, 2010). Instant messenger communication could also lend itself for nethnographic research, which applies research techniques from ethnography to computer-aided communication (Belz & Baumbach, 2010; Kozinets, 2002).

Using instant messenger communication data could help address some of the research questions as expressed above, for example, how teams build relational capital over time. As explained above, answering this question would benefit from a round-robin approach (Nestler, Geukes, Hutteman, & Back, 2017; Warner, Kenny, & Stoto, 1979), which however is difficult to realize with a traditional survey design, because such design places a high time burden on informants. Using instant messenger communication as data source would not only eliminate this burden, but also increase the precision of measurement over time so that researchers would not have to trade off the number of measurement points against methodical feasibility. Moreover, using these data would minimize response biases increasing the validity of these potential studies.

In conclusion, this dissertation makes important contributions to the entrepreneurship literature by examining unique challenges of the early entrepreneurial journey. The findings also inform the general management literature. Finally, the presented work may inspire scholars to investigate further entrepreneurial challenges and encompass additional levels of analysis to advance knowledge on complex entrepreneurial phenomena and beyond.

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Appendix

5.3 Essay on equity distribution and founder satisfaction with the entrepreneurial team

5.3.1 Items in scales for satisfaction with the team and stress

Table 12. Items in scale for satisfaction with the team

#	Original item (English; Jehn, Rispens, & Thatcher, 2010: 604)	Translated item (German; own translation)	Original rating scale (English)	Translated rating scale (German)
1	"I am very satisfied working with this team"	Ich bin sehr zufrieden darüber, mit diesem Team zusammen zu arbeiten	1– 7	1 (überhaupt nicht) – 7 (voll und ganz)
2	"I am happy working with this team"	Ich bin glücklich, mit diesem Team zusammen zu arbeiten	1– 7	1 (überhaupt nicht) – 7 (voll und ganz)
3	"How much do you enjoy working with your team members?"	Wie viel Freude macht es Ihnen, mit Ihren Teammitgliedern zu arbeiten?	1– 7	1 (überhaupt nicht) – 7 (voll und ganz)

Table 13. Items in scale for stress

#	Original item (English; Parker & DeCotiis, 1983: 169)	Translated item (German; own translation)	Original rating scale (English)	Translated rating scale (German)
1	"I have felt fidgety or nervous as a result of my work"	Ich fühle mich unruhig und nervös aufgrund meiner Arbeit	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
2	"Working here makes it hard to spend enough time with my family or my friends"	Wegen der Arbeit hier ist es schwierig, genügend Zeit mit meiner Familie oder Freunden zu verbringen	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
3	"My work gets to me more than it should	Meine Arbeit setzt mir mehr zu als notwendig	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
	I spend so much time at work, I can't see the forest for the stress"	Ich verbringe so viel Zeit mit Arbeit, dass es mir vorkommt, als sähe ich den Wald vor lauter Bäumen nicht mehr	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
4	"There are lots of times when my work drives me	Es kommt häufig vor, dass ich bei der Arbeit die Be-	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)

#	Original item (English; Parker & DeCotiis, 1983: 169)	Translated item (German; own translation)	Original rating scale (English)	Translated rating scale (German)
	right up the wall"	herrschung verliere		
5	"Working here leaves little time for other activities "	Die Arbeit hier lässt kaum Zeit für andere Aktivitäten	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
6	"Sometimes when I think about my work I get a tight feeling in my chest"	Wenn ich an meine Arbeit denke, verspüre ich manchmal ein beklemmendes Gefühl in der Brust	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
7	"I frequently get the feeling I am married to the venture"	Ich habe oft das Gefühl, mit dem Unternehmen verheiratet zu sein	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
8	"I have too much work and too little time to do it in"	Ich habe zu viel Arbeit und zu wenig Zeit, um diese zu erledigen	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
9	"I feel guilty when I take time off from work"	Wenn ich mir von der Arbeit freinehme, fühle ich mich schuldig	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
10	"I sometimes dread the telephone ringing at home because the call might be work-related"	Manchmal lasse ich das Telefon zu Hause klingeln, da der Anruf vielleicht mit der Arbeit zu tun haben könnte	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
11	"I feel like I never have a day off"	Es kommt mir vor, als hätte ich nie einen Tag frei	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
12	"Too many people in similar work situations get burned out by job demands"	Zu viele Menschen in ähnlichen Arbeitssituationen sind ausgebrannt von den Anforderungen der Arbeit	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)
13	"I have felt fidgety or nervous as a result of my work"	Ich fühle mich unruhig und nervös aufgrund meiner Arbeit	1– 4	1 (überhaupt nicht) – 7 (voll und ganz)

5.4 Essay on dynamics of co-founder exits in entrepreneurial teams

5.4.1 Exemplary interview guideline for remaining founders

Below, I present a guideline for interviews with remaining founders as of April 16, 2016 (early stage of the data collection). All interviews with remaining founders were conducted in German.

Vorstellung und Einleitung: Herzlichen Dank, dass Sie an der Studie des Entrepreneurship Research Instituts zum Thema Gründerteams teilnehmen. Mein Name ist XXX
Wie vorab besprochen wird das Interview etwas 30-45 Minuten dauern. Um es nachher besser auswerten zu können, würde ich das Interview gerne aufnehmen. Selbstverständlich werde ich die Daten vertraulich behandeln.

- Zunächst interessiert es mich, was Ihr Unternehmen genau macht. Können Sie mir dies kurz erläutern? Wie war die Ausgangsituation als Sie das Unternehmen starteten?

- Wie haben Sie sich als Gründer-Team kennen gelernt?
  [insb. waren sie Freunde vorher, wie lange kannten sie sich, haben sie vorher schon mal zusammen gearbeitet, wie ist das Vertrauensverhältnis]

- Welche Gründer in eurem Gründerteam hatten zuvor bereits Berufs-oder Gründungserfahrung?

- Wurde die Gründungsidee gemeinsam entwickelt oder hatte einer der Gründer die Idee alleine?

- Wie waren die Anteile verteilt?

- Haben alle Mitgründer einen gleichen Beitrag für das Unternehmen geleistet?
  [z.B. Geld, Zeit, Wissen]

- Können Sie bitte kurz die Persönlichkeiten der einzelnen Mitgründer (inklusive Ihnen) damals kurz beschreiben?

- Besteht das Gründerteam noch in seiner ursprünglichen Form?

- Sind über die Zeit neue Gründer hinzugekommen?
  - Falls ja: warum?

- Gibt es Mitgründer, die nicht mehr im Unternehmen aktiv?
  - Falls ja: Was waren die Gründe für das Ausscheiden?
    [unbedingt explizit nachfragen, falls folgende Themen nicht in der Antwort behandelt werden:
    - *Vertrauen,*
    - *gemeinsame Werte,*
    - *Arbeitseinsatz,*
    - *Fähigkeiten/Performance,*
    - *strategische Ausrichtung/ Ziele des Unternehmens,*

- *Konflikte/ Streitigkeiten (nach Ursache fragen)*
- *Charaktereigenschaften und Verhaltensweisen (z.B. rechthaberisch, arrogant, stur…),*
- *Unethisches Verhalten/Einstellung (z.B. gegenüber Mitarbeitern)*
- *Kommunikationsprobleme (Missverständnisse, aneinander vorbei reden etc)]*
- *Opportunitätskosten (anderer Job/Familie/…)*

Wichtig: Immer Dynamik genau verstehen; War das schon immer so („der hat noch nie was gebracht")? Oder was das erst dann zu dem Zeitpunkt so („er war mal wertvoll, aber jetzt passt er nicht mehr")? (Verändert sich oft im Zeitverlauf)]

- Falls es eine Trennung gab: Nehmen Sie mich mal mit – beschreiben Sie bitte wie sich die Trennung vom Zeitpunkt - bevor Sie das erste Mal dran gedacht haben sich zu trennen bis zur tatsächlichen Trennung abgelaufen ist.
  [Diese Fragen müssen hinterher zu beantworten sein: Falls nicht, nachfragen]
  - *Gab es einen konkreten Anlass?*
    [Streit,…]
  - *War das eher eine plötzliche Entwicklung oder hat sich das über längere Zeit entwickelt bzw. angedeutet?*
    [z.B. monatelanger schwellender Konflikt vs. angelogen und danach war klar, dass sie nicht mehr zusammen arbeiten können]
  - *Von wem ging der erste Impuls aus?*
    [Investor? Einem Mitgründer? Gab es verschiedene Lager? Wer hat das erste Gespräch zu dem Thema angefangen?]
  - *Wie verlief der Prozess der Trennung: vom ersten Gespräch bis zur letztendlich Trennung?*
    [wochenlange Diskussionen, wochenlang nicht miteinander gesprochen, ein Gespräch und dann stand die Entscheidung etc.]

- Wie emotional war der ganze Prozess in den einzelnen Situationen?

- Über den Prozess der Trennung hinweg: Bevor Sie das erste Mal an Trennung gedacht haben: Wie war da die Unternehmens Performance? Wie war sie während der Trennungsphase? Wie war sie danach?
  [*Hat das eine Rolle gespielt?]*

- Welche Rolle haben externe Personen gespielt?
  [Investoren, Coaches, Freunde –z.B. Investor hat auf Trennung gedrängt]

- Wie haben Sie das bzgl. Anteilen etc. geregelt?
  [ausgezahlt, hält noch Anteile etc.; Implizit rausfinden wie die Anteilsverteilung vorher waren s. Frage oben]

- Wie ist das persönliche Verhältnis heute?
  [immer noch Freunde, reden nicht mehr miteinander etc.]

- Was war nach der Trennung anders im Gründerteam als vorher?

[andere Rollen innerhalb des Gründerteams, weniger Konflikte, mehr Spaß, erfolgreicher….]
[explizit nachfragen, falls schwammige Antwort. Folgende Themen müssen abgedeckt sein
Vertrauen,
gemeinsame Werte,
Arbeitseinsatz,
Fähigkeiten,
strategische Ausrichtung/ Ziele des Unternehmens,
Konflikte/ Streitigkeiten (nach Ursache fragen,
Charaktereigenschaften und Verhaltensweisen (z.B. Rechthaberisch, Arrogant,…),
Kommunikationsprobleme (Missverständnisse, aneinander vorbei reden etc.)]

- Wenn Sie jetzt nochmal überlegen: Hätte einer der beteiligten Partner was anders machen können?

- Das klingt für mich schon so als ob XYZ [z.B. Mitgründer, Investor] die Hauptschuld für die Trennung hatte.
  ODER
  Das klingt für mich jetzt aber schon so als ob Sie sich selbst als mitschuldig sehen.

  Habe ich das richtig verstanden?

- Was würden Sie machen wenn einer Ihrer Mitgründer heute beschließt das Unternehmen zu verlassen?

- Was würden Sie Gründerteams raten um Trennungen zu vermeiden?

- Gibt es weitere Aspekte zum Thema Gründerteams, die Sie gerne ansprechen möchten?

5.4.2 Exemplary interview guideline for exiting founders

Below, I present a guideline for interviews with exiting founders as of April 16, 2016 (early stage of the data collection). All but one interview with exiting founders were conducted in German.

Vorstellung und Einleitung: Herzlichen Dank, dass Sie an der Studie des Entrepreneurship Research Instituts zum Thema Gründerteams teilnehmen. Mein Name ist XXX
Wie vorab besprochen wird das Interview etwas 30-45 Minuten dauern. Um es nachher besser auswerten zu können, würde ich das Interview gerne aufnehmen. Selbstverständlich werde ich die Daten vertraulich behandeln.

- Zunächst interessiert es mich, was Ihr Unternehmen genau macht habt. Können Sie mir dies kurz erläutern? Wie war die Ausgangsituation als Sie das Unternehmen starteten?

- Wie haben Sie sich als Gründer-Team kennen gelernt?

[insb. waren sie Freunde vorher, wie lange kannten sie sich, haben sie vorher schon mal zusammen gearbeitet, wie ist das Vertrauensverhältnis]

- Welche Gründer in eurem Gründerteam hatten zuvor bereits Berufs-oder Gründungserfahrung?

- Wurde die Gründungsidee gemeinsam entwickelt oder hatte einer der Gründer die Idee alleine?

- Wie waren die Anteile verteilt?

- Haben alle Mitgründer einen gleichen Beitrag für das Unternehmen geleistet? *[z.B. Geld, Zeit, Wissen]*

- Können Sie bitte kurz die Persönlichkeiten der einzelnen Mitgründer (inklusive Ihnen) damals kurz beschreiben?

- Wie ich ja bereits weiß, besteht das Gründerteam nicht mehr in seiner ursprünglichen Form. Abgesehen von Ihrem Weggang –gab es weitere Änderungen? Sind über die Zeit neue Gründer hinzugekommen? Haben weitere Gründer das Team verlassen? *[Nur falls man super in der Zeit liegt im Interview nachfragen „warum?" und „wann?"]*

- Kommen wir nun dazu, wie Sie das Team verlassen haben: Können Sie mir die Gründe für das Ausscheiden beschreiben?

  [unbedingt explizit nachfragen, falls folgende Themen nicht in der Antwort behandelt werden:
  - *Vertrauen,*
  - *gemeinsame Werte,*
  - *Arbeitseinsatz,*
  - *Fähigkeiten/Performance,*
  - *strategische Ausrichtung/ Ziele des Unternehmens,*
  - *Konflikte/ Streitigkeiten (nach Ursache fragen)*
  - *Charaktereigenschaften und Verhaltensweisen (z.B. rechthaberisch, arrogant, stur…),*
  - *Unethisches Verhalten/Einstellung (z.B. gegenüber Mitarbeitern)*
  - *Kommunikationsprobleme (Missverständnisse, aneinander vorbei reden etc)]*
  - *Opportunitätskosten (anderer Job/Familie/…)*

  Wichtig: Immer Dynamik genau verstehen; War das schon immer so („der hat noch nie was gebracht")? Oder was das erst dann zu dem Zeitpunkt so („er war mal wertvoll, aber jetzt passt er nicht mehr")? (Verändert sich oft im Zeitverlauf)]

  - Nehmen Sie mich nun mal mit – beschreiben Sie bitte wie sich die Trennung vom Zeitpunkt - bevor Sie das erste Mal dran gedacht haben sich zu trennen bis zur tatsächlichen Trennung abgelaufen ist.
    [Diese Fragen müssen hinterher zu beantworten sein: Falls nicht, nachfragen]
    - *Gab es einen konkreten Anlass?*

[Streit,…]

- *War das eher eine plötzliche Entwicklung oder hat sich das über längere Zeit entwickelt bzw. angedeutet?*
  [z.B. monatelanger schwellender Konflikt vs. angelogen und danach war klar, dass sie nicht mehr zusammen arbeiten können]
- *Von wem ging der erste Impuls aus?*
  [Investor? Einem Mitgründer? Gab es verschiedene Lager? Wer hat das erste Gespräch zu dem Thema angefangen?]
- *Wie verlief der Prozess der Trennung: vom ersten Gespräch bis zur letztendlich Trennung?*
  [wochenlange Diskussionen, wochenlang nicht miteinander gesprochen, ein Gespräch und dann stand die Entscheidung etc.]

- Wie emotional war der ganze Prozess in den einzelnen Situationen?

- Über den Prozess der Trennung hinweg: Bevor Sie das erste Mal an Trennung gedacht haben: Wie war da die Unternehmens Performance? Wie war sie während der Trennungsphase? Wie war sie danach (sofern bekannt)?
  [*Hat das eine Rolle gespielt?]*

- Welche Rolle haben externe Personen gespielt?
  [Investoren, Coaches, Freunde –z.B. Investor hat auf Trennung gedrängt]

- Wie haben Sie das bzgl. Anteilen etc. geregelt?
  [ausgezahlt, hält noch Anteile etc.; Implizit rausfinden wie die Anteilsverteilung vorher waren s. Frage oben]

- Wie ist das persönliche Verhältnis heute?
  [immer noch Freunde, reden nicht mehr miteinander etc.]

- Wenn Sie jetzt nochmal überlegen: Hätte einer der beteiligten Partner was anders machen können?

- Das klingt für mich schon so als ob XYZ [z.B. Mitgründer, Investor] die Hauptschuld für die Trennung hatte.
  ODER
  Das klingt für mich jetzt aber schon so als ob Sie sich selbst als mitschuldig sehen.

  Habe ich das richtig verstanden?

- Was würden Sie Gründerteams raten um Trennungen zu vermeiden?

- Gibt es weitere Aspekte zum Thema Gründerteams, die Sie gerne ansprechen möchten?

5.4.3 Details of primary data collection

Table 14. Details of primary data collection

Team	Informant	Type	Date (dd-mm-yyyy)	Data collector	Length (hh:mm:ss)
A	Remaining founder 1 (A-RF1)	Interview	30-May-2016	RP	00:26:50
	Remaining founder 1 (A-RF1)§	Interview	17-Nov-2017	RP	00:24:57
	Remaining founder 1 (A-RF1)	Interview	19-Sep-2014	ERI	00:46:00
	Remaining founder 1 (A-RF1)	Interview	9-Dec-2014	ERI	00:44:01
	Remaining founder 1 (A-RF1)	Interview	22-Jan-2015	ERI	00:22:00
	Remaining founder 1 (A-RF1)	Interview	27-Mar-2015	ERI	00:57:00
	Remaining founder 1 (A-RF1)	Interview	29-Oct-2015	ERI	00:37:00
	Remaining founder 1 (A-RF1)	Interview	9-Nov-2016	ERI	00:21:53
	Remaining founder 1 (A-RF1)	Interview	17-Oct-2016	ERI	00:15:04
	Remaining founder 3 (A-RF3)	Interview	18-Dec-2014	ERI	01:00:00
	Remaining founder 3 (A-RF3) & Employee 2 (A-E2)	Interview	17-Apr-2015	ERI	01:47:00
	Remaining founder 2 (A-RF2)	Presentation	10-Nov-2016	n.a.	01:21:30
	Exiting founder 1 (A-EF1)	Interview	5-May-2016	RD	00:46:46
	Exiting founder 1 (A-EF1)	Interview	8-Oct-2014	ERI	00:50:42
	Exiting founder 1 (A-EF1)	Interview	18-Dec-2014	ERI	00:09:21
	Exiting founder 1 (A-EF1)	Informal chat*	11-Jun-2015	ERI	n.a.
	Exiting founder 2 (A-EF2)	Interview	6-Aug-2016	RP	00:22:07
	Employee 1 (A-E1)	Interview*	28-Jul-2016	RD	00:36:00
	Employee 1 (A-E1)	Presentation	23-Oct-2015	ERI	01:04:00
	Coach 2 (A-C2) §	Interview	23-Nov-2017	RP	00:25:36
	Coach 1 (A-C1)	Interview	13-Jun-2016	RD & RP	01:04:00
B	Exiting founder 1 (B-EF1)	Interview	12-Sep-2016	RD	01:15:10
	Exiting founder 1 (B-EF1)	Interview	11-Dec-2015	ERI	01:39:00
	Exiting founder 1 (B-EF1)	Interview	21-Mar-2016	ERI	00:41:10
	Exiting founder 1 (B-EF1)	Interview	28-Jul-2016	ERI	00:37:40
	Exiting founder 2 (B-EF2)	Interview	28-Sep-2016	RD	01:25:07
	Exiting founder 2 (B-EF2)	Interview	11-Oct-2016	RD	00:47:07
	Exiting founder 2 (B-EF2)	Interview	17-Dec-2015	ERI	01:06:04
	Exiting founder 2 (B-EF2)	Interview	1-Apr-2016	ERI	00:42:59
	Exiting founder 2 (B-EF2)	Interview	4-Aug-2016	ERI	00:34:57
	Remaining founder 1 (B-RF1)	Interview	14-Oct-2016	RD	01:19:01
	Remaining founder 1 (B-RF1)	Interview + Model validation	24-Jan-2017	RD	00:55:13
	Remaining founder 2 (B-RF2)	Interview	14-Oct-2016	RD	01:08:12
	Remaining founder 2 (B-RF2)	Interview + Model validation	24-Jan-2017	RD	00:57:07
	Remaining founder 2 (B-RF2)	Telephone call*	23-Sep-2016	ERI	n.a.

Team	Informant	Type	Date (dd-mm-yyyy)	Data collector	Length (hh:mm:ss)
	Remaining founder 3 (B-RF3)	Interview	14-Oct-2016	RD	00:52:42
	Investor 1 (B-I1)	Interview	14-Oct-2016	RD	00:51:19
	Administrative staff of incubator (B-A1)	Interview	20-Sep-2016	RD & RP	00:21:24
	Researcher (B-R1)	Interview	20-Sep-2016	RD & RP	00:47:54
	Exiting founder 3 (B-EF3)	Interview	4-Aug-2016	ERI	00:30:21
	Mentor (B-M1)	Interview	29-Mar-2016	ERI	00:48:51
	Coach (B-C3)	Interview*	29-Sep-2016	RP	n.a.
	Remaining and exiting founders (RF1-3, EF1 & 2), Investors (B-I1 & 2), Administrative staff (B-A2)	Observation*	7-Oct-2016	RP	n.a.
	Mentor (B-M1)	Interview	21-Oct-2016	RD	00:25:52
	Coach (B-C1)	Interview	15-Nov-2016	RD	00:30:55
	Coach (B-C1)	Model validation	24-Jan-2017	RD	00:31:30
	Exiting founder 1 & 2 (B-EF1 & B-EF2), & Mentor (B-M1)	Observation	29-Feb-2016	ERI	01:00:10
	Coach (B-C2)	Interview	2-Feb-2017	RD	00:14:54
	Administrative staff (B-A2)	Interview	1-Mar-2017	RD	00:27:23
	Student employee (B-E1)	Interview	13-Sep-2016	RD	00:21:18
C	Exiting founder 2 (H3-RF2)	Interview	9-Aug-2016	RP	00:24:07
	Remaining founder 1 (H3-RF1)	Interview	21-Jul-2016	RP	00:41:14
	Exiting founder 1 (H3-EF1)	Interview	26-Sep-2016	RP	00:42:10
	Mentor (H3-M1)	Interview	2-May-2016	RP	00:19:27
	Mentor (H3-M1)	Email-Interview	6-Jan-2017	RD	n.a.
D	Remaining founder 1 (D-RD)	Interview	2-May-2016	RD	01:04:52
	Remaining founder 1 (D-RD)§	Interview	15-Nov-2017	RD & RP	00:49:46
	Remaining founder 2 (D-RE)	Interview	3-Aug-2016	RD & RP	00:28:46
	Remaining founder 2 (D-RE) §	Interview	15-Nov-2017	RD & RP	00:34:26
	Remaining founder 3 (D-RD)	Interview	3-Aug-2016	RD & RP	00:32:07
	Coach (D-C1)	Interview	13-Jun-2016	RD & RP	00:00:00
	Coach (D-C2) §	Interview	23-Oct-2016	RD	00:30:23
E	Exiting founder 1 (D-ED)	Interview	22-Oct-2016	RD	00:44:33
	Remaining founder 2 (E-RE)	Interview	27-Sep-2016	RD	00:45:54
	Remaining founder 2 (E-RE)§	Interview	18-Oct-2017	RD	00:31:21
	Remaining founder 1 (E-RD)	Interview	11-Oct-2016	RD	01:05:15
	Remaining founder 1 (E-RD)§	Interview	18-Oct-2017	RD	00:30:40
	Exiting founder 2 (E-EE)	Interview	12-Sep-2016	RD & RP	00:41:47
	Exiting founder 1 (E-ED)	Interview	16-Nov-2016	RD	00:26:13
	Coach (E-C1)	Interview	25-Jan-2017	RD	00:29:47
D	Exiting founder (D-ED)	Interview	23-Jun-2016	RP	00:28:17
	Exiting founder (D-ED)	Interview	9-Feb-2017	RD & RP	00:22:41
	Remaining founder (D-RD)	Interview	15-Jun-2016	RP	00:33:56
	Remaining founder (D-RD)	Interview	14-Feb-2017	RD	00:14:32

Team	Informant	Type	Date (dd-mm-yyyy)	Data collector	Length (hh:mm:ss)
	Spouse (D-S1)	Interview	15-Feb-2017	RP	00:04:04
	Mentor (D-M1)	Interview	18-Feb-2017	RD	00:04:09
	Mentor (D-M1)	Email-Interview	6-Jan-2017	RD	n.a.
	Student employee (D-E1)	Interview	23-Jan-2017	RD	00:06:54

Notes. RD = Rieke Dibbern; RP = Rebecca Preller; ERI = Other researcher from the TUM Entrepreneurship Research Institute (TUM ERI)
* not recorded
§ material not considered in for the study in Chapter 2 because collected for revision

5.4.4 Case assessments

Table 15. Case assessments summary

2nd order code	1st order code	Teams and cases (exits)									
		A		B		C	D		E		F
		H1	H2	H3	H4	H5	F1	F2	F3	F4	F5
Perceived mismatch in performance	Commitment/effort of co-founder does not match team members' expectations			H	H	H	H	H	H	H	H
	Output of co-founder does not match team members' expectations	H	H	H	H	H	H	H	H	H	H
Negative attitudes and emotions	Team members develop hypotheses about each other that assume negative behavior/characteristics			H	H	H			H	H	H
	Team members feel negative emotions toward each other			H	H	H				H	
	Team members develop mistrust and uncertainty toward each other	H		H	H	H			H	H	
Faultlines	Team divides into subgroups	H		H	H		H	H			
	Dysfunctional communication between subgroups in team	H		H	H	H	H	H	L		
	One subgroup teams up with investor	H		H	H						
Externals	Existing or potential investors support exit	H	M/H	H	H		H	H			
	Externals (e.g., investors, mentors, coaches) approve perceptions of performance mismatch			H	H					H	
Perceived opportunity ownership	Exiting co-founder emphasizes own contributions to venture over contributions of other team members	M	H	L	M	H	H	L	L	L	L
	Exiting co-founder feels ownership of idea		H	L	M/H	H	H			L	L
Emotional bond with venture	Exiting co-founder suffers and feels pain of separation		H		H	H					
	Exiting co-founder feels strongly committed to venture			L	H			L	L		L
	Exiting co-founder feels his/her pride to be injured by exit	H	H	M	H						L
	Exiting co-founder assigns high importance to having his/her position in venture and/or defines him-/herself through position	H	H	L	H	H	H	L			M

2nd order code	1st order code	Teams and cases (exits)									
		A		**B**		**C**	**D**		**E**		**F**
		H1	**H2**	**H3**	**H4**	**H5**	**F1**	**F2**	**F3**	**F4**	**F5**
Idea for the co-founder exit	Co-founder wants to exit new venture	No	No	No	No	No	No	No	No	No	Yes
	Founders want co-founder to exit new venture	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hostility of exit process	Exiting co-founder blocks settlement, acts uncooperatively			H	H	M/H	M	L	L		
	Escalating and emotional discussions between remaining and exiting co-founders	H	H	H	H	H	L	L		L	L
	Power struggles between remaining and exiting co-founders			H	H						
	Remaining and exiting co- founders threaten each other			H	H						
	Exiting co-founder takes actions to harm the venture			H	H						
	Remaining and exiting co-founders abandon personal relationships with each other	H	H	H	H	H	M	L	L	L	L
	Exiting co-founder emphasizes own interests over venture interests			H	H		M	L			L
Resignation of co- founder	Founders agree on terms of exit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Exiting co-founder resigns from primary ownership of the venture	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Exiting co-founder resigns from strategic decision- making and ongoing operation of the venture	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Short-term performance implications	Remaining co-founders lack time to focus on venture operations			H	H						
	Remaining co-founders experience psychological distress that prevents them from working	H	H	H	H	H					
	Remaining co-founders experience increased uncertainty about venture future	H	H	H	H						
	Remaining co-founders develop emotional distance from venture			H	H	H	H	H			
	Loss of knowhow and resources in the venture	H		M	M					L	L
Long-term performance implications	Continuation of business	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Adaption to changed set of resources	Role of exited co-founder is filled	H	H	H	H	L	H	H	H	H	
	Remaining co-founders align business model/product/service with given resources and preferences		H	H	H						L

2nd order code	1st order code	Teams and cases (exits)									
		A		B		C	D		E		F
		H1	H2	H3	H4	H5	F1	F2	F3	F4	F5
Psychological closure	Remaining co-founders focus on advancing product/service			H	H	L	H	H			L
	Remaining co-founders experience satisfaction with settlement with exited co- founder and do not struggle with it			M	M		L→ H	L→ H	H		
	Remaining co-founders experience positive emotions following separation			H	H		L → H	L → H			H
Take actions to avoid future conflicts within team	Remaining co-founders adjust contractual agreements related to team						H	H	H		
	Remaining co-founders adjust team processes and rules	H	H	H	H		H	H		H	

Notes. H = High; M = Medium; L = Low. Arrows (→) indicate a dynamic development over time.

5.5 Essay on entrepreneurs' assessment of mentors

5.5.1 Experimental design

Table 16. Fractional factorial design used in conjoint study

Hahn & Shapiro (1966) master plan 2, columns 3,4,6,9				
Profile	**Values per column (attribute)**			
	3*	**4**	**6**	**9**
1	0	0	0	0
2	0	0	1	1
3	0	1	0	1
4	0	1	1	0
5	1	0	0	1
6	1	0	1	0
7	1	1	0	0
8	1	1	1	1

* Interaction with all other variables in the design can be estimated free of main effects and each other ("WAO"; Hahn & Shapiro, 1966)

Table 17. Experimental design of conjoint study (version 1)

Profile*	**Values per attribute**			
	Business-related values[†]	Entrepreneurial experience[$]	Industry experience[$]	Mentoring experience[§]
1A	0	0	0	0
1B	0	0	1	1
1C	0	1	0	1
1D	0	1	1	0
1E	1	0	0	1
1F	1	0	1	0
1G	1	1	0	0
1H	1	1	1	1
4.XB1[#]	0	1	1	1

* Labels as in online questionnaire
[†] 1 = similar ("ähnlich"); 0 = different ("abweichend")
[$] 1 = high ("viel"); 0 = low ("wenig")
[§] 1 = high ("viel"); 0 = none ("keine")
[#] Practice profile presented at the beginning of the experiment

Table 18. Experimental design of conjoint study (version 2)

Profile*	Values per attribute			
	Business-related values[†]	Entrepreneurial experience[$]	Industry experience[$]	Mentoring experience[§]
2A	0	0	0	0
2B	1	1	0	0
2C	0	1	0	1
2D	1	0	0	1
2E	0	1	1	0
2F	1	0	1	0
2G	0	0	1	1
2H	1	1	1	1
4.XB2[#]	0	1	1	1

* Labels as in online questionnaire
[†] 1 = similar (“ähnlich”); 0 = different (“abweichend”)
[$] 1 = high (“viel”); 0 = low (“wenig”)
[§] 1 = high (“viel”); 0 = none (“keine”)
[#] Practice profile presented at the beginning of the experiment

5.5.2 Introduction to the conjoint experiment as presented to respondents

5.5.3 Instruction for the conjoint experiment and description of the attributes, levels, and rating scale as presented to the respondents

Figure 9. Instructions for the conjoint experiment

Anleitung

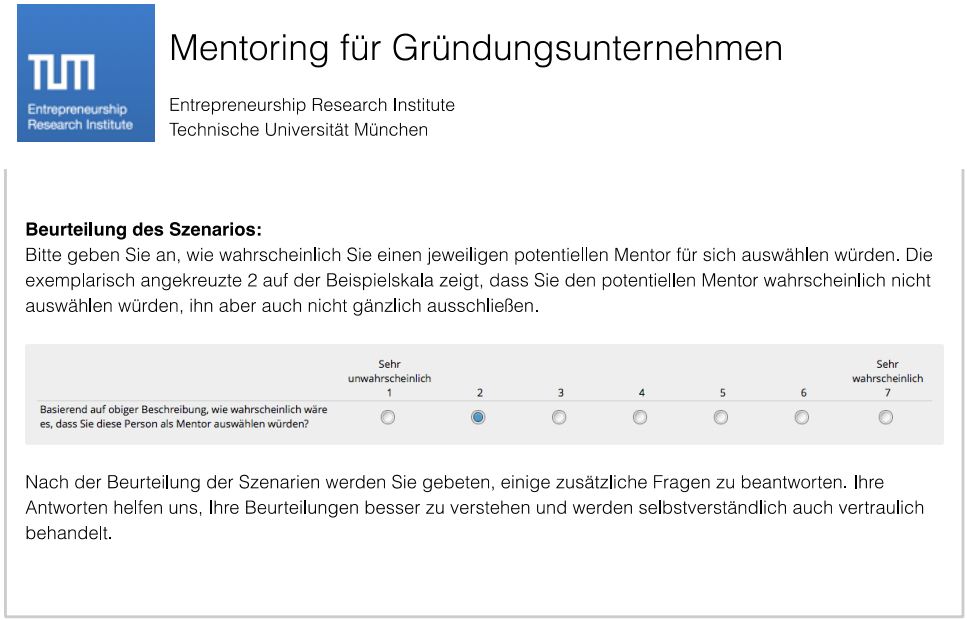
Als Teilnehmer(in) unserer Studie bitten wir Sie, sich in folgendes Szenario hineinzuversetzen:

Sie sind Gründer(in) eines jungen Unternehmens und kommen über Ihr persönliches Netzwerk in die Lage, mehrere potentielle Mentoren kennenzulernen. Sie haben einen Einblick in deren Hintergrund und bisherige beruflichen Aktivitäten, und können somit auf ihren Erfahrungsschatz und ihre Werte hinsichtlich Unternehmensgründung und –führung schließen.

Unter Mentoren verstehen wir Frauen und Männer, mit denen Sie sich regelmäßig austauschen, und die Ihnen mit Rat und Unterstützung beiseite stehen. Die Beziehung zu dem Mentor besteht auf freiwilliger Ebene, d.h. sie ist nicht verpflichtend oder von dritter Seite zugewiesen (z.B. wie bei EXIST-Förderungen oder Unterstützungsprogrammen mit obligatorischen Mentoren-Gesprächen).

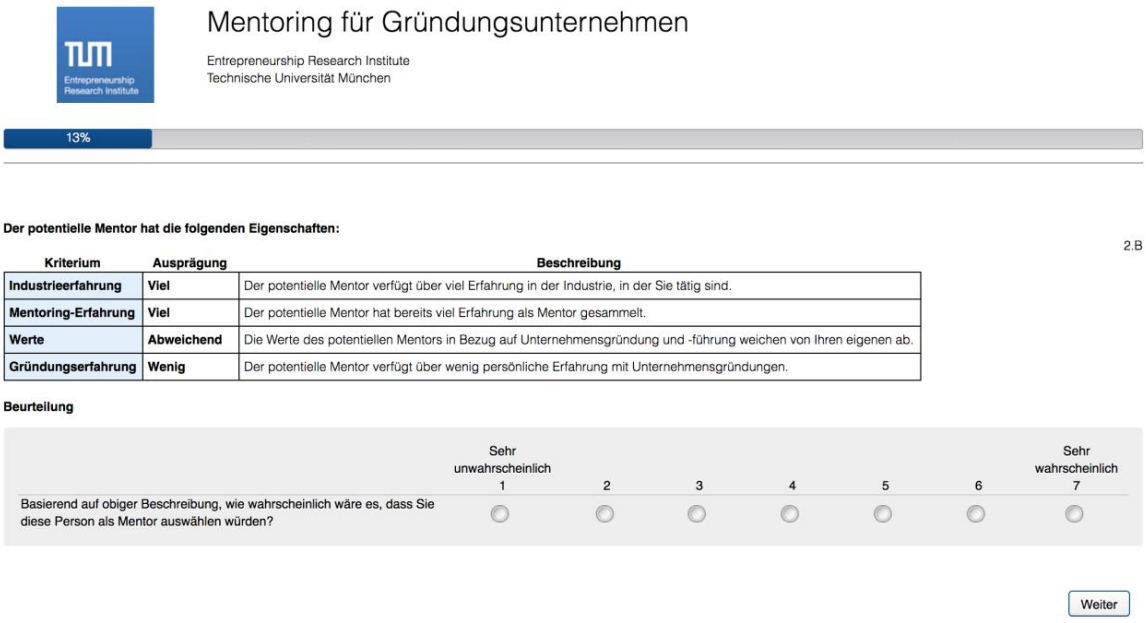
In der folgenden Umfrage werden wir Ihnen eine Reihe hypothetischer Mentoren-Profile präsentieren. Die potentiellen Mentoren werden in diesen Profilen über vier Kriterien beschrieben, deren Ausprägungen im Folgenden vorgestellt werden:

Kriterium	Ausprägung	Beschreibung
Werte	**Ähnlich**	Der potentielle Mentor teilt Ihre Werte in Bezug auf Unternehmensgründung und –führung.
	Abweichend	Die Werte des potentiellen Mentors in Bezug auf Unternehmensgründung und -führung weichen von Ihren eigenen ab.
Gründungserfahrung	**Viel**	Der potentielle Mentor verfügt über viel persönliche Erfahrung mit Unternehmensgründungen.
	Wenig	Der potentielle Mentor verfügt über wenig persönliche Erfahrung mit Unternehmensgründungen.
Industrieerfahrung	**Viel**	Der potentielle Mentor verfügt über viel Erfahrung in der Industrie, in der Sie tätig sind.
	Wenig	Der potentielle Mentor verfügt über wenig Erfahrung in der Industrie, in der Sie tätig sind.
Mentoring-Erfahrung	**Viel**	Der potentielle Mentor hat bereits viel Erfahrung als Mentor gesammelt.
	Keine	Der potentielle Mentor hat bisher noch keine Erfahrung als Mentor gesammelt.



5.5.4 Exemplary profile of the conjoint experiment

Figure 10. Exemplary profile of the conjoint experiment



5.5.5 Items in scale for stress

Table 19. Items in scale for subjective stress

#	Original item (English; Cardon & Patel, 2015: 416)	Translated item (German; own translation)	Original rating scale (English)	Translated rating scale (German)
1	"Been under or felt you were under any strain, stress, or pressure during the past month?"	Waren oder fühlten Sie sich in der letzten Zeit angestrengt, gestresst oder unter Druck gesetzt?	1 (Yes – almost more than I could bear or stand to) – 6 (not at all)	1 (Gar nicht) – 7 (Sehr stark)
2	"Been anxious, worried or upset?"	Waren Sie in letzter Zeit besorgt, beunruhigt oder verärgert?	1 (Yes—almost more than I could bear or stand to) – 6 (not at all)	1 (Gar nicht) – 7 (Sehr stark)
3	"How relaxed or tense have you been during the past month?"*	Wie angespannt waren Sie in der letzten Zeit?	0 (relaxed) – 10 (tense), reverse coded	1 (Gar nicht) – 7 (Sehr stark)

* reverse coded