1. Introduction

*Cyrine Ben-Hafaïedh and Thomas M. Cooney*

‘It is difficult to clap with one hand’ is arguably a very appropriate Chinese saying with which to introduce a book entitled *Research Handbook on Entrepreneurial Teams: Theory and Practice*. In recent years, there has been an increasing body of evidence suggesting that firms founded by entrepreneurial teams are more likely to achieve fast growth than firms founded by lone actors, and for this reason entrepreneurial teams have become of escalating interest to scholars and practitioners alike. The research has also identified that firms founded by multiple individuals are fluid and team based, they give authority to those employees with the greatest knowledge of a specific area, and their growth strategies can emerge from anyone within the organization. They also have an innate sense of networking since good communication is a crucial component of successful teams. Yet, it has also been noted that there has been a dearth of literature regarding our understanding of entrepreneurial teams and even the expression ‘entrepreneurial team’ has frequently been used interchangeably with the term ‘management team’ when writers have been discussing small firms. However, in more recent times there has been a marked increase in the number of journal articles, books and popular press stories addressing the topic of entrepreneurial teams but our comprehension of them and their relationship with growth remains very weak.

The book begins in Part 1 with a detailed review of the literature by Ben-Hafaïedh in Chapter 2, which will help the reader to understand the development of research and theories on entrepreneurial teams over time, and it offers clarification of the different terminology used by research scholars. The chapter will also contextualize the movements that have occurred in developing an understanding of entrepreneurial teams and how they have led to our current perceptions of this form of enterprise. Kim and Aldrich in Chapter 3 superbly counterbalance this chapter as they review the development of entrepreneurial teams from a practitioner perspective. They analyse articles and stories from the popular press and Internet channels to examine the most common forms of advice that is offered regarding constructing and growing entrepreneurial teams. As one might imagine, their findings both agree and disagree with the work of academic researchers who are seeking scientific evidence to support their theories rather than anecdotal stories of experiences and actions.
The two chapters combine very effectively to offer the reader an excellent understanding of the history and current positioning of entrepreneurial teams amongst both the academic and practitioner communities.

Team entrepreneurship appears to be much more prevalent in some countries and industries than in others due to influencing factors such as culture, society and the nature of specific industries. Indeed, the combination of culture and individual characteristics will shape the likelihood of potential entrepreneurs starting a business on their own or in conjunction with like-minded colleagues. For example, entrepreneurs who will seek to maintain 100 per cent ownership of their enterprise rather than share equity amongst other stakeholders will find that that this mindset adversely affects the prospect of entrepreneurial teams being formed and the sharing of any subsequent rewards. It also encourages singular decision-making and hierarchical structures because ‘the entrepreneur is the boss’! Given that research has suggested that entrepreneurial teams impact positively on firm growth, then a greater sense of inclusiveness needs to happen in team formation and this can be challenging for many people whose background or characteristics might promote a more individualistic approach to life. Furthermore, while early research on entrepreneurship identified that attitude and mindset are key characteristics of successful entrepreneurs, more recent research has identified that team entrepreneurs require a mindset that is inclusive, shares responsibilities and divides rewards equitably. Communication is also highly important to successful entrepreneurial teams as they need to share information, ideas and authority. Communication is not just given to employees on a need-to-know basis but as a method of getting all stakeholders to better understand their roles regarding the potential prosperity of the enterprise. This communication occurs via networks and is not passed down through a multilayered hierarchical structure. Additionally, research has shown that the entrepreneurs of fast-growth firms believe that attention to customer needs and quality products/services are important to the growth of their business, and that ultimately the success of a firm is everyone’s responsibility, not just that of management. All of these characteristics lead to varying explanations regarding why entrepreneurial teams are increasingly responsible for fast-growth firms rather than enterprises founded by lone actors and they reinforce the critical importance of the formation stage of entrepreneurial teams as a ‘good start’ that can have a major influence on the future growth patterns of an enterprise.

Part II of the book explores many of the different issues involved in the formation of entrepreneurial teams and through new research studies it offers greater understanding and insight relating to this aspect of entrepreneurial team activity. In Chapter 4, Campopiano, Minola and Cassia
explore the role of family within the formation of entrepreneurial teams and they find that there is a positive effect when family provide both human and social capital. The chapter focuses on the antecedents that drive potential entrepreneurs to include family members in entrepreneurial teams and reconcile the inconclusive results present in existing literature on the role of family cohesion and family capital as factors that may foster or hinder the propensity of potential entrepreneurs to form an entrepreneurial team with their relatives. It should be noted that the positive influence of family can also be seen in Chapters 9 and 11, even though the main focus of those chapters is contextualization rather than family members.

Chapter 5 from Cloutier, Cueille and Recasens highlights the use of group concept mapping (GCM) as a relatively new research methodology to explore the structuring phase of entrepreneurial teams from the perspective of entrepreneurs. The GCM process provides some shared indications regarding scope, breadth and depth of action areas underlying entrepreneurial team development and discusses how the shared conceptual framework obtained from these analyses can be translated to suggest a set of best-practice propositions. The chapter additionally stresses the balancing act that entrepreneurial teams face at the structuring phase of development between managing the venture and building it from the resource pool.

Another aspect of entrepreneurial team formation that is examined in the book is the dispositional personality–related characteristics of founding team members as leading indicators of new venture success. In Chapter 6, Schoss, Mauer and Brettel highlight that the difference between a successful and an unsuccessful team relates to the combination of sufficiently distinctive personality types that form a team. Their analysis reveals that balanced individuals who simultaneously show high levels of multiple traits appear more often in unsuccessful teams, while individuals with fewer but more strongly developed traits are to be found in successful teams. The research method of cluster analysis serves to develop a better understanding of which personality characteristics are most important to team success and how the traits cluster together to form specific team types.

Moving on from this understanding of personality types, Chapter 7 by Levie and De Borst examines the relationship between team size and the potential economic contribution of early-stage and established businesses. Their chapter presents evidence that, in addition to having a strong direct effect on the economic potential of early-stage and established firms, larger teams are associated with greater economic potential in more complex, knowledge-intensive businesses and with higher growth expectation where owner-managers have higher education levels.
The final chapter of Part II focusing on entrepreneurial team formation is Chapter 8 from Zhou and Vredenburgh whose research investigates the dispositional antecedents that facilitate the development of shared leadership and the performance consequence of this leadership model. The chapter suggests that entrepreneurial team founders, to benefit from the informational diversity that team members desirably bring, should share leadership, and the authors emphasize that each team member should be willing and able to assume leadership roles when tasks require.

Part II of the book offers a number of interesting perspectives regarding the formation of an entrepreneurial team and cumulatively they propose a broadening of one’s understanding of this aspect of entrepreneurial activity. The influence of family, team size, personality types and shared leadership all contribute positively to the potential success and growth of a new venture but how they are utilized and developed is at the mercy of individual entrepreneurs.

As highlighted earlier, there is a body of evidence that suggests that fast-growth firms are more likely to be founded by entrepreneurial teams than by lone actors, and the research also suggests that the strategy utilized by fast-growth firms led by entrepreneurial teams is emergent at the start-up phase but moves to being deliberate as the firm matures. This means that their strategies were continuously emerging at the beginning, but later were more planned. To use Mintzberg’s analogy, at the beginning they were like clay on a potter’s wheel, where one had a broad idea of what was to be moulded but it only took definite shape as the process evolved. However, with time and experience the potter would know exactly what they were going to produce over the coming weeks and months, although new forms might continue to be moulded in order to introduce new product lines. With an emergent strategy these new forms can be suggested by anyone in the organization, as frequently those closest to the product or customer will have the clearest ideas of where improvements can be made. Strategies are deliberate when they are planned and disseminated throughout the organization in a managed process so that everyone understands them. Strategies should not be written in stone, but a clear sense of where the company wants to be in three years is critical to achieving success. Fast-growth firms led by entrepreneurial teams frequently identified growth markets as a starting point, and after they built a base in those markets they then moved towards the quality end of the market. Therefore, the lesson for entrepreneurial teams regarding strategy is to begin by moulding a strategy and then as time progresses to develop that mould. However, this nuancing of strategy is heavily influenced by the context in which an entrepreneurial team operates and such a context might involve family, gender, culture, ethnicity or
goal orientation of the firm. These contexts greatly affect the ambitions and philosophy of an enterprise and so Part III of the book discusses a variety of contextual situations in which an entrepreneurial team might operate and how strategies are shaped by context, as well as by entrepreneurial teams.

Part III begins with a review by Discua Cruz, Hadjielias and Howorth in Chapter 9 of the literature on family entrepreneurial teams. Families have tended to be overlooked in studies of entrepreneurial teams but this chapter draws on knowledge of entrepreneurial teams and family businesses in order to explain family entrepreneurial teams’ functions and outcomes. It highlights that family entrepreneurial teams represent a distinctive context for entrepreneurship, where stewardship drives team efforts, kinship ties determine team membership, and informal social cooperation, communal thinking and intergenerational learning practices prevail in the modus operandi.

It is arguable that indigenous communities represent a larger notion of family and Chapter 10 by Hēnare, Lythberg, Nicholson and Woods on Māori entrepreneurial teams is a wonderful extension of this concept. The authors argue that Māori entrepreneurial teams harmonize the collective intent and complementary attributes of individual members, and balance heritage with innovation. This chapter focuses on two clusters of values – temporality and intent – to demonstrate that the relationship between entrepreneurship and cultural values determines the composition of, and guides toward success, the Māori entrepreneurial team.

Part of this chapter taps into the importance of ethnicity and Lalonde addresses this more fully in Chapter 11. This chapter presents and discusses the issues relating to one kind of diversity in entrepreneurial teams that is more common as the world becomes more global – that is, ethnic diversity. It focuses on the dynamics of these groups and examines why and how this form of diversity influences a firm’s performance.

Moving from heterogeneous teams to homogeneous teams, Chapter 12 by Kinoti, Kibe Kihiko and Cooney examines entrepreneurial teams formed by women. The chapter analyses the impact of the Women Enterprise Fund (WEF), which was established by the Kenyan government to address the issue of poverty and unemployment amongst the country’s female population. The research found that delays in funding from WEF, illiteracy and loan diversion by women were among the key challenges that needed to be addressed if the women-owned entrepreneurial teams were to be successful. While in much of the book success is spoken about in terms of high growth, in this study success is measured by the ability of an entrepreneur to generate enough income to sustain her family.
The final context in which entrepreneurial teams are explored is through social enterprise. In Chapter 13, Dufays and Huybrechts examine the composition of teams involved in social entrepreneurship, and more particularly their heterogeneity in terms of ‘institutional logics’, which has received little attention in entrepreneurship literature. The chapter highlights the potential added value and pitfalls of entrepreneurial teams in institutionally complex settings such as social entrepreneurship and a model is proposed that examines the implications of entrepreneurial team heterogeneity in social entrepreneurship. It makes clear that complexity and dynamism, in particular with regard to individuals’ social network structure, as well as interactions between team members, are necessary to understand the impact of team composition on the entrepreneurial process.

Collectively the five chapters in Part III offer the reader varying contexts from which entrepreneurial teams can emerge and highlight the additional and distinctive challenges that entrepreneurial teams must address in such circumstances. Just as in Part II when exploring the formation of entrepreneurial teams, in this part of the book the development of entrepreneurial teams cannot be considered in a simplistic linear fashion but must be understood through the complexities and nuances of its given context.

There are a number of lessons for scholars, practitioners and policymakers from the findings of this book. While the literature suggests that firms founded by entrepreneurial teams are more likely to achieve fast growth than firms founded by an individual, the chapters in this book do not question this view because that was not the key objective of the book. However, the findings of the various research studies undertaken for the book do accentuate the characteristics of sharing and inclusiveness in entrepreneurial teams, which arguably contribute significantly to the greater likelihood that fast-growth firms are founded by entrepreneurial teams rather than by lone actors. Therefore, the entrepreneurial ecosystem should encourage firms to be founded by teams but these teams should not be unnaturally generated, as was noted in Part II. Entrepreneurs can be encouraged to build teams and find co-founders without forcing them into that situation since engendering team entrepreneurship is about nurturing rather than coercion.

While the practice of ‘picking winners’ has had a great deal of support in recent years amongst many enterprise agencies across the globe, there are a number of problems with this concept. The first is the question of what measures are used to pick ‘winners’. If a set criterion is employed then there is the definite possibility of losing potential successes because the relevant agency has already labelled those outside the criterion as ‘no-hopers’. Therefore, it is potentially more fruitful to encourage a
broader range of entrepreneurs to start an enterprise, knowing that some (or many) will fail, but that the more likely winners will potentially come from those who have failed and then tried again. Entrepreneurs who have been separated from their initial teams should be encouraged to start again. However, enterprise agents are commonly assessed on their short-term records and therefore a radical change in policy is required if the potential winners are to be given the freedom to fail and then to start again as a member of another team. It also requires a change in attitude in many cultures that failure is acceptable, and that it is a learning process towards long-term achievement. Both of these requirements necessitate significant alteration in existing mindsets, and unfortunately are therefore unlikely to occur in the near future. This book suggests new ideas on how such change might happen!

This book offers a wide range of research methodologies, perspectives and insights that will enlighten any reader, whether they are a scholar, practitioner or enterprise support agent. The book is structured to enable the reader to ‘dip in and out’ of the work and not be required to read it in its entirety in one sitting. However, it would be advisable to read some chapters at one sitting so that the comparative viewpoints and findings on a specific topic can be contrasted and this will enable the reader to achieve enhanced learning from their comprehension of the book. The discussions in the various chapters will challenge current perspectives and offer interesting new approaches to various aspects of entrepreneurial teams. The book is an important contribution to the growing significance of entrepreneurial teams as the preferred future structure of new ventures.