

## **Founding team, corporate governance quality, and entrepreneurial strategies in seed-stage high-growth new ventures**

The proposed doctoral research project addresses the following question: “Do founding teams and high-quality corporate governance policies make up for effective entrepreneurial strategies?” In other words, could an experienced and skilled founders’ team get the best out of entrepreneurial strategies (such as pivoting or bricolage), provided that a good corporate governance system is established? Specifically, we aim to investigate the mediating role of entrepreneurial strategies on the association between corporate governance quality, human capital of the founding team, and performance/survival of high-growth new ventures.

By and large, every enterprise goes through the hassle of the scarcity of resources, despite being seen as a lucrative one by its competitors. The scarcity of resources is more acute when enterprises are at the pre-seed and seed stages of their business life. To get the utmost of their limited resources, they go through the cycle of entrepreneurial strategies to find out the best viable business model. In this process, the corporate governance and human capital of the founding team could facilitate the decision-making strategies needed to choose the right type of strategy and its implementation.

That is to say, good corporate governance and high-quality founding teams might be essential components leading to successful navigation of new ventures’ resource scarcity. Although corporate governance definitions vary throughout the literature, they include principles and processes whereby a business is directed and performed (Thomsen & Conyon, 2012; Tihanyi et al., 2014), institutional arrangements within firms (Pedersen & Thomsen, 2003), the board of directors (Forbes & Milliken, 1999), compensation systems for managers (Bhagat & Bolton, 2008), financial reporting and auditing (Beuselinck & Manigart, 2007). At the same time, founding teams are identified as a great potential resource in small and new ventures because of their impact on providing advice, counsel, discipline value, as well as making decisions in difficult times (Bhagat & Bolton, 2008). A notable example of the difficult period is being trapped in resource-constrained environments where board members with the knowledge and expertise about entrepreneurial strategies could help new ventures keep their performance and development. The undeniable role of corporate governance in facilitating innovation and entrepreneurial strategies/behaviors are discussed for established businesses (Zahra et al., 2000); yet, for new ventures, the findings are scarce. As such, *we are planning to investigate if high-growth new ventures could benefit from good corporate governance, which forms it might take, and under which conditions it is the most effective.*

The two entrepreneurial strategies that this research is focusing on are entrepreneurial pivoting (different strategic changes that deviate from the original venture ideas: Ries, 2011) and bricolage (“making do by applying combinations of the resources at hand to new problems and opportunities”: (Baker & Nelson, 2005)). Empirically, the study will be based on a quantitative analysis of the data based on the database of Creative Destruction Lab, one of the largest North American accelerators of high-growth, technology- and science-based new ventures.

Based on the CDL database, we will do content analysis to measure entrepreneurial pivoting and bricolage both quantitatively (by counting the keywords in pivoting) and qualitatively (by interpreting and understanding). Then, we will implement mediation analysis with corporate governance quality, founders’ human capital, and venture performance measurements.

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