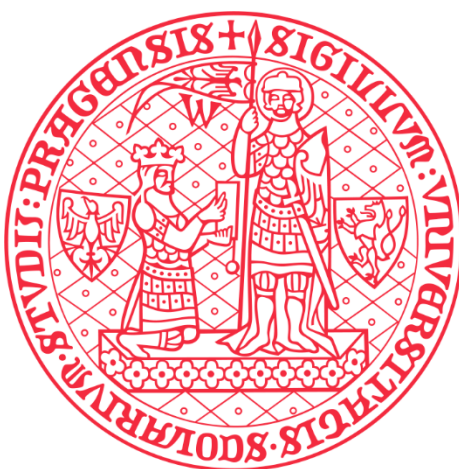


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Bakalářská práce



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**The Social Psychology of Start-up Success: How Team Dynamics  
Make or Break a Start-up Based on Investors' Experience**

**Sociální psychologie úspěšných start-upů: Jak skupinová dynamika  
ovlivňuje úspěch či neúspěch start-upů na základě zkušeností  
investorů**

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## **Prohlášení**

*Prohlašuji, že jsem bakalářskou práci vypracoval samostatně, že jsem řádně citoval všechny použité prameny a literaturu a že práce nebyla využita v rámci jiného vysokoškolského studia či k získání jiného nebo stejného titulu.*

*Při přípravě této bakalářské práce jsem využil jazykové modely GPT-4o a GPT-o3 k revizi formulací, průběžným úpravám rukopisu a překladu některých úryvků z výzkumných rozhovorů. Po použití jazykových modelů jsem důkladně revidoval a upravil obsah podle potřeby a plně přejímám odpovědnost za výslednou podobu práce.*



Matyáš Adam Michel

V Praze dne 8. 5. 2025

## **Abstrakt**

Tato bakalářská práce zkoumá, jak na základě zkušeností deseti investorů týmová dynamika ovlivňuje úspěch start-upů. Zatímco pracovní psychologie se tradičně zaměřuje na prostředí velkých firem, svět start-upů zůstává z psychologického hlediska stále málo prozkoumaný. Má práce má proto multidisciplinární charakter a propojuje poznatky z psychologie, teorie podnikání a ekonomie.

Na základě polostrukturovaných rozhovorů a tematické analýzy popisují vzorce chování, které investoři opakovaně spojují s úspěšnými a neúspěšnými týmy. Výsledky jsou strukturovány pomocí Inputs-Mediators-Outputs modelu (I-M-O), kde individuální vstupy jako komunikační dovednosti, kognitivní schopnosti atd. formují a ovlivňují fungování týmu. Mezi prvky týmové dynamiky, které výzkum ukázal jako klíčové, patří pět stavů (psychologické bezpečí, sdílená kognice, koheze, vášeň a orientace na výkon) a čtyři procesy: otevřená komunikace, produktivní konflikt, učení a sdílené vedení.

Zaměřením na konkrétní projevy chování, které se opakovaně objevují v praxi, práce pomáhá zpřehlednit roztržitou a stále se formující oblast psychologického výzkumu start-upových týmů. Ukazuje, které prvky dynamiky mladých podnikatelských týmů jsou podle investorů obzvláště důležité, snadno pozorovatelné a skutečně využitelné.

**Klíčová slova:** startupy, týmová dynamika, rizikový kapitál, I-M-O model

## **Abstract**

This thesis explores how founding team dynamics shape start-up success and failure, based on the experience of ten venture capital investors. While work psychology has traditionally focused on corporate environments, the start-up context remains underexplored despite its growing relevance. This thesis addresses that gap by adopting a multidisciplinary perspective, integrating insights from organizational psychology, entrepreneurship theory, and venture capital research.

Through semi-structured interviews and inductive thematic analysis, the study captures investors' reflections on recurring patterns in both thriving and failing teams. Findings are structured using an Input-Mediator-Output (IMO) model, where individual-level inputs – such as communication skill, cognitive ability etc. – shape and modulate the functioning of the team. The team dynamics identified in the interviews function as mediators in this model and include five emergent states (psychological safety, shared cognition, cohesion, entrepreneurial passion, and action orientation) and four team processes (open communication, productive conflict, learning, and effective shared leadership).

By focusing on practice-driven patterns, this thesis helps clarify an emerging area of psychological research. It highlights which team dynamics matter most in practice, offering both academic clarity and practical guidance on the behaviors that are most relevant, observable, and actionable in early-stage ventures.

**Key words:** start-ups, team dynamics, venture capital, I-M-O model

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## **Abbreviations**

CEE = Central and Eastern Europe

GDP = Gross Domestic Product

I-M-O = Inputs-Mediators-Outputs

PE = Privat Equity

VC = Venture Capital / Venture Capitalist(s)

## **Introduction**

Entrepreneurial ventures are major drivers not only of economic growth (Ressin, 2022) and job creation (Kane, 2010) but also of innovation and the push toward a sustainable future (Ressin, 2022). However, 90% of all new ventures fail (Krishna et al., 2016; Startup Genome, 2022), with over 60% of these failures attributed to issues within the entrepreneurial team (de Mol et al., 2015).

Although applied industrial-organizational (I-O) psychology is now well-established in the corporate world, it remains largely absent from the start-up context (Smart, 1999; Gustafsson & Snögren, 2017). Despite their proven ability to improve organizational outcomes, psychological sciences have not yet found their way to significantly influence the \$286 billion (Statista, 2024) market of start-up investing (Blacksmith & McCusker, 2024) – even though the majority of investors stress the importance of the founding team (Smart, 1999).

Choosing the right founder to invest in can be seen as even riskier than traditional employee or management selection processes due to the high level of uncertainty as well as the lack of supporting organizational structures and resources (Bhide, 2000). Nevertheless, while psychology and systematic assessments have penetrated the world of human resources, most team-related decisions in venture capital are intuitive (Gompers et al., 2020) and as such, susceptible to bias (Blacksmith et al., 2024). Besides driving suboptimal investment returns, this lack of an evidence-based approach to human capital due diligence could also perpetuate the stereotypes that play a role in making start-up capital less accessible to underrepresented entrepreneurs (Balachandra, 2020).

The psychological profile of a successful founder has been the object of both popular and scientific fascination for decades and there is a long-standing history of attempts to define and describe it (e.g. Brandstätter, 2011; Kerr et al., 2018). In recent years, researchers made significant strides to create data-driven tools and frameworks to bridge the gap between theory and practice of founder assessment (e.g. Blacksmith et al., 2023). However, it still remains to be determined what impact these recent advancements can bring about.

Furthermore, the academic attention is now shifting from the individual founder to the founding team and its dynamics as most researchers, experts and practitioners now agree that starting a company is fundamentally a collective effort (see Forsström-Tuominen, 2015) and thus cannot

be simplified into a single-founder myth. In fact, 90% of start-ups are founded by multiple co-founders (Beckman, 2006).

Despite the recent surge of interest in start-up teams as a scientific topic, it remains a largely under-researched area of study. Researchers lack a unifying framework; the research is fragmented and offers very few practical implications for investors or entrepreneurs. While there are decades of research available on corporate management teams, simply applying conventional I-O team dynamics knowledge to start-up teams is insufficient, as there are notable distinctions between traditional managerial teams and entrepreneurial teams. These differences include factors such as the team formation process, sources of commitment to the team and its vision, levels of control and ownership, and members' individual motivations. Consequently, managerial and entrepreneurial teams are not interchangeable concepts and should be studied separately (Huovinen & Pasanen, 2010).

Because research on start-up teams, particularly from a psychological perspective, remains limited, this thesis adopts a multidisciplinary approach that integrates insights from both organizational psychology and entrepreneurship literature. It introduces key economic, business, and investment concepts essential for understanding the unique context of start-ups and links them to the psychological dynamics that underlie team functioning in early-stage ventures. The underexplored nature of this field presents a significant opportunity for real-world impact, especially in regions such as the Czech Republic and the broader Central and Eastern Europe (CEE), where start-ups are only now emerging as major economic actors.

Compared to a decade ago, the CEE region has experienced dramatic growth, now hosting over 50 billion-dollar start-ups (Dealroom, 2025) and reaching a combined valuation of €243 billion (Palchynska, 2025). In 2024, Czech start-ups attracted €255 million in late-stage venture capital, the highest figure in the CEE region (Ghinita, 2024). Despite being in its early stages, the Czech start-up ecosystem already contributes approximately 5% of national GDP and has created over 150,000 jobs (StartupJobs et al., 2025). These figures underline the need to apply organizational psychology – traditionally reserved for corporate or public-sector environments – to this early but fast-growing segment of the economy.

Given my background in organizational psychology, startups, and venture capital, I have often observed a gap between the emphasis investors place on human factors and their limited tools to meaningfully assess them. While research on startup teams has traditionally fallen within the domain of entrepreneurship studies, there is significant potential for psychology to contribute

to this dynamic and fast-evolving field. The aim of this thesis is to help bridge that gap – connecting psychological theory with startup practice – and to offer insights that are useful not only for researchers and practitioners in psychology, but also for founders and investors navigating the realities of early-stage ventures.

## I. Theoretical Section

### 1. Start-ups and Start-up Teams

Despite the large public interest in start-ups, their definition is somewhat elusive (Cockayne, 2019). Unlike other organizational forms such as Small and Medium Enterprises (SMEs) which are categorized based on quantifiable metrics like revenue or employee count, there exists an inconsistency in the academic discourse when it comes to addressing start-ups (Ehsan, 2021). As Ehsan points out, the “newness” of a company, i.e. its operational age, has traditionally been seen as the main defining factor. This would imply the existence of a cut-off age where start-ups cease being start-ups through certain graduation or maturation processes (Cockayne, 2019; Ehsan, 2021). More recent literature however also considers the level of Innovation, Risk/Uncertainty and the potential for Growth (Ehsan, 2021). Others have attempted to define start-ups according to the activities they carry out, proportion of R&D (Research and Development) investments, the team size and its work ethics and or the type of financing (Bouhaj et al., 2022; Cockayne, 2019).

For the purposes of this study, the only relevant factor for defining a start-up is the type of funding pursued by it. Specifically, start-ups can be understood as companies backed or *backable* by venture capital (VC) as described in the next chapter – that entails the possibility for exponential growth and a profitable exit-event (Cockayne, 2019). In practice, this definition often coincides with the company being young, innovative and tech-enabled which is reflected in the definitions provided by Bouhaj et al. (2022) as well as Ehsan (2021).

These specifics set start-up apart from more traditional entrepreneurial ventures and small businesses which might have a slower growth rate, be more locally oriented and less reliant on innovation (Aulet & Murray, 2013). Start-ups on the other hand need to be able to adapt to their quickly changing context (hiring large amounts of people in a short time, targeting new markets and expanding globally etc.), develop over time (Patzelt et al., 2021) as well as face more financial risk due to their growth dynamics (Aulet & Murray, 2013). This is particularly relevant given this thesis' focus on venture capital (VC), as these traits are typically prerequisites for securing VC funding.

While start-up teams have garnered more and more attention in the last few years, they also still lack a clear definition (Knight et al., 2020). In their meta-analysis, Knight et al. (2020) encountered 23 distinct root terms used to describe start-up teams – from “founding team” to

“entrepreneurial top management team” – which are commonly used interchangeably and lack clear definitions.

The same meta-analysis identified three aggregate dimensions of the start-up team definition, namely equity ownership, autonomy in strategic decisions, and a sense of entitativity. According to Knight et al. (2020) for a person to be considered a member of a start-up team, they must have a significant vested financial interest in the company and hold a portion of its equity. Even though some have attempted to set the boundaries for the specific amount of owned equity which can be deemed “significant”, Knight et al. (2020) dismiss the notion, instead acknowledging that the significance of the financial interest is contextual and fluid. Besides that, a start-up team member should have direct and active involvement in the company’s decision making and have autonomy and responsibility despite not holding any official executive titles. The third factor, entitativity, is the “property of a group, resting on clear boundaries, internal homogeneity, social interaction, clear internal structure, common goals, and common fate, which makes a group ‘groupy’” (Hogg et al., 2007, p. 136 in Knight et al., 2020) or in other words, the characteristics of a small group and the activities tied to its creation and maintenance that make it a unified social entity.

Unclear definitions are one of the possible reasons why the field of start-up team psychology has not yet experienced a significant development or transfer into practice. Clear conceptual anchoring is necessary, but it must be considered that the qualitative nature of my research limits the extent to which one can stick to strict definitions.

While the widely used conceptualization of start-up teams by Knight et al. (2020) is quite flexible due to its multidimensionality, during the research interviews, the definitions of the discussed start-up teams were driven primarily through the perceptions and mental models of the interviewees. Although most focused on the co-founders and founding or core team members, others also included a broader social context of a growing company – and therefore perhaps inadvertently negating the factors of financial equity and autonomous decision making.

## 2. Venture Capital

Venture capital (VC) is a type of private equity (PE) investment (National Venture Capital Association, 2015). VC funds pool money from limited partners, with professional investors deploying this capital through equity or equity-linked instruments into privately owned, unlisted companies (Lerner, 2000 in Evans & Hudson, 2005). Unlike traditional private equity, venture capital is specifically focused on early-stage high-growth companies – i.e. start-ups (National Venture Capital Association, 2015).

The typical structure of a VC fund is a small group of individual general partners (GPs) who raise capital from institutions and wealthy individuals and manage their assets by building an investment portfolio of equity in private, high-growth companies. Besides financial aid, the VC firm provides mentoring and other types of strategic assistance. VC asset managers are paid a set management fee as well as a performance-based carried interest (Da Rin et al., 2013). VC funds also employ less senior professionals (such as analysts and associates) which carry out a portion of the work and assist the general partners (Decile Group, 2023).

There are various subtypes of VC funds, including corporate venture capital (CVC), bank-owned venture capital or government-supported venture capital. These types of funds differ mostly by the source of the invested capital and the additional services they can provide to companies (Da Rin et al., 2013).

Because of the early-stage focus and given the extremely high failure rate of start-ups, the risk profile of venture capital investments is high. This risk is counterbalanced by the potential for high returns following a successful exit event for the investee, such as an acquisition by a larger company or an initial public offering (National Venture Capital Association, 2015). For these reasons, choosing the right company to invest in is a key concern for and the main activity of venture capitalists. The VC investment process has been previously described as a funnel (Šarić, 2015) consisting of five stages: (1) Deal Origination, (2) Deal Screening, (3) Deal Evaluation, (4) Deal Structuring and (5) Post-Investment Activities (Tyebjee & Bruno, 1984).

### 3. How VCs Assess Start-ups

VC funds typically evaluate numerous opportunities, with only a few companies advancing through the later stages of the decision process (Šarić, 2015). Criteria used by VCs (venture capitalists) to evaluate start-ups have long been a topic of research interest. Most VC funds focus on particular investment stages, commonly referred to as Pre-Seed, Seed, or Series A-C, based on the company's maturity (Reiff, 2024). Some VCs also further focus on specific industries and geographic regions (Väre, 2023), or founder demographics, such as underrepresented ethnic groups (Burwell-Brooks, 2023) or female founders (Stockdale, 2024).

Besides these factors, multiple criteria have been identified as critical in the deal selection process. Typically, VCs take into account the founding team characteristics, product/service characteristics, market characteristics, financial considerations (Šarić, 2015), as well as the business model, VC-company fit, their own ability to help the company (Gompers et al., 2020) etc.

The team specifically is seen as an important factor by 95% of VCs and as the most important factor by 47% VCs which is more than any other criterion (Gompers et al., 2020). Especially in early-stage investing, the primacy of the founder / founding team as a selection criterion is long established (Esen et al., 2023; Hennessy, 2023) – encapsulated by the metaphor of “betting on the jockey rather than the horse” (Kaplan et al., 2009; Esen et al., 2023).

When assessing teams and founders, VCs have been found to focus on motivation, organizational skills, track record, presence of all key competencies within the team, personality, market familiarity, leadership etc. (Šarić, 2015). According to Franke et al. (2008), more experienced investors tend to evaluate the team as a whole, rather than the individual founders.

Despite the emphasis that VC investors put on the human aspects of a start-up (MacMillan et al., 1985; Gompers et al., 2020), researchers consider venture capitalists better equipped to assess the “hard” characteristics of a business proposal such as the business model or market landscape, rather than the “soft” qualities of the team (Smart, 1999). In practice, the process of founding team assessment is largely intuitive and unstructured (Hennessy, 2023; Gustafsson & Snögren, 2017) and as a result prone to being skewed by heuristics and biases. Indeed, assessing human capital is often seen as the most difficult by investors (Smart, 1999) and “VCs fail to achieve an accurate human capital valuation in 57% of the deals. In other words, VCs

experience significant surprises in their assessment of the human capital more than half the time” (Smart, 1999, p. 30).

#### **4. Psychology of Start-ups**

The composition and dynamics of start-up teams not only impact a company's performance (Aryadita et al., 2023) and funding prospects (Hsu, 2007) but also shape its emerging culture (Onetti et al., 2015), influencing “how the company grows and develops over time ... well beyond the tenure of the new venture team” (Klotz et al., 2014, p. 4). This makes start-up teams a significant area of interest for entrepreneurship scholars, economists, and I-O psychologists alike.

Researchers have long explored the psychological aspects of venture creation (see Onetti et al., 2015; Hennessy, 2023). Traditionally, entrepreneurship was viewed primarily as market opportunity exploitation (Alvarez & Barney, 2007), emphasizing identifying individuals best suited for recognizing market gaps (Onetti et al., 2015). These traditional discovery theories focused on individual traits such as alertness to opportunities, need for achievement, risk taking or self-confidence (Brockhaus, 1980) which were supposed to distinguish entrepreneurs from non-entrepreneurs as they influence the decision (not) to start a business as well as the ability to identify economically viable market gaps (Hennessy, 2023).

However, merely identifying opportunities does not constitute venture creation; motivation, skills, and behaviors are also crucial (Bird & Schjoedt, 2017). This shift in academic understanding of entrepreneurship introduced human capital theories (Becker, 1975) into entrepreneurial literature, emphasizing prior experience and educational background as quantifiable metrics for predicting the possible future success (Shane & Khurana, 2003). Previous industry and entrepreneurial experience has been found to positively impact the organizational performance of a start-up (Leary & DeVaughn, 2009). Level of education and the education field have also been shown to improve the odds of securing external funding (Franco et al., 2021), but its overall impact on start-up performance is not completely clear (Dickinson et al., 2008).

Researchers today are increasingly moving beyond seeing human capital through traditional economic lenses, and instead also acknowledging the importance of psychological and social capital as aspects that need to be taken into account (Wang et al., 2019). Consequently, there are more complex behavioral, cognitive and psychological factors being included in profiles of successful entrepreneurs (McCarthy et al., 2023; Hennessy, 2023; Blacksmith et al., 2023).

On a large (n = 21,187) dataset of start-up companies, McCarthy et al. (2023) explored the relationship of Big 5 traits and their facets with various start-up outcomes. The most prominent

personality facet among entrepreneurs was Adventurousness (within Openness), followed by Modesty (Agreeableness) and Activity level (Extraversion). Moreover, they identified 6 specific clusters of entrepreneurial personalities including Accomplishers, Fighters, Leaders etc. – all with corresponding personality attributes.

Blacksmith et al. (2023) took a different approach and conducted a meta-analytic job-analysis to build a behavioral entrepreneurship performance taxonomy. This particular methodology is relevant, because it addresses one of the underlying problems of start-up psychology research, which has been implied throughout the theoretical introduction to my thesis – the criterion problem, i.e. the lack of a clear conceptualization of start-up performance which limits scientific attempts to understand and predict it. In their research, they have identified 12 behavioral dimensions grouped into 4 broader categories including the Action, Cognitive, Interpersonal and Motivational dimensions.

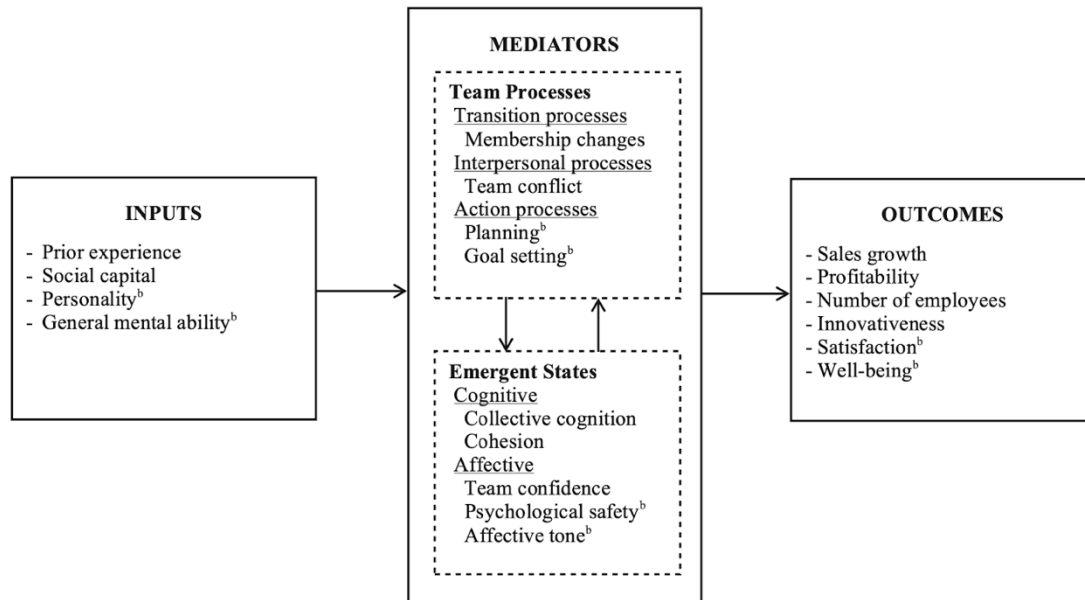
Although the prevailing entrepreneurship literature has focused on the role of the individual entrepreneur, more and more scholars have now come to the conclusion that it is the team and not the individual entrepreneur that drives the success of a company (Beckman, 2006). This academic consensus led to a surge in the research of group-level phenomena in start-ups. Early team-related entrepreneurship research focused mainly on team composition in terms of easily observable demographic characteristics and prior experience (e.g. Beckman, 2006, Hmieleski & Ensley, 2007; Onetti et al., 2015).

A team however, is more than the sum of its parts (de Mol et al., 2015) – a view that has resonated with start-up scholars more and more in the last decade. Klotz et al. (2014) for example have integrated upper echelons theory with inputs-mediators-outcome framework to describe how new venture team inputs (characteristics of the individual team members) lead to organizational outcomes (such as growth or profitability) through the mediating mechanisms of team processes and team emergent states as illustrated in Figure 1.

Similarly, Vihervuori (2017) distinguished the characteristics of start-up teams into three levels of a pyramid model: 1) individual (skills, experience, ambition), 2) group level (role clarity, social capital, commitment), 3) team dynamics (psychological safety, constructive conflict, shared leadership).

**Figure 1**

*New Venture Team (NVT) Input-Mediators-Outcome (I-M-O) Framework*



*Note.* From “New venture teams: A review of the literature and roadmap for future research”, by Klotz et al., 2014, *Journal of management*, 40(1), p. 230.

While team composition influences these deeper socio-psychological phenomena – such as team processes, dynamics, and emergent states – they cannot be fully explained as the simple aggregation of individual traits and behaviors. Instead, they emerge compilationally as novel group-level constructs (Bell et al., 2018), mediating how founding teams collectively shape start-up performance. Over time, these dynamics become embedded in and reflective of the emerging company culture (Gustafsson & Snögren, 2017).

For a long time, these phenomena remained a "black box" in entrepreneurship research (Klotz et al., 2014). However, industrial-organizational (I-O) psychology is uniquely positioned to illuminate how such dynamics emerge, evolve, and influence entrepreneurial outcomes. Bell et al. (2018) organize these team-level constructs into the “ABCs of teamwork”: affective states, behavioral processes, and cognitive states. This framework aligns with the Input-Mediator-Output (I-M-O) model adapted by Klotz et al. (2014) for studying founding teams specifically.

In this thesis, the main focus lies precisely on these deeper-level team phenomena, referred to here as start-up team dynamics. These include constructs such as psychological safety, team

cognition, and team passion. The following chapter will review the main constructs studied in relation to start-up teams, using a structure inspired by the ABC and I-M-O frameworks to organize existing insights into how these dynamics influence team functioning and venture outcomes.

#### **4.1. Emergent states**

“A phenomenon is emergent when it originates in the cognition, affect, behaviors, or other characteristics of individuals, is amplified by their interactions, and manifests as a higher-level, collective phenomenon.” (Klein & Kozlowski, 2000). Emergent states are one of the main characteristics beyond team composition that have been studied in relation to teams in general as well as start-up teams in particular.

Team emergent states are often categorized into cognitive and affective (Klotz et al., 2014), but other researchers also mention motivational emergent states and or combinations of the three (Rapp et al., 2021). Since Klotz’s work relates directly to entrepreneurial teams, the two-category system will be used here while also including other emergent states than those overviewed by Klotz et al. (2014).

However, it should be noted that there is no universal consensus regarding these categories; for example, Klotz et al. (2014) classify team cohesion as a cognitive state, while Rapp et al. (2021) view it as affective. Other discrepancies exist as well, indicating variations in interpretation among scholars.

##### **4.1.1. Cognitive emergent states**

**Team Cognition.** Although team cognition still suffers from some conceptual ambiguity (de Mol et al., 2015), it remains one of the more extensively researched cognitive emergent states in team settings (Rapp et al., 2021). Team cognition generally refers to the extent to which team members develop and share common knowledge structures, especially regarding strategic decision-making and creative problem-solving (de Mol et al., 2015; Rapp et al., 2021).

**Role Clarity and Shared Expectations.** A key subset of team cognition is team-specific shared cognition (de Mol et al., 2015). This construct encompasses aspects such as role clarity – which has been empirically linked to start-up success (Diakanastasi et al., 2018; Vihervuori, 2017). Diakanastasi et al. (2018) also note that discrepancies in individual motives and expectations can disrupt shared cognition within teams, suggesting that alignment in expectations is crucial for maintaining a unified strategic direction. West (2007) offers an interesting perspective on

the relationship between team cognition and performance, describing it as an inverted U-shaped relationship: moderate levels of shared cognition may support optimal team performance, while overly homogenized or dispersed cognition could hinder adaptability and creativity.

**Team Cohesion.** Team cohesion, another closely related cognitive construct, has received considerable attention in the literature. Cohesion is commonly understood as the degree to which team members are attracted to the team and motivated to remain part of it (Ensley & Pearson, 2005; Vihervuori, 2017). Although some studies (e.g., Beal et al., 2003) have found that higher levels of team cohesion generally correlate with improved performance, the effect sizes are often modest and, in certain contexts, excessive cohesion may actually lead to negative outcomes by fostering groupthink (Mullen et al., 1994).

**Team Efficacy.** Another important emergent cognitive state involves the collective perceptions of confidence, efficacy, or potency within the team. Team efficacy is “the group’s belief of the group’s ability to execute the group tasks” (Khan & Bezzahou, 2023, p. 47) and is, in the case of start-up teams, closely related to the concept of entrepreneurial self-efficacy which emerges both as an individual-level (McGee et al., 2009) and collective phenomenon (Chen et al., 2025). Prior research by Gully et al., (2002) has demonstrated that higher levels of perceived team efficacy are linked to improved performance. However, much of this work has been conducted in contexts that are not specific to start-ups and only recently have scientists begun to focus on the entrepreneurial facet of team efficacy

#### **4.1.2. Affective emergent states**

**Psychological Safety and Trust.** Two closely related affective emergent states frequently discussed in the literature are team trust and psychological safety. As Newman et al. (2017) argue, psychological safety is best understood as a group-level construct – reflecting a shared belief that the team environment is safe for interpersonal risk-taking. In contrast, team trust is often conceptualized as a network of individual-level relationships and expectations between team members, making it less consistent with the formal definition of an emergent state.

Despite this difference, both constructs play a critical role in the functioning of start-up teams. Klotz et al. (2014) and Bradley et al. (2012) highlight that psychological safety facilitates the benefits of task conflict – enabling teams to openly challenge ideas and iterate on solutions without fear of personal criticism or ostracization, which is especially important in environments of rapid change. And recently more researchers have focused on linking trust and

psychological safety – both as team-level (Passi & Riggio, 2024) and organization-level phenomena (Barhydt, 2023; Alipour, 2020) – directly to start-up outcomes.

**Team resilience.** Team resilience is another emergent affective state with particular relevance in entrepreneurial contexts, where unpredictability and frequent setbacks are the norm. Blatt (2009) argues that resilience may be one of the most reliable early indicators of a start-up's potential, particularly when conventional performance metrics are not yet available. While resilience encompasses structural and strategic aspects as well (Matos et al., 2022), team-level resilience is strongly shaped by socio-psychological dynamics. According to Blatt (2009), elements such as team trust, role clarity, and shared sense-making (a form of team cognition) collectively enable a team to “bounce back” from adversity.

**Team passion.** Team passion is defined as a construct that connects emotions with identity and is fundamental to the entrepreneurial journey (Cardon et al., 2017). It is widely regarded as a critical attribute for founders and is frequently highlighted in discussions about what makes entrepreneurs successful. Given that launching a new venture is inherently a team effort, Cardon et al. (2017) contend that entrepreneurial passion should also be examined at the team level, linking it to various organizational outcomes such as the performance of the start-up team. While emerging studies have provided some support for these theoretical ideas (Maryami et al., 2023), this remains a nascent field, and experts are calling for additional research focused on team entrepreneurial passion.

#### **4.2. Team processes**

Besides emergent states, team processes constitute the second category of team-level mediators in the model of start-up teams developed by Klotz et al. (2014). As de Mol et al. (2015) describe, these processes are “the means through which entrepreneurial team members work interdependently to use various resources to achieve meaningful entrepreneurial outcomes” (p. 240). Although distinct from emergent states, team processes are closely connected to them, as the way team members interact often both shapes and is shaped by the team's emergent characteristics.

**Taskwork processes.** For example, task-oriented processes such as decision-making, information processing, and coordination are closely tied to team cognition (de Mol et al., 2015). Indeed, Knight et al. (2020) argue that while the evidence for team cognition as something the team *has* has been mixed, the view that team cognition is something that the team *does* has had a more consistent support in the literature. Rather than transactive memory

systems and shared mental models, this view emphasizes the actual processes that enable team members to share information and reconcile their differences (Knight et al., 2020).

**Team conflict.** Team conflict is perhaps the most studied process in new venture teams (Klotz et al., 2014). While the dynamic and often stressful context of start-up teams necessarily leads to conflict, researchers generally distinguish between two types of team conflict: 1) cognitive or task conflict reflecting disagreements surrounding a certain task or a decision and 2) affective or relationship conflict, which stems from personal disagreements (Kozusznik et al., 2020).

While these types of conflict often co-occur (Kozusznik et al., 2020), it is generally agreed upon that affective conflict is detrimental to new venture team performance while cognitive conflict enhances its performance (Ensley & Pearce, 2001). Productive conflict interactions (low affective and high cognitive conflict) have been tied to team cohesion, team cognition (Ensley & Pearce, 2001), team trust (Harvey, 2010) and team psychological safety (Bradley et al., 2012).

**Shared leadership.** While leadership is not usually understood as a team process per se, given the large scholarly interest in shared leadership specifically, it will be categorized as such here. Shared leadership can be described as the opposite of vertical leadership – instead of a single CEO carrying out leadership processes, in teams with high shared leadership, these behaviors are distributed (Ensley et al., 2006). Ensley et al. (2006) found all dimensions of shared leadership to be more connected to start-up success than vertical leadership. Shared leadership shows correlation with the underlying team dynamics of team cognition, psychological safety (Carson et al., 2007) and team efficacy (Vihervuori, 2017).

**Communication.** Communication, a fundamental component of many team processes, deserves special mention. Beyond the content of what is communicated, aspects such as communication frequency and the even distribution of communication among team members have been linked to better start-up performance (Diakanastasi, 2018; Lederman, 2019). These communication patterns may also serve as practical indicators of underlying emergent states.

## II. Empirical Section

Besides highlighting existing knowledge, the previous sections aimed to draw attention to the fragmentation of entrepreneurial team research. This fragmentation is evident on a conceptual level: both the construct of the start-up team (Knight et al., 2020) and many of the phenomena referred to in this thesis as team dynamics (e.g., Mol et al., 2015) have been labeled in various, often inconsistent ways across studies. Even when the same terminology is used, researchers may attach different meanings to it (Knight et al., 2020), complicating efforts to build cumulative knowledge in the field.

In addition, the literature suffers from the criterion problem, stemming from a narrow operationalization of entrepreneurial performance. This limitation constrains the ability of studies to move beyond descriptive insights toward findings with predictive or practical value (Blacksmith et al., 2023).

Methodologically, much of the earlier research on start-up teams focused on surface-level demographic characteristics, drawing on secondary, publicly available data. As a result, such studies often failed to capture the underlying team processes through which founding teams actually influence venture outcomes (Klotz et al., 2014). Even in more recent work, the field tends to rely on samples such as:

"... students taking on the role of founding teams in a classroom simulation, executives working together in the top management teams of ventures that have been in operation for several years, and the senior leaders of seemingly stable small- and medium-sized enterprises in operation for nearly a decade" (Knight et al., 2020, p. 232).

These samples raise validity concerns, as they may not adequately reflect the fast-paced, high-uncertainty environment in which true start-up teams operate. Despite some researchers' attempts to consolidate this field and form an overarching meta-analytic model (e.g. Klotz et al., 2014) this fragmentation and conceptual unclarity have been important roadblocks for developing this research area further (Knight et al., 2020) arguably as well as for transferring the existing knowledge from theory to practice.

The other reason could be the gap between academia and the practitioners (founders and VCs in this case). This thesis aims to help bridge this gap by focusing on team dynamics from the perspective of venture capitalists and contrasting their view with scientific literature with the

goal to highlight the areas of further research which have the most potential for positively impacting the practical world of start-up teams.

While historically entrepreneurship research has predominantly employed quantitative approaches, qualitative methodologies have the potential to enrich our understanding significantly. Klotz et al. (2014) argue that qualitative approaches are particularly valuable for contextualizing quantitative findings and developing new theoretical insights into venture team effectiveness. Using qualitative interviews with venture capitalists presents certain methodological challenges, such as potential biases based on individual VC experiences, limitations in recall accuracy, or retrospective rationalization. These are discussed in detail later in this thesis.

Nevertheless, the VC perspective provides notable advantages. Compared to entrepreneurs, who typically possess deep yet narrow insights into the ventures they founded, experienced venture capitalists interact regularly with a large number of start-up teams, offering a broader and more comparative perspective on patterns of team success and failure. Furthermore, from a practical standpoint, VC decision-making processes regarding team assessments represent a high-leverage area for improvement. Currently, VCs' assessments of start-up teams are known to be significantly inaccurate, with an error rate of approximately 57% (Smart, 1999).

Identifying clearer patterns in successful team dynamics thus offers substantial practical benefits: improvements in VC assessment accuracy do not merely benefit investors and their limited partners but have broader implications for society as a whole. This is because venture capital has been demonstrated to serve as a critical catalyst for economic growth, job creation, and societal innovation. For example, a study by the Tinbergen Institute found that every \$1 million in VC investment leads on average to the creation of one new business location, 41 jobs, and \$7 million in wages (Poelhekk, & Wache, 2023). Research insights that help VCs better recognize effective start-up teams hold promise not only for improved financial outcomes but also for improving the economy, fostering innovation and addressing major societal challenges such as the energy transition (Lin & Xie, 2024).

## 5. Research Goal

This thesis is not primarily concerned with how VCs make investment decisions, especially given that prior research shows their assessments of human capital can be inaccurate in more than half of cases (Smart, 1999). Instead, the aim is to use thematic analysis to explore how experienced investors observe and interpret team dynamics over time, across a wide range of start-ups and beyond the decision-making process. These observations can reveal recurring patterns of what distinguishes effective from dysfunctional founding teams.

Vihervuori (2017) takes a similar approach, but his methodology is more deductive and theory-driven. In his study, interviewees were presented with specific, predefined constructs drawn from existing literature such as psychological safety, shared leadership, or team cognition and asked to reflect on their relevance and usefulness based on their own experiences. By contrast, the methodology of this thesis is more inductive in nature. Rather than guiding the conversation through theoretical concepts, interviewees were encouraged to speak freely about their experiences with start-up teams, allowing themes to emerge organically from their narratives.

This inductive design has two key advantages. First, by allowing themes to emerge from open-ended interviews rather than imposing predefined constructs, the findings are more likely to reflect the most salient and recurring patterns observed across a wide range of start-up teams. While existing literature has identified a broad range of psychological and social dynamics that can influence start-up performance, this approach prioritizes those that consistently stand out in practice – potentially highlighting the most impactful and reliable drivers of team success. Second, it inherently filters for observability. Team dynamics are often abstract and difficult to measure directly, but by focusing on what VCs report noticing, the study emphasizes dynamics that manifest in concrete signals that investors can realistically perceive and act upon. This increases the practical relevance of the findings: understanding the influence of a hidden or imperceptible factor is of limited use if it cannot inform better decisions in real-world settings.

In contrast to Vihervuori (2017), who developed his own model of start-up team dynamics, this thesis integrates with the widely cited Input–Mediator–Output (I-M-O) model proposed by Klotz et al. (2014). While the I-M-O model outlines inputs, mediators, and outputs, this study focuses primarily on the mediators – the team dynamics that drive performance. However, the analysis revealed that investors often describe individual founder traits not in isolation, but in terms of how they shape and enable effective team dynamics. In practice, inputs and mediators are closely intertwined. Rather than treating individual characteristics as a separate analytical

focus, this thesis examines them through their perceived influence on emergent states and team processes. This approach builds on and extends the I-M-O model by exploring how individual-level inputs contribute to team-level functioning, as perceived by venture capitalists (VCs).

### **5.1. Research Question**

The thesis is guided by the following research questions.

**Research Question 1:** What team dynamics (emergent states and team processes) do VCs identify as critical for successful start-up teams?

This question targets the mediators in the I-M-O framework – focusing on the dynamics that VCs perceive as central to start-up success.

**Research Question 2:** Which individual founder traits do VCs perceive as enablers of effective team dynamics and overall start-up performance?

This question explores how specific personal characteristics and their composition in the team are seen to support, amplify, or hinder team-level functioning. While this thesis does not focus in depth on individual-level traits, the findings offer complementary insights to research such as Hennessy (2023), which explores founder psychology in greater detail while using a comparable methodology.

Even though the primary analytical focus lies on team dynamics and the individual founder traits that enable them, the empirical material also includes insights into how VCs assess these dynamics in practice – including the heuristics, signals, and potential biases involved. In addition, some interviewees discussed contextual factors, such as company stage or market environment, that may influence the relevance or visibility of certain dynamics. These aspects are not treated as standalone analytical categories but are included as supporting dimensions that contribute to a more nuanced understanding of how team dynamics are interpreted and evaluated in real-world investment settings.

## 6. Methods

### 6.1. Sample

The final sample consisted of ten participants. Nine were senior venture capital professionals while one participant (VC 10) was an external consultant specializing in human capital due diligence, working closely with a VC fund on evaluating start-up teams. Although this expert fell slightly outside the original scope of interviewing investors, their inclusion was considered valuable given their unique practical perspective on investment decisions.

The majority of the VCs were based in the Czech Republic, reflecting the local relevance of the study and the convenient access to this ecosystem. Three of the participants were women. The interviewees brought diverse professional backgrounds, including experience in investment banking, corporate management, and start-up operations. Most interviewees were affiliated with funds investing at early stages (pre-seed to Series A), though two also invested in later-stage ventures. Four of the VC participants were from impact-focused funds – while this may influence certain perspectives expressed in the data, it is consistent with the thesis' goal of helping VCs support start-ups in ways that create not only financial returns but also broader societal impact.

Table 1 provides an overview of the participants. Due to the relatively small size of the VC ecosystem in the region, certain identifying details such as stage focus, fund type, or professional background were intentionally omitted to protect the anonymity of individual investors.

**Table 1**

*Research participants*

ID	Gender	Role	Country
VC 1	M	Investor	CZ
VC 2	M	Investment Partner	CZ
VC 3	F	Investment Director	CZ
VC 4	M	General Partners	CZ
VC 5	M	Co-founder & General Partner	CZ

VC 6	M	Founder & General Partner	CZ
VC 7	M	Co-founder & Partner	CZ
VC 8	M	Principal	DE
VC 9	F	Principal	SK
VC 10	F	Founder & Principal Consultant	UK

Participants were recruited through a combination of convenience sampling, purposive sampling (based on my professional background in venture capital) and snowball sampling. One interview had to be excluded from the final analysis due to technical issues that resulted in a corrupted audio file and an incomplete transcription. While the original intention was to conduct a larger number of interviews, the process was concluded after ten participants due to emerging thematic saturation.

## 6.2. Interviews

The interviews were conducted in a semi-structured format (Jamshed, 2014) to allow for flexibility while keeping the discussion focused on the core topic of team dynamics in start-up teams. Participants were encouraged to speak freely about their experiences, and follow-up questions were used to explore specifics, clarify meanings, and ground abstract observations in concrete examples.

The interview protocol (see Appendix 1) covered four main areas: (1) the participant's background and views on the importance of team composition and dynamics; (2) positive dynamics observed in successful teams, including behavioral signals and situational examples; (3) detrimental dynamics – both in the form of “red flags” during the investment process as well as those emerging post-investment – and (4) the assessment process, including how investors evaluate these dynamics and whether their impressions ever shift over time. The interviews ended with a general reflection question to capture any additional insights. In early interviews, a question about the role of personal bias was included but later removed due to time limitations and limited depth of responses.

A pilot interview (VC 1) was conducted at the start of the process. Based on the positive outcome and feedback, only a minor change was made: removing a question about the relative

priority of different dynamics, as this was answered organically and unprompted in early conversations.

In total, ten interviews were conducted. Two took place in person, and eight were conducted online. Two were in English, and the remainder in Czech, depending on the participant's preference. The interviews lasted between 26 (VC 10 – the only non-VC participant) and 47 minutes (VC 7), with most falling in the 30–45 minute range.

Before each interview, participants were informed about the purpose of the study, assured of confidentiality and anonymity, and reminded that participation was voluntary. They were also promised a report summarizing the findings. Informed consent was obtained from all participants prior to recording.

### **6.3. Data Analysis**

The recorded interviews were transcribed in two phases. First, the audio files were transcribed using Turboscribe, an AI-based transcription tool. In the second phase, I manually reviewed and corrected the output to ensure accuracy. This stage not only improved transcription quality but also served as an important step in early data familiarization (Bird, 2005).

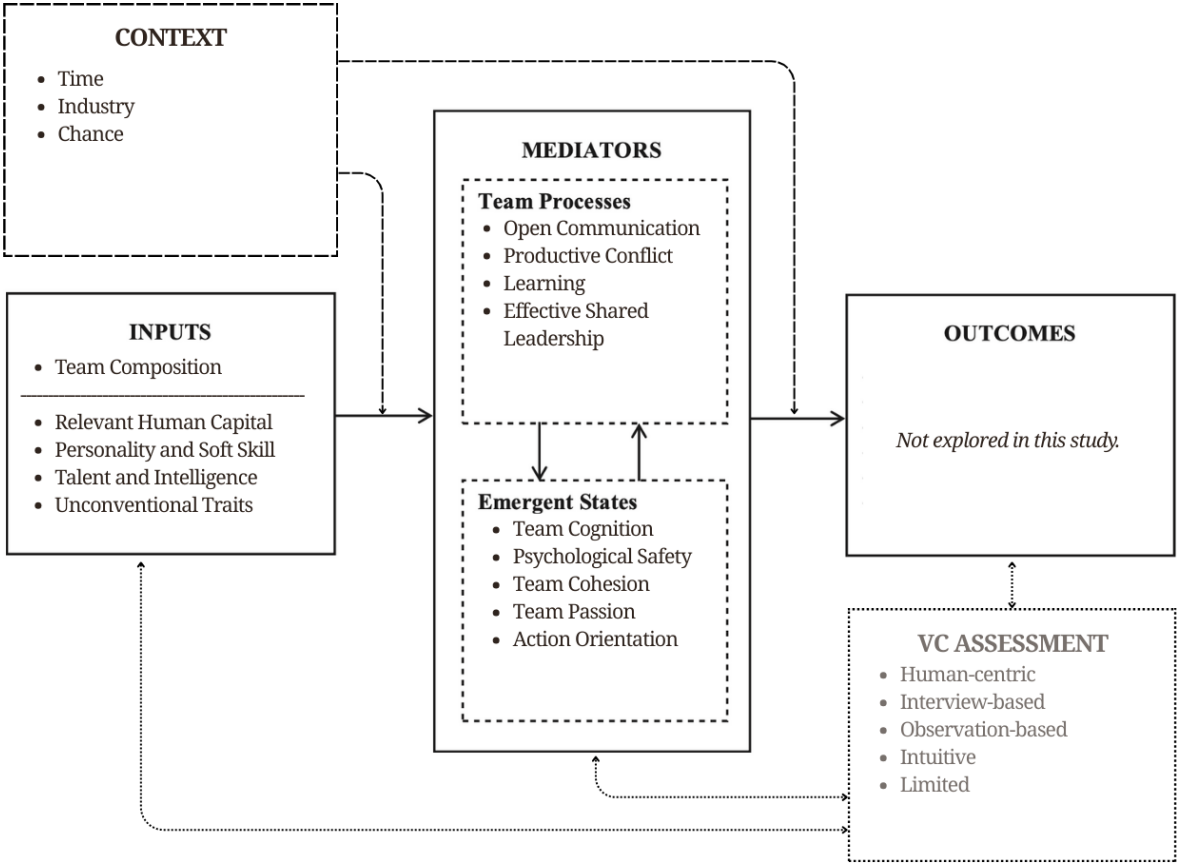
The analysis followed the six-phase thematic analysis approach outlined by Braun and Clarke (2006). I began by immersing myself in the data through repeated reading of the transcripts and re-listening to recordings. In the second phase, I generated initial codes by identifying and tagging relevant passages across the dataset. Coding was conducted using a combination of Google Docs, Google Sheets, and the open-source tool Taguette. This process yielded 348 unique codes relevant to the research questions.

While the coding was primarily inductive, it was informed by the predefined research questions. In the next phase, I sorted codes into broad analytical categories corresponding to the individual, team, assessment, and context levels of inquiry. From there, codes within each category were iteratively grouped into emerging sub-themes. These were evaluated for their consistency within individual interviews as well as across the full dataset. This process resulted in 68 second-order themes (or sub-themes), which were further synthesized into 22 higher-order themes. Although some sub-themes showed certain semantic overlap, the final set of themes demonstrated acceptable levels of internal homogeneity and external heterogeneity. These criteria were considered particularly within the broader categories of team emergent states and team processes. While, for example the sub-themes grouped under the process related theme of

Open Communication – Radical Candor and Feedback Loops – are clearly linked and distinct from the Learning team process, the distinction might be less clear when compared to the Psychological Safety emergent state.

**Figure 2**

*I-M-O model of start-up teams populated with the identified themes*



*Note.* Adapted from “New venture teams: A review of the literature and roadmap for future research”, by Klotz et al., 2014, *Journal of management*, 40(1), p. 230. Includes all identified themes of my qualitative research.

To ensure clarity and consistency with the study’s aims, the findings were structured according to the research questions. Figure 2 provides a schematic overview of the resulting themes, arranged using an Input–Mediator–Output (I-M-O) framework inspired by Klotz et al. (2014). A more detailed version of this model, including all second-order sub-themes, is available in Appendix 2. Notably, this expanded model contains contextual themes identified in my interviews – while Klotz et al. (2014) don't explicitly include context, other I-M-O models typically do (e.g. Antoni & Hertel, 2009). The observer role of the interviewed VCs and the implications on the relevance of the results is also acknowledged in the model. Additionally,

Appendix 3 includes a matrix listing all identified themes and sub-themes with an overview of how frequently they were mentioned across the interviews, providing a sense of relative salience within the sample. For the sake of brevity – as well as fitting within the typical Bachelor Thesis scope – the contextual factor as well as the various dimensions and limitations of VC assessment won't be discussed in detail in the next sections.

#### **6.4. Ethical Considerations**

Given the depth and detail inherent in qualitative research, ethical considerations become especially critical. This importance is particularly pronounced when working with vulnerable populations or handling sensitive, personal data (Ariffin, 2018). However, in this research, the participating VCs were experienced professionals discussing their work-related practices rather than deeply personal topics. While VC investors typically possess considerable professional status and resources, careful steps were still taken to ensure the ethical treatment and protection of all participants.

Prior to data collection, each participant was informed explicitly and in detail about the study's aims, methods, and intended use of the data. Participation was voluntary, and informed consent was obtained from every participant before recording began. Participants were assured of their confidentiality and informed that their data would remain fully anonymized throughout analysis and reporting. They were also explicitly given the option to refuse to answer any question or withdraw from the interview at any point, following the general ethical principles of qualitative research (Mirza et al., 2023; Nii Laryeafio & Ogbewe, 2023; Pietilä et al., 2019)

Although the possibility existed that participants might inadvertently disclose sensitive information related to their firm or portfolio companies, none mentioned any businesses or individuals by name. There were a few exceptions, which were related to well-known personalities in the Czech start-up ecosystem which were used as illustrative examples.

The use of AI-assisted transcription (via Turboscribe) presents a separate ethical consideration, as employing artificial intelligence in research contexts is currently subject to ongoing ethical debate (e.g. Davison et al., 2024). However, transcription is generally recognized as a permissible application of AI in research practice (Marshall & Naff, 2024). In this study, all participants were explicitly informed about the intention to use an AI transcription tool and consented to its use.

Mirza et al. (2023) point out the ethical considerations of qualitative research translation, as it can introduce bias or lead to misinterpretation. These issues are especially relevant for ethnographic research where language contains significant cultural and semantic cues. While that is not the case for this thesis, the research did involve interviews conducted in both Czech and English, requiring careful attention to language. Given my relative fluency in both Czech and English the analysis was carried out bilingually and the transcripts were coded in the original language.

The excerpts included in the results section were translated by me and compared to a translation by OpenAI's ChatGPT large language model. A combined version which best reflects the meaning of the excerpt is presented, but its interpretation and broader implications for the findings were informed by the original untranslated version. It should be pointed out, that in the english translation, when a founder is mentioned, he is generally referred to as a man with he/him pronouns. This could reflect the relative under-representation of female founders, but also the nature of the Czech language, where a founder is nearly always grammatically masculine regardless of the person's actual gender.

## **7. Results**

The following section presents the findings of this study, based on a thematic analysis of interviews with venture capital investors. Each theme and sub-theme is introduced alongside the meanings and interpretations attached to them by the participants. Overall, the investors' experiences broadly aligned with existing research, confirming the practical relevance of some well-studied constructs such as role clarity and task conflict. At the same time, the data also highlighted a number of aspects that have received limited attention in academic literature to date, pointing toward potential areas for further exploration.

Figure 2 provides an overview of the identified themes and Appendix 2 and 3 provide more detail. While the Context and Assessment facets of the thematic analysis results are not explicitly discussed here – for reasons explained above – they are implicitly included in the underlying narrative of this thesis and the Appendices allow for a more granular analysis of their role.

### **7.1. Individual traits**

Individual traits of the lead founder, a group of co-founders or the broader founding team members were repeatedly mentioned during the interviews, despite their focus on team-level phenomena. This shows an inherent connection between these “inputs” and the emerging team dynamics. Rather than viewing these traits as separate from team dynamics, this section presents them as foundational elements that shape how teams collaborate, communicate, and respond to challenges consistent with the I-M-O model’s treatment of inputs (Klotz et al., 2014).

The representation of a founder based on my research has 4 dimensions: 1) human capital consisting of industry experience and hard-skills, 2) interpersonal and intrapersonal skills or characteristics, 3) certain mental and intellectual capacity and 4) abnormal personality or behavior patterns.

These traits were often described as deeply intertwined with team-level outcomes, including culture, decision-making, and resilience. In many cases, interviewees blurred the line between the individual and the group. VC 1 for example described how the founders' intensity and drive permeated throughout the whole company. This overlap further supports treating individual traits not as a separate analytical layer, but as integral to understanding how team dynamics emerge and function. For clarity, they are presented first, before turning to team composition, emergent states and processes in later sections.

### 7.1.1. Relevant Human Capital

**Founder-Problem Fit.** The importance of alignment between a start-up, the problem it addresses, and the founders' background and competencies emerged as a recurring theme across the interviews. Several venture capitalists emphasized that a strong founder–problem fit is fundamental to early-stage success. As VC 5 noted, “The founder–problem fit is the be-all and end-all.” Similarly, VC 6 referred to concepts such as “founder–market fit” and “founder-future fit,” explaining that “the founder needs a deep understanding and a counterintuitive vision of the future – that is what you bet on as a venture capitalist.”

**Industry Experience.** One important aspect of a good founder-problem fit is experience in the industry, as illustrated by VC 2: “You can be a great founder, build a team – that is great. But we specifically need to see deep sector knowledge. You really need to know what you are doing.” The interviewees often stressed that for a new start-up to be successful in any given industry or sector, it needs to majorly disrupt it, for which a detailed knowledge of how the industry functions is necessary more often than not. As VC5 explained, “You need to have insight into the industry that you want to ‘crack’ – insight that is significantly deeper than what I can easily Google. Paradoxically, it has happened to me that people haven’t done even this surface-level research.”

**Social Capital.** Besides knowledge, relevant industry experience also equips the founder with a network of contacts which is generally seen as valuable. VC 2 mentioned that:

“It helps to have a history in the industry, for example some already built relationships. So that you can say ‘I already worked for this company, so I can go to them, and they will help us in this and that way’”.

Social capital is something that multiple VCs mentioned actively trying to assess, for example the firm where VC 1 works “[looks at] who the founder talks with, who can talk with him. At a networking event, you can see who is who based on the circles that form.”

**Technical Skills.** Multiple VCs also put a large emphasis on the technical skills of the founders. As VC 4 put it: “When someone is working on a technical product, an engineering background is necessary...” This is necessary not only because start-ups generally build technological products, but also because “people who are not engineers will have trouble leading their technical employees.” According to VC 7, hiring an external technical person is generally a red flag. The technical focus also informs how VCs source deals and in what communities they are

active. VC 1 stated “We support a lot of STEM students, we want to be close to technical people. Technical people are more important to us than business people.”.

**Business Development Skills.** In addition to technical skills, the ability to sell, persuade and develop the business were also suggested to be important. VC 5 stated:

“The founder must be able to explain and pitch their project. You don't have to be a salesman to sell something – in our region, the term “salesman” is misunderstood. You need to be able to sell your idea – in a start-up, nearly everyone in a C-level position should be able to do that.”

The cultural level of being able to sell or pitch a business came up multiple times during the interviews. VC 5 particularly talked about the specific shortcomings of Czech founders regarding business development:

“In the Czech Republic, we resist being ‘salesmen’. We were raised to sit at a desk and only raise a hand when prompted. And to not really comment on what is happening. The system that we came through was not very open for people to express and assert themselves. ... But I believe it is all a skill that can be learned through practice, practice and practice.”

However, VC 7 stated that knowing enough about sales and business development to “hire and lead the right sales-people” is sufficient, further adding that “No matter if the business is B2B or B2C, it is mostly an execution game and you need to be able to sell. The channel is what matters, not the product.”

These findings are largely in line with other research on human capital (Hennessy, 2023; Unger et al., 2011) and VC decision making processes (Šarić, 2015). Perhaps surprising is the absence of prior founding or entrepreneurial experience as a theme or subtheme, despite it being one of the most researched topics in the entrepreneurship literature (e.g. Cassar, 2014; Leary & DeVaughn, 2009).

### **7.1.2. Personality & Soft-skills**

**Leadership and HR Skills.** Researchers in the past have also focused on the founder's personality (Brandstätter, 2011) as well as leadership and communication skills (Slávik, 2020). The sub-themes of leadership and communication were especially salient in the interviews. VC 2 states:

“That is one of the things we try to assess – that the founder is able to hire the right people, is a good communicator, and can build trust in the team. And you can see that when he chooses the right people, who have complementary skill sets to his.”

**Communication.** And VC 4 gives an example of a founder who did not possess the necessary communication skills:

“We had one founder who could not really express himself. It took him a really long time to communicate his ideas. At first, we thought he was this sort of shy geek. But then you find out he leads his company this way and it simply does not work. Because he cannot communicate with his people, he cannot persuade new investors... and now the company is in insolvency.”

**Integrity and Trustworthiness.** Furthermore, most interviewees (n = 5; 55%) agreed that honest communication and integrity are necessary in founders they invest in. VC 1 stated:

“Integrity is extremely important to us. The feeling that the person doesn’t lie or bullshit and has some moral standards. The founder can be extremely good, but if he lacks integrity, we won’t ever invest, because the relationship is for 10 years sometimes, and this just creates more problems.”

And VC 3 gave an example:

“We need to believe that the founder will tell us the truth. We have had situations when they did not straight up lie, but they didn't mention certain issues believing they would solve it themselves... but they did not and then it was already too late.”

**Self-awareness.** Four VCs also suggested that a certain level of self-awareness is necessary. VC 2 and VC 4 both mentioned a “I don't know what I don't know mindset” and VC 10 explained:

“You want to make sure that the leadership is robust and that the founders know what they are getting themselves into. And that they understand their strengths and weaknesses or ways in which they sabotage themselves.”

### 7.1.3. Talent and Intelligence

**Intelligence.** In the interview, VC 1 mentioned that in their VC firm they “strongly believe in that raw intellectual power”. VC 6 and VC 7 also emphasized that a founder needs to be very smart to solve the hard problems that he or she will inevitably encounter, but also that “[being smart] has limits” and that “they also need a proven ability to learn and develop.”

**Analytical Skills.** VCs further stress that the founders need to be able to use their intellect to analytically approach the issues they face. VC 2 for example talked about “the ability to quantify and assess risk. It’s not about making blind, stupid decisions and then saying, ‘Well, at least I was decisive.’ It’s about making fast decisions while still being aware of the risks involved.” VC 6 explained how that is reflected in his assessment approach: “I want to know how people react when they are out of depth. What questions do they have, how well are they able to connect the dots.”

**Adaptability.** VC 6 further explained his notion of talent as a set of skills related to the ability to learn and stated:

“The founder typically starts doing something that he does not know enough about. Either he has entrepreneurial experience, but now tackles an industry he does not know, or he knows the industry but has never built a business. One way or the other, he needs to learn rapidly and effectively. Because otherwise the company will not develop. Especially in the first few years.”

### 7.1.4. Unconventional Traits

**Workaholism and Obsessive Motivation.** A recurring theme that emerged throughout the interview was related to certain psychologically abnormal phenomena, or as VC 1 put it “traits that are at the edge of what is normal and what is not”. The same participant for example stated that “[successful founders] are extremely intense people for whom work is not just work, it is their calling, their child.” This level of nearly obsessive motivation and single-mindedness is reflected in many interviews – VC 4 talks about founders who “wake up, go to sleep and would die to solve the problem that they are working on” – but the VCs also point out the sacrifice and potentially harmful side-effects this work obsession has. VC 7 stated:

“Because sometimes it means that you have to work 16 hours a day to overcome an obstacle, to raise money, to build a team, sometimes there are situations that you just have to push through and there is no other solution. ... And quite often that means

you're going to make life a hell for your colleagues, for your family. So there's like a very, very high price. And so that is why I'm glad that there are not that many start-ups. Because if everybody worked like that, we wouldn't be a very healthy society.”

**Loneliness.** VC 4 further described the loneliness that many founders experience as a result of the pressure:

“It is really hard on founders and nobody understands them. They often cannot share the problems they are in with anyone, because if they told their employees, they might leave, if they told their wife, she would divorce them because she doesn't want to live in such stress, their parents just don't get it... So it is a very lonely job to be a founder.”

**Inferiority Complex.** Carr relates workaholism among founders to sensation-seeking and addiction (in Beavers, 2023). One of the participants (VC 6) in my research linked it to an “insecure overachiever personality” and VC 1 described a pattern of a sense of inadequacy:

“I think most founders have a big problem with thinking they are not good enough, like an inferiority complex. And it is an interesting trait, because it really helps you to not stop grinding. And in many ways, it may be toxic... but I think the life of these founders who build big businesses is just hard.”

**Trauma Patterns.** VC 6 also discussed the role of trauma in founders:

“Something I saw or heard quite often is the concept of trauma in founders, which I think is a pattern. That they came through some sort of trauma and dealt with it somehow. If there is any important trait, I think that it is this, that they came out of the trauma somehow stronger. Because founding start-ups is a traumatic experience in and of itself.”

Hunt (2024) explores the topic of trauma in entrepreneurship and reports that more than half of entrepreneurs have experienced prior psychiatric conditions and that people who have experienced adverse situations in childhood are more likely to start a company.

**Neurodivergence.** In terms of personality, one phenomenon that is generally agreed to have a potentially positive effect on entrepreneurs is neurodivergence. For example, Moore et al. show a relation between ADHD and the entrepreneurial mindset (2021). While much less researched in relation to entrepreneurship, autistic traits were also mentioned by multiple VCs as helpful

and common among founders. VC 4 for example stated: “If you look at how many people have Asperger’s or other [autistic spectrum disorders], it would be like 10x more among founders.”

**Narcissistic Personalities.** Much more mixed is the evidence of a relation between antisocial or narcissistic tendencies and entrepreneurial success – both in the literature and in the interviews. VC 5 said:

“And it is a problem I still have not cracked. I actually think narcissistic personalities or sociopaths can lead a start-up quite well, especially a certain type of start-up. Maybe it does not work when the product is really deep and complex, but it is hard to say... or maybe it is necessary for that narcissism not to express with everybody and for that founder to recognize intellectually equal or stronger opponents and get a hold of his narcissism and the know-it-all attitude.”

Accordingly, researchers have found narcissism in particular to be related to higher entrepreneurial intention (Kryeziu et al., 2024), but its interplay with start-up outcomes is not clear and may be largely conditional (Diu et al., 2021).

The connecting thread across these sub-themes is that entrepreneurship, as a high-pressure and atypical career path, appears to both attract and select for psychological traits that deviate from population norms and are potentially harmful. While venture capitalists largely perceived these traits as functional within the entrepreneurial context, from an industrial-organizational psychology perspective, many of these traits are double-edged, potentially enhancing performance while simultaneously increasing vulnerability – especially on the team level. Hunt (2024) describes how trauma can lead founders to repeat the abusive pattern they have experienced, and in my research, VC 1 mentioned the effects that some of these “darker” characteristics can have on the team climate. While they can drive a culture of high-performance, they often also lead to higher conflict and team member fluctuations.

## **7.2. Team Composition**

**Multiple Founders.** Beyond individual traits, the composition of the founding team emerged as another relevant theme. Most participants indicated a strong preference for teams with multiple co-founders over solo founders. As VC 7 put it, “typically, there should be 2–4 co-founders. I think 2–3 is ideal, and 2 and a half would be the very best, but that is impossible [laughs].” The reasons cited for this preference included not only the ability to distribute workload and psychological pressure, but also greater continuity in leadership. In contrast to

solo founders, multi-founder teams were seen as more resilient in the face of founder burnout or necessary leadership transitions, making them a more stable and investable configuration

**Complimentary Skills and Personalities.** Multiple interviewees discussed the topic of complementarity. According to them, the team members should be complementary both in terms of skills – so that all relevant skill sets including technical ones are present – but also in terms of personalities and psychological qualities. VC 3 described it:

“So what we’re actually looking for ideally are teams of like two or three founders who together really form the team and are, like, complementary to each other. And that doesn’t just have to be in terms of technical skills – like one being more of a business guy and the other more technical – but also in terms of personality traits. Like, one might be more empathetic and better at communicating with employees, and the other is more data-driven and able to analyze everything.”

And VC 2 stated:

“When you have two roosters in one coop, it is always a problem. So it is necessary to see if the team members complement each other with their skills and expertise but also in terms of strengths and weaknesses, for it to work on the personal level too.”

**Functional Diversity.** The topic of complementarity is adjacent to the subtheme of diversity. Especially functional diversity, i.e. diversity in professional backgrounds was often seen as advantageous, while too major cultural differences as potentially problematic. VC 8 described the concept:

“[When there] are three super non-diverse people doing the same stuff, coming from the same background – typically not ideal. You already see it in the team. That’s not how you build a resilient team, let alone an innovative one.”

And VC 7 discussed the cultural dimension of diversity:

“I deeply believe in diversity. But at the same time, there’s a limit – the diversity can’t be too much. Because especially here in the Czech Republic, we’re not very good at dealing with it. And if the people are too different, it’s like a relationship. At the beginning, it might feel exciting, but over time, they’ll start getting on each other’s nerves. So the diversity has to be just right. Cultural differences, in particular, can be a challenge – something you really need to learn how to handle. If someone hasn’t

developed that as a skill, then at some point, those differences will just start pissing them off.”

**Prior Shared Experiences.** Additionally, VC 6 shared that during the assessment process, he also focuses on how long the founders have known each other and what is the depth of their prior shared experiences. Such experiences have previously been tied conceptually to start-up performance, but the empirical evidence is mixed (Leary & DeVaughn, 2009).

### **7.3. Team Emergent States**

Nearly all participants recognized certain group-level phenomena that surpass the interaction of individual-level traits inside the founding team. They frequently mentioned “culture”, “team dynamics” or “[team] climate”, although there was a considerable lack of clarity around what these terms specifically mean, or how the VCs can infer whether such a phenomenon is present in a team or not.

These limitations were reflected by the interviewees themselves. VC 6 particularly stressed that assessment of individual founders is already difficult, but to try to accurately assess the team socio-psychologically is “nearly impossible”. One of the reasons for these difficulties is the performative nature of the relationship between founders and investors. According to VC 7 “when someone wants your money, there’s always some kind of courtship going on – consciously or unconsciously”. VC 6 skeptically discussed one of the very common examples of missing role clarity or insufficient shared leadership – one person domineering on a call and answering all of the questions. In the experience of VC 6 “that rarely happens – these people aren’t stupid”.

Nonetheless, multiple themes and subthemes related to emergent states appeared in the analysis. Some reflected explicit mentions of concepts such as psychological safety or role clarity, while others required a certain level of interpretation to tie the discussed behaviors and signals to academic concepts.

#### **7.3.1. Team Cognition**

**Shared Cognition.** Team cognition, shared team cognition, shared mental models or transactive memory systems are all concepts related to what de Mol et al. (2015) call entrepreneurial team cognition, i.e. a “degree of shared or collective knowledge that enables the team to take coordinated action” (de Mol et al., 2015, p. 233). This concept resonated throughout the interviews. VC 4 for example said:

“When you surround yourself with smart people and good ideas, collective thinking starts to happen and that is much better than just shutting others’ ideas down. ... They need to function like a sports team, be on the same page and completely in sync.”

And this sentiment is shared by VC 10:

“Often [start-ups are] co-founded by people who are friends and they come into it with a kind of enthusiasm, but a certain lack of clarity around when you're building a scaling business, what does that mean for you and the role that you are taking on and how that might shift and change. And this misalignment creates a lot of conflict.”

This need for alignment and shared understanding is reflected in the assessment process as well. As VC 6 put it: “A discrepancy in answers when you ask each of them a question and then the answers don’t line up, that can be a sign of problems”.

**Role clarity.** One particularly important area of shared cognition was related to the shared acknowledgment of the skill sets and responsibilities of other team members. VC 2 described the need for role clarity:

“In the beginning, the start-up team is like – everyone does everything. Which also isn’t sustainable. So at some point, having clarity about who’s responsible for what becomes absolutely crucial. And this is important because ... people can put up with a lot. But in the long run, you’re building up frustration. People want structure, they want clarity, they want to know what their role is, what’s expected of them and what they’re getting in return.”

This is often actively assessed by investor’s, especially in interviews with the whole team. As VC 8 put it:

“When all team members have to answer all the questions, I am out. Because that means either the roles are not clear or there is no trust. If not a red flag, it is at least a dark yellow one for me, but typically a red flag.”

Role clarity is especially important in relationship to leadership. VC 5 described a situation where there were two founders, but the one with less equity and part-time involvement seemed to answer all of the questions rather than the official CEO. VC 3 shared a similar experience:

“Yeah, we had a company where we ended up changing the CEO. The founder had been the CEO before, but it wasn’t working – the company wasn’t growing. He was more of a technical, product-vision type, but he couldn’t sell. So we brought in a CEO with a sales background, but the founder stayed in the company. And we saw that he was still influencing employees through informal channels, trying to run things even though he wasn’t officially the CEO anymore. That led to a lot of tension and conflict. What’s worked best for us is when the founder moves to the board – staying involved, but out of daily operations. Otherwise, employees often keep going to the founder out of habit, and that just creates confusion.”

**Vision and Value Alignment.** Besides role clarity, alignment on the goals and values of the company emerged as one of the most common (n = 6, 66%) sub-themes. VC 2 stated:

“They need to have a clear vision and be fully aligned on their goals. That’s absolutely key. If one co-founder is pushing one agenda and the other is pushing something else, it’s never going to work. The most important thing is that the vision is shared across the whole team – that everyone knows why they’re there, why they get up in the morning, and why they’re doing the work.”

The importance of goal alignment seems central to how many VCs conduct their human due diligence, especially since it appears to be relatively easier to analyze. VC 8 gave an example of how such alignment can be assessed:

“That’s something I often ask the team directly: ‘How do you describe the company? Where are you going? What’s the vision? What are your goals – both company and personal?’ If the vision is unclear and I get five different answers from five people, I’m out.”

### 7.3.2. Psychological Safety

**Psychological Safety.** Researchers suggest that psychological safety is especially important for start-up teams, as they function in rapidly evolving industries and require constant innovation (Bradley et al., 2013; Klotz et al., 2014; Vihervuori, 2017). Accordingly, psychological safety appeared repeatedly during the interview analysis. Some participant referred directly to the concept such as VC 8:

“It’s very much about psychological safety – meaning the team is open with each other. They’re able to engage in conflict, to argue, and they’re not afraid to speak up or share their opinions. Of course, there’s a constructive way to argue, but the key is that everyone feels heard. There’s no one founder dominating the others or shutting down different views.”

Others discussed certain characteristics related to a psychologically safe team climate. VC 1 for example stressed creating an environment where people can fail and VC 5 mentioned a “failing-forward” culture. Additionally, VC 2 and many others described the best team as those where differing viewpoints and opinions are encouraged: “That there’s an open culture where everyone can speak their mind. No one feels oppressed or anything like that”.

**Trust.** Trust was often mentioned together with or as a part of psychological safety, but a few participants differentiated between them. VC 2 said: “It’s absolutely crucial that the leadership can communicate effectively – and that they’re trusted by the employees.” This indicates the subtle distinction in line with the theoretical view (Newman et al., 2017), where psychological safety is a collective feeling and or a belief within the team, trust is more interpersonal in nature. Both concepts frequently appeared in interview segments that will be further examined in the "productive conflict" and "open communication" subchapters of the team processes section, highlighting their close interconnection.

### 7.3.3. Team Cohesion

**Good Relationships.** The investors generally agreed that a start-up team needs to work on the personal level as well as on the professional level. VC 3 stated:

“Start-ups that get the social side right – where people feel good and the culture works – tend to be much more resilient and innovative than those focused purely on performance, but where the team climate is poor.”

While VC 10 specifically warned against teams of friends, as they face a greater chance of misalignment and resulting conflict, better relationships in the team were generally seen as positive. VC 6 briefly discussed romantic relationships in a team. While Diakanastasi et al. (2018) found them to be potentially harmful, VC 6 shared his personal experience with a successful founder couple:

“We had a founder couple that we funded and we talked about it with them. I said ‘Well, you have been together for 12 years, so how are you thinking about this?’. And you try

to see if they are thinking about the implications of that in a healthy way, or if they even thought about them in the first place. Or if it is a taboo topic for them that they don't want to address. And in this case I thought and think to this day that it is their superpower. That they just know each other so well, understand each other so well [that it helps their start-up].”

**Interdependence.** A particularly valued subset of the functional social aspect and team cohesion was the psychological interdependence among the founders – the ability to rely on each other. VC 3 mentioned this as an extremely important factor: “We need to see that they actually support each other, that they have that sparring partner, someone who’s there for them when they’re not doing great, or who can just offer a second opinion on things.” And VC 4 explained how that can work in practice:

“Everybody sometimes has ups and downs – it can be work related, it can be related to other things. And when there are like two or three founders, it's actually good that not only can they leverage their skills and experience, but like when this one's dealing with some stuff, the others will naturally help him out.”

Team cohesion is defined in various ways. While some, like Diakanastasi et al. (2018), take a broad view including structural and motivational factors, the traditional model focuses on interpersonal attraction, task commitment, and group pride (Beal et al., 2003). The sub-themes identified here don't align exactly with these categories but reflect a practice-driven understanding of cohesion in start-ups, emphasizing functional social dynamics. While related to Trust, this theme captures a broader quality of team bonds and mutual support.

#### **7.3.4. Team Passion**

A motivational aspect of entrepreneurship appeared explicitly in most (n = 6, 66%) interviews, both in relation to the individual and the team level. Indeed, the analysis hints at a strong link between the individual and group motivation, passion, and commitment, supporting both the theory of bottom-up emergence through the combination of individual motivations, emotional contagion and identity convergence, as well as top-down processes which establish the motivational climate, influence individuals and even team composition through membership changes (in line with Cardon et al., 2015).

Cardon et al. (2015) describe “team passion” as made up of two key dimensions: intensity of emotion and identity centrality. While the identified sub-themes don't reflect these theoretical categories perfectly, there are many parallels.

**Drive and Ambition.** Multiple participants mentioned “drive” and “ambition” as lasting motivational states or characteristics that push entrepreneurs to set difficult goals and accomplish them. This is associated with a certain intensity, sometimes bordering on obsession (as described in earlier chapters). For example, VC 1 stated:

“I think it’s about the intensity you see across all the founders. You can literally see them thinking, their eyes burning with that drive – like they constantly want to take the next step, push things forward. They’re in it for the long run. It’s not about short-term wins for them – they want to be the best in the long term.”

**Intrinsic Motivation and Higher Purpose.** But pure motivation is generally not seen as enough. As VC 6 put it “[the ambition needs to] stem from something pure. For me, the motivation ‘to build a global company’ is not enough.” Similarly, VC 3 stated:

“It's really about their inner motivation. Why did they even start the company in the first place? ... [Teams that are] driven by a desire to make the world a better place in our experience tend to be more resilient and more committed to seeing it through. But if someone’s mainly motivated by money, the biggest risk is that when things get tough, they’ll just say, ‘Okay, never mind,’ and move on to the next project.”

This higher purpose and intrinsic motivation seem to be related both to intensity and a purposeful identity shared by the team members, suggesting a strong conceptual – although more practice-oriented – fit with team passion as described by Cardon et al. (2015).

**Ownership.** The identity centrality facet was implied when the interviewees mentioned a sense of ownership throughout the team. VC 1 described how such ownership can be formalized through titles such as “founding engineer” and how people with this reinforces a sense of ownership can “push the company forward in a big way”. And VC 3 gave an example of problematic dynamics that can stem from a lack of ownership:

“It happens in companies where employees don’t really take personal responsibility for things – they don’t have that sense of ownership. They just wait for tasks to be assigned

and don't go beyond that. They might see something's not working and talk about it over coffee in the kitchenette, but no one says, 'Alright, I'll be the one to fix it.'"

### **7.3.5. Action Orientation**

While much of the existing research on start-up team dynamics is concerned with characteristics that influence the internal team behavior, cognitions and emotions, the VC interviewees stressed the ability to translate these internal dynamics into external results. Accordingly, they recognized the teams that favor execution to be more successful. VC 2 stated:

“What's important is that the team is able to make decisions and act. There's a great example in Elon Musk's biography – he never spent too much time floating above the options, comparing A and B endlessly. He'd rather listen, make a quick decision, and hope it was the right one. And if it turned out it wasn't, he'd admit it and quickly change direction. That kind of decisiveness is sometimes missing in teams that tend to overanalyze everything – and it ends up paralyzing them. They just can't move forward.”

The phenomena grouped under the action orientation are not generally referred to in the existing literature as emergent states – or at all – but offer a valuable practical view. They can be understood as second level emergent states, as is the case with the resilience subtheme (Bowers et al., 2017), or as components of the emerging company culture.

**Quick Delivery Mindset.** The interviewed investors value a certain “solution orientation” or “a drive to get an actual solution out, deliver quickly”. The “better done than perfect” approach was mentioned multiple times. For example, VC 7 said:

“I'm looking for people with forward energy – people who get that it's not always about perfection. Better done than perfect, but actually done. The ability to finish things is key for me. Consistency and follow-through are critical skills. ... Many can talk, but they don't deliver. A founder has to be strong on delivery. They actually get things done. If they don't know how, they learn. Or they quickly find someone who can do it with them.”

**Contributor-Style Leadership.** This was also reflected in the preference for founders who are not “a managerial type” but instead “actually do the work”. VC 7 explained this:

“[When founders don't contribute themselves] first of all, the company won't really be able to move forward. Traction is the only thing that matters – that's it. And secondly, they'll never have legitimacy in front of their colleagues if they will be 'just managers'.”

**Problem-solving and Resilience.** Furthermore, the overall action orientation of a team is also associated with a propensity for solving problems, as according to VC 5 “a successful business is basically a series of solved problems – a constant stream of new challenges you have to deal with one by one.” This is related both to a certain level of psychological resilience – VC 1 and VC 2 both mention “not freaking out” or more accurately translated as “not losing one's shit” – but also the ability to deal with the problems themselves and iterate on solutions. VC 7 stated:

“If option A doesn't work, they'll die trying B, C, D, E, F, G – until they find a way. That kind of stubbornness, that relentless drive, is more important than just being smart or just being strong on product execution.”

And VC 5 explained the assessment process:

“So we look at their ability to solve problems. When we identify challenges they'll likely face in the coming months, we ask: what's your plan? And again, I'm not looking for perfect answers to every question. I like it when they have a good overview, but that's not the point. What I'm looking for is the problem-solving mindset.”

#### **7.4. Team processes**

Besides the underlying affective and cognitive emergent states, the participants often pointed out certain behaviors and team member interactions, which they perceived to be typical among successful start-up teams. For the purposes of this thesis, the observed phenomena were grouped under the emergent states and team process categories – in practice, however, this distinction is much less clear. There is a noteworthy overlap between some team processes and emergent states – Open Communication was often mentioned in tandem with Psychological Safety – or individual traits – the learning team processes were often related to the individual's Adaptability and the Coachability dimension was usually seen as necessary on both the individual and the group level.

Moreover, participants often provided behavioral examples of what the literature would understand as team processes to illustrate a deeper team dynamic and sometimes the phenomena lay at the intersection of emergent states and processes. While Action Orientation is deeply

linked to “action processes” as described by Marks et al. (2001), investors tended to interpret it more as a cultural dimension – a manifestation of a performance-driven team climate rather than a process per se. Similarly, while VC 6 described Radical Candor as a cultural principle that one team consciously aimed to embed, it was still primarily expressed through actual behavioral signals.

This highlights that, in practice, theoretical constructs rarely have exclusive definitions and are often deeply interconnected. It also underscores some limitations inherent in understanding team dynamics solely through the lens of investors. As VC 5 noted, VCs generally cannot “take [the founders] to a cabin for a week and play team-building games – that’s just not realistic.” Instead, they observe only a limited cross-section of team interactions and must, as VC 6 put it, heuristically “extrapolate” these observations to infer underlying dynamics. The following section therefore seeks to outline the types of behavioral signals that, from the VC perspective, are salient indicators of success in start-up teams.

#### **7.4.1. Open Communication**

Communication was central to many participants and was mentioned regularly in relation to a large array of other phenomena from individual level soft-skill to conflict styles in the team. A particularly valued aspect of communication was honesty and clarity of information. Multiple investors referred to such communication as “radical candor”, likely based on the eponymous book by Scott (2017). VC 1 for example stated:

“There is this concept of radical candor, an ability to give really good feedback. When the founder and management can do that well, it happens throughout the company and the employees know they are in a brutally transparent environment, where everyone respects everyone, which allows you to go into conflict that is not toxic.”

**Open Communication.** Honest communication was seen as especially helpful when addressing problems in the team as explained by VC 2:

“At the beginning, people run on the initial start-up euphoria, like, ‘We’re building something great!’ But eventually, the skeletons in the closet will show up. And if you’re not proactive about digging them out and addressing them, it’ll blow up at some point.”

**Feedback Loops.** VC 3 specifically suggested that the “flow of information” and “feedback loops” could even be formalized:

“... like doing employee NPS surveys once a quarter, or even monthly; running 360° feedback; doing employee interviews. And making sure there’s openness – that people can just come and talk anytime. That’s easy to do in small companies, but a lot of founders struggle to scale it as the company grows. Once you hit 50 or 100 employees, it’s a totally different animal, and it needs a bit more structure.”

#### **7.4.2. Productive Conflict**

During the interviews, team conflict was usually described as inevitable and even necessary in start-ups. VC 4 stated: “The kind of flat agreement where everything’s sunshine and roses – that’s useless. That won’t get you anywhere.”

**Strong Opinions.** Both VC 1 and VC 4 attributed a certain proportion of ensuing team conflict to the strong opinions that many start-up founders have and recognized them as helpful. VC 1 said: “I think the most committed people usually have the strongest opinions – and they’re willing to go to extremes to defend what they believe in.”

**Task-related Conflict.** The participant, however, suggested that the context and content of the conflict situation (as well as how it is handled) are key. As VC 4 put it: “People in the team need to be able to argue. It’s totally fine if they have strong opinions and push for them like bulldogs. What matters is how they react when challenged.” VC 4 put emphasis on the ability to take a step back and acknowledge the opinions of others – although without necessarily accepting their points – and VC 2 suggested that “the worst are the interpersonal conflicts”. VC 1 explained how he perceives productive conflict:

“A lot of founders have big egos – they want to be right. And a lot of really good people have strong opinions. But in the end, it’s about what matters most: what’s ultimately true for the company, what’s best for the company. So you need some kind of framework that allows these kinds of people to work together. You’re basically searching for the truth. And what you want is for everyone to feel that if they have an idea, they can argue for it – and argue for it in a way that it could actually be accepted.”

This framing of productive conflict as being cognitive-based and task-related – while avoiding an emotional or interpersonal dimension – is in line with the existing literature (Ensley & Pearce, 2001; Kozusznik et al., 2020). Still, as Kozusznik et al. (2020) point out, cognitive and affective conflict often co-occur. According to VC 5, it is better for start-ups to prepare for that possibility by not only strengthening its team-dynamic, but also putting in place formal policies,

such as “a proper leaving policy ... so the start-up doesn’t get hurt and the person who leaves is fairly compensated.”

### **7.4.3. Learning**

A focus on constant learning, openness to the opinion of others and ability to adapt already resonated strongly throughout the individual trait section. While the boundary between individual traits and team dynamics was often blurred, multiple investors also mentioned a team-wide or company-wide focus on learning and innovation processes. In fact, Learning, alongside Productive Conflict, was the most widely recognized (n = 6, 66 %) as an important team process.

**Reflectiveness and Coachability.** Above all else, a certain ability to learn and reflect, particularly on the ideas of others, was seen as critical. VC 8 stated:

“This really shows for me – both on the individual and team level – as clarity of thought and reflectiveness. If I get the sense that even one person on the team isn’t reflective, isn’t learning or taking the time to step back and think, then I’m out. That’s a dealbreaker for me.”

This was often described in relation to the concept of “coachability”. VC 5 for example stated:

“It’s important to me that they’re able to work with feedback – that when I tell them something, they actually listen and reflect on it. Not that they blindly follow it, but that they take it in and respond to it. I always give a disclaimer before any feedback: this is just one point of view. It’s their job to synthesize it and come up with their own path forward.”

This notion that feedback must be taken and synthesized, but not necessarily “blindly followed” appeared in multiple interviews. VC 3 mentioned “applying critical thinking, but not being overly defensive”, and VC 4 and VC 7 stressed the critical discussion following receiving feedback.

**Constant Innovation & Flexibility.** Critically, this learning behavior has to transform into actual innovative behavior. VC 2 explained what they look for in start-ups:

“For me, another really important thing is that they’re not just stuck in the past – but that they have this ... drive for innovation, listening to others, and bringing in fresh perspectives or out-of-the-box thinking. That’s something we find really important. So

we usually look at how much they're just selling us their past versus how well they can adapt, innovate, and approach things with that open mindset.”

Innovation and flexibility were seen as a key distinction between the corporate and start-up ecosystem. VC 4 shared that start-up attract “people who are bothered by the status quo, who want to break things and move them forward” and VC 3 described a situation where this adaptability is missing:

“It ends up feeling like corporate culture inside a start-up – and that just doesn't work. What's missing then is positive motivation and that shared drive to actually change things together. You lose the innovation, the flexibility, the speed.”

#### **7.4.4. Effective Shared Leadership**

While no single leadership or management style emerged as universally favored by investors – VC 1, for example, noted that “every founder has their own management style and we don't really try to say which one is better or worse” – the concept of shared leadership resonated with a substantial portion of participants (n = 4, 44%).

**Shared Decision Making.** VC 8 suggested that shared decision-making is contingent upon the presence of trust and role clarity, describing later in the interview how this informs their evaluation of founding teams:

“So when there's a team and I have the feeling that there is one ‘sun,’ one ‘god’ in the founding team, and everything circles around him – typically him, it's seldom a her – and everything reverts back to his opinion, and you can feel that the hierarchy is like one person is up here and the rest of the founding team is clearly below, that's a major red flag. Major red flag. Would not do it.”

VC 3 offered a concrete example of how shared decision-making can function in practice:

“Well, what usually seems to work is when that small group – like two, three people, sometimes four – you know, that C-level management team, really works together closely. And yeah, they have at least some kind of regular sync, at least once a week, but usually more often. And they make all the big decisions together.”

**Conditional Hierarchy.** However, participants also recognized that leadership and decision-making processes cannot always be entirely egalitarian. VC 3 clarified the CEO's role in balancing collective input:

“Of course, there’s the CEO, who steps in when a decision has to be made, but it’s not that kind of authoritarian approach. They just bring together all the information they have, and then try to make the decision collectively.”

Finally, VC 5 emphasized that the effectiveness of flat hierarchies is highly contextual, and that certain industries or business models may require more structured authority:

“Some verticals are probably better off being run more like a military command ... take [an online grocery delivery platform] for example – imagine if the culture there was completely flat as is the one we have, and the guys delivering vegetables started giving input on your high-level expansion strategy.”

## 8. Discussion

This study aimed to complement existing research on start-up team dynamics by providing a practice-oriented perspective based on qualitative interviews with ten experienced venture capital investors. Through thematic analysis, a total of nine themes related to Research Question 1 (*What team dynamics do VCs identify as critical for successful start-up teams?*) and five themes related to Research Question 2 (*Which individual founder traits do VCs perceive as enablers of effective team dynamics and overall start-up performance?*) were uncovered.

The analysis was structured according to the Input-Mediator-Output (I-M-O) model proposed by Klotz et al. (2014) in the context of new venture teams. Although the coding process was informed by this framework, the emerging themes demonstrated strong natural alignment with the model's core constructs, suggesting its practical relevance. While the primary focus of this study was on mediators, the findings also highlighted the interconnectedness of inputs and mediators and their joint influence on organizational outcomes. Moreover, although Klotz et al. (2014) do not explicitly incorporate contextual factors into their model, this study identified several contextual variables that appear to moderate team dynamics and success. For brevity, these factors were not discussed in detail in the Results section but are summarized in Figure 2 and elaborated in Appendix 2 and 3.

Gompers et al. (2020) found that 47% of venture capital investors consider the founding team the most important factor when evaluating investment opportunities. In this study, that number was 100% – all participants stated during the opening section of the interview that, in their experience, the team is the most critical element in the investment decision. VC 4 and VC 7 estimated specific weightings, such as 60% or 80%, while others described their approach more qualitatively. For example, VC 1 explained their pipeline was “entirely built on talented people”, while VC 8 noted they “would take discounts on the market potential or product, but never the team”. VC 7 stated explicitly that “the team is the reason to make the investment – and when the team is not impressive, we don't even evaluate other factors.”

Although this strongly shared sentiment could be interpreted as a sign of sampling bias or skewed data, it is not problematic for the purpose of this research. The thesis does not aim to explain how VCs make decisions, but rather to explore their experiences and observations related to the psychological and social dynamics within start-up teams. In that context, the overrepresentation of participants who are particularly interested in the psychological dimension of start-up teams is likely to yield richer insights. Indeed, several participants

demonstrated deep familiarity with psychological concepts – most notably psychological safety – and explicitly expressed personal interest in psychology and organizational behavior.

The emergent states identified – Team Cognition, Psychological Safety, Team Cohesion, Team Passion, and Action Orientation – largely reflected existing literature. Psychological Safety, in particular, was described by participants in ways that closely mirrored academic definitions and was deeply interconnected with key team processes such as Open Communication, Productive Conflict, and Effective Shared Leadership. This finding supports prior work emphasizing the centrality of psychological safety to team effectiveness (Bradley et al., 2012; Passi & Riggio, 2024).

Team Cognition was less comprehensively represented than in de Mol et al. (2015), yet investors consistently valued it in relation to Role Clarity and Vision/Value Alignment, suggesting a more pragmatic focus on operational coherence. Similarly, while Team Cohesion (Beal et al., 2003) and Team Passion (Cardon et al., 2015) did not map precisely onto their theoretical definitions, they nonetheless emerged as salient features of successful teams, offering a practice-informed perspective that may enrich existing models. Notably, Action Orientation emerged as a distinct and highly valued theme not extensively discussed in the reviewed literature. For investors, behaviors and cultural norms that lead to faster execution and tangible results were viewed as critical. Thus, Action Orientation appears to represent a relevant construct warranting further academic investigation.

Four primary team process themes were identified: Open Communication, Productive Conflict, Learning, and Effective Shared Leadership. The emphasis on transparent information flow and radical honesty aligned closely with previous research (e.g. Diakanastasi, 2018; Lederman, 2019), as did the positive framing of high task conflict and low relationship conflict as beneficial for team performance (Kozusznik et al., 2020). Learning behaviors captured the innovative tendencies commonly associated with start-ups by definition and highlighted the role of coachability, a concept frequently referenced in venture investment contexts (e.g. Hennessy, 2023). Finally, while prior research has linked shared leadership to start-up success (Ensley et al., 2006; Vihervuori, 2017), this study nuanced that relationship by suggesting that it is conditional, and that shared decision-making must be balanced with strong CEO leadership – a view in line with how Matz (2020) describes start-up leadership.

The identified input factors – Relevant Human Capital, Personality and Soft Skills, Talent and Intelligence, Unconventional Traits, and Team Composition – also showed strong alignment

with existing research. Relevant Human Capital closely corresponded to the categories of Prior Experience and Social Capital proposed in the model by Klotz et al. (2014), while the other dimensions mapped onto personality traits and general mental ability, two factors that Klotz et al. (2014) highlighted as promising areas for future research. Notably, several participants grouped aspects of Relevant Human Capital under the concept of "founder-problem fit." Although this term may be too broad and operationally vague for academic use, it appears to be a commonly used heuristic within the venture capital industry, suggesting that further scholarly exploration of this construct could be valuable.

At a more detailed sub-theme level, the findings of this study also show strong parallels to those of Hennessy (2023), particularly in relation to his Soft Skills dimension, the Persuasive and Persistent Personality sub-dimension, and several other overlapping traits. Despite Hennessy's sample being drawn from US-based investors, the similarities between his findings and those of this study suggest that certain core characteristics of successful entrepreneurs may be somewhat culturally universal.

A particularly noteworthy contribution of this study lies in the identification and prevalence of Unconventional Traits. While attributes such as neurodivergence (Moore et al., 2021) or narcissism (Diu et al., 2021) have been individually studied in entrepreneurship, the present findings highlight that such traits often appear in complex patterns – exhibiting both potentially advantageous and problematic aspects, especially within the team environment. This view suggests that further research is needed to better understand how non-normative personality configurations influence not only individual entrepreneurial success but also collective team dynamics.

This study highlights several aspects of current good practice in evaluating and supporting start-up teams. It identifies observable behaviors – such as open communication, shared decision-making, and action orientation – as critical signals that venture capitalists use to assess team quality during the investment process. By focusing on these visible dynamics rather than abstract founder characteristics, investors can make more grounded evaluations and improve early identification of strong teams. The findings also show that investors must often heuristically infer deeper qualities – such as psychological safety and cohesion – from limited behavioral cues, which creates a risk of misinterpretation and underscores the importance of sharpening behavioral observation and due diligence practices. Furthermore, the identification of unconventional founder traits – such as obsessive motivation, neurodivergence, and certain

conflict styles – illustrates how characteristics that can drive high performance may also destabilize teams if unmanaged. For both investors and founders, this points to the practical need to recognize such traits early and to actively build structures that channel them productively while minimizing relational risks as the company scales.

### **8.1. Limitations and Strengths**

This study has several limitations. The sample consisted of a small number of venture capital investors, concentrated in Central Europe, which may limit the generalizability of the findings. Human assessment in venture capital is also prone to substantial inaccuracies (Smart, 1999) and cognitive biases (Blacksmith et al., 2024). Some participants acknowledged biases, particularly similarity bias. There is also a risk of halo effects, where preconceived notions of what a successful team looks like shape retrospective evaluations. Given the limited time and insight VCs have into team functioning, such assessments are necessarily heuristic and incomplete.

"Success" was not objectively defined, relying on investor perceptions rather than standardized performance metrics, which limits causal interpretation. Investors also recognized that even strong teams may fail due to contextual factors such as industry conditions, market timing, or pure chance.

A key strength of this study is the combination of an inductive research design with a clear theoretical backbone. While the interviews were open and exploratory, the findings were structured through the lens of the I-M-O model, allowing for both discovery and theoretical integration. This helped narrow down a nascent yet fragmented research area by focusing on dynamics that are both frequently observed and practically *assessable* – addressing a common gap in the literature. My background in both psychology and venture capital supported a context-aware interpretation of the data and informed the design of the interview protocol as well as the coding process.

### **8.2. Direction for Future Research**

Future research should adopt quantitative and longitudinal designs to capture how individual inputs shape team dynamics and how these dynamics evolve into collective culture over time. Start-ups are not static, and mapping these processes is crucial for understanding long-term success.

Developing validated tools to assess key behaviors, combined with contingency models to account for industry and stage differences (Klotz et al., 2014), could further strengthen

evaluation practices. Finally, integrating founder perspectives alongside investor views would offer a more complete understanding of team development and performance.

## 9. Conclusion

This thesis examined how venture capital investors perceive the team dynamics that influence start-up success (RQ1) and which founder traits they see as enabling these dynamics (RQ2). Through inductive thematic analysis of interviews with ten experienced investors, the study explored how individual inputs and team-level phenomena interact in early-stage ventures.

The findings show that investors consistently emphasize a small number of critical team dynamics, grouped into emergent states and team processes. Emergent states include psychological safety, shared cognition (particularly role clarity and alignment on vision), team cohesion, entrepreneurial passion and action orientation. Key team processes such as open communication, productive task conflict, continuous learning, and balanced shared leadership were also identified. These dynamics were described largely through observable behaviors rather than abstract constructs, suggesting that the Input–Mediator–Output (I-M-O) model has strong practical relevance. Individual founder traits – such as deep sector knowledge, communication skills, cognitive ability, and in some cases, atypical personality patterns – were discussed in close connection to these team-level phenomena.

By integrating these insights with existing research, the thesis contributes to narrowing the gap between organizational psychology and venture capital practice. It highlights the potential for more structured and behaviorally informed approaches to assessing founding teams. The study's limitations include its small, region-specific sample and reliance on retrospective investor perspectives. Nevertheless, the findings offer a foundation for further research and practical application. Future studies could use longitudinal, contextual and multi-source designs to better understand how early team dynamics influence start-up outcomes over time.

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## **List of Appendices**

- Appendix 1: The interview protocol
- Appendix 2: The I-M-O model populated with themes and sub-themes identified in the data analysis
- Appendix 3: Matrix representing the relative salience of themes and sub-themes

# Appendices

## Appendix 1

### a. Background Context

- a. Briefing, consent.
- b. “Can you start by telling me about your experience with investing in start-ups? How long have you been in venture capital, and what kinds of companies do you primarily invest in?”
- c. “In your experience, how important is the composition and dynamics of a start-up team compared to other factors, like product or market potential?”

### b. Positive Dynamics:

- a. “From your perspective, what team characteristics or dynamics have you observed most consistently among successful start-ups?”
  - i. “What specific signals or behaviors do you look for when assessing a start-up team’s dynamics? For example, are there particular cues in meetings or pitch interactions that tell you a lot about the team’s strengths or weaknesses?”
- b. “Are there any further dynamics which maybe aren’t as universal, but were prominent in some specific case and had a large positive impact in that context?”
  - i. Probes: “How can I imagine that?”, “Could you give a specific example of how these dynamics showed up in a successful start-up?” or “How do these dynamics contribute to a team’s ability to succeed?”

### c. Detrimental Dynamics:

- a. “On the flip side, what kinds of team dynamics or behaviors have you found to be common among start-ups that don’t succeed?”
- b. “Can you think of a start-up where problems in the team started emerging later after the investment? What were they and how did the team solve these problems?”
  - i. Probes: “Can you think of an example where a particular team dynamic led to challenges or even failure?”

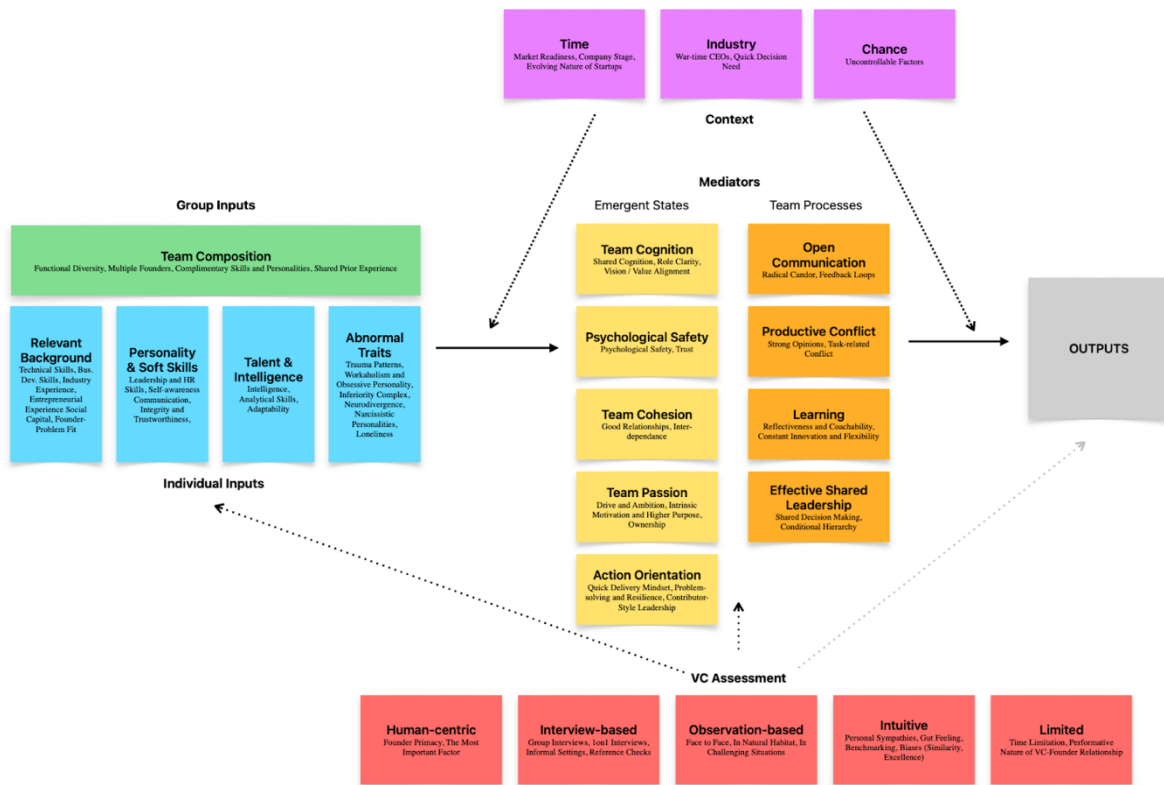
### d. Assessment:

- a. “How do you evaluate if a team has these characteristics?”
  - i. Probes: “Why are these dynamics particularly important?” or “Are there certain dynamics you prioritize differently depending on the stage or type of start-up?”
- b. “Are there any instances where your impression of the team dynamics changed significantly / you initially misjudged them?”
- c. “In what ways do you think your personal experiences and background influence your judgment of start-up team dynamics?”

### e. De-brief:

- a. “Is there anything else you’d like to add about the role of team dynamics in start-up success?”

# Appendix 2



### Appendix 3

Theme	Subtheme	VC 1	VC 2	VC 3	VC 4	VC 5	VC 6	VC 7	VC 8	VC 10
Team Cognition	Shared Cognition	✓	✓	✗	✓	✗	✓	✗	✓	✓
	Role Clarity	✗	✓	✓	✗	✓	✗	✗	✓	✗
	Vision / Value Alignment	✓	✓	✓	✗	✓	✗	✗	✓	✓
Psychological Safety	Psychological Safety	✓	✓	✓	✗	✓	✗	✗	✓	✗
	Trust	✗	✓	✗	✗	✗	✓	✗	✓	✗
Team Cohesion	Good Relationships	✓	✓	✗	✗	✗	✓	✓	✗	✗
	Interdependence	✗	✗	✓	✓	✗	✓	✗	✗	✓
Team Passion	Drive and Ambition	✓	✗	✗	✓	✗	✓	✓	✓	✗
	Intrinsic Motivation and Higher Purpose	✓	✗	✓	✓	✗	✓	✗	✗	✗
	Ownership	✓	✗	✓	✓	✗	✓	✗	✗	✗
Action Orientation	Quick Delivery Mindset	✓	✓	✗	✓	✗	✗	✓	✓	✗
	Problem-solving and Resilience	✓	✗	✗	✓	✓	✓	✓	✗	✗
	Contributor-Style Leadership	✓	✗	✗	✓	✗	✗	✓	✗	✗
Open Communication	Radical Candor	✓	✓	✓	✗	✗	✗	✗	✓	✗
	Feedback Loops	✓	✗	✓	✗	✗	✗	✗	✗	✗
Productive Conflict	Strong Opinions	✓	✗	✗	✓	✗	✗	✗	✗	✗
	Task-related Conflict	✓	✓	✗	✓	✓	✗	✓	✓	✗
Learning	Reflectiveness and Coachability	✗	✓	✗	✓	✓	✗	✓	✓	✗
	Constant Innovation and Flexibility	✗	✓	✓	✓	✗	✗	✗	✓	✗
Effective Shared Leadership	Shared Decision Making	✗	✓	✓	✗	✓	✗	✗	✓	✗
	Conditional Hierarchy	✓	✓	✓	✗	✓	✗	✗	✗	✗
Team Composition	Functional Diversity	✗	✗	✗	✗	✗	✗	✓	✓	✗
	Multiple Founders	✗	✗	✓	✗	✗	✗	✓	✗	✗
	Complimentary Skills and Personalities	✗	✓	✓	✓	✗	✗	✗	✓	✗
	Shared Prior Experience	✗	✗	✗	✓	✗	✓	✗	✗	✗

<b>Relevant Human Capital</b>	Technical Skills	✓	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘
	Business Development Skills	⊘	✓	⊘	⊘	✓	⊘	✓	⊘	⊘
	Industry Experience	⊘	✓	⊘	⊘	✓	✓	✓	⊘	⊘
	Social Capital	✓	✓	⊘	⊘	⊘	⊘	⊘	⊘	⊘
	Founder-Problem Fit	⊘	⊘	⊘	⊘	✓	✓	⊘	⊘	⊘
<b>Personality &amp; Soft Skills</b>	Leadership and HR Skills	⊘	✓	⊘	✓	✓	⊘	✓	⊘	⊘
	Self-awareness	⊘	✓	✓	⊘	⊘	⊘	✓	⊘	✓
	Communication	⊘	✓	⊘	✓	✓	✓	✓	⊘	⊘
	Integrity and Trustworthiness	✓	✓	✓	⊘	✓	✓	⊘	⊘	⊘
<b>Talent &amp; Intelligence</b>	Intelligence	✓	⊘	⊘	✓	⊘	✓	✓	⊘	⊘
	Analytical Skills	⊘	✓	⊘	⊘	✓	✓	⊘	⊘	⊘
	Adaptability	✓	⊘	⊘	⊘	⊘	✓	✓	⊘	⊘
<b>Unconventional Personality Traits</b>	Trauma Patterns	⊘	⊘	⊘	⊘	⊘	✓	⊘	⊘	⊘
	Obsessive Motivation and Workaholism	✓	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘
	Inferiority Complex	✓	⊘	⊘	⊘	⊘	✓	⊘	⊘	⊘
	Neurodivergence	⊘	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘
	Narcissistic Personalities	✓	⊘	⊘	✓	✓	⊘	⊘	⊘	⊘
	Loneliness	⊘	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘
<b>Human-centric</b>	Founder Primacy	✓	⊘	⊘	⊘	✓	⊘	⊘	⊘	⊘
	The Most Important Factor	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Interview-based</b>	Group Interviews	⊘	✓	⊘	✓	⊘	✓	✓	⊘	⊘
	1on1 Interviews	✓	✓	✓	✓	⊘	✓	✓	⊘	⊘
	Informal Settings	✓	⊘	⊘	⊘	⊘	⊘	✓	⊘	⊘
	Reference Checks	⊘	✓	⊘	⊘	✓	✓	⊘	⊘	⊘
<b>Observation-based</b>	Face to Face	⊘	⊘	✓	✓	⊘	⊘	⊘	⊘	⊘
	In Natural Habitat	✓	⊘	✓	✓	⊘	⊘	✓	⊘	⊘
	In Challenging Situations	⊘	✓	✓	⊘	✓	✓	⊘	⊘	⊘
<b>Intuitive</b>	Personal Sympathies	✓	⊘	⊘	⊘	⊘	⊘	✓	⊘	⊘
	Gut Feeling	⊘	⊘	✓	✓	⊘	✓	⊘	⊘	⊘

	Biases	✓	⊘	⊘	⊘	✓	⊘	✓	⊘	⊘
Limited	Time Limitation	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘	⊘
	Performative Nature of VC-Founder Relationship	⊘	⊘	⊘	⊘	⊘	✓	✓	⊘	⊘
Time	Market Readiness	⊘	⊘	⊘	✓	⊘	⊘	⊘	⊘	⊘
	Company Stage	⊘	✓	⊘	⊘	⊘	⊘	✓	⊘	⊘
	Evolving Nature of start-ups	✓	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘
Industry	War-time CEOs	✓	⊘	✓	⊘	⊘	⊘	⊘	⊘	⊘
	Quick Decision Need	✓	✓	✓	⊘	✓	⊘	⊘	⊘	⊘
Chance	Uncontrollable Factors	⊘	⊘	⊘	✓	⊘	⊘	✓	⊘	⊘