

Study examines 'joiners' who help make startups successful

June 11 2015



Henry Sauermann is an associate professor in the Scheller College of Business at the Georgia Institute of Technology. Credit: Gary Meek

A growing interest in the startup culture has focused attention on company founders who often take great risks to launch new ventures. But what about the people who join these founders to help them develop and commercialize innovative new products and services?

A research highlight published this week in the journal *Science* reports on research analyzing these 'joiners,' and finds that while they resemble founders in their willingness to take risks and their desire for the freedom of a startup, there are important differences. For instance, joiners are less interested in management and more interested in functional roles such as research and development, making them more like the people who go to work for established companies.

'Sometimes you can have a single founder who handles the full range of activities for a startup, but especially in technology you need additional people to research and develop the products,' said Henry Sauermann, an associate professor in the Scheller College of Business at the Georgia Institute of Technology. 'There are many people who are interested in working for startups but who don't want to be founders.'

Sauermann and co-author Michael Roach, an assistant professor in the Dyson School of Applied Economics and Management at Cornell University, found the differences while examining the entrepreneurial interests of 4,200 Ph.D. candidates who were within two years of obtaining degrees in STEM fields. Nearly half (46 percent) of these scientists and engineers reported an interest in joining a startup as an employee, while slightly more than one in ten (11 percent) said they expected to found their own companies.

The researchers surveyed these Ph.D. candidates about personal characteristics such as acceptance of risk, desire for autonomy, interest in commercializing new technology and willingness to take on managerial tasks. They also asked about interests in entrepreneurship, in

roles as both startup founders and the joiners who support them. The study, which includes a more comprehensive companion article to be published in the journal *Management Science*, may be the first to consider founders and joiners as separate groups.

'A key insight from our research is that many of the characteristics that we often think of as unique to founders, such as a tolerance for risk and the desire to bring new ideas to life, also generalize to the broader entrepreneurial workforce, including people who want to work in startups but don't want to be founders themselves,' Roach said.

Understanding how the personal preferences of newly-minted Ph.D. scientists and engineers fits into their entrepreneurial interests may be important to helping them find the best application for their hard-won knowledge and skills. Increasingly, startups provide an attractive career path for Ph.D. graduates who may not find academic research attractive or may experience difficulty in finding positions in academia—but who still want to be involved in research and commercialization activities, Roach said. More emphasis may be needed on preparing STEM doctorates for these entrepreneurial employee career paths.

'Most university programs designed to foster entrepreneurship—such as courses, workshops and incubators—focus on training people to be a founder,' Roach noted. 'But founders make up a small share of the entrepreneurial workforce, and we do very little to train the larger share of people who will work in startups as employees rather than founders. For example, many programs focus on how to write business plans and secure funding, while less attention is paid to how to work effectively in a small startup team.'

The high degree of interest in entrepreneurship among science and engineering Ph.D. candidates surprised Sauermann, who expected that the soon-to-be-graduates might prefer a safer career path in established

companies.

'A surprising number of people from this group found entrepreneurship attractive,' he said. 'This may mean we don't have as much of a problem getting people interested in startups as is widely believed. It may be more a question of how the transition from the Ph.D. training to the startup world happens.'

The paper is based on a 2010 study of Ph.D. candidates about to graduate from 39 different U.S. tier one colleges and universities. In a follow up study, Roach and Sauermann surveyed the group to examine the career transitions they made into industry, startups and academia. Results are being analyzed, and the two researchers hope to follow this group to see how their careers develop.

The data may also help provide information on how context affects careers. For instance, exposure to an entrepreneurial environment appears likely to increase an individual's willingness to work in a [startup](#), but doesn't seem to boost their interest in being a founder.

'An interest in being a founder is more closely associated with individual traits and preferences that predispose them to entrepreneurship,' Roach said. 'At the same time, individuals who lack these traits are unlikely to become interested in being a founder even when exposed to entrepreneurial influences. One implication of this is that programs that hope to stimulate [entrepreneurship](#) may do more to increase the pool of entrepreneurial workers than to make people into founders.'

The study should be encouraging for those promoting the entrepreneurial career path, Sauermann said. 'Not everybody has to start their own company,' he added. 'You can also make a difference for the world by joining a founder.'

More information: Founders and joiners,
[www.sciencemag.org/lookup/doi/ ... 1126/science.aab2804](http://www.sciencemag.org/lookup/doi/10.1126/science.aab2804)

Provided by Georgia Institute of Technology

Citation: Study examines 'joiners' who help make startups successful (2015, June 11) retrieved
10 April 2024 from <https://phys.org/news/2015-06-joiners-startups-successful.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.