



University
of Victoria

Graduate Studies

Notice of the Final Oral Examination
for the Degree of Doctor of Philosophy

of

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MBA (Hong Kong Columbia, 2011)
BBA (Wuhan Polytechnic University, 1999)

“New Venture Delegation”

Peter B. Gustavson School of Business

Tuesday, July 31, 2018

9:00AM

Clearihue Building

Room B017

Supervisory Committee:

Dr. Graham Brown, School of Business, University of Victoria (Supervisor)

Dr. J. Brock Smith, School of Business, UVic (Member)

Dr. Roy Suddaby, School of Business, UVic (Member)

Dr. Robert Mitchell, School of Business, Colorado State University (Outside Member)

External Examiner:

Dr. Elizabeth Rouse, Questrom School of Business, Boston University

Chair of Oral Examination:

Dr. Mohsen Akbari, Department of Mechanical Engineering, UVic

Abstract

Many start-ups fail or never achieve their full potential due to founder's resistance to delegate. Yet our understanding of delegation in entrepreneurship is limited to research on later events in the organizational life cycle with a key focus on succession and exit. Moreover, the existing research focuses on single entrepreneurs; however, many new ventures are created by teams and decisions around delegation of authority are critical, even amongst the founding entrepreneurs within the venture team. Accordingly, the purpose of this dissertation research was to understand when and how delegation occurs in modern new ventures, and how it enhances or undermines new venture survival and growth, with a particular interest in exploring the role of psychological ownership in the process of delegation.

To understand the phenomenon of interest, I conducted a qualitative study, involving indepth interviews and non-participative observation, in five growing technology startups. In doing so, I utilized the existing literatures on new venture growth, founder delegation, psychological ownership/territoriality and management control systems that more or less address delegation in entrepreneurship. As well, I incorporated other literatures based upon the emerging findings, namely entrepreneurial leadership and agency/stewardship theory. To my knowledge, this work is one of the first of its kind to examine early delegation activities in new ventures. It has the potential to make a number of significant and multi-disciplinary contributions. First, it fills in the gap of knowledge in new venture growth literature, the school of dynamic growth models in particular, where empirical evidence that addresses people management challenges at critical transition points is rare and needed (Phelps et al., 2007), by elucidating the occurrence of new venture delegation. Second, it contributes to psychological ownership and territoriality research being among the first to empirically explore psychological ownership over dynamic objects like business ideas and new ventures, as well as the impact of psychological ownership and the territorial behavior associated with it on delegation in entrepreneurship. This study extends our understanding of psychological ownership and territoriality and facilitates future research on many important organizational phenomena related to psychological issues in entrepreneurial contexts. Third, it enriches founder delegation research by expanding its focus onto the critical delegation events before entrepreneurial succession/exit, since the experience that founders gain through early delegation activities significantly influences their departure decisions, which is recognized as the most critical event in most firms (Hofer & Charan, 1984; Carroll, 1984). In addition, I identify the application of the theories regarding management control systems and agency/stewardship theory in the process of delegation in entrepreneurship.